

**ANNUAL
REPORT
2016**



BANGLADESH COMMERCE BANK LIMITED



CONTENTS

Letter of Transmittal	03
Notice of the 19th AGM	04
Our Vision	06
Mission Statement	07
Business Priorities	08
Corporate Milestone	09
Corporate Directory	10
Composition of Board & It's Committees	12
Director's Profile	14
Chairman Message	18
Round up of Managing Director	19
Shareholder's Information	
5 Years Financial Highlights	22
Graphical Presentation	26
Credit Ratings of BCB	29
Report of the Board Audit Committee	30
Director's Report	32
Report on Corporate Governance	38
Corporate Social Responsibility (CSR)	46
Report of the CRO	47
Disclosure on Risk Based Capital Under Bael-III	49
CEO's & CFO's Declaration to the Board of Directors	67
Corporate Events of 2016	68
Financial Statements of BCB	
Auditors' Report	71
Consolidated Financial Statements	73
Bank's Financial Statements	78
Notes to the Financial Statements	85
Financial Statements of CBSIL	
Auditors' Report	118
Financial Statements	120
Notes to the Financial Statement	124
Branch Network	138

LETTER OF TRANSMITTAL

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

Dear Sir,

Annual Report of Bangladesh Commerce Bank Limited for the year ended 31st December, 2016.

On behalf of the Board of Directors of Bangladesh Commerce Bank Limited, it is our pleasure to transmit the Annual Report for the year ended on December 31, 2016 along with the Audited Financial Statement (Statements of Financial Position as at December 31, 2016, Statement of Comprehensive Income), Cash Flow Statement, Statement of Changes in Equity and Notes thereon of Bangladesh Commerce Bank Limited for your kind information and record. Analyses in this report, unless explicitly mentioned otherwise are based on the financials of 'Bank' not the consolidated financials.

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

Yours sincerely



Md. Salim Hasan
Company Secretary



১৯তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এতদ্বারা বাংলাদেশ কমার্স ব্যাংক লিমিটেড এর সম্মানিত শেয়ারহোল্ডারগণের জ্ঞাতার্থে জানানো যাচ্ছে যে, বাংলাদেশ কমার্স ব্যাংক লিমিটেড এর ১৯তম বার্ষিক সাধারণ সভা আগামী ১৬-০৯-২০১৭ইং তারিখ রোজ শনিবার সকাল ১১:০০ টায় নিম্নোক্ত কার্যাবলী সম্পাদনের নিমিত্তে জাতীয় ক্রীড়া পরিষদ মিলনায়তন, ৬২/৩, পুরানা পল্টন, ঢাকায় অনুষ্ঠিত হবেঃ-

আলোচ্যসূচী :

- ১। ৩১ ডিসেম্বর-২০১৬ইং সমাপ্ত বছরের ব্যাংকের নিরীক্ষিত হিসাবাবলী, ঐ তারিখে স্থিতিপত্রসহ তদবিষয়ে পরিচালক ও নিরীক্ষকদের প্রতিবেদন গ্রহণ ও অনুমোদন।
- ২। ২০১৭ইং সালের জন্য অডিটর নিয়োগ ও পারিশ্রমিক নির্ধারণ।
- ৩। ব্যাংকের মেমোরেণ্ডাম এন্ড আর্টিকেলস অব এসোসিয়েশন এবং কোম্পানী আইনের বিধান মোতাবেক 'গ' শ্রেণীর ০১ (এক) জন পরিচালকের অবসর গ্রহণ ও তদস্থলে পরিচালক নির্বাচন/পুনঃনির্বাচন।
- ৪। সভাপতির অনুমতিক্রমে অন্য যেকোন বিষয়ে আলোচনা।

পর্যদের আদেশক্রমে

স্বা/-

(মোঃ সেলিম হাসান)
কোম্পানী সচিব

বিশেষ দৃষ্টব্যঃ

- ১। কোম্পানীর ১৯তম বার্ষিক সাধারণ সভা উপলক্ষে শেয়ার হস্তান্তর বহিঃ আগামী ১৬-০৮-২০১৭ইং থেকে ১৭-০৮-২০১৭ তারিখ (উভয় দিনসহ) বন্ধ থাকবে।
- ২। ১৯তম বার্ষিক সাধারণ সভায় অংশগ্রহণ ও ভোট প্রদানের যোগ্য কোম্পানীর যে কোন সদস্য/সদস্যা তার পক্ষে সাধারণ সভায় অংশগ্রহণ ও ভোট প্রদানের জন্য প্রক্সি নিয়োগ করতে পারবেন।
- ৩। প্রক্সি ফরম অথবা পাওয়ার অব এটর্নী বা ক্ষমতাপত্র বা নোটারী পাবলিক কর্তৃক সত্যায়িত ক্ষমতাপত্র এজিএম-এর কার্যক্রম শুরু হওয়ার কমপক্ষে ৭২ ঘণ্টা পূর্বে কোম্পানীর রেজিষ্টার অফিসে জমা দিতে হবে। যদি প্রক্সি ফরম যথাযথভাবে পূরণ ও ২০/- টাকা মূল্যের রেভিনিউ স্ট্যাম্প সংযোগপূর্বক নির্ধারিত সময়ে জমা দেয়া না হয় তাহলে প্রক্সি ফরম বৈধ বলে বিবেচিত হবেনা।
- ৪। অত্র ব্যাংকের সংঘবিধি'র ১১২ থেকে ১১৪ ধারা অনুযায়ী বার্ষিক সাধারণ সভায় 'গ' শ্রেণীর সম্মানিত পরিচালকগণের মধ্যে থেকে জ্যেষ্ঠতার ভিত্তিতে ০১ (এক) জন পরিচালক অবসর গ্রহণ করবেন এবং উক্ত পদে ০১ (এক) জন পরিচালক নির্বাচিত হবেন। উক্ত ০১ (এক) জন পরিচালক পদে নির্বাচনের জন্য আহ্বানী প্রার্থীগণ নিজে অথবা প্রতিনিধির মাধ্যমে ব্যাংকের রেজিষ্টার কার্যালয়ে নির্বাচন কমিশনের নিকট থেকে আগামী ০৪-০৯-২০১৭ইং থেকে ০৫-০৯-২০১৭ইং তারিখ পর্যন্ত অফিস চলাকালীন সময়ে মনোনয়ন পত্র সংগ্রহ করতে পারবেন। মনোনয়নপত্র জমা দেয়ার সর্বশেষ তারিখ ০৭-০৯-২০১৭ইং বিকাল ৪:০০ ঘটিকা পর্যন্ত। ১০-০৯-২০১৭ইং তারিখে মনোনয়ন পত্র বাছাই ও প্রার্থীদের তালিকা প্রস্তুত করা হবে। ১১-০৯-২০১৭ইং তারিখ বিকাল ৪:০০ ঘটিকা পর্যন্ত মনোনয়ন পত্র প্রত্যাহার করা যাবে। চূড়ান্ত ও যোগ্য প্রার্থীদের নামের তালিকা আগামী ১২-০৯-২০১৭ইং তারিখে কোম্পানীর রেজিষ্টার কার্যালয়ের নোটিশ বোর্ডে টানিয়ে দেয়া হবে এবং ১৬-০৯-২০১৭ইং তারিখে বার্ষিক সাধারণ সভা অনুষ্ঠিত হবে। বার্ষিক সাধারণ সভায় অন্যান্য আলোচ্যসূচীর পর ০১ (এক) জন পরিচালক নির্বাচনের জন্য ভোট গ্রহণের কার্যক্রম শুরু হবে এবং ভোট গণনার পর নির্বাচন কমিশন কর্তৃক ফলাফল ঘোষণা করা হবে।
- ৫। সাধারণ সভা অনুষ্ঠানের দিন রেজিস্ট্রেশন কাউন্টার সকাল ০৯:০০ ঘটিকা থেকে ১১:০০ ঘটিকা পর্যন্ত খোলা থাকবে। রেজিস্ট্রেশনের জন্য ব্যাংক কর্তৃক মূদ্রিত এটেন্ডেন্স স্লিপ উপস্থাপন আবশ্যিক।
- ৬। বার্ষিক প্রতিবেদন-২০১৬ ও ১৯তম বার্ষিক সাধারণ সভার সূচীসহ নোটিশ ডাকযোগে যথাসময়ে সম্মানিত শেয়ারহোল্ডারবৃন্দের নিবন্ধিত ঠিকানায় প্রেরণ করা হবে। সভা অনুষ্ঠানের পূর্বে কেউ বার্ষিক প্রতিবেদন, নোটিশ/প্রক্সি ফরম না পেয়ে থাকলে ব্যাংকের website: www.bcblbd.com বা রেজিষ্টার অফিসের সচিব বিভাগে যোগাযোগ করার জন্য অনুরোধ করা হলো (টেলিফোন- ০৯৬১-৩২২-১০৭০)।
- ৭। ঠিকানার কোন পরিবর্তন হলে আগামী ১৬-০৮-২০১৭ইং তারিখের পূর্বে বাংলাদেশ কমার্স ব্যাংক লিমিটেড-এর রেজিষ্টার অফিসের সচিব বিভাগে লিখিতভাবে অবহিত করার জন্য সম্মানিত শেয়ারহোল্ডারগণকে অনুরোধ করা হলো।
- ৮। সূচীভাবে সাধারণ সভা অনুষ্ঠানের সুবিধার্থে শিশু বা শেয়ারহোল্ডার নন এমন কাউকে সাথে না আনার জন্য সম্মানিত শেয়ারহোল্ডারগণকে অনুরোধ করা হলো।
- ৯। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নির্দেশনা অনুযায়ী কোন গিফট বা খাবার প্রদান করা হবে না।



BANGLADESH COMMERCE BANK LIMITED

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

Notice of the 19th Annual General Meeting

Notice is hereby given to all the Honorable shareholders of Bangladesh Commerce Bank Limited that the 19th Annual General Meeting will be held on Saturday 16th September, 2017 at 11:00 a.m. at the National Sports Council Auditorium, 62/3, Purana Palton, Dhaka-1000 to transact the following business:

Agenda :

- a) To receive, consider and adopt the Audited Financial Statements for the year ended on 31st December, 2016 along with the Report of the Directors and Auditors' thereon.
- b) To appoint Auditor(s) & fix up their remuneration for the year 2017.
- c) To retire and elect/re-elect one Director from 'Ga' Group as per Memorandum and Articles of Association of the Bank and Company Law.
- d) Any other Business with the Permission of the Chair.

By order of the Board of Directors

Dated: August 08, 2017
Dhaka.

Sd/-

(Md. Salim Hasan)
Company Secretary

NOTES:

- 1) The Register Book of shareholders of the Company shall remain closed from **16-08-2017 to 17-08-2017** (inclusive both days) and no shares will transfer during this period.
- 2) Any shareholder of the Company entitled to attend and vote at the Annual General Meeting may appoint any person as his/her proxy to attend and vote on his/her behalf.
- 3) Proxy Form or Power of Attorney or Authorization Letter or Authorization attested by Notary Public is to be submitted to the Registered Office of the Company **at least 72 hours** before the time fixed for the Meeting. If Proxy Form duly filled in along with revenue stamp of Tk.20.00 is not submitted within the stipulated time, the Proxy will not be treated as valid.
- 4) 01 (one) Director will go on retirement on the basis of seniority and **01 (one) Director will be elected** from the shareholders of 'Ga' Group as per Article 112 to 114 of the Articles of Association of the Bank. Interested candidate him/herself or by Authorized person can collect Nomination Papers for election of 01 (One) Director from shareholders of 'Ga' group which will be available and collectable from Election Commission at Bank's Registered Office from **04-09-2017 to 05-09-2017** during office hours and Nomination Papers will be received up to 4:00 p.m. on **07-09-2017**. Nomination Papers will be scrutinized on **10-09-2017** and withdrawal of nomination will be allowed till 4:00 p.m. on **11-09-2017**. List of valid candidates will be hung on the Notice Board of the Registered Office of the Bank on **12-09-2017**. Annual General Meeting will be held on **16-09-2017**. After completion of all other agenda, election activities will start at the meeting place to elect 01 (one) Director and the result will be declared by the Election Commission after counting the Votes on the same day.
- 5) Registration Counter on the day of Annual General Meeting will remain open **from 09:00 a.m. to 11:00 a.m.** Presentation of Attendance Slip provided by the Bank is a must for registration.
- 6) Annual Report 2016 and Notice of 19th Annual General Meeting will be sent to the registered address of all respective Shareholders. Anybody who has not received the Annual Report, Notice/Proxy Form is requested to visit the **website: www.bcblbd.com** of the Bank or contact with Board Division of the Registered Office (Contact No. 0961-322-1070).
- 7) Respected Shareholders are requested to inform regarding change of address (if any) to the Board Division of the Registered Office on or before **16th August, 2017**.
- 8) To hold properly the Annual General Meeting the respected Shareholders are requested not to bring children or any person who is not a Shareholder of the Bank.
- 9) **No gift/Gift Coupon/ Food Box will be served in the 19th AGM as per instruction of BSEC.**



our **VISION**





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





mission

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





Business Priorities We Followed In 2016


- ⊕ **Expanding area of business coverage.**
- ⊕ **Contribution towards society to bring changes.**
- ⊕ **Proper implementation of corporate governance.**
- ⊕ **Continuous improvement at core banking activities.**
- ⊕ **Product & services diversification based on technology.**
- ⊕ **Strengthening IT infrastructure to offer modern and safe banking.**
- ⊕ **Strengthening risk management technique & regulatory compliance.**





Corporate Milestones

Date	Events
08.02.1998	Board of BCBL directors been formed
01.06.1998	Incorporated as public limited company under the Companies Act, 1994, Bank Companies Act, 1991 and in accordance with the Parliamentary Act No. 12 of 1997
06.09.1999	Bank has started it's operation with 24 branches around the Country.
16.11.2002	25th Branch opened in Comilla
28.04.2011	BCB relocated its Corporate Office from Taranga Complex to 52-53,Dilkusha C/A, Eunoos Trade Center (Level-22), Dkaka-1000.
25.05.2011	BCB launched "BCB Credit Card"
27.09.2011	BCB resumes branch opening with Seedstore Bazar Branch at Mymensingh after 9 years.
28.03.2012	BCB launched Mobile Banking (Mobile Financial Services)
05.04.2014	Inauguration of Central Trade Processing Unit (CTPU)

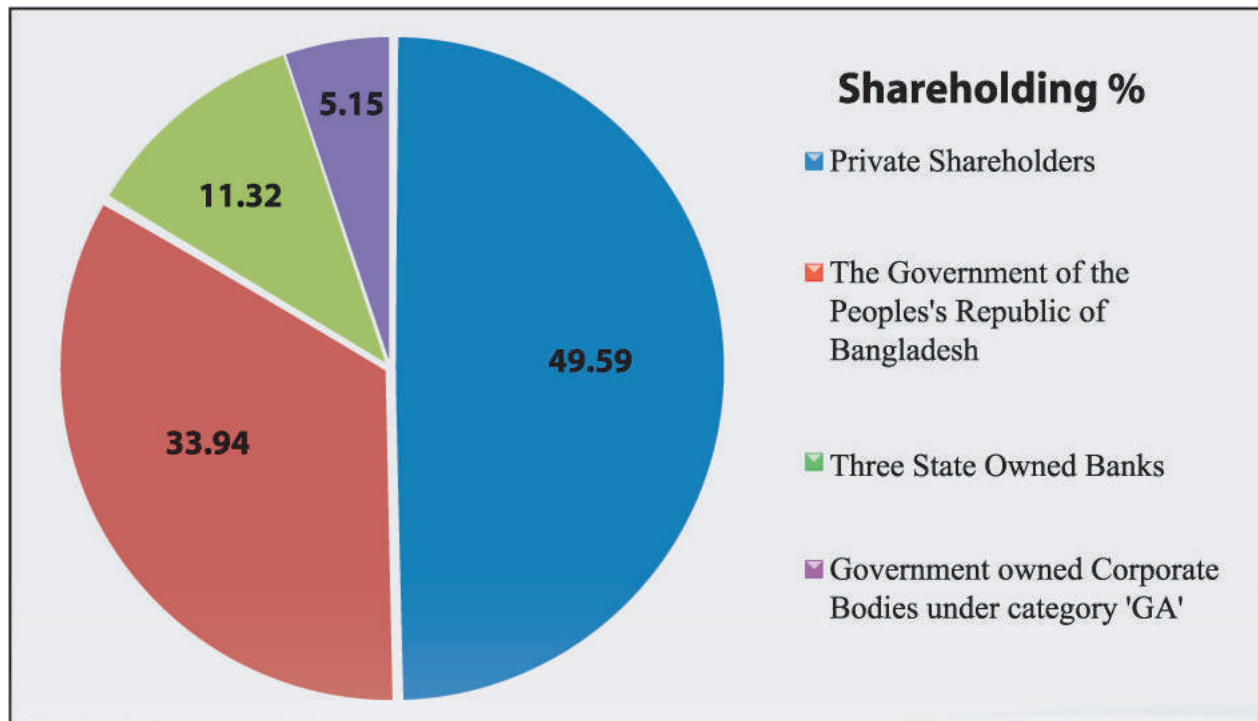


CORPORATE DIRECTORY

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

Ownership Composition

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



Composition of Board & Its Committees

HONORABLE CHAIRMAN OF THE BOARD

Mr. Arastoo Khan

BOARD MEETING HELD & ATTENDANCE OF THE HONORABLE DIRECTOR'S:

SI.	NAME	TOTAL MEETING HELD	NO. OF MEETING ATTENDED	NO. OF MEETING ABSENT
1.	Mr. Arastoo Khan	12	12	-
2.	Mr. ATM Murtozaa Reza Chowdhury ndc	13	12	Leave Granted
3.	Mr. Tapan Kumar Karmaker	13	13	-
4.	Mr. Md. Farhad Uddin	13	13	-
5.	Mr. Md. Abdus Salam, FCA	13	8	Leave Granted
6.	Mr. Mohammed Arshed	11	11	-
7.	Mr. Mohammad Hanif Chowdhury	11	10	Leave Granted
8.	Mr. Md. Shafiqul Islam, FCA	11	11	-
9.	Mr. A A M Zakaria	10	9	Leave Granted

COMPOSITION OF EXECUTIVE COMMITTEE:

SI.	NAME OF DIRECTORS	DESIGNATION
1.	Mr. Arastoo Khan	Chairman
2.	Mr. ATM Murtozaa Reza Chowdhury ndc	Member
3.	Mr. Md. Farhad Uddin	Member
4.	Mr. Mohammad Hanif Chowdhury	Member
5.	Mr. Mohammed Arshed	Member
6.	Mr. A A M Zakaria	Member

COMPOSITION OF AUDIT COMMITTEE:

SI.	NAME OF DIRECTORS	DESIGNATION
1.	Mr. Md. Shafiqul Islam, FCA	Chairman
2.	Mr. Tapan Kumar Karmaker	Member
3.	Mr. Md. Abdus Salam, FCA	Member

COMPOSITION OF RISK MANAGEMENT COMMITTEE:

SI.	NAME OF DIRECTORS	DESIGNATION
1.	Mr. A A M Zakaria	Chairman
2.	Mr. Md. Farhad Uddin	Member
3.	Mr. Mohammad Hanif Chowdhury	Member

BOARD OF DIRECTORS



Brief Resume of the Board of Directors



Mr. Arastoo Khan
Chairman

Mr. Arastoo Khan is the Honorable Chairman of the Board of Directors of Bangladesh Commerce Bank Limited (BCB).

Mr. Arastoo Khan was born in a reputed Muslim family of the village Garpara in the District of Manikgonj. He appeared Masters degree in Social Science from the University of Dhaka, Masters of Public Administration (MPA) degree from Harvard University.

He had worked as Member of the Planning Commission. Besides he had worked as Additional Secretary, Joint Secretary and Deputy Secretary in the Ministry of Finance from 2001 to 2014. He had also worked as Joint Secretary, first to head the Debt. Management Office in Finance Division in Bangladesh

Mr. Arastoo Khan participated in the Formulation of National Budget during his service from various levels as a Deputy Secretary, Joint Secretary and Additional Secretary, Finance Division, Ministry of Finance. He had interacted & Coordinated with IMF Article IV Consultation Team during IMF Surveillance Missions annually. He had worked directly for the Government during the last three IMF programs such as Poverty Reduction Growth Facility (PRGF); Emergency National Disaster Assistance (ENDA) following

the Global Economic Crisis & Extended Credit Facility (ECF). He had represented Bangladesh in the Steering Committee of the SAARC Development Fund. Apart from that he assisted the Finance Minister and Governor of the World Bank and IMF during the World Bank and IMF Annual and Spring Meetings from March 2010 - July 2014 as well as headed Bangladesh Negotiation Team in all loan negotiations between the Government & the World Bank.

During his service as the Member to the Ministry of Planning, he had been In-charge of Physical Infrastructure Division, which is responsible for over 35% of the Total development outlay.

Mr. Arastoo Khan had receiver training on Macroeconomic Impact of Budgeting & Macroeconomic Management for Senior Officials from IMF, Singapore Training Institute; Budget Policy and Implementation in a Reformed Public Sector from Australian National Assembly; training on Public Financial Management from Jhon F. Kennedy School of Government, Cambridge, USA.

He had been Director of IFIC Bank Ltd., Kormosongsthan Bank Ltd., Agrani Bank Ltd., Acting Chairman of Agrani Bank Ltd., as well as Director of different Government & Private institute before he joins Bangladesh Commerce Bank Limited as Director.



Mr. ATM Murtozaa Reza Chowdhury ndc
Director

Mr. ATM Murtozaa Reza Chowdhury ndc, son of Mr. Md. Serajul Haque Chowdhury was born in 1957 in a humble Muslim family. He is a Government nominated Director of Bangladesh Commerce Bank Limited. Mr. Chowdhury was a senior civil servant in the Government Sector. During his service tenure he holds the position of Additional Secretary in the Ministry of Commerce and he was the casual leave substitute of the Secretary. Being the Secretary he was also the Chairman of the Bangladesh Tariff Commission, Government of the People's Republic of Bangladesh.

Mr. Chowdhury completed MA in English from the University of Chittagong. He has remarkable contribution in the socio-cultural arena.



Mr. Tapan Kumar Karmaker
Director

Mr. Tapan Kumar Karmaker, son of Mr. Sukumar Karmaker was born in 1962 in a respectable family. He is a Government nominated Director of Bangladesh Commerce Bank Limited. Mr. Karmaker is a senior servant in the Government Sector. At present he is serving as the Director General (Additional Secretary), National Institute of Local Government (NILG), Agargaon, Sher-e-Bangla Nagar, Dhaka-1207. He achieved MA degree in English Literature with Honours from the University of Dhaka and also completed MBA in concentration with HRM. He was also the Additional Secretary of Finance Division in Ministry of Finance, Government of the People's Republic of Bangladesh. He started his professional career by joining in Bangladesh Civil Service Administration Cadre in 1986 and since then he successfully performed his duties with salient reputation in a number of ministries/departments/ organizations like Ministry of Land, Ministry of Foreign Affairs, Local Government Division, Bangladesh Civil Service Administration Academy, Bangladesh Public Administration Training Centre, Department of Narcotics Control, Ministry of Public Administration. He also worked in the Field Administration as Upazila Nirbahi Officer (Sub-district Executive Officer) and Additional Deputy Commissioner.

Apart from his present assignments in the Finance Division, Mr. Tapan Kumar

represents Bangladesh as Alternate Director on the Board of SAARC Development Fund (SDF).



Mr. Md. Farhad Uddin
Director

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



Mr. Md. Abdus Salam, FCA
Director

Mr. Md. Abdus Salam, FCA joined as the CEO & Managing Director of Janata Bank Limited on 28th October, 2014. Before joining here, he served as the Managing Director of Bangladesh Krishi Bank.

He was born on 1st December, 1956 in a respectable family of late Ahmed Ali & Mrs. Rabeya Ahmed. Mr. Salam studied at Dhaka College, Dhaka for his higher secondary education, followed by his graduate and postgraduate studies at the Department of Accounting of the University of Dhaka where he obtained his B.Com. (Hons.) and M.Com. in Accounting. He is also a Fellow of Chartered Accountant (FCA) from the Institute of Chartered Accountants of Bangladesh (ICAB).

Mr. Md. Abdus Salam, FCA started his banking carrier in 1983 as Principal Officer of Bangladesh Krishi Bank. Before adorned the position of CEO & MD of Janata Bank Limited, he served as Deputy Managing Director in Agrani Bank Limited & Janata Bank Limited and as General Manager in Sonali Bank Limited & Karmasangsthan Bank.

On his initiative Bangladesh Krishi Bank, for the first time, acted as 'Banker to the Issue' and also introduced Mobile Banking & On-line Banking in the same Bank. His notable and luminous work were - preparation of the Asset Liability Management Manual, Risk Management Manual and implementation of automated Foreign

Remittance Distribution System in Sonali Bank Limited. He also contributed his effort to introducing On-Line Banking in Agrani Bank Limited. He developed an Accounting System for Bangladesh Computer Council in 1990 while he was on deputation.

He attended various workshops, seminars and received different training in home and abroad. He travelled USA, France, Germany, UAE, KSA and India.



Mr. Mohammed Arshed
Director

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



Mr. Mohammad Hanif Chowdhury
Director

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



Mr. Md. Shafiqul Islam FCA
Director

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



Mr. A A M Zakaria
Director

Mr. A A M Zakaria is representing Brilliant Business Company Limited in the Board of Directors of Bangladesh Commerce Bank Limited. He was the Managing Director of First Security Islami Bank Limited (FSIBL) wherein he served for around 9 years prior to his joining with FSIBL. He Worked with Dutch Bangla Bank Limited as the Deputy Managing Director. He has got over 37 years of diversified banking experiences both at nationalized and private commercial banks. He was born on November 16, 1949. He obtained post graduation degree in Economics from Dhaka University. He visited many countries throughout the world and participated in many trainings & seminars in home and abroad.



Engr. Rashid Ahmed Chowdhury
Director

Engr. Rashid Ahmed Chowdhury was born in a reputed Muslim family of the Agrabad, Chittagong. He did his SSC from Collegiate High School and HSC from Chittagong College. Mr. Chowdhury had Associate in Science (Applied Science) & Associate in Applied Science in Mining Technology (Supervisory) from College of Eastern Utah, Price, USA. BSME & MBA (Management) from National University, San Diego, California, USA. He is obtained PhD fellow from Chittagong University. Engr. Rashid Ahmed Chowdhury has been worked as Assistant Professor & Chairman of Department of General Management & Management Information System (MIS) in Chittagong Independent University since 2001. He had also worked in different international multinational Companies such as Carbon County Coal Mine Inc. USA, AIM Inc. USA & Wilwen Enterprise, Los Angeles, USA. Engr. Rashid Ahmed Chowdhury had received professional training on Supply Chain Management, Research Methods under Higher Education Quality Enhancement Project & Certificate of Completion in Computer Aided Design, Achievement in Mine Rescue, Welding, Supervisory Training & Labor Management Relation from Los Angeles & College of Eastern Utah, USA.

He is presided over the seminar on Analysis of Future Passengers Car Structure jointly organized by IEB Chittagong and Hokkido University Japan. Conducted Training Program on Training Fundamentals organized by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) in association with Bangladesh Freight Forwarders Association (BAFFA) Dhaka. Also attended many seminars like on Storm Water Management Strategies, Design, Modeling and best Management Practices, Green Wireless Communication Technologies, Disaster, Climate and Costal Vulnerabilities in Bangladesh, Container Terminal Operations and Management, Business Research Methodology and Stock Exchange: How the Trading Takes Place in Chittagong and International conference on Business & Information (BAI) on Bangkok, Thailand. He published numerous articles in reputed national & International journals.



Mr. Humayun Bokhteyar FCA
Director

Mr. Humayun Bokhteyar FCA was born in a respectable Muslim family of Satkania, Chittagong. He became Chartered Accountant in 1991. Mr. Humayun Bokhteyar FCA is the Founder and Managing Partner of public Accounting and Auditing firm M/s Bokhteyar Humayun & Co., Chartered Accountants. Before joining here he was head of Corporate Finance of Padma Group of Companies, Finance Manager of Bangladesh Thai Aluminum Ltd., Assistant General Manager of Purobi General Insurance Co. Ltd. and Article Student & Audit Supervisor of M Ahmed & Co. Chartered Accountants. He is Associate of Australian Society of Certified Practicing Accountants and Associate of Cost and Executive Accountants (ACEA) UK. Have long senior level financial management experience with services and manufacturing sectors in Bangladesh and Australia. Have expertise in Financial Accounting, Financial Management, Auditing, Taxation, Company Law & Secretarial services.

Served as Chairman Board Risk Management Committee, Member Board Executive Committee and Audit Committee of Islami Bank Bangladesh Limited. Attended a number of Seminars/Workshops/Meetings relevant to Accounting, Fiscal, Auditing, Management Islamic & Micro Finance in Australia, Switzerland,

Italy, UK, Singapore, Malaysia and Indonesia.

MESSAGE FROM THE HONORABLE CHAIRMAN

Bismillahir Rahmanir Rahim

Dear Shareholders, in attendance the Board of Directors and my dear fellow the management team of the Bank.

Assalamu-Alaikum.

It is my privilege to welcome you all to the 19th Annual General Meeting of Bangladesh Commerce Bank Limited. My sincere gratitude belongs to your continued trust which encourages us from the beginning of the year in each step onward. It's being an honor to present the Annual Report before you of Bangladesh Commerce Bank Limited for the year 2016.



HONORABLE SHAREHOLDERS

BANGLADESH ECONOMY:

Bangladesh economy remains steady throughout the socio-political and macro-economic background like previous years trend. The banking sector had to pass through a stressed instance in 2016. The period could be characterized as pressure of classified loans, downward trend of interest rate on loans and advances, increase of liquidity and lower yield of treasury bills/bonds. However, even growth in export-import and stimulating municipal region investment played an important role for 7.0% plus GDP growth. Inflation came down to 5.5% in average in 2016 despite the import-export remains positive. Deposit of the Bank increased to Tk. 191 billion, advance Tk.164 billion, import Tk. 149 billion, export Tk. 103 billion and inward remittance Tk. 42 billion. The capital market has bounce back during the year to help restore investors' confidence. Fortunately, our economy has the persistence and flexibility to oppose such in a challenging.

RESPECTED

Throughout the core business area, Bank's operating profit for the year 2016 was Tk. 216 million. Provisions for loans and advances, tax and other required provisions, BCBL attained net profit of Tk. 25 million. The Bank's classified loans (CL) stood at 37.6% against industry position of 9.0%. We believe that this will come down to below 10% within short time.

The bank listed a moderate performance and in all respects efficiency in banking operations has improved. Cost to Income ratio decreased to 80.5% in 2016 which was 99.1% in the previous year. Operating profit grew by 2511% and Profit after tax increased by 1417% to reach BDT 25 million. ROA and ROE, two key profitability ratio, have also improved to 0.1% and 0.7% respectively while the basic earnings per share increased to BDT 1.26 from BDT 0.08.

HUMAN CAPITAL:

We hearten in employing right position, developed skill, look after the incumbents through spirited enclose and sustainable remuneration curriculum. In developing well organized human resources, we always acknowledged the individual prerequisite; sharpen the ability through learning and development programs to ensure better efficiency. To deal with variable HR needs, the human resource policy of the bank is reviewed time to time. To maintain a professional and consistent team, we took several encouraging steps.

IN GRATITUDE

Finally, I would like to thank all my colleagues in the Board of Directors, the Management and the entire workforce of the Bank for their hard work and achievement.

May the Almighty ALLAH lend his hands with His eternal blessings.

A handwritten signature in black ink, appearing to read 'Rashid Ahmed Chowdhury'.

Engr. Rashid Ahmed Chowdhury
Chairman of the Board of Directors



ROUND UP MANAGING DIRECTOR

Dear Shareholders,
Assalamualaikum

The essence of the year 2016 gone by had seen significant changes & fluctuations in the banking industry. Be it the unexpected political changes or changes in global financial conditions around the world, oscillations and volatiles had been present everywhere. But what did not change is our drive to partner with our customers in their progress - fulfilling and enriching their financial journeys. This indomitable customer-first attitude has helped us in building a challenging banking franchise which has grown from strength to strength. Our Corporate and SME franchises have worked side by side facilitating the national economic growth. The Retail Banking franchise has been mobilizing and managing deposit efficiently by fulfilling and safeguarding the depositors' hard earned money. The traditional financial landscape in Bangladesh is getting changed with time; financial inclusion is evident to visible. Bangladesh Commerce Bank Limited (BCBL) along with its subsidiaries is committed to cater the changing financial trends for creating significant value for the stakeholders.

Continued accomplishment of our prime strategies, focused on customer satisfaction, innovation and strength, has ensured decent performance in 2016. Guided by our vision to excel in securing and emancipating the financial position of the people, this strategy has delivered for the Bank's stakeholders in an ever changing environment. In implementing our strategy we focus on four key competences: people, productivity, technology and strength. Our efforts in each of these areas are guided by the basic principle that we put the customer at the center of everything we do.

Leading in customer satisfaction

Customer satisfaction is the key catalyst we use to benchmark execution of Bank strategy. Satisfied customers look to us to meet more of their needs. This year we have achieved our ever best customer satisfaction results and this has again translated into increased customer activity. Our commitment to putting our customers first extends to making things right if we discover anything wrong. Every employee of BCBL has been dedicated to attend the customers in remediating their grievances. The strength of our customer satisfaction performance is entirely a reflection of the commitment and dedication our people have shown to their customers and to the values of BCBL. Our values of integrity, accountability, collaboration, excellence and service are integral to our corporate governance and they enable how we must treat our customers and each other. We have been working intensely for several years to embed a value-driven way of working and this year we have incorporated performance management methodology to assess the performances of the employees to see that they provide best services to their clients. This aligns with our determination to be a financial institution with the highest ethical standards. Another priority is to ensure that BCBL is a place where our people feel motivated to give of their best, regardless of caste, color and religion.

Customer-focused innovation

In addition to on-going investment in our people, we continue to prioritize investment in technology and innovation. This has been a core objective of our strategy since inception. Our investment in a new core banking system is now delivering market-leading advantages given the dependence of digital banking and related functionality on integrated, real-time systems. It allows us to deliver important services to our customers- to businesses who want their payments to be processed in real-time. This has again resulted in above-system growth in transaction accounts. Looking ahead, we will continue to invest in leading-edge technologies so that the Bank is positioned to seize the opportunities of the future. We are also focusing on creating an internal culture of entrepreneurialism and opportunity so that our people can anticipate and meet customers' future needs.

Driving productivity and efficiency

At the heart of our approach to productivity and efficiency is a commitment to continuous improvement for better customer satisfactions. This means making processes simpler, easier and faster - which is good for the customer and good for our shareholders. This way of thinking extends across all our interfaces with our customers - from extending the range of functionality offered, to extending branch network and providing more intelligent strategies to allow customers to save time and duplicated effort through efficient self-service. The emphasis on productivity is just as relevant in our behind the-scenes processes, with our people working collaboratively to fully understand processes end-to-end and being accountable and empowered to take steps towards making improvements. This is essential in the current environment of enterprise mobility, rapidly changing business operations and heightened customer expectations.

Global Economy

2016 ended up being a reasonably good year for business. However, the year will be remembered for Brexit, Demonetization, Trump and Renzi, partly due to the unexpected nature of some of the results, but also the potentially profound shift in international relations in coming years. Global growth is estimated to have fallen to 2.3 percent in 2016-the weakest performance since the global financial crisis. Anemic global investment was accompanied by a further weakening of global trade. Mitigating these headwinds for Emerging Market and Developing Economies (EMDEs), commodity prices strengthened. However, the rapid rise in U.S. bond yields and appreciation of U.S. dollar towards the end of the year led to a notable tightening of financing conditions for EMDEs, and in some cases significant portfolio outflows. In 2017, global growth should pick up to 2.7 percent, with the recovery mainly driven by receding obstacles to activity in commodity-exporting EMDEs.

Macroeconomic Scenario of Bangladesh

Stability in Bangladesh, both economically and politically was strong in 2016. This has helped in achieving higher growth of gross domestic product that crossed 7 percent in fiscal year 2016. Growth of gross domestic product (GDP) increased by 0.6 percentage points to 7.1 per cent in FY2016, from the 6.5 per cent in FY2015. Hence, the final estimate exceeded target (7.0 per cent) set for the fiscal year for the first time in recent decade. Interestingly, as distinct from the agriculture sector (2.8 per cent) both industrial (11.1 per cent) and services (6.3 per cent) sectors registered higher growth rates in FY2016 compared to that of FY2015. Among the sub-sectors manufacturing sector registered the highest growth (11.7 per cent) since FY1996. An analysis of the contribution of the various sectors to the incremental GDP growth in FY2016 reveal that the industrial sector, spearheaded by the manufacturing sub-sector, made the lead contribution in this context. Industry played the main role in higher GDP followed by the services sector. Low petroleum prices in the global market helped inflation rates to stay low since Bangladesh spends a significant amount on petroleum products. Export earnings increased at a higher rate than imports and export-GDP ratio increased in FY2016 while import-GDP ratio declined. Higher export of readymade garments contributed to this growth. Bangladesh is eyeing at earning USD 50 billion through RMG exports by 2021. Given the potential of the sector and the compliance measures being undertaken for the last two years following the Rana Plaza incident, the sector can meet the target easily. Surely, improved infrastructural facilities, technological up-gradation, skills development will facilitate the growth process of the sector. Investment remains a crucial component of growth in Bangladesh as the major impetus for growth has to come from both public and private investment. In FY2016, investment as a share of GDP was 29.7 percent, lower than the target for the fiscal year. This was lower than the savings rate also, indicating the weakness in utilization capacity of the economy. Keeping in mind the need for a growing economy, the government has targeted to increase investment to 32.7 percent of GDP in FY2017. This will require boosting investment efforts through infrastructure projects. Depressed economic performance in the oil exporting countries has led to a cut in remittance flow to the country despite increase in migrant workers. This is worrying since a major part of Bangladesh's foreign exchange is earned through remittances.

BCBL Performance

Deposit of the Bank stood at BDT 25,223 million in 2016 against BDT 24,253 million in 2015, representing a growth of 4%. Loans and Advances increased to BDT 16,634 million in 2016 from BDT 16,059 million in 2015, posting a growth of 3.58%. Import of the Bank was BDT 3,846 million in 2016 having 35% growth while Export of the Bank was BDT 2,629 million in 2016 having 14% growth. Total Remittance was BDT 1,173 million in 2016 having a growth of 20%. However, overall Foreign Exchange Business grew by 25% from BDT 6,123 million in 2015 to BDT 7,648 million in 2016. Net Interest Income increased by 35% from BDT 453 million in 2015 to BDT 611 million in 2016 as well as Net Profit after Tax increased to BDT 25 million in 2016 from BDT 1.7 million in 2015, representing a growth of 1,150%. Asset size of the Bank stood at BDT 31 billion in 2016 against 30 billion in 2015.

Risk Management

As a provider of banking and financial services, we actively manage risk as a core part of our day-to-day activities. All of our activities involve the analysis, evaluation, acceptance and management of risks or combinations of risks. BCBL conducts its operations by ensuring compliance with the Risk Management Guidelines which covers the core risks such as credit risk, asset liability management risk, foreign exchange risk, internal control and compliance risk, anti-money laundering risk, information & communication technology risk.

Growth initiatives implemented in 2016

- Implemented One Stop Service Model in Branches for customers' satisfaction in 2016 with an aim to extend the service in all branches of the Bank.
- Reduced dependency on large ticket deposits and emphasis given on increasing retail deposits base especially low cost deposit.

Focusing on our long-term strategy

The current operating environment has its challenges. However, we remain positive about the Bangladesh economy for the imminent years. At BCBL, our outlook is of course impacted by the current macroeconomic factors, in addition to increased competition and regulation. In these circumstances, we will continue to move forward and enhancing assets quality by extending loans and advances to the good borrowers. We remain committed to thinking long-term through continued investment align with our strategy. We also welcome continuing innovation in the banking system. We will continue to listen carefully to the public concern, and we will be prepared to emphasize the importance of a strong banking system and of balancing the expectations of all our stakeholders. We intend to be one of the market dominant Banks in customer satisfaction thanks to the dedication of our people, we have continued to grow, we have a significant advantage through state of art technology, we have consistently reinforced our balance sheet and have excelled in the field of Banks' corporate culture. Of course, we need to keep striving for excellence in Banking in an ever increasing stiff competitive market. Our forward looking proactive approaches will ensure our success. To become a customers' first choice bank of Bangladesh all endeavors shall exert in forthcoming days as well. Team BCBL shall ensure netting all future opportunities.



R Q M Forkan
Managing Director

Shareholders Information

Five years financial highlights

Fig in Million

BALANCE SHEET METRIC	2016	2015	2014	2013	2012
Authorised capital	10,000	10,000	10,000	10000	10000
Paid up capital	1,989	1,989	1,989	1989	1989
Shareholders' equity	3,466	3,404	3,329	3273	2328
Deposits	25,223	24,208	23,020	19736	15611
Borrowings	7	203	25	51	155
Loans and advances	16,634	16,059	15,742	13064	12250
Credit to deposit ratio (Gross)	65.95%	66.34%	68.38%	66.19%	78.47%
Credit to deposit ratio - Gross (excluding OBU loans)	65.95%	66.34%	68.38%	66.19%	78.47%
Investments	4,223	4,106	3,728	4735	2796
Fixed Assets	143	157	180	183	165
Interest bearing assets	21,404	16,059	10,856	11145	10697
Total assets	31,167	30,050	28,248	24504	19545

INCOME STATEMENT METRIC	2016	2015	2014	2013	2012
Net interest income (excluding Investment Income)	611	453	630	334	407
Non-interest income	61	62	115	85	64
Investment Income	331	280	303	274	319
Non Investment Income (Exchange, fees & charges)	106	88	173	95	96
Operating Revenue	1109	883	1,221	790	886
Operating Profit (Profit before provision and tax)	216	8	342	129	300
Provision for loans, investment and other assets	91	0	221	47	123
Profit before tax	100	8	121	81	177
Profit after tax (PAT)	25	2	29	17	101

CAPITAL METRIC	2016	2015	2014	2013	2012
Risk weighted assets (RWA) under Basel II	26719	26197	24,284	18843	18,018
Core capital (Tier 1)	338	1047	1,236	2540	1,744
Supplementary capital (Tier 2)	122	136	176	151	136
Total Capital / Regulatory capital (Tier 1 and 2)	460	1183	1,411	2691	1,880
Statutory capital (Paid up capital and statutory reserve)	2234	2210	2,208	2182	2,168
Capital adequacy ratio (Regulatory capital/RWA)	1.72%	4.52%	5.81%	14.28%	10.43%
Core capital (Tier 1) to RWA	1.27%	4.00%	5.09%	13.48%	9.68%
RWA to total assets [Basel II from 2009 & Basel I for 2008]	85.73%	87.18%	85.97%	76.90%	92.19%

CREDIT QUALITY	2016	2015	2014	2013	2012
Non performing/classified loans (NPLs)	6255	5037	4,886	1918	1,553
Specific Provision	741	683	649	459	438
General Provision	89	103	131	120	107
Total Provision	830	0	780	579	545
NPL to total loans and advance	37.60%	30.58%	31.68%	14.68%	12.68%

TRADE BUSINESS METRIC	2016	2015	2014	2013	2012
Export	2629	2302	3,340	3,225	3,058
Import (LC)	3846	2843	4,503	5,095	5,426
Guarantee			271	357	387
Rimittance	1173	978	714	521	360

EFFICIENCY/PRODUCTMTRATIOS	2016	2015	2014	2013	2012
Return on average equity (ROE)	0.72%	0.06%	0.87%	0.52%	4.34%
Return on average assets (ROA) (PAT/average assets)	0.08%	0.55%	0.10%	0.07%	0.52%
Cost to income ratio (Operating expense/Total Revenue)	80.52%	99.06%	71.98%	83.73%	66.10%
Yield on advance (average)	7.64%	9.23%	13.23%	14.47%	15.93%
Cost of deposits (average)	5.04%	6.60%	7.76%	9.75%	9.60%
Net interest margin ratio (NII/Average interest bearing assets)	2.9%	2.8%	5.80%	3.00%	3.80%
Cash reserve ratio (daily basis)	7.41%	6.53%	7.50%	6.31%	6.18%
Statutory liquidity reserve ratio	15.17%	14.04%	15.61%	29.80%	20.71%
Operating profit per employee	0.26	0.01	0.41	0.22	0.44
Operating profit per branch	4.50	0.17	7.13	3.73	7.89

SHARE-DISTRIBUTION METRIC	2016	2015	2014	2013	2012
Earnings per share (EPS) in BDT	1.26	0.08	1.46	0.88	5.09
Operating profit per share in BDT	10.86	0.40	17.20	6.46	15.11
Price earning ratio (times)	79.37	1,202.39	68.49	114.00	19.65

OTHER INFORMATION (ACTUAL FIGURE)	2016	2015	2014	2013	2012
No of branches	48	48	48	42	38
No of employees	820	851	828	721	681
No of deposit accounts		156923	141178	132576	121,790
No of Loan Accounts		5546	5249	4879	4,719
No of foreign correspondents		10	12	13	13
ATMs		5	5	3	3
No. of Deposit Machine		2	3	2	2

Value Added Statement

Fig in Million

Particulars	2016		2015	
	Consolidated	Bank	Consolidated	Bank
Income from banking services	2,453	2,354	2,509	2,419
Less: Cost of services & supplies	1,558	1,590	1,922	1,883
Value Added by Banking Services	895	764	587	536
Non-banking income	-	-	-	-
Provision for loans & other assets	94	91	7	
Wealth creation	801	673	581	536
Wealth distribution				
Employees as salaries & allowances	580	548	558	527
Government as Income Tax	75	65	14	7
Statutory Reserve	25	25	2	2
Retained Earnings	20	0.01	7	0.00

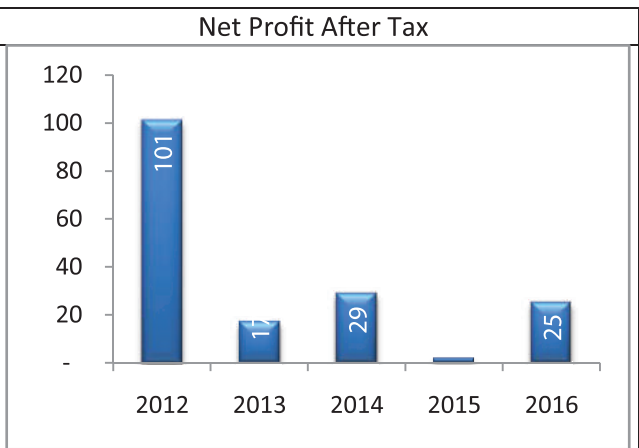
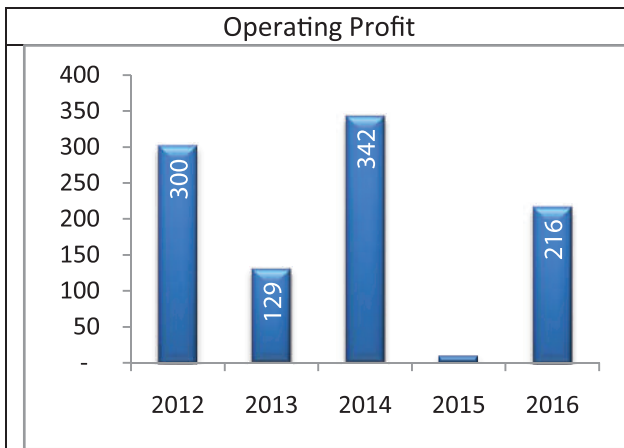
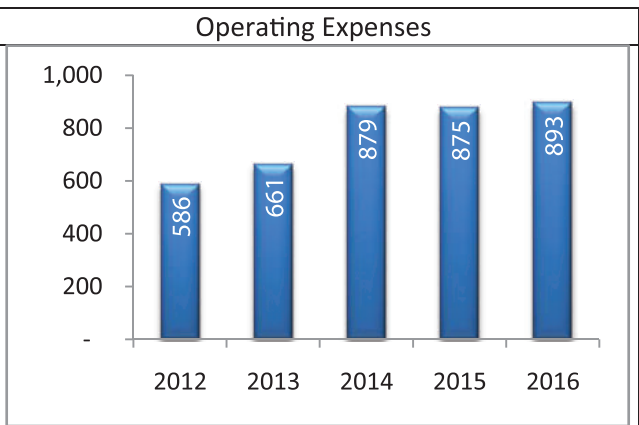
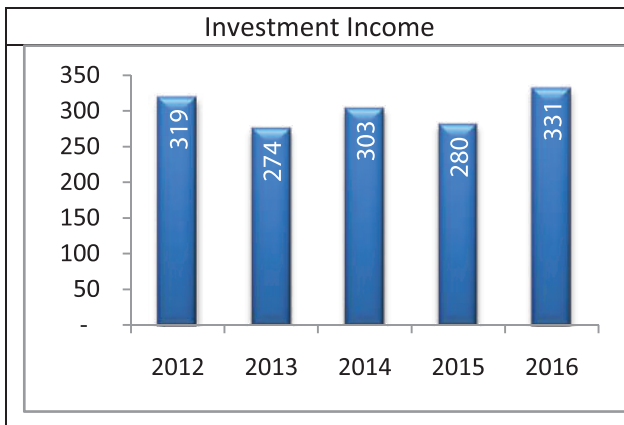
Economic Value Added Statement

Particulars	2016		2015	
	Consolidated	Bank	Consolidated	Bank
Shareholders equity	3,500	3,466	3,419	3,404
Add: Accumulated provision for loans & advances and other assets	1,633	1,575	1,442	1,380
Total:	5,133	5,041	4,860	4,784
Capital Employed (Average Shareholders' equity)	3,459	3,435	4,819	4,747
Earnings				
Profit after tax	45	25	9	2
Add: Provision for loans & advances and other assets during the year	94	91	-	-
Less: Written off loans during the year	-	-	-	-
Total Earnings	138	116	9	2
Average cost of equity (Based on weighted average rate of 10 years treasury bond issued by the Bangladesh Government) Plus 2% risk premium	9.27%	9.27%	10.51%	10.51%
Capital charge (Cost of average equity)	321	318	506	499
Economic Value Added	(182)	(202)	(498)	(497)

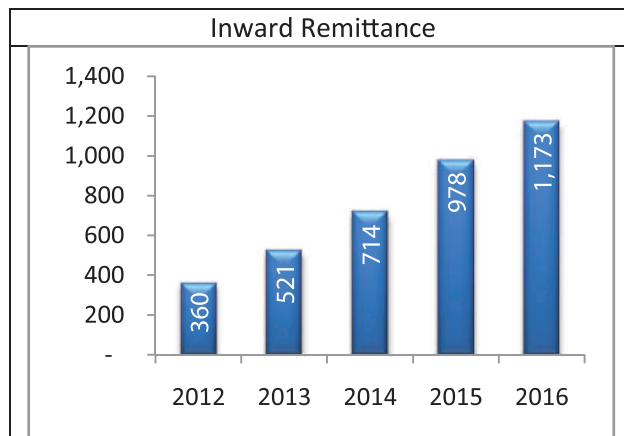
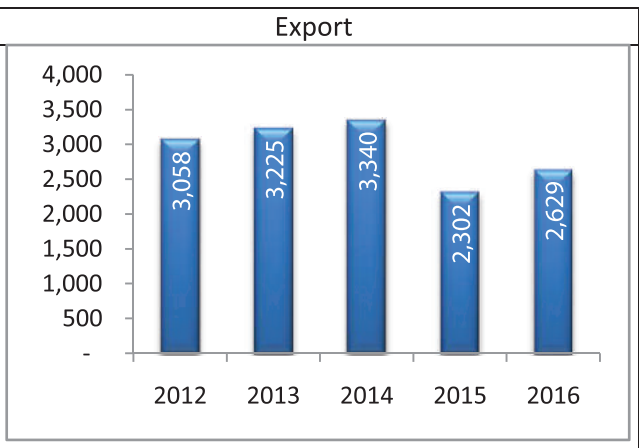
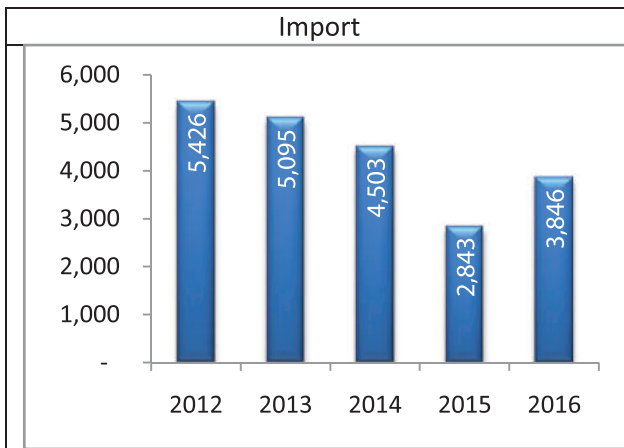
Financial Highlights

Fig in Million

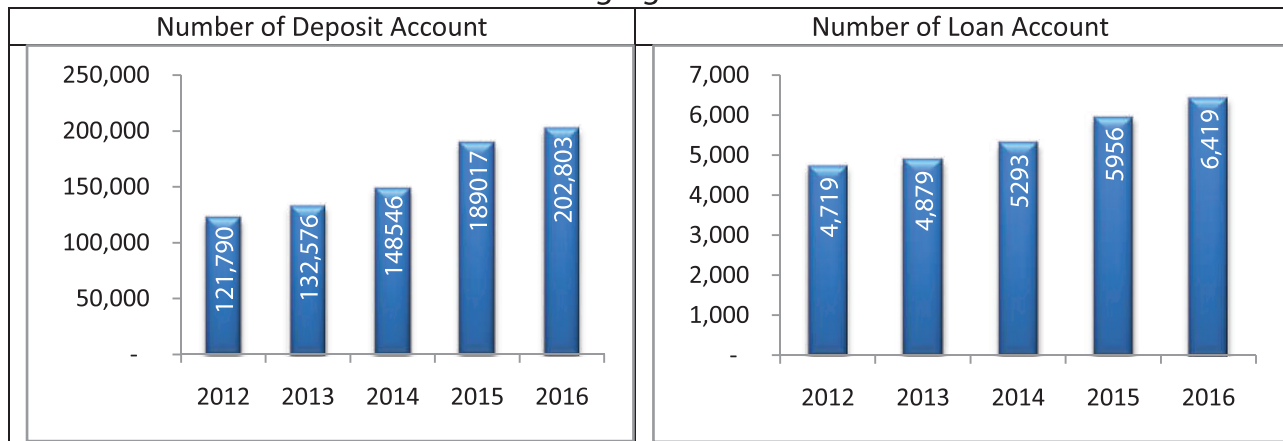
Particulars	2016		2015	
	Consolidated	Bank	Consolidated	Bank
1. Performance during the Year				
i. Net Interest Income	626	611	465	453
ii. Non Interest Income	503	437	508	430
iii. Operating Income	79	61	973	883
iv. Operating Profit	247	216	29	8
v. Profit after Tax	45	25	9	2
2. Year End Financial Position				
i. Loans & Advances	16,634	16,634	16,059	16,059
ii. Investments	3,600	4,223	3,468	4,106
iii. Deposits	25,223	25,223	24,208	24,208
iv. Shareholders' equity	3,500	3,466	3,419	3,404
v. Total Assets	31,427	31,167	30,261	30,050
3. Information Per Ordinary Share				
i. Earnings per share (weighted average)	2.25	1.26	0.43	0.08
ii. Price earning ratio (times)	44	79	1,202	1,250
iii. Net asset value per share (BDT)	176	174	172	171
4. Ratios (%)				
i. Capital Adequacy Ratio (CAR) %	2.21%	1.72%	3.63%	3.64%
ii. Return on average equity (ROE) %	1.28%	0.72%	0.25%	0.05%
iii. Return on average assets (ROA) %	0.14%	0.08%	0.03%	0.01%
iv. Cost to income ratio (%)	79.47%	80.52%	97.00%	99.06%
v. NPL to total loans and advance (%)	37.60%	37.60%	33.40%	31.36%
vi. Deposits (BDT Million)	25,223	25,223	24,207.63	24,207.58
vii. Loans and advances (BDT Million)	16,634	16,634	16,058.83	16,058.83



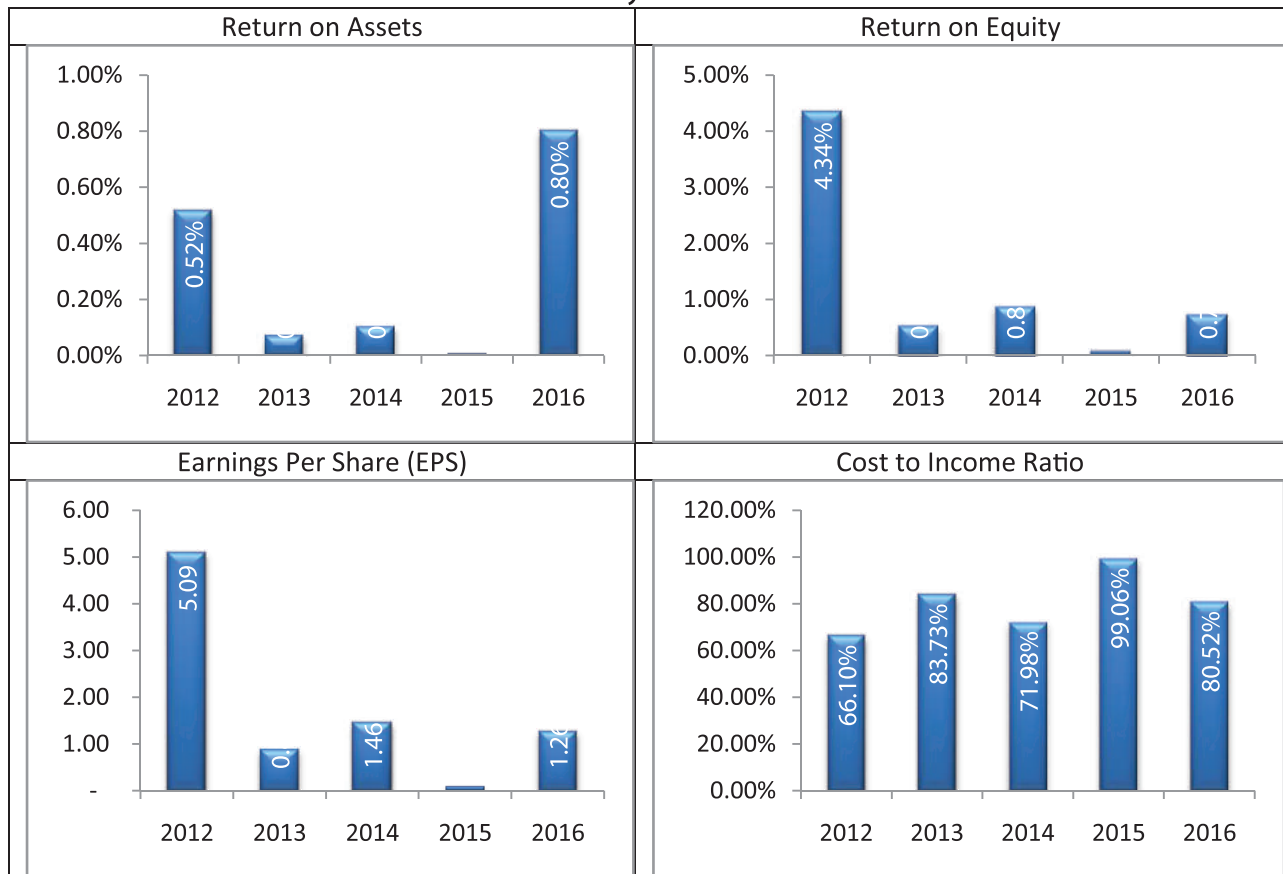
Non Funded Business



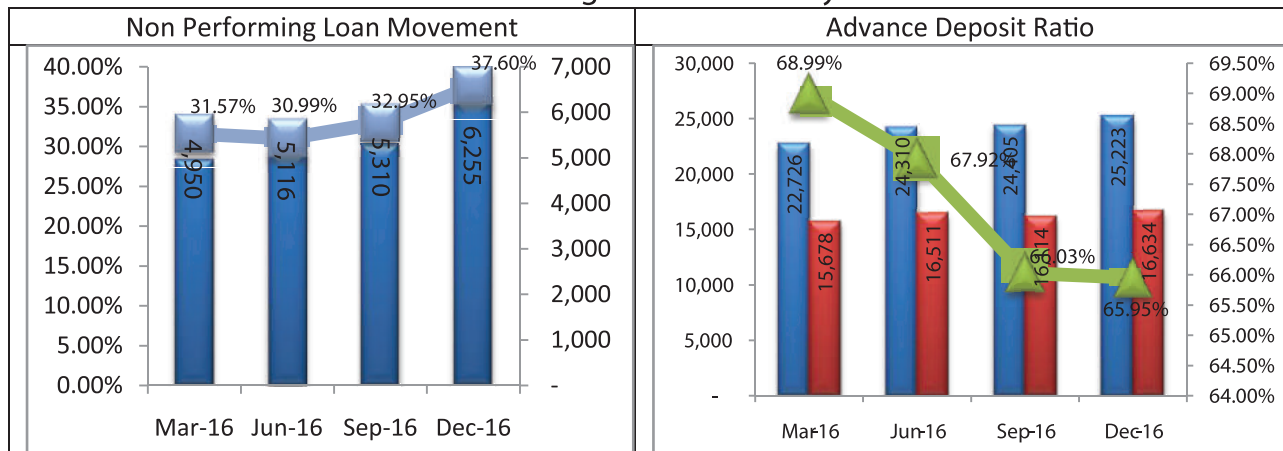
Changing Customers

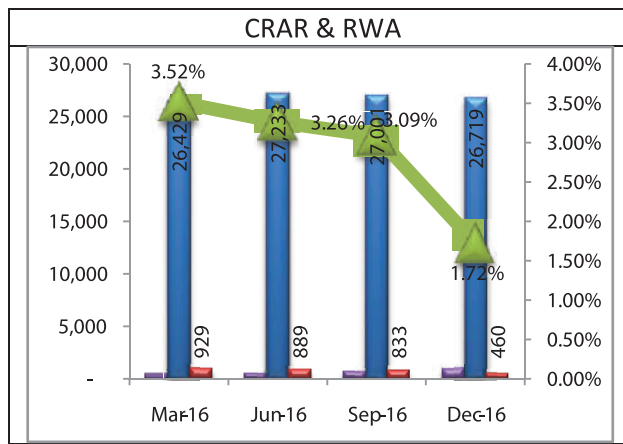
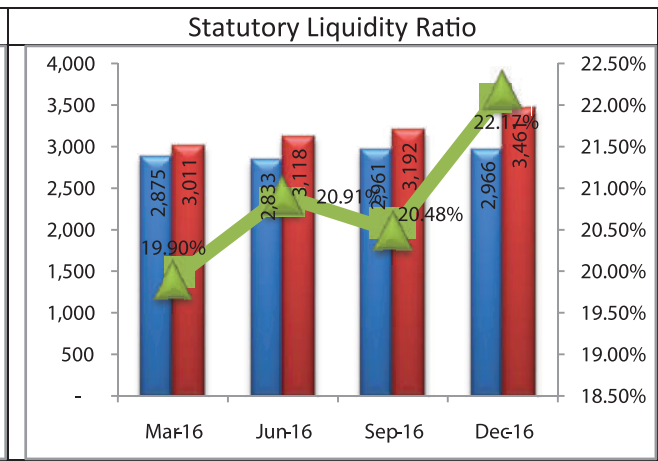
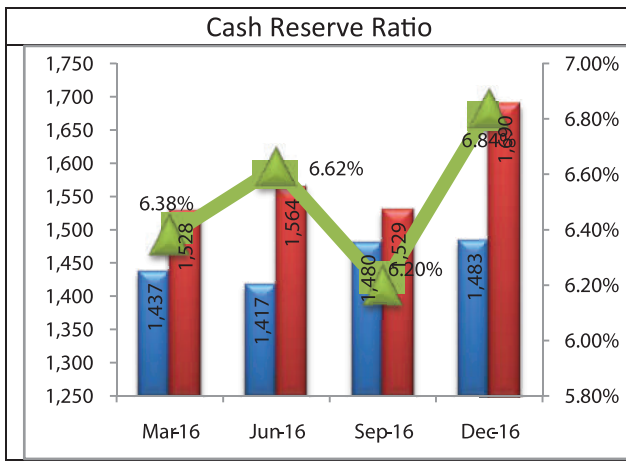


Key Ratios

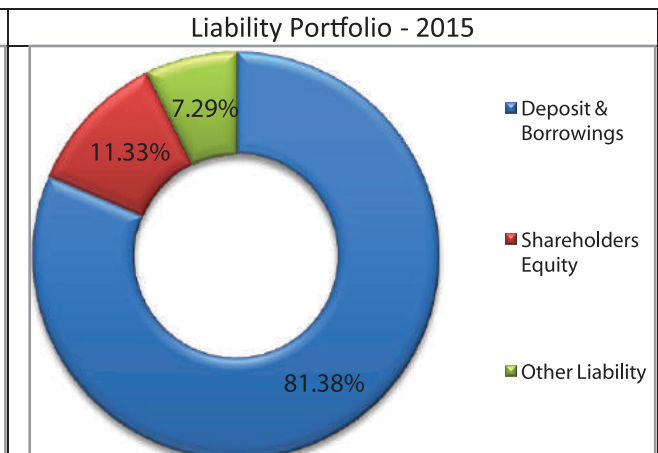
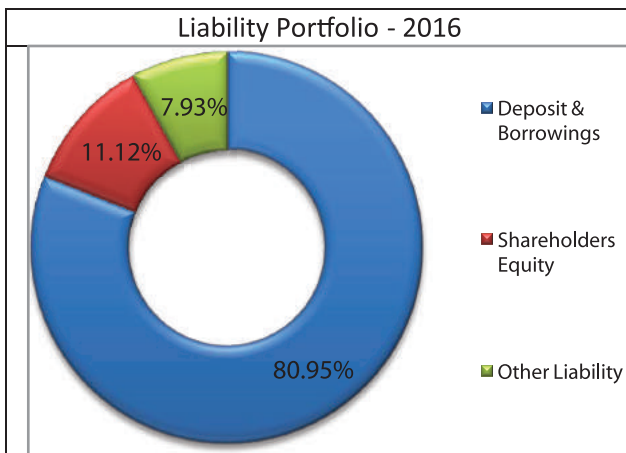
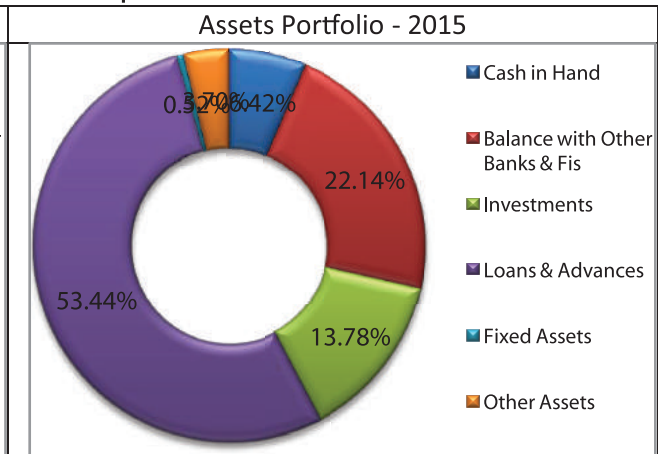
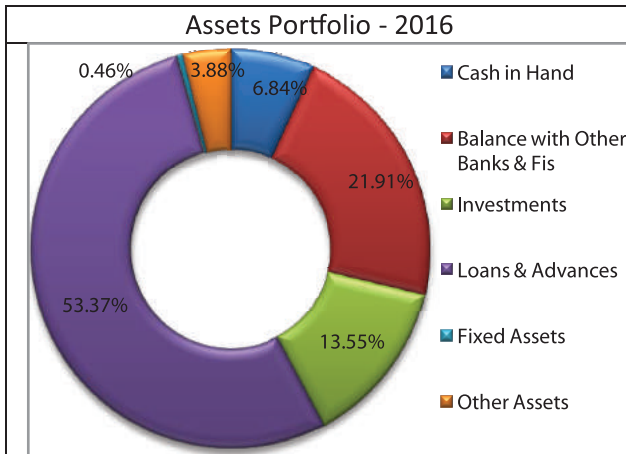


Management Efficiency





Balance Sheet Composition



CREDIT RATINGS 2016

**Long
Term**

BB

Double B
Some Obvious Weakness in Operating
Practices & Key Financial Indicators

**Short
Term**

ST-4

ST-4
Inadequate Capacity

Rated by: Alpha Credit Rating Limited

Date of declaration: 05 June, 2017

Valid till: 04 June, 2018



BANGLADESH COMMERCE BANK LTD.

REPORT OF THE BOARD AUDIT COMMITTEE

An Audit Committee (AC) of the Board was formed and its roles and responsibilities were defined in line with Corporate Governance Notification issued by Bangladesh Securities and Exchange Commission (BSEC) on 07 August 2012 and BRPD Circular No.11 issued by Bangladesh Bank (BB) on 27 October 2013. Main objectives of Audit Committee are:

To assist the Board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plan set by the Board for effective functioning of the bank.

To review the financial reporting process, the system and effectiveness of internal control process, compliance status of inspection report of Bangladesh Bank and assessment of the overall processes and procedures for monitoring compliance with laws and regulations and its own code of business conduct.

COMPOSITION OF THE AUDIT COMMITTEE:

The AC was last re-constituted on 22 February 2016 with the following Board Members:

Sl.	Name of Directors	Position in the Committee
01	Mr. Md. Shafiqul Islam, FCA	Chairman
02	Mr. Tapan Kumar Karmaker	Member
03	Mr. Md. Abdus Salam, FCA	Member

The Company Secretary acts as Secretary of the Committee.

COMPLIANCE WITH EXISTING LAWS AND REGULATIONS:

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

MISCELLANEOUS:

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

MEETINGS OF THE AUDIT COMMITTEE:

Bangladesh Bank suggested banks to hold at least 4 meetings in a year. The Audit Committee of BCBL held 4 (Four) meetings in 2016 and had detailed discussions and review sessions with the Head of Audit, Head of Internal Control & Compliance, External Auditors regarding their findings and remedial suggestions on various issues that need improvement. The AC instructed management to follow those remedial suggestions and monitored accordingly. Meeting dates are as follows:

SL	MEETINGS	DATE OF MEETING
01	50th Meeting of the Audit Committee	25 January 2016
02	51st Meeting of the Audit Committee	24 March 2016
03	52nd Meeting of the Audit Committee	18 August 2016
04	53rd Meeting of the Audit Committee	22 December 2016

In the year 2016, four meetings of the Audit Committee were held in which, the following issues, amongst others, were viewed and discussed:

- i. Reviewed and approved the 'Annual Audit Plan 2017'.
- ii. Evaluated performance of External Auditors.
- iii. Evaluated External Audit Report of the Bank and the recommendations made there under.
- iv. Reviewed performance budget for the year 2016, before submission to the Board for approval.

- v. Evaluated Bangladesh Bank comprehensive inspection report and the recommendations made there under.
- vi. Reviewed the effectiveness of Internal Control System of the Bank.
- vii. Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk along with compliance thereof.
- viii. Reviewed BCBL Mobile Banking policy, Internal Control & Compliance (ICC) Manual and TA/DA policy of the Bank.
- ix. Reviewed integrated health report for the year 2015.
- x. Audit and Inspection reports on the branches, divisions and departments of the Corporate Office for the year 2014 and 2015 prepared by the Internal Control and Compliance Division (ICCD) of the Bank.
- xi. Actions taken by the management in regard to deficiencies raised in the Bangladesh Bank Inspection report and by the Internal Audit and Inspection Team of the Bank.
- xii. The corrective measures taken by the management in regard to the lapses pointed out on the internal control and other issues as are raised by internal and external auditors and inspectors of the regulatory authority.
- xiii. Reviewed the revised 'Guidelines on Internal Control & Compliance' of the Bank in accordance with BRPD Circular No. 3 dated 8 March 2016 and BRPD Circular No. 6 dated 4 September 2016.
- xiv. Management Report on Accounts of the Bank for the year ended 31 December 2015.
- xv. Reviewed improvement of the Bank for the year 2016 as per directives of Bangladesh Bank, DOBB and Department of Off Site Supervision (DOS) Bangladesh Bank

THE AUDIT COMMITTEE HAS FURTHER SATISFIED THAT

- * The rules and regulations of the Bangladesh Bank and all other regulatory authorities and Bank's own policy guidelines approved by the Board of Directors are duly complied with.
- * Internal control and security measures have been adequately undertaken by the Bank towards facilitating Information Technology (IT) based banking including generation of proper Management Information System (MIS).
- * The system of internal control and the business processes have been strengthened including development of human resources towards creation of a compliance culture in the Bank.
- * The efforts have been made to keep assets of the Bank safe along with liabilities and commitments are made transparent.
- * The Financial Statements of the Bank have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and contained full disclosure.

REPORTING

The committee as well assisted instituting recovery mechanisms, constituting a robust credit administration and carefully reviewed the internal control system and procedures including IT operation to secure the Bank from foreseeable shocks. The process of continuous monitoring was established for avoidance of errors and omissions and repetition of lapses as are detected by the internal and external auditors.

The Minutes of the Audit Committee meetings containing various suggestions and recommendations to the Management and the Board are placed subsequently to the Board for ratification on regular basis.

On behalf of the Audit Committee,



Md. Shafiqul Islam, FCA
Chairman
Audit Committee

DIRECTORS' REPORT 2016

The Board of Directors welcomes you all to the 19th Annual General Meeting (AGM) of the Bank and presents before you the Annual Report along with the Audited Financial Statements for the year 2016. A review of business and financial performance and the forces (global as well as local business, economic and financial condition) affecting these have been briefly pointed out.

Global economy and its outlook

Global economy passed another difficult year due to stagnant global trade, subdued investment and heightened policy uncertainty. The condition of emerging and developing economies remains quite varied. Growth in China was a bit stronger than expected supported by continued policy stimulus; overall activity was weaker than expected in some Latin American countries currently in recession, such as Argentina and Brazil, as well as in Turkey, which faced a sharp reduction in tourism revenues. Activity in Russia was slightly better than expected, in part reflecting firmer oil prices. Many economies in the Middle East and Sub-Saharan Africa, however, continued to face challenging conditions. India's economy continued to recover strongly, benefiting from a large improvement in the terms of trade, effective policy actions, and stronger external buffers, which have helped boost sentiment. As per IMF projections, the global growth is expected to be 3.4% in 2017 and 1.9% for advanced economies. Growth in the US economy is projected to be 2.3% with the highest likelihood among a wide range of possible scenarios. Growth projections for 2017 also have been made upward for Germany, Japan, Spain, and the UK, mostly on account of a stronger than expected performance during the later part of 2016. The growth in China is projected to be 6.5% on expectations of continued policy support while in India, the growth forecast (7.2%) is trimmed primarily due to rattle effects induced by recent 'currency shock'. In the Middle East, growth in Saudi Arabia is expected to be weaker as oil production is cut back in line with the recent OPEC agreement, while civil strife continues to take a heavy toll on a number of other countries. Geopolitical risks and a range of other noneconomic factors continue to weigh on the global economic outlook in various regions - civil war and domestic conflicts in parts of the Middle East and Africa, the tragic plight of refugees and migrants in neighboring countries and in Europe and the rising acts of terror worldwide.

Bangladesh economy: A brief review

The economy of Bangladesh has made solid progress in transforming the economy from a rural-based agrarian economy towards a more modern urban-based manufacturing and services based economy. Over more than three decades the share of the industry sector including the manufacturing sector in GDP increased gradually and continued to increase in FY 2015-16. Up to FY 2000-01, the contribution of service sector was around 50.0% as per base year FY 1995-96. As per new base year (FY 2005-06), the service sector share reached 55.6% in FY 2005-06 and in recent years, it is around 53-54% of GDP. The economy of Bangladesh performed well in FY 2015-16. The GDP growth picked up around half percentage point to 7.1% from 6.6% in FY 2014-15. Growth was underpinned by the moderate growth in agriculture and robust performance in industry, aided by a buoyant service sectors.

Gross Domestic Product (GDP) at Current Prices

The final value of GDP at current market prices stood at BDT17,32,864 crore in FY 2015-16, up by 14.3% of previous fiscal year. At current prices, the estimated per capita GDP is up by 12.9% from the per capita GDP of FY 2014-15. In US dollar, per capita GDP and GNI stood at US\$1,385 and S\$1,465 respectively in FY 2015-16 compared to US\$ 1,236 and US\$ 1,316 respectively in FY 2014-15. The Bangladesh Government has set 7.2% gross domestic product (GDP) growth target for fiscal year 2016-17.

Agriculture

Agriculture sector growth in FY 2015-16 slowed to 2.8% from 3.3% in FY 2014-15, caused by the decline in crops and horticulture growth from 1.8% to 0.9% during the period. GDP from Agriculture in Bangladesh increased to 9,922.80 BDT million in 2016 from 9,748 BDT million in 2015. Average GDP in Agriculture in Bangladesh is 8,622.84 BDT million from 2006 until 2016.

Industry

Industry sector growth in FY 2015-16 picked up to 11.1% from 9.7% in FY 2014-15, mainly attributed by the increase in mining and quarrying sector, manufacturing sector and electricity, gas and water supply sector. The Industry sector plays an important role in socio-economic development of the country. According to BBS estimates, the contribution of the broad industry sector to real GDP stood at 30.4% in FY 2014-15 which increased to 31.5% in FY 2015-16. The contribution of the manufacturing sector is the highest in GDP. In FY 2014-15 the contribution of manufacturing sector in GDP was 20.2% which increased to 21.0% in FY 2015-16.

Service Sector

The service sector recorded 6.3% growth in FY 2015-16, up from 5.8% in FY 2014-15. Among the broad service sector, except financial intermediation sector, all the sectors performed well compared to previous fiscal year. According to the final data, the output of the wholesale and retail trade increased from 6.4% of the previous year to 6.5% in FY 2015-16. Hotel and restaurant sector posted a growth of 7.0% from 6.8% a year earlier. In transport, storage and communication sector the growth stood at 6.1% for FY 2015-16, from 6.0% in FY 2014-15.

Inflation

Year-on-year inflation decreased to 5.9% in FY 2015-16 relative to 6.4% in FY 2014-15. The downward trend in inflation is largely driven by food-inflation. Food inflation declined in FY 2015-16, while non-food inflation rose during the same period. Inflation has declined mainly due to reduction of commodity prices, including fuel in the international markets, satisfactory agricultural production in domestic level, normal flow in supply of goods and prudent macroeconomic management. Non- food inflation increased mainly due to increase in domestic demand, as well as increased in the flow of private sector credit.

Interest Rate

The weighted average interbank call money rate declined to 3.7% at the end of June 16, from 5.8% corresponding to the same month of previous year indicating required liquidity position in the banking system. The weighted average lending rate of commercial banks decreased to 10.4% at the end of June 2016 from 11.7% of end June 2015. Similarly, the deposit rate decreased to 5.5% from 6.8% of the same period of previous year. The interest rate spread also decreased slightly to 4.9% at the end of June, 2016 from 4.9% of June, 2015.

Export

Exports recorded a growth of 9.8% in FY 2015-16, significantly up from 3.4% in the previous fiscal year. Export earnings during the period exceeded the annual target (US\$33,500 million) by 2.2% to US\$34,257 million. Export of woven garments and knitwear products increased by 12.8% and 7.5% respectively in FY 2015-16 compared to the same period of previous year. The USA is the main destination of Bangladesh's export commodities. In FY 2015-16, the export earnings from USA stood at US\$6,220.65 million, which is 18.2% of the total export. The second largest destination of country's export commodities are Germany (14.6%), followed by UK (11.1%) and France (5.4%).

Import

Import growth accelerated at 5.5% in FY 2015-16, from 0.1% growth compared to the preceding year. The total value import (c&f) stood provisionally at US\$42,290.80 million during FY 2015-16, up from US\$40,703.70 million (based on custom records) of the preceding year. China is the main source of import for Bangladesh. In FY 2015-16, Bangladesh imported US\$12,691 million worth of commodities from China. The second largest source of import in Bangladesh is India (13.8%), followed by Singapore (5.3%) and Japan (4.8%).

Remittance

The inflows of remittances declined by 2.5% in FY 2015-16, amounting to US\$ 14,931.14 million, compared to the growth of 7.7% a year earlier. The slowdown in investment and construction works in the Middle East countries due to low oil prices is mainly responsible for the deceleration in remittance inflows. However, the overseas employment increased substantially in recent times. In FY 2015-16, 0.68 million went abroad for jobs, up by 48.3% compared to previous year.

Foreign Exchange Reserve

Foreign exchange reserves exceeded the US\$30 billion mark in June 2016 (providing for 8 months of import coverage). Foreign exchange reserve continued to grow due to continued increase in the surpluses of overall Balance of Payment.

Exchange Rate

Exchange rate of BDT against US dollar remained almost stable during FY 2015-16. The weighted average interbank exchange rate stood at BDT 78.26 per US dollar in FY 2015-16 while it was BDT 77.67 per US dollar in FY 2014-15 showing depreciation of about 0.7%. But BDT appreciated against Euro, Indian Rupees and UK Pound. Moreover, based on 10 currency basket, the Real Effective Exchange Rate (REER) index appreciated by 5.6% in FY 2015-16.

Banking industry in 2016

The banking industry in Bangladesh is highly fragmented into state-owned commercial banks (SCBs) and local and foreign private commercial banks (PCBs) with a marked difference in profitability and other financial soundness indicators (governance, asset quality, capital adequacy etc.). Too many banks chasing too few eligible borrowers resulting free fall of interest rates and rising NPL have been the major challenges facing the industry. Weak governance, poor risk management and control measures in certain banks (dominantly SCBs) have continued to cast a shadow on the overall health and sustainability of these sectors. Private sector credit growth has declined to 15% by the end of November 2016 from 16.8% of June 2016 despite falling interest rates on lending (average lending rate was 9.9% in November 2016). Industry NPL ratio closed at 9.2% at year-end 2016 from 10.3% at 30 September 2016.

The Capital to risk weighted assets ratio (CRAR) stood at 10.3% in September 2016, same as the level of June 2016. On the other hand, monthly interest rate spread for all banks continued to stay below 5% during September 2016. The spread has been decreasing since June 2016; it was 4.9% in June 2016 and 4.8% in September 2016. Monthly weighted average call money rate decreased marginally from 3.7% in June 2016 to 3.6% in September 2016.

Deposit growth slowed to 13.5% at the end of September 2016 against 14.1% at the end of June 2016. Similarly, the growth of loans and advances decreased from 15.4% to 14.5% during the same period. The advance-deposit ratio (ADR) stood at 73.9% at the end of September 2016 and remained far below the maximum regulatory ceiling. The liquidity position in the banking sector as a whole was comfortable at the end of September 2016; leading to a further easing of money market conditions.

Economy and business outlook 2017

Bangladesh Bank's (BB) second half yearly (H2, FY 2017) monetary policy stance has been formulated to accommodate GDP growth target of 7.2% and to fix a monetary growth path aiming at average inflation below 5.8%. This would require a monetary program that limits reserve money growth to 14% and broad money growth to 15.5% by June 2017. This is consistent with domestic credit growth of 16.4% and private sector credit growth of 16.5% by June 2017.

Several indicators point to robust economic activity in the first half of FY 2017 amid macroeconomic and political stability and strong domestic demand. Private sector credit growth of 15-16% is at a three-year high, with strong demand coming from trade, construction, and small & medium enterprise (SME) sector, which helps productivity and job creation. Medium and large-scale manufacturing industry also grew robustly. Export growth moderated but has held up relatively well (4.4% in December 2016), compared to peers and is expected to pick up. Looking ahead, the government's reform initiatives to improve the business climate and ease infrastructure bottlenecks, including by developing special economic zones, should help crowd in both private domestic and foreign direct investments that can create more jobs, raise productivity, and potential growth.

In line with the government's SDG priorities of an inclusive, environmentally sustainable growth, BB is promoting inclusive, green financing (targeting SME, agriculture and green initiatives). BB has taken up a consultative initiative of formulating Guidance Notes on the do's and don'ts of socially responsible financing to better foster social cohesion, with output initiatives that promote entrepreneurship, create more and better jobs and protect environment.

The principal activities of the Bank are banking and related businesses under the Bank Company Act 1991(amended up to 2013). The core banking business includes accepting deposits and granting loans and advances out of those deposits and earning profit through creating value from gap between interest paid on deposits and interest earned on loans and advances. The depositors supply funds for loans and advances. The Bank collects deposits through deposit mobilization strategy comprising various deposit products under conventional banking. The Bank's central revenue producing activities include all kinds of commercial banking products and services to the customers including project finance, working capital finance and trade finance for corporate customers, SME loans to small traders and business; house building loan, car loan as well as wide range of life style and need based loans for retail customers. The Bank has been able to develop state-of-the-art IT platform and online banking systems facilitating any branch banking, phone banking, SMS banking, internet banking, any time banking for 24 hours a day and 7 days a week through ATM.

Client as Trusted and Development Partner

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

Corporate Branding

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

Cluster Management

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

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

Regulatory and Compliance Culture

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

Financial Position Review

Summary

Despite various external challenges, Bank's overall businesses grew significantly in 2016 over that of 2015. Deposits of the Bank increased by 4.0% and stood at BDT 25223 million at the end of year 2016. Consolidated Loans and Advances increased by 3.6% and stood at BDT 16634 million at the end of the year 2016 compared to year 2015. Investment increased by BDT 117 million showing growth of 2.9% compared to year 2015.

Status of asset quality

As on 31 December 2016, NPL ratio of the banking industry stood at 9.2% which was 8.8% one year back. The NPL ratio of BCBL was 37.6% at the end of 2016 which was 30.6% at end of 2015. The status of unclassified and classified loan of the Bank is as follows:

Classification Type	31st December 2016	31st December 2015
Un-classified	10,379,260,074	11,022,321,478
i) Standard	10,227,859,013	10,846,102,847
ii) SMA	151,401,061	176,218,631
Non Performing Loan	6,254,836,000	5,036,504,978
Sub-Standard	143,184,437	24,910,994
Doubtful	246,196,439	112,069,146
Bad or Loss	5,865,455,124	4,899,524,838
Total	16,634,096,074	16,058,826,456
NPL Ratio	37.6%	30.6%

Subsidiaries businesses

In pursuance of an inorganic growth route and to open up diversified earnings stream, BCBL established or acquired four subsidiaries, all of them fully owned, till the reporting date i.e. 31 December 2016. A brief review of subsidiaries business during 2016 has been presented in a separate section titled 'Review of BCBL Subsidiaries'.

Internal control system

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

* Various committees have been formed to assist the Board in ensuring that the Bank's operations are in line with the corporate objectives, policies, strategies, instructions and the annual budget that have been approved.

The Audit Committee of the Board reviews internal control findings identified by the Internal Audit of the bank, Inspection Team of Bangladesh Bank, External Auditors and Management and evaluates the adequacy and effectiveness of the risk management and internal control systems.

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

Risk management

The Risk Management Committee (RMC) of the Board reviews and monitors the overall risk management system of the Bank and updates to the Board from time to time. Risk management functions are subject to continuous scrutiny of ICCD and supervision of RMD to ensure appropriateness and integrity of the risk management mechanism. The risk management system of BCBL has been described in "Risk Management Report" section of this annual report. Also the major areas focused by RMC in 2016 have been presented in "Report of the Risk Management Committee of the Board" section of this annual report.

Financial reporting

- * Proper books of account as required by law have been maintained by BCBL.
- * Appropriate accounting policies have been consistently applied in preparation of the financial statements.
- * Accounting estimates and underlying assumptions are made on reasonable ground and prudent judgment and are reviewed on an ongoing basis.
- * The Financial Statements (FS) of the Bank are prepared in accordance with applicable Bangladesh Financial Reporting Standards (BFRSs) and relevant circulars/instructions issued by Bangladesh Bank and any departure there from has been adequately disclosed.
- * Being responsible for preparation and fair presentation of the FS, the management of the Bank asserts that the FS prepared by the management as at and for the year ended 31 December 2016 present fairly, in all material respects, its state of affairs, the results of its operations, cash flows and changes in equity.
- * There is no significant doubt upon the Bank's ability to continue as a going concern. BCBL has neither intention nor the need to liquidate or curtail materially the scale of its operations. Hence, the financial statements of the Bank have been prepared on the assumption that BCBL is a going concern and will continue in operation for the foreseeable future.

Corporate Social Responsibility (CSR)

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

Sl.	Area Amount	(Million BDT)
1.	Health	0.18
2.	Education (Campaign for Financial Inclusion in Barishal)	0.01
3.	Others (Blanket for poor & Bicycle distribution)	1.02
	Total	1.21



Engr. Rashid Ahmed Chowdhury
Chairman of the Board of Directors

Report on Corporate Governance

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

Structure of the Board

The BCBL Board of Directors consists of eleven members as on 31st December 2016 including Managing Director as ex-officio member and The Chairman. Directors were elected by the shareholders of the Bank. All the board members are highly competent in terms of academic and professional qualification and experiences and made noteworthy contribution in banks overall management. Directors are successful businessman of the country and important government officials. BCB is fortunate to have leading bankers as the member of board of directors. Directors meet at least once in a month to discuss and decide on different agendas of the bank. To manage the day to day banking activity board members delegated certain powers to Managing Director.

Board meetings and attendance

The Board meeting of BCBL is held on a regular basis, usually once in every month. However, emergency meetings are called as and when required. Meeting agendas are fixed and all relevant information, references and detailed working papers are communicated with the Board members well before the date of meeting. At the meeting, management presents and discusses with more insights, addresses Director's query and provides additional information as required for consideration of the matter by the Board. During the year 2016, total thirteen (13) Board Meetings were held; the attendance records of those meetings are as follows:

SL	NAME	TOTAL MEETING HELD	NO. OF MEETING ATTENDED	NO. OF MEETING ABSENT
1.	Mr. Arastoo Khan	12	12	-
2.	Mr. ATM Murtozaa Reza Chowdhury ndc	13	12	Leave Granted
3.	Mr. Tapan Kumar Karmaker	13	13	-
4.	Mr. Md. Farhad Uddin	13	13	-
5.	Mr. Md. Abdus Salam, FCA	13	8	Leave Granted
6.	Mr. Mohammed Arshed	11	11	-
7.	Mr. Mohammad Hanif Chowdhury	11	10	Leave Granted
8.	Mr. Md. Shafiqul Islam, FCA	11	11	-
9.	Mr. A A M Zakaria	10	9	Leave Granted

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

Ownership Composition

As on 31 December 2016 the shareholding composition among different category is given below:

SL	CATEGORY	NAME OF HOLDERS	NO. OF SHARES	% OF HOLDING
01.	KA	The Government of the People's Republic of Bangladesh	6,750,000	33.94
		Sponsors as mentioned in the Memorandum and Articles of Association of Bangladesh Commerce Bank Limited	8	0.00
02.	KHA	Three State Owned Bank namely Sonali Bank Limited Janata Bank Limited and Agrani Bank Limited.	2,249,982	11.31
03.	GA	Government Owned Corporate Bodies.	1,024,613	5.15
		Depositors and Private Shareholders.	9,862,825	49.59
Total =			19,887,428	100.00

Directors Shareholding Status

Shareholding structure of directors as on 31st December 2016 is as follows:

SL	NAME	DESIGNATION	SHARE HELD AS ON 31.12.2016	REMARKS
1.	Mr. Arastoo Khan Government Nominated	Chairman	-	
2.	Mr. ATM Murtozaa Reza Chowdhury ndc Government Nominated	Director	-	
3.	Mr. Tapan Kumar Karmaker Government Nominated	Director	-	
4.	Mr. Md. Farhad Uddin Government Nominated	Director	-	
5.	Mr. Md. Abdus Salam, FCA Government Nominated	Director	-	
6.	Mr. Mohammed Arshed Representative of Sunpack Industries Limited	Director	13,015	
7.	Mr. Mohammad Hanif Chowdhury Representative of Sunflower Life Insurance Co. Ltd.	Director	13,000	
8.	Mr. Md. Shafiqul Islam, FCA Representative of City General Insurance Co. Ltd.	Director	13,400	
9.	Mr. A A M Zakaria Representative of Brilliant Business Co. Ltd.	Director	13,050	
10.	Engr. Rashid Ahmed Chowdhury Representative of Padma Export Import & Trading Co. Ltd.	Director	20,875	
11.	Mr. Humayun Bokhteyar, FCA Representative of Pusti Vegetable Ghee Limited	Director	19,550	

Appointment of External Auditors

As recommended by the Board of Directors, shareholders of BCBL in its' 18th AGM held on 31st December 2016 appointed MABS & J Partners Chartered Accountants as the statutory auditors for the year 2016. Fee of the statutory auditors decided BDT 150,000.00 (one lac fifty thousand) only where tax will be deducted from the fee amount and VAT will be borne by the Bank.

Services not provided by External Auditors

We hereby declare that MABS & J Partners Chartered Accountants involved in statutory audit, was not engaged in any of the following services for BCBL during 2016:

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

No partner or employees of the MABS & J Partners Chartered Accountants, possesses any share of BCBL during the tenure of their audit assignment.

Highlights on Central Bank Inspections

As schedule bank BCB always be indebted to Bangladesh Bank as regulatory body for conducting comprehensive as well as special audit which surfaced notable findings for BCB. During the year 2016 Bangladesh Bank carried out comprehensive inspection on BCBL banking operations of Tanbazar Branch, Chaktai Branch, Bangshal Branch, Khulna Branch, Jubleeroad Branch, Agrabad Branch, Sylhet Branch, Dilkusha Branch, Bogra Branch, Muradpur Branch, Datulatur Branch, Dewanhat Branch, Dholaikhal Branch, Gulshan Branch, Comilla Branch, Jassore Branch, Khilgoan Branch, Dinajpur Branch, Kapilmuni Branch, Khatungonj Branch, Bijoyagar Branch, Naogaon

Branch, Greenroad Branch, Mouchak Branch, Zigatola Branch and Principal Branch. They submitted their detailed inspection report to BCBL and those were placed to the Audit Committee of the Board for their review and comments. All the findings of the inspections were discussed in the meetings and potential risk and mitigation plans were decided as per the recommendations of the report. The reports were finally submitted to the Board for their review and comments. The Board took the observations and instructed the management to comply with the recommendations made by Bangladesh Bank for improvement. Bangladesh Bank also conducted other relevant audits on different functions of BCBL throughout the year.

Board Committees

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

Audit Committee

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

NAME OF MEMBERS	STATUS WITH THE BOARD	STATUS WITH THE COMMITTEE
Mr. Md. Shafiqul Islam, FCA	Director	Chairman
Mr. Tapan Kumar Karmaker	Director	Member
Mr. Md. Abdus Salam, FCA	Director	Member

In 2016 Audit Committee held four (4) meetings where committee reviewed different issues related to company's risk management, internal control system and periodic financial statements. Key officials as relevant to the matters discussed were present in the meeting as required by the Committee. All meeting proceedings including the discussions and recommended action items of the Audit Committee were properly documented and reported to the Board of Directors. The meeting attendance of the committee members are shown below:

SL	NAME OF THE DIRECTORS	TOTAL MEETING HELD	NOS. OF MEETING ATTENDED	NOS. OF MEETING ABSENT
1.	Mr. Md. Shafiqul Islam, FCA	3	3	-
2.	Mr. Tapan Kumar Karmaker	4	4	-
3.	Mr. Md. Abdus Salam, FCA	4	4	-

Risk Management Committee

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

- ❖ Develop a risk aware culture within the organization, review and approve risk management strategies, policies, guideline and framework for BCB
- ❖ Supervise and monitor the capital management functions of the bank in harmonization with capital adequacy

- ❖ Examine market conditions and take proactive measures to safeguard and mitigate risks with regards to bank's investment
- ❖ Carry out periodic stress test with a view to eliminate lapses gradually in the course of business everyday
- ❖ Ensure adequate resources, infrastructure and systems are in place so that risk management functions can be carried in an effective manner

NAME OF MEMBERS	STATUS WITH THE BOARD	STATUS WITH THE COMMITTEE
Mr. A A M Zakaria	Director	Chairman
Mr. Md. Farhad Uddin	Director	Member
Mr. Mohammad Hanif Chowdhury	Director	Member

Separation of Chairman and Chief Executive Officer Roles

Roles and responsibilities of Honourable Chairman of the Board and Managing Director is clearly distinguished vide Bangladesh Bank BRPD Circular No. 11 dated 27 October 2013.

The Chairman of the Board is not engaged in any execution and as per Bangladesh Banks' guideline he ensures no participation in or interference to the administrative or operational and routine affairs of the Bank. As the Chairman he approves the board agenda and convene Board meeting supported by the Managing Director and the Company Secretary. Regular agenda items include approving credits beyond Managing Director's authority and aspects of the Bank's corporate strategy, financial performance, core risks and credit policy, corporate governance, CSR and organizational structure, human resources policy, customer and services strategies, procurement policy. Chairman ensures that the Board sets and implements the Bank's direction and strategy effectively.

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

Responsibilities of the Chairman of the Board

To set out the following responsibilities, BRPD Circular No. 11 dated 27 October 2013 issued by Bangladesh Bank and Corporate Governance Notification issued by BSEC on 07 August 2012 has been taken into consideration. The overall responsibility of the Chairman is to:

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

Benefits provided to the Directors and Managing Director

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

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

BCB is compliant with Bangladesh Bank circulars and Guidelines as well as directives of the Board.

SENIOR MANAGEMENT TEAM



EXECUTIVES OF BCBL

Managing Director	Mr. R Q M Forkan
Additional Managing Director	Mr. Md. Saifur Rahman Patwary
Deputy Managing Director	Mr. Kazi Md. Rezaul Karim
Senior Executive Vice President	Mr. S. M. Jahangir Akhter
Executive Vice President	Mr. Mohammad Khairul Alam, FCA
Executive Vice President	Mr. Md. Abdur Rahim Mia
Senior Vice President	Mr. Md. Salim Hasan
Senior Vice President	Mr. Md. Abul Hossain
Senior Vice President	Mr. Nazmul Karim Siddique
Senior Vice President	Mr. Afzal Hossain Khan
Senior Vice President	Mr. T.M. Afzal Hossain
Senior Vice President	Mr. Kazi Saifuddin Ahmed
Vice President	Mr. Anis Uddin Ahmed
Vice President	Mr. S. M. Reazur Rahman
Vice President	Mr. H. M. Abul Kalam Azad
Vice President	Mr. Md. Kamruzzaman Akhand
Vice President	Mr. Md. Abdul Halim
Vice President	Mr. Dewan Mohd. Moniruzzaman

Vice President	Mr. Ali Azam Chowdhury
Vice President	Mr. Sudatta Sebak Barua
Vice President	Mr. Md. Mojibur Rahman Khan
Vice President	Mr. Md. Mijanur Rahman Chowdhury
Vice President	Mr. Sarwar Md. Shahidullah
Vice President& CFO	Mr. Mohammad Saiful Islam, FCMA
Vice President	Mr. Parimal Poy
Vice President	Mr. Swapan Kumar Ghosh
Senior Assistant Vice President	Mr. Md. Enamul Haque
Senior Assistant Vice President	Mr. Md. Abul Hossain
Senior Assistant Vice President	Mr. Mohammad Nasir Uddin
Senior Assistant Vice President	Mr. Shah Md. Junaed Ibne Amin
Senior Assistant Vice President	Mr. Mahabubal Alam
Senior Assistant Vice President	Mr. Kazi Fakhru Alam
Assistant Vice President	Mr. Abdul Munim Chowdhury
Assistant Vice President	Mr. Md. Mahabub Morshed
Assistant Vice President	Mr. Ziauddin Ahmed
Assistant Vice President	Mr. Syed Salahuddin
Assistant Vice President	Mr. Qazi Md. Abul Kashem
Assistant Vice President	Mr. Md. Farid Hasan
Assistant Vice President	Mr. Md. Mobarrak Hossain
Assistant Vice President	Mr. Md. Zillur Rahman
Assistant Vice President	Mr. Abul Basher Mohammad Ahsan
Assistant Vice President	Mr. Fakir Nazmul Alam
Assistant Vice President	Mr. Mohammad Rezaul Haque
Assistant Vice President	Mr. Md. Rafiuzzaman
Assistant Vice President	Mr. Gopal Kumar Das

Management committees of BCB

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

Management Committee (MANCOM)

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

Scope of the Committee

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

SL	NAME OF THE MEMBERS	DESIGNATION
01.	Mr. R Q M Forkan	Managing Director
02.	Mr. Saifur Rahman Patwary	Additional Managing Director
03.	Mr. Kazi Md. Rezaul Karim	Deputy Managing Director
04.	Mr. S. M. Jahangir Akhter	SEVP & Head of IT, Card & BACH Division
05.	Mr. Md. Salim Hasan	SVP - Company Secretary & Head of Legal Affairs Division
06.	Mr. Md. Afzalur Rahman	SVP & Head of CAD
07.	Mr. Afzal Hossain Khan	SVP & Head of Trade Division
08.	Mr. Nazmul Karim Siddique	SVP & Head of Marketing Division
09.	Mr. Kazi Saifuddin Ahmed	SVP & Head of HRD & Establishment Division
10.	Mr. Sudatta Sebak Barua	VP & Head of Recovery Division
11.	Mr. Mohammad Saiful Islam, FCMA	VP & CFO
12.	Mr. Swapan Kumar Ghosh	VP & Head of CMD

6 (Six) meetings of the committee held during the year 2016 and following major decisions has been taken in those meetings:

To bring the recovery progress in a satisfactory level it was decided and advised to gear up the activities to achieve maximum progress due to minimize the classified loans.

Decided and directed to properly ensure the quality of loans and there shall be no compromise in rating the assets. Every Manager should constantly monitor the borrower and discrepancies (if any) after disbursement of loans and should inform the higher management.

To recruit skilled manpower to assure the good growth of the business to achieve the desired target.

Asset Liability Committee (ALCO)

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

Scope of ALCO

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

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

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

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

Funding and capital management: As all the mechanism to ensure the maintenance of adequate capital on a continuous basis. It is a dynamic and ongoing process considering both short- and longer-term capital needs and is coordinated with a bank's overall strategy and planning cycles (usually a prospective time-horizon of 2 years).

Profit planning and growth.

In addition, ALM deals with aspects related to credit risk as this function is also to manage the impact of the entire credit portfolio (including cash, investments, and loans) on the balance sheet. The credit risk, specifically in the loan portfolio, is handled by a separate risk management function and represents one of the main data contributors to the ALM team.

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

Committee Member(s)	Rank
Managing Director	Chairman
Additional Managing Director	Member
Deputy Managing Director	Member
Head of Treasury Division (Member Secretary)	Member
Head of Financial Administration Division (FAD)	Member
Head of Trade Division	Member Secretary
Head of Credit Management Division (CMD)	Member
Head of SME Division	Member
Head of Internal Control & Audit Division (ICAD)	Member
Head of IT Division	Member
Head of Marketing Division	Member
Branch In-Charge (On invitation)	Member

Investment Committee

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

Sl	Name	Designation	Rank
1	Mr. Kazi Md. Rezaul Karim	Deputy Managing Director	Chairman
2	Mr. M. A. Motalib Chowdhury	CEO, CBSIL	Member
3	Mr. Md. Abdul Halim	Vice President	Member Secretary
4	Mr. Mohammad Saiful Islam	Vice President and CFO	Member
5	Mrs. Syeda Rokeya Begum	SEO	Member

During the year 12 meetings held where decisions regarding portfolio investment has been taken. Investment amount has been increased by Tk. 5.19 crore from compared to 2015.

Purchase Committee (PC)

The main objective of this committee is to ensure optimum value for money through carrying out the Board approval procurement in Compliance with the policy and guidelines. The scopes of the committee activity are as follows:

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

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

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

Composition of Purchase Committee:

Committee Member(s)	Designation	Rank
Mr. Md. Saifur Rahman Patwary	Additional Managing Director	Chairman
Mr. Kazi Md. Rezaul Karim	Deputy Managing Director	Member
Mr. S.M. Jahangir Akhter	SEVP, IT Division	Member
Mr. Md. Salim Hasan	SVP, Board Secretary	Member
Mr. Kazi Saifuddin Ahmed	SVP, Establishment & General Services Division	Member
Mr. S M Reazur Rahman	VP, Internal Control & Compliance Division	Member
Mr. Md. Saiful Islam	VP, Financial Administration Division	Member
Mr. Md. Enamul Haque	SAVP, Establishment & General Services Division	Member Secretary



As a socio economic component it is the responsibility of a corporate citizen to add value and contribute to the society. Though bank indirectly contributes in society by offering different banking service and generating tax revenue for the government in addition to that as a corporate body bank contributed in some crucial which demand immediate attention. In the year 2016 bank has spend BDT 1.21 million for the betterment of the society in addition of indirect contribution the corporate body make through providing service and tax.

Sl.	Area	Amount (Million BDT)
1	Health	0.18
2	Education (Campaign for Financial Inclusion in Barishal)	0.01
3	Others (Blankets for Poor & Bicycle Distribution)	1.02
	Total	1.21

In our country health sector is considered to be the most neglected sector though the government put so much emphasize on this sector. Lack of implementation of government and lack of proper distribution of resource turned this sector an unorganized mass especially for poor and rural people. As a corporate body bank has limitation to contribute in this sectors but in this limited area bank has contributed to some beneficiary who had deficit in availing health benefit. As a third world country government attention mostly goes to basic needs and infrastructure development and cultural initiative attract lesser attention then it deserve. As a corporate body bank expanded its contribution to the cultural sector of the country. 40% above people still lived under poverty level that needs special contribution in every kind of natural and social disaster and they are most affective in that kind of disaster. Bank spends a mentionable amount from its CSR budget in the recovery of natural and social disaster. Bangladesh is over populated country but that population can be converted into assets from liability by developing skills and knowledge. Bank spends a major portion of its CSR fund for the development of human resources.

Report of the CRO

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

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

The risk management policy of the bank operates under the following principle:

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

Risk Management Process

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

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

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

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

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

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

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

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

Risk Management Committee

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

Sl.	Name of Directors	Position in the Committee
01	Mr. A A M Zakaria	Chairman
02	Mr. Md. Farhad Uddin	Member
03	Mr. Mohammad Hanif Chowdhury	Member

Risk Management Team

Risk Management Team comprises the following executives of BCBL:-

Sl.	Name of Directors	Position in the Committee	Name of Directors
01	Mr. Kazi Md. Rezaul Karim	Deputy Managing Director	Chairman of the committee/ Chief Risk Officer
02	Mr. S.M Jahangir Akther	SEVP & Head of IT Division	Member
03	Mahammad Khairul Alam	EVP & Head of Internal Control & Audit Division	Member
04	Mr. Nazmul Karim	SVP & Head of Marketing Division	Member
05	Mr. Afzal Hossain Khan	SVP & Head of Trade & Treasury	Member
06	Md. Abdul Halim	Head of Risk Management Division	Member Secretary
07	Mr. Sudatta Sebak Barua	VP& Head of Recovery Division	Member
08	Mr. Md. Saiful Islam	VP & CFO	Member
09	Mr. Swapon Kumar Ghosh	VP & Head of Credit Administration Division	Member
10	Mr. Shah Junayed Ibne Amin	SAVP & Head of SME Division	Member
11	Mr. Md. Abul Hossain	SAVP & Head of Anti-money Laundering Division	Member

Scope of the "Board Risk Management Committee"

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

Overview of Risk Management During the Year 2016

In 2016 Board Risk Management Committee held 2 (two) meetings where committee reviewed different issues related to Bank risk management, internal control system and approved the "ICAAP(Internal Capital Adequacy Assessment Process) Manual for BCBL", "Strengthening and updating Risk management System in our Bank" and periodic "Risk Management Paper(CRMR)", "Stress Testing result" and "Internal Capital Adequacy Assessment Process(ICAAP)".

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

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

Risk Management Division conducted "Stress Testing" in each quarter during 2016 and submitted 4 quarterly Stress Test results (hard and soft copy) to "Financial Stability Department" of Bangladesh Bank during 2016.

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

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

31.12.2016

1. Scope of Application:

1.1 Qualitative Disclosures

(a)	The name of the top corporate entity in the group to which this guidelines applies.	Bangladesh Commerce Bank Limited
(b)	An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	<p>The consolidated financial statements of the Bank include the financial statements of Bangladesh Commerce Bank Limited and Commerce Bank Securities and Investment Limited. Bangladesh Commerce Bank holds 100% shares of Commerce Bank Securities and Investment Limited. A brief description of the Bank and its subsidiary are given below:</p> <p>Bangladesh Commerce Bank Limited (BCBL): A public limited company incorporated in Bangladesh on June 01, 1998 under the Companies Act, 1994, the Bank Companies Act, 1991 and Parliamentary Act 12 of 1997. Bangladesh Commerce Bank Limited is known as a commercial bank. Like all commercial banks BCBL's core business is also obtaining deposits and providing loans. It is a financial institution providing services for businesses, organizations and individuals. Services include offering different types of deposit account such as current, saving and other scheme as well as giving loans to organizations and individuals to accelerate economic development.</p> <p>BCBL make it's profit by taking small, short-term, relatively liquid deposits and transforming these into small, medium and larger loans for short, medium and long term maturity loans. These processes of asset transformation generate net income for BCBL. BCBL also earned short term profit by investing through treasury functions as well as non funded business.</p> <p>However, BCBL is primarily engaged in deposit and lending activities to private and corporate clients in wholesale and retail banking. Other services typically include credit card, mobile banking, custodial service guarantees, cash management and settlement as well as trade finance.</p> <p>Commerce Bank Securities and Investment limited (CBSIL) Commerce Bank Securities & Investments Limited (CBSIL) is fully owned subsidiary company of Bangladesh Commerce Bank Limited incorporated as a private limited company on 20 September 2010 with the registrar of Joint Stock Companies & Firms, Dhaka vide certificate of incorporation no. C-87050/10. CBSIL started its operation from 01 June 2011. The main objective of the company for which was established are to carry out the business of full-fledged merchant banking activities like issue management, portfolio management, underwriting etc.</p>
(c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	Not Applicable for Bangladesh Commerce Bank Limited.

1.2 Quantitative Disclosure

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

2. Capital Structure:

2.1 Qualitative Disclosures

(a)	(a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1 or Tier 2.	As per the guidelines of Bangladesh Bank, Common Equity Tier-1 Capital of BCBL consists of (i) Fully Paid-up Capital, (ii) Statutory Reserve, (iii) General Reserve, (iv) Retained Earnings and (v) Minority Interest in Subsidiaries and (vi) Right Share Application Money. Tier-2 Capital consists of (i) General Provision against unclassified Loans/Investments, (ii) Off-balance sheet exposure and (iii) 50% of Revaluation gain/ loss on investment (HFT) as per guideline the balance of 31.12.2014 is considered after deducting 40%.
-----	--	---

2.2 Quantitative Disclosure

(b)	The amount of Regulatory capital, with separate disclosure of: CET1 Capital Additional Tier 1 Capital Total Tier 1 Capital Tier 2 Capital	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Solo</th> <th>Conso.</th> </tr> </thead> <tbody> <tr> <td>Fully Paid up Capital</td> <td>198.87</td> <td>198.87</td> </tr> <tr> <td>Share Capital BCI</td> <td>3.65</td> <td>3.65</td> </tr> <tr> <td>Statutory Reserve</td> <td>24.57</td> <td>24.57</td> </tr> <tr> <td>General Reserve</td> <td>0.89</td> <td>0.89</td> </tr> <tr> <td>Retained Earnings</td> <td>11.24</td> <td>14.66</td> </tr> <tr> <td>Right Share Application Money</td> <td>91.73</td> <td>91.73</td> </tr> <tr> <td>CET1 Capital</td> <td>330.95</td> <td>334.37</td> </tr> <tr> <td>Additional Tier 1 Capital</td> <td>0.00</td> <td>0.00</td> </tr> <tr> <td>Total Tier 1 Capital</td> <td>330.95</td> <td>334.37</td> </tr> <tr> <td>General Provision</td> <td>11.00</td> <td>11.00</td> </tr> <tr> <td>Revaluation Reserve</td> <td>1.20</td> <td>1.20</td> </tr> <tr> <td>Tier 2 Capital</td> <td>12.20</td> <td>12.20</td> </tr> </tbody> </table>	Particulars	Solo	Conso.	Fully Paid up Capital	198.87	198.87	Share Capital BCI	3.65	3.65	Statutory Reserve	24.57	24.57	General Reserve	0.89	0.89	Retained Earnings	11.24	14.66	Right Share Application Money	91.73	91.73	CET1 Capital	330.95	334.37	Additional Tier 1 Capital	0.00	0.00	Total Tier 1 Capital	330.95	334.37	General Provision	11.00	11.00	Revaluation Reserve	1.20	1.20	Tier 2 Capital	12.20	12.20
Particulars	Solo	Conso.																																							
Fully Paid up Capital	198.87	198.87																																							
Share Capital BCI	3.65	3.65																																							
Statutory Reserve	24.57	24.57																																							
General Reserve	0.89	0.89																																							
Retained Earnings	11.24	14.66																																							
Right Share Application Money	91.73	91.73																																							
CET1 Capital	330.95	334.37																																							
Additional Tier 1 Capital	0.00	0.00																																							
Total Tier 1 Capital	330.95	334.37																																							
General Provision	11.00	11.00																																							
Revaluation Reserve	1.20	1.20																																							
Tier 2 Capital	12.20	12.20																																							
(c)	Regulatory Adjustments/Deductions from capital	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Solo</th> <th>Conso.</th> </tr> </thead> <tbody> <tr> <td>Provision Shortfall in NPL</td> <td>297.13</td> <td>297.13</td> </tr> <tr> <td>Provision Shortfall in Share</td> <td>----</td> <td>----</td> </tr> <tr> <td>Total Adjustment</td> <td>297.13</td> <td>297.13</td> </tr> </tbody> </table>	Particulars	Solo	Conso.	Provision Shortfall in NPL	297.13	297.13	Provision Shortfall in Share	----	----	Total Adjustment	297.13	297.13																											
Particulars	Solo	Conso.																																							
Provision Shortfall in NPL	297.13	297.13																																							
Provision Shortfall in Share	----	----																																							
Total Adjustment	297.13	297.13																																							
(d)	Total eligible capital	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Solo</th> <th>Conso.</th> </tr> </thead> <tbody> <tr> <td>Total eligible capital</td> <td>46.02</td> <td>49.44</td> </tr> </tbody> </table>	Particulars	Solo	Conso.	Total eligible capital	46.02	49.44																																	
Particulars	Solo	Conso.																																							
Total eligible capital	46.02	49.44																																							

3. Capital Adequacy:

3.1 Qualitative Disclosures

(a)	A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities.	The Bank has adopted Standardized Approach (SA) for computation of capital charge for credit risk and market risk, and Basic Indicator Approach (BIA) for operational risk. Assessment of capital adequacy is carried out in conjunction with the capital adequacy reporting to the Bangladesh Bank. The Bank has maintained capital adequacy ratio on the basis of "Consolidated" and "Solo" are 1.72% & 1.75% respectively as against the minimum regulatory requirement of 10.625%. Tier-I capital adequacy ratio for "Consolidated" is 1.32% as well as "Solo" is 1.27% against the minimum regulatory requirement of 5%. The Bank's policy is to manage and maintain its capital with the objective of maintaining strong capital ratio and high rating.
-----	--	---

3.1 Qualitative Disclosures

(b)	Capital requirement for Credit Risk	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Solo</th> <th>Conso.</th> </tr> </thead> <tbody> <tr> <td>Capital requirement for Credit Risk</td> <td>249.44</td> <td>249.79</td> </tr> </tbody> </table>	Particulars	Solo	Conso.	Capital requirement for Credit Risk	249.44	249.79
Particulars	Solo	Conso.						
Capital requirement for Credit Risk	249.44	249.79						
(c)	Capital requirement for Market Risk	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Solo</th> <th>Conso.</th> </tr> </thead> <tbody> <tr> <td>Capital requirement for Market Risk</td> <td>14.27</td> <td>27.80</td> </tr> </tbody> </table>	Particulars	Solo	Conso.	Capital requirement for Market Risk	14.27	27.80
Particulars	Solo	Conso.						
Capital requirement for Market Risk	14.27	27.80						

(d)	Capital requirement for Operational Risk	Particulars	Solo	Conso.
		Capital requirement for Operational Risk	20.18	27.71
(e)	Total capital, CET1 capital, Total Tier 1 capital and Tier 2 capital ratio: • For the consolidated group; and • For stand alone	Particulars	Solo	Conso.
		CRAR	1.72%	1.75%
		CET1 Capital Ratio	1.27%	1.32%
		Total Tier 1 Capital Ratio	1.27%	1.32%
		Total Tier 2 Capital Ratio	0.46%	0.43%
(f)	Capital Conservation Buffer	As the bank could not maintain the required capital of 10% so the bank could not able to maintain buffer capital @ of 0.625%.		
(g)	Available Capital under Pillar 2 Requirement			

4. Credit Risk:

4.1 Qualitative Disclosures

(a)	<p>The general qualitative disclosure requirement with respect to credit risk, including:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Definitions of past due and impaired (for accounting purposes); 	<p>With a view to strengthening credit discipline and bring classification and provisioning regulation in line with international standard, a phase-wise program for classification and provisioning was undertaken by the Bank as per Bangladesh Bank circulars issued from time to time. In this regard, all the loans and advances/investments are grouped into four categories for the purpose of classification, namely (i) Continuous Loan, (ii) Demand Loan, (iii) Fixed Term Loan and (iv) Short-term Agricultural and Micro Credit. They are classified as follow:</p> <p>Continuous & Demand Loan are classified as:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Sub-standard- if it is past due/overdue for 03(three) months or beyond but less than 06 (six) months; <input type="checkbox"/> Doubtful- if it is past due/overdue for 06 (six) months or beyond but less than 09 (nine) months; <input type="checkbox"/> Bad/Loss- if it is past due/overdue for 09 (nine) months or beyond. <p>In case of any installment(s) or part of installment(s) of a Fixed Term Loan amounting up to Taka 1 million is not repaid within the due date, the amount of unpaid installment(s) are treated as "past due or overdue installment". Such types of Fixed Term Loans are classified as under:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Sub-standard- if the amount of past due installment is equal to or more than the amount of installment(s) due within 06 (six) months, the entire loans are classified as "Sub-standard". <input type="checkbox"/> Doubtful- if the amount of past due installment is equal to or more than the amount of installment(s) due within 09 (nine) months, the entire loans are classified as "Doubtful". <input type="checkbox"/> Bad/Loss- if the amount of past due installment is equal to or more than the amount of installment(s) due within 12(twelve) months, the entire loans are classified as "Bad/Loss". <p>In case of any installment(s) or part of installment(s) of a Fixed Term Loan amounting more than Taka 1 million is not repaid within the due date, the amount of unpaid installment(s) are treated as "past due or overdue installment". Such types of Fixed Term Loans are classified as under:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Sub-standard- if the amount of past due installment is equal to or more than the amount of installment(s) due within 03 (three) months, the entire loans are classified as "Sub-standard". <input type="checkbox"/> Doubtful- if the amount of past due installment is equal to or more than the
-----	--	---

	<p>□ Description of approaches followed for specific and general allowances and statistical methods;</p>	<p>amount of installment(s) due within 06 (six) months, the entire loans are classified as "Doubtful".</p> <p>Bad/Loss- if the amount of past due installment is equal to or more than the amount of installment(s) due within 09 (nine) months, the entire loans are classified as "Bad/Loss".</p> <p>Short-term Agricultural and Micro Credit will be considered irregular if it is not repaid within the due date as stipulated in the loans agreement and will be classified as under:</p> <ul style="list-style-type: none"> □ Sub-standard- if the irregular status continues after a period of 12 (twelve) months, the credits are classified as "Sub-standard". □ Doubtful- if the irregular status continue after a period of 36 (thirty six) months, the credits are classified as "Doubtful". □ Bad/Loss- if the irregular status continue after a period of 60 (sixty) months, the credits are classified as "Bad/Loss". <p>A Continuous loan, Demand loan or a Term loan which remained overdue for a period of 02 (two) months or more, is treated as "Special Mention Account (SMA)".</p> <p>The Bank is required to maintain the following general and specific provision in respect of classified and unclassified loans and advances / investments on the basis of Bangladesh Bank guidelines issued from time to time:</p> <table border="1" data-bbox="574 909 1365 1776"> <thead> <tr> <th>Particulars</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td>General provision on unclassified Small and Medium Enterprise (SME) financing.</td> <td>0.25%</td> </tr> <tr> <td>General provision on unclassified loans and advances/ investments other than Consumer Financing, Loans to Brokerage House, Merchant Banks, Stock Dealers etc., SMA as well as SME Financing).</td> <td>1%</td> </tr> <tr> <td>General provision on interest receivable on loans / investments.</td> <td>1%</td> </tr> <tr> <td>General provision on off-balance sheet exposures (Provision has been made on the total exposure and amount of cash margin & value of eligible collateral were not deducted while computing off-balance sheet exposure).</td> <td>1%</td> </tr> <tr> <td>General provision on unclassified loans and advances/ investments for housing finance, loans for professionals to set-up business under consumer financing scheme.</td> <td>2%</td> </tr> <tr> <td>General provision on the unclassified loans to Brokerage House, Merchant Banks, Stock Dealers, etc.</td> <td>2%</td> </tr> <tr> <td>General provision on unclassified amount for Consumer Financing.</td> <td>5%</td> </tr> <tr> <td colspan="2">General provision on outstanding amount of loans kept in Special Mention Account (SMA) will be at the same respective rate as stated above (0.25% to 5%) as per BRPD Circular No. 05 dated 29.05.2013.</td> </tr> <tr> <td>Specific provision on Sub-Standard loans and advances / investments.</td> <td>20%</td> </tr> <tr> <td>Specific provision on Doubtful loans and advances / investments.</td> <td>50%</td> </tr> <tr> <td>Specific provision on bad / loss loans and advances / invests.</td> <td>100%</td> </tr> </tbody> </table> <p>The Bank has a well structured delegation and sub-delegation of credit approval authority for ensuring good governance and better control in credit approval system. The Board of Directors and its Executive Committee hold the supreme authority for any credit approval in line with the credit committee consisting of the senior management of the bank. Credit proposal processing, assessment of risks and mitigates there against, placing before credit committee, seeking approval from the competent authority, assisting in completion of documentation formalities</p>	Particulars	Rate	General provision on unclassified Small and Medium Enterprise (SME) financing.	0.25%	General provision on unclassified loans and advances/ investments other than Consumer Financing, Loans to Brokerage House, Merchant Banks, Stock Dealers etc., SMA as well as SME Financing).	1%	General provision on interest receivable on loans / investments.	1%	General provision on off-balance sheet exposures (Provision has been made on the total exposure and amount of cash margin & value of eligible collateral were not deducted while computing off-balance sheet exposure).	1%	General provision on unclassified loans and advances/ investments for housing finance, loans for professionals to set-up business under consumer financing scheme.	2%	General provision on the unclassified loans to Brokerage House, Merchant Banks, Stock Dealers, etc.	2%	General provision on unclassified amount for Consumer Financing.	5%	General provision on outstanding amount of loans kept in Special Mention Account (SMA) will be at the same respective rate as stated above (0.25% to 5%) as per BRPD Circular No. 05 dated 29.05.2013.		Specific provision on Sub-Standard loans and advances / investments.	20%	Specific provision on Doubtful loans and advances / investments.	50%	Specific provision on bad / loss loans and advances / invests.	100%
Particulars	Rate																									
General provision on unclassified Small and Medium Enterprise (SME) financing.	0.25%																									
General provision on unclassified loans and advances/ investments other than Consumer Financing, Loans to Brokerage House, Merchant Banks, Stock Dealers etc., SMA as well as SME Financing).	1%																									
General provision on interest receivable on loans / investments.	1%																									
General provision on off-balance sheet exposures (Provision has been made on the total exposure and amount of cash margin & value of eligible collateral were not deducted while computing off-balance sheet exposure).	1%																									
General provision on unclassified loans and advances/ investments for housing finance, loans for professionals to set-up business under consumer financing scheme.	2%																									
General provision on the unclassified loans to Brokerage House, Merchant Banks, Stock Dealers, etc.	2%																									
General provision on unclassified amount for Consumer Financing.	5%																									
General provision on outstanding amount of loans kept in Special Mention Account (SMA) will be at the same respective rate as stated above (0.25% to 5%) as per BRPD Circular No. 05 dated 29.05.2013.																										
Specific provision on Sub-Standard loans and advances / investments.	20%																									
Specific provision on Doubtful loans and advances / investments.	50%																									
Specific provision on bad / loss loans and advances / invests.	100%																									

	<p>□ Discussion of the bank's credit risk management policy; and</p>	<p>and above all maintaining relationship with the branches and customers have so long been done by Credit Management Division (CMD). The function of CMD department has redefined by (i). Credit Assessment, (ii). Credit Monitoring, (iii) Credit Information & Policy Development for smoothly execution of the credit risk management through segregating internal units. Separate segments for Corporate, Retail, SME, Credit Cards have been formed in order to diversify the credit risk. Towards mitigating the risks, BCBL has developed a robust credit approval system. The credit proposals recommended by branches are scrutinized by CMD Department. Sanctions are conveyed to the Branches after getting approval from Credit Committee of Corporate Office or Board of Directors if needed.</p> <p>The standardized approach is applied for risk weighting of exposure as per directive of Bangladesh Bank. It requires banks to use risk assessment. The Bank is following Credit Risk Grading (CRG) manual for assessing a borrower and making decisions of disbursing loans and advances/ investments while nominating the External Credit Assessment Institutions (ECAIs) duly recognized by Bangladesh Bank to derive risk-weights of exposures under the portfolio of claims. Maximum counterparty/group exposure are limited to 15% (funded) of the bank's capital base as stipulated by BB where a higher limit is required for projects of national importance subject to prior approval of Bangladesh Bank. The single borrower exposure limit has been increasing day by day of the bank with the increase of the total capital of the bank. But the management of the bank is exercising the prudential limit to a single borrower in order to minimize concentration risk of the bank considering the security coverage, satisfactory performance, credit risk grading status, earning potentials, capital requirement, etc. against the limit.</p>
--	--	--

4.2 Quantitative Disclosures

(b)	Total gross credit risk exposures broken down by major types of credit exposure.	<table border="1"> <thead> <tr> <th>Loan Type</th> <th>BDT in Crore</th> </tr> </thead> <tbody> <tr><td>Demand Loan</td><td>82.28</td></tr> <tr><td>Loan General</td><td>328.64</td></tr> <tr><td>Cash Credit (Hypo)</td><td>469.05</td></tr> <tr><td>Agriculture Loan</td><td>81.53</td></tr> <tr><td>Overdraft</td><td>112.41</td></tr> <tr><td>SME Loan</td><td>119.85</td></tr> <tr><td>Payment Against Document (PAD)</td><td>108.18</td></tr> <tr><td>Loan against Trust Receipt (LTR)</td><td>230.76</td></tr> <tr><td>House Building Loan</td><td>37.72</td></tr> <tr><td>Credit Card</td><td>2.24</td></tr> <tr><td>Consumer Credit</td><td>2.87</td></tr> <tr><td>Staff Loan</td><td>35.84</td></tr> <tr><td>Loans & Advances (BCI)</td><td>50.34</td></tr> <tr><td>Bills Purchased & Discounted</td><td>1.69</td></tr> <tr><td>Total:</td><td>1,663.40</td></tr> </tbody> </table>	Loan Type	BDT in Crore	Demand Loan	82.28	Loan General	328.64	Cash Credit (Hypo)	469.05	Agriculture Loan	81.53	Overdraft	112.41	SME Loan	119.85	Payment Against Document (PAD)	108.18	Loan against Trust Receipt (LTR)	230.76	House Building Loan	37.72	Credit Card	2.24	Consumer Credit	2.87	Staff Loan	35.84	Loans & Advances (BCI)	50.34	Bills Purchased & Discounted	1.69	Total:	1,663.40
Loan Type	BDT in Crore																																	
Demand Loan	82.28																																	
Loan General	328.64																																	
Cash Credit (Hypo)	469.05																																	
Agriculture Loan	81.53																																	
Overdraft	112.41																																	
SME Loan	119.85																																	
Payment Against Document (PAD)	108.18																																	
Loan against Trust Receipt (LTR)	230.76																																	
House Building Loan	37.72																																	
Credit Card	2.24																																	
Consumer Credit	2.87																																	
Staff Loan	35.84																																	
Loans & Advances (BCI)	50.34																																	
Bills Purchased & Discounted	1.69																																	
Total:	1,663.40																																	
(c)	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.	<table border="1"> <thead> <tr> <th>Segment</th> <th>BDT in Crore</th> </tr> </thead> <tbody> <tr><td>Dhaka Division</td><td>1,045.90</td></tr> <tr><td>Chittagong Division</td><td>383.48</td></tr> <tr><td>Rajshahi Division</td><td>95.99</td></tr> <tr><td>Khulna Division</td><td>67.60</td></tr> <tr><td>Sylhet Division</td><td>31.50</td></tr> <tr><td>Barisal Division</td><td>16.93</td></tr> <tr><td>Rangpur Division</td><td>22.01</td></tr> <tr><td>Total:</td><td>1,663.40</td></tr> </tbody> </table>	Segment	BDT in Crore	Dhaka Division	1,045.90	Chittagong Division	383.48	Rajshahi Division	95.99	Khulna Division	67.60	Sylhet Division	31.50	Barisal Division	16.93	Rangpur Division	22.01	Total:	1,663.40														
Segment	BDT in Crore																																	
Dhaka Division	1,045.90																																	
Chittagong Division	383.48																																	
Rajshahi Division	95.99																																	
Khulna Division	67.60																																	
Sylhet Division	31.50																																	
Barisal Division	16.93																																	
Rangpur Division	22.01																																	
Total:	1,663.40																																	

(d)	Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	Industry	BDT in Crore		
		Agricultural Loan	35.62		
		Industrial Loan (other than working capital)	134.55		
		Working capital Loan	216.35		
		Import Credit	395.50		
		Commercial Loan	513.61		
		RMG & Textile	152.19		
		Construction Loan	37.72		
		Transport and Communication Loan	13.98		
		Consumer Credit	5.11		
		All Others Loans	158.78		
		Total:	1,663.40		
(e)	Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	Residual Maturity	BDT in Crore		
		Re-payable on demand	25.25		
		Not more than 3 months	338.49		
		More than 3 Months but less than 1 year	748.11		
		More than 1 year but less than 5 years	405.01		
		More than 5 years	146.55		
		Total:	1,663.40		
(f)	By major industry or counterparty type: <input type="checkbox"/> Amount of impaired loans and if available, past due loans, provided separately; <input type="checkbox"/> Specific and general provisions; and <input type="checkbox"/> Charges for specific allowances and charge-offs during the period.	Industry	BDT in Crore		
		Agricultural Loan	-		
		Industrial Loan (other than working capital)	6.60		
		Working capital Loan	42.03		
		Import Credit	210.04		
		Commercial Loan	290.01		
		RMG & Textile	24.14		
		Construction Loan	0.58		
		Transport and Communication Loan	2.86		
		Consumer Credit	0.31		
		All Others Loans	48.91		
		Total:	625.48		
		(g)	Gross Non Performing Assets (NPAs) Non Performing Assets (NPAs) to Outstanding Loans & advances Movement of Non Performing Assets (NPAs) Opening balance Additions Reductions Closing balance Movement of specific provisions for NPAs Opening balance Provisions made during the period Write-off Write-back of excess provisions Closing balance	Particulars	BDT in Crore
				Gross Non Performing Assets (NPAs)	625.48
NPAs to Outstanding Loans & advances	37.60%				
Movement of Non Performing Assets (NPAs)					
Opening balance	503.65				
Additions/(Reductions)	121.83				
Closing balance	625.48				
Movement of specific provisions for NPAs					
Opening balance	68.31				
Provisions made during the period	5.77				
Write-off	---				
Write-back of excess provisions	---				
Closing balance	74.08				

5. Equities: Disclosure for Banking Books position:

5.1 Qualitative Disclosures

(a)	<p>The general qualitative disclosure requirement with respect to equity risk; including</p> <ul style="list-style-type: none"> □ differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and □ discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices 	<p>Investment in equity securities are broadly categorized into two parts:</p> <ul style="list-style-type: none"> □ Quoted Securities (Common or Preference Shares & Mutual Fund) that are traded in the secondary market (Trading Book Assets). □ Unquoted securities include shares of Central Depository Bangladesh Limited (CDBL), investment in SWIFT and Market Stabilization Fund (MSF). <p>The primary aim is to investment in these equity securities for the purpose of capital gain by selling them in future or held for dividend income. Dividends received from these equity securities are accounted for as and when received. Both Quoted and Un- Quoted equity securities are valued at cost and necessary provisions are maintained if the prices fall below the cost price.</p>
-----	--	--

5.1 Qualitative Disclosures

(a)	<p>The general qualitative disclosure requirement with respect to equity risk; including</p> <ul style="list-style-type: none"> □ differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and □ discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation 	<p>Investment in equity securities are broadly categorized into two parts:</p> <ul style="list-style-type: none"> □ Quoted Securities (Common or Preference Shares & Mutual Fund) that are traded in the secondary market (Trading Book Assets). □ Unquoted securities include shares of Central Depository Bangladesh Limited (CDBL), investment in SWIFT and Market Stabilization Fund (MSF). <p>The primary aim is to investment in these equity securities for the purpose of capital gain by selling them in future or held for dividend income. Dividends received from these equity securities are accounted for as and when received. Both Quoted and Un- Quoted equity securities are valued at cost and necessary provisions are maintained if the prices fall below the cost price.</p>
-----	--	--

	methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices																			
(b)	Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	<table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">Solo</th> <th colspan="2">Conso.</th> </tr> <tr> <th>Cost</th> <th>Mkt Value</th> <th>Cost</th> <th>Mkt Value</th> </tr> </thead> <tbody> <tr> <td>Share Portfolio</td> <td>42.72</td> <td>25.32</td> <td>99.64</td> <td>82.23</td> </tr> </tbody> </table>	Particulars	Solo		Conso.		Cost	Mkt Value	Cost	Mkt Value	Share Portfolio	42.72	25.32	99.64	82.23				
Particulars	Solo			Conso.																
	Cost	Mkt Value	Cost	Mkt Value																
Share Portfolio	42.72	25.32	99.64	82.23																
(c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Solo</th> <th>Conso.</th> </tr> </thead> <tbody> <tr> <td>Realized gains/(losses)</td> <td>7.49</td> <td>7.49</td> </tr> </tbody> </table>	Particulars	Solo	Conso.	Realized gains/(losses)	7.49	7.49												
Particulars	Solo	Conso.																		
Realized gains/(losses)	7.49	7.49																		
(d)	<input type="checkbox"/> Total unrealized gains (losses) <input type="checkbox"/> Total latent revaluation gains (losses) <input type="checkbox"/> Any amounts of the above included in Tier 2 capital.	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Solo</th> <th>Conso.</th> </tr> </thead> <tbody> <tr> <td>Un-realized gains/(losses)</td> <td>(17.40)</td> <td>(17.40)</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Solo</th> <th>Conso.</th> </tr> </thead> <tbody> <tr> <td>Latent revaluation gains/(losses)</td> <td>----</td> <td>----</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Solo</th> <th>Conso.</th> </tr> </thead> <tbody> <tr> <td>Amount of above include in capital</td> <td>----</td> <td>----</td> </tr> </tbody> </table>	Particulars	Solo	Conso.	Un-realized gains/(losses)	(17.40)	(17.40)	Particulars	Solo	Conso.	Latent revaluation gains/(losses)	----	----	Particulars	Solo	Conso.	Amount of above include in capital	----	----
Particulars	Solo	Conso.																		
Un-realized gains/(losses)	(17.40)	(17.40)																		
Particulars	Solo	Conso.																		
Latent revaluation gains/(losses)	----	----																		
Particulars	Solo	Conso.																		
Amount of above include in capital	----	----																		
(e)	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Solo</th> <th>Conso.</th> </tr> </thead> <tbody> <tr> <td>Specific market risk</td> <td>4.27</td> <td>10.17</td> </tr> <tr> <td>General market risk</td> <td>4.27</td> <td>10.17</td> </tr> </tbody> </table>	Particulars	Solo	Conso.	Specific market risk	4.27	10.17	General market risk	4.27	10.17									
Particulars	Solo	Conso.																		
Specific market risk	4.27	10.17																		
General market risk	4.27	10.17																		

6. Interest rate risk in the banking book (IRRBB):

6.1 Qualitative Disclosures

(a)	The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behaviour of non-maturity	Interest rate risk is the risk where changes in market interest rates might adversely affect a bank's financial condition. Changes in interest rates affect both the current earnings (earnings perspective) as well as the net worth of the bank (economic value perspective). To evaluate the impact of interest rate risk on the net interest margin, BCBL monitors the size of the gap between rate sensitive assets and rate sensitive liabilities in terms of the remaining period to re-pricing. Re-pricing refers to the point in time when adjustments of interest rates on assets and liabilities occur owing to new contracts, renewal of expiring contracts or that a contract specifies a
-----	--	--

deposits, and frequency of IRRBB measurement.	floating rate that adjusts at fixed time intervals. A maturity mismatch approach is used to measure BCBL's exposure to interest rate risk. A positive mismatch means that more assets than liabilities are repriced in a given period. With a positive mismatch, a rise in market interest rates will have a positive effect on the bank's earnings. On the other hand, a negative mismatch, where more liabilities are repriced than assets in a given period, means a drop in earnings if interest rates had increased.
---	--

6.2 Quantitative Disclosures

(b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).	Particulars		Creore BDT	
	Market value of assets		3116.47	
	Market value of liabilities		2770.02	
	Weighted Average of Duration of Liabilities (DL)		2.67	
	Weighted Average of Duration of Assets (DA)		3.25	
	Duration GAP (DA-DL)		0.87	
	Yield to Maturity (YTM -Assets)		10.21%	
	Yield to Maturity (YTM -Liability)		6.24%	
	Particulars		Magnitude of interest rate change	
			1%	2%
Fall in market value of equity		(24.68)	(49.37)	(74.05)
Stress Testing:				
Particulars		Magnitude of Shock		
		1%	2%	3%
Regulatory Capital		46.01	46.01	46.01
RWA		2707.34	2742.68	2777.99
CRAR		1.70%	1.68%	1.66%

7. Market risk:

7.1 Qualitative Disclosures

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

7.1 Quantitative Disclosures

(b) The capital requirements for: interest rate risk; equity position risk; foreign exchange risk; and Commodity risk.	Particulars	Solo	Conso.
	Interest rate risk	3.18	3.42
	Equity position risk	8.54	20.33
	Foreign exchange risk	1.71	2.42
	Commodity risk	---	---

8. Operational Risk:

8.1 Qualitative Disclosures

(a) Views of BOD on system to reduce Operational Risk	<p>Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputation risk. It is inherent in every business organization and covers a wide spectrum of issues. The Board of Directors (BOD) of the Bank and its Management firmly believe that an effective internal control systems has been established within the Bank to ensure adequacy of the risk management framework and compliance with a documented set of internal policies concerning the risk management system which mainly include;</p> <ul style="list-style-type: none"> <input type="checkbox"/> Top-level reviews of the Bank's progress towards the stated objectives; <input type="checkbox"/> Checking for compliance with management controls; <input type="checkbox"/> Policies, processes and procedures concerning the review, treatment and resolution of non-compliance issues; and <input type="checkbox"/> A system of documented approvals and authorizations to ensure accountability to the appropriate level of management. <p>Bank has ensured some other internal practices to be in place as appropriate to control operational risk. Examples of these include:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Close monitoring of adherence to assigned risk limits or thresholds; <input type="checkbox"/> Maintaining safeguards for access to, and use of, bank's assets and records; <input type="checkbox"/> Ensuring that staffs have appropriate expertise and training; <input type="checkbox"/> Regular verification and reconciliation of transactions and accounts. <p>The BOD has modified Bank's operational risk management process by issuing a high level standard like SOP, supplemented by more detailed formal guidance. This explains how the bank manages operational risk by identifying, assessing, monitoring, controlling and mitigating the risk, rectifying operational risk events, and implementing any additional procedures required for compliance with local regulatory requirements.</p> <p>The Bank maintains and tests contingency facilities to support operations in the event of disasters. Additional reviews and tests are conducted in the event that any branch of the bank is affected by a business disruption event, to incorporate lessons learned in the operational recovery from those circumstances. Plans have been prepared for the continued operation of the bank's business, with reduced staffing levels.</p>
Performance gap of executives and staffs	<p>BCBL has a policy to provide competitive package and better working environment to attract and retain the most talented people available in the industry. As the employee loyalty is high to the bank the employee turnover in the bank is minimum compared to the industry.</p>
Potential external events	<p>It is needless to say that there are certain risk factors which are external in nature and can affect the business of the Bank. The factors discussed below can significantly affect the business:</p>

	<p>Policies and processes for mitigating operational risk</p>	<ul style="list-style-type: none"> <input type="checkbox"/> General business and political condition <input type="checkbox"/> Changes in credit quality of borrowers <input type="checkbox"/> Changes in policies and practices of regulatory bodies to revise practices, pricing and responsibilities of the financial institutions <input type="checkbox"/> Implementation of Basel-III in Bangladesh <input type="checkbox"/> Volatility in equity market <input type="checkbox"/> Changes in market conditions <input type="checkbox"/> The risk of litigation <input type="checkbox"/> Success of strategies <p>Operational risk, defined as any risk that is not categorized as market or credit risk, is the risk of loss arising from inadequate or failed internal processes, people and systems or from external events. It is inherent in every business organization and covers a wide spectrum of issues. In order to mitigate this, internal control and internal audit systems are used as the primary means. Bangladesh Commerce Bank Limited manages this risk through a control based environment in which processes are documented, authorization is independent and transactions are reconciled and monitored. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risk events, which ensure that the bank stays in line with industry best practice and takes account of lessons learned from publicized operational failures within the financial services industry.</p> <p>BCBL has operational risk management process which explains how the bank manages its operational risk by identifying, assessing, monitoring, controlling and mitigating the risk, rectifying operational risk events, and implementing any additional procedures required for compliance with central bank requirements. Operational risk management responsibility is assigned to different level of management within the business operation. Information systems are used to record the identification and assessment of operational risks and to generate appropriate regular management reporting. Risk assessment incorporates a regular review of identified risks to monitor significant changes.</p> <p>Banks performance is monthly monitored by Board of Directors as well as Bangladesh Bank through improvement of Directives of Bangladesh Bank (DOBB) which include monthly reporting of improvement of DOBB and Major Performance Indicators to Honorable of Board of Directors and concerned authority of Bangladesh Bank.</p>
	<p>Approach for calculating capital charge for operational risk</p>	<p>Basic Indicator Approach was used for calculating capital charge for operational risk as of the reporting date.</p>

8.2 Quantitative Disclosures

(b)	The capital requirements for operational risk	<table border="1"> <thead> <tr> <th data-bbox="535 1594 990 1647">Particulars</th> <th data-bbox="990 1594 1185 1647">Solo</th> <th data-bbox="1185 1594 1395 1647">Conso.</th> </tr> </thead> <tbody> <tr> <td data-bbox="535 1647 990 1705">Capital requirements for operational risk</td> <td data-bbox="990 1647 1185 1705">20.18</td> <td data-bbox="1185 1647 1395 1705">27.71</td> </tr> </tbody> </table>	Particulars	Solo	Conso.	Capital requirements for operational risk	20.18	27.71
Particulars	Solo	Conso.						
Capital requirements for operational risk	20.18	27.71						

9. Liquidity Ratio:

9.1 Qualitative Disclosures

(a)	Views of BOD on system to reduce liquidity Risk	Liquidity risk is the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss (or make the required profit) or when a bank is unable to fulfill its commitments in time when payment falls due. Thus, liquidity risk can be of two types:
-----	---	---

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

9.1 Quantitative Disclosures

(b)	<p>Liquidity Coverage Ratio</p> <p>Net Stable Funding Ratio (NSFR)</p> <p>Stock of High quality</p>	<table border="1"> <thead> <tr> <th data-bbox="548 1920 1198 1953">Particulars</th> <th data-bbox="1198 1920 1377 1953">Crore BDT</th> </tr> </thead> <tbody> <tr> <td data-bbox="548 1953 1198 1986">Liquidity Coverage Ratio</td> <td data-bbox="1198 1953 1377 1986">109.07%</td> </tr> <tr> <td data-bbox="548 1986 1198 2019">Net Stable Funding Ratio (NSFR)</td> <td data-bbox="1198 1986 1377 2019">132.65%</td> </tr> </tbody> </table>	Particulars	Crore BDT	Liquidity Coverage Ratio	109.07%	Net Stable Funding Ratio (NSFR)	132.65%
Particulars	Crore BDT							
Liquidity Coverage Ratio	109.07%							
Net Stable Funding Ratio (NSFR)	132.65%							

liquid assets Total net cash outflows over the next 30 calendar days Available amount of stable funding Required amount of stable funding	Stock of High quality liquid assets	506.94
	Total net cash outflows over the next 30 calendar days	286.07
	Available amount of stable funding	2,235.59
	Required amount of stable funding	1,685.34

10. Leverage Ratio:

10.1 Qualitative Disclosures

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

10.2 Quantitative Disclosures

(b)	Leverage Ratio On balance sheet exposure Off balance sheet exposure Total exposure	Particulars	Solo	Conso.
		Tier-1 Capital (A)	33.83	37.25
		Exposure measure :		
		On balance sheet exposure	3,043.00	3069.07
		Off balance sheet exposure	115.23	115.23
		Less: Regulatory adjustment made to Tier I capital	297.13	297.13
		Total exposure (B)	2861.10	2887.17
		Leverage Ratio (A/B)	1.18%	1.29%

11. Remuneration:

11.1 Qualitative Disclosures

<p>(a) Information relating to the bodies that oversee remuneration. Disclosures should include: Name, composition and mandate of the main body overseeing remuneration. External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process. A description of the scope of the bank's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches. A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.</p>	<p>The Human Resource Division of the Bank is sole responsible for formulation and up-gradation of the bank under the supervision of Managing Director. Though the formulation is done by the management and approved by the Board of Directors at their meeting but before implementation the remuneration package needs to be approved by Bangladesh Bank as per condition implies in Directive of Bangladesh Bank (DOBB).</p> <p>Bank's remuneration policy is designed for permanent, contractual, consultant and advisory service/employees. Bank's subsidiary develops their own remuneration package approved by the Board of Directors.</p> <p>For the purposes of the accompanying remuneration disclosures, the "senior managers" of the bank comprise of Managing Director, Deputy Managing Director and the heads of appropriate big branches, the heads of operation, corporate, and credit risk functions and the company secretary. There were 25 senior managers as at the end of the reporting period.</p>
<p>(b) Information relating to the design and structure of remuneration processes. Disclosures should include: An overview of the key features and objectives of remuneration policy. Whether the remuneration committee reviewed the</p>	<p>The bank has developed a remuneration package which is competitive compared to the market but at the same time cost effective considering the bank's business volume and financial strength. The underlying objective of the remuneration package is</p>

	<p>firm's remuneration policy during the past year, and if so, an overview of any changes that were made.</p> <p>A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> To offer a satisfactory and motivational compensation package to it's employee <input type="checkbox"/> To attract better human resource <input type="checkbox"/> Retain the trained and skilled manpower <p>The remuneration package was last upgraded in last part of year 2014 as a result in last year the package doesn't rise the necessity to be reviewed.</p> <p>To motivate contribution in risk management, compliance and business bank has the policy of additional increment in addition of regular increment, special promotion, honorarium as well as special training financed by bank.</p>
(c)	<p>Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures should include:</p> <p>An overview of the key risks that the bank takes into account when implementing remuneration measures.</p> <p>An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed).</p> <p>A discussion of the ways in which these measures affect remuneration.</p> <p>A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.</p>	<p>While designing a remuneration package bank have to consider the future risk arises. Risk might be came through the employee turnover or through the cost effectiveness. As the remuneration is the highest part of the total administrative expenditure of the banking business bank have to carefully design the remuneration package to maintain the growing profitability. At the same time bank have to consider the competitive forces to sustain its valuable human resources as well as attract skilled human resources.</p> <p>Bank takes following measures to take account the risk associated from the remuneration package:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Employee turnover rate <input type="checkbox"/> Rate of administrative expenditure <input type="checkbox"/> Per employee contribution in profit, deposit, advance <input type="checkbox"/> Achievement of business as well as performance target <p>If the employee turnover grow beyond tolerable limit management review the remuneration package and change or update upon approval from the board. Considering the administrative expenditure and per employee contribution in business and earnings banks bonus and business expansion with existing manpower is considered. Achievement of individual business target and performance target is reflected in yearly increment, promotion and bonus etc.</p> <p>No changes occurred in remuneration package or the measuring criteria in past year.</p>
(d)	<p>Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration. Disclosures should include:</p> <p>An overview of main performance metrics for bank, top-level business lines and</p>	<p>Bank has a Key Performance Indicator (KPI) set to evaluate every individual employee's performance and some key indicators for measuring the performance overall human resources of the bank.</p>

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

	variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees), a description the factors that determine the mix and their relative importance.	
--	---	--

11.2 Quantitative Disclosures

(g)	Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.	No meetings of remuneration committee are held during 2015.										
(h)	Number of employees having received a variable remuneration award during the financial year. Number and total amount of guaranteed bonuses awarded during the financial year. Number and total amount of sign-on awards made during the financial year. Number and total amount of severance payments made during the financial year.	<table border="1"> <thead> <tr> <th>Particulars</th> <th>BDT in Crore</th> </tr> </thead> <tbody> <tr> <td>Number of employees having received a variable remuneration award during the financial year</td> <td>Nil</td> </tr> <tr> <td>Number and total amount of guaranteed bonuses awarded during the financial year.</td> <td>Nil</td> </tr> <tr> <td>Number and total amount of sign-on awards made during the financial year.</td> <td>Nil</td> </tr> <tr> <td>Number and total amount of severance payments made during the financial year.</td> <td>Nil</td> </tr> </tbody> </table>	Particulars	BDT in Crore	Number of employees having received a variable remuneration award during the financial year	Nil	Number and total amount of guaranteed bonuses awarded during the financial year.	Nil	Number and total amount of sign-on awards made during the financial year.	Nil	Number and total amount of severance payments made during the financial year.	Nil
Particulars	BDT in Crore											
Number of employees having received a variable remuneration award during the financial year	Nil											
Number and total amount of guaranteed bonuses awarded during the financial year.	Nil											
Number and total amount of sign-on awards made during the financial year.	Nil											
Number and total amount of severance payments made during the financial year.	Nil											
(i)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. Total amount of deferred remuneration paid out in the financial year.	<table border="1"> <thead> <tr> <th>Particulars</th> <th>BDT in Crore</th> </tr> </thead> <tbody> <tr> <td>Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms a variable remuneration award during the financial year</td> <td>Nil</td> </tr> <tr> <td>Total amount of deferred remuneration paid out in the financial year.</td> <td>Nil</td> </tr> </tbody> </table>	Particulars	BDT in Crore	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms a variable remuneration award during the financial year	Nil	Total amount of deferred remuneration paid out in the financial year.	Nil				
Particulars	BDT in Crore											
Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms a variable remuneration award during the financial year	Nil											
Total amount of deferred remuneration paid out in the financial year.	Nil											
(j)	Breakdown of amount of remuneration awards for the financial year to show: - Fixed and variable. - Deferred and non-deferred. - Different forms used (cash, shares and share linked instruments,	Fixed remuneration of BDT 54.10 Crore has been paid in 2016 and no variable remuneration was paid in said period.										

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



CEO's and CFO's declaration to the Board of Directors

In accordance with the condition no. 06 of SEC notification no. SEC/CMPRCD/2006-158/134/Admin/44 dated 7 August 2012 we hereby certify that;

1. We have reviewed financial statement for the year 2016 and that to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable law;
2. There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

A handwritten signature in black ink, appearing to be 'MSI', written over a horizontal line.

Mohammad Saiful Islam, FCMA
Vice President & CFO

A handwritten signature in black ink, appearing to be 'RQM', written over a horizontal line.

R Q M Forkan
Managing Director

Corporate Events of 2016



Agreement Signing Ceremony between BCBL & Bangladesh SME Foundation

Agreement signing ceremony between BCBL and Banglalink



Banking Fair Bangladesh 2016



Corporate Events of 2016



Blood Donation organized by BCBL

**Launcing ceremony
PAYZA-BCBL**





Financial Statements of BCBL

AUDITORS' REPORT TO THE SHAREHOLDERS OF BANGLADESH COMMERCE BANK LIMITED

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Bangladesh Commerce Bank Limited and its subsidiary namely Commerce Bank Securities and Investment Limited ("the Group") as well as the separate financial statements of Bangladesh Commerce Bank Limited ("the Bank"), which comprise the consolidated balance sheet of the Group and the separate balance sheet of the Bank as at 31 December 2016, and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements of the Group and the Bank respectively 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 the 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 (Amendment) Act, 2013 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.

Auditors' 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.

Basis for Qualified Opinion

a. Our audit revealed the following for the year ended 31 December 2016:

- i) There remains a shortfall of Taka 297.13crore in making provision for loan-loss against loans and advances (Note # 7.9.1);
- ii) The provision for employees' gratuity of Taka 17.85crore has not been accounted for in the financial statements;
- iii) There has been a shortfall of Taka 10.25 crore in making provision against other assets (Note # 9).

If the matters stated above have been considered in the financial statements, there would have been a net loss of Taka 322.73crore as against net profit of Taka 2.50crore (after tax).

b. While verifying the tax assessment status vis-a-vis the tax liability of the bank it reveals that, the bank had an interest income on securities of Taka 25.25 crore in the year 2012 calculated on accrual basis whereas realized income on the interest on securities of Taka 8.47 crore had been taken into consideration for making provision for tax of that year. There thus has a shortfall of Taka 7.14 crore(42.5% of Taka 25.25 crore less Taka 8.47 crore) in making tax provision of that year.

- c. To comply with the BASEL-III capital adequacy requirement conforming to section 13(2) of Bank Company Act (Amendment) 2013 and BRPD Circular no. 35 dated 29 December 2010, the bank should have Minimum Capital Requirement (MCR) of Taka 400 crore as against which bank had Taka 46.01 crore; hence a shortfall of Taka 353.99 crore. (Note # 14.3)
- d. As per section 13 (2) of The Bank Company Act (Amendment) 2013 and BRPD Circular No. 35 dated 29 December 2010 to fulfill the Basel-III requirement, the required Capital to Risk Weighted Assets Ratio (CRAR) of the Bank should have been 10.63% of Risk Weighted Assets but the Bank has maintained the same at 1.72% only as on 31 December 2016. (Note # 14.3)

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements of the Group and also the separate financial statements of the Bank give a true and fair view of the financial position of the Group and the Bank as at 31 December 2016, and of their financial performance and their cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note # 2.1.

Matter of Emphasis:

Without qualifying our report in respect of this matter, we draw attention of the shareholders of Bangladesh Commerce Bank Limited (BCBL) to the fact that the borrowers were not classified for required loan-loss provision on the ground of 'Order of Stay' by the High Court Division of the Honorable Supreme Court of Bangladesh except providing for 1% under unclassified category. Hence, a shortfall of Taka 117.90 crore in making provision for loan-loss against such loans and advances.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Bank Company (Amendment) Act, 2013 and the rules and regulations issued by Bangladesh Bank, we except for as mentioned above also report that:

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' 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:
- i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note # 2.19 to the financial statements appeared to be materially adequate;
- ii) 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;
- (c) financial statements of the subsidiary, namely, Commerce Bank Securities and Investment Limited of the Bank has been audited by other auditor and has been properly reflected in the consolidated financial statements;
- (d) 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;
- (e) 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;
- (f) the expenditure incurred was for the purposes of the Bank's business;
- (g) 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;
- (h) except for the facts as stated in Basis for Qualified Opinion paragraph (a)(i), adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- (i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (j) the information and explanation required by us have been received and found satisfactory; and
- (k) we have reviewed over 80% of the risk weighted assets and we have spent around 2,980 person hours for the audit of the books and accounts of the Bank.

Dhaka
30 March 2017



MABS & J Partners
Chartered Accountants

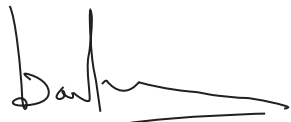
Bangladesh Commerce Bank Limited & its Subsidiary

Consolidated Balance Sheet As at 31 December 2016

Particulars	Notes	31.12.2016 Taka	31.12.2015 Taka
PROPERTY AND ASSETS			
Cash	3(a)	2,131,481,554	1,930,791,281
Cash in hand (including foreign currencies)	3.1(a)	288,114,950	260,478,372
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	1,843,366,604	1,670,312,908
Balance with other banks and financial institutions	4(a)	6,977,733,388	6,852,955,674
In Bangladesh		6,952,339,687	6,815,628,823
Outside Bangladesh		25,393,701	37,326,851
Money at call and short notice	5(a)	131,300,000	35,300,000
Investments	6(a)	3,600,400,845	3,468,059,583
Government		2,938,788,255	2,806,829,755
Others		661,612,590	661,229,828
Loans and Advances	7(a)	16,634,096,074	16,058,826,456
Loans, Cash Credit, Overdrafts etc.		16,617,169,656	16,048,418,976
Bills purchased and discounted		16,926,418	10,407,479
Fixed assets including premises, furniture and fixtures	8(a)	151,780,105	167,012,517
Other assets	9(a)	1,800,320,786	1,748,505,457
Non-banking assets	10	-	-
Total Assets		<u>31,427,112,754</u>	<u>30,261,450,967</u>
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	7,318,208	203,287,375
Deposits and other accounts	12(a)	25,223,480,009	24,252,994,390
Current Account and Other Accounts etc.		1,344,723,585	1,332,687,044
Savings Bank Deposits		2,845,192,074	2,110,323,848
Short Term Deposits		5,966,568,902	5,224,607,591
Fixed Deposits		9,673,347,551	10,764,286,677
Deposit under Different Schemes	12.1	2,859,699,949	2,662,124,947
Bills Payable	12.3	282,108,981	238,587,292
Bank Deposit		1,200,000,000	1,100,000,000
Other Deposits	12.4(a)	1,051,838,968	820,376,992
Other liabilities	13(a)	2,695,972,746	2,386,592,979
Total Liabilities		<u>27,926,770,963</u>	<u>26,842,874,744</u>
Capital/Shareholders' Equity			
Paid-up-Capital	14.2	1,988,742,800	1,988,742,800
Share Capital BCI Ltd.		36,500,000	36,500,000
Minority Interest		90	90
Right Share Application Money		917,259,650	921,287,200
Statutory Reserve	15(a)	245,714,600	220,762,941
Other Reserve	16(a)	8,920,366	8,920,366
Revaluation Reserve for HTM Securities	17(a)	156,568,071	115,574,519
Exchange Equalization Account		-	-
Profit and Loss Account-Retained Earnings	18(a)	146,636,215	126,788,306
Total Shareholders' Equity		<u>3,500,341,793</u>	<u>3,418,576,222</u>
Total Liabilities and Shareholders' Equity		<u>31,427,112,754</u>	<u>30,261,450,967</u>

Particulars	Notes	31.12.2016 Taka	31.12.2015 Taka
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		539,357,438	601,326,130
Letter of Guarantees	19.1	402,945,225	414,680,011
Irrevocable Letter of Credit		763,516,439	459,112,345
Bills for Collection		285,983,694	154,430,547
Other contingent liability	19.2	113,791,800	113,791,800
TOTAL CONTINGENT LIABILITIES		<u>2,105,594,596</u>	<u>1,743,340,834</u>
Other commitments			
Documentary Credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total Off-Balance Sheet items including contingent liabilities		<u>2,105,594,596</u>	<u>1,743,340,834</u>

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



Managing Director



Director



Director



Chairman

This is the Consolidated Balance Sheet referred to in our separate report of even date.

Dhaka,
30 March 2017



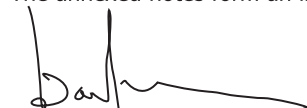
MABS & J Partners
Chartered Accountants

Bangladesh Commerce Bank Limited & its Subsidiary

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

Particulars	Notes	2016 Taka	2015 Taka
Interest Income	20 (a)	1,871,314,282	2,001,218,966
Interest Paid on Deposits and Borrowings etc	21(a)	1,245,548,448	1,535,732,924
Net Interest Income		625,765,835	465,486,041
Income from Investments	22(a)	334,364,877	280,179,777
Commission, Exchange Earnings & Brokerage	23(a)	168,952,200	146,406,855
Other Operating Income	24(a)	78,587,307	81,121,717
		581,904,384	507,708,349
Total operating income (A)		1,207,670,218	973,194,391
Salary and Allowances	25(a)	573,045,018	551,682,305
Rent, Taxes, Insurance, Electricity, etc.	26(a)	133,357,940	131,667,533
Legal Expenses		1,376,961	2,279,460
Postage, Stamp, Telecommunication etc.	27(a)	24,897,510	24,535,287
Stationery, Printing, Advertisement etc.	28(a)	11,728,597	14,030,802
Managing Director's salary and allowances	29	7,045,162	6,360,000
Directors' Fee	30	1,715,200	1,568,450
Audit & Evaluation Fee		1,116,500	488,750
Depreciation & Repair of Fixed Assets	31(a)	55,807,282	56,496,850
Other Expenses	32(a)	150,403,561	154,900,571
Total operating expenses (B)		960,493,731	944,010,008
Profit before Provision (C)=A-B		247,176,487	29,184,383
Provision for classified loans	13.1.1(a)	45,675,173	6,606,231
Provision for unclassified loans	13.1.2	-	-
Other provisions		47,883,288	-
Total provision (D)		93,558,461	6,606,231
Profit/(loss) before taxes (C-D)		153,618,026	22,578,152
Provision for Taxation		108,818,458	14,008,570
Current tax		104,951,217	10,828,050
Deferred tax		3,867,241	3,180,520
Net profit/ (loss) after taxation		44,799,568	8,569,581
Appropriations			
Statutory Reserve	15	24,951,659	1,653,995
General Reserve		-	-
Dividends etc.		-	-
		24,951,659	1,653,995
Retained surplus		19,847,909	6,915,586
Earning Per Share (EPS)	34(a)	2.25	0.43

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



Managing Director



Director



Director



Chairman

This is the Consolidated Profit and Loss Account referred to in our separate report of even date.

Dhaka,
30 March 2017



**MABS & J Partners
Chartered Accountants**

Bangladesh Commerce Bank Limited & its Subsidiary
Consolidated Cash Flow Statement
For the year ended 31 December 2016

Particulars	2016 Taka	2015 Taka
A. Cash flow from operating activities		
Interest receipts	2,099,171,747	2,384,627,495
Interest payments	(1,043,493,747)	(1,415,442,845)
Dividend receipts	5,870,356	5,135,365
Fees and commission receipts in cash	142,599,939	146,406,855
Cash paid to employees	(564,053,089)	(545,322,305)
Cash paid to suppliers	(164,438,597)	(176,569,465)
Income Taxes paid	(75,282,519)	(123,596,168)
Receipts from other operating activities (item-wise)	188,589,264	84,730,874
Payments for other operating activities (item-wise)	(156,688,167)	(159,237,231)
Operating profit before changes in operating assets and liabilities	432,275,188	200,732,575
Increase/(Decrease) in operating assets & liabilities	467,865,534	1,235,540,235
Statutory Deposits	(24,951,659)	(1,653,995)
Loan & advance to customers	(575,269,618)	(317,041,432)
Other assets (item-wise)	(32,825,652)	(70,038,087)
Deposits from other banks	(95,969,167)	(121,447,625)
Deposits from customers	915,893,095	1,367,476,270
Other liabilities account of customers	280,988,535	378,245,104
Net cash flow from operating activities (A)	900,140,721	1,436,272,810
B. Cash flow from investing activities		
Proceeds from sale of securities	-	-
Payments for purchase of government securities	(360,698,928)	-
Purchase of property, plant & equipment	(35,220,404)	(22,205,584)
Purchase/sale of subsidiary	-	-
Investment in Margin Loan (CBSIL)	64,187,248	(13,290,712)
Investment in Shares (CBSIL)	(14,982,151)	-
Net cash flow from/ (used in) investing activities (B)	(346,714,235)	(35,496,296)
C. Cash flow from financing activities		
Receipts from issue of debt instruments	-	-
Long Term loan payment to BCBL	-	-
Payment for redemption of debt instruments	-	23,101,923
Receipts from issuing ordinary share/ rights share	-	-
Dividend paid	-	-
Net cash flow from / (used in) financing activities (C)	-	23,101,923
D. Net increase/(decrease) in Cash and Cash Equivalent (A+B+C)	553,426,487	1,423,878,439
E. Effects of exchange rate changes on cash and cash equivalents	-	-
F. Opening Cash and Cash Equivalent	11,625,876,710	10,201,998,271
G. Cash and cash equivalents at end of year (D+E+F) (*)	12,179,303,197	11,625,876,710
(*) Closing Cash & Cash Equivalent		
Cash in Hand (including foreign currency)	288,114,950	260,478,372
Balance with Bangladesh Bank and its Agent Banks	1,843,366,604	1,670,312,908
Balance with Other Bank's and Financial Institutions	6,977,733,388	6,852,955,674
Money at Call on Short Notice	131,300,000	35,300,000
Prize Bond	684,500	1,600,200
Government Securities & FDR	2,938,103,755	2,805,229,555
	12,179,303,197	11,625,876,710


Managing Director


Director


Director


Chairman


MABS & J Partners
Chartered Accountants

Dhaka,
30 March 2017


Bangladesh Commerce Bank Limited & its Subsidiary

Consolidated Statement of changes in Equity For the year ended 31 December 2016

Particulars	Paid up Capital	Share Premium	Minority Interest	Statutory Reserve	Revaluation Reserve	Other Reserve	Profit/(Loss)	Total
Balance as on 01 January 2016	1,988,742,800	-	90	220,762,941	115,574,519	8,920,366	126,788,306	2,460,789,022
Share Capital BCI Ltd.	36,500,000							36,500,000
Prior Year's Adjustment								
Right Share Application Money	917,259,650							917,259,650
Increase in Statutory Reserve				24,951,659				24,951,659
Revaluation Reserve for HTM Securities					40,993,552			40,993,552
Net Profit/(Loss) for the year							19,847,909	19,847,909
Balance as on 31 December 2016	2,942,502,450	-	90	245,714,600	156,568,071	8,920,366	146,636,215	3,500,341,793
Balance as on 01 January 2015	1,988,742,800	-	90	219,108,946	39,839,850	8,920,366	119,872,720	2,376,484,772
Share Capital BCI Ltd.	36,500,000							36,500,000
Prior Year's Adjustment								
Right Share Application Money	921,287,200							921,287,200
Increase in Statutory Reserve				1,653,995				1,653,995
Revaluation Reserve for HTM Securities					75,734,669			75,734,669
Issuance of Share Capital								
Redemption of Share Capital								
Net Profit/(Loss) for the year							6,915,586	6,915,586
Balance as on 31 December 2015	2,946,530,000	-	90	220,762,941	115,574,519	8,920,366	126,788,306	3,418,576,223


Managing Director

Director


Director

Director


Director

Director


Chairman

Chairman


MABS & J Partners

Chartered Accountants

Dhaka,
30 March 2017

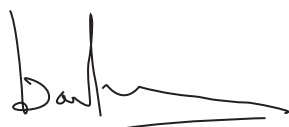
Bangladesh Commerce Bank Limited

Balance Sheet As at 31 December 2016

Particulars	Notes	31.12.2016 Taka	31.12.2015 Taka
PROPERTY AND ASSETS			
Cash	3	2,131,291,389	1,930,546,279
Cash in hand (including foreign currencies)	3.1	287,924,785	260,233,370
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	3.2	1,843,366,604	1,670,312,908
Balance with other banks and financial institutions	4	6,695,915,843	6,651,621,098
In Bangladesh		6,670,522,143	6,614,294,247
Outside Bangladesh		25,393,700	37,326,851
Money at call and short notice	5	131,300,000	35,300,000
Investments	6	4,223,187,090	4,105,827,979
Government		2,938,788,255	2,806,829,755
Others		1,284,398,835	1,298,998,223
Loans and Advances	7	16,634,096,074	16,058,826,456
Loans, Cash Credit, Overdrafts etc.		16,617,169,656	16,048,418,976
Bills purchased and discounted		16,926,418	10,407,479
Fixed assets including premises, furniture and fixtures	8	143,098,557	157,023,519
Other assets	9	1,208,444,913	1,110,572,158
Non-banking assets	10	-	-
Total Assets		<u>31,167,333,866</u>	<u>30,049,717,487</u>
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	7,318,208	203,287,375
Deposits and other accounts	12	25,223,477,302	24,252,945,083
Current Account and Other Accounts etc.		1,344,723,585	1,332,687,044
Savings Bank Deposits		2,845,192,074	2,110,323,848
Short Term Deposits		5,966,568,902	5,224,607,591
Fixed Deposits		9,673,347,551	10,764,286,677
Deposit under Different Schemes	12.1	2,859,699,949	2,662,124,947
Bills Payable	12.3	282,108,981	238,587,292
Bank Deposit		1,200,000,000	1,100,000,000
Other Deposits	12.4	1,051,836,260	820,327,684
Other Liabilities	13	2,470,403,094	2,189,414,558
Total Liabilities		<u>27,701,198,604</u>	<u>26,645,647,015</u>
Capital/Shareholders' Equity			
Paid-up-Capital	14.2	1,988,742,800	1,988,742,800
Share Capital BCI Ltd.		36,500,000	36,500,000
Right Share Application Money		917,259,650	921,287,200
Statutory Reserve	15	245,714,600	220,762,941
Other Reserve	16	8,920,366	8,920,366
Revaluation Reserve for HTM Securities	17	156,568,071	115,574,519
Exchange Equalization Account		-	-
Profit and Loss Account-Retained Earnings	18	112,429,775	112,282,646
Total Shareholders' Equity		<u>3,466,135,262</u>	<u>3,404,070,472</u>
Total Liabilities and Shareholders' Equity		<u>31,167,333,866</u>	<u>30,049,717,487</u>

Particulars	Notes	31.12.2016 Taka	31.12.2015 Taka
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		539,357,438	601,326,130
Letter of Guarantees	19.1	402,945,225	414,680,011
Irrevocable Letter of Credit		763,516,439	459,112,345
Bills for Collection		285,983,694	154,430,547
Other contingent liability	19.2	113,791,800	113,791,800
TOTAL CONTINGENT LIABILITIES		<u>2,105,594,596</u>	<u>1,743,340,834</u>
Other commitments			
Documentary Credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total Off-Balance Sheet items including contingent liabilities		<u>2,105,594,596</u>	<u>1,743,340,834</u>

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



Managing Director



Director



Director



Chairman

This is the Balance Sheet referred to in our separate report of even date.

Dhaka,
30 March 2017


MABS & J Partners
Chartered Accountants

Bangladesh Commerce Bank Limited
Profit and Loss Account
For the year ended 31 December 2016

Particulars	Notes	2016 Taka	2015 Taka
Interest Income	20	1,856,128,833	1,989,231,236
Interest Paid on Deposits and Borrowings etc	21	1,245,548,448	1,535,732,924
Net Interest Income		610,580,386	453,498,312
Income from Investments	22	330,627,976	279,895,527
Commission, Exchange Earnings & Brokerage	23	106,243,889	88,240,007
Other Operating Income	24	61,372,625	61,688,972
Total operating income (A)		1,108,824,876	883,322,817
Salary and Allowances	25	541,072,092	521,066,210
Rent, Taxes, Insurance, Electricity, etc.	26	124,569,728	123,252,784
Legal Expenses		1,255,961	2,235,460
Postage, Stamp, Telecommunication etc.	27	24,352,228	23,982,776
Stationery, Printing, Advertisement etc.	28	11,268,819	13,292,209
Managing Director's salary and allowances	29	7,045,162	6,360,000
Directors' Fee	30	960,800	990,000
Audit & Evaluation Fee		782,000	362,250
Depreciation & Repair of Fixed Assets	31	53,672,956	53,901,835
Other Expenses	32	127,888,665	129,609,319
Total operating expenses (B)		892,868,413	875,052,842
Profit before Provision (C)=A-B		215,956,463	8,269,975
Provision for classified loans	13.1.1	43,174,385	-
Provision for un classified loans	13.1.2	-	-
Other provisions		47,883,288	-
Total provision (D)		91,057,673	-
Profit/(loss) before taxes (C-D)		124,898,790	8,269,975
Provision for Taxation		99,800,000	6,615,980
Current tax		95,925,092	3,515,417
Deferred tax		3,874,908	3,100,563
Net profit/ (loss) after taxation		25,098,790	1,653,995
Appropriations			
Statutory Reserve	15	24,951,659	1,653,995
General Reserve		-	-
Dividends etc.		-	-
Retained surplus		24,951,659	1,653,995
Earning Per Share (EPS)	34	1.26	0.08

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



Managing Director



Director



Director



Chairman

This is the Profit and Loss Account referred to in our separate report of even date.

Dhaka,
30 March 2017

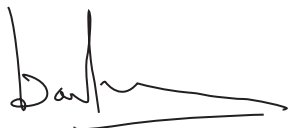


MABS & J Partners
Chartered Accountants

Bangladesh Commerce Bank Limited
Profit and Loss Account
For the year ended 31 December 2016

Particulars	Notes	2016 Taka	2015 Taka
Interest Income	20	1,856,128,833	1,989,231,236
Interest Paid on Deposits and Borrowings etc	21	1,245,548,448	1,535,732,924
Net Interest Income		610,580,386	453,498,312
Income from Investments	22	330,627,976	279,895,527
Commission, Exchange Earnings & Brokerage	23	106,243,889	88,240,007
Other Operating Income	24	61,372,625	61,688,972
Total operating income (A)		1,108,824,876	883,322,817
Salary and Allowances	25	541,072,092	521,066,210
Rent, Taxes, Insurance, Electricity, etc.	26	124,569,728	123,252,784
Legal Expenses		1,255,961	2,235,460
Postage, Stamp, Telecommunication etc.	27	24,352,228	23,982,776
Stationery, Printing, Advertisement etc.	28	11,268,819	13,292,209
Managing Director's salary and allowances	29	7,045,162	6,360,000
Directors' Fee	30	960,800	990,000
Audit & Evaluation Fee		782,000	362,250
Depreciation & Repair of Fixed Assets	31	53,672,956	53,901,835
Other Expenses	32	127,888,665	129,609,319
Total operating expenses (B)		892,868,413	875,052,842
Profit before Provision (C)=A-B		215,956,463	8,269,975
Provision for classified loans	13.1.1	43,174,385	-
Provision for un classified loans	13.1.2	-	-
Other provisions		47,883,288	-
Total provision (D)		91,057,673	-
Profit/(loss) before taxes (C-D)		124,898,790	8,269,975
Provision for Taxation		99,800,000	6,615,980
Current tax		95,925,092	3,515,417
Deferred tax		3,874,908	3,100,563
Net profit/ (loss) after taxation		25,098,790	1,653,995
Appropriations			
Statutory Reserve	15	24,951,659	1,653,995
General Reserve		-	-
Dividends etc.		-	-
Retained surplus		24,951,659	1,653,995
Earning Per Share (EPS)	34	1.26	0.08

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



Managing Director



Director



Director



Chairman

This is the Profit and Loss Account referred to in our separate report of even date.

Dhaka,
30 March 2017


MABS & J Partners
Chartered Accountants

Bangladesh Commerce Bank Limited
Cash Flow Statement
For the year ended 31 December 2016

Particulars	2016 Taka	2015 Taka
A. Cash flow from operating activities		
Interest receipts	2,093,157,115	2,388,651,541
Interest payments	(1,043,493,747)	(1,415,442,845)
Dividend receipts	5,870,356	5,135,365
Fees and commission receipts in cash	71,476,096	88,240,007
Cash paid to employees	(533,117,254)	(527,426,210)
Cash paid to suppliers	(164,438,597)	(166,863,611)
Income Taxes paid	(65,047,103)	(122,975,243)
Receipts from other operating activities (item-wise)	166,882,397	65,298,129
Payments for other operating activities (item-wise)	(130,887,427)	(133,197,029)
Operating cash flow before changes in operating Assets and Liabilities	400,401,837	181,420,103
Increase/(Decrease) in operating assets & liabilities	467,865,531	1,180,391,245
Statutory Deposits	(24,951,659)	(1,653,995)
Loan & advance to customers	(575,269,618)	(317,041,432)
Other assets (item-wise)	(32,825,652)	(107,290,960)
Deposits from other banks	(95,969,167)	(121,447,625)
Deposits from customers	915,893,092	1,367,486,542
Other liabilities account of customers	280,988,535	360,338,715
Net cash flow from operating activities (A)	868,267,368	1,361,811,348
B. Cash flow from investing activities		
Purchase of property, plant & equipment	(34,570,088)	(22,205,584)
Purchase/sale of Securities & bond	(360,698,925)	-
Net cash used in investing activities (B)	(395,269,013)	(22,205,584)
C. Cash flow from financing activities		
Receipts from issue of debt instruments	-	-
Payment for redemption of debt instruments	-	23,101,923
Receipts from issuing ordinary share/ rights share	-	-
Dividend paid	-	-
Net cash flow from/ (used in) financing activities (C)	-	23,101,923
D. Net increase in Cash and Cash Equivalent (A+B+C)	472,998,355	1,362,707,687
E. Effects of exchange rate changes on cash and cash equivalents	-	-
F. Opening Cash and Cash Equivalent	11,424,297,132	10,061,589,445
G. Cash and cash equivalents at end of year (D+E+F) (*)	11,897,295,487	11,424,297,132

(*) Closing Cash & Cash Equivalent

Cash in Hand (including foreign currency)	287,924,785	260,233,370
Balance with Bangladesh Bank and its Agent Banks	1,843,366,604	1,670,312,908
Balance with Other Bank's and Financial Institutions	6,695,915,843	6,651,621,098
Money at Call on Short Notice	131,300,000	35,300,000
Government Securities	2,938,788,255	2,806,829,755
	11,897,295,487	11,424,297,132


Managing Director


Director


Director


Chairman



MABS & J Partners
Chartered Accountants

Dhaka,
30 March 2017

Bangladesh Commerce Bank Limited

**Statement of changes in Equity
For the year ended 31 December 2016**

(Amount in Taka)

Particulars	Paid up Capital	Share Premium	Statutory Reserve	Revaluation Reserve	Other Reserve	Profit/(Loss)	Total
Balance as on 01 January 2016	1,988,742,800	-	220,762,941	115,574,519	8,920,366	112,282,646	2,446,283,272
Share Capital BCI Ltd.	36,500,000	-	-	-	-	-	36,500,000
Right Share Application Money	917,259,650	-	-	-	-	-	917,259,650
Prior Year's Adjustment	-	-	-	-	-	-	-
Increase in Statutory Reserve	-	-	24,951,659	-	-	-	24,951,659
Revaluation Reserve for HTM Securities	-	-	-	40,993,551	-	-	40,993,551
Net Profit/(Loss) for the year	-	-	-	-	-	147,131	147,131
Balance as on 31 December 2016	2,942,502,450	-	245,714,600	156,568,070	8,920,366	112,429,777	3,466,135,264
Balance as on 01 January 2015	1,988,742,800	-	219,108,947	39,839,850	8,920,366	112,282,646	2,368,894,608
Share Capital BCI Ltd.	36,500,000	-	-	-	-	-	36,500,000
Right Share Application Money	921,287,200	-	-	-	-	-	921,287,200
Prior Year's Adjustment	-	-	-	-	-	-	-
Increase in Statutory Reserve	-	-	1,653,995	-	-	-	1,653,995
Revaluation Reserve for HTM Securities	-	-	-	75,734,669	-	-	75,734,669
Net Profit/(Loss) for the year	-	-	-	-	-	-	-
Balance as on 31 December 2015	2,946,530,000	-	220,762,941	115,574,519	8,920,366	112,282,646	3,404,070,472



Managing Director



Director



Director



Chairman



**MABS & J Partners
Chartered Accountants**

Dhaka,
30 March 2017

Bangladesh Commerce Bank Limited

**Liquidity Statement
(Asset and Liability Maturity Analysis)
As at 31 December 2016**

Particulars	(Amount in Taka)					
	Up to 01 Month	1-3 Months	3-12 Months	1-5 Years	More than 5 Years	Total
Assets:						
Cash in hand & with Bangladesh Bank	2,131,291,388	-	-	-	-	2,131,291,388
Balance with other banks & financial institutions	1,455,355,588	2,070,221,322	3,170,338,933	-	-	6,695,915,843
Money at call and short notice	131,300,000	-	-	-	-	131,300,000
Investment	550,198,318	151,699,536	1,684,594,850	1,515,095,368	321,599,017	4,223,187,090
Loans and Advances	5,830,798,624	3,102,099,268	3,403,299,197	4,297,898,986	-	16,634,096,074
Fixed Assets including premises, furniture and fixtures						
Other Assets	29,201,085	34,401,279	53,301,981	17,200,639	143,098,557	143,098,557
Non-banking assets	-	-	-	-	1,074,339,929	1,208,444,914
Total Assets	10,128,145,004	5,358,421,405	8,311,534,961	5,830,194,993	1,539,037,504	31,167,333,866
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	7,318,208	-	-	-	-	7,318,208
Deposits	5,254,676,539	8,004,544,160	7,072,371,954	4,891,884,648	-	25,223,477,302
Other Liabilities		1,456,102,570	774,055,627	240,244,897	-	2,470,403,094
Total Liabilities	5,261,994,748	9,460,646,731	7,846,427,581	5,132,129,545	-	27,701,198,604
Net Liquidity	4,866,150,256	(4,102,225,326)	465,107,380	698,065,448	1,539,037,504	3,466,135,262

Net result of the Liquidity Statement represents the "Shareholders' Equity" of the Bank


Managing Director

Dhaka,
30 March 2017

Managing Director


Director

Director


Director

Director


Chairman

Chairman

The following assumptions have been applied in preparing the maturity analysis:

- Balance with other banks and financial institutions, Money at call on short notice are on the basis of their maturity.
- Investments are on the basis of their maturity.
- Loans and advances are on the basis of their maturity.
- Fixed assets including premises land & buildings, furniture & fixtures are on the basis of their useful life.
- Other assets are on the basis of their adjustment.
- Borrowings from Bangladesh Bank, other banks, financial institutions and agents are on the basis of their payment.
- Deposits and other accounts are on the basis of their maturity and payment.
- Provision and other liabilities are on the basis of their adjustment.

Notes to the Financial Statements

For the year ended 31 December 2016

1.0 Legal Status and Nature of the Company

"The Bangladesh Commerce Bank Limited was incorporated in Bangladesh as a Public Limited Company as on the 01 June 1998 under Companies Act 1994 and commenced commercial operation on the 16 September 1999. It has 48 branches all over Bangladesh."

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

1.1 Subsidiary of the Bank

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

2.0 Basis of preparation of financial statements & significant accounting policies

2.1 Statements of compliance

The consolidated financial statements of the group (comprising the Bank and its subsidiary) financial statements of Bangladesh Commerce Bank Limited as at and for the year ended 31 December 2016 have been prepared under the historical cost convention, except for Government Securities which are stated at fair value and in accordance with Bangladesh Financial Reporting Standards (BFRSs), the First Schedule (Section 38) of the Bank Company (Amendment) Act- 2013, as amended by the BRPD Circular 14 dated 25 June 2003, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994 and other rules and regulations are applicable in Bangladesh. In case any requirement of the Bank Company (Amendment) Act- 2013, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS, the requirements of the Bank Company (Amendment) Act- 2013, 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 (as measured in accordance with BFRS 13) at the year-end 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 year end at market price and as per book value of last audited balance sheet respectively. Provision has been made for any loss arising from diminution in value of investment; otherwise investments are recognized at cost.

ii) Revaluation gains/losses 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 recognized 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: According to DOS circular 05 dated 26 May 2008 and subsequently clarification in DOS Circular 05 dated 28 January 2009, HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity 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 are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

iii) Provision on loans and advances/investments

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 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012 and BRPD circular No. 05 dated 29 May 2013 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 20%, 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 recognised in profit and loss account on the same basis based on revised carrying amount.

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

v) Other comprehensive income

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

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the 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 full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

vii) 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.

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 Circular no. 14 dated 25 June 2003 financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin.

viii) Cash and cash equivalent

BFRS: Cash and cash equivalent items should be reported as cash item as per BAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.

ix) Non-banking asset

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

Bangladesh Bank: As per BRPD Circular no. 14 dated 25 June 2003 there must exist a face item named Non-banking asset.

x) Cash flow statement

BFRS: The Cash flow statement can be prepared using either the direct method or the 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 methods.

xi) Balance with Bangladesh Bank: (Cash Reserve Requirement)

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.

xii) Presentation of intangible asset

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

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

xiii) 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 circular no. 14 dated 25 June 2003 off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

xiv) Loans and advances/Investments net of provision

BFRS: Loans and advances/Investments should be presented net of provision.

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

2.2 Consolidation Procedure

"The consolidated financial statements include the financial statements of Bangladesh Commerce Bank Limited and its subsidiary Commerce Bank Securities & Investments Limited made up to the end of the financial year. The consolidated financial statements have been prepared in accordance with Bangladesh Financial Reporting Standard 10. The consolidated financial statements are prepared to a common financial year ended 31 December 2016."

2.3 Subsidiary

Subsidiary is that enterprise which is controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an enterprise from the date that control commences until the date that control ceases. The financial statements of subsidiary are included in the consolidated financial statements from the date that control effectively commences until the date that the control effectively ceases. Subsidiary companies are consolidated using the purchase method of accounting.

2.4 Use of estimates and judgments

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

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

2.5 Revenue Recognition

"The revenue during the period under audit is recognized satisfying the conditions as specified in Bangladesh Accounting Standards (BAS) 18 "Revenue Recognition". Details are as under: Interest/ income (i) Interest is calculated on daily product on unclassified loans and advances and accounted for quarterly on accrual basis. (ii) Interest is charged on classified loans and advances as per Bangladesh Bank BRPD circular No. 16 of 1989 and such interest was not taken into income account upon realization. (iii) Dividend income is recognized at the time when it is realized. (iv) Commission and discounts on bills purchased and discounted are recognized at the time of realization. "

Fees, commission and discounts income

Fees, commission and discounts on bills purchased and discounted are recognized at the time of realization.

Investment income

Interest income on investments is recognized on accrual basis. Capital gain on investments in shares is also included in investment income. Capital gain is recognized when it is realized.

Interest paid and other expenses

In terms of the provisions of BAS-1 "Presentation of Financial Statements" interest/profit and other expenses are recognized on accrual basis.

2.6 Earnings Per Share (EPS)

The Company calculates Earnings Per Share (EPS) in accordance with BAS 33 "Earnings Per Share" which has been shown on the face of Profit and Loss Account. This has been calculated by dividing the basis earnings by the number of ordinary shares outstanding during the year.

2.7 Foreign Currency Transactions

Transaction in Foreign Currencies are translated into Bangladesh Taka and recorded at the ruling Exchange rates applicable on the dates of transactions in accordance with Bangladesh Accounting Standards (BFRS/BAS) – 21 "The Effects of Changes in Foreign Exchange Rates". As such -

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 Circular no. 14 dated 25 June 2003 financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin.

viii) Cash and cash equivalent

BFRS: Cash and cash equivalent items should be reported as cash item as per BAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.

ix) Non-banking asset

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

Bangladesh Bank: As per BRPD Circular no. 14 dated 25 June 2003 there must exist a face item named Non-banking asset.

x) Cash flow statement

BFRS: The Cash flow statement can be prepared using either the direct method or the 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 methods.

xi) Balance with Bangladesh Bank: (Cash Reserve Requirement)

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.

xii) Presentation of intangible asset

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

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

xiii) 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 circular no. 14 dated 25 June 2003 off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

xiv) Loans and advances/Investments net of provision

BFRS: Loans and advances/Investments should be presented net of provision.

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

2.2 Consolidation Procedure

"The consolidated financial statements include the financial statements of Bangladesh Commerce Bank Limited and its subsidiary Commerece Bank Seceurities & Investments Limited made up to the end of the financial year. The consolidated financial statements have been prepared in accordance with Bangladesh Financial Reporting Standard 10. The consolidated financial statements are prepared to a common financial year ended 31 December 2016."

2.3 Subsidiary

Subsidiary is that enterprise which is controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an enterprise from the date that control commences until the date that control ceases. The financial statements of subsidiary are included in the consolidated financial statements from the date that control effectively commences until the date that the control effectively ceases. Subsidiary companies are consolidated using the purchase method of accounting.

2.4 Use of estimates and judgments

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

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

2.5 Revenue Recognition

"The revenue during the period under audit is recognized satisfying the conditions as specified in Bangladesh Accounting Standards (BAS) 18 "Revenue Recognition". Details are as under: Interest/ income (i) Interest is calculated on daily product on unclassified loans and advances and accounted for quarterly on accrual basis. (ii) Interest is charged on classified loans and advances as per Bangladesh Bank BRPD circular No. 16 of 1989 and such interest was not taken into income account upon realization. (iii) Dividend income is recognized at the time when it is realized. (iv) Commission and discounts on bills purchased and discounted are recognized at the time of realization. "

Fees, commission and discounts income

Fees, commission and discounts on bills purchased and discounted are recognized at the time of realization.

Investment income

Interest income on investments is recognized on accrual basis. Capital gain on investments in shares is also included in investment income. Capital gain is recognized when it is realized.

Interest paid and other expenses

In terms of the provisions of BAS-1 "Presentation of Financial Statements" interest/profit and other expenses are recognized on accrual basis.

2.6 Earnings Per Share (EPS)

The Company calculates Earnings Per Share (EPS) in accordance with BAS 33 "Earnings Per Share" which has been shown on the face of Profit and Loss Account. This has been calculated by dividing the basis earnings by the number of ordinary shares outstanding during the year.

2.7 Foreign Currency Transactions

Transaction in Foreign Currencies are translated into Bangladesh Taka and recorded at the ruling Exchange rates applicable on the dates of transactions in accordance with Bangladesh Accounting Standards (BFRS/BAS) – 21 "The Effects of Changes in Foreign Exchange Rates". As such -

(i) Assets and liabilities denominated in foreign currency are translated into Bangladesh Taka at the balance sheet date at the mid rates.

(ii) Transactions in foreign currencies are converted into Bangladesh Taka currency at the rate of exchange prevailing on the dates of such transactions and any gains or losses thereon are adjusted to revenue through foreign exchange trading account. "

2.8 Reporting Period

These financial statements of the Bank and its subsidiary cover one calendar year from 1 January 2016 to 31 December 2016.

2.9 Statement of Cash Flows

Cash Flow Statement is prepared principally in accordance with BAS 7 "Statement of Cash Flows" under direct method as per the guidelines of BRPD circular no-14 dated 25 June 2003. The statement of Cash Flows shows the structure & changes in cash & cash equivalents during the year. Cash Flows during the period have been classified as operating activities, investing activities & financing activities.

2.10 Statement of Changes in equity

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth. Statement of changes in equity has been prepared in accordance with Bangladesh Accounting Standard (BAS) "Presentation of Financial Statements" and relevant guidelines of Bangladesh Bank.

2.11 "Statement of Liquidity"

The Liquidity statement has been prepared in accordance with the remaining maturity grouping of the value of the assets and liabilities as on 31 December 2016.

2.12 Taxation

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

2.12.1 Current Tax

In compliance with BAS-12 "Income Taxes", provision for current income tax has been made @ 42.50% on business income, @ 20% on dividend income and @ 10% on capital gain on sale of shares, after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance 1984 and time to time amendment to issue different S.R.O and circular issued by the National Board of Revenue.

2.12.2 Deferred taxation

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities has also been recognised in the profit and loss account as per BAS-12 "Income Taxes".

2.13 Assets and basis of their valuation

2.13.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Bank management for its short-term commitments.

2.13.2 Loans & Advances and Provision

Interest is calculated on daily product basis but charged and accounted for quarterly on accrual basis. Interest on classified loans is kept in interest suspense account as per Bangladesh Bank guidelines and such interest is not accounted for as income until realized from borrowers. Interests are not charged on bad / loss loans as per instructions of Bangladesh Bank. Advances are stated at gross value.

Provision for loans and advances is made on the basis of year-end review by the management and on the basis of instructions contained in Bangladesh Bank BCD Circular No- 34 of 1989, BCD Circular No. 20 dated 27 December 1994, BRPD Circular No-12 dated 04 September 1995, BRPD Circular No- 16 dated 06 December 1998, BRPD Circular No-9 dated 14 May 2001, BRPD Circular No-8 of 2005, BRPD Circular No-14 dated 23 September 2012, BRPD Circular No-19 dated 27 December 2012 and BRPD Circular No-05 dated 29 May 2013 at the following rates:

Particulars	Rate
General Provision on;	
Unclassified (Including SMA) general loans and advances	1%
Unclassified (Including SMA) Small and Medium Enterprise Financing (SMEF)	0.25%
Unclassified (Including SMA) Loans to BHs/MBs/SDs against Share	2%
Unclassified (Including SMA) Loans for Housing Finance, Professionals and Small Enterprise	5%
Unclassified Consumer finance other than Loans for Housing Finance, Professionals and Small Enterprise	5%
Short term agriculture credit and micro credit	2.5%
Off-Balance Sheet Exposure	1%
Specific Provision on;	
Substandard loans and advances other than Short term agriculture credit and micro credit	20%
Doubtful loans and advances other than Short term agriculture credit and micro credit	50%
Bad / loss loans and advances	100%
Doubtful Short term agriculture credit and micro credit	5%

2.13.3 Provision for off Balance Sheet Exposures

General provision for off balance sheet exposures has been made @ 1% on period end balance of total off balance sheet exposures as per BRPD circular No. 8 and 10 dated 07 August, 2007 and 18 September, 2007 respectively issued by Bangladesh Bank.

2.13.4 Investment

"Values of investments have been shown as under: Treasury Bills : Face Value (Including unearned Income thereon)Prize Bond : Cost PriceShares and Debenture : Cost Price"

2.14 Fixed Assets and Depreciation

(i) Assets are stated at cost less accumulated depreciation.

(ii) Depreciation has been charged at the following rates on reducing balance method on all fixed asset other than motor vehicle, machinery and computer, which are depreciated on straight-line basis:

Name of Assets	Rate of depreciation
Furniture & Fixture	10%
Interior Decoration	20%
Machinery	20%
Motor Vehicles	20%
Computer	30%

2.19 Risk Management

The risk Management of Bangladesh Commerce Bank Limited evolves identification, measurement, monitoring and controlling risks to ensure that:

- a) The Bank's risk exposure is within the limits established by Board of Directors.
- b) The Bank's risk taking decisions are in line with the business strategy and objectives set by Board of Directors of the Bank as well as Bangladesh Bank guidelines.
- c) The Bank's risk taking decisions are explicit and clear.
- d) Sufficient capital as a buffer is available to take risk.

i. Market Risk

Bangladesh Commerce Bank Limited is exposed to market risk in variety of ways. Market risk exposure is mainly explicit in portfolio of Bangladesh Government Treasury Bills and treasury Bonds held under HFT (held for trading) conversely, Market Risk is implicit such as interest Rate Risk due to mismatch of loans and Foreign Exchange Risk due to maturity mismatch of foreign currency positions. The portfolios are being revalued at an interval at current market price of marking to market basis. Besides, the portfolios have been synchronized in line with Bangladesh Bank guidelines of risk based Capital Adequacy (BASEL-III) for interest rate risk and foreign exchange risk.

Interest Rate Risk

Interest Rate Risk arises when there is a mismatch between positions. The Bank's lending, funding and investment activities give rise to Interest Rate Risk. The Bank Assess Interest Rate Risk in earning perspective which is traditional approach to Interest Rate Risk assessment and obtained by measuring the changes in the Net Interest Income (NII) on Net Interest Margin (NIM) i.e. the difference between total interest income and the total interest expenses.

Foreign Exchange Risk

The Bank is also exposed to Interest Rate Risk, which arises from the maturity mismatching of foreign currency position. It also includes settlement risk. The total holding position is being revalued on marking to market on monthly basis.

Equity risk

Equity risk arises from movement in market value of equities held. The risks are monitored by Investment Committee under a well designed policy framework.

ii. 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. Steps have already been implemented of Bangladesh Bank requirements and some are in under process.

A typical Credit Risk management framework in Bangladesh Commerce Bank Limited is broadly categorized into following main component:

- a) Board's and senior management oversight.
- b) Organizational Structure.
- c) Systems and Procedures for identification acceptance, measurement, monitoring and control risks.

The Bank Board of Directors approved Credit Risk strategy and significant policies relating to Credit Risk. The Board of Directors of Bangladesh Commerce Bank Limited also set the parameter to maintain Bank's overall credit exposures. The Bank also operates within a sound and well-defined criteria for new credits as well as the expansion of existing credits.

2.14.1 Intangible assets

Intangible asset is an identifiable non-monetary asset without physical substance. An intangible asset is recognised if it is probable that the future economic benefits that are attributable to the assets will flow to the entity and the cost of the asset can be measured reliably in accordance with BAS 38: "Intangible Assets".

Subsequent expenditure on intangible asset is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

The software used by BCBL represents the value of computer application software licensed for the use of the bank. Software is carried at cost less accumulated amortisation and any impairment losses. Initial cost comprises license fees paid at the time of purchase and other directly attributable expenditure that are carried in customising the software for its intended use. Software is amortised using the straight line method over the estimated useful life of 3 (Three) years commencing from the month at which the application software is made available for use.

2.15 Reconciliation of Books of Accounts

"Books of account with regard to inter bank (in Bangladesh and outside Bangladesh) are reconciled and no material difference was found which might affect the financial statement significantly."

2.16 Retirement benefits of the employees

- 1) Employee benefit for gratuity is expensed on payment of the benefit.
- 2) The Bank operates a Bangladesh Commerce Bank Ltd. Gratuity Fund, provision for which is made annually covering all its eligible employees. It is operated by a separate Board of Trustees of the Bank.

2.17 Auditors work-hour

The external auditor of the Bank MABS & J Partners, Chartered Accountants worked for more than of 2,960 man-hours at the Bank's, Head Office and branches. During their audit, they audited above 80% of the Bank's risk weighted assets as on the reporting date.

2.18 Audit Committee

During the year 2016 the "Audit Committee" of the Bank has rendered 4 (four) meeting. The Committee is as mention below :

Name	Status with the Bank	Status with the Committee	Educational Qualification
Mr. Md. Shafiqul Islam, FCA	Director	Chairman	M. Com. FCA
Mr. Tapan Kumar Karmaker	Director	Member	M.A., MBA
Mr. Md. Abdus Salam, FCA	Director	Member	M. Com. FCA

Hence, the following issues among others were discussed the "Audit Committee" meeting held in the year 2016:

- a) Review the financial statements of 2015 and proposed to submit the same before the board of directors for approval. Reviewed the Management letter submitted by external auditor of the bank and instructed the management to take corrective measure regarding irregularities identified by external auditor.
- b) Expressed their concern over increase of classified loans and instructed to take initiative to reduce classified loans. At the same time increase the AD ratio to the acceptable level.
- c) Reviewing the detail internal inspection report on Banshal Branch irregularities where they expressed their dissatisfaction and instructed Human Resource Division to take immediate action for responsible employees.
- d) Reviewing the detail internal inspection report of different branches of Bangladesh Commerce Bank Limited for the year 2014 & 2015.
- e) Review of Internal Control & Compliance manual of Bangladesh Commerce Bank Limited.

iii. Liquidity Risk

Bangladesh Commerce Bank Limited considers Liquidity Risk a major risk for Bank. It arises when the cushion provided by the liquid assets are not sufficient enough to meet its obligation. The Board of Directors of the Bank enunciated specific policies on particular aspects of liquidity risk management such as (a) composition of Assets and Liabilities (b) diversification and stabilities of liabilities (c) access to inter-bank market. The Board of Directors of Bangladesh Commerce Bank Limited approved Liquidity Contingencies Plan in policy guideline in line with Bangladesh Bank's Core Risk Guidelines. The Board of Directors of Bangladesh Commerce Bank Limited has also approved specific Risk Limits for proper liquidity management of the Bank.

iv. 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. The bank has already taken many steps required by Bangladesh Bank for complying with reputation risk.

v. Operational Risk

Internal Control and Compliance is a process to provide 'Immunization' and a high level of protection from errors, improper process, frauds, surprises and inability to comply with legal and regulatory requirements. The bank has already taken many steps required by Bangladesh Bank for complying with operational risk.

vi. Risk Management of Information and Communication Technology (ICT)

The ICT Risk Management is a full blown process for the bank to ensure maintenance or recovery including uninterrupted services to customers in all adverse events such as natural disasters, technological failures, human error etc. In order to organize Network resources, the bank pursues a central policy for administrator to secure intranet and internet network access. A security policy is in place with a formal statement of the rules that people who are given access must abide by and adhere to what is laid in the policy. A disaster recovery plan covers data, hardware and software critical for business to restart in the event of a natural or human caused disaster. The steps have been implemented.

vii. Fraud & Forgeries

The term 'Fraud' commonly includes activities such as theft, corruption, conspiracy, embezzlement, money laundering, bribery & extortion. Fraud risk is one of the components of Operational risk. Operational risk focuses on the risks associated with errors or events in transaction processing or other operation. We are absolutely committed to maintain an honest, open & well intentioned atmosphere within the organization. It is, therefore, also committed to fraud prevention and fraud detection. Fraud & Forgery has emerged as one of the major threats in banking sector with regular development of avenues by the fraudsters.

In the year 2016, Internal Control & Compliance Division (ICCD), BCBL, has started to further develop the Risk & Fraud awareness culture among the employees & reduce the likelihood of fraud occurring in the Bank. Internal Control & Compliance Division (ICCD) of Bangladesh Commerce Bank Limited has arranged to conduct Spot Inspection on Anti Fraud Internal Control (AFIC) systems to protect the bank from anticipated fraud & forgery in addition to regular comprehensive Audit & Inspection in the branches.

In connection with dealing the situation and ensuring safety checking measures against fraud & forgery related issues, ICCD division has developed a questionnaire/ Checklist to perform spot AFIC, which shall continue upon regular review, up-gradation & improvisation.

2.20 Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) in context of Bangladesh from the standards adopted by International Federation of Accountants Committee (IFAC) as International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). While preparing the financial statements, Bangladesh Commerce Bank Limited applied most of the BAS and BFRS, details of which are given below:

Name of BAS	BAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Lease	17	N/A
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The effects of Changes in Foreign Exchange Rate	21	Applied
Borrowing Cost	23	Applied
Related Party Disclosures	24	N/A
Accounting for Investments	25	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	Applied
Investment in Associates	28	N/A
Disclosures in the Financial Statements of Banks and similar Financial Institutions	30	Applied
Interest in Joint Ventures	31	N/A
Financial Instrument: Presentation	32	*
Earnings per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	*
Investment Property	40	N/A
Agriculture	41	N/A

Name of BFRS	BFRS No.	Status
Share-based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-current assets Held for Sale and Discontinued Operations	5	Applied
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	*
Operating Segments	8	Applied
Consolidated Financial statements	10	Applied
Joint Arrangements	11	N/A
Disclosure of interests in other Entities	12	Applied
Fair Value Measurement	13	Applied

2.21 General

"(1) Wherever considered necessary figures of previous year have been rearranged for comparison purpose.(2) Figures appearing in these Financial Statements have been rounded off to the nearest Taka."

		31.12.2016 Taka	31.12.2015 Taka
3 Cash			
Cash in hand	(Note 3.1)	287,924,785	260,233,370
Balance with Bangladesh Bank and its agent bank(s)	(Note 3.2)	1,843,366,604	1,670,312,908
		<u>2,131,291,389</u>	<u>1,930,546,279</u>
3(a) Consolidated Cash			
Bangladesh Commerce Bank Limited		2,131,291,389	1,930,546,279
CBSIL		190,166	245,002
		<u>2,131,481,555</u>	<u>1,930,791,281</u>
3.1 Cash in Hand			
In local currency		287,924,785	260,214,120
In foreign currencies		-	19,250
		<u>287,924,785</u>	<u>260,233,370</u>
3.1(a) Consolidated Cash in Hand			
Bangladesh Commerce Bank Limited	(Note 3.1)	287,924,785	260,233,370
CBSIL		190,166	245,002
		<u>288,114,951</u>	<u>260,478,372</u>
3.2 Balance with Bangladesh Bank and its agent bank(s)			
Balance with Bangladesh Bank			
In local currency		1,689,616,370	1,439,062,280
In foreign currencies		125,642,264	221,147,962
		1,815,258,634	1,660,210,242
Balance with Sonali Bank in local currency (as agent of Bangladesh Bank)		28,107,970	10,102,667
		<u>1,843,366,604</u>	<u>1,670,312,908</u>
3.2(a) Consolidated Balance with Bangladesh Bank and its agent bank(s)			
Bangladesh Commerce Bank Limited	(Note 3.2)	1,843,366,604	1,670,312,908
CBSIL		-	-
		<u>1,843,366,604</u>	<u>1,670,312,908</u>
3.3 Statutory Deposit			
As per MPD circular No- 01 dated 23 June 2014 of Bangladesh Bank (effective from 24 June 2014), all scheduled banks have to maintain a CRR of minimum 6% on daily basis and 6.50 % on bi-weekly basis on weekly average demand and time liabilities of the base month which is two months back of reporting month (i.e. CRR of December 2016 was based on weekly average balance of October 2016). BCBL has been maintaining it bi-weekly basis.			
3.4 Cash Reserve Ratio (CRR) : 6.5% of Average Demand & Time Liabilities			
Required Reserve		1,483,108,891	1,432,618,000
Actual Reserve held with Bangladesh Bank		1,689,616,370	1,439,062,280
TT in Transit		-	-
		1,689,616,370	1,439,062,280
Surplus/(Deficit)		206,507,479	6,444,280
Maintained Ratio		7.41%	6.53%
3.5 Statutory Liquidity Ratio (SLR) : 13% of Average Demand & Time Liabilities			
Required Reserve		2,966,217,782	2,865,236,000
Actual Reserve held		3,461,327,468	3,095,486,000
Surplus/(Deficit)		495,109,686	230,250,000
Maintained Ratio		15.17%	14.04%
Average Deposit (Demand & Time Liabilities)		<u>22,817,059,863</u>	<u>22,040,276,882</u>
4 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS			
In Bangladesh	(Note 4.1)	6,670,522,143	6,614,294,247
Outside Bangladesh (NOSTRO A/C)	(Note 4.2)	25,393,700	37,326,851
		<u>6,695,915,844</u>	<u>6,651,621,098</u>
4(a) CONSOLIDATED BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS			
Bangladesh Commerce Bank Limited	(Note 4)	6,695,915,844	6,651,621,098
CBSIL		281,817,544	201,334,576
		<u>6,977,733,388</u>	<u>6,852,955,673</u>

4.1 In Bangladesh

Current Deposits:

Agrani Bank Ltd.
Janata Bank Ltd.
Bangladesh Krishi Bank
Trust Bank Ltd.
Sonali Bank.
Dutch Bangla Bank Limited
Pubali Bank Ltd.
Islami Bank Ltd.
Al-Arafah Islami Bak Ltd.
Commerce Bank Securities & Investment Ltd.
Rupali Bank Limited

109,531,211

100,851,327

49,077,920	58,757,700
5,818,407	16,156,299
1,000	1,000
2,314,731	12,985,073
11,647,366	8,595,215
325,349	74,678
20,681	45,196
	3,628
7,751,419	3,700,258
30,573,339	532,281
2,001,000	

STD Accounts:

Janata Bank Ltd.
Uttara Bank Limited
Rupali Bank Limited
Social Islami Bank Limited
Agrani Baank Ltd.

14,290,932

13,442,920

10,987,922	7,024,255
126,480	122,640
-	4,265,000
675,531	2,031,025
2,501,000	-

FDR Accounts:

The City Bank Ltd.
BIFC
Hajj Finance Company Ltd.
People's Leasing and Financial Services Ltd.
Reliance Finane Ltd.
Fas Finance & Investment Ltd.
Union Capital Ltd.
International Leasing & Financial Services Ltd.
First Lease Finance & Investment Ltd.
Fareast Finance & Investment
Premier Leasing & Finance Ltd.
GSP Finance Company Ltd.
Bangladesh Finance & Investment Limited

6,546,700,000

6,500,000,000

156,700,000	-
640,000,000	450,000,000
150,000,000	300,000,000
950,000,000	1,000,000,000
1,000,000,000	900,000,000
650,000,000	750,000,000
300,000,000	100,000,000
1,000,000,000	700,000,000
300,000,000	850,000,000
300,000,000	-
600,000,000	800,000,000
200,000,000	200,000,000
300,000,000	450,000,000

6,670,522,143

6,614,294,247

31.12.2016

Taka

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

Name of Banks & Financial Institutions	On Demand	Up to 1 month	1 to 3 months	6 months to 1 year	1 to 5 years	Over 5 years	Total
Agrani Bank Ltd.	51,578,920	-	-	-	-	-	51,578,920
Janata Bank Ltd.	16,806,329	-	-	-	-	-	16,806,329
Bangladesh Krishi Bank	1,000	-	-	-	-	-	1,000
Trust Bank Ltd.	2,314,731	-	-	-	-	-	2,314,731
Sonali Bank.	11,647,366	-	-	-	-	-	11,647,366
Dutch Bangla Bank Limited.	325,349	-	-	-	-	-	325,349
Pubali Bank Ltd.	20,681	-	-	-	-	-	20,681
Al-Arafah Islami Bak Ltd.	7,751,419	-	-	-	-	-	7,751,419
CBSIL	30,573,339	-	-	-	-	-	30,573,339
Uttara Bank Limited	126,480	-	-	-	-	-	126,480
Rupali Bank Limited	2,001,000	-	-	-	-	-	2,001,000
Social Islami Bank Limited	675,531	-	-	-	-	-	675,531
Grand total	123,822,143	-	-	-	-	-	123,822,143

31.12.2016 Taka	31.12.2015 Taka
25,393,700	37,326,851
25,393,700	37,326,851
-	-

4.2 Outside Bangladesh

Non Interest- bearing Accounts
Interest-bearing Accounts

Non Interest-bearing Accounts

Habib Metropolitan Bank, Pakistan
Sonali Bank Ltd. Kolkata
Mashreq Bank PSC, NY
NIB Bank Karachi
Standard Chartered Bank, Kolkata, India
Sonali Bank Ltd. London (USD)
Sonali Bank Ltd. London (GBP)
Sonali Bank Ltd. London (Euro)
United Bank of India, Kolkata

18,386	102,173
1,864,742	1,445,511
10,825,563	28,537,019
11,383	11,354
4,213,448	4,202,639
2,250,660	6,285
3,353,268	1,810,233
709,558	314,194
2,146,692	897,444
25,393,700	37,326,851
-	-
25,393,700	37,326,851

Total

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

Particulars	Currency Name	31.12.2016			31.12.2015		
		Amount in FC	Conversion Rate per Unit FC	Amount in BDT	Amount in FC	Conversion Rate per Unit FC	Amount in BDT
Habib Metropolitan Bank, Pakistan	USD\$	234	79	18,386	1,302	79	102,173
Sonali Bank Ltd. Kolkata	USD\$	23,694	79	1,864,742	18,414	79	1,445,511
Mashreq Bank PSC, NY	USD\$	137,551	79	10,825,563	363,528	79	28,537,019
NIB Bank Karachi	USD\$	145	79	11,383	145	79	11,354
Standard Chartered Bank Mumbai, India	USD\$	53,537	79	4,213,448	53,537	79	4,202,639
Sonali Bank Ltd. London	USD\$	28,597	79	2,250,660	80	79	6,285
Sonali Bank Ltd. London	GBD£	34,936	96	3,353,268	15,596	116	1,810,233
Sonali Bank UK London	EURO€	8,569	83	709,558	3,631	87	314,194
United bank of India, Kolkata	USD\$	27,276	79	2,146,692	11,432	79	897,444
		314,538		25,393,701	467,664		37,326,851

4.2.2 Balance with other Bank and financial institutions includes Taka 42,13,448 equivalent to USD 53,536.60 which was frozen by Standard Chartered Bank (former the American Express Bank) based on the order of the Calcutta High court against which provision is yet to be made.

4.3 Maturity grouping of foreign currency balances

On demands
Upto 1 month
1-3 month
3-6 month
6-9 month
9 months to 1 year
1 year and above

Taka	Taka
25,393,701	37,326,851
25,393,701	37,326,851
-	-
-	-
-	-
-	-
-	-
-	-

5 MONEY AT CALL AND SHORT NOTICE

**In Bangladesh
Outside Bangladesh**

	31.12.2016 Taka	31.12.2015 Taka
(Note: 5.1)	131,300,000	35,300,000
(Note: 5.2)	-	-
	131,300,000	35,300,000

**5.1 In Bangladesh
Banks**

ICB Islamic Bank Ltd.

31,300,000	35,300,000
31,300,000	35,300,000

Non-bank Financial Institution

LankaBangla Finance

100,000,000	-
100,000,000	-

5.2 Outside Bangladesh

Money at Call and Short Notice includes Taka 31,300,000, which was freed by ICB Islami Bank (former Al-Baraka Bank) since 23-01-2007. The Bangladesh Bank vide circular # BRPD(R-1)651/9(10)/2007-446 dated 02 August, 2007 has given directives for repayment of such balances which are yet to be implemented by the Bank.

-	-
131,300,000	35,300,000

5(a) CONSOLIDATED MONEY AT CALL AND SHORT NOTICE

Bangladesh Commerce Bank Limited
CBSIL

131,300,000	35,300,000
-	-
131,300,000	35,300,000

6 INVESTMENTS

**6.1 Government Securities
Treasury Bond/ Bill**

30-day Bangladesh Bank Bill

91-day Treasury Bill

182-day Treasury Bill

364-day Treasury Bill

2-year Treasury Bond

5-year Treasury Bond

10-year Treasury Bond

15-year Treasury Bond

20-year Treasury Bond

Prize Bond

399,644,033	-
99,598,700	149,914,494
	534,513,777
879,191,000	97,482,000
204,767,843	360,535,480
676,024,009	981,293,266
549,277,780	553,893,681
90,953,833	89,964,009
38,646,557	37,632,848
2,938,103,755	2,805,229,555
684,500	1,600,200
2,938,788,255	2,806,829,755

4,223,187,090

4,105,827,979

6.1.1 Government Securities (HFT)

91-day Treasury Bill

182-day Treasury Bill

364-day Treasury Bill

2-year Treasury Bond

5-year Treasury Bond

10-year Treasury Bond

15-year Treasury Bond

20-year Treasury Bond

99,598,700	-
	346,755,400
632,816,700	97,482,000
204,767,843	210,423,563
194,589,879	249,899,085
114,417,313	119,051,112
50,508,181	49,521,405
13,590,670	12,578,130
1,310,289,287	1,085,710,695

6.1.2 Government Securities (HTM)

30-day Bangladesh Bank Bill

91-day Treasury Bill

182-day Treasury Bill

364-day Treasury Bill

2-year Treasury Bond

5-year Treasury Bond

10-year Treasury Bond

15-year Treasury Bond

20-year Treasury Bond

399,644,033	-
	149,914,494
-	187,758,377
246,374,300	-
-	150,111,917
481,434,130	731,394,181
434,860,467	434,842,568
40,445,652	40,442,604
25,055,886	25,054,718
1,627,814,468	1,719,518,860

6.2 Other Investments

Shares in quoted companies

Shares in un-quoted companies

Corporate Bond

Investment in Sonali Polaris FTL

Investment in Subsidiary

(Note: 6.2.1)

427,218,925	375,298,313
-	-
199,680,000	266,200,000
7,500,000	7,500,000
649,999,910	649,999,910
1,284,398,835	1,298,998,223
4,223,187,090	4,105,827,979

6.2.1 Corporate Bond

NBL Subordinated Bond

DBL Subordinated Bond

ONE Bank Subordinated Bond

BSRM Convertible Bond

20,480,000	25,600,000
20,000,000	35,000,000
80,000,000	100,000,000
79,200,000	105,600,000
199,680,000	266,200,000

6.2.1 Maturity Grouping of Investments

Repayable on demand

With a residual maturity upto 1 month

With a residual maturity of more than 1 month but less than 3 months

With a residual maturity of more than 3 months but less than 1 year

With a residual maturity of more than 1 year but less than 2 years

With a residual maturity of more than 2 years

699,998	376,898,513
549,498,320	251,101,711
151,699,536	331,002,256
1,684,594,850	956,106,515
1,515,095,368	411,502,804
321,599,017	1,779,216,179
4,223,187,090	4,105,827,979

6.2.2 Cost and Market Value of Investment in Share as on 31 December 2016 as follows

(Amount in Taka)

Particulars	No. of Shares	Rate	Total Cost	Market Value of Shares	Unrealised Gain/(Loss)
MERCANBANK	335,852	31.86	10,699,634	5,071,365	(5,628,269)
IFIC	226,066	51.60	11,664,610	4,724,779	(6,939,831)
NCCBANK	187,073	25.32	4,736,750	2,357,120	(2,379,630)
SHAHJABANK	455,070	26.37	12,000,366	6,826,050	(5,174,316)
SOUTHEASTB	450,922	31.10	14,023,949	8,432,241	(5,591,707)
NBL	123,906	28.32	3,509,460	1,263,841	(2,245,619)
STANDBANKL	265,115	18.16	4,814,139	3,154,869	(1,659,270)
UCB	130,410	44.29	5,776,503	2,777,733	(2,998,770)
CONFIDCEM	4,000	123.95	495,795	437,600	(58,195)
MICEMENT	50,000	107.24	5,362,067	4,125,000	(1,237,067)
MONNOCERA	4,100	33.98	139,317	165,230	25,913
ECABLES	100	22.72	2,272	13,770	11,498
AFTABAUTO	18,000	76.71	1,380,837	1,020,600	(360,237)
GOLDENSON	56,250	47.65	2,680,049	1,276,875	(1,403,174)
KPPL	33,000	30.90	1,019,836	313,500	(706,336)
WMSHIPYARD	14,000	70.96	993,473	448,000	(545,473)
KBPPWBIL	28,083	46.53	1,306,758	598,168	(708,590)
BDWELDING	40,000	27.22	1,088,917	488,000	(600,917)
YPL	221,684	33.07	7,331,891	6,739,194	(592,697)
HAKKANIPUL	20,000	56.06	1,121,267	976,000	(145,267)
BDLAMPS	2,053	183.37	376,456	358,249	(18,207)
NLTUBES	26,000	128.89	3,351,260	3,281,200	(70,060)
QSMDDRYCELL	50,000	100.45	5,022,327	4,710,000	(312,327)
BBS	40,000	54.51	2,180,352	2,072,000	(108,352)
NAVANACNG	100,000	71.86	7,186,234	7,290,000	103,766
RSRMSTEEL	20,000	74.96	1,499,150	1,468,000	(31,150)
ILFSL	56,280	59.36	3,340,530	714,756	(2,625,774)
PLFSL	15,400	22.46	345,845	146,300	(199,545)
MIDASFIN	186,000	83.68	15,563,979	5,208,000	(10,355,979)
LANKABAFIN	63,250	42.61	2,694,779	2,201,100	(493,679)
DOREENPWR	120,000	108.88	13,065,209	12,276,000	(789,209)
DESCO	126,397	101.31	12,805,863	5,852,181	(6,953,682)
TITASGAS	10,000	87.89	878,921	494,000	(384,921)
MPETROLEUM	84,700	263.36	22,306,574	14,432,880	(7,873,694)
PADMAOIL	30,000	339.12	10,173,456	5,406,000	(4,767,456)
JAMUNAOIL	13,200	231.00	3,049,136	2,397,120	(652,016)
GBBPOWER	78,770	30.59	2,409,693	1,599,031	(810,662)
UPGDCL	35,000	170.74	5,975,977	4,956,000	(1,019,977)
CVOPRL	3,000	268.16	804,491	620,100	(184,391)
CITYGENINS	142,425	48.22	6,868,419	2,321,528	(4,546,891)
DELTA LIFE	21,900	199.38	4,366,476	2,203,140	(2,163,336)
FAREASTLIF	12,650	114.32	1,446,184	856,405	(589,779)
BEXIMCO	83,358	94.76	7,899,121	2,167,308	(5,731,813)
ARAMIT	37,680	482.93	18,196,936	13,372,632	(4,824,304)
PHPMF1	558,239	6.25	3,490,830	3,014,491	(476,340)
GRAMEENS2	91,074	17.20	1,566,126	1,120,210	(445,916)
BEACONPHAR	142,000	27.30	3,876,252	3,124,000	(752,252)
ACIFORMULA	37,900	211.72	8,024,094	5,760,800	(2,263,294)
ORIONPHARM	40,000	58.53	2,341,273	1,684,000	(657,273)
ORIONINFU	65,000	72.85	4,735,039	3,809,000	(926,039)
AMBEEPHA	5,000	481.08	2,405,423	1,938,500	(466,923)
APEXTANRY	31,000	166.93	5,174,844	4,203,600	(971,244)
FORTUNE	10,063	10.00	100,630	511,200	410,570
BSCCL	77,000	196.09	15,098,628	9,132,200	(5,966,428)
GP	61,000	380.58	23,215,482	17,330,100	(5,885,382)
ITC	187,450	57.30	10,740,896	8,866,385	(1,874,511)
NORTHERN	14,000	296.70	4,153,743	3,060,400	(1,093,343)
MAKSONSPIN	221,394	53.00	11,732,910	1,881,849	(9,851,061)
HWAWELLTEX	100,000	43.44	4,343,648	4,190,000	(153,648)
SHASHADNIM	100,000	73.79	7,379,483	7,260,000	(119,483)
UNITEDAIR	1,627,421	28.07	45,676,613	11,229,205	(34,447,408)
UNIQUEHRL	200,000	114.98	22,996,704	10,780,000	(12,216,704)
APEXFOODS	25,000	170.75	4,268,642	3,437,500	(831,142)
GHAIL	20,000	56.51	1,130,264	1,070,000	(60,264)
GEMINISEA	2,000	830.78	1,661,554	1,426,600	(234,954)
EMERALDOIL	7,000	41.88	293,186	275,800	(17,386)
BEACHHATCH	28,000	25.65	718,100	310,800	(407,300)
BXP-PREF	1,393	100.00	139,300	139,300	-
Total	7,673,628	-	427,218,925	253,169,804	(174,049,121)

6(a) Consolidated Investment	3,600,400,845	3,468,059,583
Government Securities		
Bangladesh Commerce Bank Limited CBSIL	(Note: 6.1) 2,938,788,255 -	2,806,829,755 -
	2,938,788,255	2,806,829,755
Other Investments		
Bangladesh Commerce Bank Limited CBSIL	(Note: 6.2) 1,284,398,835 27,213,666	1,298,998,223 12,231,515
	1,311,612,501	1,311,229,738
Less: Inter Company Transaction	(649,999,910)	(649,999,910)
	661,612,591	661,229,828
7 LOANS AND ADVANCES	16,634,096,074	16,058,826,456
7.1 As per classification into the following broad categories		
Inside Bangladesh		
Demand Loan	822,811,847	782,487,915
Loan General	3,286,438,871	3,339,108,637
Cash Credit (Hypo)	4,690,503,234	4,586,045,545
Agritulture Loan	815,328,480	717,651,725
Overdraft	1,124,080,470	1,495,883,122
SME Loan	1,198,493,339	647,810,937
Payment Against Document (PAD)	1,081,796,865	1,082,952,884
Loan against Trust Receipt (LTR)	2,307,586,526	2,251,179,690
House Building Loan	377,226,255	243,583,014
Credit Card	22,390,592	20,899,859
Consumer Credit	28,672,074	32,214,592
Staff Loan	358,406,519	328,761,572
Loans & Advances (BCI)	503,434,584	519,839,484
	16,617,169,656	16,048,418,976
Outside Bangladesh	-	-
	16,617,169,656	16,048,418,976
7.2 Bills Purchased and Discounted		
Payable in Bangladesh		
Inland Bills Purchased	-	-
	16,926,418	8,957,479
Payable outside Bangladesh		
Foreign Bills Purchased	-	-
	-	1,450,000
	16,926,418	10,407,479
	16,634,096,074	16,058,826,456
7.3 As per the remaining maturity grouping of loans and advances in the following order		
Re-payable on demand	5,830,798,624	224,846,351
Not more than 3 months	3,102,099,268	3,330,562,444
More than 3 Months but less than 1 year	3,403,299,197	6,701,701,174
More than 1 year but less than 5 years	4,297,898,986	3,479,897,689
More than 5 years		2,321,818,798
	16,634,096,074	16,058,826,456
7.4 Countrywise Classification of Loans and Advances		
Inside Bangladesh	16,634,096,074	16,058,826,456
Outside Bangladesh	-	-
	16,634,096,074	16,058,826,456
7.5 Loans and advances on the basis of significant concentration		
a) Loans and advances to directors of the bank	-	-
b) Loans and advances to Chief Executive & other senior executives	99,049,245	85,798,216
c) Loans and advances to customer group amounting more than 10% of bank's total capital	6,747,510,419	7,914,809,452
d) Other customers	9,429,129,890	7,734,331,285
e) Staff Loan	358,406,520	323,887,503
	16,634,096,074	16,058,826,456
Loans and advances allowed to each customer exceeding 10% of Bank's total capital fund Number of the Clients (See Annexure-B)	16	22
7.6 Classification of Loan as per geographical concentration		
Dhaka Division	10,459,010,421	9,675,438,987
Chittagong Division	3,834,807,141	4,236,587,469
Rajshahi Division	959,877,344	554,200,000
Khulna Division	676,012,987	142,600,000
Sylhet Division	314,966,254	190,600,000
Barisal	169,312,476	946,700,000
Rangpur	220,109,451	312,700,000
	16,634,096,074	16,058,826,456
7.7 Industrial concentration of Loans & Advances (including Bill purchased and discounted)		
Food & Beverage industries	579,712,354	782,776,412
Furniture & Fixture	12,007,564	7,235,412
Printing, publishing & allied industries	37,899,321	33,914,521
Petroleum & coal Products	835,210,324	809,519,752
RMG & Textile	1,521,932,456	1,449,907,246
Non-metallic mineral products	56,578,423	54,417,354
Basic metal products	464,711,453	466,806,542
Pharmaceutical industries	134,457,621	102,413,654

Cement industries	212,617,246	239,547,135
Small Scale Industries	632,544,123	277,732,451
Other manufacturing industries	543,270,349	664,051,666
Rural Credit & Agri Loan	356,188,742	399,911,427
Import Credit	3,955,035,718	3,330,569,178
Trade & Commerce	5,136,102,456	5,215,489,324
Others	2,155,827,924	2,224,534,382
Total	16,634,096,074	16,058,826,456

7.8 Sector wise concentration of Loans & Advances (including Bill purchased and discounted)

Agricultural Loan	356,188,742	399,911,427
Industrial Loan (other than working capital)	1,345,529,024	1,371,624,327
Working capital Loan	2,163,479,754	2,066,812,470
Import Credit	3,955,035,718	3,330,569,178
Commercial Loan	5,136,102,456	5,215,489,324
RMG & Textile	1,521,932,456	1,449,907,246
Construction Loan	377,166,785	243,621,874
Transport and Communication Loan	139,775,462	150,488,731
Consumer Credit	51,096,410	56,409,132
All Others Loans	1,587,789,267	1,773,992,747
Total	16,634,096,074	16,058,826,456

7.9 Loans & Advances to Executives & all other staffs

Staff House Building Loan	309,319,848	275,759,738
Staff Car Loan	30,477,053	38,334,474
Staff loan against Provident Fund	18,609,618	14,705,817
Total	358,406,519	328,800,029

7.9.1 Required Provision for Loans & Advances

Particulars	2016			2015		
	Base for provision	Rate	Provision	Base for provision	Rate	Provision
Un-classified (including staff loan)	10,377,712,891		88,861,952	11,018,339,630		103,367,936
I) Standard	10,227,859,013		87,706,314	11,018,339,630		103,297,936
a) CCS	128,750,817	5%	6,437,541	205,929,963	5%	10,296,498
b) Staff Loan	348,031,481	0%	-	323,887,503	0%	-
c) HBL	373,796,477	2%	7,475,930	246,428,370	2%	4,928,567
d) LP	42,137,122	2%	842,742	52,538,595	2%	1,050,772
e) Small Enterprise Fin	3,236,661,847	0.25%	8,091,655	2,619,276,920	0.25%	6,548,192
f) Loans against Share	160,355,377	2%	3,207,108	95,735,924	2%	1,914,718
g) Agricultural Credit	151,338,666	2.50%	3,783,467	254,250,950	2.50%	6,356,274
h) Others	5,786,787,226	1%	57,867,872	7,220,291,405	1%	72,202,914
ii) SMA	149,853,878		1,155,638	176,192,885		907,523
Sub-Standard	62,933,499	20%	12,586,700	8,171,070	20%	1,634,214
Doubtful	27,599,814	50%	13,799,907	62,209,045	50%	31,104,523
Bad or Loss	3,685,640,657	100%	3,685,640,657	3,097,705,565	100%	3,097,705,565
Total			3,800,889,216			3,233,812,238
7.9.2 Provision maintained			829,597,348			786,422,963

7.10 Classification of Loan & Advances

Un-classified (including staff loan)	10,379,260,074	11,022,321,478
i) Standard	10,227,859,013	10,846,102,847
ii) SMA	151,401,061	176,218,631
Sub-Standard	143,184,437	24,910,994
Doubtful	246,196,439	112,069,146
Bad or Loss*	5,865,455,124	4,899,524,838
Total	16,634,096,074	16,058,826,456

7.11 Particulars of Loans and Advances

(1) Debts considered good in respect of which the Bank Company is fully secured;	943,882,791	1,278,380,218
(2) Debts considered good in against which the Banking Company holds no security other than the debtor's personal guarantee;	1,893,910,034	1,828,411,500
(3) Debts considered good & secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors;	321,760,208	310,632,530
(4) Loans adversely classified; provision not maintained there against;	5,006,682,876	4,833,532,948
(5) Debts due by directors or officers of the banking company of any of these separately or jointly with any other person;	358,406,519	328,800,029
(6) Loan due from companies or firms which the directors of the banking company directors, partners or managing agents or in the case have interest as of private companies as members;	-	-
(7) Maximum total amount of advances including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;	-	-
(8) Maximum total amount of advances including temporary advance granted during the year to the companies or firm in which the directors of the banking or company have interest as directors, companies as members;	-	-
(09) Due from banking companies.		
(10) Amount of classified loan on which interest has been charged		
a) Increase / (decrease) in provision	57,680,369	33,587,661

Amount of loan written off from provision		
Amount realized against loan previously written off		
b) Amount of provision kept against loan classified as "Bas/Loss" as at reporting date	714,348,790	653,584,719
c) Interest creditable to the interest Suspense Accounts;	810,630,729	735,450,686
(11) Details of loan written off		
a) Cumulative amount of written-off loan at the end of the year (b+c)	104,652,000	104,700,000
b) Cumulative amount of written-off loans (opening)	104,652,000	104,700,000
c) Amount of written-off loan during the year	-	-
d) Amount realized (including adjustment) against loan previously written-off		
Previous year		
Current year	782,000	48,000
e) Net outstanding amount of written-off loan at the end of the year (a-d)	103,870,000	104,652,000
f) Amount of written-off loan for which law suit has been filed		
7.12 Bills Purchased and Discounted	16,926,418	10,407,479
7.13 As per classification into the following broad categories		
Payable in Bangladesh	16,926,418	8,957,479
Payable outside Bangladesh	-	1,450,000
	16,926,418	10,407,479
7.14 As per the remaining maturity grouping in the following order		
Payable within 1 month	16,926,418	10,407,479
Over 1 month but less than 3 months	-	-
Over 3 months but less than 6 months	-	-
6 months or more	-	-
	16,926,418	10,407,479
7.14.1 The outstanding balance of large loan of the bank stood at Taka 674.75 Crore as on 31 Dec 2016.		
7(a) CONSOLIDATED LOANS AND ADVANCES		
Bangladesh Commerce Bank Limited	16,617,169,656	16,048,418,976
Less: Inter Company Transaction	-	-
	16,617,169,656	16,048,418,976
Add: Bill Purchased & Discount	16,926,418	10,407,479
	16,634,096,074	16,058,826,456
8 Fixed assets (Details are shown in annexed - A)		
Motor Vehicles	17,199,000	1,726,596
Furniture & Fixture	26,397,284	27,490,138
Machinery & Equipment	15,721,675	26,437,117
Computer & Accessories	10,217,189	14,541,440
Interior Decoration	58,658,590	72,958,592
Hardware & Software Automation	14,904,819	13,869,637
	143,098,557	157,023,519
8(a) Consolidated fixed assets including premises, furniture and fixtures		
Bangladesh Commerce Bank Limited	143,098,557	157,023,519
CBSIL	8,681,548	9,988,998
	151,780,105	167,012,517
9 Other Assets		
Advance Income Tax	(Note: 9.1) 797,407,677	732,360,574
Stock of Stationery, Stamps & Security Stationery	(Note: 9.2) 8,862,425	8,585,746
Advance Rent, Advertisement, etc.	(Note: 9.3) 42,872,994	50,087,194
Accrued Interest & Commission Receivable	(Note: 9.4) 141,260,775	120,194,560
Security Deposits	(Note: 9.5) 1,286,120	1,318,795
Suspense Accounts	(Note: 9.6) 12,467,334	13,995,477
Sundry Assets	(Note: 9.7) 103,709,283	76,154,195
Deferred Tax Assets	(Note: 9.9) -	-
BCBL General Account	(Note: 9.10) 100,578,305	107,875,618
	1,208,444,913	1,110,572,158
9.1 Advance Income Tax		
Opening Balance	732,360,574	609,385,331
Prior Year's Adjustment	-	-
Addition during the year	65,047,103	122,975,243
	797,407,677	732,360,574
9.2 Stock of Stationery, Stamps & Security Stationery		
Stock of Stationery	4,287,988	3,279,411
Stock of Stamp	679,857	799,542
MICR Printing Stationery	2,134,758	2,537,027
Stock of Security Stationery	1,759,822	1,969,765
	8,862,425	8,585,746
9.3 Advance Rent, Advertisement, etc.		
Advance Rent	42,833,419	50,087,194
Prepaid Advertisement	39,575	-
	42,872,994	50,087,194
9.4 Accrued Interest & Commission Receivable		
Interest Receivable	141,260,775	120,194,560
Commission Receivables	-	-
	141,260,775	120,194,560

9.5 Security Deposits		1,286,120	1,318,795
Security Deposits			
9.6 Suspense Accounts			
Sundry Debtors		8,923,926	8,604,602
Advance against TA/DA		16,500	144,874
Advance against Pratirakha Sanchay Patra		2,689,212	3,177,687
Advance against Printing Stationary		6,870	12,170
Advance Against Fixed Assets		-	188,840
Advance against Ekti Bari Ekti Khamar (EBEK)		830,826	1,867,302.73
		12,467,334	13,995,477
9.7 Sundry Assets			
Prepaid insurance premium		-	16,100
Cash Remittance		-	2,000
BCB Debit Card & Credit Card		-	675,000
Foreign Remittance Settlement A/C		10,070,928	3,898,957
ATM cash settlement		3,435,000	2,683,500
Protested Bill		33,174,385	9,619,798
Excise Duty Adjustment (FDR)		1,328,970	3,558,840
Sub-total (a)		48,009,283	20,454,195
Blocked Assets:			
Sundry Deposits with National Bank Ltd.		3,500,000	3,500,000
Advance against Building		52,200,000	52,200,000
Sub-total (b)		55,700,000	55,700,000
Grand-total (a+b)		103,709,283	76,154,195
9.8	Blocked Assets shown above relates to BCI period, against which court case is pending.		
9.9 Deferred Tax Assets			
Opening Balance		-	2,895,129
Add : Addition during the year		-	-
Less: Adjustment during the year		-	(2,895,129)
Closing Balance		-	-
9.10 BCBL General Account			
BCBL General Account Cr.		(19,184,517,172)	(18,258,972,949)
BCBL General Account Dr.		19,285,095,477	18,366,848,566
		100,578,305	107,875,618
9(a) Consolidated Other Assets			
Bangladesh Commerce Bank Limited	(Note: 9)	1,208,444,913	1,110,572,158
CBSIL		591,875,874	637,933,299
		1,800,320,786	1,748,505,457
10 Non Banking Assets			
11 Borrowings from Bangladesh Bank, other Banks, Financial Institutions and Agents			
From Inside Bangladesh - Call Borrowings from Banks		-	200,000,000
From Inside Bangladesh - Re-finance Scheme under SME		7,318,208	3,287,375
From Outside Bangladesh		-	-
		7,318,208	203,287,375
11(a) Consolidated Borrowings from Bangladesh Bank, other Banks, Financial Institutions and Agents			
Bangladesh Commerce Bank Limited		7,318,208	203,287,375
CBSIL		-	-
		7,318,208	203,287,375
11.2 Maturity-wise borrowings			
Repayable on demand		7,318,208	3,287,375
Not more than 3 months		-	-
Over 3 Months but less than 1 year		-	-
Over 1 year but not less 5 years		-	-
Over 5 years		-	-
		7,318,208	3,287,375
11.3 Security wise borrowings			
Secured (by Bangladesh Bank deposits)		-	-
Unsecured		7,318,208	3,287,375
		7,318,208	3,287,375
12 Deposits and other Accounts			
Deposits (General)		24,023,477,301	23,107,584,208
Current Deposits		1,344,723,585	1,287,326,169
Savings Bank Deposits		2,845,192,074	2,110,323,848
Short Term Deposits		5,966,568,902	5,224,607,591
Fixed Deposits		9,673,347,551	10,764,286,677
Deposits under different schemes	(Note: 12.1)	2,859,699,949	2,662,124,947
Bills Payable	(Note: 12.3)	282,108,981	238,587,292
Other Deposits	(Note: 12.4)	1,051,836,260	820,327,684
Deposits from Bank		1,200,000,000	1,100,000,000
		25,223,477,301	24,207,584,208

12(a) Consolidated Deposits and other AccountsBangladesh Commerce Bank Limited
CBSIL

25,223,477,301	24,207,584,208
2,708	49,308
25,223,480,009	24,207,633,515

12.1 Deposits under different schemes

Monthly Pension Scheme
Life Pension Deposit Scheme
Marriage Deposit Scheme
Millionaire Deposit Scheme
Monthly Savings Schemes
Education Deposit Scheme
Lakhpoti Deposit Scheme
Triple Deposit Scheme
Kotipoti Deposit Scheme
Double Deposit Scheme
Investor Deposit Scheme

97,771,763	116,171,763
8,576,255	8,380,068
51,956,629	48,072,869
214,671,846	198,837,539
1,461,161,634	1,190,099,426
16,965,292	17,693,069
27,706,942	48,521,258
23,886,577	28,734,447
95,259,455	85,059,200
629,207,076	646,087,553
232,536,480	274,467,755
2,859,699,949	2,662,124,947

12.2 Maturity wise Classification**Payable:**

On Demand
Within 1 Month
More than 1 month but less than 6 months
More than 6 month but less than 1 year
More than 1 year but within 5 years
More than 5 year but within 10 years
Over 10 years and Unclaimed

961,639,752	922,909,042
3,275,922,401	3,143,982,348
5,274,544,259	5,062,108,320
8,935,512,256	8,575,628,284
2,268,762,499	2,177,386,512
4,507,096,134	4,325,569,702
-	-
25,223,477,301	24,207,584,208

12.3 Bills Payable

Pay Order Payable
D.D. Payable

279,252,902	236,108,623
2,856,079	2,478,669
282,108,981	238,587,292

12.4 Other Deposits

Margin on Letter of Credit
Margin on Letter of Guaranty
Margin on Letter of Shipping Guaranty
Export Fund Development
EBEK Grant Payable
Risk Fund
Service charge / CIB Service Charge
Buying House Commission
Revenue Stamp/ Stamp
Export Bill
Margin on FBP / Acceptance on B/B LC / Margin on LTR
BEFTN & BACPS/ITCL/S-cash
Sundry Creditors
Interest Payable on Deposits

80,510,581	79,366,329
15,691,118	20,640,555
4,563,990	4,753,886
4,570,623	6,003,917
2,259	1,411,802
1,075,265	1,223,425
393,591	293,338
1,150,455	3,468,845
12,660	4,335
36,706,699	14,151,332
154,066	4,474,185
1,750,614	3,116,049
67,761,680	45,912,888
837,492,659	635,506,798
1,051,836,260	820,327,684

12.4(a) Consolidated Other DepositsBangladesh Commerce Bank Limited
CBSIL

(Note: 12.04)

1,051,836,260	820,327,684
2,708	49,308
1,051,838,968	820,376,992

13 Other Liabilities

Provision for Loans and Advances
Interest Suspense Accounts
Provision for Current Income Tax
Provision for Deferred Tax
Provision for Gratuity
Provision for Share & Debenture Unrealized Gain / Loss
Provision for IT Assets
Accrued Expense Payable
Provision for Incentive Bonus
Provision for Off Balance Sheet Exposure
VAT/Tax Payable to NBR
Provision for Other Assets
BCBL General Accounts

(Note: 13.1)
(Note: 13.2)
(Note: 13.3)
(Note: 13.4)
(Note: 13.5)
(Note: 13.6)
(Note: 13.7)
(Note: 13.8)
(Note: 13.9)
(Note: 13.10)
(Note: 13.11)
(Note: 13.12)

829,597,348	786,422,963
810,630,729	735,450,686
532,348,916	436,423,824
5,720,352	1,845,444
15,000,000	-
174,049,121	129,788,369
284,111	284,111
2,565,752	3,453,796
28,799,550	18,843,308
21,055,946	17,433,409
38,651,269	47,768,648
11,700,000	11,700,000
-	-
2,470,403,094	2,189,414,558

13.1 Provision for Loans and Advances

Provision for Classified Loans and Advances
Provision for Unclassified Loans and Advances

(Note: 13.1.1)
(Note: 13.1.2)

740,735,396	683,055,027
88,861,952	103,367,936
829,597,348	786,422,963

13.1.1 Provision for Classified Loans and Advances*

Opening Balance
Less: Fully Provided Bad Loan Written off
Add : Received from Previous Written off Bad Loan
Add : Specific Provision Kept for the year (Transfer from surplus provisions)
Less: Provision no more Required due to Recovery of Bad Loan
Less: Interest Waiver During the Year
Add : Net Charge in the Profit and Loss Account

683,055,027	649,467,366
-	-
-	-
57,680,369	33,587,661
-	-
-	-
-	-
740,735,396	683,055,027

13.1.1(a) Consolidated Provision for Classified Loans and AdvancesBangladesh Commerce Bank Limited
CBSIL

(Note: 13.1.1)

740,735,396	683,055,027
58,041,463	6,606,231
798,776,859	689,661,258

13.1.2 Provision for Unclassified Loans and AdvancesOpening Balance
Add : Transferred during the year
Less: Adjustment during the year

103,367,936	130,849,140
-	-
(14,505,984)	(27,481,204)
88,861,952	103,367,936

13.2 Interest Suspense A/COpening Balance
Add : Addition during the year
Less: Interest Realized during the year
Less: Written off during the year

735,450,686	463,812,438
124,793,603	311,707,147
49,613,560	40,068,900
-	-
810,630,729	735,450,686

13.3 Provision for Current Income TaxOpening Balance
Add : Current year tax
Add : Prior years tax
Less: Adjustment during the year

436,423,824	432,908,407
73,338,312	3,515,417
22,586,780	-
-	-
532,348,916	436,423,824

13.3.1 Income Tax Assessment for the year 2005-2006, 2006-2007, 2007-2008, 2009-2010, 2011-2012 and 2012-2013 are pending before appeal. Income tax return has been filed under section 82BB (3)/83(2) for the year 2014-2015. Income tax has been provided @ 42.5% on the net profit earned by the Bank for the year 2014. As per assessment order at DCT level there exist shortfall in the provision for income tax against Appeals are pending at different levels of income tax Authorities. The details of income tax Assessment are as follows.

Accounting Year	Assessment Year	Provision as per Accounts	Tax Payable as per Assessment Order	Cumulative Shortfall	Status
31-12-2004	2005-2006	-	26,010,067.00	(26,010,067)	Appeal is pending at the tribunal and honorable high court.
31-12-2005	2006-2007	-	33,452,050.00	(59,462,117)	
31-12-2006	2007-2008	-	51,371,498.00	(110,833,615)	Setteled
31-12-2007	2008-2009	-	-	(110,833,615)	
31-12-2008	2009-2010	-	20,662,000.00	(131,495,615)	Appeal has been filed under section 173 in LTU.
31-12-2009	2010-2011	110,635,242	110,635,242	(131,495,615)	
31-12-2010	2011-2012	100,000,000	32,401,165.00	(63,896,780)	Appeal is pending at the commissioner of taxes.
31.12-2011	2012-2013	155,000,000	120,521,399.00	(29,418,179)	
31-12-2012	2013-2014	65,000,000			Under Assesment in LTU.
31-12-2013	2014-2015	67,953,707			
31-12-2014	2015-2016	89,552,613			
31-12-2015	2016-2017	3,515,417			
31-12-2016	2017-2018	95,925,092			
					Due date to submit return 30 June 2017.

13.4 Provision for Deferred Tax LiabilityOpening Balance
Add : Addition during the year
Less: Adjustment during the year

1,845,444	-
3,874,908	1,845,444
-	-
5,720,352	1,845,444

13.5 Provision for GratuityOpening Balance
Add : Addition during the year
Less: Transfer to Gratuity Fund
Less: Adjustment during the year

-	-
15,000,000	-
-	-
-	-
15,000,000	-

13.5.1 According to gratuity rules of the bank the total requirement of provision as on 31. Dec, 2016 was Taka 34.71 crore as against which the bank has build an accumulated fund of Taka 16.87 crore. The remaining shortfall of Taka 17.85 crore shall be build gradually.

13.6 Provision for Share & Debenture (unrealized Gain /Loss)*Opening Balance
Add : Addition during the year
Less: Adjustment during the year

129,788,369	129,788,369
44,260,751	-
-	-
174,049,121	129,788,369

13.7 Provision for IT AssetsOpening Balance
Add : Addition during the year
Less: Adjustment during the year

284,111	342,129
-	-
-	(58,018)
284,111	284,111

13.8 Accrued Expenses PayableService Charge
Telephone Bill/Telex/Newspaper bill
Courier bill
Nursury bill
Accrued Rent
Others
Wasa Bill/Electricity bill
Audit Fee/Rating fee

-	250,000
-	50,000
-	12,000
-	5,000
1,943,917	1,250,000
201,835	1,494,296
17,500	220,000
402,500	172,500
2,565,752	3,453,796

13.9 Provision Incentive Bonus

Opening Balance

Add : Addition during the year

Less: Adjustment during the year

18,843,308	36,343,783
10,000,000	-
43,758	17,500,475
28,799,550	18,843,308

13.10 Provision for Off Balance Sheet Exposure

Opening Balance

Add : Addition during the year

Less: Adjustment during the year

17,433,409	24,924,933
3,622,537	-
-	7,491,525
21,055,946	17,433,409

13.11 Provision for Other Assets

Opening Balance

Add : Addition during the year

Less: Adjustment during the year

11,700,000	11,700,000
-	-
-	-
11,700,000	11,700,000

13(a) Consolidated Other LiabilitiesBangladesh Commerce Bank Limited
CBSIL

(Note: 13)

Less: Inter Company Transaction

2,470,403,094	2,189,414,558
225,569,652	197,178,422
2,695,972,746	2,386,592,980
-	-
2,695,972,746	2,386,592,980

14. Capital**14.1 Authorized Capital**

100000000 Ordinary share of Tk. 100 each

10,000,000,000 10,000,000,000

14.2 Issued, Subscribed and Paid up Capital

19,887,428 Ordinary share of Tk. 100 each

1,988,742,800 1,988,742,800

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

Particulars	No. of Shares as on 31 Dec, 2015	% of Total	31.12.2016	31.12.2015
			Amount in Taka	Amount in Taka
Directors	8	0.00%	800	800
KA Category - Government	6,750,000	33.94%	675,000,000	675,000,000
KHA Category - Three State Owned Bank	2,249,982	11.31%	224,998,200	224,998,200
GA Category - Autonomous/Govt owned corporate bodies	1,024,613	5.15%	102,461,300	102,461,300
Depositors and other private shareholders	9,862,825	49.59%	986,282,500	986,282,500
Total	19,887,428	100.00%	1,988,742,800	1,988,742,800

14.3 Capital to Risk weighted assets ratio (CRAR)

In terms of section 13 (2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD circulars no. 35 dated 29 December 2010, required capital, available core capital and supplementary capital of the Bank for the year ended as at 31 December 2016 is shown below:

Tier – I (Core Capital)

Paid up capital

Right Share Application Money

Share capital of BCI

Non-Repayable share premium account

Statutory Reserve

General Reserve

Retained Earnings

Minority interest in subsidiaries

Non cumulative Irredeemable preference share

3,309,567,194 **3,288,495,953**

1,988,742,800	1,988,742,800
917,259,650	921,287,200
36,500,000	36,500,000
-	-
245,714,600	220,762,941
8,920,366	8,920,366
112,429,777	112,282,646
-	-
-	-

Deductions from Tier-I (Core Capital) :

Book value of Goodwill

Shortfall in provisions required against classified assets

Shortfall in provisions required against investment in shares

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

Reciprocal crossholdings of bank capital/subordinated debt

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

Investments in subsidiaries which are not consolidated

Other if any

2,971,291,867 **2,465,347,789**

-	-
2,971,291,867	2,447,389,274
-	17,958,514
-	-
-	-
-	-
-	-
-	-

Total Eligible Tier-I Capital**338,275,326** **823,148,165****Tier –II (Supplementary Capital)**

General Provision on Unclassified Loans

Revaluation Reserve for HTM Securities

Assets Revaluation Reserve

All Others Preference Share

General Provision (Off balance sheet items)

Exchange Equalization Fund

121,869,853 **136,737,285**

88,861,952	103,367,936
11,951,955	15,935,940
-	-
-	-
21,055,946	17,433,409
-	-

Total Eligible Capital (Tier-I + Tier-II)**460,145,179** **959,885,449**

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

26,719,732,133	26,365,440,448
4,000,000,000	4,000,000,000

Details are shown in Annexure - D

Actual Capital Held:

Core Capital
Supplementary Capital

338,275,326	823,148,165
121,869,853	136,737,285
460,145,179	959,885,450

Capital to Risk weighted assets ratio (CRAR) (Required 10.625%)

Core Capital to RWA
Supplementary Capital to RWA

1.72%	3.64%
1.27%	3.12%
0.46%	0.52%

15 Statutory Reserve

Opening Balance
Less : Transferred during the year to provision for loans & advances
Add : Transferred during the year

220,762,941	219,108,946
-	-
24,951,659	1,653,995
245,714,600	220,762,941

15(a) Consolidated Statutory Reserve
Bangladesh Commerce Bank Limited
CBSIL

245,714,600	220,762,941
-	-
245,714,600	220,762,941

16 Other Reserve

Opening Balance
Add : Transferred during the year
Less: Adjustment during the year

8,920,366	8,920,366
-	-
-	-
8,920,366	8,920,366

*Amount of other Reserve has been maintained for future Stock Dividend for the Shareholders.

16(a) Consolidated Other Reserve
Bangladesh Commerce Bank Limited
CBSIL

8,920,366	8,920,366
-	-
8,920,366	8,920,366

17 Revaluation Reserve for HTM Securities

Opening Balance
Add : Transferred during the year
Less: Adjustment during the year

115,574,519	39,839,850
70,194,315	111,805,596
(29,200,763)	(36,070,926)
156,568,071	115,574,519

17(a) Consolidated Revaluation Reserve for HTM Securities
Bangladesh Commerce Bank Limited
CBSIL

156,568,071	115,574,519
-	-
156,568,071	115,574,519

18 Profit and Loss Accounts / Retained Earnings

Opening Balance
Prior year's Adjustment
Profit/Loss for the year as per Profit and Loss accounts

112,282,646	112,282,646
-	-
147,131	-
112,429,777	112,282,646

18(a) Consolidated Profit and Loss Accounts / Retained Earnings
Bangladesh Commerce Bank Limited
CBSIL

(Note: 18)

112,429,777	112,282,646
34,206,438	14,505,660
146,636,215	126,788,306

19 Contingent Liabilities and Other Commitments

Acceptances and Endorsements
Letter of Guarantees
Irrevocable Letter of Credit
Bills for Collection
Other contingent liability

(Note: 19.01)

(Note: 19.02)

539,357,438	601,326,130
402,945,225	414,680,011
763,516,439	459,112,345
285,983,694	154,430,547
113,791,800	113,791,800
2,105,594,596	1,743,340,834

19.1 Letter of Guarantees

Money for which the Bank is contingently liable in respect of guarantee issued favoring
Directors
Government
Bank and Other Financial Institution
Others

-	-
399,077,634	410,302,434
-	-
3,867,591	4,377,577
402,945,225	414,680,011

Commitments

Less than 1 Year
Equal to or more than 1 year

402,945,225	414,680,011
-	-
402,945,225	414,680,011

19.2 Other Contingent Liabilities

Companies Liabilities for L/G
Companies Liabilities for L/C
Bills for Collection
Tax liability*

9,443,000	9,443,000
3,732,320	3,732,320
6,000	6,000
100,610,480	100,610,480
113,791,800	113,791,800

*This includes Tax liability for BCI and BCBL. The tax liability of BCI period relates to assessment year 1989-90, 1990-91, 1991-92, 1992-93, 1993-94, which are pending at the Supreme Court. This has been carried forward since long which is shown under contingent liability for BDT 71,192,301. And Income Tax Assessment of BCBL for the year 2005-2006, 2006-2007, 2007-2008, 2009-2010, 2011-2012 and 2012-2013 are pending before appeal which amounted BDT 29,418,179.

20 Interest Income			
Interest received from Loans and Advances		1,240,415,502	1,386,891,301
Interest received from Banks & Other financial Institutions		615,713,332	602,339,935
		1,856,128,833	1,989,231,236
20 (a) Consolidated interest Income			
Bangladesh Commerce Bank Limited	(Note: 20)	1,856,128,833	1,989,231,236
CBSIL		15,185,449	11,987,730
		1,871,314,282	2,001,218,966
Less: Inter Company Transaction		-	-
		1,871,314,282	2,001,218,966
21 Interest Paid on Deposits			
Interest Paid on Deposits		1,240,579,392	1,525,818,162
Interest Paid on Borrowing		4,969,056	9,390,340
Interest Paid on Foreign Bank Accounts		-	-
Discount Paid		-	524,422
		1,245,548,448	1,535,732,924
21(a) Consolidated interest Paid on Deposits			
Bangladesh Commerce Bank Limited	(Note: 21)	1,245,548,448	1,535,732,924
CBSIL		-	-
		1,245,548,448	1,535,732,924
Less: Inter Company Transaction		-	-
		1,245,548,448	1,535,732,924
22 Income from Investment			
Treasury Bill/Bond		219,247,848	236,373,991
Capital Gain		74,933,173	3,609,157
Dividend on Share		5,870,356	5,135,365
Corporate Bond		30,576,599	34,777,014
Revaluation of Govt. Securities		-	-
		330,627,976	279,895,527
22(a) Consolidated Income from Investment			
Bangladesh Commerce Bank Limited	(Note: 22)	330,627,976	279,895,527
CBSIL		3,736,901	284,250
		334,364,877	280,179,777
23 Exchange, Commission and Brokerage			
Commission		71,476,096	49,698,301
Exchange Earnings		34,767,793	38,541,706
Brokerage		-	-
		106,243,889	88,240,007
23(a) Consolidated Exchange, Commission and Brokerage			
Bangladesh Commerce Bank Limited	(Note: 23)	106,243,889	88,240,007
CBSIL		62,708,311	58,166,848
		168,952,200	146,406,855
24 Other Operating Income			
Rent on Locker		145,776	57,522
Other Receipts	(Note: 24.1)	61,226,849	61,631,450
		61,372,625	61,688,972
24.1 Other Receipts			
Accounts Maintenance Charge		47,314,982	51,258,710
Appraisal Fee		5,002,260	2,536,412
Postage		2,561,015	2,371,977
Telex, Telephone & Telegram Recoveries		6,348,592	5,464,351
		61,226,849	61,631,450
24(a) Consolidated Other Operating Income			
Bangladesh Commerce Bank Limited	(Note: 24)	61,372,625	61,688,972
CBSIL		17,214,681	19,432,745
		78,587,307	81,121,717
25 Salary and Allowances			
Basic Salary		232,102,402	221,790,548
Allowance including Gratuity		222,312,160	242,339,525
Provident Fund		19,459,787	19,116,803
Bonus		52,197,743	37,819,334
		526,072,092	521,066,210
25(a) Consolidated Salary and Allowances			
Bangladesh Commerce Bank Limited	(Note: 25)	526,072,092	521,066,210
CBSIL		31,972,925	30,616,094
		558,045,018	551,682,305
26 Rent, Taxes, Insurance, Electricity, etc.			
Rent		77,773,286	76,951,788
Rates and Taxes		8,511,785	7,093,799
Insurance		17,361,554	20,321,352
Car Insurance, Tax		2,643,380	1,836,693
Electricity/Gas		18,279,723	17,049,153
		124,569,728	123,252,784
26(a) Consolidated Rent, Taxes, Insurance, Electricity, etc.			
Bangladesh Commerce Bank Limited	(Note: 26)	124,569,728	123,252,784
CBSIL		8,788,212	8,414,749
		133,357,940	131,667,533

27 Postage, Telegram, Telephone			
Telephone		4,111,239	4,573,681
Postage, Telegram & Connectivity		20,240,989	19,409,095
		24,352,228	23,982,776
27(a) Consolidated Postage, Telegram, Telephone			
Bangladesh Commerce Bank Limited	(Note: 27)	24,352,228	23,982,776
CBSIL		545,282	552,511
		24,897,510	24,535,287
28 Stationery, Printing & Advertisement			
Printing Stationery		4,315,016	5,601,367
Other Stationery		4,382,373	4,345,242
Security Stationery		1,864,243	2,292,476
Publicity and Advertisement		707,187	1,053,124
		11,268,819	13,292,209
28(a) Consolidated Stationery, Printing & Advertisement			
Bangladesh Commerce Bank Limited	(Note: 28)	11,268,819	13,292,209
CBSIL		459,777.50	738,593.50
		11,728,597	14,030,802
29 Managing Director's salary and allowances			
Basic Salary		4,045,161	3,600,000
House Rent Allowances		657,742	600,000
House Maintenance / Furnishing		560,323	600,000
Medical Allowances		74,194	-
Bonus		600,000	360,000
Leave Fare Assistance		1,107,742	1,200,000
		7,045,162	6,360,000
30 Directors' fees & honorium			
Directors' fees & honorium		960,800	990,000
Other financial benefits		-	-
		960,800	990,000
31 Depreciation and Repair of Fixed Assets			
Depreciation of Fixed Assets		49,425,135	47,565,992
Repairs and Maintenance		4,247,821	6,335,843
		53,672,956	53,901,835
31(a) Consolidated Depreciation and Repair of Fixed Assets			
Bangladesh Commerce Bank Limited	(Note: 30)	53,672,956	53,901,835
CBSIL		2,134,326	2,595,015
		55,807,282	56,496,850
32 Other Expenditure			
Business Development		601,647	1,690,366
BB Clearing Charges		300,431	119,280
Computer Accessories		378,620	2,340,471
Conveyance		2,067,245	2,962,935
Maintenance Charge (ATM)		9,039,934	14,194,178
CSR / Donation / Subscription / Newspaper		3,905,743	4,959,425
Entertainment		3,829,746	4,402,868
Excise Duty		1,298,000	1,257,150
Exchange Loss		11,657,407	13,075,669
Foreign Bank Charge/Commission		825,223	511,234
Fuel & Lubricants of Car		3,588,754	2,695,146
Honorarium		110,000	140,000
Laundry		240,767	273,345
Internet Bill		249,389	453,369
Loss on Revaluation on Investment		50,362,720	29,154,671
Loss on Sale of Share		6,317,775	519,292
Managers' meeting /Conference		288,618	643,305
Medical charge		119,498	395,678
Office Maintenance / Table Desk Stationeries		2,018,582	3,679,773
Miscellaneous		420,549	4,358,024
Photocopy/Fax/E-mail		1,129,128	744,266
Service charges on Elite force		24,200,986	17,911,646
Tax & VAT		424,515	16,119,184
SWIFT Charges		2,034,876	2,863,289
Training		773,383	1,632,681
Travelling & Daily Allowances		1,601,509	2,509,673
Uniform		103,620	2,400
		127,888,665	129,609,319
32(a) Consolidated Other Expenditure			
Bangladesh Commerce Bank Limited	(Note: 31)	127,888,665	129,609,319
CBSIL		22,514,895	25,291,252
		150,403,561	154,900,571
33 Closing Cash and Cash Equivalent			
Cash in hand (including foreign currencies)		287,924,785	260,233,370
Balance with Bangladesh Bank & Sonali Bank (Including foreign currencies)		1,843,366,604	1,670,312,908
Balance with Other Bank & Financial Institutions		6,695,915,844	6,651,621,098
Money at Call and short notice		131,300,000	35,300,000
Investment Government		2,938,788,255	2,806,829,755
		11,897,295,486	11,424,297,132

34 Earnings Per Share (EPS)

Net Profit after Tax
 Number of Ordinary Share
Earnings Per Share

25,098,790	1,653,995
19,887,428	19,887,428
1.26	0.08

34(a) Consolidated Earnings Per Share (EPS)

Net Profit after Tax
 Number of Ordinary Share
Consolidated Earnings Per Share (EPS)

44,799,568	8,569,581
19,887,428	19,887,428
2.25	0.43

35 Net Asset Value Per Share (NAV)

a) Capital / Share holders' Equity for the year*
 b) Number of Outstanding Share
Net Asset Value Per Share (NAV) (a÷b)

3,466,135,264	3,404,070,472
19,887,428	19,887,428
174.29	171.17

*Capital / Share holders' equity for the year including Right Application Money Taka. 917,259,650.00

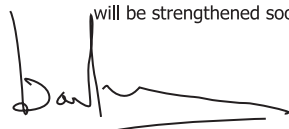
36 Net Operating Cash Flow Per Share

a) Net Cash flows from Operating Activities
 b) Number of Outstanding Share
Net Operating Cash Flow Per Share (NAV)(a÷b)

868,267,368	1,361,811,348
19,887,428	19,887,428
43.66	68.48

37 Risk factors and risk management

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



Managing Director



Director



Director



Chairman

Dhaka,
 30 March 2017

**Fixed Assets including premises, furniture & Fixtures Schedule
As on 31 December 2016**

Particulars	Cost				Rate of Dep.	Depreciation			Written down value as at		Written down value as on 31.12.2015
	Balance as at 01.01.2016	Addition during the year	Sale / adjustment during the year	Total as at 31.12.2016		Charged upto 01.01.2016	Charged during the year	Adjustment during the year	Total as at 31.12.2016	Written down value as at 31.12.2016	
	2	3	4	5 (2 + 3 - 4)		7	8	9	10 (7 + 8 - 9)	11 (5 - 10)	
A. Premises					6						12
Land				-	-	-	-	-	-	-	
Building				-	2.50%						
Construction/Capital Work in Process				-	-						
Sub total (A)	-	-	-	-	-	-	-	-	-	-	-
B. Revaluation in Land & Building	-	-	-	-	-	-	-	-	-	-	-
Sub total (B)	-	-	-	-	-	-	-	-	-	-	-
Sub Total (A+B)	-	-	-	-	-	-	-	-	-	-	-
C. Furniture and Fixtures	49,245,814	830,037	-	50,075,851	10%	20,984,563	2,691,973	-	23,676,535	26,397,284	27,490,138
Mechanical Appliances	99,101,686	2,224,860	-	101,326,546	20%	69,344,796	16,260,075	-	85,604,871	15,721,675	26,437,117
Motor Vehicles	28,603,218	16,211,750	1,300,000	43,514,968	20%	25,673,337	1,942,631	1,300,000	26,315,968	17,199,000	1,726,596
Hardware & Software Automation	38,999,929	11,194,291	-	50,194,220	20%	28,754,437	6,534,964	-	35,289,401	14,904,819	13,869,636
Interior Decoration	132,664,042	1,706,807	-	134,370,849	20%	60,255,526	15,456,733	-	75,712,260	58,658,590	72,958,592
Computer Accessories	82,809,800	3,328,634	-	86,138,434	30%	69,386,281	6,534,964	-	75,921,245	10,217,189	14,541,440
Sub Total (C)	431,424,489	35,496,379	1,300,000	465,620,868	-	274,398,939	49,421,340	1,300,000	322,520,279	143,098,557	157,023,519
Total (A+B+ C)	431,424,489	35,496,379	1,300,000	465,620,868	-	274,398,939	49,421,340	1,300,000	322,520,279	143,098,557	157,023,519

**Details of large loan
As at 31 December 2016**

SL #	Group/ Client Name	Outstanding (Taka in crore)		
		Funded	Non-Funded	Total
1	Jamuna Agro Camical	121.22	-	121.22
2	Nur-Un-Nobi & Allied Concern	104.56	-	104.56
3	M/S Marine Vegitable Oil Mills	63.58	-	63.58
4	Dhaka Trading House	46.74	-	46.74
5	Pran RFL Group	49.35	-	49.35
6	F.R Jute Trading Co. Ltd.	36.24	-	36.24
7	Suruj Miah Spinning Mills	39.30	-	39.30
8	SB Group	46.25	-	46.25
9	Abul Khair Group	1.33	-	1.33
10	M/S Lithun Febrics Ltd	29.29	1.01	30.30
11	Basundhara Group	24.80	-	24.80
12	M/S Islam Brothers	25.67	16.04	41.71
13	Toy Woods (BD) Co. Ltd.	20.59	9.50	30.09
14	M/s Sharmin Jute and Ballers	34.47	-	34.47
15	M/S M.N Akter & Co.	24.49	-	24.49
16	Faith Group	6.87	0.12	6.99
Total		674.75	26.67	701.42

HIGHLIGHTS OF THE OVERALL ACTIVITIES OF THE BANK**(Amount in Taka)**

SI #	Particulars	2016	2015
01	Paid up Capital	1,988,742,800	1,988,742,800
02	Right Application Money	917,259,650	921,287,200
03	Total Eligible Capital (as per Basel-III)	460,145,179	959,885,449
04	Surplus/(Deficit) Capital	(3,539,854,821)	(3,040,114,551)
05	Total Assets	31,167,333,866	30,049,717,487
06	Total Deposits	25,223,477,302	24,207,584,208
07	Total Loans and Advances	16,634,096,074	16,058,826,456
08	Total Contingent Liabilities and Commitments	2,105,594,596	1,743,340,834
09	Advances Deposits Ratio %	65.95	66.34
10	Classified Loans to Advance Ratio (%)	37.60	30.58
11	Profit After Tax and Provision	25,098,790	1,653,995
12	Classified Advance	6,254,836,000	5,036,504,978
13	Provision kept against Classified Advance	740,735,396	683,055,027
14	Surplus/(Deficit) Provision	(2,971,291,867)	(2,223,985,289)
15	Cost of Fund (%)	8.59	10.51
16	Interest Earning Assets	10,379,260,074	11,022,321,478
17	Non Interest Earning Assets	16,564,886,702	14,921,568,031
18	Return on Investment (ROI)%	7.83	6.82
19	Return on Assets (ROA)%	0.08	0.01
20	Income from Investment	330,627,976	279,895,527
21	Earnings Per Share (EPS)	1.26	0.08
22	Profit Per Share	1.26	0.08
23	Price - Earnings Ratio (Times)	79	1,202

**Minimum Capital Requirement (MCR) as per BASEL-III
Under Risk Based Capital Adequacy
As on 31 December 2016**

Particulars	Amount (Tk.)
A. Regulatory Capital:	
1. Common Equity Tier-1 Capital (CET-1)	338,275,326.23
2. Additional Tier-1 Capital (AT-1)	-
3. Tier-2 Capital	121,869,852.91
4. Total Regulatory Capital (1+2+3)	460,145,179.14
B. Total Risk Weighted Assets (RWA):	26,719,732,133.00
C. Capital to Risk weighted assets ratio (CRAR) (A4/B)*100	1.72%
D. Core Capital to RWA (A1/B)*100	1.27%
E. Supplementary Capital to RWA (A2/B)*100	0.46%
F. Minimum Capital Requirement (MCR)	4,000,000,000.00

**Risk Weighted Assets (RWA)
As on 31 December 2016**

Sl #	Particulars	Amount (Tk.)
A.	Credit Risk:	23,476,745,492.00
	On-Balance sheet	22,036,411,334.00
	Off- Balance sheet	1,440,334,158.00
B.	Market Risk	1,343,304,093.00
C.	Operational Risk	1,899,682,548.00
	Total: Risk Weighted Assets (RWA) (A+B+C)	26,719,732,133.00

Financial Statements Of Commerce Bank Securities And Investment Limited



AUDITORS' REPORT TO THE SHAREHOLDERS OF COMMERCE BANK SECURITIES AND INVESTMENT LIMITED

We have audited the accompanying financial statements of Commerce Bank Securities and Investment Limited, which comprise the Statement of Financial Position as at 31 December, 2016 and related Statement of Profit or Loss and Other Comprehensive Income, Statement of Change in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Company's Act, 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements whether due to fraud or error. In making those risk assessment, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also include 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 financial statements.

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 financial statements present fairly, in all material respects, the financial position of Commerce Bank Securities and Investment Limited as at 31 December, 2016 and for its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS), and comply with the applicable section of the Company's Act, 1994 and other applicable laws and regulations.

We also report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) In our opinion, proper books of account have been kept by the company so far as it appeared from our examination of these books;
- (c) The company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns;
and
- (d) All the expenditures incurred were for the purpose of the company.

Emphasis of Matter:

We draw attention to notes 16 to the accompanying financial statements which describe the matter relating to provision for negative equities against Margin loan and unrealized loss against investment in dealer account as at 31 December, 2016. Our opinion is not qualified in respect of this matter.

Dhaka, Bangladesh
Dated: 29 march, 2017.


FAMES & R
Chartered Accountants

Commerce Bank Securities and Investment Limited
Statement of Financial Position
As at 31 December, 2016

Particulars	Notes	Amount in Taka	
		At 31 December, 2016	At 31 December, 2015
Property and Assets:			
Non - Current Assets:		36,652,228	22,970,513
Property, Plant and Equipment	4	8,681,548	9,988,998
DSE Membership		750,000	750,000
Investment	5	27,213,666	12,231,515
Deferred Tax	6	7,014	-
Current Assets:		881,307,827	838,762,877
Advance, Deposit and Prepayments	7	683,700	727,250
Accounts Receivable	8	21,363,188	4,026,122
Margin Loan to Investors	9	567,347,362	631,914,608
Cash and Cash Equivalents	10	281,162,842	201,579,578
Advance Taxes	11	10,750,735	515,319
Total Assets		917,960,055	861,733,390
Equity and Liabilities			
Shareholders' Equity:		684,245,898	664,505,660
Share Capital	12	650,000,000	650,000,000
Retained Earnings	13	34,245,898	14,505,660
Non current Liabilities			
Deferred Tax	6	-	653
Current Liabilities		233,714,157	197,227,077
Accounts Payable	14	134,997,869	102,146,989
Provision for Expenses	15	31,565,086	28,606,888
Provision for Bad Loan and Erosion	16	58,082,863	66,473,200
Liability for Income Tax	17	9,068,339	-
Total Equity and Liabilities		917,960,055	861,733,390

The annexed notes from 01 to 28 and annexure A to D form an integral part of these financial statements.


Chief Executive Officer


Director


Director

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

Dhaka, Bangladesh
Dated: 29 March, 2017


FAMES & R
Chartered Accountants

Commerce Bank Securities and Investment Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December, 2016

Particulars	Notes	Amount in Taka	
		At 31 December, 2016	At 31 December, 2015
Operating Income:	18	81,139,211	80,994,361
Less: Operating Expenses	19	19,196,536	22,175,672
Gross Profit		61,942,675	58,818,689
Less: Administrative Expenses	20	48,429,508	46,781,494
Net Operating Income		13,513,167	12,037,195
Add: Other Income	21	17,829,932	8,877,212
Net Profit/(Loss) before Provision and Tax		31,343,099	20,914,407
Less: Provision for Bad Loan and Erosion	22	2,542,188	6,606,231
Less: Income Tax Expenses		9,060,673	7,392,590
Income Tax	23	9,068,339	7,312,633
Deferred Tax		(7,667)	79,957
Net Profit/(Loss) after tax transferred to Retained Earnings		19,740,238	6,915,586
Earnings per share (EPS)	24	0.30	0.11

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



Chief Executive Officer



Director



Director

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

Dhaka, Bangladesh
Dated: 29 March, 2017


FAMES & R
Chartered Accountants

Commerce Bank Securities and Investment Limited
Statement of Changes in Equity
For the year ended 31 December, 2016

Particulars	Share Capital	Retained Earnings	Total
Balance as on 01 January, 2015	650,000,000	7,590,074	657,590,074
Profit during the year		6,915,586	6,915,586
Balance as on 31 December, 2015	650,000,000	14,505,660	664,505,660
Balance as on 01 January, 2016	650,000,000	14,505,660	664,505,660
Profit during the year		19,740,238	19,740,238
Balance as on 31 December, 2016	650,000,000	34,245,898	684,245,898


Chief Executive Officer


Director


Director

This is the Statement of Changes in Equity referred to in our separate report of even date annexed.

Dhaka, Bangladesh
Dated: 29 March, 2017


FAMES & R
Chartered Accountants

Commerce Bank Securities and Investment Limited
Statement of Cash Flows
For the year ended 31 December, 2016

Particulars	Amount in Taka	
	At 31 December, 2016	At 31 December, 2015
A. Cash Flow from Operating Activities:		
Cash Receipts from:	98,969,143	89,871,573
Brokerage commission	62,708,311	58,166,848
CDBL fees (Note -25)	8,415,532	9,818,784
Interest income	6,016,467	11,987,730
Other income	17,829,932	8,877,212
Service charge	262,000	736,749
Dealer account	3,736,901	284,250
Cash Payments:	68,320,659	12,221,658
Income tax (Note - 26)	10,235,416	10,110,639
Salary and Allowances	30,935,835	29,530,521
Other Operating and Administrative expense (Note-27)	27,149,408	(27,419,502)
Net Cash Flow from Operating Activities:	30,648,484	77,649,915
B. Cash Flow from Investing Activities:		
Purchase of Property, Plant and Equipment	(650,316)	(2,558,580)
Investment in Margin Loan	64,567,247	(13,290,712)
Investments in Listed Shares	(14,982,151)	(629,871)
Net Cash used in Investing Activities	48,934,780	(16,479,163)
C. Cash Flow from Financing Activities:	-	-
D. Net Cash inflow from total Activities (A+B+C)	79,583,264	61,170,752
E. Opening Cash and Cash Equivalents	201,579,578	140,408,826
F. Closing Cash and Cash Equivalents (D+E)	281,162,842	201,579,578
Break up of Closing Cash and Cash Equivalents:	281,162,842	201,579,578
Cash in Hand	190,166	245,002
Cash at Bank	233,496,192	156,655,850
Fixed Diposit (FDR)	47,476,484	44,678,726


Chief Executive Officer


Director


Director

This is the Statement of Cash Flows referred to in our separate report of even date annexed.

Dhaka, Bangladesh
Dated: 29 March, 2017


FAMES & R
Chartered Accountants

Notes to the Financial Statements

For the year ended 31 December, 2016

1. SIGNIFICANT ACCOUNTING POLICIES AND OTHER INFORMATION:

1.1 Legal Form of the Enterprise

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

1.2 Address of Registered Office and Principal Place of Business:

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

1.3 Nature of Business Activities:

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

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

2 Basis for preparation of Financial Statements :

2.1 Statement of Compliance

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

2.2 Measurement bases used in preparing the Financial Statements

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

2.3 Going Concern

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

2.4 Components of Financial Statements:

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

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

3 SIGNIFICANT ACCOUNTING POLICIES:

3.1 Fixed Assets and Depreciation :

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

<u>Category</u>	<u>Rate</u>
Furniture & Fixture	10%
Office Renovation	20%
Electronic Equipments	20%
Computer & Software	20%

3.2 Cash Flow Statement

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

3.3 Margin loan

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

Interest on Margin Loan

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

3.4 Investment in listed securities:

Investments in listed securities are carried at cost. Adequate provision has been made considering each individual investment (where cost is less than market price) as guided by Bangladesh Bank. Unrealized gain or loss are not recognized in the Statement of Profit or Loss and Other Comprehensive Income .

3.5 Cash and Cash Equivalents:

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

3.6 Accrued Expenses and Other Payables:

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

3.7 Provision for Taxation:

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

3.8 Deferred Tax:

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

3.9 Reporting Currency and Level of Precision

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

3.10 Number Of Employees

61 (sixty one) employees were engaged in this company throughout the financial year, each of whom received remuneration over Tk. 36,000 per year.

3.11 General

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

		Amount in Taka	
		At	At
		31 December, 2016	31 December, 2015
4.00 Property, Plant and Equipments:			
Furniture and Fixture		1,530,872	1,458,895
Office Renovation		3,660,578	4,528,593
Electronic Equipments		2,307,685	2,657,720
Computer and Software		1,182,413	1,343,791
		8,681,548	9,988,998
For details, please refer to Annexure - A			
5.00 Investment :			
Investment in Shares		27,213,666	12,231,515
		27,213,666	12,231,515
For details, please refer to Annexure - B			
6.00 Deferred Tax			
WDV of Fixed Assets as per Financial Statements		8,681,548	9,988,998
WDV of Fixed Assets as per Tax Base		8,701,586	9,987,132
Temporary Difference		20,039	(1,866)
Tax Rate		35%	35%
Deferred Tax Asset/ (Liabilities)		7,014	(653)
<u>Deferred Tax Expenses for 2016:</u>			
Calculation of Deferred Tax Expenses on Cost			
Deferred Tax Asset as on 31 December, 2015		(653)	79,304
Less: Deferred Tax Liabilities as on 31 December, 2016		7,014	(653)
Deferred Tax Expenses accounted for during the year 2016		(7,667)	79,957
7.00 Advances, Deposits & Prepayments:			
Advance against expenses	7.01	673,700	717,250
Security deposit	7.02	10,000	10,000
		683,700	727,250
7.01 Advance against Office Rent:			
Opening Balance		717,250	27,250
Add: Advance for Tanbazar, Narayangonj		192,000	720,000
Less: Adjusted during the year		235,550	30,000
		673,700	717,250
7.02 Security Deposit:			
Telephone Demand Note		10,000	10,000
		10,000	10,000
8.00 Accounts Receivables :			
Dhaka Stock Exchange (DSE)		19,754,714	2,312,794
Clients		1,146,955	1,119,682
FDR Interest		436,190	501,705
Others		25,329	91,941
		21,363,188	4,026,122
9.00 Margin Loan to Investors		567,347,362	631,914,608
		567,347,362	631,914,608

10.00 Cash and Cash Equivalents:

Cash in Hand	10.01	190,166	245,002
Cash at Bank	10.02	233,496,192	156,655,850
Fixed Deposit Receipts	10.03	47,476,484	44,678,726
		281,162,842	201,579,578

10.01 Cash in Hand:

Cash in Hand (Branches)		31,000	31,000
Petty Cash		159,166	214,002
		190,166	245,002

10.02 Cash at Bank:

1. BCBL, Principal Branch (CD: 2767)		2,347,859	372,407
2. BCBL, Principal Branch (STD: 49)		64,795	69,471
3. BCBL, Principal Branch (CD: 2307)		44,559	45,859
4. IFIC, Stock Ex. Br. (CD-Dealer: 291-001)		5,000	5,000
5. IFIC, Stock Ex. Br. (SND-Dealer: 291-041)		10,880,277	3,189,713
6. Consolidated Customers A/C:	10.2.1	220,153,701	152,973,399
		233,496,192	156,655,850

10.2.1 Consolidated Customers A/C:

BCBL, Principal Branch (CD: 2306)		86,273,562	75,240,028
BCBL, Principal Branch (STD: 50)		543,671	270,857
IFIC, Stock Ex. Br. (CD-Broker: 290-001)		-	-
IFIC, Stock Ex. Br. (SND-Broker: 290-041)		34,711,063	70,936,299
BCBL, Agrabad Branch (CD: 400)		-	970,770
BCBL, Chaktai Branch (CD: 487)		-	-
BCBL, Muradpur Branch (CD: 161)		-	2,407,256
BCBL, Tanbazar Branch (CD: 515)		2,162	2,380,352
BCBL, Principal Branch, Public Issue Application A/c (STD: 78)		98,623,242	767,836
		220,153,701	152,973,399

10.03 Fixed Deposit Receipts:

BCBL Principal Branch, A/c No: 00233004102		35,995,267	33,866,481
BCBL Principal Branch, A/c No: 00233004103		11,481,218	10,812,245
		47,476,484	44,678,726

11.00 Advance Taxes

Opening Balance		515,319	(2,282,687)
Add: Current Year Income Tax	23.00		(7,312,633)
Tax paid		-	2,282,688
Tax paid at source	11.01	10,235,416	7,827,951
		10,750,735	515,319

11.01 Tax paid at source

TDS by DSE on Turnover		7,711,254	6,927,510
TDS on FDR Interest		314,195	338,273
TDS on Interest Income from other Bank Deposit		709,868	528,627
TDS on Income from Dividend. (Annexure -D)		1,500,099	33,542
		10,235,416	7,827,951

12.00 Share Capital**Authorized Capital:**

100,000,000 Ordinary Share of Tk 10/- each

1,000,000,0001,000,000,000**12.01 Issued, Subscribed and Paid-up Capital**

65,000,000 Ordinary Shares of Tk 10/- each

650,000,000650,000,000**Total Share Holding Position as on December 31, 2016**

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

13.00 Retained Earnings:

Opening Balance

14,505,660

7,590,074

Add: Net Profit during the year

19,740,238

6,915,586

34,245,89814,505,660**14.00 Accounts Payable:**

Clients

130,535,052

93,617,528

Dhaka Stock Exchange (DSE)

4,462,816

8,407,496

BCBL

-

121,966

134,997,869102,146,989**15.00 Provision for Expenses**

Office Rent

17,313,824

15,049,124

Provision for CDBL charge

380,689

314,112

Interest Waiver

7,344,326

7,344,326

Incentive for Loan Recovery

1,530,118

1,595,787

Employees' Provident Fund

-

2,250

Security Money Payable to Supplier

85,861

85,861

Commission Rebate

1,173,793

609,776

Electricity, Gas and Water

501,102

503,561

Arrear salary

59,040

126,964

Provision for Salary Fixation Arrear

2,432,894

2,432,894

Networking Line Charge

106,600

49,801

Audit Fees

103,500

103,500

Tax Consultancy Fees

120,000

-

Security Service

383,399

296,004

Stamp

960

960

Dividend Payable (Clients)

17,421

21,019

Provision for Other Expenses

8,850

21,642

Withholding VAT

15.01

2,708

49,108

Withholding Tax

15.02

-

200

31,565,08628,606,888

15.01 Withholding VAT

Opening Balance	49,108	22,889
VAT Received	577,529	284,913
Less: VAT Paid	(623,929)	(258,694)
	2,708	49,108

15.02 Withholding Tax

Opening Balance	200	36,690
Less: Paid During the period	(754,317)	(484,040)
Add: Received	754,117	447,550
	-	200

16.00 Provision for Bad Loan & Erosion:

Opening Balance	66,473,200	61,526,246
Less: Adjustment During the Year	(10,932,525)	(1,659,277)
Add: Current Year Provision	22.00 2,542,188	6,606,231
Total Provision	58,082,863	66,473,200

Total negative equity against margin loan along with unrealized loss in company's own portfolio (Dealer account) for the year 2016 is TK. 290,414,316. According to the Bangladesh Securities and Exchange Commission (BSEC) circular reference নং-এসইসি/সিএমআরআরসিডি/২০০৯-১৯৩/১৯৬ dated 28th December 2016 requirements of maintaining provision against such loss has been extended up to 31 December, 2017 with 20% provision on quarterly basis. As per such guideline of BSEC the company has made such provision.

17.00 Liabilities for Income Tax

Current Year Income Tax	23.00	9,068,339
		9,068,339

(Details calculation in note 23.)

18.00 Operating Income:

Brokerage commission (represents commission income from BO accountholders against buy and sale of securities)	62,708,311	58,166,848
Interest Income from Margin Loan	6,016,467	11,987,730
BO Accounts Maintenance Charge	8,128,500	9,624,500
Closing, Transfer, Transmission & Demat Fee from BO Accountholders	287,032	194,284
Margin Documentation & Renewal Charge from Margin accountholders	262,000	261,000
Service Charge from Margin Accountholders	-	475,749
Income/(Loss) from Dealer Account (Annexure -C)	3,736,901	284,250
	81,139,211	80,994,361

19.00 Operating Expenses:

Hawla Charge	550	-
Laga Charge	3,855,619	3,453,211
Networking Line Charge	1,126,502	1,107,612
Commission Rebate	6,025,792	3,702,896
Interest Waiver	-	3,484,365
CDBL Charges and Fees	8,121,601	10,259,082
DSE Charges and Fees	66,472	168,507
	19,196,536	22,175,672

20.00 Administrative Expenses:

Salary and Allowances	30,935,835	29,530,521
Security Service	839,091	760,073
Car Allowance	198,000	325,500
Office Rent	6,071,910	5,627,196
Electricity, Gas and Water	2,716,302	2,787,553
Telephone, Mobile and Fax	530,224	533,690
Repair and Maintenance	176,560	300,390
Directors Meeting Attendance Fees	754,400	578,450
Depreciation of Fixed Assets	1,957,766	2,294,625
Audit Fees	103,500	126,500
Tax Consultancy Fees	231,000	-
Office Maintenance	540,562	682,530
Computer and Software Maintenance	310,900	458,361
Office Beautification and Utensil	39,700	68,675
Printing and Stationary	365,908	573,090
Postage and Courier Expense	15,058	18,821
Photocopy	28,707	57,664
Entertainment	868,165	698,796
Traveling and Conveyance	167,759	149,050
Business Development	119,840	205,500
Advertisement	93,870	165,504
Training and Development	95,880	13,000
Newspaper and Periodicals	37,107	37,143
Insurance Expense	188,986	187,488
AGM Expenses	87,096	186,213
Board Meeting Expenses	135,000	-
Annual Sports and Picnic	220,000	-
Legal Fees	121,000	44,000
License Renewal Fee	330,725	233,100
Bank Charge	132,011	118,895
Stamp	16,647	19,165
	48,429,508	46,781,494

21.00 Other Income:

Interest Income from FDR	3,091,642	3,468,132
Interest Income from other Bank Deposit	6,079,175	4,187,463
Dividend Income (Annexure - D)	7,500,493	167,709
Charge For Dishonor Cheque	87,000	58,000
CDBL Charges Income (Rebate)	-	480,613
SMS Fees	156,000	-
Transfer, Transmission Fees and Penalty	212,106	137,700
Payable to BCBL	121,966	-
IPO Charges Income	581,550	377,595
	17,829,932	8,877,212

22.00 Provision for Bad Loan & Erosion (Current Year):

Total Negative Equity	288,184,641	328,866,959
Total Provision (20%)	57,636,928	65,773,392
Add: Portfolio Erosion (20%)	445,935	699,808
Less: Opening Balance	(66,473,200)	(61,526,246)
Add: Adjustment during the year	10,932,525	1,659,277
Current Year Provision	2,542,188	6,606,231

23.00 Income Tax Exp.:

Profit before Tax & Provision	31,343,099	20,914,407
Less: Income from Dealer Account (Annexure- C)	(3,736,901)	(284,250)
Less: Income from Dividend (Annexure -D)	(7,500,493)	(167,709)
	20,105,705	20,462,448
Add: Depreciation as per Accounting base	1,957,766	2,294,625
Entertainment	868,165	698,796
	22,931,636	23,455,870
Less: Depreciation as per Tax base	1,935,861	2,296,492
	20,995,775	21,159,378
Less: Allowable Entertainment:	439,915	443,188
Assessed profit	20,555,859	20,716,190
35% Tax other than Capital Gain and Dividend Income	7,194,551	7,250,667
10% Tax on gain on Dealer Account	373,690	28,425
20% Tax on gain on Dividend Income	1,500,099	33,542
	9,068,339	7,312,633

24.00 Earnings per share (EPS):

Net Profit/Loss after tax	19,740,238	6,915,586
Total Number of outstanding Shares	65,000,000	65,000,000
	0.30	0.11

25.00 CDBL Fees

BO Acc. Opening, Closing, Demat Fee	287,032	194,284
Annual Accounts Maintenance Charge	8,128,500	9,624,500
	8,415,532	9,818,784

26.00 Income Tax Paid

Tax paid at source	11.01	10,235,416	7,827,951
Tax paid during the period		-	2,282,688
		10,235,416	10,110,639

27.00 Cash payments as Other operating & Administrative expenses

Particulars	Taka			
	2016	2015	2016	2015
Operating Expenses	19,196,536	22,175,672		
Less: Interest on Borrowing	-	-	19,196,536	22,175,672
Administrative Expenses:	48,429,508	46,781,494		
Less: Salary and Allowances paid	(30,935,835)	(29,530,521)	17,493,673	17,250,972
			36,690,209	39,426,644
Adjusted for non cash flow items				
Depreciation			(1,957,766)	(2,294,625)
Increase/(decrease) in Advance, Deposit & Prepayments			(43,550)	690,000
Increase/(decrease) in Accounts Receivable			17,337,067	(51,669,599)
(Increase)/Decrease in Accounts Payable			(32,850,879)	(15,858,727)
Provision for Expenses			(2,958,198)	627,529
Provision for Bad Loan & Erosion			10,932,525	1,659,277
			27,149,408	(27,419,502)

28.00 Events after reporting period

The Directors in the meeting held on 28 march , 2017 has approved the Financial Statements.

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

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

As on 31 December, 2016

Annexure - A

Particulars	COST			Dep.Rate	Depreciation			W.D.V as on 31.12.2016
	Balance as on 01.01.2016	Addition during the year	Balance as on 31.12.2016		Balance as on 01.01.2016	Charged for the year	Balance as on 31.12.2016	
	Taka	Taka	Taka		Taka	Taka	Taka	
Furniture and Fixture	1,949,557	242,075	2,191,632	10%	490,662	170,097	660,759	1,530,872
Office Renovation	9,859,274	47,130	9,906,404	20%	5,330,681	915,145	6,245,825	3,660,578
Electronic Equipments	6,220,072	226,886	6,446,958	20%	3,562,352	576,921	4,139,273	2,307,685
Computer and Software	2,361,264	134,225	2,495,489	20%	1,017,473	295,603	1,313,076	1,182,413
Total as on 31 December, 2016	20,390,166	650,316	21,040,482		10,401,168	1,957,766	12,358,934	8,681,548

Commerce Bank Securities and Investment Limited
Investment Schedule
as on 31 December, 2016

Annexure - B

Name of the Company	Quantity						Amount in Taka		
	Opening Balance	Acquired during the year	Rights Share received	Bonus Share received	Sold during the year	Total Quantity as on 31.12.16	Total Cost	Average Cost Per Share	Total Market Value as on 31.12.16
ABBANK		5,000	-			5,000	112,483	22.50	111,500
ALLTEX		19,000	-			19,000	411,810	21.67	209,000
APEXFOODS		9,100	-			9,100	1,310,924	144.06	1,251,250
BARKAPOWER		8,000				8,000	255,895	31.99	245,600
BRACBANK		8,000				8,000	519,331	64.92	512,800
CITYBANK		5,000				5,000	135,097	27.02	136,000
DSEBD	2,886,042	-	-	-	-	2,886,042	-	0.00	-
DUTCHBANGL	3,500	-				3,500	559,586	159.88	408,450
GENNEXT	63,393	6,339	-	-	-	69,732	968,932	13.90	690,347
GP	3,000	-	-	-	1,500	1,500	427,905	285.27	426,150
IBNSINA		3,650	-			3,650	836,294	229.12	724,525
ISLAMICFIN		5,000				5,000	93,067	18.61	96,500
KPCL		5,000				5,000	315,136	63.03	312,500
MHSML		2,000				2,000	41,985	20.99	42,400
MICEMENT	5,000	1,800	-		-	6,800	640,527	94.20	561,000
MPETROLEUM	2,860	7,240	-		-	10,100	2,064,819	204.44	1,721,040
NCCBANK		5,000				5,000	62,546	12.51	63,000
OAL		3,000				3,000	68,194	22.73	78,000
ONEBANKLTD		10,000				10,000	181,633	18.16	183,000
POWERGRID		10,500				10,500	585,679	55.78	567,000
RAKCERAMIC		8,500				8,500	524,649	61.72	526,150
REGENTEX		63,000				63,000	1,440,627	22.87	1,071,000
RSRMSTEEL		1,500				1,500	63,635	42.42	110,100
SALAMCRST		5,000				5,000	187,248	37.45	186,500
SINGERBD		500				500	95,571	191.14	96,250
SOUTHEASTB		5,000				5,000	91,066	18.21	93,500
SQURPHARMA	1,000	1,000			-	2,000	490,717	245.36	498,200
STANDBANKL		30,000				30,000	368,762	12.29	357,000
AIBLISTMF		10,000				10,000	81,061	8.11	83,000
APEXSPINN		7,000				7,000	854,306	122.04	751,100
APOLOISPAT		5,000				5,000	102,179	20.44	102,500
ARAMIT		7,100				7,100	2,922,899	411.68	2,519,790
BBS		4,500				4,500	240,830	53.52	233,100
BSCCL		1,000				1,000	116,840	116.84	118,600
CENTRALPHL		5,000				5,000	112,080	22.42	111,500
CMCKAMAL		2,500				2,500	57,498	23.00	59,250
CNATEX		5,000				5,000	43,335	8.67	56,000
DOREENPWR		45,000				45,000	5,122,762	113.84	4,603,500
DSSL		6,690				6,690	120,559	18.02	120,420
EBL1STMF		15,000				15,000	95,075	6.34	93,000
EHL		26,000				26,000	1,154,198	44.39	1,115,400
EXIMBANK		10,000				10,000	117,084	11.71	117,000
FIRSTSBANK		6,400				6,400	88,407	13.81	88,960
FORTUNE		10,063				10,063	100,630	10.00	511,200
GPHISPAT		12,000				12,000	423,072	35.26	411,600
ICB2NDNRB		8,000				8,000	67,475	8.43	67,200
ICBAMCL2ND		20,000				20,000	128,094	6.40	120,000
ICBSONALII		15,000				15,000	97,072	6.47	96,000
ITC		9,000				9,000	431,503	47.94	425,700
KDSALTD		500				500	40,952	81.90	43,700
LIBRAINFU		180				180	82,372	457.62	82,350
QSMDRYCELL		7,500				7,500	698,677	93.16	706,500
SAIFPOWER		5,000				5,000	255,185	51.04	253,000
SAPORTL		5,000				5,000	253,679	50.74	257,500
SPCL	14,214	-	-	-	11,214	3,000	409,749	136.58	408,300
UCB		5,000				5,000	105,078	21.02	106,500
YPL		1,400				1,400	36,900	26.36	42,560
TOTAL							27,213,666		24,983,992

Commerce Bank Securities and Investment Limited
Capital Gain/(Loss) on Sale of Shares
As on 31 December, 2016

Annexure - C

SL	Instruments	Sold Qty.	Bought Price	Sold Price	Realised Gain/(Loss)
		No.	Tk.	Tk.	Tk.
1	1STPRIMFMF	50,000	480,955	499,632	18,677
2	ABBANK	1,000	129,497	17,384	370
3	ACI	2,337	1,126,893	1,188,004	61,111
4	ACIFORMULA	41,690	6,631,554	6,776,065	144,511
5	ACMELAB	43,056	4,065,537	4,892,852	827,315
6	ACTIVEFINE	3,000	123,248	125,910	2,662
7	AFTABAUTO	6,578	353,742	355,106	1,365
8	AGNISYSL	4,950	115,427	115,885	458
9	AL-HAJTEX	72,000	6,911,278	7,054,898	143,620
10	ALLTEX	6,000	576,629	170,962	6,143
11	AMANFEED	40,000	1,774,756	1,828,683	53,927
12	ANLIMAYARN	28,000	834,482	854,016	19,535
13	APEXFOODS	5,100	2,032,426	739,107	17,605
14	APEXFOOT	2,750	1,035,847	1,098,766	62,919
15	APEXSPINN	2,400	1,124,519	270,729	516
16	APOLOISPAT	10,000	310,329	214,436	6,286
17	ARAMIT	800	3,286,107	373,890	10,681
18	ARAMITCEM	1,000	33,678	34,774	1,096
19	BARKAPOWER	4,000	378,089	123,907	1,714
20	BDLAMPS	7,650	1,395,978	1,445,198	49,219
21	BDTHAI	91,200	2,141,927	2,169,186	27,259
22	BDWELDING	15,150	348,180	289,330	(58,850)
23	BEACONPHAR	23,000	467,766	475,427	7,661
24	BEXIMCO	12,000	299,521	308,824	9,302
25	BRACBANK	16,500	1,522,489	1,009,570	6,413
26	BSC	5,800	2,621,852	2,635,303	13,451
27	BSCCL	500	177,216	62,003	1,626
28	BSRMLTD	4,900	716,615	720,973	4,358
29	CENTRALPHL	13,000	354,465	257,807	15,422
30	CMCKAMAL	53,500	994,156	991,054	54,396
31	CNATEX	55,500	483,102	458,745	18,977
32	CVOPRL	390	102,641	103,886	1,245
33	DAFODILCOM	5,000	169,825	170,073	248
34	DBH	37,016	3,931,816	4,006,396	74,580
35	DELTALIFE	2,500	242,384	242,170	(213)
36	DOREENPWR	71,950	10,443,960	5,435,909	114,711
37	DSSL	51,910	960,970	854,623	14,213
38	EBL1STMF	1,479	102,921	7,979	133
39	EHL	36,500	2,749,906	1,634,495	38,787
40	EMERALDOIL	28,000	1,235,096	1,249,110	14,015
41	FARCHEM	1,700	54,053	53,167	(886)
42	FAREASTFIN	20,000	218,168	220,338	2,170
43	FASFIN	30,200	376,401	386,899	10,498
44	FEDERALINS	30,000	389,292	402,206	12,914
45	FINEFOODS	60,100	1,112,777	1,180,591	67,814
46	FIRSTFIN	10,000	81,565	90,944	9,379
47	FIRSTSBANK	10,000	211,495	122,912	(176)
48	FORTUNE	30,184	402,470	1,467,006	1,165,166

SL	Instruments	Sold Qty.	Bought Price	Sold Price	Realised Gain/(Loss)
		No.	Tk.	Tk.	Tk.
49	FUWANGCER	103,181	1,628,863	1,662,076	33,213
50	FUWANGFOOD	7,000	101,625	101,719	94
51	GBBPOWER	45,000	823,121	848,048	24,927
52	GEMINISEA	1,850	1,453,633	1,483,297	29,665
53	GHAIL	100,000	2,662,030	2,779,021	116,991
54	GHCL	5,500	207,659	213,610	5,951
55	GP	3,000	1,395,579	809,456	(158,217)
56	GPHISPAT	11,000	734,531	320,761	9,302
57	GQBALLPEN	500	32,825	35,923	3,098
58	GRAMEENS2	93,038	1,006,234	1,019,006	12,772
59	HAKKANIPUL	111,056	6,235,539	6,420,901	185,362
60	IBNSINA	200	878,468	42,368	195
61	IFADAUTOS	1,100	91,660	92,447	787
62	INTECH	55,000	834,642	841,287	6,645
63	IPDC	18,000	558,004	579,756	21,752
64	ISLAMIBANK	52,674	1,566,490	1,571,326	4,837
65	ISLAMICFIN	16,000	333,544	243,707	3,230
66	ITC	73,909	4,391,898	3,995,414	35,018
67	JAMUNAOIL	5,000	952,272	961,221	8,949
68	JMISMDL	7,500	1,223,802	1,228,937	5,135
69	KDSALTD	26,200	1,942,335	1,953,625	52,243
70	LAFSURCEML	49,500	4,149,437	4,321,463	172,026
71	LANKABAFIN	11,000	421,825	430,311	8,486
72	LIBRAINFU	1,135	673,496	605,833	14,708
73	LINDEBD	560	795,401	800,519	5,118
74	MAKSONSPIN	31,856	238,417	245,112	6,695
75	MHSML	50,000	782,515	752,453	11,923
76	MITHUNKNIT	18,000	1,208,497	1,231,162	22,664
77	MJLBD	6,200	657,330	666,610	9,281
78	MONNOCERA	54,430	2,245,381	2,277,061	31,680
79	NAVANACNG	21,160	933,668	981,361	47,693
80	NBL	22,414	675,845	217,260	(458,585)
81	NFML	8,000	165,282	167,880	2,599
82	NHFIL	2,000	111,482	112,919	1,437
83	NTC	30	21,247	21,523	276
84	NTLTUBES	6,100	801,408	813,951	12,544
85	OAL	25,000	636,481	570,592	2,305
86	OLYMPIC	300	90,525	91,442	917
87	ORIONINFU	48,150	3,244,553	3,311,607	67,054
88	ORIONPHARM	30,000	1,274,790	1,315,980	41,190
89	PHOENIXFIN	4,000	72,457	73,542	1,086
90	PREMIERCEM	16,800	1,514,149	1,536,757	22,609
91	PREMIERLEA	5,000	58,043	57,957	(85)
92	PRIMETEX	5,000	94,070	99,424	5,354
93	QSMDRYCELL	13,500	2,004,390	1,346,200	40,487
94	RAKCERAMIC	30,804	2,306,370	1,817,803	36,082
95	RDFOOD	11,000	202,558	209,775	7,217
96	RSRMSTEEL	19,000	883,356	841,702	21,981
97	RUPALIINS	2,000	29,827	30,974	1,148

SL	Instruments	Sold Qty.	Bought Price	Sold Price	Realised Gain/(Loss)
		No.	Tk.	Tk.	Tk.
98	RUPALILIFE	20,000	746,248	746,449	201
99	SAIFPOWER	3,000	399,892	145,128	421
100	SALAMCRST	1,000	224,698	38,069	620
101	SALVOCHEM	12,000	185,636	193,145	7,509
102	SAPORTL	20,000	1,167,160	944,602	31,121
103	SIBL	20,000	310,040	311,770	1,730
104	SINGERBD	5,900	1,190,968	1,108,005	12,608
105	SPCL	27,914	4,793,746	4,451,829	67,831
106	SQURPHARMA	6,100	2,077,405	1,608,788	22,100
107	TITASGAS	29,000	1,414,291	1,434,015	19,724
108	TUNGHAI	1,000	11,814	11,690	(124)
109	UCB	11,000	313,835	210,892	2,135
110	UNIQUEHRL	5,000	246,546	260,709	14,163
111	UNITEDAIR	24,200	218,698	193,456	(25,241)
112	UPGDCL	53,500	8,857,877	9,153,569	295,691
113	USMANIAGL	300	34,380	35,793	1,413
114	WATACHEM	5,408	861,410	882,438	21,027
115	WMSHIPYARD	15,000	857,868	377,274	(480,594)
116	YPL	14,000	405,893	388,310	19,316
117	ZAHEENSPIN	128,500	2,704,857	2,837,928	133,071
TOTAL					3,736,901

Commerce Bank Securities and Investment Limited
Dividend Income on Shares

For the year ended 31 December, 2016

Annexure -D

Sl. No.	Instruments	Quantity		Face Value		Rate	Dividend		TDS		Net Dividend	
		No.	Fraction	Tk.			Tk.		Tk.		Tk.	
1	ACI FORMULA	8,000		10		35%	28,000		5,600		22,400	
2	ACMELAB	6,100		10		35%	21,350		4,270		17,080	
3	BDLAMPS	1,900		10		20%	3,800		760		3,040	
4			Fraction				11		2		9	
5	STANCERAM	300		10		10%	300		60		240	
6	DBBL	3,500		10		40%	14,000		2,800		11,200	
7	DSEBD	5,772.084		10		13%	7,215,106		1,443,021		5,772,085	
8	GRAMEENS-2	40,000		10		10%	40,000		8,000		32,000	
9							6		1		5	
							GRAMMEENS-2 Fraction unit.51, sale price Tk. 4.92					
10	IBNSINA	3,000		10		13%	3,750		750		3,000	
11	LAFARSE SURMA	8,750		10		5%	4,375		875		3,500	
12	LANKABANGLA FINANCE	4,080		10		15%	6,125		1,225		4,900	
13	LINDE BD	300		10		200%	6,000		1,200		4,800	
14	MICEMENT	5,000		10		25%	12,500		2,500		10,000	
15	MPETROLEIUM	2,860		10		105%	30,030		6,006		24,024	
16	NAVANACNG	10,000		10		15%	15,000		3,000		12,000	
17	REGENT TEX	60,000		10		10%	60,000		12,000		48,000	
18	SPCL	13,800		10		28%	38,640		7,728		30,912	
19	TITAS GAS	1,000		10		15%	1,500		300		1,200	
							7,500,493		1,500,099		6,000,394	
			Total									



BRANCH NETWORK OF BCBL

SL	Branch Name	Address	Contact Details
01	Principal Branch	19,Rajuk Avenue, Taranga Complex(ground floor), Motijheel C/A, Dhaka-1000.	Mr. Md. Abdur Rahim Miah EVP & Branch In-Charge Phone: 09613222001-2,7112069, 9561551 Fax: 9585023 E-Mail: principal@bcbl.com.bd
02	Dilkusha Branch	Boliadi Mansion (Ist floor), 16 Dilkusha C/A, Dhaka-1000.	Mr. Fakir Nazmul Alam SAVP & Branch In-Charge Phone: 09613225001-6, 9578578, 9570105, 9571375 Fax: 9571375 E-Mail: dilkusha@bcbl.com.bd
03	Bangshal Branch	141 Lutfor Rahman Lane, North South Road, Bangshal, Dhaka- 1100.	Mr. Kafil Uddin Chowdhury SEO & Branch In-Charge Phone: 09613221501-4, 9580624, 9566140 Fax: 9566140 E-Mail: bangshal@bcbl.com.bd
04	Moulvibazar Branch	40 Imamgonj, Moulvibazar,Dhaka- 1100.	Mr. Sudir Chandra Sarker SEO & Branch In-Charge Phone: 09613222096, 7343769 Fax: 7311051 E-Mail: moulvibazar@bcbl.com.bd
05	Dholaikhal Branch	23 Goal Ghat Lane (Ist floor), Wari, Dholaikhal, Dhaka-1100.	Mr. Ashish Kumar Goswamy SEO & Branch In-Charge Phone: 09613221196, 9590344 Fax: 7118665 E-Mail: dholaikhal@bcbl.com.bd
06	Banglabazar Branch	52 North Brook Hall Road Banglabazar, Dhaka-1100.	Mr. Saad Hossain Sharif FAVP & Branch In-Charge Phone: 09613221301-3, 47115256,47119034 Fax: 7121878 E-Mail: banglabazar@bcbl.com.bd
07	Zigatola Branch	25/1, Zigatola, Dhaka- 1209	Mr. Muhammad Sofi Ullah SEO & Branch In-Charge Phone: 09613221601, 9668558, 58614119 Fax: 9622154 E-Mail: zigatola@bcbl.com.bd
08	Green Road Branch	75,Greenroad (1 st Floor), Hossain Tower, Farmgate, Dhaka.	Mr. Syed Salahuddin AVP & Branch In-Charge Phone: 09613221401-5, 58154664, Fax: 58126886 E-Mail: greenroad@bcbl.com.bd

09	Mouchak Branch	238/1, Maruf Market (Ist floor), Outer Circular road, Malibagh, Dhaka.	Mr. Md. Ruhol Amin EO & Branch In-Charge Phone: 09613223001, 8312061, 8321072 Fax: 8321072 E-Mail: mouchak@bcbl.com.bd
10	Mirpur Branch	Plot#2, Avenue-6, Section-1, Mirpur, Dhaka-1216	Mr. Mr. Abul Basher Mohammad Ahsan SAVP & Branch In-Charge Phone: 09613222101-4, 55075192-3 Fax: 8051722 E-Mail: mirpur@bcbl.com.bd
11	Gulshan Branch	Landview Commercial Complex , 28 Gulshan North C/A, Gulshan Circle-2, Dhaka-1212.	Mr. Md. Abul Hossain SAVP & Branch In-Charge Phone: 09613227001-7, 8881045, 9854019, 8881044 Fax: 8882044 E-Mail: gulshan@bcbl.com.bd
12	Khilgaon Branch	290/3 Block-A, Nahar Tower (Ist Floor), Railgate, Khilgaon, Dhaka-1219.	Mr. Al- Mansur Sikder SEO & Branch In-Charge Phone: 09613222501, 7213779 Fax: 7215803 E-Mail: khilgaon@bcbl.com.bd
13	Dhamrai Branch	Keyetpara, Dhamrai Bazar, Dhamrai, Dhaka.	Mohammad Anowar Hossain SEO & Branch In-Charge Phone: 09613222401, 7730237 Fax: 7730237 E-Mail: dhamrai@bcbl.com.bd
14	Narayanganj Branch	69, Bangabundu Road, Tokeyo Plaza 1(2nd floor) ,Word no-15,Narayanganj City Corporation, DIT, Narayanganj-1400.	Mr. Md. Babor Ali Dewan SEO & Branch In-Charge Phone: 09613229001-5, 7645054, 7640321, 7644750 Fax: 7645054 E-Mail: narayanganj@bcbl.com.bd
15	Agrabad Branch	56, Jibon bema Bhaban, Agrabad C/A, Chittagong.	Mr. Sarwar Md. Shahidullah VP & Branch In-Charge Phone: 9613226001-4, 031-717973-4 Fax: 031-724879 E-Mail: agrabad@bcbl.com.bd
16	Jubilee Road Branch	30, Imam Gazzali Market (Ist floor), Jublee Road, Chittagong.	Mr.Md. Saiful Islam AVP & Branch In-Charge Phone: 09613221901, 031-627837 Fax: 031-2850065 E-Mail: jubileeroad@bcbl.com.bd
17	Khatungonj Branch	304 SW Tower, (Ist floor), Lama Bazar, Kotwali, Khatungonj, Chittagong.	Mr. Muhammad Jahangir Alam SAVP & Branch In-Charge Phone: 09613222301,031-618821, 2864559 Fax: 031-728145 E-Mail: khatungonj@bcbl.com.bd

18	Chaktai Branch	68, Rajakhali Road, New Chaktai, Chittagong-400	Mr. Mohammad Nazmul Huda Majumder SEO & Branch In-Charge Phone: 09613222201, 031-2867575, 031-634612 Fax: 031-636412 E-Mail: chaktai@bcbl.com.bd
19	Dewanhat Branch	1128, Sheikh Mujib Road, Ahmed Mansion, Chittagong	Mr. Hafiz Ahmed SEO & Branch In-Charge Phone: 09613221201, 031-2513622 Fax: 031-728145 E-Mail: dewanhat@bcbl.com.bd
20	Khulna Branch	141 Sir Iqbal Road, Khulna-9100	Mr. Md. Zahirul Hoque SEO & Branch In-Charge Phone: 09613224001-4, 041-732595, 041-2830144, 810911 Fax: 041-810911 E-Mail: khulna@bcbl.com.bd
21	Daulatpur Branch	727 Jessore Road, Daulatpur, Khulna-9202	Mr. Md. Rezwan Ahmed EO & Branch In-Charge Phone: 09613221701, 041-761604 Fax: 041-762589 E-Mail: daulatpur@bcbl.com.bd
22	Sylhet Branch	Gellariya Shopping & Apartment Complex (2nd floor), West Zinda Bazar, Jallarpar Road, Sylhet	Mr. Abdul Munim Chowdhury AVP & Branch In-Charge Phone: 09613221096, 0821-723210 Fax: 0821-728487 E-Mail: sylhet@bcbl.com.bd
23	Bogra Branch	676, Chamber Bhaban, Jhawtola, Bogra-5800	Mr. Md Nazrul Islam SEO & Branch In-Charge Phone: 09613228001-4, 051-65441 Fax: 051-65710 E-Mail: bogra@bcbl.com.bd
24	Naogaon Branch	Kader Manson (Ist floor) Naogaon Main Road, Naogaon	Mr. Md. Abdul Quddus FAVP & Branch In-Charge Phone: 09613221801, 0741-81118 Fax: 0741-63222 E-Mail: naogaon@bcbl.com.bd
25	Comilla Branch	35/32 Zila School Road Kandirpar, Comilla	Mr. Kazi Fakrul Alam SAVP & Branch In-Charge Phone: 09613222601, 081-69951 Fax: 081-69902 E-Mail: comilla@bcbl.com.bd
26	Seedstore Bazar Branch	Hobir Bari Seedstore Bazar, Valuka, Mymensingh	Md. Humayun Kabir Bhuiyan SEO & Branch In-Charge Phone: 09613222701 E-Mail: seedstore@bcbl.com.bd

27	Uttara Branch	House-37, Sector-07 Sonargaon Janapath Road Uttara, Dhaka-1230	Mr. Mohammad Rezaul Haque AVP & Branch In-Charge Phone: 09613222801, 8921555 E-Mail: uttara@bcbl.com.bd
28	Feni	Haji Abul Kashem Super Market Kamlapatti, House# 463, Word# 17, Feni Sadar	Mr. Alen Kumar Dey SEO & Branch In-Charge Phone: 09613222901, 0331 69011 Fax: 0331-69012 E-Mail: feni@bcbl.com.bd
29	Bijoy Nagar Branch	Al-Raji Complex House# 166/167, Word# 36, Shahid Syed Nazrul Islam Sarani, Bijoy Nagar, Dhaka.	Mr. Mohammad Khalekuzzaman SEO & Branch In-Charge Phone: 09613223101, 7115625 Fax: 02-7115957 E-Mail: bijoy Nagar@bcbl.com.bd
30	Muradpur Branch	House# 73/74, Word# 7 CDA Avenue, Muradpur Chittagong.	Mr. Md. Arif Uddin FAVP & Branch In-Charge Phone: 09613223096, 031-655982, 656154 E-Mail: muradpur@bcbl.com.bd
31	Mandari Bazar Branch	Babosayee Samitee market (1st Floor) Lakshmipur Sadar, Lakshmipur.	Md. Saifur Rahman Bhuiyan SEO & Branch In-Charge Phone: 0381-55634, Fax: 0381-55633 E-Mail: mandaribazar@bcbl.com.bd
32	Bandura Branch	Puraton Bandura Nawabgonj, Dhaka.	Mr. Debashis Mallick SEO & Branch In-Charge Phone: 09613223301, E-Mail: bandura@bcbl.com.bd
33	Jessore Branch	Mohsin Super Market 10 R. N. Road Jessore.	Mr. Md. Hasanuzzaman SEO & Branch In-Charge Phone: 09613223501 Fax: 042171180 E-Mail: jessore@bcbl.com.bd
34	Dinajpur Branch	SM Tower (2nd Floor) Bahadur Bazar Dinajpur.	Mr. A.K.M Abdus Sobur EO & Branch In-Charge Phone: 09613223401, 053166556 Fax: 0531-66555 E-Mail: dinajpur@bcbl.com.bd
35	Foreign Exchange Branch	Surma Tower (Level-2) 59/2 Purana Paltan Dhaka-1000.	Mr. Md. Shakilur Rahman EO & Branch In-Charge Phone: 09613223601, 9573467, 9573468 Fax: 02-9573469 E-Mail: fex@bcbl.com.bd
36	Juri Branch	Hazi Imzad Ali Market Vobanigonj Bazar, Juri Moulvibazar.	Mr. Md. Mozahid Khan FEO & Branch In-Charge Phone: 09613223701, 086275719 Fax: 08627-57192 E-Mail: juri@bcbl.com.bd

37	Batajore Branch	Batajor Bazar Batajor, Gournadi Barishal.	Mr. Arifur Rahman Sabuj SEO & Branch In-Charge Phone: 09613223901 E-Mail: batajore@bcbl.com.bd
38	Savar Branch	63/14 Bazar Road Islam Plaza, Savar Dhaka.	Mr. Bimal Kumer Saha SEO & Branch In-Charge Phone: 09613223801, 7742151 Fax: 02-7742150 E-Mail: savar@bcbl.com.bd
39	Pragati Sarani Branch	KA/218, Kuril Chourasta, Zakir Complex (Ist floor), Dhaka.	Mr.S.M. Shawkat Hussain VP & Branch In-Charge Phone: 09613224096, 09613224097, 8417359 Fax: 02-8417506 E-Mail: pragati@bcbl.com.bd
40	Kopil Muni Branch	Sorojini Baniijjo Beponi Market(Ist floor), Kopil muni Sohachori Vidda Mondir, P/O-Kopil Muni. P/S- Paikgacha, Dist:Khulna.	Mr. Md. Maznur Rahman SEO & Branch In-Charge Phone: 09613224101, E-Mail: kopilmuni@bcbl.com.bd
41	Barisal Branch	Elahi Tower, Holding no- 523, Ward no-8, Bazar Road, Barisal Sadar, Barisal.	Mr. Moshiur Rahman FAVP & Branch In-Charge Phone: 09613224201, 0431-2176433 Fax: 0431-61616 E-Mail: barisal@bcbl.com.bd
42	Kathgora Bazar Branch	Hazi Nujomuddin Super Market, Kathgora bazar, Post: Jirabo, Union: Ashulia, Word no-1. P/S- Ashulia, Dhaka.	Mr. Md. Firoz Ahmed FAVP & Branch In-Charge Phone: 09613224301, 7792634 Fax: 02-7792632 E-Mail: kathgora@bcbl.com.bd
43	Merajnagar Branch	Merajnagar Supper Market (2nd floor), Shaympur, Kadomtoli, Dhaka-1362.	Mr. Farid Hasan AVP & Branch In-Charge Phone: 09613224401-3 E-Mail: merajnagar@bcbl.com.bd
44	Kangshanagar Bazar Branch	Kangshanagar bazar, Burichang, Comilla-3520	Mr.Md. Mahmudul Hasan EO & Branch In-Charge Phone: 09613224501-2 E-Mail: kangshanagar@bcbl.com.bd
45	Shibchar Branch	47,Shadar Road, Shibchar, Madaripur	Mr. Md. Tauhidul Amin Mojumder SEO & Branch In-Charge Phone: 0662456101, 09613224601-3 E-Mail: shibchar@bcbl.com.bd
46	Kaliakoir Branch	Rajob Ali Super Market (2nd Floor) Kaliakoir Bazar Gazipur.	Mr. Ashaduzzaman Bhuiyan FAVP & Branch In-Charge Phone: 0982251848-9, 096132224701-3 E-Mail: kaliakoir@bcbl.com.bd

47	Sonargaon Branch	Salina Plaza (1st floor), Mograpara Sonargaon, Narayangaog.	Mr. Md. Mostafizur Rahaman SEO & Branch In-Charge Phone: 7656033,09613224801-2 E-Mail: sonargaon@bcbl.com.bd
48	Balla Branch	Balla bazaar, Battola (Kaporpatti), Kalihati, Tangail.	Mr. Md. Golam Wahed SEO & Branch In-Charge Phone: 09613224901-2 E-Mail: balla@bcbl.com.bd
49	Gazipur Chowrasta Branch	Mubarak Complex, Word no-16, Gazipur city corporation, Joydeppur, Gazipur.	Mr. Md. Hasanuzzaman SEO & Branch In-Charge Phone: 09613225051-2 E-Mail: gazipur@bcbl.com.bd
50	Shamshernagar Branch	Rahim Manson, Shamshernagar, Upzilla:- Kamolganj, Zilla: Moulvibazar	Mr. Md. Mozahid Khan FEO & Branch In-Charge Phone: 09613225101 E-Mail: shamshernagar@bcbl.com.bd
51	Rajshahi Branch	341, Station Road Metropolitan Market (1st Floor), Rajshahi.	Mr. Md. Najrul Islam FAVP & Branch In-Charge Phone : 09613225201-2 E-mail: rajshahi@bcbl.com.bd

BANGLADESH COMMERCE BANK LIMITED

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

PROXY FORM

I/We _____ of _____

_____ being a Shareholder of **Bangladesh Commerce Bank Limited** do hereby appoint

Mr./Ms. _____ of _____

as my/our proxy to attend and vote for me/us and on my/our behalf at the **19th Annual General Meeting** of the Company to be held on Saturday, September 16, 2017 at 11:00 a.m. at **National Sports Council Auditorium, 62/3, Purana Palton**, Dhaka and at any adjournment thereof.

As witness my/our hands this _____ day of _____ 2017.

(Signature of the proxy)

Folio No: _____

No. of Shares: _____

Date: _____

(Signature of the Shareholder)

Folio No: _____

No. of Shares: _____

Date: _____

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

Signature Verified

Authorized Signatory

Bangladesh Commerce Bank Limited

BANGLADESH COMMERCE BANK LIMITED

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

ATTENDANCE SLIP

I/We hereby record my/our attendance at the **19th Annual General Meeting** of the Company to be held on Saturday, September 16, 2017 at 11:00 a.m. at **National Sports Council Auditorium, 62/3 Purana Palton, Dhaka.**

Folio No: _____

No. of Shares: _____

Name of the Member/proxy: _____

Signature: _____

Date: _____

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