

**Auditors Report
and
Audited Consolidated & Separate Financial Statements
of
Bangladesh Commerce Bank Limited and it's subsidiaries
For the year ended on 31 December 2023**

Hoda Vasi Chowdhury & Co

Chartered Accountants

Independent Auditors' Report to the Shareholders of Bangladesh Commerce Bank Limited

Report On the Audit of the Consolidated and Separate Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Bangladesh Commerce Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of The Bangladesh Commerce Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2023 and the consolidated and separate profit and loss accounts, consolidated and separate statement of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank presents fairly, in all material respects, the financial position of the group as at December 31, 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

Basis for Qualified Opinion

1. BRPD circular letter No. 18, dated 15 June 2023 requires all Banks to maintain Paid-up Capital not less than Tk. 500 crore. The paid-up capital of the Bank as on 31 December 2023 was Tk. 1,988,742,800 as presented in note 14.2 of these financial statements that means the Bank could not maintain the minimum required paid up capital as directed by the afforested BRPD circular of the Bangladesh Bank.
2. As per the revised Guidelines on Risk Based Capital Adequacy 2014 (Revised Regulatory Capital Framework for banks in line with Basel III) issued by the Bangladesh Bank; the Bank was needed to maintain total capital of Taka 500 crore, but the total eligible capital of the Bank was Taka (8,236,802,274) as presented in note 14.3 of these financial statements hence the deficit of Capital fund stood to Taka 13,236,802,274 as on 31 December 2023.
3. The Bank paid advance income tax (TDS) amounting to Taka 52,096,670 during the year which was reported as advance income tax but provision for income tax charged to profit and loss account was Taka 6,442,183. The Bank should provide for the full amount in Profit and loss account since section 163 of the Income Tax Act 2023 considers it as minimum tax expense for the year. As a result, profit for the year was overstated by Taka 45,654,487. Cumulative amount of provision shortfall and income overstatement during the last five years (including current year) is Taka 254,863,715. which is being carried forwarded as an asset although it is not adjustable in future periods. Commerce Bank Securities and Investments Limited (the 'Company'/'Subsidiary'), a subsidiary company of the Bank; also have advance

income tax assets of Taka 157,819,920 since the year 2017; significant amount of which is not adjustable in future periods as mentioned by the Company's statutory auditors in their modified audit opinion.

4. As per IFRS 16- Leases, all rent contracts should be accounted for as a finance lease, and this will lead to recognition of lease liability. The Bank has implemented the above IFRS for its Head office only, resulting in non-compliance of full implementation of IFRS 16. The subsidiary company of the Bank had paid office rent amounting to Taka 7,054,405 during the year. Such rents fall under the definition of IFRS 16-Lease, but the Company also did not comply with the provision of the said IFRS as mentioned by the Company's statutory auditors in their modified audit opinion.
5. Other assets (Note-9a) include margin loan given by subsidiary company of the Bank amounting to Taka 674,569,308 which will be Taka 1,659,522,210 including interest suspense Taka 984,952,902. Remarkable numbers of investments lost their value, and the fair market value of the said investment came down to Taka 875,737,564 as mentioned by the Company's statutory auditors in their modified audit opinion.
6. The subsidiary company of the Bank is required to maintain provision for capital reserve @ 10% of the last years' profit after tax as per the applicable regulation issued in 2019. The Company did not maintain any provision in previous years except the provision maintained in the current years mentioned by the Company's statutory auditors in their modified audit opinion.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1.2, note 4.1.3 and Note 14.03 which describe the Bank incurred net loss over couple of years, investment in deposit instruments in NBFIs and shortfall in required provision for loans and advances, off balance sheet exposures and other assets respectively. As stated in Note 2.1.2, these events or conditions, along with other matters as set forth in Note 2.1.2 and in basis for qualified opinion section (SL No 1) indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of these matters.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Description of key audit matters	Our response to key audit matters
Measurement of provision for Loans and Advances	
<p>The process for estimating the provision for Customers Loans and Advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provisions calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.</p> <p>At 31December 2023 the Group reported total gross Loans and Advances of BDT23,975,400,474 (2022: BDT 23,659,804,381) and provision for Loans and Advances of BDT3,724,291,261(2022: BDT 3,724,291,261).</p> <p>In addition, special general provision – COVID 19 has been also maintained as per BRPD circular no. 53 dated 22 December 2022 on the outstanding balance from clients who have taken the deferral facility due to COVID 19.</p> <p>We have focused on the following significant judgements and estimates which could give rise to material</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Tested the credit appraisal, loan/Investment disbursement procedures, monitoring and provisioning process; • Completeness of appropriate documentation before disbursement of loans as well as recording of loan balance; • Alternate procedures applied by management to assess new loan/renewal of existing loans where latest audited financial statements of the borrower is not available; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of Investment (CL); <p>Our substantive procedures in relation to the provision for Investment portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information;

<p>misstatement or management bias:</p> <ul style="list-style-type: none"> • Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012 and BRPD circular no 03, dated 21 April 2019; • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p>	<ul style="list-style-type: none"> • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained. <p>Due to long-term impact of COVID 19, flood situation in north-eastern areas of Bangladesh and prolonged conflict/war outside the country, many borrowers were adversely impacted during the year. Accordingly, Bangladesh Bank has given certain flexibility from classification requirement for loans vide issuing various circulars such as BRPD 14 dated 22 June 2022, and BRPD 51 dated 18 December 2022 whereby Banks are allowed to keep a loan/customer as unclassified subject to the payment of certain percent of quarterly installment due by 31 December 2023.</p>
<p>See note no 7 and 13.1 to the financial statements</p>	

Valuation of treasury bill and treasury bond

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

IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>

Impairment assessment of Unquoted investment	
<p>In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence requires an elevated level of judgment.</p>	<p>We have assessed the processes and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process.</p> <p>We tested a sample of investments valuation as at 31 December 2023 and compared our results to the recorded value.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note no 6.2.1 to the financial statements	

Implementation of IFRS 16 Leases	
<p>IFRS 16 modifies the accounting treatment of operating leases at inception, with the recognition of a right of use (ROU) on the leased asset and of a liability for the lease payments over the lease contract term. With respect to operating leases of premises used by the Bank, at inception of the lease, the lessor receives a right of using the premises, in exchange of a lease debt, using an implicit discount rate</p> <p>Our key audit matter was focused on all leasing arrangements within the scope of IFRS 16 are identified and appropriately included in the calculation of the transitional impact and specific assumptions applied to determine the discount rates for lease are inappropriate.</p>	<p>In responding to the identified key audit matter, we completed the following audit procedures:</p> <p>Assessed the design and implementation of key controls pertaining to the determination of the IFRS 16 Leases impact on the financial statements of the Bank;</p> <p>Assessed the appropriateness of the discount rates applied in determining lease liabilities;</p> <p>Verified the accuracy of the underlying lease data by agreeing to original contract and checked the accuracy of the IFRS 16 calculations through recalculation of the expected IFRS 16 adjustment; and</p> <p>Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of IFRS.</p>
<p>See notes no 8, 13 to the financial statements</p>	

Measurement of deferred tax assets	
<p>At year end of 2023 the Bank reported total deferred tax assets of BDT 42,218,922 (2022: BDT 25,941,316) and deferred tax income of BDT 16,277,605(2022: deferred tax expenses of BDT 19,907,117).</p> <p>Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Bank's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimates of future taxable income. The Bank has sufficient taxable profit to recover the deferred tax assets in the foreseeable future.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax including deduction of DTA on</p>

	specific provision from regulatory capital.
See notes no 9.8.1 to the financial statements	

Legal and regulatory matters	
<p>We focused on this area because the Bank operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Bank's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</p> <p>We asked those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>

Interest income recognition	
<p>Recognition and measurement of interest income involve complex IT environment as well as require critical estimates and judgment. Since interest income from loans and advances is one of the key performance indicators of the Bank there is an inherent risk of fraud and error in recognition of interest income.</p> <p>Moreover, as per Bangladesh Bank BRPD circular no. 53 dated 22 December 2022, considering future risk banks were allowed to recognize outstanding/ arrear interest income on loans where deferral facilities were given upon considering potential risk of future recovery and receiving certain percent of quarterly installment due by 31 December 2023.</p>	<p>We tested the design and operating effectiveness of key controls including automated control over recognition and measurement of interest on loans and advances.</p> <p>For selected customers and loan files on sample basis we have also performed substantive test of details including recalculation and cut-of testing to check accuracy of interest income.</p> <p>Finally, we also conducted substantive analytical procedures to assess reasonableness of interest recognized during the year with reference to the product wise outstanding loan balances.</p>

<p>Accordingly, this has been considered as key audit matter.</p>	<p>However, due to the current uncertainty of the overall economic situation, and in particular impacts from major global events such as continuation of COVID 19 related disruptions, Russia-Ukraine conflict, volatility in fuel and commodity price, strengthening of USD, etc., there is inherent risk that the actual recovery of accrued interest income especially from those clients receiving deferral facility could be materially different than the actual situation in future and a portion of interest accrued during the year ended 31 December 2023.</p>
<p>See notes no 20 to the financial statements</p>	

<p>Gain or loss on Foreign Exchange</p>	
<p>Recognition of gain or loss on foreign exchange has a significant and wide influence on financial statements.</p> <p>We identify recognition and measurement of gain (net of loss) on foreign exchange as a key audit matter because this is one of the key performance indicators of the bank and therefore there is an inherent risk of fraud and error in recognition of gain or loss by management to meet specific targets or expectations.</p> <p>For the year ended the Bank reported a total gain on foreign exchange of BDT 32 million (2022: BDT 100 million).</p>	<p>We tested the design and operating effectiveness of key controls focusing on foreign exchange transactions following disclosed foreign exchange rates.</p> <p>We performed procedures to check whether the bank has ensured appropriate measurement as per Bangladesh Bank regulations and the Bank's policy on foreign exchange transactions. In addition, we have performed procedures to check whether gain on foreign is recorded completely and accurately as per IAS-21.</p> <p>Moreover, We also assessed the appropriateness and recognition criteria of foreign exchange gain as per Bangladesh Bank guidelines.</p>
<p>See notes no 23 to the financial statements</p>	

Other information

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

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

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

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

Responsibilities of management and those charged with governance for the financial statements and internal controls:

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2 and comply with the Banking Company Act, 1991 (as amended up to date), the Companies Act, 1994 and other applicable Laws and Regulations and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank company Act, 1991 and Bangladesh Bank regulations require the management to ensure effective internal audit, internal control and risk management functions of the Group and the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

Auditor's responsibilities for the audit of the financial statements

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



aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated and separate financial statements.

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all



relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 2020, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:


- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii. to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the Consolidated financial statements of the Group and the separate 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:
 - (a) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities;
- iii. Financial statements for the year ended 31 December 2023 of local subsidiary namely Commerce Bank Securities & Investments Limited has been audited by Rahman Mostafa Alam & Co, Chartered Accountants which reflect total assets of BDT 56,636.29 million as of 31 December 2023 and net interest loss of BDT 1457 million for the year ended 31 December 2023. The results of this subsidiary have been properly reflected in the consolidated financial statements;
- iv. in our opinion, proper books of account as required by law have been kept by the Group and Bank so far as it appeared from our examination of those books;

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- v. the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements of the group and the separate P/L account of the bank;
- vi. the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- vii. the expenditures incurred were for the purpose of the Bank's business for the year;
- viii. the consolidated financial statements 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 related guidance issued by Bangladesh Bank;
- ix. Bangladesh Bank identified provision shortfall of Taka 461.37 crore against loans and advances, as well as 7.88 crore for other provisions as on 31 December 2023 and the provision was deferred before/up to finalizing the Financial Statements for the year 2024 vide their letter ref: DOS(CAMS)1157/41(Dividend)/2024-1712 dated: 25/04/2024.
- x. the information and explanations required by us have been received and found satisfactory;
- xi. we have reviewed over 80% of the risk weighted assets of the Bank and spent over 4,580 person hours; and
- xii. Capital to Risk-weighted Asset Ratio (CRAR) was negative (22.79%) against the required ratio by the Bangladesh Bank of 12.5%.

Dhaka, Bangladesh
Date: 30.04.2024
DVC: 2404300137AS277728


Showkat Hossain, FCA
Senior Partner
Enrollment No. 0137
Hoda Vasi Chowdhury & Co.
Chartered Accountants



Hoda Vasi Chowdhury & Co

**Bangladesh Commerce Bank Limited and its Subsidiary
Consolidated Balance Sheet
As at 31 December 2023**

Particulars	Notes	Amount in BDT	
		2023	2022
<u>PROPERTY AND ASSETS</u>			
Cash	3(a)	6,900,362,520	2,619,617,460
Cash in hand (including foreign currencies)	3.1(a)	656,348,830	680,100,467
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	6,244,013,691	1,939,516,994
Balance with other banks and financial institutions	4(a)	14,079,396,425	8,565,471,200
Inside Bangladesh		13,569,655,434	8,017,533,439
Outside Bangladesh	4.2	509,740,991	547,937,761
Money at call on short notice	5(a)	28,600,000	28,900,000
Investments	6(a)	5,027,501,394	5,634,343,201
Government		4,095,950,675	4,600,874,090
Others		931,550,719	1,033,469,111
Loans and Advances	7(a)	23,975,400,474	23,659,804,382
Loans, Cash Credit, Overdrafts etc.		23,954,496,999	23,632,009,838
Bills purchased and discounted		20,903,475	27,794,544
Fixed assets including premises, furniture and fixtures	8(a)	592,646,068	510,225,600
Other assets	9(a)	6,032,384,864	4,766,659,240
Non-banking assets	10	-	-
Total Property and Assets		56,636,291,745	45,785,021,083
<u>LIABILITIES AND CAPITAL</u>			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	8,021,610,644	709,991,563
Deposits and other accounts	12(a)	46,911,386,340	41,697,063,526
Current Account and Other Accounts etc.		6,309,117,378	5,538,643,382
Bills Payable		739,260,821	647,117,663
Savings Bank Deposits		4,657,033,992	4,611,809,264
Short Term Deposit		3,090,765,320	2,687,826,083
Fixed Deposits		25,212,886,057	20,864,808,793
Deposits under Different Schemes	12.5(a)	6,902,322,773	7,346,858,341
Other liabilities	13(a)	9,881,891,675	9,029,692,626
Total Liabilities		64,814,888,660	51,436,747,715
Capital/Shareholders' Equity			
Paid-up-Capital	14.2 (a)	1,988,742,800	1,988,742,800
Share Capital BCI Ltd.		15,300,000	15,300,000
Right Share Application Money		917,259,650	917,259,650
Statutory Reserve	15(a)	275,060,371	275,060,371
Other Reserve	16(a)	10,317,176	8,920,366
Revaluation Reserve for HTM & HFT Securities	17(a)	72,049,741	72,068,420
Retained Earnings/(Loss on profit & loss A/C)	18(a)	(11,457,326,744)	(8,929,078,331)
Total Shareholders' Equity		(8,178,597,006)	(5,651,726,724)
Non-Controlling Interest		92	91
Total Equity		(8,178,596,914)	(5,651,726,633)
Total Liabilities and Shareholders' Equity		56,636,291,745	45,785,021,083



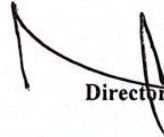
**Bangladesh Commerce Bank Limited & its Subsidiary
Consolidated Balance Sheet (Continued)
As at 31 December 2023**

Particulars	Notes	Amount in BDT	
		2023	2022
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		257,172,176	321,389,852
Letter of Guarantees	19.1	1,278,409,260	1,076,345,791
Irrevocable Letter of Credit		920,649,302	691,456,425
Bills for Collection		2,830,454,929	2,879,612,325
Other contingent liability	19.2	103,626,480	103,626,480
TOTAL CONTINGENT LIABILITIES		5,390,312,147	5,072,430,873
Other commitments			
Documentary Credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
Total Off-Balance Sheet items including contingent liabilities		5,390,312,147	5,072,430,873

The annexed notes 1 to 40 and Annexure A,B,C,D, E and F form an integral part of these consolidated financial statements.


Managing Director


Director


Director


Chairman

Signed in terms of our separate report of even date

Dhaka, Bangladesh
Date: 30.04.2024
DVC : 2404300137AS277728


Showkat Hossain, FCA
Senior Partner
Enrollment No. 0137
Hoda Vasi Chowdhury & Co.
Chartered Accountants

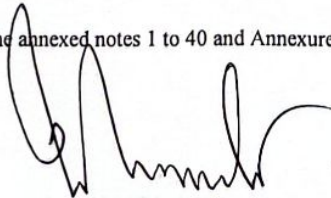


Hoda Vasi Chowdhury & Co

Bangladesh Commerce Bank Limited and its Subsidiary Consolidated Profit & Loss Account As at 31 December 2023

Particulars	Notes	Amount in BDT	
		2023	2022
Interest Income	20 (a)	1,370,481,756	1,270,444,430
Interest Paid on Deposits and Borrowings etc	21(a)	2,828,270,300	2,407,268,129
Net Interest Income		(1,457,788,544)	(1,136,823,700)
Income from Investments in Shares and Securities	22(a)	357,036,178	435,687,180
Commission, Exchange Earnings & Brokerage	23(a)	212,672,684	295,701,346
Other Operating Income	24(a)	165,015,872	94,286,402
		734,724,734	825,674,928
Total operating income (A)		(723,063,811)	(311,148,771)
Salaries and Allowances	25(a)	1,243,678,524	1,139,205,348
Rent, Taxes, Insurance, Electricity, etc.	26(a)	211,255,287	182,209,911
Legal Expenses		1,328,126	670,982
Postage, Stamp, Telecommunication etc.	27(a)	38,701,452	46,695,358
Stationery, Printing, Advertisement etc.	28(a)	29,062,986	22,518,457
Managing Director's salary and fees	29	12,960,000	12,365,160
Directors' Fee and expenses	30(a)	1,586,424	2,037,600
Auditors' Fee		471,500	333,500
Depreciation & Repairs of Bank Assets	31(a)	133,176,596	113,172,057
Other Expenses	32(a)	97,235,638	80,167,326
Total operating expenses (B)		1,769,456,532	1,599,375,700
Total Profit/ (Loss) before Provision & Taxes (C)=A-B		(2,492,520,343)	(1,910,524,471)
Provision for Loans & Advances	13.1.2	30,944,240	50,943,078
Provision for deminution in value of Investment	13.6	(19,082,449)	(13,265,153)
Provision for Off Balance Sheet Items	13.10	(4,144,858)	1,663,947
Other provisions	13.11	17,572,141	2,305,700
Total provision (D)		25,289,074	41,647,573
Profit/(loss) before taxes (C-D)		(2,517,809,417)	(1,952,172,044)
Provision for Taxation		5,188,993	42,554,441
Current tax expense		22,757,956	22,693,504
Prior year tax expense		-	-
Deferred tax expense/ (Income)		(17,568,962)	19,860,937
Net profit/ (loss) after taxation		(2,522,998,411)	(1,994,726,485)
Appropriations			
Statutory Reserve		-	-
General Reserve		-	-
Dividends Etc.		-	-
		-	-
Retained surplus		(2,522,998,411)	(1,994,726,485)
Earning Per Share (EPS)	34(a)	(126.86)	(100.30)

The annexed notes 1 to 40 and Annexure A,B,C,D,E and F form an integral part of these consolidated financial statements.


Managing Director


Director


Director


Chairman

Signed in terms of our separate report of even date

Dhaka, Bangladesh
Date: 30.04.2024
DVC : 2404300137AS277728


Showkat Hossain, FCA
Senior Partner
Enrollment No. 0137
Hoda Vasi Chowdhury & Co.
Chartered Accountants



Hoda Vasi Chowdhury & Co

Bangladesh Commerce Bank Limited and its Subsidiary Consolidated Cash Flow Statement As at 31 December 2023

Particulars	Amount in BDT	
	2023	2022
A. Cash flow from operating activities		
Interest receipts	711,691,968	823,222,548
Interest payments	(2,589,174,919)	(2,369,966,001)
Dividend receipts	9,911,131	50,403,541
Fees and commission receipts in cash	129,749,260	192,620,460
Cash payment to employees	(1,188,913,435)	(1,092,424,735)
Cash payment to suppliers	(268,184,555)	(241,984,340)
Income Taxes paid	(52,096,670)	(33,209,208)
Receipts from other operating activities	187,993,608	172,177,471
Payments for other operating activities	(77,305,615)	(63,769,100)
Operating profit before changes in operating assets and liabilities	(3,136,329,228)	(2,562,929,365)
Increase/(Decrease) in operating assets & liabilities	5,238,354,681	50,066,992
Statutory Deposits	-	-
Loan & advance to customers	(315,596,092)	(207,247,363)
Other assets	(167,663,008)	(112,534,024)
Deposits from other banks/ borrowings	(1,229,350,607)	441,027,883
Deposits from customers	6,204,578,040	(944,357,087)
Other liabilities	746,386,348	873,177,583
Net cash flows from/ (used in) operating activities (CBSIL)	(27,041,505)	(28,616,983)
Net cash flow from operating activities (A)	2,074,983,948	(2,541,479,356)
B. Cash flow from investing activities	(85,829,140)	(71,138,401)
Purchase/ sale of government securities & bond	(198,566,499)	(324,004,228)
Purchase of property, plant & equipment	112,737,359	252,865,827
Purchase/sale of subsidiary	-	-
Net Cash flow from investing activities(CBSIL)	(31,611,954)	(74,505,999)
Net cash flow from/ (used in) investing activities (B)	(117,441,094)	(145,644,400)
C. Cash flow from financing activities		
Proceeds from issue of debt instruments	7,311,619,082	369,759,833
Long Term loan payment to BCBL	-	-
Payment for redemption of debt instruments	(18,679)	(24,126,337)
Receipts from issuing ordinary share/ rights share	-	-
Cash Dividend	-	-
Net Cash flow from Financing activities(CBSIL)	20,303,614	19,961,342
Net cash flow from/(used in) financing activities (C)	7,331,904,016	365,594,838
G. Cash and cash equivalents at end of year (D+E+F) (*)	9,289,446,871	(2,321,528,918)
Net increase in Cash and Cash Equivalents (A+B+C)	-	-
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and Cash Equivalents at the beginning of the year	15,814,862,751	18,136,391,669
Cash and cash equivalents at end of year	25,104,309,621	15,814,862,751
Closing Cash & Cash Equivalent		
Cash in Hand (including foreign currency)	656,348,830	680,100,467
Balance with Bangladesh Bank and its Agent Banks	6,244,013,691	1,939,516,994
Balance with Other Bank's and Financial Institutions	14,079,396,425	8,565,471,200
Money at Call on Short Notice	28,600,000	28,900,000
Prize Bond	1,399,600	965,100
Government Securities & FDR	4,094,551,075	4,599,908,990
	25,104,309,621	15,814,862,751

Managing Director

Director

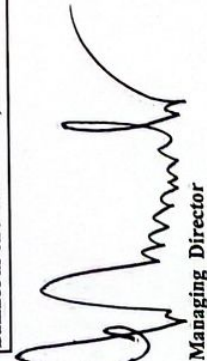
Director

Chairman



Bangladesh Commerce Bank Limited and its Subsidiary
Consolidated Statement of changes in Equity
As at 31 December 2023

Particulars	Amount in BDT							Total
	Paid up Capital	Share Premium	Non-Controlling Interest	Statutory Reserve	Revaluation Reserve	Other Reserve	Profit/(Loss)	
Balance as on January 01, 2023	2,921,302,450	-	91	275,060,371	96,194,757	8,920,366	(6,934,281,644)	(3,632,803,608)
Changes in Accounting Policy	-	-	-	-	-	-	-	-
Restated Balance	1,988,742,800	-	91	275,060,371	96,194,757	8,920,366	(6,934,281,644)	(4,565,363,258)
Share Capital BCI Ltd.	15,300,000	-	-	-	-	-	-	15,300,000
Adjustment for the application of IFRS-16 (Lease)	-	-	-	-	-	-	-	-
Right Share Application Money	917,259,650	-	-	-	-	-	-	917,259,650
Increase in Statutory Reserve	-	-	-	-	-	1,396,810	-	1,396,810
Revaluation Reserve for HTM Securities	-	-	-	-	(18,679)	-	-	(18,679)
Net Profit/(Loss) for the year	-	-	0.70	-	-	-	(2,522,998,411)	(2,522,998,410)
Balance as on December 31, 2023	2,921,302,450	-	92	275,060,371	96,176,078	10,317,176	(9,457,280,055)	(6,154,423,888)
Balance as on January 01, 2022	2,921,302,450	-	91	275,060,371	82,309,891	8,920,366	(5,365,698,959)	(2,078,105,789)
Changes in Accounting Policy	-	-	-	-	-	-	-	-
Restated Balance	1,988,742,800	-	91	275,060,371	82,309,891	8,920,366	(5,365,698,959)	(3,010,665,439)
Share Capital BCI Ltd.	15,300,000	-	-	-	-	-	-	15,300,000
Adjustment for the application of IFRS-16 (Lease)	-	-	-	-	-	-	-	-
Prior Year's Adjustment	-	-	-	-	-	-	-	-
Right Share Application Money	917,259,650	-	-	-	-	-	-	917,259,650
Increase in Statutory Reserve	-	-	-	-	-	-	-	-
Revaluation Reserve for HTM Securities	-	-	-	-	13,884,866	-	-	13,884,866
Issuance of Share Capital	-	-	-	-	-	-	-	-
Redemption of Share Capital	-	-	-	-	-	-	-	-
Net Profit/(Loss) for the year	-	-	-	-	-	-	(1,568,582,685)	(1,568,582,685)
Balance as on December 31, 2022	2,921,302,450	-	91	275,060,371	96,194,757	8,920,366	(6,934,281,644)	(3,632,803,608)


Managing Director


Director




Director


Chairman

Hoda Vasi Chowdhury & Co

Bangladesh Commerce Bank Limited Balance Sheet As at 31 December 2023

Particulars	Notes	Amount in BDT	
		2023	2022
PROPERTY AND ASSETS			
Cash	3	6,900,049,335	2,619,151,200
Cash in hand (including foreign currencies)	3.1	656,035,644	679,634,206
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	3.2	6,244,013,691	1,939,516,994
Balance with other banks and financial institutions	4	13,569,655,434	8,017,533,439
Inside Bangladesh	4.1	13,194,652,626	7,827,196,544
Outside Bangladesh	4.2	375,002,808	190,336,895
Money at call on short notice	5	28,600,000	28,900,000
Investments	6	5,461,429,391	6,079,090,165
Government	6.1	4,095,950,675	4,600,874,090
Others	6.2	1,365,478,716	1,478,216,075
Loans and Advances	7	23,975,400,474	23,659,804,382
Loans, Cash Credit, Overdrafts etc. / Investment	7.1	23,954,496,998	23,632,009,837
Bills purchased and discounted	7.2	20,903,475	27,794,544
Fixed assets including premises, furniture and fixtures	8	584,759,894	500,747,874
Other assets	9	5,106,025,685	3,964,726,953
Non-banking assets	10	-	-
Total Property and Assets		55,625,920,213	44,869,954,012
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	8,021,610,644	709,991,563
Deposits and other accounts	12	46,911,386,340	41,697,063,526
Current/ Al-Wadeeah Current Account and Other Accounts		6,309,117,378	5,538,643,382
Bills Payable		739,260,821	647,117,663
Savings Bank / Mudaraba Savings Bank Deposits		4,657,033,992	4,611,809,264
Short Term Deposit		3,090,765,320	2,687,826,083
Fixed Deposits / Mudaraba Fixed Deposits		25,212,886,057	20,864,808,793
Deposits under Different Schemes		6,902,322,773	7,346,858,341
Other Liabilities	13	9,013,254,556	8,257,819,120
Total Liabilities		63,946,251,541	50,664,874,209
SHAREHOLDERS' EQUITY			
Capital/Shareholders' Equity			
Paid-up-Capital	14.2 (a)	1,988,742,800	1,988,742,800
Share Capital BCI Ltd.		15,300,000	15,300,000
Right Share Application Money		917,259,650	917,259,650
Statutory Reserve	15	275,060,371	275,060,371
Other Reserve	16	8,920,366	8,920,366
Revaluation Reserve for HTM Securities	17	72,049,741	72,068,420
Exchange Equalization Account		-	-
Retained Earnings/(Loss on profit & loss A/C)	18	(11,597,664,256)	(9,072,271,804)
Total Shareholders' Equity		(8,320,331,328)	(5,794,920,197)
Total Liabilities and Shareholders' Equity		55,625,920,213	44,869,954,012



Bangladesh Commerce Bank Limited
Balance Sheet (Continued)
As at 31 December 2023

Particulars	Notes	Amount in BDT	
		2023	2022
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		257,172,176	321,389,852
Letter of Guarantees	19.1	1,278,409,260	1,076,345,791
Irrevocable Letter of Credit		920,649,302	691,456,425
Bills for Collection		2,830,454,929	2,879,612,325
Other contingent liability	19.2	103,626,480	103,626,480
TOTAL CONTINGENT LIABILITIES		5,390,312,147	5,072,430,873
Other commitments			
Documentary Credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total Off-Balance Sheet items including contingent liabilities		5,390,312,147	5,072,430,873

The annexed notes 1 to 40 and Annexure A,B,C,D,E and F form an integral part of these financial statements.


Managing Director


Director


Director


Chairman

Signed in term of our separate report of even date

Dhaka, Bangladesh
Date: 30.04.2024
DVC : 2404300137AS277728

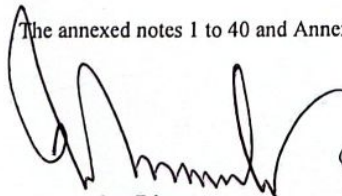

Showkat Hossain, FCA
Senior Partner
Enrollment No. 0137
Hoda Vasi Chowdhury & Co.
Chartered Accountants



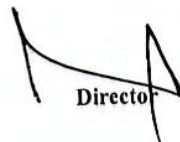
Bangladesh Commerce Bank Limited
Profit and Loss Account
As at 31 December 2023

Particulars	Notes	Amount in BDT	
		2023	2022
Interest Income / Profit on Investment	20	1,310,548,720	1,218,592,738
Interest paid/ Profit shared on Deposits and Borrowings etc	21	2,828,270,300	2,407,268,128
Net Interest Income		(1,517,721,580)	(1,188,675,390)
Income from Investments	22	344,344,302	415,463,106
Commission, Exchange Earnings & Brokerage	23	129,749,260	192,620,460
Other Operating Income	24	159,947,268	86,230,412
		634,040,830	694,313,978
Total operating income (A)		(883,680,750)	(494,361,412)
Salary and Allowances	25	1,175,953,435	1,080,059,575
Rent, Taxes, Insurance, Electricity, etc.	26	200,908,256	172,902,569
Legal Expenses		1,328,126	670,982
Postage, Stamp, Telecommunication etc.	27	38,003,332	45,998,879
Stationery, Printing, Advertisement etc.	28	28,253,168	21,696,492
Managing Director's salary and allowances	29	12,960,000	12,365,160
Directors' Fee	30	1,019,800	1,386,400
Audit Fees		471,500	333,500
Depreciation & Repair of Fixed Assets	31	130,744,662	110,361,001
Other Expenses	32	75,702,516	58,336,399
		1,665,344,794	1,504,110,957
Total operating expenses (B)		(2,549,025,543)	(1,998,472,368)
Profit before Provision (C)=A-B			
Provision for Loans & Advances / Investment	13.01	-	(319,188)
Provision for deminution in value of Investment	13.06	(19,082,449)	(13,265,153)
Provision for Off Balance Sheet Items	13.10	(4,144,858)	1,663,947
Other provisions	13.11	9,429,638	2,305,700
		(13,797,669)	(9,614,693)
Total provision (D)			
Profit/(loss) before taxes (C-D)		(2,535,227,874)	(1,988,857,675)
Provision for Taxation		(9,835,422)	19,907,117
Current tax expense		6,442,183	-
Prior year tax expense		-	-
Deferred tax expense / (income)		(16,277,606)	19,907,117
		(2,525,392,452)	(2,008,764,792)
Net profit/ (loss) after taxation			
Appropriations			
Statutory Reserve	15	-	-
General Reserve		-	-
Dividends etc.		-	-
		(2,525,392,452)	(2,008,764,792)
Retained surplus			
Earning Per Share (EPS)	34	(126.98)	(101.01)

The annexed notes 1 to 40 and Annexure A,B,C,D,E and F form an integral part of these consolidated financial statements.


Managing Director


Director


Director


Chairman

Signed in term of our separate report of even date

Dhaka, Bangladesh
Date: 30.04.2024
DVC : 2404300137AS277728


Showkat Hossain, FCA
Senior Partner
Enrollment No. 0137
Hoda Vasi Chowdhury & Co.
Chartered Accountants



Bangladesh Commerce Bank Limited
Cash Flow Statement
As at 31 December 2023

Particulars	Amount in BDT	
	2023	2022
A. Cash flow from operating activities		
Interest receipts	711,691,968	823,222,548
Interest payments	(2,589,174,919)	(2,369,966,001)
Dividend receipts	9,911,131	50,403,541
Fees and commission receipts in cash	129,749,260	192,620,460
Cash payment to employees	(1,188,913,435)	(1,092,424,735)
Cash payment to suppliers	(268,184,555)	(241,984,340)
Taxes paid	(52,096,670)	(33,209,208)
Receipts from other operating activities	187,993,608	172,177,471
Payments for other operating activities	(77,305,615)	(63,769,100)
Operating cash flow before changes in operating assets and liabilities	(3,136,329,228)	(2,562,929,365)
Increase/(Decrease) in operating assets & liabilities	5,238,354,681	50,066,992
Statutory Deposits		
Loan & advance to customers	(315,596,092)	(207,247,363)
Other assets (item-wise)	(167,663,008)	(112,534,024)
Deposits from other banks	(1,229,350,607)	441,027,883
Deposits from customers	6,204,578,040	(944,357,087)
Other liabilities account of customers	746,386,348	873,177,583
Net cash flow from/ (used in) operating activities (A)	2,102,025,453	(2,512,862,373)
B. Cash flow from investing activities		
Purchase of property, plant & equipment	(198,566,499)	(324,004,228)
Purchase/sale of Securities & bond	112,737,359	252,865,827
Net cash used in investing activities (B)	(85,829,140)	(71,138,401)
C. Cash flow from financing activities		
Receipts from issue of debt instruments	7,311,619,082	369,759,833
Payment for redemption of debt instruments	(18,679)	(24,126,337)
Receipts from issuing ordinary share/ rights share	-	-
Cash Dividend paid	-	-
Net cash flow from/ (used in) financing activities (C)	7,311,600,402	345,633,496
Net increase in Cash and Cash Equivalents (A+B+C)	9,327,796,715	(2,238,367,279)
Effects of exchange rate changes on cash and cash equivalents	-	-
Opening Cash and Cash Equivalents	15,266,458,728	17,504,826,008
Cash and cash equivalents at end of year	24,594,255,444	15,266,458,728
Closing Cash & Cash Equivalents		
Cash in Hand (including foreign currency)	656,035,644	679,634,206
Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)	6,244,013,691	1,939,516,994
Balance with Other Bank's and Financial Institutions	13,569,655,434	8,017,533,439
Money at Call on Short Notice	28,600,000	28,900,000
Government Securities	4,095,950,675	4,600,874,090
	24,594,255,444	15,266,458,728


Managing Director


Director

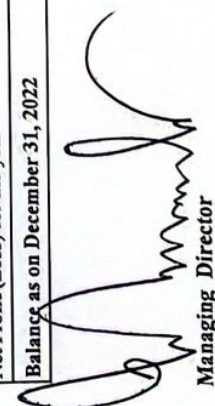

Director


Chairman



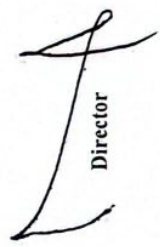
Bangladesh Commerce Bank Limited
Statement of Changes in Equity
As at 31 December 2023

Particulars	Amount in BDT						Total
	Paid up Capital	Share Premium	Statutory Reserve	Revaluation Reserve	Other Reserve	Profit/(Loss)	
Balance as on January 01, 2023	2,004,042,800	-	275,060,371	72,068,420	8,920,366	(9,072,271,804)	(6,712,179,846)
Changes in Accounting Policy	-	-	-	-	-	-	-
Restated Balance	1,988,742,800	-	275,060,371	72,068,420	8,920,366	(9,072,271,804)	(6,727,479,846)
Share Capital BCI Ltd.	15,300,000	-	-	-	-	-	15,300,000
Right Share Application Money	917,259,650	-	-	-	-	-	917,259,650
Adjustment for the application of IFRS-16 (Lease)	-	-	-	-	-	-	-
Increase in Statutory Reserve	-	-	-	-	-	-	-
Revaluation Reserve for HTM Securities	-	-	-	(18,679)	-	-	(18,679)
Net Profit/(Loss) for the year	-	-	-	-	-	(2,525,392,452)	(2,525,392,452)
Balance as on December 31, 2022	2,921,302,450	-	275,060,371	72,049,741	8,920,366	(11,597,664,256)	(8,320,331,328)
Balance as on January 01, 2022	2,004,042,800	-	275,060,371	96,194,757	8,920,366	(7,063,507,012)	(4,679,288,717)
Changes in Accounting Policy	-	-	-	-	-	-	-
Restated Balance	1,988,742,800	-	275,060,371	96,194,757	8,920,366	(7,063,507,012)	(4,694,588,717)
Share Capital BCI Ltd.	15,300,000	-	-	-	-	-	15,300,000
Right Share Application Money	917,259,650	-	-	-	-	-	917,259,650
Adjustment for the application of IFRS-16 (Lease)	-	-	-	-	-	-	-
Prior Year's Adjustment	-	-	-	-	-	-	-
Increase in Statutory Reserve	-	-	-	-	-	-	-
Revaluation Reserve for HTM Securities	-	-	-	(24,126,337)	-	-	(24,126,337)
Net Profit/(Loss) for the year	-	-	-	-	-	(2,008,764,792)	(2,008,764,792)
Balance as on December 31, 2022	2,921,302,450	-	275,060,371	72,068,420	8,920,366	(9,072,271,804)	(5,794,920,197)


Managing Director


Director




Director


Chairman

Bangladesh Commerce Bank Limited
Liquidity Statement
(Asset and Liability Maturity Analysis)
As at 31 December 2023

Particulars	Amount in BDT					
	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	3,088,317,813	-	-	-	3,811,731,522	6,900,049,335
Balance with other banks & financial institutions	3,040,959,783	6,256,968,120	4,271,727,531	-	-	13,569,655,434
Money at call and short notice	28,600,000	-	-	-	-	28,600,000
Investment	1,646,351	869,951,033	988,488,311	1,645,672,748	1,955,670,956	5,461,429,391
Loans and Advances	8,353,790,473	3,902,493,835	5,799,255,219	5,919,860,947	-	23,975,400,474
Fixed Assets including premises, furniture and fixtures	-	-	-	42,627,106	542,132,789	584,759,894
Other Assets	354,638,080	417,081,075	646,594,832	208,540,537	3,479,171,161	5,106,025,685
Non-banking assets	-	-	-	-	-	-
Total Assets	14,867,952,499	11,446,494,063	11,706,065,891	7,816,701,338	9,788,706,427	55,625,920,213
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	-	-	100,207,502	7,921,403,141	-	8,021,610,644
Deposits	8,131,140,658	13,869,642,321	15,966,528,660	6,099,030,150	2,845,031,536	46,911,386,340
Other Liabilities	95,190,265	5,187,785,231	2,830,267,735	900,011,324	-	9,013,254,556
Total Liabilities	8,226,330,925	19,057,427,552	18,897,003,896	14,920,444,615	2,845,031,536	63,946,251,541
Net Liquidity	6,641,621,575	(7,610,933,489)	(7,190,938,005)	(7,103,743,277)	6,943,674,892	(8,320,331,328)



**Bangladesh Commerce Bank Limited
Notes to the Financial Statements
As at and for the year ended on 31 December 2023**

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 the Companies Act 1994 and commenced commercial operation on 16 September 1999. It has 74 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 Nature of business

Main operation

The principal activities of the Bank are to carry on all kinds of commercial banking business in Bangladesh.

1.2 Subsidiary of the Bank

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

2 Basis of preparation of financial statements

2.1 Consolidated and Separate Financial Statements

The separate financial statements of the Bank for the year ended on December 31, 2023 main operation referred to as "the Bank." The consolidated financial statement comprise those of the Bank (parent) and its subsidiary (note 1.1), together referred to as "the Group" or individually referred to as "Group Entities/Subsidiaries" as the case may be. There were no significant changes in the operations of the Bank/Group Entities. A summary of accounting principle and policies which have been applied consistently (unless otherwise stated) are set out below:

2.1.1 Statement of compliance and basis of preparation

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

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

- i) The Bank Company Act, 1991 and amendment thereon;
- ii) The Companies Act, 1994;
- iii) Circulars, Rules and Regulations Issued by Bangladesh Bank (BB) time to time;
- iv) The Value Added Tax and SD Act, 2012 and amendment thereon;
- v) Financial Reporting Act 2015;
- vi) Parliamentary Act No.12,1997;
- vii) The Income Tax Act 2023

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

i) Investment in equity instruments

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

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

ii) Subsequent measurement of Government securities

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

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



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

iii) Provision on loans and advances

IFRS: As per IFRS 9 *Financial Instruments* an entity shall recognize an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition, whether assessed on an individual or collective basis, considering all reasonable information (including that which is forward-looking). For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD Circular no. 07 dated 21 June 2018, BRPD Circular no 13 dated 18 October 2018, BRPD circular No.15 dated 27 September 2017, BRPD circular no.16 dated 18 November 2014, BRPD circular no.14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013 and BRPD circular no.1 dated 20 February 2018, BRPD Circular No. 03 dated 21.04.2019 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard and SMA loans) has to be maintained regardless of objective evidence of impairment. Also provision for different categories of classified loans (sub-standard, doubtful & bad and loss loans) has to be provided at 20%, 50% and 100% respectively for loans and advances depending on time past due. Again as per BRPD circular no. 14 dated 23 September 2012 and BRPD circular no. 07 dated 21 June 2018, a general provision at 1% is required to be provided for all off-balance sheet exposures except on 'bills for collection' and 'guarantees' where the counter guarantees have been issued by Multilateral Development Bank (MDB)/International Bank having BB rating grade '1' equivalent outlined in the Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III). Such provision policies are not specifically in line with those prescribed by IFRS 9.

iv) Other comprehensive income

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

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

v) Financial Instruments – presentations and disclosure

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

vi) Repo and reverse repo transactions

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

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

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



vii) Financial guarantees

IFRS: As per IFRS 9, financial guarantees are contract that requires the issuer 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 original or modified terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of:

(i) the amount of the loss allowance and (ii) the amount initially recognised less, the cumulative amount of income recognised in accordance with the principles of IFRS 15. 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 should be treated as off balance items. No liability is recognized for the guarantee except the cash margin.

viii) Cash and cash equivalents

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

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

ix) Cash flow statement

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

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

ix) Non banking assets

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

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

xi) Balance with Bangladesh Bank

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

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

xii) Presentation of intangible asset

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

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

xiii) Off balance sheet items

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

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

xiv) Disclosure of appropriation of profit

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

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

xv) Loans and advances/Investments net of provision

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

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

xvi) Recognition of interest in suspense

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

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



xvii) Provision on undrawn loan commitments

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

Bangladesh Bank: As per BRPD Circular no. 07 dated 21 June 2018 and BRPD Circular no.14 dated 23 September 2012 and BRPD Circular No. 03 dated 21.04.2019, the Bank is required to maintain provision at 1% rate against off-balance sheet exposures (which includes all types of undrawn loan commitments).

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

xviii) Name of Financial Statements

IFRS: As per IAS 1 : Presentation of financial statements, Components of financial statements are defined as statement of financial position and statement of profit or loss and other comprehensive income.

Bangladesh Bank: As per BRPD 14, statement of financial position is defined as "Balance Sheet" whilst statement of profit or loss and other comprehensive income is defined as "Profit and Loss Account"

2.1.2 Going Concern

This Financial Statements have been prepared on the assessment of the banks ability to continue as a going concern. But there are indicators that indicate substantial doubt about the Bank ability to continue as a going concern for foreseeable future for the below mentioned issues-

- a. The Consolidated net operating income of the Bank become negative since 2018. The net operating loss reported by the Bank for the year ended 31 December 2023 is BDT 2,492,520,343 and for the year ended 31 December 2022 is BDT 1,910,524,471.
- b. The accumulated net loss reported by the Bank for the year ended 31 December 2023 is BDT 11,457,326,744. The net loss reported by the Bank for the year ended 31 December 2023 is BDT 2,525,392,452 and for the year ended 31 December 2022 is BDT 2,008,764,792.
- c. The Bank reported negative shareholders equity since 2019. The shareholders equity reported by the Bank for the year ended 31 December 2023 is BDT (8,320,331,328) And for the year ended 31 December 2022 is BDT (5,794,920,197) (Statement of changes in Equity).
- d. Total classified loans and advances at 31 December 2023 was BDT. 12,383,535,000 or 51.65% of total portfolio, as compared to BDT. 10,423,531,253 or 44.06% at 31 December 2022.
- e. The Bank has deposit instruments of BDT 7,005,948,250 in seven Non-Banking Financial institutions as at 31 December 2023. ,As per the Bangladesh Bank Letter No: BRPD (P)/661/13/2024-97, Dated: 03.01.2024, the Bank is not required to maintain any provision for deposit in the NBFi for the year ended 31 December 2023 though impairment indicator exists. Adequate profit may not be available to provide against these impaired assets after 2023.

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

The management has taken various strategies for enhancing of Tier-1 Capital through increase of Paid up capital by issuing Right share and the process already reach in final stage. The bank management have already taken to introduce 04 (four) new loan product and 03 (three) new deposit product to expand the business and also various strategy like special taskforce formation to regularise the default loan so that provision shortfall reduced which will ultimately increase the eligible capital of the Bank. As a result the deposit of the Bank increase Taka 5,214,322,815 in 2023 compared to 2022 and loans and advances increase Taka 315,596,092 crore in 2023 compare to 2022 . Aside under BRPD circular of Bangladesh Bank, Bangladesh Commerce Bank Ltd. already have achieved significant improvement to regularised bank quality product.

2.1.3 Use of estimates and judgments

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

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



Impairment losses on loans and advances

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

Other items

Other key items where estimates or judgement were involved includes:

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

2.1.4 Materiality and aggregation

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

2.1.5 Comparative information

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

2.2 Basis of Consolidation

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

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) 10: *Consolidated Financial Statements*. The consolidated financial statements are prepared to a common reporting year ended on December 31, 2023.

Subsidiaries

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

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

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

2.3 Accounting for Provisions, Contingent Liabilities and Contingent Assets

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

No provision is recognized for-

- a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or
- b) Any present obligation that arises from past events but is not recognized because-
 - * It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - * A reliable estimate of the amount of obligation cannot be made.

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

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

2.4 Taxation

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

2.4.1 Current Tax

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

Provision for current income tax has been made @ 40% as prescribed in the Finance Act 2023 on the taxable income.



2.4.2 Deferred Tax

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

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

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

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

2.5 Reporting period

These financial statements cover one calendar year from January 01, 2023 to December 31, 2023.

2.6 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements except the recognition of defined benefit obligation and plan assets relating to the gratuity fund on the balance sheet of the Bank from 2019. The net effect in opening balance for such recognition has been charged in profit and loss considering the effect as immaterial as per IAS - 8.

2.6.1 Assets and the basis of their valuation

2.6.1.1 Cash and cash equivalents

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

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

2.6.1.2 Investments (categorized and reported as per Bangladesh Bank)

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

Held to Maturity

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

Held for Trading

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

Revaluation

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

Investment in quoted securities

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

Investment in unquoted securities

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

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

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



Investment in subsidiary

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

Investment in associate

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

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

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

2.6.1.2.1 Impairment of investment in subsidiaries and associates

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

2.6.1.3 Loans and Advances

a) Interest on loans and advances is calculated daily on product basis but charged and accounted monthly and quarterly on accrual basis.

b) Provision for loans and advances is made on the basis of quarter-end review by the management and instructions contained in BRPD Circular no. 14 dated 23 September 2012, BRPD Circular no. 04 dated 29 January 2015, BRPD Circular no. 08 dated 02 August 2015, BRPD Circular No.12, dated 20 August, 2017, BRPD Circular No. 12 dated 20 August, 2017, BRPD Circular No. 01 dated 20 February, 2018, BRPD Circular No. 01 dated 20 February, 2018, BRPD circular no. 03 dated 21 April 2019, BRPD circular no. 07 dated 19 March 2020 BRPD circular no. 56 dated 10 December 2020, BRPD circular no. 05 dated 24 March 2021, BRPD circular no. 19 dated 26 August, BRPD circular no.45 dated 4 October 2021, BRPD circular no.50 dated 14 December 2021, BRPD circular no. 51 & 52 dated 29 December 2021, BRPD circular no.53 dated 30 December 2021 Details are given below:



The classification rates are given below:

Consumer/ Business Unit	Rates of Provision				
	Un-classified (U/C)		Classified		
	Standard	SMA	SS	DF	BL
House building	1%	1%	20%	50%	100%
Loans for professionals	2%	2%	20%	50%	100%
Other than house building and professionals	5%	5%	20%	50%	100%
Loans to BHs/ MBs against share etc.	2%	2%	20%	50%	100%
Small and medium enterprise	0.25%	0.25%	20%	50%	100%
Short term Agri/Micro credit	1%	1%	5%	5%	100%
Credit Card	2%	2%	20%	50%	100%
All others	1%	1%	20%	50%	100%
Special general provision for COVID 19: Unclassified loans	1% to 2%		N/A		
Off Balance Sheet exposure	1%	N/A	N/A		

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

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

2.6.1.4 Impairment of financial assets

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

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

2.6.1.5 Leases

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

2.6.1.6 Property, plant and equipment

a) Recognition and Measurement

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

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

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

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

Subsequent costs

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



b) Depreciation

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

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

c) Gain or Loss on disposal of Fixed Assets

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

d) Revaluation

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

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

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

e) Impairment of Property, Plant and Equipment

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

f) Capital work in progress (CWIP)

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

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

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

2.6.1.7 Intangible assets

a) Goodwill

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

b) Software

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

c) Licence

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

d) Impairment of intangible assets

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



2.6.1.8 Other assets

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

2.6.1.9 Inventories

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

2.6.2 Liabilities

2.6.2.1 Borrowings from other banks, financial institutions and agents

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

2.6.2.2 Deposits

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

2.6.2.3 Other Liabilities

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

2.6.3 Capital and Shareholders' Equity

Capital Management

The Bank has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. This capital management process aims to achieve four major objectives: exceed regulatory thresholds and meet longer-term internal capital targets, maintain strong credit ratings, manage capital levels commensurate with the risk profile of the Bank and provide the Bank's shareholders with acceptable returns.

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

2.6.3.1 Capital / Shareholders Equity

a. Authorized Capital

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

b. Paid up share capital

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

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

2.6.3.2 Preference Share Capital

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

2.6.3.3 Share Premium

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

2.6.3.4 Statutory Reserve

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



2.6.3.5 Revaluation Reserve

Revaluation Reserve on Govt. Securities

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

Assets Revaluation Reserve

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

Actuarial Reserve

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

2.6.3.6 Non-controlling interest (NCI)

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

2.7 Employee Benefits

2.7.1 Provident Fund (Defined Contribution Plan)

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

2.7.2 Gratuity Fund (Defined Benefit Plan)

Gratuity Fund benefits are given to the staff of the Bank in accordance with the approved Gratuity Fund rules. National Board of Revenue has approved the Gratuity Fund as a recognized Gratuity fund on 27th November 2016. The fund is operated by a Board of Trustees consisting of 5 (five) members of the Bank. Employees are entitled to Gratuity benefit after completion of minimum 7 (Seven) years of service in the Bank will get equivalent one last month's basic salary for each year of service, after completion of 12 (Twelve) years will get 1.5 (One and half) of its last month's basic salary for each year of service and after completion of 20 (Twenty) years will get double of its last month's basic salary for each year of service. The Gratuity is calculated on the basis of last basic pay and is payable at the rate of one month's basic pay for every completed year of service. Gratuity fund is a "Defined Benefit Plan" and contribution to Gratuity Fund is measured through the result of actuarial valuation of the fund. Bank's management wants to actuary valuation of its gratuity fund in next year.

The Bank's net obligation in respect of gratuity is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in OCI. The Bank determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense, current service cost and other expenses related to defined benefit plans are recognised as salaries and allowances in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

2.7.3 Other Employee Benefits

Life Insurance

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

Subsidized Scheme - Staff Loan

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

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



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

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

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

2.8 Revenue Recognition

Interest Income

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

Investment Income

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

Income on Bills purchased and discounted

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

Interest and fees receivable on credit cards

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

Fees and Commission Income

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

Dividend Income on Shares

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

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

Gain or loss on sale of property, plant and equipment

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

Interest paid and other expenses

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

2.9 Earnings Per Share

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

Basic earnings

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

Weighted average number of ordinary shares outstanding during the year

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

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

Diluted earnings per share

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



2.10 Basis of preparation of liquidity statement

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

- a) Balances with other bank and financial institutions, money at call and short notice etc. are on the basis of their maturity term.
- b) Investments are on the basis of their residual maturity term.
- c) Loans and advances are on the basis of their repayment/ maturity schedule.
- d) Fixed assets are on the basis of their useful life.
- e) Other assets are on the basis of their adjustment.
- f) Borrowing from other banks, financial institutions and agents as per their maturity/ repayment term
- g) Deposits and other accounts are on the basis of their maturity term and behavioral past trend.
- h) Other long term liability on the basis of their maturity term.
- i) Provisions and other liabilities are on the basis of their settlement.

2.11 Compliance of International Financial Reporting Standard (IFRS)

Ref.	Name of the standards	Status
IFRS-1	First-time adoption of International Financial Reporting Standards	Not applicable
IFRS-2	Share-based Payment	Not applicable
IFRS-3	Business Combinations	Complied
IFRS-4	Insurance Contracts	Not applicable
IFRS-5	Non-current assets Held for Sale and Discounted Operations	Not applicable
IFRS-6	Exploration for and Evaluation of Mineral Resources	Not applicable
IFRS-7	Financial Instruments: Disclosures	Complied *
IFRS-8	Operating Segments	Not applicable
IFRS-9	Financial Instruments	Complied *
IFRS-10	Consolidated Financial Statements	Complied
IFRS-11	Joint Arrangements	Not applicable
IFRS-12	Disclosure of Interests in Other Entities	Not applicable
IFRS-13	Fair Value Measurement	Complied
IFRS-14	Regulatory Deferral Accounts	Not applicable
IFRS-15	Revenue from Contracts with Customers	Complied
IFRS-16	Leases	Complied
IAS-1	Presentation of Financial Statements	Complied
IAS-2	Inventories	Not applicable
IAS-7	Statement of Cash Flows	Complied
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors	Paritally Complied**
IAS-10	Events after the Reporting Period	Complied
IAS-12	Income taxes	Complied
IAS-16	Property, Plant and Equipment	Complied
IAS-19	Employee Benefits	Complied
IAS-20	Accounting for Government Grants and Disclosure of Government Assistance	Not applicable
IAS-21	The Effect of Changes in Foreign Exchanges Rates	Complied
IAS-23	Borrowing Cost	Complied
IAS-24	Related Party Disclosures	Complied
IAS-26	Accounting and Reporting by Retirement Benefit Plans	Not applicable
IAS-27	Separate Financial Statements	Complied
IAS-28	Investment in Associates	Complied
IAS-29	Financial Reporting in Hyperinflationary Economies	Not applicable
IAS-32	Financial Instruments: Presentation	Complied *
IAS-33	Earnings Per Share	Complied
IAS-34	Interim Financial Reporting **	Complied
IAS-36	Impairment of Assets	Complied



Ref.	Name of the standards	Status
IAS-37	Provisions, Contingent Liabilities and Contingent Assets	Complied
IAS-38	Intangible Assets	Complied
IAS-39	Financial Instruments: Recognition and Measurement	Complied *
IAS-40	Investment Property	Not applicable
IAS-41	Agriculture	Not applicable

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

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

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

Reason for departure from IFRS

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

Standards issued but not yet effective

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

A. IFRS 16 Leases : Implimentation of IFRS 16 and its relevant assumptions and disclosers

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

2.12 Risk Management

Risk is an inherent part of the business activities and risk management is pivotal for the sustainability of business. This era of globalisation enables hefty expansion of business activities that ultimately increases competition level for organizations drastically. Financial crisis and volatility in economic growth in some developed countries set the example of imperativeness towards comprehensive risk management. Types of risk, however, vary from business to business but preparing a risk management plan involves a conjoint process. A comprehensive risk management plan must enumerate strategies for dealing with risks specific to any business but should not be limited to those.

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

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

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

2.12.1 Credit Risk Management

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



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

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

2.12.2 Foreign Exchange Risk Management

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

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

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

2.13.3 Asset Liability Management

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

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

2.13.4 Prevention of Money Laundering

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

2.13.5 Internal Control and Compliance

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

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

The main objectives of internal control are as follows:

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



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

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

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

2.13.5.1 Internal Audit

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

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

2.13.5.2 Compliance

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

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

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

2.13.5.3 Monitoring

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

2.13.5.4 Concurrent Audit

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



2.13.5.5 Fraud and Forgery

Fraud and forgery have become very important issues in recent years. These have a major impact on our country's economy as a whole, impeding the economic development. BCBL has always been very focused in controlling fraud & forgery by establishing and maintaining proper control systems. Now a day's fraud and forgery appears in diverse form. To prevent fraud and forgery, BCBL formed Investigation Unit under Compliance & Monitoring Department of Internal Control & Compliance Division to deal with such kind of incidences. This wing exclusively deals with all kinds of fraud and forgery and act independently as the first contact point/ information unit where internal and external fraud and forgery incidences are escalated, investigated and reviewed. To protect the bank and its stakeholder's interest, Investigation Team performs thorough investigation to identify the perpetrator and the root cause of the reported incident. As a remedial course of action, preventive measures are recommended to the business/functional unit to take necessary action relating to process improvement, recovery of misappropriated amount, adjustment of the operational loss and to take appropriate action against the perpetrator. The investigation reports are also placed to the Board Audit Committee for their direction and guidance. All fraud and forgery which were identified in 2019 were also duly reported to Bangladesh Bank on regular basis following their prescribed format and adequate provision has been maintained in the books of accounts. On the other hand management is exerting their all-out efforts to recover the loss amount incurred due to fraud.

2.14 Implementation of BASEL- III

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

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

Basel III reforms are the response of Basel Committee on Banking Supervision (BCBS) to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spillover from the financial sector to the real economy. "Basel III: A global regulatory framework for more resilient banks and banking systems" (known as Basel III capital regulations) in December 2010. Basel III reforms strengthen the bank-level i.e. micro prudential regulation, with the intention to raise the resilience of individual banking institutions in periods of stress. Besides, the reforms have a macro prudential focus also, addressing system wide risks, which can build up across the banking sector, as well as the pro-cyclical amplification of these risks over time. These new global regulatory and supervisory standards mainly addressed the following areas:

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

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

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

We have fully complied with all the directives provided by the Central Bank from time to time, starting from Pillar I, II and III reporting requirements to periodic Stress Testing activity etc. Formation of BASEL Steering Committee chaired by the Managing Director of the bank helps us to ensure supreme governance and strict regimentation at execution level. At the end of 2019, all the variables are completely ready to cope up the full implementation of BASEL III.

2.15 Off Balance Sheet items

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



2.15.1 Derivative financial instruments

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

2.15.2 Provision on off balance sheet exposures

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

2.16 Accounting for Changes in Policy, Accounting Estimates and Errors

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

2.17 Events after reporting period

As per IAS - 10 "Events after the Reporting Period" events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of event can be identified:

- (a) Adjusting events after the reporting period which provide evidence of conditions which existed at the end of the reporting period; and
- (b) Non adjusting events after the reporting period, are those that are indicative of conditions that arose after the reporting period.

2.18 Related party disclosures

Related Party is a party related to an entity if:

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

2.19 Director's responsibilities on statement

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

2.20 Segment reporting

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

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

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

2.21 Name of the Financial Position and Income Statements

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

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

2.22 General

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



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Bangladesh Commerce Bank Limited
Notes to the financial statements
For the year ended on 31 December 2023

Notes	Particulars	Amount in Tk	
		2023	2022
3	Cash		
	Cash in hand (Note 3.1)	656,035,644	679,634,206
	Balance with Bangladesh Bank and its agent bank(s) (Note 3.2)	6,244,013,691	1,939,516,994
		6,900,049,335	2,619,151,200
3(a)	Consolidated Cash		
	Bangladesh Commerce Bank Limited	6,900,049,335	2,617,443,566
	CBSIL	313,185	466,260
		6,900,362,520	2,617,909,826
3.1	Cash in Hand		
	In local currency	655,977,119	679,630,680
	In foreign currencies	58,526	3,526
		656,035,644	679,634,206
3.1(a)	Consolidated Cash in Hand		
	Bangladesh Commerce Bank Limited (Note 3.1)	656,035,644	679,634,206
	CBSIL	313,185	466,260
		656,348,830	680,100,467
3.2	Balance with Bangladesh Bank and its agent bank(s)		
	Balance with Bangladesh Bank		
	In local currency	6,021,995,954	1,811,637,201
	In foreign currencies	221,521,316	126,172,159
		6,243,517,270	1,937,809,359
	Balance with Sonali Bank in local currency (as agent of Bangladesh Bank)	496,420	1,707,634
		6,244,013,691	1,939,516,994
3.2(a)	Consolidated Balance with Bangladesh Bank and its agent bank(s)		
	Bangladesh Commerce Bank Limited (Note 3.2)	6,244,013,691	1,939,516,994
	CBSIL	-	-
		6,244,013,691	1,939,516,994
3.3	Statutory Deposit		
	As per MPD circular No- 03 dated April 09, 2020 of Bangladesh Bank (effective from April 15, 2020), all scheduled banks have to maintain a CRR of minimum 3.5% on daily basis and 4.00% on bi-weekly basis on weekly average demand and time liabilities of the base month which is two months back of reporting month (i.e. CRR of December 2022 was based on weekly average balance of October 2022). BCBL has been maintaining it bi-weekly basis.		
	a. Convention Bank		
	Cash Reserve Ratio (CRR) : 4.00% of Average Demand & Time Liabilities		
	Required Reserve	1,632,247,000	1,392,914,571
	Actual Reserve held with Bangladesh Bank	5,806,949,269	1,659,810,270
	TT in Transit	-	-
		5,806,949,269	1,659,810,270
	Surplus/(Deficit)	4,174,702,269	266,895,699
	Maintained Ratio	14.23%	4.77%
	Statutory Liquidity Ratio (SLR) : 13% of Average Demand & Time Liabilities		
	Required Reserve	5,304,804,000	4,526,972,356
	Actual Reserve held	5,401,608,130	5,163,461,530
	Surplus/(Deficit)	96,804,130	636,489,174
	Maintained Ratio	13.24%	14.83%
	Average Deposit (Demand & Time Liabilities)	40,806,187,000	34,822,864,000
	b. Islamic Bank		
	Cash Reserve Ratio (CRR) : 4.00% of Average Demand & Time Liabilities		
	Required Reserve	51,732,000	61,882,273
	Actual Reserve held with Bangladesh Bank	160,000,000	160,000,000
	TT in Transit	160,000,000	160,000,000
		108,268,000	98,117,727
	Surplus/(Deficit)	108,268,000	98,117,727
	Maintained Ratio	12.37%	10.34%
	Statutory Liquidity Ratio (SLR) : 5.5% of Average Demand & Time Liabilities		
	Required Reserve	85,088,126	85,088,126
	Actual Reserve held	127,208,870	127,208,870
	Surplus/(Deficit)	42,120,744	42,120,744
	Maintained Ratio	9.84%	8.22%
	Average Deposit (Demand & Time Liabilities)	1,293,306,000	1,547,057,000



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Notes	Particulars	Amount in Tk	
		2023	2022
4	Balance with other banks and financial institutions		
	In Bangladesh (Note 4.1)	13,194,652,626	7,827,196,544
	Outside Bangladesh (NOSTRO A/C) (Note 4.2)	375,002,808	190,336,895
		13,569,655,434	8,017,533,439
4(a)	Consolidated Balance with other banks and financial institutions		
	In Bangladesh	13,704,393,617	8,375,134,305
	Outside Bangladesh (NOSTRO A/C)	190,336,895	190,336,895
		13,894,730,511	8,565,471,200
4(b)	Consolidated Balance with other banks and financial institutions		
	Bangladesh Commerce Bank Limited (Note 4)	13,569,655,434	8,017,533,439
	CBSIL	509,740,991	547,937,761
		14,079,396,425	8,565,471,200
4.1	In Bangladesh		
4.1.1	Current Deposits:		
	Agrani Bank Ltd.	14,126,166	56,694,298
	Janata Bank Ltd.	41,757	76,777
	Trust Bank Ltd.	549,014	846,657
	Sonali Bank.	10,299,369	39,255,311
	Dutch Bangla Bank Limited	5,672,553	4,031,861
	Pubali Bank Ltd.	-	-
	Al-Arafah Islami Bak Ltd.	30,833,133	18,162,389
	BASIC Bank Limited	6,980	11,705
	Rupali Bank Limited	3,037	3,037
	Islami Bank Bangladesh Ltd.	140,213,175	22,063,963
	Exim Bank Bangladesh Ltd.	2,280,372	1,438,477
	Balance with Investment Account-Share **	494,355,445	399,278,008
		698,381,000	541,862,482
4.1.2	STD Accounts:		
	Sonali Bank Ltd.	85,706	88,440
	NRBC Bank Ltd.	1,846,307	-
	Uttara Bank Limited	157,161	155,518
	Janata Bank Ltd.	38,266,423	27,803,644
	Union Bank Ltd.	405,101,172	130,565
	Social Islami Bank Limited	6,617,297	14,942,640
	Bangladesh Krishi Bank	2,052,308	1,002,362
	First Security Islami Bank Limited	1,401,444,542	6,157,413
	IFIC Bank Limited	4,572,116	-
	Agrani Bank Ltd.	30,180,343	165,572,213
		1,890,323,376	215,852,794
	** Balance with Investment Account-Share - This amount kept in Commerce Bank Securities and Investment Limited for trading share and securities.		
4.1.3	FDR Accounts:	10,605,948,250	7,069,481,268
	a) FDR in NBF1		
	Reliance Finance Ltd.(AVIVA)	2,900,000,000	2,905,000,000
	People's Leasing and Financial Services Ltd.	1,542,548,250	1,542,548,250
	International Leasing & Financial Services Ltd.	1,474,900,000	1,474,900,000
	Bangladesh Industrial & Finance Company Limited(BIFC)**	710,000,000	768,533,018
	Premier Leasing & Finance Ltd.	88,500,000	88,500,000
	FAS Finance & Investment Ltd.	200,000,000	200,000,000
	First Lease Finance & Investment Ltd.	90,000,000	90,000,000
		7,005,948,250	7,069,481,268
	As per Bangladesh bank Letter No: BRPD (P-1)/661/13/2024-97, Dated: 03.01.2024, the Banks is not required to maintain provision for deposits in NBF1 year 2023.		
	As per Bangladesh NOC letter ref no- DBI-5(IS)/157/2024-543, Dated 23 April 2024, amount kept in Bangladesh Industrial & Finance Company Limited (BIFC) TK. 58,533,018 deducted from FDR Account and transfer to Interest Receivable.		
	b) MTDR/ FDR in Bank		
	Social Islami Bank PLC	300,000,000	-
	Union Bank PLC	1,000,000,000	-
	Islami Bank PLC	2,300,000,000	-
		3,600,000,000	-
	Total Balance with Other Bank and NBF1	13,194,652,626	7,827,196,544



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

2023
Taka

Name of Banks & Financial Institutions	On Demand	Up to 1 month	1 to 3 months	6 months to 1 year	1 to 5 years	Over 5 years	Total
Agrani Bank Ltd.	44,306,510	-	-	-	-	-	44,306,510
Janata Bank Ltd.	38,308,180	-	-	-	-	-	38,308,180
Al-Arafah Islami Bak Ltd.	30,833,133	-	-	-	-	-	30,833,133
Trust Bank Ltd.	549,014	-	-	-	-	-	549,014
Sonali Bank Ltd.	10,385,075	-	-	-	-	-	10,385,075
Dutch Bangla Bank Ltd.	5,672,553	-	-	-	-	-	5,672,553
Islami Bank Banglaesh Ltd.	140,213,175	-	-	-	-	-	140,213,175
Uttara Bank Ltd.	157,161	-	-	-	-	-	157,161
Rupali Bank Ltd.	3,037	-	-	-	-	-	3,037
Social Islami Bank Ltd.	6,617,297	-	-	-	-	-	6,617,297
Rajshahi Krishi Unnayan Bank	1,846,307.00	-	-	-	-	-	1,846,307
BASIC Bank Ltd.	6,980	-	-	-	-	-	6,980
Union Bank Ltd.	405,101,172	-	-	-	-	-	405,101,172
Bangladesh Krishi Bank	2,052,308	-	-	-	-	-	2,052,308
First Security Islami Bank Ltd.	1,401,444,542	-	-	-	-	-	1,401,444,542
Exim Bank Bangladesh Ltd.	2,280,372	-	-	-	-	-	2,280,372
IFIC Bank Limited	4,572,116	-	-	-	-	-	4,572,116
Balance with Investment Account-Share	494,355,445	-	-	-	-	-	494,355,445
Grand total	2,588,704,376	-	-	-	-	-	2,588,704,376

Amount in Tk

2023	2022
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4.2 Outside Bangladesh Interest-bearing Accounts Non Interest- bearing Accounts

375,002,808	190,336,895
360,961,344	136,205,594
14,041,464	54,131,301

4.2.1 Interest-bearing Accounts Mashreq Bank PSC, NY Zhejiang Chouzhou Com Bank China Usd Zhejiang Chouzhou Com Bank China Usd

348,741,704	124,848,629
6,783,116	11,356,965
5,436,523	-

360,961,344	136,205,594
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4.2.2 Non Interest-bearing Accounts Sonali Bank Ltd. Kolkata NIB Bank Karachi Standard Chartered Bank, Mumbai, India Sonali Bank (Uk) Ltd. Punjab National Bank(Acud)

1,099,650	40,871,705
15,874	14,941
5,875,642	5,530,170
4,629,759	2,540,634
2,420,538	5,173,851

Total

14,041,464	54,131,301
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4.2.3 Non Interest bearing A/C (Outside Bangladesh NOSTRO A/C)

Particulars	Currency Name	2023			2022		
		Amount in FC	Conversion Rate per Unit FC	Amount in BDT	Amount in FC	Conversion Rate per Unit FC	Amount in BDT
Sonali Bank Ltd. Kolkata	USDS	10,020	109.75	1,099,650	395,672	103.30	40,871,705
NIB Bank Karachi	USDS	145	109.75	15,874	145	103.30	14,941
Standard Charted Bank, Mumbai (Acud)	USDS	53,537	109.75	5,875,642	53,537	103.30	5,530,170
Sonali Bank (Uk) Ltd.	EURO	35,215	126.28	4,446,795	21,374	110.81	2,368,427
Sonali Bank (Uk) Ltd.	USDS	1,667	109.75	182,964	1,667	103.30	172,206
Punjab National Bank(Acud)	USDS	22,055	109.75	2,420,538	50,087	103.30	5,173,851
				14,041,464			54,131,301

Note: Balance with other Bank and financial institutions includes Taka 5,875,642 equivalent to USD 53,536.60 which was freed 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.

Amount in Tk

2023	2022
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4.2.4 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

375,002,808	136,205,594
-	-
-	-
-	-
-	-
-	-
-	-
375,002,808	136,205,594



Hoda Vasi Chowdhury & Co

Notes	Particulars	Amount in Tk	
		2023	2022
5	MONEY AT CALL ON SHORT NOTICE		
	Inside Bangladesh	(Note: 5.1) 28,600,000	28,900,000
	Outside Bangladesh	(Note: 5.2) -	-
		<u>28,600,000</u>	<u>28,900,000</u>
5.1	In Bangladesh		
	Banks		
	ICB Islamic Bank Ltd.	28,600,000	28,900,000
		<u>28,600,000</u>	<u>28,900,000</u>
	Outside Bangladesh	-	-
5(a)	CONSOLIDATED MONEY AT CALL AND SHORT NOTICE		
	Bangladesh Commerce Bank Limited	28,600,000	28,900,000
	CBSIL	-	-
		<u>28,600,000</u>	<u>28,900,000</u>
6	INVESTMENTS	<u>5,461,429,391</u>	<u>6,079,090,166</u>
6.1	Government Securities Treasury Bond/ Bill		
	30-day Bangladesh Bank Bill	-	-
	91-day Treasury Bill	-	89,139,696
	182-day Treasury Bill	-	146,693,071
	364-day Treasury Bill	95,525,732	-
	2-year Treasury Bond	-	100,002,898
	5-year Treasury Bond	101,070,918	853,390,872
	10-year Treasury Bond	-	2,734,386,637
	15-year Treasury Bond	79,061,682	81,981,558
	20-year Treasury Bond	85,494,565	237,755,471
		<u>361,152,898</u>	<u>4,243,350,203</u>
	Prize Bond	1,399,600	965,100
	Securities Pledge With Bangladesh Bank	3,733,398,178	356,558,786
		<u>4,095,950,675</u>	<u>4,600,874,090</u>
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	38,596,902	41,521,627
	20-year Treasury Bond	10,371,715	12,188,958
		<u>48,968,617</u>	<u>53,710,584</u>
6.1.2	Government Securities (HTM)		
	30-day Bangladesh Bank Bill	-	-
	91-day Treasury Bill	-	89,139,696
	182-day Treasury Bill	-	146,693,071
	364-day Treasury Bill	95,525,732	-
	2-year Treasury Bond	-	100,002,898
	5-year Treasury Bond	101,070,918	853,390,872
	10-year Treasury Bond	-	2,734,386,637
	15-year Treasury Bond	40,464,780	40,459,931
	20-year Treasury Bond	75,122,851	225,566,514
		<u>312,184,281</u>	<u>4,189,639,619</u>
6.2	Other Investments		
	Shares in quoted companies	(Annexure-E) 458,428,602	519,159,588
	Shares in quoted companies (Special Fund 200 Crore)	(Annexure-F) 159,550,205	191,556,578
	Shares in un-quoted companies	(Note: 6.2.1) 40,000,000	60,000,000
	Corporate Bond	(Note: 6.2.2) 50,000,000	50,000,000
	Investment in Sonali Polaris FTL	7,500,000	7,500,000
	Investment in Subsidiary	649,999,910	649,999,910
		<u>1,365,478,716</u>	<u>1,478,216,075</u>

Details of Investment in quoted shares are shown in Annexure-E



Hoda Vasi Chowdhury & Co

Notes	Particulars	Amount in Tk	
		2023	2022
6.2.1	Shares in un-quoted companies		
	Confidence Power Rangpur Ltd	20,000,000	30,000,000
	Confidence Power Bogura Unit-2 Ltd	20,000,000	30,000,000
		<u>40,000,000</u>	<u>60,000,000</u>
6.2.2	Corporate Bond		
	Non Convertible Bond-Golden Harvest	50,000,000	50,000,000
		<u>50,000,000</u>	<u>50,000,000</u>
6.3	Maturity Grouping of Investments (BGTB)		
	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	95,525,732	-
	With a residual maturity of more than 2 years	265,627,166	4,243,350,203
		<u>361,152,898</u>	<u>4,243,350,203</u>
6(a)	Consolidated Investment	<u>5,027,501,394</u>	<u>5,634,343,201</u>
	Government Securities		
	Bangladesh Commerce Bank Limited	(Note: 6.1) 4,095,950,675	4,600,874,090
	CBSIL	-	-
		<u>4,095,950,675</u>	<u>4,600,874,090</u>
	Other Investments		
	Bangladesh Commerce Bank Limited	(Note: 6.2) 1,365,478,716	1,478,216,075
	CBSIL	216,071,912	205,252,946
		1,581,550,629	1,683,469,021
	Less: Investment in Subsidiary	(649,999,910)	(649,999,910)
		<u>931,550,719</u>	<u>1,033,469,111</u>
7	LOANS AND ADVANCES / Investment		
	Loans, cash credit, overdraft etc/Investment	23,954,496,998	23,632,009,837
	Bills Purchased and Discounted	20,903,475.47	27,794,544.41
		<u>23,975,400,474</u>	<u>23,659,804,382</u>
7.1	Loans, cash credit, overdraft etc/Investment		
	Inside Bangladesh		
	a. Conventional Banking		
	Demand Loan	509,371,358	536,046,327
	Loan General	4,142,021,303	4,049,908,773
	Cash Credit (Hypo)	2,964,779,160	2,949,229,417
	Agritulture Loan	717,989,206	812,569,845
	Overdraft	1,477,166,811	1,471,554,512
	SME Loan	6,567,141,836	6,466,084,151
	Payment Against Document (PAD)	1,052,038,176	1,077,411,424
	Loan against Trust Receipt (LTR)	1,637,864,097	1,725,837,579
	House Building Loan	1,258,918,650	474,296,699
	Credit Card	282,483,139	112,769,563
	Consumer Credit	75,628,340	523,803,559
	Staff Loan	586,736,201	528,331,259
	Loans & Advances (BCI)	474,887,025	470,741,751
		<u>21,747,025,303</u>	<u>21,198,584,859</u>
	b. Islamic Banking		
	Bai-Muajjal Investment	852,304,015	865,899,743
	Bai-Murabaha Investment	46,935,751	76,497,361
	Hire Purchase Investment	1,196,824,931	1,417,376,749
	Quard against MTDR/ Scheme	65,330,712	8,074,684
	Quard against STAFF PF	1,111,171	813,784
	Hire Purchase Investment House Buildig Staff	8,220,718	8,876,349
	BAI - Muajjal Against BB Stimulus Fund	-	5,463,660
	BAI - Muajjal Working Capital Under Stimulus Fund	36,744,397	50,422,649
		<u>2,207,471,695</u>	<u>2,433,424,978</u>
	Outside Bangladesh	-	-
		<u>23,954,496,998</u>	<u>23,632,009,837</u>
7.2	Bills Purchased and Discounted		
	Payable in Bangladesh		
	Inland Bills Purchased	20,903,475	27,794,544
	Payable outside Bangladesh	-	-
	Foreign Bills Purchased	-	-
		<u>20,903,475</u>	<u>27,794,544</u>
		<u>23,975,400,474</u>	<u>23,659,804,382</u>



Hoda Vasi Chowdhury & Co

Notes	Particulars	Amount in Tk	
		2023	2022
7.3	As per the remaining maturity grouping of loans and advances in the following order		
	Re-payable on demand	8,353,790,473	8,243,826,778
	Not more than 3 months	3,902,493,835	3,851,124,023
	More than 3 Months but less than 1 year	5,799,255,219	5,722,917,713
	More than 1 year but less than 5 years	5,919,860,947	5,841,935,868
	More than 5 years	-	-
		23,975,400,474	23,659,804,382
7.4	Countrywise Classification of Loans and Advances		
	Inside Bangladesh	23,975,400,474	23,659,804,382
	Outside Bangladesh	-	-
		23,975,400,474	23,659,804,382
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	-	83,901,648
	c) Loans and advances to customer group amounting more than 10% of bank's total capital	8,909,076,709	9,102,449,942
	d) Other customers	14,479,587,564	13,935,431,400
	e) Staff Loan	586,736,201	538,021,392
		23,975,400,474	23,659,804,382
	Loans and advances allowed to each customer exceeding 10% of Bank's total capital fund		
	Number of the Clients (See Annexure-B)	19	21
7.6	Classification of Loan as per geographical concentration (Division)		
	Dhaka	15,349,412,406	15,513,662,990
	Chittagong	4,623,004,738	4,376,342,715
	Rajshahi	1,397,328,942	1,258,052,324
	Khulna	1,361,310,342	1,397,621,069
	Sylhet	421,311,192	321,899,329
	Barisal	192,516,780	191,920,292
	Rangpur	381,701,344	363,388,330
	Mymensingh	248,814,730	236,917,333
		23,975,400,474	23,659,804,382
7.7	Industrial concentration of Loans & Advances (including Bill purchased and discounted)		
	Food & Beverage industries	588,431,952	781,824,564
	Furniture & Fixture	23,742,390	41,737,972
	Printing, publishing & allied industries	89,216,378	89,322,348
	Petroleum & coal Products	264,522,437	247,208,478
	RMG & Textile	2,833,145,275	2,835,241,293
	Non-metallic mineral products	609,134,655	618,524,635
	Basic metal products	57,748,294	107,337,542
	Cement industries	92,438,625	45,934,782
	Small Scale Industries	1,339,324,135	1,375,920,692
	Power Generation & Gas	328,231,789	303,842,735
	Other manufacturing industries	1,553,311,040	1,590,922,465
	Rural Credit & Agri Loan	717,989,206	852,389,206
	Import Credit	3,740,272,636	3,843,322,513
	Trade & Commerce	10,685,722,675	10,212,714,396
	Others	1,052,168,987	713,560,761
	Total	23,975,400,474	23,659,804,382
7.8	Sector wise concentration of Loans & Advances (including Bill purchased and discounted)		
	Agricultural Loan	717,989,206	852,389,206
	Industrial Loan (other than working capital)	1,328,721,568	1,445,406,790
	Working capital Loan	3,617,380,127	3,757,209,423
	Import Credit	3,536,812,636	3,843,322,513
	Commercial Loan	9,144,041,442	8,480,791,674
	RMG & Textile	2,833,142,485	2,835,201,293
	Construction Loan	1,258,903,692	1,155,248,692
	Transport and Communication Loan	116,132,587	111,323,543
	Consumer Credit	358,122,374	167,616,974
	All Others Loans	1,064,154,357	1,011,294,274
	Total	23,975,400,474	23,659,804,382



Notes	Particulars	Amount in Tk	
		2023	2022
7.9	Loans & Advances to Executives & all other staffs		
	Staff House Building Loan	541,199,006	508,594,570
	Staff Car Loan	1,054,657	1,054,156
	Staff loan against Provident Fund	44,482,538	28,372,666
		586,736,201	538,021,392

Note: Staff Car scheme: All confirmed staff at job grade from Senior Assistant Vice President and above can avail staff car scheme taking approval from competent authority. The Board of Directors in its 350th Board meeting dated 16.09.2021 has revised " Car Loan policy -2011" through which existing Staff enlisted car loan been transferred to Bank's Fixed Asset in the financial statement .

7.9.1 Required Provision for Loans & Advances

Particulars	2023				2022	
	Outstanding Loans	Base for provision	Rate	Required Provision	Required Provision	Provision
Un-classified	11,591,865,000	11,246,773,118				
I) Standard	11,531,889,000					
a) CCS	559,810,998	559,810,998	2%	11,196,220	11,193,692	11,193,692
b) HBL	583,871,302	583,871,503	1%	5,838,715	4,369,274	4,369,274
c) LP	9,390,212	9,390,212	2%	187,804	371,353	371,353
d) Small Enterprise Finance	4,217,862,761	4,217,862,761	0.25%	10,544,657	11,484,768	11,484,768
e) Loans against Share	11,754,394	11,754,394	2%	235,088	332,680	332,680
f) Agricultural Credit	100,332,833	100,332,833	1%	1,003,328	1,499,879	1,499,879
g) Micro Credit	185,357,192	185,357,192	1%	1,853,572	4,273,147	4,273,147
h) Others	5,276,773,107	5,578,393,225	1%	54,039,106	60,698,976	60,698,976
ii) Staff Loan	586,736,201	586,736,201	0%	-	-	-
iii) SMA	59,976,000	59,976,000		231,509	5,804,926	5,804,926
iv) UC by Writ Petition				389,552,000	943,967,000	943,967,000
v. Special Gen.Provision Covid				50,600,000	7,300,000	7,300,000
BRPD 05/19					1,500,000	1,500,000
BB NOC RSDL				45,620,000	192,200,000	192,200,000
Special Provision for UC Loan					26,864,000	26,864,000
Sub-Standard	118,173,000	41,418,573	20%	8,283,715	14,366,597	14,366,597
Doubtful	114,808,000	21,499,080	50%	10,749,540	25,913,177	25,913,177
		29,929	5%	1,496	2,248,207	2,248,207
Bad or Loss	12,150,554,000	7,475,445,080	100%	7,748,096,249	6,667,186,138	6,667,186,138
Total	23,975,400,000	19,431,877,981		8,338,033,000		7,981,573,814

Total Required Provision for Loans and Advances	8,338,033,000	7,981,573,814
Total Provision Maintained (Note: 13.1)	3,724,291,261	3,724,291,261
Excess/ (Short) Provision against Loans & Advance*	(4,613,741,739)	(4,257,282,553)
Excess/ (Short) Other Provision **	(78,858,000)	(20,000,000)
Total Excess/ (Short) Provision	(4,692,599,739)	(4,277,282,553)

*Bangladesh Bank identified provision shortfall of Taka 461.37 crore against loans and advances, as well as 7.88 crore for other provision as on 31 December 2023 and the provision was deferred before/up to finalizing the Financial Statements for the year 2024 vide their letter ref: DOS(CAMS)1157/41(Dividend)/2023-1712 dated: 25/04/2024.

** Other provision includes Provision for NBFi interest in Other Asset 5.85 crore, Money at call on short notice 1.44 crore, Balance with other bank financial institutions 0.58 crore.



Notes	Particulars	Amount in Tk	
		2023	2022
7.10	Classification of Loan & Advances		
	Un-classified	11,591,865,474	13,236,281,448
	i) Standard	10,945,153,273	12,272,921,064
	ii) Staff loan	586,736,201	538,021,392
	iii) SMA	59,976,000	425,338,992
	Sub-Standard	118,173,000	262,213,993
	Doubtful	114,808,000	179,403,884
	Bad or Loss	12,150,554,000	9,981,905,057
	Total	23,975,400,474	23,659,804,382
7.11	Particulars of Loans and Advances		
	(1) Debts considered good in respect of which the Bank Company is fully secured;	19,146,656,846	18,364,827,458
	(2) Debts considered good against which the Banking Company holds no security other than the debtor's personal guarantee;	-	-
	(3) Debts considered good & secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors;	4,828,743,627	5,294,976,925
	(4) Loans adversely classified; provision not maintained there against;	4,613,741,739	4,257,282,553
	(5) Debts due by directors or officers of the banking company of any of these separately or jointly with any other person;	586,736,201	538,021,392
	(6) Loan due from companies or firms which the directors of the banking company directors, partners or managing agents or in the case have interest as of private companies as members;	-	-
	(7) Maximum total amount of advances including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;	-	-
	(8) Maximum total amount of advances including temporary advance granted during the year to the companies or firm in which the directors of the banking or company have interest as directors, companies as members;	-	-
	(09) Due from banking companies.	-	-
	(10) Amount of classified loan on which interest has been charged		
	a) Increase / (decrease) in provision	-	-
	Amount of loan written off from provision	-	-
	Amount realized against loan previously written off	-	1,054,740
	b) Amount of provision kept against loan classified as "Bad/Loss" as at reporting date	3,566,424,778	3,542,931,548
	c) Interest creditable to the interest Suspense Accounts;	-	429,425,410
	(11) Details of loan written off		
	a) Cumulative amount of written-off loan at the end of the year	97,531,498	97,531,498
	b) Cumulative amount of written-off loans (opening)	97,531,498	98,890,157
	c) Amount of written-off loan during the year	-	328,802
	d) Amount realized (including adjustment) against loan previously written-off	1,881,268	1,881,268
	Previous year	1,881,268	1,054,740
	Current year	-	826,528
	e) Net outstanding amount of written-off loan at the end of the year (a-d)	97,531,498	97,531,498
	f) Amount of written-off loan for which law suit has been filed	-	-
7.12	Bills Purchased and Discounted	20,903,475	27,794,544
7.12.1	As per classification into the following broad categories		
	Payable in Bangladesh	20,903,475	27,794,544
	Payable outside Bangladesh	-	-
		20,903,475	27,794,544
7.12.2	As per the remaining maturity grouping in the following order		
	Payable within 1 month	20,903,475	27,794,544
	Over 1 month but less than 3 months	-	-
	Over 3 months but less than 6 months	-	-
	6 months or more	-	-
		20,903,475	27,794,544
7(a)	CONSOLIDATED LOANS AND ADVANCES		
	Bangladesh Commerce Bank Limited	23,954,496,999	23,632,009,838
	Less: Inter Company Transaction	-	-
		23,954,496,999	23,632,009,837
	Add: Bill Purchased & Discount	20,903,475	27,794,544
		23,975,400,474	23,659,804,382



Hoda Vasi Chowdhury & Co

Notes	Particulars	Amount in Tk	
		2023	2022
8	Fixed assets (Details are shown in annexed - A)		
	Motor Vehicles	22,604,269	20,305,226
	Furniture & Fixture	91,747,546	71,288,217
	Machinery & Equipment	55,687,178	47,254,071
	Computer & Accessories	174,776,421	15,650,106
	Interior Decoration	21,778,712	133,308,455
	Hardware & Software Automation	28,480,769	5,333,807
	Right of use of Asset	189,684,998	207,607,990
		584,759,894	500,747,874
8(a)	Consolidated fixed assets including premises, furniture and fixtures		
	Bangladesh Commerce Bank Limited (Note: 8)	584,759,894	500,747,874
	CBSIL	7,886,173	9,477,726
		592,646,068	510,225,600
9	Other Assets		
	Advance Income Tax (Note: 9.1)	1,191,445,030	1,139,330,496
	Stock of Stationery, Stamps & Security Stationary (Note: 9.2)	37,152,815	28,916,398
	Advance Rent, Advertisement, etc. (Note: 9.3)	65,423,099	67,673,350
	Accrued Interest & Commission Receivable (Note: 9.4)	3,132,273,557	2,227,029,973
	Security Deposits (Note: 9.5)	1,486,270	1,537,270
	Suspense Accounts (Note: 9.6)	62,889,086	132,865,880
	Sundry Assets (Note: 9.7)	469,416,181	236,905,688
	Deferred Tax Assets (Note: 9.8)	42,218,922	25,941,316
	BCBL General Account (Note: 9.9)	103,720,726	104,526,582
		5,106,025,685	3,964,726,953
9.1	Advance Income Tax		
	Opening Balance	1,139,330,496	1,106,121,288
	Prior Year's Adjustment	-	-
	Addition during the year	52,096,670	33,209,208
		1,191,445,030	1,139,330,496
9.2	Stock of Stationery, Stamps & Security Stationary		
	Stock of Stationery	7,556,691	10,964,431
	Stock of Stamp	1,853,626	1,721,531
	MICR Printing Security Stationary	21,517,303	14,545,489
	BCBL Debit & Credit Card	4,596,690	
	Stock of Security Stationary	1,628,504	1,684,947
		37,152,815	28,916,398
9.3	Advance Rent, Advertisement, etc.		
	Advance Rent	64,750,189	66,949,276
	Prepaid Insurance Premium	170,342	170,342
	Prepaid Expenses for Hardware & Software	451,600	451,600
	Prepaid Advertisement	-	1,165
	Prepaid Expenses Mfs provider	50,967	100,967
		65,423,099	67,673,350
9.4	Accrued Interest & Commission Receivable		
	Interest Receivable	3,110,827,579	2,224,842,852
	Dividend Receivables from Share	21,445,978	2,187,121
		3,132,273,557	2,227,029,973
9.5	Security Deposits		
	Security Deposits	1,486,270	1,537,270
9.6	Suspense Accounts		
	Sundry Debtors	42,020,880	46,836,352
	Advance against TA/DA	19,000	300,230
	Legal Expense	31,300	31,300
	Advance against Sanchay Patra	336,262	618,486
	Deferred expenditure	6,501,058	14,010
	Advance Against Proposed Branches *	13,902,500	85,016,721
	Other Suspense Account	78,086	48,781
		62,889,086	132,865,880



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Notes	Particulars	Amount in Tk	
		2023	2022
9.7	Sundry Assets		
	Cash Remittance	32,497,951	20,500,354
	Foreign Remittance Settlement A/C	41,345,984	47,945,542
	ATM cash settlement	1,707,000	4,030,500
	Protested Bill	95,050,149	95,050,149
	Excise Duty Adjustment (FDR)	16,422,820	13,477,420
	Adjusting A/C Debit (Treasury)	226,692,277	201,723
	Sub-total (a)	413,716,181	181,205,688
	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)	469,416,181	236,905,688

** Advance against Building Taka 52,200,000 : The amount has been paid against purchase of 8.00 (Katha) Land with seven storied Building at 19 Rajuk Avenue, Motijheel Dhaka. The Honorable High Court announced its judgement in favour of Bangladesh Commerce Bank Ltd to register the Asset in the Bank's name. The asset is in possession under the bank from 1990 and the Principal branch along with some division of head office are carrying on their activities in that building.

9.8	Deferred Tax Assets		
	Opening Balance	25,941,316	45,848,432
	Add : Addition during the year	16,277,606	
	Less: Adjustment during the year	-	19,907,117
	Closing Balance	42,218,922	25,941,316

9.8.1 Deferred tax assets/liability

Deferred tax has been calculated based on deductible/taxable temporary difference arising due to difference in the carrying amount of

the assets and its tax base in accordance with the provision of International Accounting Standard (IAS)12 'Income Taxes'

Deferred tax assets/ liability is arrived at as follows:

Particulars	Carrying amount of balance sheet	Tax base	Temporary difference
	Taka	Taka	Taka
Assets			
Fixed assets net of depreciation as on 31 December 2023	395,074,896	487,459,454	(92,384,558)
Right of use assets	189,684,998	-	189,684,998
Lease obligation	202,847,744	-	(202,847,744)
Provision for gratuity	-	-	-
Total	787,607,639	487,459,454	(105,547,304)
Assets			
Fixed assets net of depreciation as on 31 December 2022	293,139,884	354,005,957	(60,866,073)
Lease obligation	207,607,990	-	207,607,990
Right of use assets	211,595,206	-	(211,595,206)
Provision for gratuity	-	-	-
Total	712,343,080	354,005,957	(64,853,290)

Applicable tax rate	40%
Deferred tax assets as on 31 December 2023	42,218,922
Deferred tax assets as on 31 December 2022	25,941,316
Deferred tax (expenses)/ Income accounted for during the year 2023	16,277,606

9.9 BCBL General Account

BCBL General Account Cr.	3,197,715,927	2,435,878,042
BCBL General Account Dr.	3,301,436,652	2,540,404,624
	103,720,726	104,526,582

9(a) Consolidated Other Assets

Bangladesh Commerce Bank Limited	(Note: 9)	5,106,025,685	3,964,726,953
CBSIL		926,359,180	801,932,287
		6,032,384,864	4,766,659,240

10 Non Banking Assets

	-	-
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11 Borrowings from Bangladesh Bank, other Banks, Financial Institutions and Agents

From Inside Bangladesh - Call Borrowings from Banks	-	-
From Inside Bangladesh - Re-finance Scheme under SME	199,442,528	680,987,347
From Inside Bangladesh - Borrowing from Bangladesh Bank	7,822,168,117	
From Inside Bangladesh - Stimulus Fund Payable To Bb	-	6,786,217
Impress fund from Bangladesh Bank	-	22,218,000
	8,021,610,644	709,991,563



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Notes	Particulars	Amount in Tk	
		2023	2022
11(a)	Consolidated Borrowings from Bangladesh Bank, other Banks, Financial Institutions and Agents		
	Bangladesh Commerce Bank Limited	8,021,610,644	709,991,564
	CBSIL	-	-
		<u>8,021,610,644</u>	<u>709,991,564</u>
11.2	Maturity-wise borrowings		
	Repayable on demand	8,021,610,644	680,987,347
	Not more than 3 months	-	-
	Over 3 Months but less than 1 year	-	-
	Over 1 year but not less 5 years	-	-
	Over 5 years	-	-
		<u>8,021,610,644</u>	<u>680,987,347</u>
11.3	Security wise borrowings		
	Secured (by Bangladesh Bank deposits)	-	-
	Unsecured	8,021,610,644	680,987,347
		<u>8,021,610,644</u>	<u>680,987,347</u>
12	Deposits and other Accounts		
	Current/ Al-Wadeeah Current Account and Other Accounts (Note: 12.1)	6,309,117,378	5,538,643,382
	Bills Payable (Note: 12.2)	739,260,821	647,117,663
	Savings Bank / Mudaraba Savings Bank Deposits (Note: 12.3)	4,657,033,992	4,611,809,264
	Short Term Deposits (Note: 12.4)	3,090,765,320	2,687,826,083
	Fixed Deposits / Mudaraba Fixed Deposits (Note: 12.5)	25,212,886,057	20,864,808,793
	Deposits under Different Schemes (Note: 12.6.2)	6,902,322,773	7,346,858,341
		<u>46,911,386,340</u>	<u>41,697,063,526</u>
12.1	Current Deposits and Other Accounts		
	Current Deposits / AL-WADIAH CURRENT	3,037,243,156	3,043,872,719
	Foreign Currencies	185,126,535	54,608,459
	Other Deposits (Note: 12.6.1)	3,086,747,688	2,440,162,203
		<u>6,309,117,378</u>	<u>5,538,643,382</u>
12.2	Bills Payable		
	Pay Order Payable	737,937,942	645,776,784
	D.D. Payable	1,322,879	1,340,879
	Bills Payable(Fixed Asset)	-	5,000
		<u>739,260,821</u>	<u>647,117,663</u>
12.3	Savings Bank Deposits		
	Local Currency	4,657,033,992	4,611,809,264
	Foreign Currencies	-	-
		<u>4,657,033,992</u>	<u>4,611,809,264</u>
12.4	Short Term Deposits		
	Local Currency	3,090,765,320	2,687,826,083
	Foreign Currencies	-	-
		<u>3,090,765,320</u>	<u>2,687,826,083</u>
12.5	Fixed Deposits / MUDARABA FIXED TERM DEPOSIT(MTD)		
	Deposits without Bank	22,261,886,057	16,684,458,186
	Bank Deposits	2,951,000,000	4,180,350,607
		<u>25,212,886,057</u>	<u>20,864,808,793</u>
12.6	Other Deposits and Schemes		
	Other Deposits (Note: 12.6.1)	3,086,747,688	2,440,162,203
	Deposits under Different Schemes (Note: 12.6.2)	6,902,322,773	7,346,858,341
		<u>9,989,070,461</u>	<u>9,787,020,545</u>
12.6.1	Other Deposits		
	Margin on Letter of Credit	634,051,954	245,212,033
	Margin on Letter of Guaranty	52,758,975	58,992,871
	Margin on Letter of Shipping Guaranty	4,679,957	9,600,986
	Margin on E gp	7,703,311	4,565,134
	Befn Return Account	14,087,979	18,794,794
	EBEK Grant Payable	243	768
	Risk Fund	504,467	530,967
	Service charge / CIB Service Charge	2,373,696	1,319,385



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Notes	Particulars	Amount in Tk	
		2023	2022
	Buying House Commission	1,871,068	4,150,777
	Visa Settlement Account	275,594	-
	Margin on FBP / Acceptance on B/B LC / Margin on LTR	1,289	1,289
	BEFTN & BACPS/ITCL/S-cash/Payza Wallet/Nagad	3,647,351	1,418,336
	Sundry Creditors	78,275,501	97,144,013
	Fund Buildup	34,779,961	10,399,478
	Refundable Fund Of Beb Sme Entrepreneur	22,000	22,000
	Taxes And Duties Payable	125,287,411	124,766,801
	Vat Payable on Deposit	25,359,507	1,270,528
	Interest Payable on Deposit	2,101,067,425	1,861,972,044
		3,086,747,688	2,440,162,203
12.6.2	Deposits under different schemes		
	Monthly Income/Pension Scheme	1,237,053,884	1,712,147,470
	Life Pension Deposit Scheme	4,679,174	4,824,490
	Marriage Deposit Scheme	13,811,844	19,895,997
	Millionaire Deposit Scheme	50,807,688	80,583,603
	Monthly Savings Schemes	4,021,929,608	5,323,012,741
	Education Deposit Scheme	178,223	6,261,401
	Lakhopoti Deposit Scheme	503,763	679,541
	Triple Deposit Scheme	4,255,180	7,785,105
	Kotipoti Deposit Scheme	108,543,355	117,522,364
	Double Deposit Scheme	1,439,188,492	19,199,789
	Investor Deposit Scheme	21,371,562	54,945,841
		6,902,322,773	7,346,858,341
12.5(a)	Consolidated Other Deposits		
	Bangladesh Commerce Bank Limited CBSIL	(Note: 12.5) 9,989,070,461 -	9,787,020,545 -
		9,989,070,461	9,787,020,545
12.6	Maturity wise Classification Payable:		
	On Demand	2,439,342,197	2,168,202,957
	Within 1 Month	5,691,798,461	5,059,140,232
	More than 1 month but less than 6 months	13,869,642,321	12,327,995,441
	More than 6 month but less than 1 year	15,966,528,660	14,191,807,400
	More than 1 year but within 5 years	6,099,030,150	6,007,176,411
	More than 5 year but within 10 years	2,845,031,536	1,942,742,361
	Over 10 years and Unclaimed		
		46,911,373,325	41,697,064,803
12(a)	Consolidated Deposits and other Accounts		
	Bangladesh Commerce Bank Limited CBSIL	46,911,386,340 -	41,697,063,526 -
		46,911,386,340	41,697,063,526
13	Other Liabilities		
	Provision for Loans and Advances	(Note: 13.1) 3,724,291,261	3,724,291,261
	Interest / Profit Suspense Accounts	(Note: 13.2) 3,977,892,290	3,183,800,678
	Provision for Current Income Tax	(Note: 13.3) 649,058,691	642,616,508
	Provision for Deferred Tax	(Note: 13.4) -	-
	Provision for Gratuity	(Note: 13.5) -	-
	Provision for Share & Debenture Unrealized Gain / Loss	(Note: 13.6) 149,193,754	168,276,203
	Provision for IT Assets	(Note: 13.7) 284,111	284,111
	Accrued Expense Payable	(Note: 13.8) 31,119,515	43,546,098
	Impress Fund Payable	189,047	190,127
	Cash Incentive	8,197,919	1,094,419
	Provision for Off Balance Sheet Exposure	(Note: 13.9) 16,747,063	20,891,921
	Provision for Other Assets	(Note: 13.10) 231,727,208	222,297,570
	Lease Liability	(Note: 13.11) 202,847,744	211,595,206
	Unearned Income on Investment	21,705,951	38,935,018
		9,013,254,556	8,257,819,120



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Notes	Particulars	Amount in Tk	
		2023	2022
13.1	Provision for Loans and Advances / Investment		
	General Provision (Note: 13.1.1)	95,515,127	95,515,127
	Special General Provision-COVID 19 (Note: 13.1.2)	43,316,605	43,316,605
	Specific Provision (Note: 13.1.3)	3,585,459,529	3,585,459,529
		<u>3,724,291,261</u>	<u>3,724,291,261</u>
13.1.1	General Provision		
	Opening Balance	95,515,127	95,515,127
	Add : Transferred during the year	-	-
	Less: Adjustment during the year	-	-
		<u>95,515,127</u>	<u>95,515,127</u>
13.1.2	Special General Provision-COVID 19		
	Opening Balance	43,316,605	43,316,605
	Add : Transferred during the year	-	-
	Less: Adjustment during the year	-	-
		<u>43,316,605</u>	<u>43,316,605</u>
13.1.3	Specific Provision		
	Opening Balance	3,585,459,529	3,585,778,717
	Less: Fully Provided Bad Loan Written off	-	(319,188)
	Add : Received from Previous Written off Bad Loan	-	-
	Add : Specific Provision Kept for the year	-	-
	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	-	-
		<u>3,585,459,529</u>	<u>3,585,459,529</u>
13.1.2(a)	Consolidated Specific Provision		
	Bangladesh Commerce Bank Limited (Note: 13.1.3)	3,585,459,529	3,585,459,529
	CBSIL	164,328,804	133,384,563
		<u>3,749,788,333</u>	<u>3,718,844,092</u>
13.2	Interest Suspense A/C		
	Opening Balance	3,183,800,678	2,477,130,630
	Add : Addition during the year	943,374,516	1,061,772,343
	Less: Interest Realized during the year	149,282,904	355,102,295
	Less: Written off during the year	-	-
		<u>3,977,892,290</u>	<u>3,183,800,678</u>
13.3	Provision for Current Income Tax		
	Opening Balance	642,616,508	642,616,508
	Add : Current year tax	6,442,183	-
	Add : Prior years tax	-	-
	Less: Adjustment during the year	-	-
		<u>649,058,691</u>	<u>642,616,508</u>

13.3.1 Income Tax

Accounting Year	Assessment Year	Provision as per Accounts	Tax Payable as per Assessment Order	Cumulative Surplus/ (Shortfall)	Status
31-12-2004	2005-2006	-	26,010,067.00	(26,010,067)	Appeal is pending at the tribunal and honorable high court.
31-12-2005	2006-2007	-	33,452,050.00	(59,462,117)	
31-12-2006	2007-2008	-	51,371,498.00	(110,833,615)	
31-12-2007	2008-2009	-	-	(110,833,615)	Settled
31-12-2008	2009-2010	-	20,662,000.00	(131,495,615)	Appeal has been filed under section 173 in LTU.
31-12-2009	2010-2011	110,635,242	110,635,242	(131,495,615)	Settled
31-12-2010	2011-2012	100,000,000	32,401,165.00	(63,896,780)	Appeal is pending at the commissioner of taxes.
31-12-2011	2012-2013	155,000,000	120,521,399.00	(29,418,179)	
31-12-2012	2013-2014	65,000,000	121,175,046.00	(85,593,225)	Assessment due at LTU
31-12-2013	2014-2015	67,953,707	-	(17,639,518)	
31-12-2014	2015-2016	89,552,613	-	71,913,095	



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Notes	Particulars				Amount in Tk	
					2023	2022
	31-12-2015	2016-2017	3,515,417	15,477,010.00	59,951,502	Appeal is pending at the commissioner of taxes. Alnarnate Dipute Resolution has already been completed but order has not been forwarded.
	31-12-2016	2017-2018	95,925,092	66,396,600.00	89,479,994	Appeal is pending at the commissioner of taxes.
	31-12-2017	2018-2019	117,000,000	74,329,843.00	132,150,151	Appeal is pending at the commissioner of taxes. Alnarnate Dipute Resolution has already been completed but order has not been forwarded.
	31-12-2018	2019-2020	-	-	-	Assessment due at LTU
	31-12-2019	2020-2021	-	-	-	Assessment due at LTU
	31-12-2020	2021-2022	-	-	-	Assessment due at LTU
	31-12-2021	2022-2023	-	-	-	Assessment due at LTU
	31-12-2022	2023-2024	-	-	-	Assessment due at LTU
	31-12-2023	2024-2025	-	-	-	Return will be submitted

13.4 Provision for Deferred Tax Liability

Opening Balance

Add : Addition during the year

Less: Adjustment during the year

	-	-
	-	-
	-	-
	-	-

13.5 Provision for Gratuity

Opening Balance

Add : Addition during the year

Less: Transfer to Gratuity Fund

Less: Adjustment during the year

	-	59,643,750
	-	-
	-	59,643,750
	-	-

13.6 Provision for Share & Debenture (Unrealized Gain/Loss)

Opening Balance

Add : Addition during the year

Less: Adjustment during the year

	168,276,203	181,541,356
	-	-
	19,082,449	13,265,153
	<u>149,193,754</u>	<u>168,276,203</u>

13.7 Provision for IT Assets

Opening Balance

Add : Addition during the year

Less: Adjustment during the year

	284,111	284,111
	-	-
	-	-
	<u>284,111</u>	<u>284,111</u>

13.8 Accrued Expenses Payable

Sancyapatra

Accrued Expense Payable

Others (including penal interest provision)

Audit Fee

	100,000	100,000
	8,548,078	13,325,405
	22,241,437	29,890,693
	230,000	230,000
	<u>31,119,515</u>	<u>43,546,098</u>



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Notes	Particulars	Amount in Tk	
		2023	2022
13.9	Provision for Off Balance Sheet Exposure		
	Opening Balance	20,891,921	19,227,974
	Add : Addition during the year	-	1,663,947
	Less: Adjustment during the year	4,144,858	-
		<u>16,747,063</u>	<u>20,891,921</u>
13.10	Provision for Other Assets		
	Opening Balance	222,297,570	219,991,869
	Add : Addition during the year	9,429,638	2,305,700
	Less: Adjustment during the year	-	-
		<u>231,727,208</u>	<u>222,297,570</u>
<p>Note: Amount of Provision for Other Assets includes BCBL General Account, Advance Rent, Interior Decoration, Protested Bill, Sundry Deposits NBL, Sundry Debtors & Legal Expenses for BDT 8.7740 Crore, 1.683 Crore, 0.10 Crore, 9.5050 Crore, 0.35 Crore, 1.4598 Crore & 0.0031 respectively.</p>			
13.11	Lease Liability		
	Opening Balance	211,595,206	17,386,841
	Add: Addition	13,496,137	221,037,432
	Less: Adjustment	22,243,599	26,829,066
		<u>202,847,744</u>	<u>211,595,206</u>
13.12	BCBL General Account		
	BCBL General Account Cr.	-	-
	BCBL General Account Dr.	-	-
		<u>-</u>	<u>-</u>
13(a)	Consolidated Other Liabilities		
	Bangladesh Commerce Bank Limited (Note: 13)	9,013,254,556	8,257,819,120
	CBSIL	868,637,119	771,873,506
		<u>9,881,891,675</u>	<u>9,029,692,626</u>
	Less: Inter Company Transaction	-	-
		<u>9,881,891,675</u>	<u>9,029,692,626</u>
14.	Capital		
14.1	Authorized Capital		
	100,000,000 Ordinary share of Tk. 100 each	<u>10,000,000,000</u>	<u>10,000,000,000</u>
14.2 (a)	Issued, Subscribed and Paid up Capital		
	19,887,428 Ordinary share of Tk. 100 each	<u>1,988,742,800</u>	<u>1,938,742,800</u>

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

Particulars	No. of Shares as on December 31, 2023	% of Total	31.12.2023	31.12.2022
			Amount in Taka	Amount in Taka
Directors	8	0.00%	800	800
K/A 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	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

14.2 (b) Break up of Right Share Application Money as follows:

Particulars	No. of Shares as on December 31, 2023	31.12.2023	31.12.2022
		Amount in Taka	Amount in Taka
The Government of The People's Republic of Bangladesh	6,750,000	675,000,000	675,000,000
Three State Owned Bank			
Sonal Bank PLC	1,125,000	112,500,000	112,500,000
Janata Bank PLC	674,982	67,498,200	67,498,200
Agrani Bank PLC	450,000	45,000,000	45,000,000
General Shareholders	172,615	17,261,450	17,261,450
Total	9,172,597	917,259,650	917,259,650



Notes	Particulars	Amount in Tk	
		2023	2022
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 2018 is shown below:		
	Tier – I (Core Capital)	(8,392,381,069)	(5,866,988,617)
	Paid up capital	1,988,742,800	1,988,742,800
	Right Share Application Money	917,259,650	917,259,650
	Share capital BCI	15,300,000	15,300,000
	Non-Repayable share premium account	-	-
	Statutory Reserve	275,060,371	275,060,371
	General Reserve	8,920,366	8,920,366
	Retained Earnings	(11,597,664,256)	(9,072,271,804)
	Minority interest in subsidiaries	-	-
	Non cumulative Irredeemable preference share	-	-
	Deductions from Tier-I (Core Capital) :	-	-
	Book value of Goodwill	-	-
	Shortfall in provisions required against classified assets ***	-	-
	Shortfall in provisions required against investment in shares	-	-
	Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.	-	-
	Reciprocal crossholdings of bank capital/subordinated debt	-	-
	Any investment exceeding the approved limit under section 26(2) of Bank Company Act,	-	-
	Investments in subsidiaries which are not consolidated	-	-
	Other if any	-	-
	Total Eligible Tier-I Capital	(8,392,381,069)	(5,866,988,617)
	Tier –II (Supplementary Capital)	155,578,795	159,723,653
	General Provision on Unclassified Loans	138,831,732.00	138,831,732.00
	Revaluation Reserve for HTM Securities	-	-
	Assets Revaluation Reserve	-	-
	All Others Preference Share	-	-
	General Provision (Off balance sheet items)	16,747,063	20,891,921
	Exchange Equalization Fund	-	-
	Total Eligible Capital (Tier-I + Tier-II)	(8,236,802,274)	(5,707,264,964)
	Total Risk Weighted Assets (As per BASEL-III guideline)	36,138,287,491	34,555,241,719
	Required Capital	5,000,000,000	4,000,000,000
	Details are shown in Annexure - D		
	Actual Capital Held:		
	Core Capital	(8,392,381,069)	(5,866,988,617)
	Supplementary Capital	155,578,795	159,723,653
		(8,236,802,274)	(5,707,264,964)
	Capital to Risk weighted assets ratio (CRAR) (Required 12.50%)	-22.79%	-16.52%
	Core Capital to RWA	-23.22%	-16.98%
	Supplementary Capital to RWA	0.43%	0.46%
	*** Bangladesh Bank identified provision shortfall of Taka 461.37 crore against loans and advances, as well as 7.88 crore for other provision as on 31 December 2023 and the provision was deferred before/up to finalizing the Financial Statements for the year 2024 vide their letter ref: DOS(CAMS)1157/41(Dividend)/2024-1712 dated: 25/04/2024.		
	Note: Bangladesh commerce bank Ltd. was established by the parliament order act no-12 of 1997. Raising capital to the required level of 500 crore through public issue may require amending the act no. 12 of 1997 which is now under process in Ministry of Bank and Financial Institutions. Through letter ref: DOS(BSS-6)/1162/2(3)/2016-1082 dated: 29 February 2016 Bangladesh Bank permits Bangladesh Commerce Bank Limited to raise capital through issuance of right share within 3 months of changing the law by Honorable Parliament.		
15	Statutory Reserve		
	Opening Balance	275,060,371	275,060,371
	Less : Transferred during the year to provision for loans & advances	-	-
	Add : Transferred during the year	-	-
		275,060,371	275,060,371
15(a)	Consolidated Statutory Reserve		
	Bangladesh Commerce Bank Limited	275,060,371	275,060,371
	CBSIL	-	-
		275,060,371	275,060,371



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Notes	Particulars	Amount in Tk	
		2023	2022
16	Other Reserve		
	Opening Balance	8,920,366	8,920,366
	Add : Transferred during the year	-	-
	Less: Adjustment during the year	-	-
		<u>8,920,366</u>	<u>8,920,366</u>
16(a)	Consolidated Other Reserve		
	Bangladesh Commerce Bank Limited	8,920,366	8,920,366
	CBSIL	1,396,810	-
		<u>10,317,176</u>	<u>8,920,366</u>
17	Revaluation Reserve for HTM & HFT Securities		
	Opening Balance	72,068,420	96,194,757
	Add : Transferred during the year	13,495,669	9,530,620
	Less: Adjustment during the year	13,514,348	33,656,957
		<u>72,049,741</u>	<u>72,068,420</u>
17(a)	Consolidated Revaluation Reserve for HTM Securities		
	Bangladesh Commerce Bank Limited	72,049,741	72,068,420
	CBSIL	-	-
		<u>72,049,741</u>	<u>72,068,420</u>
18	Profit and Loss Accounts / Retained Earnings		
	Opening Balance	(9,072,271,804)	(7,063,507,012)
	Profit/ (Loss) for the year as per Profit and Loss accounts	(2,525,392,452)	(2,008,764,792)
		<u>(11,597,664,256)</u>	<u>(9,072,271,804)</u>
18(a)	Consolidated Profit and Loss Accounts / Retained Earnings		
	Bangladesh Commerce Bank Limited (Note: 18)	(11,597,664,256)	(9,072,271,804)
	CBSIL	140,337,512	143,193,473
		<u>(11,457,326,744)</u>	<u>(8,929,078,331)</u>
19	Contingent Liabilities and Other Commitments		
	Acceptances and Endorsements	257,172,176	321,389,852
	Letter of Guarantees (Note: 19.01)	1,278,409,260	1,076,345,791
	Irrevocable Letter of Credit	920,649,302	691,456,425
	Bills for Collection	2,830,454,929	2,879,612,325
	Other contingent liability (Note: 19.02)	103,626,480	103,626,480
		<u>5,390,312,147</u>	<u>5,072,430,873</u>
19.1	Letter of Guarantees		
	Money for which the Bank is contingently liable in respect of guarantee issued favoring		
	Directors	-	-
	Government	1,272,019,324	1,070,585,409
	Bank and Other Financial Institution	-	-
	Others	6,389,936	5,760,382
		<u>1,278,409,260</u>	<u>1,076,345,791</u>
	Commitments		
	Less than 1 Year	1,278,409,260	1,076,345,791
	Equal to or more than 1 year	-	-
		<u>1,278,409,260</u>	<u>1,076,345,791</u>
19.2	Other Contingent Liabilities		
	Companies Liabilities for L/G	-	-
	Companies Liabilities for L/C	-	-
	Bills for Collection	-	-
	Tax liability	103,610,480	103,610,480
	Interest receivable	16,000	16,000
		<u>103,626,480</u>	<u>103,626,480</u>
	Note: Tax liability for BCI period relates to assessment year 1989-90, 1990-91, 1991-92, 1992-93, 1993-94, which are pending at the Supreme Court . This has been carried forward since long which is shown under contingent liability for BDT 71,192,301. And Income Tax Assessment of BCBL for the year 2005-2006, 2006-2007, 2007-2008, 2009-2010, 2011-2012 and 2012-2013 are pending before appeal which amounted BDT 29,418,179.		
20	Interest Income / Profit on Investment		
	Interest / Profit received from Loans and Advances / Investment	1,050,087,234	1,041,505,917
	Interest / Profit received from Banks & Other financial Institutions	260,461,486	177,086,821
		<u>1,310,548,720</u>	<u>1,218,592,738</u>



Hoda Vasi Chowdhury & Co

Notes	Particulars	Amount in Tk	
		2023	2022
20 (a)	Consolidated interest Income		
	Bangladesh Commerce Bank Limited (Note: 20)	1,310,548,720	1,218,592,738
	CBSIL	59,933,036	51,851,691
		1,370,481,756	1,270,444,429
	Less: Inter Company Transaction	-	-
		1,370,481,756	1,270,444,429
21	Interest Paid/ Profit shared on Deposits and Borrowings etc		
	Interest / Profit Paid on Deposits	2,594,787,368	2,369,033,639
	Interest / Profit Paid on Borrowing	147,403,184	38,234,489
	Penal interest paid to BB	86,079,748	-
		2,828,270,300	2,407,268,128
	Penal interest has been imposed by BB for CRR,SLR shortfall in according to BB order, Section 36(4) of 1971 and DOS circular No: 03/2010.		
21(a)	Consolidated interest Paid on Deposits		
	Bangladesh Commerce Bank Limited (Note: 21)	2,828,270,300	2,407,268,128
	CBSIL	-	-
		2,828,270,300	2,407,268,128
	Less: Inter Company Transaction	-	-
		2,828,270,300	2,407,268,128
22	Income from Investment		
	Treasury Bill/Bond	287,127,975	285,244,138
	Capital Gain	23,046,339	80,947,059
	Dividend on Share	29,169,988	44,271,909
	Corporate Bond	5,000,000	5,000,000
		344,344,302	415,463,106
22(a)	Consolidated Income from Investment		
	Bangladesh Commerce Bank Limited (Note: 22)	344,344,302	415,463,106
	CBSIL	12,691,876	20,224,074
		357,036,178	435,687,180
23	Exchange, Commission and Brokerage		
	Commission	97,040,166	86,032,183
	Exchange Earnings	32,709,094	106,588,277
		129,749,260	192,620,460
23(a)	Consolidated Exchange, Commission and Brokerage		
	Bangladesh Commerce Bank Limited (Note: 23)	129,749,260	192,620,460
	CBSIL	82,923,424	103,080,886
		212,672,684	295,701,346
24	Other Operating Income		
	Rent on Locker	145,867	180,225
	Other Receipts (Note: 24.1)	159,801,401	86,050,187
		159,947,268	86,230,412
24.1	Other Receipts		
	Maintenance Charge	64,806,054	67,915,588
	Visa Card Annual Fees	2,470,500	-
	Loan Supervision Charge	78,788,931	-
	Appraisal Fee	13,705,065	18,102,102
	Postage	29,853	29,255
	Telex, Telephone & Telegram Recoveries	1,000	3,243
		159,801,401	86,050,187
24(a)	Consolidated Other Operating Income		
	Bangladesh Commerce Bank Limited (Note: 24)	159,947,268	86,230,412
	CBSIL	5,068,603	8,055,990
		165,015,872	94,286,402



Hoda Vasi Chowdhury & Co

Notes	Particulars	Amount in Tk	
		2023	2022
25	Salary and Allowances		
	Basic Salary	550,716,282	457,076,512
	Allowances	490,722,550	449,701,936
	Gratuity	12,000,000	60,000,000
	Provident Fund	39,593,469	36,818,776
	Bonus	82,921,135	76,462,351
		<u>1,175,953,435</u>	<u>1,080,059,575</u>
25(a)	Consolidated Salary and Allowances		
	Bangladesh Commerce Bank Limited	1,175,953,435	1,080,059,575
	CBSIL	67,725,089	59,145,773
		<u>1,243,678,524</u>	<u>1,139,205,348</u>
26	Rent, Taxes, Insurance, Electricity, etc.		
	Rent	123,429,391	110,146,099
	Rates and Taxes	1,851,872	1,649,454
	Insurance	35,376,373	25,665,883
	Car Insurance, Tax	3,095,545	2,836,708
	Electricity/Gas/Water Bill	37,155,075	32,604,425
		<u>200,908,256</u>	<u>172,902,569</u>
26(a)	Consolidated Rent, Taxes, Insurance, Electricity, etc.		
	Bangladesh Commerce Bank Limited	200,908,256	172,902,569
	CBSIL	10,347,031	9,307,343
		<u>211,255,287</u>	<u>182,209,911</u>
27	Postage, Telegram, Telephone		
	Telephone	3,022,350	2,646,350
	Postage, Telegram & Connectivity	34,980,982	43,352,529
		<u>38,003,332</u>	<u>45,998,879</u>
27(a)	Consolidated Postage, Telegram, Telephone		
	Bangladesh Commerce Bank Limited	38,003,332	45,998,879
	CBSIL	698,120	696,479
		<u>38,701,452</u>	<u>46,695,358</u>
28	Stationery, Printing & Advertisement		
	Printing Stationery	8,600,611	6,386,909
	Other Stationery	9,205,927	7,658,272
	Security Stationery	115,735	8,645
	Publicity and Advertisement	10,330,895	7,642,666
		<u>28,253,168</u>	<u>21,696,492</u>
28(a)	Consolidated Stationery, Printing & Advertisement		
	Bangladesh Commerce Bank Limited	28,253,168	21,696,492
	CBSIL	809,818	821,965
		<u>29,062,986</u>	<u>22,518,457</u>
29	Managing Director's salary and allowances		
	Basic Salary	8,640,000	8,243,742
	House Maintenance / Furnishing	4,320,000	4,121,418
		<u>12,960,000</u>	<u>12,365,160</u>
30	Directors' fees & honorium		
	Directors' fees & honorium	1,019,800	1,386,400
		<u>1,019,800</u>	<u>1,386,400</u>
30(a)	Consolidated Directors' fees & honorium		
	Bangladesh Commerce Bank Limited	1,019,800	1,386,400
	CBSIL	566,624	651,200
		<u>1,586,424</u>	<u>2,037,600</u>
31	Depreciation and Repair of Fixed Assets		
	Depreciation of Fixed Assets	117,445,051	99,971,253
	Repairs and Maintenance	13,299,611	10,389,748
		<u>130,744,662</u>	<u>110,361,001</u>
31(a)	Consolidated Depreciation and Repair of Fixed Assets		
	Bangladesh Commerce Bank Limited	130,744,662	110,361,001
	CBSIL	2,431,935	2,811,056
		<u>133,176,596</u>	<u>113,172,057</u>



Hoda Vasi Chowdhury & Co

Notes	Particulars	Amount in Tk	
		2023	2022
32	Other Expenditure		
	Business Development	12,352,174	3,150,213
	Conveyance	4,918,834	4,534,951
	Maintenance Charge	267,350	136,059
	Computer Photocopy Paper	2,820,350	2,503,382
	BB Clearing Charge	11,927	15,013
	Evaluation Fee	2,525,521	2,057,909
	Vat on other Expense	-	-
	Tax on other Expense	-	-
	Photocopy & Photograph	758,493	707,363
	Entertainment	18,763,302	11,933,871
	Excise Duty	57,150	611,495
	Fuel & Lubricants of Car	2,994,251	3,119,339
	Honorarium	2,215,375	1,650,600
	Laundry	1,476,854	1,305,385
	Internet Bill	121,229	97,597
	Misce Expense	16,595	190,227
	Training	34,645	4,831,405
	Subscription	171,856	2,686,767
	Travelling & Daily Allowances	6,051,210	4,033,166
	Uniform	5,397	593,863
	Software & Harware Maintenance	3,679,447	5,931,799
	Bank Charge	2,164,117	939,526
	Finance cost- Lease Liability	13,496,137	5,961,528
	Covid-19 Prevention Goods	3,120	709,128
	Commission Paid to Bank	275,838	204,459
	Managers' meeting /Conference	-	8,475
	Plantation	435,919	388,433
	Master Card Procces. Charges	47,450	-
	Pantry Supplies	37,976	34,447
		75,702,516	58,336,399
32(a)	Consolidated Other Expenditure		
	Bangladesh Commerce Bank Limited	75,702,516	58,336,399
	CBSIL	21,533,122	21,830,928
		97,235,638	80,167,326
33	Closing Cash and Cash Equivalent		
	Cash in hand (including foreign currencies)	656,035,644	679,634,206
	Balance with Bangladesh Bank & Sonali Bank (Including foreign currencies)	6,244,013,691	1,939,516,994
	Balance with Other Bank & Financial Institutions	13,569,655,434	8,017,533,439
	Money at Call and short notice	28,600,000	28,900,000
	Investment Government	4,095,950,675	4,600,874,090
		24,594,255,444	15,266,458,728
34	Earnings Per Share (EPS)		
	Net Profit after Tax	(2,525,392,452)	(2,008,764,792)
	Number of Ordinary Share	19,887,428	19,887,428
	Earnings Per Share	(126.98)	(101.01)
34(a)	Consolidated Earnings Per Share (EPS)		
	Net Profit after Tax	(2,522,998,411)	(1,994,726,485)
	Number of Ordinary Share	19,887,428	19,887,428
	Consolidated Earnings Per Share (EPS)	(126.86)	(100.30)
35	Net Asset Value Per Share (NAV)		
	a) Capital / Share holders' Equity for the year	(8,320,331,328)	(5,794,920,197)
	b) Number of Outstanding Share	19,887,428	19,887,428
	Net Asset Value Per Share (NAV) (a+b)	(418.37)	(291.39)
	Note: Capital / Share holders' equity for the year including Right Share Application Money Taka. 917,259,650.00		
36	Net Operating Cash Flow Per Share		
	a) Net Cash flows from Operating Activities	2,102,025,453	(2,512,862,373)
	b) Number of Outstanding Share	19,887,428	19,887,428
	Net Operating Cash Flow Per Share (NAV)(a+b)	105.70	(126.35)



Notes	Particulars	Amount in Tk	
		2023	2022

37 Related Party Transactions

While making any related party transactions the management always pays proper attention to economic efficiency and competitive pricing and necessary approval from Bangladesh Bank and other authorities had been obtained whenever applicable. Related party transactions of the Bank for the period from January to December 2023 do not exist.

38 Risk factors and risk management

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

39 Verification of Financial Statements through Documentation Verification System (DVS)

As per BRPD Circular Letter No. 4/2021, it has been ensured that latest available audited financials are preserved in the credit file of all our clients. In addition to that as per BRPD Circular No. 35/2021, we have been granted access in DVS by the Institute of Chartered Accountants of Bangladesh (ICAB) on 26 January 2022 though we applied to get access in DVS on 16 August 2021.

40 Approval of the financial statements

The financial statements of the Bank has been approved by the Board of Directors at its 388th Board meeting held on 30 April 2024.



Bangladesh Commerce Bank Limited
Fixed Assets including premises, furniture & Fixtures Schedule
As on 31 December 2023

Annexure-A
(Amount in Taka)

Particulars	Cost			Rate of Dep.	Depreciation			Written down value as at 31.12.2022			
	Balance as at 01.01.2023	Addition during the year	Sale / Adjustment during the year		Total as at 31.12.2023	Charged upto 01.01.2023	Charged during the year		Adjustment during the year	Total as at 31.12.2023	Written down value as at 31.12.2023
1	2	3	4	5 (2+3-4)	6	7	8	9	10 (7+8-9)	11 (5-10)	12
Furniture and Fixtures	117,807,689	29,800,940	-	147,608,630	10%	44,674,753	11,128,038	-	55,802,791	91,747,546	89,419,463
Mechanical Appliances	204,376,386	29,439,018	-	233,815,404	20%	161,395,330	23,259,994	-	184,655,324	55,687,178	53,474,304
Motor Vehicles	135,428,984	13,200,000	833,608	147,795,376	20%	110,632,391	10,521,115	-	121,153,506	22,604,269	22,829,862
Software	70,774,739	34,275,000	-	105,049,739	20%	66,626,036	8,956,184	-	75,582,220	28,480,769	28,480,769
Interior Decoration	315,046,507	77,577,499	-	392,624,005	20%	181,053,099	9,406,036	-	190,459,135	21,778,712	172,766,127
Computer & Accessories	141,236,782	14,274,042	-	155,510,824	30%	126,602,966	36,249,724	-	162,852,690	174,776,421	20,382,227
Sub Total	984,671,087	198,566,499	833,608	1,182,403,978	-	690,984,575	99,521,091	-	790,505,666	395,074,896	387,352,752
Total	984,671,087	198,566,499	833,608	1,182,403,978	-	690,984,575	99,521,091	-	790,505,666	395,074,896	387,352,752

As on December 31, 2022

Particulars	Cost			Rate of Dep.	Depreciation			Written down value as on 31.12.2021			
	Balance as at 01.01.2022	Addition during the year	Sale / Adjustment during the year		Total as at 31.12.2022	Charged upto 01.01.2022	Charged during the year		Adjustment during the year	Total as at 31.12.2022	Written down value as on 31.12.2021
1	2	3	4	5 (2+3-4)	6	7	8	9	10 (7+8-9)	11 (5-10)	12
Furniture and Fixtures	110,515,792	7,291,897	-	117,807,689	10%	37,505,987	7,168,767	-	44,674,753	71,288,217	37,505,987
Mechanical Appliances	178,894,833	25,481,553	-	204,376,386	20%	144,859,185	16,536,146	-	161,395,330	47,254,071	144,859,185
Motor Vehicles	129,273,223	6,280,000	124,239	135,428,984	20%	98,139,449	12,492,942	-	110,632,391	20,305,236	98,139,449
Software	67,127,855	3,646,884	-	70,774,739	20%	55,868,453	10,757,583	-	66,626,036	5,333,807	55,868,453
Interior Decoration	258,323,553	56,722,954	-	315,046,507	20%	161,752,289	19,300,810	-	181,053,099	133,308,455	161,752,289
Computer & Accessories	131,731,745	9,505,037	-	141,236,782	30%	109,344,846	17,258,120	-	126,602,966	15,650,106	109,344,846
Sub Total	875,867,001	108,928,325	124,239	984,671,087	-	607,470,208	83,514,367	-	690,984,575	293,139,884	607,470,208
Total	875,867,001	108,928,325	124,239	984,671,087	-	607,470,208	83,514,367	-	690,984,575	293,139,884	607,470,208



Bangladesh Commerce Bank Limited
Lease Asset Schedule
As on 31 December 2023

Annexure-A.1
(Amount in Taka)

Particulars	Cost				Rate of Dep.	Depreciation			Written down value as at 31.12.2023	Written down value as on 31.12.2022	
	Balance as at 01.01.2023	Addition during the year	Sale / Adjustment during the year	Total as at 31.12.2023		Charged upto 01.01.2023	Charged during the year	Adjustment during the year			Total as at 31.12.2023
1	2	3	4	5 = (2 + 3 - 4)	6	7	8	9	10 = (7 + 8 - 9)	11 = (5 - 10)	12
Right of use of Asset	254,473,055	-	-	254,473,055		46,865,065	17,922,992	-	64,788,057	189,684,998	207,607,990
Total	254,473,055	-	-	254,473,055		46,865,065	17,922,992	-	64,788,057	189,684,998	207,607,990

As on 31 December 2022

Particulars	Cost				Rate of Dep.	Depreciation			Written down value as at 31.12.2022	Written down value as on 31.12.2021	
	Balance as at 01.01.2022	Addition during the year	Sale / Adjustment during the year	Total as at 31.12.2022		Charged upto 01.01.2022	Charged during the year	Adjustment during the year			Total as at 31.12.2022
1	2	3	4	5 = (2 + 3 - 4)	6	7	8	9	10 = (7 + 8 - 9)	11 = (5 - 10)	12
Right of use of Asset	39,397,152	215,075,903	-	254,473,055		30,501,020	16,364,045	-	46,865,065	207,607,990	8,896,132
Total	39,397,152	215,075,903	-	254,473,055	-	30,501,020	16,364,045	-	46,865,065	207,607,990	8,896,132



Bangladesh Commerce Bank Limited
Details of large loan
As at 31 December 2023

Annexure-B

SL	Group/ Client Name	Outstanding (Taka in crore)		
		Funded	Non-Funded	Total
1	Jamuna Agro Camical	115.30	0.00	115.30
2	Nur-un-nobi & Allied Concern	102.60	0.00	102.60
3	M/S Marrine Vegetable Oils Ltd	61.82	0.00	61.82
4	Dhaka Trading House	47.36	0.00	47.36
5	Pran RFL Group	30.73	0.00	30.73
6	F.R.JUTE TRADING CO LTD	54.38	0.00	54.38
7	Suruj Miah Spinning Mills	40.76	0.00	40.76
8	SB Exim Bangladesh Ltd.	134.99	0.00	134.99
9	LITUN FABRICS LTD	27.21	0.00	27.21
10	M/S Islam Brothers	49.59	0.00	49.59
11	Toy Woods (BD) Co. Ltd.	21.87	0.07	21.94
12	M/s Sharmin Jute Ballers	40.58	0.00	40.58
13	M.N Akter & Co.	24.65	0.00	24.65
14	Abdul Monem Sugar Refinery Ltd.	30.70	0.94	31.64
15	Dharmapur Ceramic Ind. Ltd.	34.69	0.00	34.69
16	Smile Appareals Ltd.	0.47	25.73	26.20
17	Somerset Properties Ltd.	21.69	0.00	21.69
18	Brand Maker Property Management Ltd.	27.91	0.00	27.91
19	S. Alam Cold Rolled Steels Limited	0.00	44.19	44.19
Total		867.30	70.93	938.23



Bangladesh Commerce Bank Limited

Highlights of the Overall Activities of the Bank

For the year ended 31 December 2023

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

SI #	Particulars	2023	2022
01	Paid up Capital	1,988,742,800	1,988,742,800
02	Right Share Application Money	917,259,650	917,259,650
03	Total Eligible Capital (as per Basel-III)	(8,236,802,274)	(5,707,264,964)
04	Surplus/(Deficit) Capital	(13,236,802,274)	(10,707,264,964)
05	Total Assets	55,625,920,213	44,869,954,012
06	Total Deposits	46,911,386,340	41,697,063,526
07	Total Loans and Advances	23,975,400,474	23,659,804,382
08	Total Contingent Liabilities and Commitments	5,390,312,147	5,072,430,873
09	Advances Deposits Ratio(%)	51.11	56.74
10	Classified Loans to Advance Ratio(%)	51.65	44.06
11	Profit After Tax and Provision	(2,525,392,452)	(2,008,764,792)
12	Classified Advance	12,383,535,000	10,423,522,934
13	Provision kept against Classified Advance	3,585,459,529	3,585,459,529
14	Surplus/(Deficit) Provision	(4,613,741,739)	(4,257,282,553)
15	Cost of Fund (%)	9.88	9.26
16	Interest Earning Assets	11,591,865,474	13,236,281,448
17	Non Interest Earning Assets	38,572,625,348	25,554,582,400
18	Return on Investment (ROI)%	6.31	6.83
19	Return on Assets (ROA)%	(4.54)	(4.48)
20	Income from Investment	344,344,302	415,463,106
21	Earnings Per Share (EPS)	(126.98)	(101.01)
22	Profit Per Share	(126.98)	(101.01)
23	Price - Earnings Ratio (Times)	(0.79)	(0.99)

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



Bangladesh Commerce Bank Limited
Minimum Capital Requirement (MCR) as per BASEL-III
Under Risk Based Capital Adequacy
As on 31 December 2023

Annexure - D

Particulars	Amount (Tk.)
A. Regulatory Capital:	
1. Common Equity Tier-1 Capital (CET-1)	(8,392,381,069)
2. Additional Tier-1 Capital (AT-1)	-
3. Tier-2 Capital	155,578,795
4. Total Regulatory Capital (1+2+3)	(8,236,802,274)
B. Total Risk Weighted Assets (RWA):	36,138,287,491
C. Capital to Risk weighted assets ratio (CRAR) (A4/B)*100	-22.79%
D. Core Capital to RWA (A1/B)*100	-23.22%
E. Supplementary Capital to RWA (A2/B)*100	0.43%
F. Minimum Capital Requirement (MCR)	5,000,000,000

Risk Weighted Assets (RWA)
As on 31 December 2023

Particulars	Amount (Tk.)
A. Credit Risk:	34,483,443,317
On-Balance sheet	27,745,553,133
Off- Balance sheet	6,737,890,183
B. Market Risk	411,245,922
C. Operational Risk	1,243,598,253
Total: Risk Weighted Assets (RWA) (A+B+C)	36,138,287,491



Hoda Vasi Chowdhury & Co

Bangladesh Commerce Bank Limited Investment In Shares As on 31 December 2023

Annexure-E
(Amount in Taka)

Particulars	No. of Shares	Avg. Rate	Total Cost	Market Value of Shares	Unrealised Gain/(Loss)
IJANATAMF*	750,000	7.88	5,911,812	4,575,000	(1,336,812)
ABB1STMF*	500,000	6.29	3,146,280	2,600,000	(546,280)
AFCAGRO*	250,000	37.54	9,383,738	5,875,000	(3,508,738)
BARKAPOWER	125,000	30.42	3,802,607	2,662,500	(1,140,107)
BDTHAI*	250,000	29.24	7,309,590	6,975,000	(334,590)
DESCO*	126,397	101.31	12,805,704	4,626,130	(8,179,574)
ESQUIRENIT*	100,000	37.98	3,797,598	3,450,000	(347,598)
GOLDENSON*	56,250	47.65	2,680,049	1,023,750	(1,656,299)
JAMUNAOIL*	13,200	231.00	3,049,135	2,224,200	(824,935)
MAKSONSPIN*	231,863	50.48	11,703,582	5,170,545	(6,533,037)
MPETROLEUM	84,700	263.36	22,306,574	16,821,420	(5,485,154)
NBL*	472,594	11.60	5,483,284	3,922,530	(1,560,754)
PADMAOIL*	30,000	339.12	10,173,456	6,276,000	(3,897,456)
REGENTTEX*	189,299	28.54	5,401,787	1,855,130	(3,546,656)
RSRMSTEEL*	170,200	69.31	11,797,065	3,574,200	(8,222,865)
RUNNERAUTO	18,066	84.83	1,532,612	874,394	(658,218)
RUPALIBANK*	573,540	38.27	21,951,395	18,066,510	(3,884,885)
SILVAPHL*	350,000	25.99	9,094,933	7,560,000	(1,534,933)
SOUTHEASTB*	1,918,463	17.97	34,481,184	26,536,173	(7,945,010)
SSSTEEL*	378,000	25.06	9,471,444	6,274,800	(3,196,644)
STANDBANKL*	584,534	11.14	6,510,432	5,152,664	(1,357,768)
STYLECRAFT*	4,125	335.02	1,381,958	333,713	(1,048,246)
TITASGAS*	10,000	87.89	878,921	409,000	(469,921)
UCB*	404,969	21.34	8,640,457	5,272,691	(3,367,767)
VFSTDL*	283,872	25.46	7,228,375	6,001,881	(1,226,494)
BEXGSUKUK	200,000	100.00	20,000,000	17,000,000	(3,000,000)
ECABLES	1,332	267.77	356,675	241,492	(115,184)
GIB	1,317,368	10.00	13,173,680	11,895,830	(1,277,850)
ILFSL	69,494	48.07	3,340,400	389,166	(2,951,234)
INTECH	313,180	55.81	17,478,782	7,954,772	(9,524,010)
MIDASFIN	222,533	69.94	15,563,963	2,403,356	(13,160,606)
NLTUBES	33,379	127.58	4,258,619	2,653,631	(1,604,988)
ROBI	300,000	44.09	13,226,400	9,000,000	(4,226,400)
UNITEDAIR	1,516,500	28.07	42,569,949	2,881,350	(39,688,599)
BCB ICL GROWTH FUND	3,500,000	10.00	35,000,000	37,905,000	2,905,000
ICL Balance Fund	3,868,048	11.25	43,524,912	42,045,682	(1,479,230)
Esquire Icl Apparel Fund	2,202,644	13.62	30,000,011	26,740,098	(3,259,913)
Total			458,428,602	309,223,608	(149,193,754)



Bangladesh Commerce Bank Limited
Investment In Shares (Special Fund 200 Crore)
As on 31 December 2023

Annexure-F
(Amount in Taka)

Particulars	No. of Shares	Avg. Rate	Total Cost	Market Value of Shares	Unrealised Gain/(Loss)
BARKAPOWER	423,415	30.17	12,774,557	9,018,740	(3,755,818)
BSRMSTEEL*	328,292	75.18	24,680,389	20,977,859	(3,702,531)
ESQUIRENIT*	270,558	35.52	9,610,550	9,334,251	(276,299)
NCCBANK*	780,314	15.83	12,356,121	10,733,210	(1,622,911)
SOUTHEASTB*	963,543	15.18	14,627,518	13,327,717	(1,299,800)
SSSTEEL*	313,200	17.56	5,501,032	5,199,120	(301,912)
BEXGSUKUK*	800,000	100	80,000,000	68,000,000	(12,000,000)
Total			159,550,205	136,590,896	(22,959,271)

