

Bangladesh Bank's Accounts for 2014-2015

14.1 Financial results of Bangladesh Bank for FY15 has been prepared in accordance with International Financial Reporting Standards (IFRSs) approved by the International Accounting Standards Board (IASB). Executive summary of Accounts of Bangladesh Bank (excluding SPCBL) is represented below.

Income

14.2 The total operating income of the Bank (excluding foreign currency revaluation gain/loss) for FY15 decreased by Taka 9.19 billion (24.67 percent) to Taka 28.07 billion compared with Taka 37.26 billion in FY14. With foreign currency revaluation, BB incurred a loss of Taka 8.55 billion in FY15 against a income of Taka 50.40 billion in FY14. The sources of income are set out in Table 14.1.

Income from Foreign Currency Financial Assets

14.3 During FY15, Bank's income from the foreign currency financial assets increased by Taka 2.17 billion (21.51 percent) to Taka 12.26 billion compared with Taka 10.09 billion in FY14 due to combined impact of increase in weighted average interest rate on investment of foreign currency.

Income from Local Currency Financial Assets

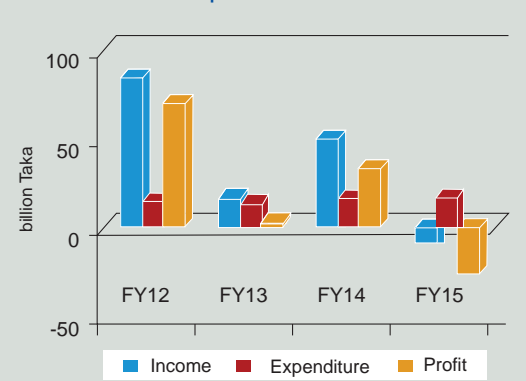
14.4 Bank's income from local currency financial assets decreased by Taka 11.36 billion (41.81 percent) to Taka 15.81 billion in FY15 compared with Taka 27.17 billion in FY14.

Table 14.1 Sources of income (billion Taka)

	FY15	FY14
Operating Income		
A. Income from foreign		
currency financial assets	12.26	10.09
Interest income	11.93	10.06
Commission and discounts	0.33	0.03
B. Income from local		
currency financial assets	15.81	27.17
Interest income	14.09	25.79
Commission & discounts	1.38	1.19
Dividend income & misc.	0.02	0.02
Other income	0.32	0.17
Total : (A+B)	28.07	37.26
C. Foreign exchange		
revaluation gain (loss)	(36.62)	13.14
Realised gain/(loss)	(.10)	2.00
Unrealised gain/(loss)	(36.52)	11.14
Total : (A+B+C)	(8.55)	50.40

Note : Parenthesis indicate negative/loss.

Chart 14.1 Bank's income, expenditure and profit



This was mainly the combined impact of efficient receipt of revenue income & efficient credit management of the Government and efficient liquidity management of Bangladesh Bank.

Foreign Currency Revaluation Gain

14.5 During FY15, BB made a loss of Taka 36.62 billion on foreign currency revaluation. This was due to major foreign currencies held by the Bank became weaker against the Bangladeshi Taka. This revaluation loss was transferred to reserve account.

Expenditure

14.6 Total expenditure of the Bank increased by Taka 0.80 billion (4.74 percent) to Taka 17.68 billion in FY15 compared with Taka 16.88 billion in FY14. The increase in expenditure was mainly due to increase in general and administrative costs. The details of expenditure are shown in the Table 14.2.

Financial Cost

14.7 Financial cost decreased by Taka 0.51 billion (8.57 percent) to Taka 5.44 billion in FY15 compared with Taka 5.95 billion in FY14. This decrease was mainly due to decrease in interest payments on foreign and local currency financial liabilities.

Other Expenses

14.8 Other expenses increased by Taka 1.31 billion (11.99 percent) to Taka 12.24 billion in FY15 compared with Taka 10.93 billion in FY14. This increase was mainly due to increase in general and administrative costs.

Profit for the Year

14.9 Operating profit of the Bank (excluding foreign currency revaluation gain/loss) is Taka

Table 14.2 Bank's expenditure

(billion Taka)		
Particulars	FY15	FY14
A. Financial cost	5.44	5.95
Expenses on foreign currency financial liabilities	0.42	0.24
Interest on foreign currency financial liabilities	0.16	0.19
Commission & other expenses on foreign currency financial liabilities	0.26	0.05
Expenses on local currency financial liabilities	5.02	5.71
Interest expense on local currency financial liabilities	1.87	2.86
Commission & other local currency financial liabilities	3.15	2.85
B. Other expenses	12.24	10.93
Note printing	3.82	3.89
General & administrative expenses	8.42	7.04
Total expenditure (A+B)	17.68	16.88

10.39 billion in FY15 compared to operating profit amounting Taka 20.38 billion in FY14. Operating loss of the Bank (including foreign currency revaluation gain/loss) is Taka 26.23 billion in FY15 compared to operating profit amounting Taka 33.52 billion in FY14.

Other Comprehensive Income

14.10 During the year, the Bank made revaluation loss amounting to Taka 0.39 billion on gold, silver and financial instruments. This revaluation loss was taken into other comprehensive income and subsequently transferred to the reserve account. Revaluation loss arose due to decrease in value of gold and silver in the international market after revaluation.

Profit Appropriation

14.11 Out of Taka 10.39 billion profit, an amount of Taka 0.55 billion were transferred to statutory funds, Taka 0.10 billion to

Bangladesh Bank Disaster Management and Social Responsibility Fund and Taka 0.29 billion to asset renewal & replacement reserve. After adjusting of Taka 0.12 billion of interest reserve, Taka 9.57 billion was transferred to the Government account which was Taka 6.06 billion less from FY14.

Combined Balance Sheet of Banking and Issue Department

Assets

14.12 Foreign currency financial assets increased by Taka 273.84 billion (15.76 percent) to Taka 2011.58 billion in FY15 compared with Taka 1737.74 billion in FY14 due to increase in foreign reserves.

14.13 Local currency financial assets decreased by Taka 50.46 billion (17.58 percent) to Taka 236.49 billion in FY15 compared with Taka 286.95 billion in FY14 due mainly to decrease in loans to Government and investment in repo.

14.14 Non financial assets of the Bank decreased by Taka 0.07 billion to Taka 43.11 billion in FY15 from Taka 43.18 billion in FY14.

Liabilities

14.15 Foreign currency financial liabilities decreased by Taka 21.59 billion (6.38 percent) to Taka 316.64 billion in FY15 from Taka 338.23 billion in FY14 due to decrease in liabilities with IMF and decrease in deposits from banks and financial institutions in the foreign currency clearing account.

Local currency financial liabilities increased by Taka 287.26 billion (18.64 percent) to Taka 1828.70 billion in FY15 compared with Taka

1541.44 billion in FY14 due to increase in notes in circulation, short term borrowings and deposits from banks and financial institution in local currency.

Notes in Circulation

14.16 Notes in circulation increased by Taka 126.46 billion (14.93 percent) to Taka 973.63 billion in FY15 compared with Taka 847.17 billion in FY14. For the liabilities of notes in circulation (amounting to Taka 973.63 billion), Taka 6.41 billion was backed by gold and silver, Taka 870.00 billion by approved foreign currency (balance held outside Bangladesh), Taka 67.04 billion by Government securities, Taka 0.30 billion by Bangladesh Taka coins and Taka 29.88 billion by other domestic assets.

Equity

14.17 Total equity of the Bank decreased by Taka 42.36 billion to Taka 145.84 billion in FY15 compared with Taka 188.20 billion in the previous year. The equity of the bank is enumerated below:

- i. Capital of the bank remained unchanged at Taka 0.03 billion;
- ii. Retained earnings decreased by Taka 6.07 billion to Taka 9.57 billion in FY15 compared with Taka 15.64 billion in FY14;
- iii. Revaluation reserve decreased by Taka 36.92 billion to Taka 64.20 billion in FY15 compared with Taka 101.12 billion in FY14;
- iv. Currency fluctuation reserve decreased by Taka 0.10 billion to Taka 26.66 billion in FY15 compared with Taka 26.76 billion in FY14;

- v. Balance of statutory fund increased by Taka 0.55 billion to Taka 15.57 billion in FY15 compared with Taka 15.02 billion in FY14;
- vi. Non statutory fund remained approximately unchanged to Taka 14.22 billion from FY14 to FY15.
- vii. Other reserves increased to Taka 11.34 billion from Taka 11.16 billion;
- viii. General reserve remained unchanged to Taka 4.25 billion.

Foreign Currency Reserve

14.18 Foreign currency reserve increased by Taka 277.30 billion (16.60 percent) to Taka

1946.97 billion in FY15 compared with Taka 1669.67 billion in FY14.

Consolidation

14.19 During the year, the accounts of Security Printing Corporation (Bangladesh) Ltd. (SPCBL), a 100 percent owned subsidiary of Bangladesh Bank has been consolidated with the accounts of Bangladesh Bank.

Auditors

14.20 The financial statements of Bangladesh Bank for FY15 were audited as per International Standards on Auditing (ISA) by A Qasem & Co. & Rahman Rahman Huq, Bangladesh, Chartered Accountants.

BANGLADESH BANK

AUDITED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2015

Report of the Independent Auditors To the Government of the People's Republic of Bangladesh

Report on the Financial Statements

We have audited the accompanying separate and consolidated financial statements (together referred to as "financial statements") of Bangladesh Bank ("the Bank") and its subsidiary ("the Group"), which comprise the separate and consolidated statements of financial position as at 30 June 2015, the separate and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of these financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank and the Group as at 30 June 2015, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

Rahman Rahman Huq

Chartered Accountants, Bangladesh
30 August 2015

A. Qasem & Co.

Chartered Accountants, Bangladesh

Bangladesh Bank
Consolidated Statement of Financial Position as at 30 June 2015

Assets	Notes	2015 Taka '000	2014 Taka '000
Foreign currency financial assets			
Foreign currency accounts	4	21,015,860	17,792,227
Foreign investments	5	1,684,393,258	1,416,960,021
Assets held with International Monetary Fund	6.01	131,148,185	148,468,110
Gold and silver	7	6,414,663	25,283,678
Claims from gold transactions	8	34,181,082	19,451,963
Foreign currency loans to banks	9	127,742,085	105,186,763
Other foreign currency financial assets	10	6,680,465	4,595,253
Total foreign currency financial assets		2,011,575,598	1,737,738,015
Local currency financial assets			
Taka coin and cash balances	11	14,483,987	1,356,424
Securities purchased under agreement to resell	12	-	980,000
Loans to the Government of Bangladesh	13	112,289,585	168,861,943
Local currency investments	14	6,269,086	8,385,472
Local currency loans to banks, financial institutions and employees	15	107,040,212	109,704,694
Other local currency financial assets	16	531,648	1,145,214
Total local currency financial assets		240,614,518	290,433,747
Total financial assets		2,252,190,116	2,028,171,762
Non-financial assets			
Property, plant and equipment	17	46,150,428	46,440,822
Intangible assets	18	445,179	678,242
Other non-financial assets	19	9,137,878	6,407,845
Total non-financial assets		55,733,485	53,526,909
Total assets		2,307,923,601	2,081,698,671
Liabilities & Equity			
Liabilities			
Foreign currency financial liabilities			
Deposits from banks and financial institutions	20	149,159,932	149,897,535
Liabilities with International Monetary Fund	6.02	167,475,874	188,331,836
Total foreign currency financial liabilities		316,635,806	338,229,371
Local currency financial liabilities			
Notes in circulation	21	973,633,449	847,170,600
Deposits from banks and financial institutions	22	503,017,274	443,782,003
Short term borrowings	23	180,721,995	57,664,690
Other local currency financial liabilities	24	173,881,247	193,316,773
Total local currency financial liabilities		1,831,253,965	1,541,934,066
Total liabilities		2,147,889,771	1,880,163,437
Equity			
Capital	25	30,000	30,000
Retained earnings	32	17,210,947	22,525,327
Revaluation reserves	26	70,204,248	107,116,613
Currency fluctuation reserve	27	26,663,944	26,760,236
Statutory funds	28	15,567,046	15,017,046
Non statutory funds	29	14,219,468	14,222,452
Other reserves	30	11,337,677	11,163,059
General reserve	31	4,800,500	4,700,500
Total equity		160,033,830	201,535,233
Total liabilities and equity		2,307,923,601	2,081,698,671

The accompanying notes from 1 to 55 form an integral part of these financial statements.

Badrul Haque Khan
General Manager
Accounts & Budgeting Department

Nazneen Sultana
Deputy Governor

Dr. Atiur Rahman
Governor

Bangladesh Bank
Separate Statement of Financial Position as at 30 June 2015

Assets	Notes	2015 Taka '000	2014 Taka '000
Foreign currency financial assets			
Foreign currency accounts	4	21,015,860	17,792,227
Foreign investments	5	1,684,393,258	1,416,960,021
Assets held with International Monetary Fund	6.01	131,148,185	148,468,110
Gold and silver	7	6,414,663	25,283,678
Claims from gold transactions	8	34,181,082	19,451,963
Foreign currency loans to banks	9	127,742,085	105,186,763
Other foreign currency financial assets	10	6,680,465	4,595,253
Total foreign currency financial assets		2,011,575,598	1,737,738,015
Local currency financial assets			
Taka coin and cash balances	11.01	321,706	546,240
Securities purchased under agreement to resell	12	-	980,000
Loans to the Government of Bangladesh	13	112,289,585	168,861,943
Local currency investments	14.01	17,795,000	7,005,000
Local currency loans to banks, financial institutions and employees	15.01	105,913,487	108,628,077
Other local currency financial assets	16.01	169,283	929,682
Total local currency financial assets		236,489,061	286,950,942
Total financial assets		2,248,064,659	2,024,688,957
Non-financial assets			
Property, plant and equipment	17.01	38,508,515	38,700,785
Intangible assets	18	445,179	678,242
Other non-financial assets	19.01	4,158,581	3,800,104
Total non-financial assets		43,112,275	43,179,131
Total assets		2,291,176,934	2,067,868,088
Liabilities & Equity			
Liabilities			
Foreign currency financial liabilities			
Deposits from banks and financial institutions	20	149,159,932	149,897,535
Liabilities with International Monetary Fund	6.02	167,475,874	188,331,836
Total foreign currency financial liabilities		316,635,806	338,229,371
Local currency financial liabilities			
Notes in circulation	21	973,633,449	847,170,600
Deposits from banks and financial institutions	22	503,017,274	443,782,003
Short term borrowings	23	180,721,995	57,664,690
Other local currency financial liabilities	24.01	171,327,094	192,817,857
Total local currency financial liabilities		1,828,699,812	1,541,435,150
Total liabilities		2,145,335,618	1,879,664,521
Equity			
Capital	25	30,000	30,000
Retained earnings	32.01	9,568,603	15,643,831
Revaluation reserves	26.01	64,204,078	101,116,443
Currency fluctuation reserve	27	26,663,944	26,760,236
Statutory funds	28	15,567,046	15,017,046
Non statutory funds	29	14,219,468	14,222,452
Other reserves	30	11,337,677	11,163,059
General reserve	31.01	4,250,500	4,250,500
Total equity		145,841,316	188,203,567
Total liabilities and equity		2,291,176,934	2,067,868,088

The accompanying notes from 1 to 56 form an integral part of these financial statements.

Badrul Haque Khan
General Manager
Accounts & Budgeting Department

Nazneen Sultana
Deputy Governor

Dr. Atiur Rahman
Governor

Bangladesh Bank
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2015

Income	Notes	2015 Taka '000	2014 Taka '000
Income on foreign currency financial assets			
Interest income	33	11,925,063	10,059,966
Commission and discounts	34	333,593	34,023
Total income on foreign currency financial assets		12,258,656	10,093,989
Income from local currency financial assets			
Interest income	36	15,043,034	26,119,080
Commission and discounts	37	1,382,469	1,191,498
Sales to other parties by subsidiary		1,931,237	2,017,634
Other income		347,606	184,838
Total income from local currency financial assets		18,704,346	29,513,050
Total income		30,963,002	39,607,039
Expenses			
Expenses on foreign currency financial liabilities			
Interest expense	35	(163,563)	(195,267)
Commission and other expenses		(256,150)	(47,784)
Total expenses on foreign currency financial liabilities		(419,713)	(243,051)
Expenses on local currency financial liabilities			
Interest expense	38	(1,873,588)	(2,862,738)
Commission and other expenses	39	(3,153,009)	(2,854,002)
Total expenses on local currency financial liabilities		(5,026,597)	(5,716,740)
Other expenses			
General and administrative expenses	40	(14,267,927)	(12,245,517)
Total other expenses		(14,267,927)	(12,245,517)
Total expenses		(19,714,237)	(18,205,308)
Foreign currency revaluation gain/(loss) - unrealised		(36,521,334)	11,139,987
Foreign currency revaluation gain/(loss) - realised		(96,292)	2,000,957
Profit/(loss) for the year		(25,368,861)	34,542,675
Items that may be subsequently reclassified to profit or loss			
Other comprehensive income			
Gold revaluation gain/(loss)		(4,823,824)	4,099,233
Silver revaluation gain/(loss)		(74,807)	21,698
Revaluation gain on property, plant and equipment		-	17,161,372
Revaluation gain/(loss) on financial instruments		4,507,599	-
Total other comprehensive income		(391,032)	21,282,303
Total comprehensive income for the year		(25,759,893)	55,824,978

The accompanying notes from 1 to 55 form an integral part of these financial statements.

Badrul Haque Khan
General Manager
Accounts & Budgeting Department

Nazneen Sultana
Deputy Governor

Dr. Atiur Rahman
Governor

Bangladesh Bank
Separate Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2015

Income	Notes	2015 Taka '000	2014 Taka '000
Income on foreign currency financial assets			
Interest income	33	11,925,063	10,059,966
Commission and discounts	34	333,593	34,023
Total income on foreign currency financial assets		12,258,656	10,093,989
Income from local currency financial assets			
Interest income	36.01	14,084,803	25,789,022
Commission and discounts	37	1,382,469	1,191,498
Dividend income		25,000	25,000
Other income	37.a	323,836	165,889
Total income from local currency financial assets		15,816,108	27,171,409
Total income		28,074,764	37,265,398
Expenses			
Expenses on foreign currency financial liabilities			
Interest expense	35	(163,563)	(195,267)
Commission and other expenses		(256,150)	(47,784)
Total expenses on foreign currency financial liabilities		(419,713)	(243,051)
Expenses on local currency financial liabilities			
Interest expense	38	(1,873,588)	(2,862,738)
Commission and other expenses	39	(3,153,009)	(2,854,002)
Total expenses on local currency financial liabilities		(5,026,597)	(5,716,740)
Other expenses			
Note printing expenses		(3,817,289)	(3,885,924)
General and Administrative expenses	40.01	(8,423,247)	(7,042,372)
Total other expenses		(12,240,536)	(10,928,296)
Total expenses		(17,686,846)	(16,888,087)
Foreign currency revaluation gain/(loss) - unrealised		(36,521,334)	11,139,987
Foreign currency revaluation gain/(loss) - realised		(96,292)	2,000,957
Profit/(Loss) for the year		(26,229,708)	33,518,255
Items that may be subsequently reclassified to profit or loss			
Other comprehensive income			
Gold revaluation gain/(loss)		(4,823,824)	4,099,233
Silver revaluation gain/(loss)		(74,807)	21,698
Revaluation gain on Property, plant and equipment		-	12,311,838
Revaluation gain/(loss) on Financial Instruments		4,507,599	-
Total other comprehensive income		(391,032)	16,432,769
Total comprehensive income for the year		(26,620,740)	49,951,024

The accompanying notes from 1 to 55 form an integral part of these financial statements.

Badrul Haque Khan
General Manager
Accounts & Budgeting Department

Nazneen Sultana
Deputy Governor

Dr. Atiur Rahman
Governor

Bangladesh Bank
Consolidated Statement of Changes in Equity
For the year ended 30 June 2015

Taka '000

Particulars	Non - distributable											Distributable		Equity
	Capital	Revaluation reserve				Currency fluctuation reserve	Statutory fund	Non-statutory funds	Other reserves			General reserve	Retained earnings	
		Gold and silver	Foreign currency accounts	Financial instruments	Property, plant & equipment				Asset renewal & replacement reserve	Interest reserve				
Balance as at 1 July 2013	30,000	11,429,710	39,951,542	-	23,521,843	24,759,279	14,467,046	14,226,290	2,743,468	8,320,428	4,600,500	46,493,169	190,543,275	
Dividend paid for 2012-2013	-	-	-	-	-	-	-	-	-	-	-	(36,302,026)	(36,302,026)	
Adjustment against due from government	-	-	-	-	-	-	-	-	-	-	-	(4,368,179)	(4,368,179)	
Transfer to general reserve	-	-	-	-	-	-	-	-	-	-	100,000	(100,000)	-	
Transfer to other funds	-	-	-	-	(197,161)	-	-	-	-	-	-	147,161	(50,000)	
Total comprehensive income for the year	-	4,120,931	11,139,987	-	17,161,372	2,000,957	550,000	50,000	279,000	(191,855)	-	20,714,584	55,824,977	
Adjustment against revaluation	-	-	-	-	(11,611)	-	-	(53,838)	12,018	-	-	(20,775)	(74,206)	
Prior year adjustment	-	-	-	-	-	-	-	-	-	-	-	(4,038,607)	(4,038,607)	
Balance as at 30 June 2014	30,000	15,550,641	51,091,529	-	40,474,443	26,760,236	15,017,046	14,222,452	3,034,486	8,128,573	4,700,500	22,525,327	201,535,233	
Adjustment against due from government ¹	-	-	-	-	-	-	-	-	-	-	-	(16,050)	(16,050)	
Dividend paid for 2013-2014	-	-	-	-	-	-	-	-	-	-	-	(15,627,781)	(15,627,781)	
Total comprehensive income for the year	-	(4,898,630)	(36,521,334)	4,507,599	-	(96,292)	-	(102,984)	-	-	-	11,248,766	(25,759,892)	
Utilisation of funds ²	-	-	-	-	-	-	-	-	-	-	-	-	(102,984)	
Prior year adjustment ³	-	-	-	-	-	-	-	-	-	-	-	5,303	5,303	
Appropriation of profit to other funds	-	-	-	-	-	-	550,000	100,000	291,500	(116,883)	-	(824,617)	(824,617)	
Transfer to general reserve	-	-	-	-	-	-	-	-	-	-	100,000	(100,000)	-	
Balance as at 30 June 2015	30,000	10,652,011	14,570,195	4,507,599	40,474,443	26,663,944	15,567,046	14,219,468	3,325,986	8,011,690	4,800,500	17,210,947	160,033,828	

¹ The amount of Taka 16,050 thousand under retained earnings represents adjustment against payments made by the Bank on behalf of the Government.

² Taka 102,984 thousands represent appropriation against funds. Please refer to note no. 29.

³ This amount represents income from derecognition of property, plant and equipment which were not recorded in the prior year.

Bangladesh Bank
Separate Statement of Changes in Equity
For the year ended 30 June 2015

Taka '000

Particulars	Non - distributable										Distributable		Equity	
	Revaluation reserve					Currency fluctuation reserve	Statutory fund	Non-statutory funds	Other reserves			General reserve		Retained earnings
	Capital	Gold and silver	Foreign currency accounts	Financial instruments	Property, plant & equipment				Asset renewal & replacement reserve	Interest reserve				
Balance as at 1 July 2013	30,000	11,429,710	39,951,542	-	22,174,046	24,759,279	14,467,046	14,226,290	2,743,468	8,320,428	4,250,500	40,733,254	183,085,563	
Adjustment against due from government	-	-	-	-	-	-	-	-	-	-	-	(4,368,179)	(4,368,179)	
Transferred to other funds	-	-	-	-	-	-	-	-	-	-	-	(50,000)	(50,000)	
Dividend paid for 2012-2013	-	-	-	-	-	-	-	-	-	-	-	(36,302,026)	(36,302,026)	
Total comprehensive income for the year	-	4,120,931	11,139,987	-	12,311,838	2,000,957	550,000	50,000	279,000	(191,855)	-	19,690,164	49,951,022	
Adjustment against revaluation	-	-	-	-	(11,611)	-	-	(53,838)	12,018	-	-	(20,775)	(74,206)	
Prior year adjustment	-	-	-	-	-	-	-	-	-	-	-	(4,038,607)	(4,038,607)	
Balance as at 30 June 2014	30,000	15,550,641	51,091,529	-	34,474,273	26,760,236	15,017,046	14,222,452	3,034,486	8,128,573	4,250,500	15,643,831	188,203,567	
Adjustment against due from government ¹	-	-	-	-	-	-	-	-	-	-	-	(16,050)	(16,050)	
Dividend paid for 2013-2014	-	-	-	-	-	-	-	-	-	-	-	(15,627,781)	(15,627,781)	
Total comprehensive income for the year	-	(4,898,630)	(36,521,334)	4,507,599	-	(96,292)	-	(102,984)	-	-	-	10,387,918	(26,620,740)	
Utilisation of funds ²	-	-	-	-	-	-	-	-	-	-	-	-	(102,984)	
Prior year adjustment ³	-	-	-	-	-	-	-	-	-	-	-	5,303	5,303	
Appropriation of profit to other funds	-	-	-	-	-	-	550,000	100,000	291,500	(116,883)	-	(824,617)	-	
Balance as at 30 June 2015	30,000	10,652,011	14,570,195	4,507,599	34,474,273	26,663,944	15,567,046	14,219,468	3,325,986	8,011,690	4,250,500	9,568,603	145,841,315	

¹ The amount of Taka 16,050 thousand under retained earnings represents adjustment against payments made by the Bank on behalf of the Government.

² Taka 102,984 thousands represent appropriation against funds. Please refer to note no. 29.

³ This amount represents income from derecognition of property, plant and equipment which were not recorded in the prior year.

Bangladesh Bank
Consolidated Statement of Cash Flows
For the year ended 30 June 2015

	2015 Taka '000	2014 Taka '000
Cash flows from operating activities		
Interest received	17,320,021	28,892,992
Interest paid	(2,037,150)	(3,058,005)
Received from customer	1,515,822	2,017,634
Fees, commission and other income received	1,873,282	1,435,347
Commission and discounts paid	(3,456,192)	(2,901,786)
Payments to employees and suppliers	(12,868,135)	(12,526,798)
Funds advanced from/(to) banks and employees	3,445,120	8,070,164
(Increase)/decrease in other assets	(358,475)	282,926
Currency issued	126,462,849	100,787,983
Increase/(decrease) in other liabilities	(21,364,483)	93,439,392
Net cash from operating activities	110,532,659	216,439,849
Cash flows from investing activities		
Investment income received	6,764,070	5,800,645
(Increase)/decrease in foreign treasury bills and bonds	(277,059,508)	(194,751,026)
(Increase)/decrease in other investments	(20,829,203)	(41,700,679)
(Increase)/decrease in Government securities	56,569,155	135,815,043
(Increase)/decrease in foreign currency investment	(38,524,845)	13,140,944
(Increase)/decrease in investments in debenture	1,958,132	33,333
Additions to property, plant and equipment	(564,289)	(899,806)
Settlement of liabilities with IMF	(3,536,036)	668,964
Net cash used in investing activities	(275,222,523)	(81,892,582)
Cash flows from financing activities		
Dividend paid to the Government of Bangladesh	(15,627,781)	(36,302,026)
Net cash (used in)/from financing activities	(15,627,781)	(36,302,026)
Net increase/(decrease) in cash and cash equivalents	(180,317,645)	98,245,240
Cash and cash equivalents as at 1 July	332,605,866	234,360,626
Cash and cash equivalents as at 30 June	152,288,221	332,605,866
Cash and cash equivalents include		
Foreign currency accounts	21,015,860	501,735,055
Foreign investments with maturity of three months or less	949,687,576	479,878,616
Taka coin and cash balances	14,483,987	1,356,424
Securities purchased under agreement to resell	-	980,000
Foreign currency deposits from banks and financial institutions	(149,159,932)	(149,897,536)
Short term borrowings	(180,721,995)	(57,664,690)
Deposits from banks and financial institutions	(503,017,274)	(443,782,003)
Cash and cash equivalents as at 30 June	152,288,221	332,605,866

Bangladesh Bank
Separate Statement of Cash Flow
For the year ended 30 June 2015

	2015 Taka '000	2014 Taka '000
Cash flows from operating activities		
Interest received	16,508,623	28,640,420
Interest paid	(2,037,150)	(3,058,005)
Fees, commission and other income received	1,850,124	1,416,398
Commission and discounts paid	(3,456,192)	(2,901,786)
Payments to employees and suppliers	(11,249,458)	(9,802,448)
Funds advanced from/(to) banks and employees	3,495,228	8,177,733
(Increase)/decrease in other assets	(358,475)	479,392
Currency issued	126,462,849	100,787,983
Increase/(decrease) in other liabilities	(21,364,483)	92,149,220
Net cash from operating activities	109,851,066	215,888,908
Cash flows from investing activities		
Dividends received	25,000	25,000
Investment income received	6,764,070	5,800,645
(Increase)/decrease in foreign treasury bills and bonds	(277,059,508)	(194,751,026)
(Increase)/decrease in other investments	(20,829,203)	(41,503,629)
(Increase)/decrease in Government securities	56,569,155	135,815,043
(Increase)/decrease in foreign currency investment	(38,524,845)	13,140,944
(Increase)/decrease in investments in debenture	(10,790,000)	35,000
Additions to property, plant and equipment	(511,660)	(857,729)
Settlement of liabilities with IMF	(3,536,036)	668,964
Net cash used in investing activities	(287,893,026)	(81,626,788)
Cash flows from financing activities		
Dividend paid to the Government of Bangladesh	(15,627,781)	(36,302,026)
Net cash (used in)/from financing activities	(15,627,781)	(36,302,026)
Net increase/(decrease) in cash and cash equivalents	(193,669,741)	97,960,093
Cash and cash equivalents as at 1 July	331,795,682	233,835,589
Cash and cash equivalents as at 30 June	138,125,940	331,795,682
Cash and cash equivalents include		
Foreign currency accounts	21,015,860	501,735,055
Foreign investments with maturity of three months or less	949,687,576	479,878,616
Taka coin and cash balances	321,706	546,240
Securities purchased under agreement to resell	-	980,000
Foreign currency deposits from banks and financial institutions	(149,159,932)	(149,897,536)
Short term borrowings	(180,721,995)	(57,664,690)
Deposits from banks and financial institutions	(503,017,274)	(443,782,003)
Cash and cash equivalents as at 30 June	138,125,940	331,795,682

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

1. Reporting entity

Bangladesh Bank ("the Bank"), a body corporate, is the Central Bank of Bangladesh, established on the 16th day of December, 1971 under the Bangladesh Bank Order, 1972 (P.O. No. 127 of 1972). The Bank is domiciled in Bangladesh and the head office of the Bank is situated at Motijheel C/A, Dhaka-1000.

The Bank has 10 (ten) branch offices situated at the following locations:

Location	Address
Motijheel Office	Motijheel C/A, Dhaka-1000
Chittagong Office	Notun/617, Shahid Sohrwardi Road, Chittagong
Rajshahi Office	Natore Road, Majhi Hata, Boalia, Rajshahi-6000
Bogra Office	Holding - 1683, Thonthonia, Bogra-5800
Rangpur Office	Bangladesh Bank Rangpur Office, Rangpur-5400
Khulna Office	1, Ratan Sen Road, Khulna-9100
Barishal Office	Deen Bondhu Sen Road, Barishal-8200
Sylhet Office	VIP Road, Taltola, Sylhet-3100
Sadarghat Office	Bahadurshah Road, Sadarghat, Dhaka-1000
Mymensingh Office	29, Durgabari Road, Mymensingh-2200

The Bank has exclusive agency arrangement with Sonali Bank Limited for carrying out certain specific treasury related functions across the country. As at 30th June, 2015, 589 Branches of Sonali Bank Limited were engaged in daily treasury functions under the referred agency arrangement with the Bank.

As per the Article 7A of the Bangladesh Bank Order, 1972, functions of the Bank among others include:

- to formulate and implement monetary policy;
- to formulate and implement intervention policies in the foreign exchange market;
- to give advice to the Government on the interaction of monetary policy with fiscal and exchange rate policy, on the impact of various policy measures on the economy and to propose legislative measures it considers necessary or appropriate to attain these.
- to hold and manage the official foreign reserves of Bangladesh;
- to promote, regulate and ensure a secure and efficient payment system, including the issue of bank notes; and
- to regulate and supervise banking companies and financial institutions.

The Bank also acts as the banker to the Government as per Article 16(18) of the Bangladesh Bank Order, 1972.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

The entire Capital of the Bank had been allotted to the Government of Bangladesh as per Article 4(2) of the Bangladesh Bank Order, 1972.

The Bank has a fully owned subsidiary company named The Securities Printing Corporation (Bangladesh) Ltd. ("SPCBL" or "the subsidiary") which was formed on 22nd April, 1992 for the purpose of printing and supplying of currency notes. The Bank and its subsidiary are collectively referred to as "the Group". Refer to note 3.01(a) and 14.02.

2. Basis of preparation of the financial statements

2.01 Statement of compliance

The consolidated and separate financial statements (financial statements) of the Group and the Bank respectively have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). The compliance status of these IFRSs is as follows:

	Compliance status
IAS 1: Presentation of Financial Statements	Complied
IAS 2: Inventories	Complied
IAS 7: Statement of Cash Flows	Complied
IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors	Complied
IAS 10: Events after the Reporting Period	Complied
IAS 11: Construction Contracts	Not applicable
IAS 12: Income Taxes	Complied
IAS 16: Property, Plant & Equipment	Complied
IAS 17: Leases	Complied
IAS 18: Revenue	Complied
IAS 19: Employee Benefits	Complied
IAS 20: Accounting for Government Grants and Disclosure of Government Assistance	Complied
IAS 21: The Effects of Changes in Foreign Exchange Rates	Complied
IAS 23: Borrowing Costs	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 and Joint Ventures	Not applicable
IAS 32: Financial Instruments: Presentation	Complied
IAS 33: Earnings Per Share	Not applicable
IAS 34: Interim Financial Reporting	Not applicable
IAS 36: Impairment of Assets	Complied
IAS 37: Provisions, Contingent Liabilities and Contingent Assets	Complied

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

	Compliance status
IAS 38: Intangible Assets	Complied
IAS 39: Financial Instruments: Recognition and Measurement	Complied
IAS 40: Investment Property	Not applicable
IAS 41: Agriculture	Not applicable
IFRS 1: First Time Adoption of International Financial Reporting Standards	Not applicable
IFRS 2: Share Based Payment	Not applicable
IFRS 3: Business Combination	Complied
IFRS 4: Insurance Contracts	Not applicable
IFRS 5: Non-Current Assets Held for Sale and Discontinued 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 10: Consolidated Financial Statements	Complied
IFRS 11: Joint Arrangements	Not applicable
IFRS 12: Disclosure of Interests in Other Entries	Complied
IFRS 13: Fair Value Measurement	Complied

2.02 Basis of measurement

The financial statements are prepared on a historical cost basis except for the following material items in the consolidated and separate statements of financial position ("the statement of financial position"):

Basis of measurement	Material items
"Fair Value (FV)"	- Gold and claims from Gold transactions
	- Silver
	- Property, plant and equipment
	US dollar treasury bills, foreign bonds Government treasury bills and bonds; Bangladesh House Building Finance Corporation (BHBFC) debentures; ICB Islamic Bank Limited shares.
Present value (PV)	Liability for the defined benefit obligation

2.03 Functional and presentation currency

The financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), which is the Group's functional and presentation currency. Except as indicated, financial information presented in Bangladesh Taka has been rounded off to the nearest thousand.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

2.04 Relationship between Issue Department and Banking Department

Under the Bangladesh Bank Order, 1972, issue of bank notes shall be conducted by the Bank in an Issue Department, which shall be separated and kept wholly distinct from the Banking Department. Accordingly, the Issue Department is solely concerned with the note issue and the assets backing the issue. The Banking Department comprises all other activities of the Bank. The separation into departments is made within the Bank and reports on both the Banking and Issue Departments (together referred as "statement of affairs") are made internally and submitted to the Ministry of Finance throughout the year at weekly interval. The annual financial statements are prepared on a combined basis to include all the assets and liabilities of the Bank. The assets backing the note issue as at the year end are disclosed in note 21.

2.05 Use of estimates and judgments

Preparation of the 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 going concern basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

Estimates, judgements and assumptions are made for impairments of loans, fair value of securities, assessment of fair value hierarchy, fair valuation of property, plant and equipment, economic lives of assets for calculation of depreciation and for calculation of provision for post retirement benefits like pension, gratuity and leave encashment and assumptions used in the actuarial valuations of defined benefit plans.

2.06 Comparatives

IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* requires an entity to correct material prior period errors retrospectively by restating the comparatives amounts for prior period presented in which the error occurred. While preparing financial statements as at 30 June 2015, no such material prior period errors were identified.

3 Significant accounting policies

Accounting policies set out below have been applied consistently to all periods presented in these financial statements by Group entities. Certain comparative amounts have been reclassified to conform with the current year's presentation.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

3.01 Basis of consolidation

(a) *Subsidiary*

SPCBL is the wholly owned subsidiary of the Bank. It is responsible for printing and supplying the Bank with currency notes based on the requirements from time to time. SPCBL sells these notes to the Bank at a specified mark-up agreed beforehand between the Bank and SPCBL. SPCBL is also engaged in printing of security products for other parties besides the Bank.

(b) *Transactions eliminated on consolidation*

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with the subsidiary are eliminated to the extent of the Group's interest in the subsidiary. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.02 Foreign currency transactions

Transactions in foreign currencies are translated to Taka at the exchange rate ruling at the dates of the transactions in compliance with IAS 21 : The Effects of Changes in Foreign Exchange Rates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Taka at the exchange rate ruling at that date. Foreign exchange difference arising on translation are recognised in the statement of profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Taka at foreign exchange rates ruling at the dates the fair values were determined and exchange difference are recognised in other comprehensive income. At the reporting date the exchange rate of Taka against major foreign currencies held by the Group used in preparing the financial statements were as follows:

Foreign currency	Exchange rates	
	2015 Taka	2014 Taka
US Dollar	77.8004	77.6300
Australian Dollar	59.9686	73.1973
Canadian Dollar	62.2652	72.7827
EURO	86.6152	106.3065
Pound Sterling	122.2556	132.8249
CNY	12.5414	12.5107
JPY	0.6355	0.7663
SDR	109.4185	120.0082

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

3.03 Foreign exchange gain/loss

Realised foreign exchange gain/loss is calculated using average cost methodology. At the end of each month, the change in the average cost balance is calculated on a currency by currency basis by applying (a) where there is a net increase in the currency position, the increase to the average value is the average rate for the month multiplied by the currency amount of the increase and (b) where there is a net decrease in the currency position, the decrease to the average value is calculated by the applying the opening average rate to the carrying amount of the decrease. The difference between the book value at the period end exchange rate and the average value by currency is determined. The balance is considered as unrealised revaluation reserve.

The difference between unrealised revaluation reserve account and the ledger balance is accounted as realised exchange gain/loss for the period and is recognised in the statement of profit or loss for the year. Subsequently the gain/loss has been transferred to currency fluctuation reserve in the statement of financial position.

3.04 Financial assets and liabilities

Financial assets comprise among others foreign currency accounts, foreign investments, assets held with International Monetary Fund (IMF), gold and silver, claims on gold transactions, foreign currency loans to banks, other foreign currency financial assets, Taka coin and cash balances, securities purchased under agreement to resell, loans to Government of Bangladesh, local currency investments, local currency loans to banks, financial institutions and advances to employees and other local currency financial assets.

Financial liabilities comprise deposits from banks and financial institutions, liabilities with IMF, notes in circulation, short term borrowings and other local currency financial liabilities.

(a) Recognition and initial measurement

Loans and advances are initially recognised in the Statement of Financial Position on the date they are originated. Regular way purchases or sales of financial assets are recognised or derecognised, as applicable, on the settlement date at which the assets are received or, as the case may be, delivered by the Group. All other financial assets and liabilities are initially recognised when the Group becomes a party to the contractual provision of the instruments. Financial assets and liabilities are initially measured at fair value.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

(b) *Classification and subsequent measurement*

Classification of financial assets and liabilities for purposes of measurement subsequent to initial recognition in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* are made in the following manner:

(1) Financial assets and financial liabilities at fair value through profit or loss.

Financial assets or financial liabilities at fair value through profit or loss are either:

- classified as held for trading; or
- designated by the Group as at fair value through profit or loss upon initial recognition.

Financial assets or financial liabilities are classified as held for trading if:

- they are acquired or incurred principally for the purpose of selling or purchasing them in the near term;
- on initial recognition they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking; or
- they are derivatives (except for derivatives that are financial guarantee contracts or designated and effective hedging instruments).

The Group designates financial assets and liabilities at fair value through profit or loss in the following circumstances:

- designation eliminates or significantly reduces an accounting mismatch which would otherwise arise; or
- assets or liabilities contains an embedded derivative that significantly modifies the cash flow that would otherwise be required under the contract.

(2) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity other than:

- those that are upon initial recognition designated as at fair value through profit or loss;
- those that are designated as available for sale; and
- those that meet the definition of loans and receivables.

A sale or reclassification of a more than an insignificant amount of held-to-maturity investments would result in their classification of all held-to-maturity investments

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

as available-for-sale, and would prevent the Group from classifying investment securities as held-to-maturity for current and the following two financial years. However, sales and reclassifications in any of the following circumstances would not trigger a reclassification:

- sales or reclassification that are so close to maturity that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- sales or reclassification after the Group has collected substantially all of the asset's original principal; and
- sales or reclassification attributable to non-recurring isolated events beyond the Group's control that could not have been reasonably anticipated.

Treasury bills and bonds of the Government of Bangladesh, foreign bonds, US dollar treasury bills and investment in debentures are classified as held to maturity investments unless the reclassification as available-for-sale is required in the circumstances described above.

(3) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than:

- those that the Group intends to sell immediately or in near term, which are classified as held for trading, and those that the Group has, upon initial recognition, designated as at fair value through profit or loss;
- those that the Group has, upon initial recognition, designated as available for sale; or
- those for which the Group may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available for sale.

Loans and receivables are initially measured at fair value plus transaction cost directly attributable to the acquisition of the financial assets, and subsequently measured at their amortised cost using the effective interest method.

Taka coin and cash balances, foreign currency accounts, short term investments with overseas commercial banks, assets held with IMF, foreign currency loans to banks, interest receivable, ways and means advances, overdraft block and current loans to Government of Bangladesh, securities purchased under agreement to resell, local currency loans to banks, financial institutions and employees and other local currency financial assets are classified as loans and receivables.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

(4) Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that the Group has designated as available for sale or has not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss or (d) trading assets and liabilities.

Swift shares, gold and silver, claims from gold transactions and shares of ICB Islamic Bank Limited are classified as available-for-sale financial assets. Swift shares are measured at cost as there is no quoted market price for these shares.

Shares of The Security Printing Corporation (Bangladesh) Ltd. (SPCBL) are measured at cost in the separate financial statement of the Bank in accordance with IAS 27 Separate Financial Statements.

(5) Financial liabilities carried at amortised cost

Short-term borrowings, notes in circulation, deposits from banks and financial institutions and liabilities with IMF are classified as financial liabilities carried at amortised cost.

(c) Amortised cost measurement principles

Amortised cost of a financial asset or liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, minus any reduction for impairment or uncollectibility.

Effective interest method is a method of calculating the amortised costs of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability on initial recognition. When calculating effective interest rate, the Group estimates the cash flows considering all contractual terms of the financial instruments, and any revisions to these estimates are recognised in profit or loss. The calculation includes amounts paid or received that are an integral part of the effective interest rate of a financial instrument, including transaction costs and all other premiums and discounts.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

(d) Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted prices in an active market for that instrument. A market is regarded as active if transactions for the assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in the profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(e) Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of available-for-sale assets are recognised in other comprehensive income (OCI). When the financial assets are sold, collected or otherwise disposed of, the cumulative gain or loss recognised in OCI is transferred to the statement of profit or loss. Gains and losses arising from a change in the fair value of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in the statement of profit or loss. Gains and losses on subsequent measurement of loans and receivables and held to maturity financial instruments are recognised in the statement of profit or loss.

(f) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in such transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the statement of profit or loss.

Group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all risks and rewards include, for example, claims from gold transactions and repurchase transactions. Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Available-for-sale financial assets and financial assets held for trading are derecognised when sold and corresponding receivables from the buyer for the payment

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

are recognised when the asset is delivered to the buyer. Held-to-maturity instruments and loans and receivables are de-recognised on the day they are repaid in full by the debtor or are deemed to be completely uncollectible.

(g) Identification and measurement of impairment

Financial assets not carried at fair value through profit or loss are reviewed at each reporting date to determine whether there is objective evidence of impairment. Financial assets are impaired when objective evidence demonstrates that a loss event has an impact on the future cash flows that can be estimated reliably.

Evidence of impairment is considered at both a specific asset level and collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed by grouping together financial assets (carried at amortised cost) with similar risk characteristics.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of the borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and advances.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the write down, the write-down or allowance is reversed through the statement of profit or loss.

(h) Off-setting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when and only when the Group has a legal right to set off the amounts and it intends to settle on a net basis.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

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

3.05 Foreign currency accounts

Foreign currency accounts comprise balances held in the current accounts maintained with different central banks and foreign commercial banks in the designated foreign currency. These are measured at each reporting date by translating to the functional currency at the exchange rates prevailing on that date. Gains and losses arising upon translation are recognised in the statement of profit or loss and are subsequently transferred from retained earnings to revaluation reserve - foreign currency accounts and currency fluctuation reserve (refer to note 3.03 for accounting policy on foreign exchange gain/loss).

3.06 Foreign investments

Foreign investments comprise short term interest bearing deposits held with overseas commercial banks for periods ranging from 1 to 3 months in designated foreign currencies, overnight investment, foreign currency treasury bills purchased at a discount and interest bearing foreign bonds. The carrying amount of these investments in foreign currency at each reporting date is translated to the functional currency at the exchange rate on that date. Gains and losses arising upon translation are recognised in the statement of profit or loss and are subsequently transferred to revaluation reserve - foreign currency accounts.

3.07 Other foreign currency financial assets

Other foreign currency financial assets comprise Swift shares and accrued interest and dividend thereof. Swift shares have no quoted market price, and are measured at cost.

3.08 Taka coin and cash balances

Taka coin and cash balances represents the face value of unissued one and two Taka coins and notes held by the Bank purchased from the Government at respective face values, cash and cash equivalents held with SPCBL and cash deposit with Sonali Bank Limited, Mymensingh branch.

3.09 Loans to the Government of Bangladesh

Loans to the Government of Bangladesh (the Government) consist of "Ways and Means" advances, as well as credit facilities in the form of overdraft (block and current), and Government treasury bills and bonds.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

Ways and Means Advance (WMA)

When total payments to the Government exceed total deposits from the Government, the excess of payment over receipt, with a limit not exceeding Taka 40,000 million (2014: Taka 40,000 million), is treated as WMA with interest being charged thereon at the repo rate. WMA is realised only after realisation of Government overdraft-current account balance in full.

Overdraft - current and block

Government borrowing in excess of the Taka 40,000 million limit set for WMA are recognised as overdraft-current with a limit not exceeding Taka 40,000 million (2014: Taka 40,000 million). Interest is charged thereon at a rate one percent higher than the repo rate. Any recovery or surplus realised by the Bank from the Government is first applied to the overdraft-current account balance. Any surplus remaining after adjustment of the overdraft-current balance in full then applied to the WMA.

Overdraft block was formerly known as Government treasury bills. At the beginning of the financial year 2006-2007 the balance of Government treasury bills was transferred to overdraft-block account. From the financial year 2007 and onwards an amount of Taka 15,000 million has been repaid every year by the Government. Interest is charged thereon at the rate of 91 day treasury bill.

Treasury bills and bonds

Government treasury bills and bonds are the securities which are purchased and held by the Bank when commercial banks and financial institutions do not purchase those from the Government. These are measured at fair value at each statement of financial position date.

3.10 Local currency investments

Group investment comprises investment in debenture of BHBFC, shares of the ICB Islamic Bank Ltd and short term deposit with local commercial banks. Investment in debentures and shares are measured at fair value.

3.11 Local currency loans to banks, financial institutions and employees

These comprise loans to nationalised commercial and specialised banks, other scheduled banks and financial institutions and loans to the Bank employees. These are reported net of allowances for loan impairment losses if any.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

3.12 Gold and silver

Physical gold and silver are stored at Motijheel branch of the Bank. These are stated at market value. Valuation gains and losses are recognised in OCI and are reported under gold and silver revaluation reserves in the statement of changes in equity.

In managing its investment portfolio, the Bank lends part of its gold holdings to first-class foreign financial institutions. It receives interest in return. Gold lending transactions are effected on a secured basis. The gold price risk remains with the Bank. Gold investments are entered in the statement of financial position under 'claims from gold transactions' and measured at market value. The interest accrual is recognised under 'Interest income - foreign currency operations'.

3.13 Property, plant and equipment

(a) Recognition and measurement

Items of PPE are initially recognised at cost and subsequently carried at revalued amounts, being fair values at the date of the revaluation, less subsequent accumulated depreciation and impairment losses if any.

Land and buildings, appearing as items of PPE are used for its operating, administrative and staff's residence purposes.

(b) Revaluation

If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in OCI and accumulated in equity under the heading of revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognised in OCI to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in OCI reduces the amount accumulated in equity under the heading of revaluation surplus.

The Bank revalued its land as at 30 June 2014 and other items of PPE were revalued as at 1 July 2009 by an independent valuer. The Bank has a policy to revalue all items of property, plant and equipment every five years. As the policy on measurement and recognition of PPE is under review, no revaluation has been performed in this respect since 2009.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

The Subsidiary's property, plant and equipment were revalued as at 1 July 2013 by an independent valuer. The revalued property, plant and equipment reflecting the fair values of the assets are incorporated in the consolidated financial statements.

Significant methods and assumptions for revaluation of items of property, plant and equipment were as follows:

- (i) Land was revalued on a reasonable approximation basis. The valuer applied their knowledge of recorded land sales in the respective areas to land measurement established at last valuation;
- (ii) Buildings, capital work in progress, electrical installation and gas installation were revalued on the basis of fair values of materials, labour and direct overheads used in construction and installation; and
- (iii) Mechanical equipment, fixture and fittings and motor vehicles were revalued on the basis of replacement costs.

(c) Subsequent costs

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

(d) Capital work in progress

Capital work in progress is recognised when it is incurred and depreciated after the completion of the project.

(e) Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use. Depreciation is calculated to allocate the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the cost of another asset. Land is not depreciated. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

Bangladesh Bank : Notes to the Financial Statements
As at and for the year ended 30 June 2015

<u>Class of PPE</u>	<u>Bank</u>	<u>Subsidiary (SPCL)</u>
Building and other construction	5%	2.5% - 20%
Mechanical and office equipment	10%	5% - 20%
Computer and networking	20%	-
Fixture and fittings	10%	10%
Motor vehicles	20%	20%
Electrical installation	20%	-
Gas installation	20%	-

(f) Borrowing cost capitalisation

The Bank capitalises borrowing costs in accordance with the provision of IAS 23 as part of the cost of assets that are directly attributable to the acquisition, construction, or production of a qualifying asset if following conditions are met:

- It is probable that they will result in future economic benefits to the entity;
- The costs can be measured reliably.

If borrowing costs do not meet both the criteria, they are recognised as expenses. For the purpose of capitalisation, a qualifying assets is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

(g) Impairment

The carrying value of the Bank's property, plant and equipment and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of that asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in the profit and loss account. For the assets that have indefinite useful life, the recoverable amount is estimated at each balance sheet date.

The recoverable amount of asset is the greater of net selling price and value in use. The estimated future cash flows are discounted to their present value using discount rate that reflects the current market assessment of the time value of money and the risk specific to the asset. For an asset that does not generate significantly independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.14 Intangible assets and their amortisation

Software acquired by the Group is measured at cost less accumulated amortisation and accumulated impairment losses if any.

Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software and capitalised borrowing costs, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Software is amortised on a straight line basis in profit or loss over its estimated useful life, from the date that it is available for use.

The estimated useful life of software for the current and comparative periods is five years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.15 Securities borrowing, lending business and repurchase transactions

In course of its financial market operations, the Bank engages in repurchase agreements involving Government treasury bills and bonds (which is used as a collateral for repurchase transactions). When the 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, the arrangement is accounted for as a deposit, and the underlying asset continues to be recognised in the financial statements. Similarly, when commercial banks sell a financial asset to the Bank and simultaneously enter into an agreement to repurchase the asset at a fixed price on a future date, the agreement is accounted for as a loan, and the underlying asset is not recognised in the financial statements.

3.16 Employee benefits

Employee benefits are all forms of consideration given by the entity in exchange for service rendered by an employee. Employee benefits are recognised as:

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

- (a) a liability (accrued expense) when an employee has provided service in exchange for employee benefits to be paid in the future; and
- (b) an expense when the entity consumes the economic benefit arising from service provided by an employee in exchange for employee benefits.

3.17 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus, medical allowances or any others are charged as expenses in the statement of profit or loss.

3.18 Post employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment. The Group operates a number of post-employment benefit plans and recognises expenses for these plans in the statement of profit or loss.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

(i) Contributory provident fund

Bank and employees contribute to the fund, which invests in various securities. The Bank commits a return of 13% on the balance of the contributed amount. In the event that the return from securities is lower than the committed return of 13%, the shortfall, if any, would be paid by the Bank and is recognised in the statement of profit or loss. Bank's obligations for contributions to the above fund are recognised as an expense in the statement of profit or loss as incurred.

(b) Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

(i) General provident fund

Employees contribute at various rates of their basic salaries to the fund. No contributions are made by the Bank for the above fund. The provident fund invests in various securities and the Bank has committed a return of 13% (2014: 13%). Any shortfall in the return from investments is funded by the Bank by charging in its statement of profit or loss.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

(ii) Pension scheme

Employees are entitled to pension amounting to maximum of 80% of their last basic salary. 50% of the pension amount is paid as a lump sum computed at the rate of Taka 230 (2014: Taka 230) per Taka 1 surrendered from the pension. Employees may choose to surrender the remaining 50% for a lump sum payment computed at the rate of Taka 115 (2014: Taka 115) per Taka 1 or to receive their pension monthly over the remaining lifetime.

All employees irrespective of joining date are entitled to medical allowance in cash (Taka 700 per month upto age 65 years and Taka 1,000 after 65 years) even after retirement as prescribed by the government.

The Bank actuarially valued its pension liabilities as at 30 June 2012. The calculation was performed by a qualified actuary using the projected unit credit method. Actuarial gains or losses arising from the change in defined benefit obligation are recognised in other comprehensive income. However, Bank did not make any actuarial valuation this year in view of the declaration of the national pay scale which will necessitate changes in the salary structures and it was considered prudent to do the actuarial valuation based on the new pay scale.

(iii) Gratuity scheme

On retirement the employees are entitled to receive two months of final basic salary for every year of service. The Bank actuarially valued its gratuity scheme and measured its liability for defined benefit obligation as at 30 June 2012. The calculation was performed by a qualified actuary using the projected unit credit method. Actuarial gains or losses arising from the change in defined benefit obligation are recognised in other comprehensive income.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the statement of profit or loss when the plan amendment or curtailment occurs.

(iv) Leave encashment

Those employees who have unutilised leave up to one year or more at the time of retirement age of 59 are allowed to leave with salary for one year. The remaining unutilised leave is encashed (maximum twelve months). Employees are not allowed to encash their unutilised leave until reaching retirement age.

3.19 Other long-term employee benefits

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related service. All employees after retirement are entitled a maximum of Taka 1,000 per year in the form of medicine.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

3.20 Provisions

Provisions are recognised in respect of restructuring, redundancy and legal claims arising from past events where it is probable that an outflow of resources will be required to settle the obligations and the amount can be reliably estimated.

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations a reliable estimate can be made of the amount of the obligation.

A legal obligation is an obligation that derives from a contract, legislation or other operation of law. A constructive obligation is an obligation that derives from an entity's actions such as by an established pattern of past practice, published policies etc. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditures expected to be required to settle the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate and any changes in the estimates are applied prospectively.

3.21 Notes in circulation

Currency issued by the Bank represents a claim on the Bank in favour of the holder. The liability for currency in circulation is recorded at face value in the financial statements.

3.22 Government grants

Government grants are recognised at fair value when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received. Grants related to purchase of assets are treated as deferred income and allocated to the statement of profit or loss over the useful lives of the related assets.

3.23 Interest income and expenses

Interest income and expenses are recognised in the statement of Profit or Loss and Other Comprehensive Income using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

Interest income and expenses include the amortisation of any discount or premium or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity calculated on an effective interest rate basis.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

3.24 Commission and discounts

Commission income arises on instruments issued by the Group, long outstanding entries of the sundry accounts, sale proceeds of sundry items, car and bus fares realised from the staff and other miscellaneous items.

3.25 Dividend income

Dividend income is recognised in the separate financial statements of the Bank when the right to receipt of income is established.

3.26 Income tax

(a) Bangladesh Bank

The Bank is not subject to income taxes on any of its income, stamp duties, and customs duties on gold, silver, coins, currency notes, security papers and any other goods that may be specified by the Government as per Article 73, 74 and 75 of Bangladesh Bank Order, 1972.

(b) Subsidiary

The Subsidiary is subject to income tax. Income tax on the profit or loss for the year comprises of current tax and deferred tax. Income tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity. Present applicable income tax rate is 35%.

Current tax is expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

3.27 Subsequent events

Events after the reporting date that provide additional information about the Group's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period which are not adjusting events are disclosed in the notes when material in compliance with IAS 10 Events after the Reporting Period. Up to the date the financial statements were authorised for issue, no events have occurred which require to disclosure in the financial statements.

4	Foreign currency accounts	2015 Taka '000	2014 Taka '000
	The accounts represent the equivalent accumulated value of different foreign currencies held with other central banks and balances of deposits with foreign commercial banks.		
	Balance held with		
	Other Central Banks	19,546,523	16,829,772
	Foreign commercial banks	1,469,337	962,455
	Total	21,015,860	17,792,227
5	Foreign investments		
	Overnight Investment	247,393,553	483,942,828
	Short term deposits with overseas commercial banks	674,465,879	492,050,716
	US Dollar treasury bills	83,279,606	83,075,584
	Foreign bonds	679,254,220	357,890,893
	Total	1,684,393,258	1,416,960,021
6	International monetary fund (IMF) related assets and liabilities		
6.01	Assets held with International Monetary Fund		
	Quota	58,352,886	64,000,373
	SDR holding	72,789,125	84,454,866
	Interest receivable on SDR holding	6,174	12,871
	Total	131,148,185	148,468,110
6.02	Liabilities with International Monetary Fund		
	IMF Securities	56,675,010	62,320,401
	IMF-1 and IMF-2 account	1,617,261	1,624,626
	SDR allocation	55,847,748	61,252,784
	IMF extended credit facility	50,016,838	54,857,548
	Loan under the Poverty Reduction and Growth Facility	3,314,286	8,266,285
	Interest payable	4,732	10,192
	Total	167,475,874	188,331,836

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

Bangladesh has been a member of the International Monetary Fund ("IMF") since 1972. The Bank also acts as both the fiscal agent and the depository for the IMF. As fiscal agent, Bangladesh Bank is authorised to carry out all operations and transactions with the IMF. As depository, Bangladesh Bank maintains the IMF's currency holdings and ensures that the assets and liabilities of IMF membership are properly reflected in its accounts and presented in its financial statements.

The quota of Bangladesh is its membership subscription. Quota is the amount of money that each IMF member country is required to contribute to the IMF. A member must pay its subscription in full upon joining the fund; up to 25 percent must be paid in SDRs or widely accepted currencies such as the US dollar, euro, yen or pound sterling, while the rest is paid in the member's own currency. The subscription is granted mainly by the issue of promissory notes in favor of the IMF and partly paid in reserve assets, partly by the Government of Bangladesh and partly by deposits to the IMF account maintained with the Bank.

Special Drawing Rights (SDR) are allocated by the IMF to members on the basis of members' quota at the time of the SDR allocation. Bangladesh Bank pays interest on its SDR allocations and earns interest on its holdings of SDR.

IMF has revalued SDR against Bangladesh currency (Taka) on 30 April 2015. Accordingly, IMF related assets and liabilities were translated to Taka at the exchange rate ruling at 30 June 2015 (converted at the rate of Taka 0.00913 per one SDR).

	2015 Taka '000	2014 Taka '000
7 Gold and silver		
Gold	6,188,335	24,982,543
Silver	226,328	301,135
Total	6,414,663	25,283,678

The Bank has in total 443,112.24 troy ounce of Gold and 185,115.91 troy ounce of Silver under its holding.

8 Claims from gold transactions	34,181,082	19,451,963
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These represent claims against gold loan to Standard Chartered Bank, London and HSBC, London for 3 to 12 months. The physical gold are held on site by Bank of England, London.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

9 Foreign currency loans to banks	2015 Taka '000	2014 Taka '000
Export Development Fund (EDF) Dollar investment	127,742,085	105,186,763
Central Bank of Iraq	-	296,164
Rupali Bank Karachi	10,735	11,040
	<u>127,752,820</u>	<u>105,493,967</u>
Provision for loan losses	(10,735)	(307,204)
Total	<u>127,742,085</u>	<u>105,186,763</u>

This non-convertible account was created in 1979 on request of Bangladesh Bank. The purpose of creating the account is to adjust some unadjusted export bills prior to our independence. The principal amount of this account can not be remitted, transferred and converted. But the interest can be transferred after paying tax and complying with the rules of the State Bank of Pakistan.

10 Other foreign currency financial assets

Swift shares	80	80
Interest receivable	6,680,385	4,595,173
Total	<u>6,680,465</u>	<u>4,595,253</u>

10.a Bank has bought one share of SWIFT as part of membership of the said organisation. Face value of the share is equivalent to Taka 80,474.57.

10.b Interest receivable represents interest on account of short term deposits with foreign banks, foreign bonds, EDF investment and gold investment.

11 Consolidated Taka coin and cash balances

Taka coin	303,316	516,415
Cash balances (SPCBL)	14,162,281	810,184
Cash balances (separate)	18,390	29,825
Total	<u>14,483,987</u>	<u>1,356,424</u>

11.01 Taka coin and cash balances

Taka coin	303,316	516,415
Cash balances	18,390	29,825
Total	<u>321,706</u>	<u>546,240</u>

Taka coin and cash balances represent the face value of unissued one and two taka coins and notes held by the Bank purchased from the Government at respective face values, cash and cash equivalents held with SPCBL and cash deposit with Sonali Bank Limited, Mymensingh branch.

Bangladesh Bank : Notes to the Financial Statements
As at and for the year ended 30 June 2015

	2015 Taka '000	2014 Taka '000
12 Securities purchased under agreement to resell	-	980,000

When commercial banks sell a financial asset to the Bank and simultaneously enter into an agreement to repurchase the asset at a fixed price on a future date, the agreement is accounted for as a loan, and the underlying asset is not recognized in the financial statements. On the reporting date, there is no securities purchased under agreement to resell.

13 Loans to the Government of Bangladesh

Ways and means advance (WMA)	24,354,400	-
Overdraft - block (ODB)	86,850,000	131,510,000
Overdraft - current (ODC)	-	-
Treasury bills	-	2,327,168
Treasury bonds	1,085,185	35,024,775
Total	112,289,585	168,861,943

On 7 September 2014, the Government adjusted Tk. 44,660.00 million worth overdraft block balance. However, yearly scheduled amount of Tk. 15,000 million was not offset during the current year.

Applicable interest rates for the WMA, ODB and ODC during the year were:

WMA	5.25%	5.25%
ODC	6.25%	6.25%
ODB	5.39%	6.85%

14 Consolidated local currency investments

Debenture - BHBFC (Note - 14.c)	5,795,000	6,505,000
Short term money market investments (Note - 14.a)	462,501	1,868,910
Shares- ICB Islamic Bank Ltd. (Note - 14.d)	7,452	7,452
Others	4,134	4,110
Total	6,269,086	8,385,472

14.01 Local currency investments

Debenture - BHBFC (Note - 14.c)	5,795,000	6,505,000
Investment in subsidiary (Note 14.b)	12,000,000	500,000
Total	17,795,000	7,005,000

14.a These represent the total amount of term deposits by SPCBL with different local commercial banks.

Bangladesh Bank : Notes to the Financial Statements
As at and for the year ended 30 June 2015

14.b Investment in subsidiary

	2015 Taka '000	2014 Taka '000
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SPCBL is the wholly owned subsidiary of the Bank. Total paid up capital of SPCBL stood at Tk. 12,000,000 thousand after subscription of further Tk. 11,500,000 thousand on 12 November 2014 by the Bank. For the year ended 30 June 2014, SPCBL declared and paid Tk. 25 million as dividend.

14.c Debenture - BHBFC represents subscription by the Bank of debentures issued by BHBFC from time to time.

Rate of interest	Balance as on 30 June 2015
4.5%	2,680,000
5%	3,015,000
2.75%	100,000
Total	5,795,000

14.d SPCBL holds 7,45,200 shares of Tk. 10 of ICB Islamic Bank Ltd. (Formerly the Oriental Bank Ltd.) as per Bangladesh Bank Circular No - BRPD (R-1) 651/9(10)/2007-446 dated 2 August 2007.

15 Consolidated local currency loans to banks, financial institutions and employees

(i) Local currency loans to banks, financial institutions

State owned banks:

Commercial Banks	4,963,167	4,105,182
Specialised Banks*	33,362,448	39,719,785
	38,325,615	43,824,967
Provision for impairment (Note 15.a)	(140,426)	(206,952)
	38,185,188	43,618,015

Other banks and financial institutions:

Private banks	3,019,500	2,634,900
Other loans and advances	26,172,779	28,601,184
	29,192,279	31,236,084
Interest receivable	8,429,740	7,595,016
Total (i)	75,807,208	82,449,115

(ii) Local currency loans and advances to employees

Loans and advances to employees	31,782,362	27,750,850
Provision for loan losses (Note 15.b)	(549,357)	(495,271)
Total (ii)	31,233,004	27,255,579
Total loans (i + ii)	107,040,212	109,704,694

Bangladesh Bank : Notes to the Financial Statements
As at and for the year ended 30 June 2015

	2015 Taka '000	2014 Taka '000
15.01 Local currency loans to banks, financial institutions and employees		
(i) Local currency loans to banks, financial institutions		
State owned banks:		
Commercial Banks	4,963,167	4,105,182
Specialised Banks *	33,362,448	39,719,785
	38,325,615	43,824,967
Provision for impairment (Note 15.a)	(140,426)	(206,952)
	38,185,188	43,618,015
Other banks and financial institutions:		
Private banks	3,019,500	2,634,900
Other loans and advances	26,172,779	28,601,184
	29,192,279	31,236,084
Interest receivable	8,429,740	7,595,016
Total (i)	75,807,208	82,449,115
(ii) Local currency loans and advances to employees		
Loans and advances to employees	30,655,637	26,674,233
Provision for loan losses (Note 15.b)	(549,357)	(495,271)
Total (ii)	30,106,279	26,178,962
Total loans (i + ii)	105,913,487	108,628,077

*Specialised banks include banks catering the specific needs of different economic sectors as described below:

Banks	Specialized Sectors
Bangladesh Krishi Bank	Agricultural
Rajshahi Krishi Unnayan Bank	Agricultural
Bangladesh Samabay Bank Limited	Agricultural

15.a Provision for impairment

Opening balance	206,952	226,117
Charged during the year	-	140,426
Released during the year	(66,525)	(159,591)
Total	140,427	206,952

Bangladesh Bank : Notes to the Financial Statements
As at and for the year ended 30 June 2015

	2015 Taka '000	2014 Taka '000
15.b Provision for loan losses		
Opening balance	495,271	264,099
Charged during the year	54,086	231,172
Total	549,357	495,271

Provision for impairment is an asset type account which is kept for reducing loss on interest from non-interest bearing loans. The released amount is due to write back of provision of rescheduled Demand Loan.

Provision for loan losses is also an asset type account maintained for adjusting bad debt staff advance interest of employees staff advance.

16 Consolidated other local currency financial assets

Interest receivables (Bangladesh bank)	169,283	929,682
Interest receivables (SPCBL)	362,365	215,532
Total	531,648	1,145,214

16.01 Other local currency financial assets

Interest receivables	169,283	929,682
Total	169,283	929,682

Interest receivables include interest receivable on Government Treasury Bonds, interest receivable on Debenture-HBFC and debtors adjusting account of Debt Management Department and Expenditure Management Department.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

17 Consolidated Property Plant & Equipment

i) 2015

Taka '000

Particulars	Land	Building and other construction	Mechanical and office equipment	Computer and networking	Fixture and fittings	Motor vehicles	Electrical installation	Gas installation	Capital work in progress	Total
Cost										
As at 1 July 2014	36,551,304	4,829,898	4,103,203	1,681,243	158,129	241,289	216,021	811	1,580,747	49,362,645
Addition during the year	-	10,296	98,642	118,830	18,489	3,586	16,053	1,205	340,454	607,555
Transfers during the year	-	228,753	28,838	-	-	-	37,020	-	(294,611)	-
Disposals during the year	-	(5,102)	(419)	(2,128)	(165)	(1,847)	(114)	-	-	(9,775)
As at 30 June 2015	36,551,304	5,063,845	4,230,264	1,797,945	176,453	243,028	268,980	2,016	1,626,590	49,960,425
		4257227								
Accumulated depreciation										
As at 1 July 2014	-	938,987	688,352	989,711	75,411	134,134	94,432	796	-	2,921,823
Charge for the year	-	253,445	219,034	333,895	13,894	36,905	35,884	202	-	893,259
Disposals during the year	-	(1,314)	(391)	(1,343)	(78)	(1,847)	(112)	-	-	(5,085)
As at 30 June 2015	-	1,191,118	906,995	1,322,263	89,227	169,192	130,204	998	-	3,809,997
Net book value										
As at 30 June 2015	36,551,304	3,872,727	3,323,269	475,682	87,226	73,836	138,776	1,018	1,626,590	46,150,428
As at 30 June 2014	36,551,304	3,890,911	3,414,851	691,532	82,718	107,155	121,589	15	1,580,747	46,440,822

The Bank revalued its land as at 30 June 2014 and other items of property, plant and equipment were revalued as at 1 July 2009 by an independent valuer. The Subsidiary's property, plant and equipment were revalued on 1 July 2013. Refer to note 3.13 (b).

Land includes Taka 27,539 million of leasehold land, all on standard terms of thirty to ninety-nine years.

As the Bank's policy on measurement and recognition of property, plant and equipment is currently under review, no revaluation for assets other than land has been carried out since 2009.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

ii) 2014

Taka '000

Particulars	Land	Building and other construction	Mechanical and office equipment	Computer and networking	Fixture and fittings	Motor vehicles	Electrical installation	Gas installation	Capital work in progress	Total
Cost										
As at 1 July 2013	21,369,423	4,213,240	3,740,394	1,571,693	153,163	231,548	122,370	811	1,513,391	32,916,033
Addition during the year	189,673	37,438	191,007	109,729	15,717	28,546	69,403	-	360,979	1,002,492
Valuation gain/(loss)	14,992,208	427,038	135,039							15,554,285
Transfers during the year	-	155,426	36,763	77,185	-	-	24,249	-	(293,623)	-
Disposals during the year	-	(3,244)	-	(77,364)	(10,751)	(18,805)	(1)	-	-	(110,165)
As at 30 June 2014	36,551,304	4,829,898	4,103,203	1,681,243	158,129	241,289	216,021	811	1,580,747	49,362,645
Accumulated depreciation										
As at 1 July 2013	-	1,160,200	1,624,978	664,772	67,454	92,075	65,315	634	-	3,675,428
Charge for the year	-	241,230	207,958	324,939	12,510	43,414	29,117	162	-	859,330
Disposals during the year	-	(462,443)	(1,144,584)	-	(4,553)	(1,355)	-	-	-	(1,612,935)
As at 30 June 2014	-	938,987	688,352	989,711	75,411	134,134	94,432	796	-	2,921,823
Net book value										
As at 30 June 2014	36,551,304	3,890,911	3,414,851	691,532	82,718	107,155	121,589	15	1,580,747	46,440,822
As at 30 June 2013	21,369,423	3,053,040	2,115,416	906,921	85,709	139,473	57,055	177	1,513,391	29,240,605

The Bank revalued its land as at 30 June 2009 and other items of property, plant and equipment were revalued as at 1 July 2009 by an independent valuer.

Land includes Taka 17,080 million of lease hold land, all on standard terms of ninety-nine years.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

17.01 Property, plant and equipment

i) 2015

Taka '000

Particulars	Land	Building and other construction	Mechanical and office equipment	Computer and networking	Fixture and fittings	Motor vehicles	Electrical installation	Gas installation	Capital work in progress	Total
Cost										
As at 1 July 2014	32,892,704	3,621,579	1,032,518	1,681,243	119,475	216,702	216,021	811	1,578,493	41,359,546
Addition during the year		6,606	51,397	118,830	18,436	3,586	16,053	1,205	288,281	504,394
Transfers during the year		228,753	26,584				37,020		(292,357)	-
Disposals during the year		(5,102)	(419)	(2,128)	(165)		(114)			(7,928)
As at 30 June 2015	32,892,704	3,851,836	1,110,080	1,797,945	137,746	220,288	268,980	2,016	1,574,417	41,856,012
Accumulated depreciation										
As at 1 July 2014	-	881,406	534,073	989,711	42,157	116,186	94,432	796	-	2,658,761
Charge for the year	-	195,495	78,219	333,896	12,850	35,427	35,886	203	-	691,977
Disposals during the year	-	(1,314)	(392)	(1,344)	(78)	-	(113)	-	-	(3,241)
As at 30 June 2015	-	1,075,587	611,900	1,322,263	54,930	151,613	130,204	999	-	3,347,497
Net book value										
As at 30 June 2015	32,892,704	2,776,249	498,180	475,682	82,816	68,675	138,776	1,017	1,574,417	38,508,515
As at 30 June 2014	32,892,704	2,740,173	498,445	691,532	77,318	100,516	121,589	15	1,578,493	38,700,785

The Bank revalued its land as at 30 June 2014 and other items of property, plant and equipment were revalued as at 1 July 2009 by an independent valuer.

Land includes Taka 27,539 million of leasehold land, all on standard terms of thirty to ninety-nine years.

As the Bank's policy on measurement and recognition of property, plant and equipment is currently under review, no revaluation for assets other than land has been carried out since 2009.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

ii) 2014

Taka '000

Particulars	Land	Building and other construction	Mechanical and office equipment	Computer and networking	Fixture and fittings	Motor vehicles	Electrical installation	Gas installation	Capital work in progress	Total
Cost										
As at 1 July 2013	20,391,193	3,433,198	836,902	1,571,693	114,802	214,337	122,370	811	1,512,152	28,197,458
Addition during the year	189,673	37,438	158,853	109,729	15,424	21,170	69,403	-	358,725	960,415
Valuation gain/(loss)	12,311,838	-	-	-	-	-	-	-	-	12,311,838
Transfers during the year	-	154,187	36,763	77,185	-	-	24,249	-	(292,384)	-
Disposals during the year	-	(3,244)	-	(77,364)	(10,751)	(18,805)	(1)	-	-	(110,165)
As at 30 June 2014	32,892,704	3,621,579	1,032,518	1,681,243	119,475	216,702	216,021	811	1,578,493	41,359,546
Accumulated depreciation										
As at 1 July 2013	-	698,937	465,232	664,772	35,234	75,112	65,315	634	-	2,005,236
Charge for the year	-	183,649	68,841	324,939	11,476	42,429	29,117	162	-	660,613
Disposals during the year	-	(1,180)	-	-	(4,553)	(1,355)	-	-	-	(7,088)
As at 30 June 2014	-	881,406	534,073	989,711	42,157	116,186	94,432	796	-	2,658,761
Net book value										
As at 30 June 2014	32,892,704	2,740,173	498,445	691,532	77,318	100,516	121,589	15	1,578,493	38,700,785
As at 30 June 2013	20,391,193	2,734,261	371,670	906,921	79,568	139,225	57,055	177	1,512,152	26,192,222

The Bank revalued its land as at 30 June 2014 and other items of property, plant and equipment were revalued as at 1 July 2009 by an independent valuer.

Land includes Taka 17,080 million of leasehold land, all on standard terms of thirty to ninety-nine years.

As the Bank's policy on measurement and recognition of property, plant and equipment is currently under review, no revaluation for assets other than land has been carried out since 2009.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

18 Intangible assets	2015 Taka '000	2014 Taka '000
Intangible asset at cost	1,183,974	1,178,358
Accumulated amortisation	(865,368)	(623,255)
Capital work in progress	126,573	123,139
Total	445,179	678,242

Balance represents the accumulated value of Enterprise Resources Planning (ERP), Core Banking Solutions (CBS), Enterprise Data Warehouse (EDW), Bangladesh Automated Clearing House (BACH), Bangladesh Electronic Fund Transfers Network (BEFTN), Credit Information Bureau (CIB) and Bank's in-house built softwares.

19 Consolidated other non financial assets		
Prepayments and advances	1,144,229	924,283
Stock	6,986,234	4,891,562
Sundry debtors	1,007,415	592,000
Total	9,137,878	6,407,845

19.01 Other non-financial assets

Prepayments and advances	4,127,278	3,772,413
Stock (Printed books, forms and papers, office supplies and stock of medicine)	31,303	27,692
Total	4,158,581	3,800,104

20 Deposits from banks and financial institutions		
Foreign currency deposits from commercial banks (Foreign currency clearing)	78,892,716	74,802,048
Asian Clearing Union (ACU)	70,261,285	75,093,095
Interest payable to ACU	5,930	2,393
Total	149,159,932	149,897,535

21 Notes in circulation		
Notes in circulation	973,633,537	847,170,638
Cash in hand	(88)	(38)
Total	973,633,449	847,170,600

Notes in circulation represent currency issued having a claim on Bangladesh Bank. The denomination of notes in circulation as at 30 June 2015 was as follows:

Denomination	2015		2014
	Number in pieces	Value in Taka '000	Value in Taka '000
5 Taka coin	795,587,204	3,977,936	3,803,145
5 Taka note	773,856,189	3,869,281	3,547,743
10 Taka note	1,262,478,936	12,624,789	12,743,266
20 Taka note	415,286,916	8,305,738	7,159,252
50 Taka note	179,632,928	8,981,646	8,400,687
100 Taka note	707,500,119	70,750,012	68,930,841
500 Taka note	886,746,888	443,373,444	424,240,371
1000 Taka note	421,750,690	421,750,690	318,345,333
Total	5,442,839,870	973,633,537	847,170,638

Bangladesh Bank : Notes to the Financial Statements
As at and for the year ended 30 June 2015

	2015 Taka '000	2014 Taka '000
Liability for notes in circulation is recorded at its face value in the statement of financial position. In accordance with Article 30 of Bangladesh Bank Order, 1972, these liabilities are supported by the following assets:		
Gold	6,188,335	6,134,183
Silver	226,328	301,135
Approved Foreign Exchange	870,000,000	800,000,000
Bangladesh Government securities	67,036,120	10,214,848
Taka coin	303,316	516,415
Other loans and advances	29,879,438	30,004,057
Total	973,633,537	847,170,638

22 Deposits from banks and financial institutions

State owned commercial banks	123,192,501	102,556,236
Government specialised banks	15,436,474	22,205,015
Private banks	333,584,536	288,472,651
Foreign banks	26,183,067	26,743,289
Financial institutions	4,620,696	3,804,812
Total	503,017,274	443,782,003

Deposits from banks and financial institutions comprise required reserve deposits such as Cash Reserve Ratio (CRR), calculated at a rate of 6.5% (2014: 6.5%) on the bank's liability base, together with balances held for settlement purposes.

23 Short term borrowings

Securities sold under agreement to repurchase	166,350,000	37,930,000
Bangladesh Bank bills	14,371,995	19,734,690
Total	180,721,995	57,664,690

Securities sold under agreement to repurchase and Bangladesh Bank bills are instruments used by the Bank to withdraw liquidity from the market. The balances at the year end reflect market conditions at that date.

Bangladesh Bank : Notes to the Financial Statements
As at and for the year ended 30 June 2015

	2015 Taka '000	Restated 2014 Taka '000
24 Consolidated other local currency financial liabilities		
Government deposits	5,033	41,199,148
Other deposits (Note 24.02)	121,568,330	104,206,158
Bank notes adjusting account - demonetised Pakistani notes	3,230	3,230
Sundry creditors account	4,222,001	2,983,413
Interest suspense account	732	715
Deposits from donor agencies	22,337,551	21,422,994
Inter-branch adjustments (suspense)	(211,897)	437,732
Credit guarantee scheme for small industrial investors	248,808	248,808
Provision for pension*	6,618,747	5,738,714
Provision for gratuity*	1,470,184	1,553,726
Provision for leave encashment	1,534,606	1,664,214
Small and medium enterprise fund - Government	1,772,064	1,772,064
Loan from Govt of Bangladesh - Central bank strengthening project(Note-24.03)	2,721,734	2,764,580
DFID -RPP Project	137,029	391,272
Small and medium enterprise fund ADB-2	7,332,907	6,667,569
Deferred tax liability	1,133,504	594,810
Miscellaneous	521,144	456,806
Others - subsidiary	1,421,567	1,210,821
Fund for small investor affected in capital market	1,043,971	-
Total	173,881,247	193,316,773
24.01 Other local currency financial liabilities		
Government deposits	5,033	41,199,148
Other deposits (Note 24.a)	121,568,330	104,206,158
Bank notes adjusting account - demonetised Pakistani notes	3,230	3,230
Sundry creditors account	4,222,919	4,290,128
Interest suspense account	732	715
Deposits from donor agencies	22,337,551	21,422,994
Inter-branch adjustments (suspense)	(211,897)	437,732
Credit guarantee scheme for small industrial investors	248,808	248,808
Provision for pension*	6,618,747	5,738,714
Provision for gratuity*	1,470,184	1,553,726
Provision for leave encashment	1,534,606	1,664,214
Small and medium enterprise fund - Government	1,772,064	1,772,064
Loan from Govt of Bangladesh - Central bank strengthening project (Note-24.b)	2,721,734	2,764,580
DFID -RPP Project	137,029	391,272
Small and medium enterprise fund ADB-2	7,332,907	6,667,569
Miscellaneous	521,144	456,806
Fund for small investor affected in capital market	1,043,971	-
Total	171,327,094	192,817,857

*Refer to note 51 for details.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

	2015 Taka '000	2014 Taka '000
24.a	Other deposits comprise Bangladesh Government special islamic bonds fund deposit, employees provident fund deposit, liquidator bank deposit, scheduled bank's insurance fund deposit, security deposit, employees co-operative societies deposits and other sundry deposits.	

24.b Unutilised Central Bank Strengthening Project (CBSP) fund

Government of Bangladesh (GOB) signed a credit agreement with the International Development Agency (IDA) for a project named Central Bank Strengthening Project (CBSP). The related credit reference is IDA 3792 BD and the project was meant for "Improvement of efficiency of the Bank through functional reforms and large scale automation of its' business process". Subsequent to this agreement, a subsidiary Loan Agreement was signed between GOB and Bangladesh Bank to this effect for execution of the Project. The total cost of the project was Taka 3,892 million (USD 55.60 million), of which IDA provided Taka 3,060 million (USD 43.71 million) through the Government and the rest Taka 832 million (USD 11.88 million) was funded by the Bank. The project started in late 2003 and was completed on 30 April 2013.

The Bank has to repay the principal and the interest amount of the loan to Government within a tenure of 30 years. In the year end 2014-15 total dues against the project was Taka 2,721.73 million on account of the Government. The repayments will initiate after the schedules and process are finalised by the Government of Bangladesh. Till 30 June 2015, total outstanding stood at Taka 100.22 million and accrued provision stood at Taka 110.89 million.

25 Capital

At 30 June 2015 the authorised and subscribed capital as per Bangladesh Bank Order 1972, was Taka 30 million (30 June 2014: Taka 30 million). The entire capital of the Bank stands vested in and allocated to the Government as per Article 4(1) and 4(2) of the Order.

26 Consolidated revaluation reserves

Revaluation reserve - gold and silver (Note 26.a)	10,652,011	15,550,641
Revaluation reserve - foreign currency accounts (Note 26.b)	14,570,195	51,091,529
Revaluation reserve - property, plant and equipment (Note 26.04)	40,474,443	40,474,443
Revaluation Reserve-Financial Instrument (Note 26.05)	4,507,599	-
Total	70,204,248	107,116,613

26.01 Revaluation reserves

Revaluation reserve - gold and silver (Note 26.a)	10,652,011	15,550,641
Revaluation reserve - foreign currency accounts (Note 26.b)	14,570,195	51,091,529
Revaluation reserve - property, plant and equipment (Note 26.c)	34,474,273	34,474,273
Revaluation reserve-financial instruments (Note 26.d)	4,507,599	-
Total	64,204,078	101,116,443

26.a Revaluation reserve - gold and silver

The Bank accounts for the gain/loss on revaluation of gold and silver in the statement of other comprehensive income and subsequently transferred to a separate account, revaluation reserve-gold and silver, which forms part of equity.

Bangladesh Bank : Notes to the Financial Statements
As at and for the year ended 30 June 2015

	2015 Taka '000	2014 Taka '000
26.b Revaluation reserve - foreign currency accounts		
The Bank accounts for the unrealised gain/loss on revaluation of foreign currency to the statement of profit or loss and subsequently transferred to a separate account, revaluation reserve-foreign currency, which forms part of equity.		
26.c Revaluation reserve - property, plant and equipment		
The Bank accounts for the gain/loss on revaluation of property, plant and equipment in the statement of other comprehensive income and subsequently transferred to a separate account, revaluation reserve - property, plant and equipment, which forms part of equity.		
26.d Revaluation reserve - financial instruments		
The Bank accounts for the gain/loss on revaluation of financial instruments in the statement of other comprehensive income and subsequently transferred to a separate account, revaluation reserve - financial instruments, which forms part of equity.		
27 Currency fluctuation reserve	26,663,944	26,760,236
The Bank credited the realised gain on revaluation of foreign currencies to the statement of profit or loss and other comprehensive income and transferred the same to a separate account - currency fluctuation reserve, which forms part of equity.		
28 Statutory funds		
Rural credit fund (Note 28.a)	5,600,000	5,400,000
Agricultural credit stabilisation fund (Note 28.b)	5,600,000	5,400,000
Export credit fund (Note 28.c)	1,300,000	1,300,000
Industrial credit fund (Note 28.d)	2,187,852	2,037,852
Credit guarantee fund (Note 28.e)	879,194	879,194
Total	15,567,046	15,017,046
Statutory funds were created and maintained as per provisions of the Bangladesh Bank Order, 1972 and appropriations from profits are made in consultation with the Government of Bangladesh.		
28.a Rural credit fund		
This fund was created as per Article 60(1) of Bangladesh Bank Order, 1972 for providing short term, medium term and long term loans and advances to co-operative bank, scheduled bank and rural credit agencies. An appropriation of Taka 200 million was made for this fund during the year.		
28.b Agricultural credit stabilisation fund		
This fund was created as per Article 61 of Bangladesh Bank Order, 1972 for providing loans and advances to apex co-operative banks. An appropriation of Taka 200 million was made for this fund during the year.		

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

	2015	2014
	Taka '000	Taka '000
28.c Export credit fund		
As per Article 63 of Bangladesh Bank Order, 1972 this fund was created for providing medium term and short term loans and advances to scheduled banks and other credit institutions for financing export from Bangladesh. No appropriation was made for this fund during the year.		
28.d Industrial credit fund		
As per Article 62 of Bangladesh Bank Order, 1972 the fund was created for providing short term and medium term loans and advances to co-operative banks. An appropriation of Taka 150 million was made for this fund during the year.		
28.e Credit guarantee fund		
As per clause 24 of Article 16 of Bangladesh Bank Order, 1972 the Fund was created by appropriating profit every year as per decision of the Board of Directors to cover the loss sustained by scheduled banks for making small loans to cottage industries. No appropriation was made for this fund during the year.		
29 Non statutory funds		
Small and medium enterprise fund (Note 29.a)	6,000,000	6,000,000
Housing refinance fund	6,570,000	6,570,000
Human resources development fund (Note 29.b)	349,468	402,452
Monetary management fund (Note 29.c)	200,000	200,000
Rural agri product processing industries refinance fund (Note 29.d)	1,000,000	1,000,000
Disaster management and social responsibility fund (Note 29.e)	100,000	50,000
Total	14,219,468	14,222,452
29.a Small and medium enterprise fund		
This fund was created as per clause 24 of Article 16 of the Bangladesh Bank Order, 1972 for providing refinancing facilities to the schedule banks and financial institutions against loans and advances given to the small enterprise sector and housing refinance scheme. Appropriation to these funds are made as per decision of the Board.		
29.b Human resources development fund		
Human resources development fund was created as per clause 2(n) of Article 82 of Bangladesh Bank Order, 1972 and decision taken by the board of the Bank for development of efficiency of the Bank's officials by conducting seminar, symposium, training etc. at home and abroad. Appropriation of this fund was made from the dividend payable to Government for the year 2010-2011.		
29.c Monetary management fund		
Monetary management fund was created as per decision of the Board of the Bank for sound and smooth operation of monetary policy activities. Appropriation of this fund was made from the dividend payable to Government for the year 2010-2011.		

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

	2015 Taka '000	2014 Taka '000
29.d Rural agri product processing industries refinance fund		
This fund was created in 2001 for the purpose of financing rural agri product processing industries. Under this scheme, there are 37 agri product processing industries sectors. This fund plays an important role for developing the agri product sectors in Bangladesh. Government of The People's Republic of Bangladesh declared this sector as "Thrust sector" in "National Industry Policy 2010" by giving priority for development and expansion of agri based industries.		
29.e Disaster management and social responsibility fund		
This fund was created by the approval of Board of Directors (6th meeting of 2013) , Minutes no. -BD-341(2013-06)/50 on 17 June, 2013. Primarily, the fund, Taka 50 million as donation, was collected from Bangladesh Bank's 2012-2013 profit and subsequently Taka 50 million will be deducted from each year's profit transferring the amount to this fund. In 2014-2015, Taka 100 million has been deducted from the current year's profit.		
30 Other reserves		
Asset renewal and replacement reserve (Note 30.a)	3,325,985	3,034,485
Interest reserve (Note 30.b)	8,011,692	8,128,574
Total	11,337,677	11,163,059
30.a Asset renewal and replacement reserve		
Every year an amount equivalent to depreciation charge against buildings and installations are transferred to this fund during profit appropriation.		
30.b Interest reserve		
This was introduced in the financial year 2006-2007 as per decision of the Board, and represents the interest accrued against the overdue loan of Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank.		
31 Consolidated general reserve		
Bangladesh Bank (Note 31.01)	4,250,500	4,250,500
SPCBL	550,000	450,000
Total	4,800,500	4,700,500
31.01 General reserve	4,250,500	4,250,500
As per Article 59 of Bangladesh Bank Order, 1972 securities of the value of Taka 30 million was allocated by the Government and held by the Bank as the general reserve. Further an amount of Taka 4,220.5 million was transferred to the reserve from general provision over the years.		

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

	2015 Taka '000	2014 Taka '000
32 Consolidated retained earnings		
Opening balance	22,525,327	46,493,169
Adjustment against due from Government	(16,050)	(11,829)
Adjustment against guarantee on behalf of Rajshahi Krishi Unnayan Bank	-	(4,356,350)
Appropriation of profit to other funds	(824,617)	147,161
Dividend paid for 2013-2014	(15,627,781)	(36,302,026)
Prior year adjustment	5,303	(4,038,607)
Transferred to general reserve	(100,000)	(100,000)
Adjustment against revaluation	-	(20,775)
Profit for the year after appropriation	11,248,766	20,714,584
Closing balance	17,210,947	22,525,327
32.01 Retained earnings		
Opening balance	15,643,831	40,733,254
Adjustment against due from Government	(16,050)	(11,829)
Adjustment against guarantee on behalf of Rajshahi Krishi Unnayan Bank	-	(4,356,350)
Appropriation of profit to other funds	(824,617)	(50,000)
Dividend paid for 2013-2014	(15,627,781)	(36,302,026)
Prior year adjustment	5,303	(4,038,607)
Adjustment against revaluation	-	(20,775)
Profit for the year after appropriation	10,387,918	19,690,164
Closing balance	9,568,603	15,643,831
33 Interest income		
Loans to banks	1,603,486	906,507
Short term deposits with commercial banks	3,729,054	4,251,326
Bonds	6,359,498	4,708,983
US Dollar treasury bills	63,883	70,084
Claims from gold transactions	129,213	49,415
Others (SDR - investment)	39,928	73,651
Total	11,925,063	10,059,966
34 Commission and discounts		
Commission on foreign currency operations	214,918	33,788
Others (trading profit on USD bond investment)	118,675	235
Total	333,593	34,023
35 Interest expense		
Deposits	91,558	75,507
Asian Clearing Union (ACU)	20,230	28,425
IMF	30,887	62,688
Interest on central bank, strengthening project	20,887	28,647
Total	163,563	195,267

Bangladesh Bank : Notes to the Financial Statements
As at and for the year ended 30 June 2015

	2015 Taka '000	2014 Taka '000
36 Interest income		
Securities purchased under agreement to resell	1,473,884	1,427,784
Government securities	1,050,143	6,762,343
Loans and advance to the Government	6,830,530	12,738,650
Debentures	311,388	318,881
Loans to banks, financial institution and employees	4,478,140	4,597,680
Short term money market deposits	898,949	273,742
Total	15,043,034	26,119,080
36.01 Interest income		
Securities purchased under agreement to resell	1,473,884	1,427,784
Government securities	1,050,143	6,762,343
Loans and advance to the Government	6,830,530	12,738,650
Debentures	311,388	318,881
Loans to banks, financial institution and employees	4,418,858	4,541,364
Total	14,084,803	25,789,022
37 Commission and discounts		
Commission income from Government	5,749	3,639
Miscellaneous commission income	586,458	486,384
Gain/(loss) on sale of treasury bonds	790,263	321,928
Total	1,382,469	811,951
37.a Other income		
Exchange A/C (local income)	82	133
Exchange A/C - remittance sold (local)	41	15
Exchange A/C - TT discount (local)	2,347	3,543
Exchange - miscellaneous (local)	-	1
Gain on asset sale or derecognition	599	2,606
Interest income - miscellaneous -write back of provision	66,525	159,592
Grant income	254,242	379,547
Total	323,836	545,436
Other income includes exchange earnings, gain on asset derecognition and interest provision write-back.		
38 Interest expense		
Bangladesh Bank bills	736,118	2,354,814
Securities sold under agreement to repurchase	1,137,470	507,924
Total	1,873,588	2,862,738
39 Commission and other expenses		
Agency charges (Note 39.a)	2,642,465	2,409,580
Under writing commission on treasury bills & bonds (Note 39.b)	488,067	415,000
Interest on deposit from Undisbursed Agri Credit (Note 39.c)	22,477	29,422
Total	3,153,009	2,854,002

Bangladesh Bank : Notes to the Financial Statements
As at and for the year ended 30 June 2015

	2015 Taka '000	2014 Taka '000
39.a Agency charges		
Agency charge paid to Sonali Bank Limited for acting as agent of Bangladesh Bank.		
39.b Underwriting commission on treasury bills and bonds		
Underwriting commission paid to primary dealers for issuing Govt. treasury bill and bond.		
39.c Interest on deposit from Undisbursed Agri Credit		
This is paid to commercial banks against their undisbursed agri-credit.		
40 Consolidated general and administrative expenses		
Staff costs (Note 40.a)	6,164,947	4,318,603
Depreciation	893,262	859,329
Amortisation (intangible assets)	242,113	241,152
Directors' fees	720	741
Audit fees	8,337	12,350
Stationery	104,629	89,234
Rent, electricity etc.	309,294	292,347
Remittance of treasure	44,130	53,287
Donations	120,626	116,178
Telephone	93,962	89,265
Repairs and maintenance	425,922	401,983
Materials	3,206,419	3,126,660
Provision for Workers' Profit Participation Fund	115,931	76,152
Income tax and value added tax	778,138	1,267,741
Deferred tax	538,693	(105,840)
Miscellaneous	1,220,803	1,406,334
Total	14,267,927	12,245,517
40.a Staff costs		
Salary	1,759,589	1,694,105
House rent	540,646	499,839
Contribution to contributory provident fund	(95,219)	(6,632)
Pension and gratuity	1,595,850	157,834
Leave encashment	2,013	11,301
General and incentive bonus	1,085,931	804,973
Income tax paid to Government	(4,319)	6,055
Medical expenses	266,931	247,982
Training	154,327	140,144
Travel expenses	206,888	166,062
Lunch	304,225	300,183
Other staff costs	348,084	296,757
Total	6,164,947	4,318,603

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

	2015 Taka '000	2014 Taka '000
40.01 General and administrative expenses		
Staff costs (Note 40.01.a)	5,745,212	3,827,842
Depreciation	691,977	660,613
Amortisation	242,113	241,152
Directors' fee	481	523
Audit fee	8,294	12,075
Stationery	102,716	89,234
Rent	227,251	215,528
Remittance of treasure	44,130	53,287
Donations	120,626	116,178
Telephone	93,784	89,265
Repairs	386,731	389,274
Miscellaneous	759,933	1,347,400
Total	8,423,247	7,042,372

40.01.a Staff costs

Salary	1,577,827	1,479,790
House rent	540,646	499,839
Contribution to contributory provident fund	(95,219)	(6,632)
Pension and gratuity	1,566,700	-
General and incentive bonus	1,012,128	739,321
Income tax paid to Government	(4,319)	6,055
Medical expenses	258,201	239,678
Training	153,483	140,144
Travel expenses	206,888	166,062
Lunch	271,267	266,828
Other staff costs	257,609	296,757
Total	5,745,212	3,827,842

41 Consolidated credit exposures by credit rating

Following tables represents the Group's financial assets based on Moody's credit rating of the issuer (or equivalent moody's rating in case of rating by other agencies). For long term deposits Aaa is the highest quality rating possible and indicates that the entity has an exceptional credit quality and have the smallest degree of risk; Aa is excellent credit quality but are rated lower than Aaa. Aa1 indicates the higher end of Aa category, Aa2 indicates mid range ranking of Aa category and Aa3 indicates lower end of Aa category. For short term deposits P-1 indicates banks rated prime -1 for deposits, and offers superior credit quality and a very strong capacity for timely payment of short -term deposit obligations; ST-1 indicates the highest capacity for timely repayment of obligations; ST-2 indicates a strong capacity for timely repayment of obligations and ST-3 indicates average capacity for timely repayment of obligations.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

Credit Rating	2015		2014	
	Amount (Taka '000)	% of financial assets	Amount (Taka '000)	% of financial assets

i) Foreign currency financial assets

Foreign currency accounts	P-1	21,015,860	0.94%	17,792,227	0.89%
Overnight Investment	P-1	247,393,553	11.02%	483,942,828	24.16%
Short term deposits with overseas commercial banks	P-1	674,465,879	30.03%	492,050,716	24.57%
US Dollar treasury bills	P-1	83,279,606	3.71%	83,075,584	4.15%
Foreign bonds	Aaa	487,878,147	21.72%	238,757,503	11.92%
Foreign bonds	Aa1, Aa2	66,104,229	2.94%	13,181,747	0.66%
Foreign bonds	Aa3	30,244,944	1.35%	8,197,165	0.41%
Foreign bonds	Aa, A1, A2	15,613,757	0.70%	48,078,469	2.40%
Foreign bonds	A3, A+	13,706,400	0.61%	24,486,189	1.22%
Foreign bonds	B1, Ba1, Baa1, Baa2, Baa3	65,706,743	2.93%	25,189,820	1.26%
Foreign currency loans to banks	A	1,327,493	0.06%	8,975,614	0.45%
Foreign currency loans to banks	Aaa to Aa	92,993,790	4.14%	93,963,942	4.69%
Foreign currency loans to banks	Baa	1,364,649	0.06%	2,247,207	0.11%
Foreign currency loans to banks	Unrated	32,056,154	1.43%	-	0.00%
Claims from gold transactions	Aa2	34,181,082	1.52%	19,451,963	0.97%
Assets held with International Monetary Fund	Unrated	131,148,185	5.84%	148,468,110	7.41%
Other foreign currency financial assets	Unrated	6,680,465	0.30%	4,595,253	0.23%
Total		2,005,160,934	89.29%	1,712,454,337	85.50%

ii) Local currency financial assets

Loans to the Government of Bangladesh	Ba3	112,289,585	5.00%	168,861,943	8.43%
Securities purchased under agreement to resell	Unrated	-	0.00%	980,000	0.05%
Local currency investments	Unrated	6,269,086	0.28%	8,385,472	0.42%
Loans to banks, financial institutions	A	50,042	0.00%	3,359,856	0.17%
Loans to banks, financial institutions	Aaa to Aa	7,110,357	0.32%	9,257,438	0.46%
Loans to banks, financial institutions	Ba to B	14,010	0.00%	-	0.00%
Loans to banks, financial institutions	Baa	284,714	0.01%	17,410,752	0.87%
Loans to banks, financial institutions	Unrated	68,348,084	3.04%	52,421,069	2.62%
Loans to employees	Unrated	31,233,004	1.39%	27,255,579	1.36%
Other local currency financial assets	Unrated	531,648	0.02%	1,145,214	0.06%
Taka coin and cash balances	Ba3	14,483,987	0.64%	1,356,424	0.07%
Total		240,614,519	10.71%	290,433,747	14.50%
Total financial assets (i+ii)		2,245,775,453	100.00%	2,002,888,084	100.00%

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

41.01 Separate credit exposures by credit rating -

Credit Rating	2015		2014	
	Amount (Taka '000)	% of financial assets	Amount (Taka '000)	% of financial assets

i) Foreign currency financial assets

Foreign currency accounts	P-1	21,015,860	0.94%	17,792,227	0.89%
Overnight Investment	P-1	247,393,553	11.04%	483,942,828	24.20%
Short term deposits with overseas commercial banks	P-1	674,465,879	30.09%	492,050,716	24.61%
US Dollar treasury bills	P-1	83,279,606	3.72%	83,075,584	4.16%
Foreign bonds	Aaa	487,878,147	21.76%	238,757,503	11.94%
Foreign bonds	Aa1, Aa2	66,104,229	2.95%	13,181,747	0.66%
Foreign bonds	Aa3	30,244,944	1.35%	8,197,165	0.41%
Foreign bonds	Aa, A1, A2	15,613,757	0.70%	48,078,469	2.40%
Foreign bonds	A3, A+	13,706,400	0.61%	24,486,189	1.22%
Foreign bonds	B1, Ba1, Baa1, Baa2, Baa3	65,706,743	2.93%	25,189,820	1.26%
Foreign currency loans to banks	A	1,327,493	0.06%	8,975,614	0.45%
Foreign currency loans to banks	Aaa to Aa	92,993,790	4.15%	93,963,942	4.70%
Foreign currency loans to banks	Baa	1,364,649	0.06%	2,247,207	0.11%
Foreign currency loans to banks	Unrated	32,056,154	1.43%	-	0.00%
Claims from gold transactions	Aa2	34,181,082	1.52%	19,451,963	0.97%
Assets held with International Monetary Fund	Unrated	131,148,185	5.85%	148,468,110	7.43%
Other foreign currency financial assets	Unrated	6,680,465	0.30%	4,595,253	0.23%
Total		2,005,160,934	89.45%	1,712,454,337	85.65%

ii) Local currency financial assets

Loans to the Government of Bangladesh	Ba3	112,289,585	5.01%	168,861,943	8.45%
Securities purchased under agreement to resell	-	-	0.00%	980,000	0.05%
Local currency investments	-	17,795,000	0.79%	7,005,000	0.35%
Loans to banks, financial institutions	A	50,042	0.00%	3,359,856	0.17%
Loans to banks, financial institutions	Aaa to Aa	7,110,357	0.32%	9,257,438	0.46%
Loans to banks, financial institutions	Ba to B	14,010	0.00%	-	0.00%
Loans to banks, financial institutions	Baa	284,714	0.01%	17,410,752	0.87%
Loans to banks, financial institutions	Unrated	68,348,084	3.05%	52,421,069	2.62%
Loans to employees	Unrated	30,106,279	1.34%	26,178,962	1.31%
Other local currency financial assets	Unrated	169,283	0.01%	929,682	0.05%
Taka coin and cash balances	Ba3	321,706	0.01%	546,240	0.03%
Total		236,489,061	10.55%	286,950,942	14.35%
Total financial assets (i+ii)		2,241,649,995	100%	1,999,405,280	100%

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

41.02 Collateral held and other credit enhancements, and their financial effect

The Group holds collateral and other credit enhancements against certain of its credit exposures. The table below sets out the principal types of collateral held against different types of financial assets.

	2015		2014	
	Amount (Taka '000)	Principal type of Collateral	Amount (Taka '000)	Principal type of Collateral
i) Foreign currency financial assets				
Foreign currency loans to banks	127,742,085	None	105,186,763	None
Claims from gold transactions	34,181,082	None	19,451,963	None
Assets held with International Monetary Fund	131,148,185	None	148,468,110	None
ii) Local currency financial assets				
Loans to the Government of Bangladesh	112,289,585	None	168,861,943	None
Securities purchased under agreement to resell	-	N/A	980,000	Marketable securities
Local currency loans to banks, financial institutions and employees	107,040,212	- Government guarantee - Bank guarantee - Demand Promissory Note - Employee provident fund, gratuity fund and Mortgage of property	109,704,694	- Government guarantee - Bank guarantee - Demand Promissory Note - Employee provident fund, gratuity fund and Mortgage of property

42 Consolidated interest rate risk

Interest rate risk is the risk of loss arising from changes in interest rates. The Group is exposed to interest rate risk as a result of mismatches of interest rate re-pricing of assets and liabilities. Since the primary objective of the Bank is to achieve and maintain price stability, it determines at its own discretion the monetary policy that it will implement and the monetary policy instruments that it is going to use in order to achieve and maintain price stability. Bank's interest sensitivity position based on contractual re-pricing arrangements as on 30 June 2015 is presented below. It includes the Bank's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing of maturity dates. Assets and liabilities will mature or re-price within the following period:

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

42 Consolidated interest rate risk

i) As at 30 June 2015

Taka '000

Particulars	Balance as at 30 June 2015	Re-pricing period				Weighted average interest
		0 to 3 months	3 to 12 months	1 to 5 years	over 5 years	

Assets

Foreign currency financial assets

Foreign currency accounts	21,015,860	21,015,860	-	-	-	0.08%
Foreign investments	1,684,393,258	949,687,576	129,939,874	604,765,809	-	0.71%
Assets held with International Monetary Fund	131,148,185	72,789,125	6,174	-	58,352,886	0.03%
Gold and silver	6,414,663	6,414,663	-	-	-	n/a
Claims from gold transactions	34,181,082	-	34,181,082	-	-	0.38%
Foreign currency loans to banks	127,742,085	53,699,480	74,042,606	-	-	1.10%
Other foreign currency financial assets	6,680,465	-	6,680,465	-	-	n/a
Total Foreign currency financial assets	2,011,575,597	1,103,606,703	244,850,200	604,765,809	58,352,886	
% of each type of financial asset with total financial assets	89.32%	96.30%	89.07%	87.40%	42.02%	

Local currency financial assets

Taka coin and cash balances	14,483,987	14,483,987	-	-	-	n/a
Loans to the Government of Bangladesh	112,289,585	24,354,400	15,000,000	61,002,991	11,932,194	6.08%
Local currency investments	6,269,086	789,086	765,000	3,700,000	1,015,000	5.37%
Local currency loans to banks, financial institutions and employees	107,040,212	2,732,034	14,275,197	22,458,470	67,574,511	4.20%
Other local currency financial assets	531,648	-	-	-	-	n/a
Total Local currency financial assets	240,614,519	42,359,507	30,040,197	87,161,461	80,521,705	
% of each type of financial asset with total financial assets	10.68%	3.70%	10.93%	12.60%	57.98%	
Total financial assets	2,252,190,115	1,145,966,210	274,890,397	691,927,270	138,874,591	

Liabilities

Foreign currency financial liabilities

Deposits from banks and financial institutions	149,159,932	149,159,931	-	-	-	0.08%
Liabilities with International Monetary Fund	167,475,874	1,621,992	-	3,314,286	162,539,596	0.04%
Total foreign currency financial liabilities	316,635,806	150,781,923	-	3,314,286	162,539,596	
% of each type of financial liabilities with total financial liabilities	14.74%	23.06%	-	100.00%	100.00%	

Local currency financial liabilities

Notes in circulation	973,633,449	-	-	-	-	n/a
Deposits from banks and financial institutions	503,017,274	503,017,274	-	-	-	n/a
Short term borrowings	180,721,995	-	-	-	-	5.67%
Other local currency financial liabilities	173,881,247	-	-	-	-	n/a
Total local currency financial liabilities	1,831,253,965	503,017,274	-	-	-	
% of each type financial liabilities with total financial liabilities	85.26%	76.94%	0.00%	0.00%	0.00%	
Total financial liabilities	2,147,889,771	653,799,197	-	3,314,286	162,539,596	

All financial instruments are shown in their re-pricing period, which is equivalent to the remaining term of maturity.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

42 Consolidated interest rate risk

ii) As at 30 June 2014

Taka '000

Particulars	Balance as at 30 June 2014	Re-pricing period				Weighted average interest
		0 to 3 months	3 to 12 months	1 to 5 years	over 5 years	
Assets						
Foreign currency financial assets						
Foreign currency accounts	501,735,055	501,735,055	-	-	-	0.02%
Foreign investments	933,017,193	479,878,616	146,197,324	306,941,253	-	1.52%
Assets held with International Monetary Fund	148,468,110	84,454,866	12,871	-	64,000,373	0.06%
Gold and silver	25,283,678	25,283,678	-	-	-	n/a
Claims from gold transactions	19,451,963	-	19,451,963	-	-	0.36%
Foreign currency loans to banks	105,186,763	-	105,186,763	-	-	1.09%
Other foreign currency financial assets	4,595,253	-	4,595,253	-	-	n/a
Total Foreign currency financial assets	1,737,738,015	1,091,352,215	275,444,174	306,941,253	64,000,373	
% of each type of financial asset with total financial assets	85.68%	99.09%	88.78%	65.62%	43.34%	
Local currency financial assets						
Taka coin and cash balances	1,356,424	1,356,424	-	-	-	n/a
Securities purchased under agreement to resell	980,000	980,000	-	-	-	11.86%
Loans to the Government of Bangladesh	168,861,943	4,500,000	18,084,206	122,271,208	24,006,529	8.92%
Local currency investments	8,385,472	250,000	4,050,472	3,280,000	805,000	7.09%
Local currency loans to banks, financial institutions and employees	109,704,694	2,934,320	12,673,653	35,245,395	58,851,326	4.03%
Other local currency financial assets	1,145,214	-	-	-	-	n/a
Total Local currency financial assets	290,433,747	10,020,744	34,808,331	160,796,603	83,662,855	
% of each type of financial asset with total financial assets	14.32%	0.91%	11.22%	34.38%	56.66%	
Total financial assets	2,028,171,762	1,101,372,959	310,252,505	467,737,856	147,663,228	
Liabilities						
Foreign currency financial liabilities						
Deposits from banks and financial institutions	149,897,536	149,897,536	-	-	-	0.08%
Liabilities with International Monetary Fund	188,331,836	3,833,497	2,496,600	14,048,010	167,953,729	0.04%
Total foreign currency financial liabilities	338,229,372	153,731,033	2,496,600	14,048,010	167,953,729	
% of each type of financial liabilities with total financial liabilities	17.99%	72.72%	100.00%	100.00%	100.00%	
Local currency financial liabilities						
Notes in circulation	847,170,600	-	-	-	-	n/a
Deposits from banks and financial institutions	57,664,690	57,664,690	-	-	-	5.67%
Short term borrowings	443,782,003	-	-	-	-	n/a
Other local currency financial liabilities	193,316,773	-	-	-	-	n/a
Total local currency financial liabilities	1,541,934,067	57,664,690	-	-	-	
% of each type financial liabilities with total financial liabilities	82.01%	27.28%	0.00%	0.00%	0.00%	
Total financial liabilities	1,880,163,439	211,395,723	2,496,600	14,048,010	167,953,729	

All financial instruments are shown in their re-pricing period, which is equivalent to the remaining term of maturity.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

42.01 Separate Interest rate risk

i) As at 30 June 2015

Taka '000

Particulars	Balance as at 30 June 2015	Re-pricing period				Weighted average interest
		0 to 3 months	3 to 12 months	1 to 5 years	over 5 years	
Assets						
Foreign currency financial assets						
Foreign currency accounts	21,015,860	21,015,860	-	-	-	0.08%
Foreign investments	1,684,393,258	949,687,576	129,939,874	604,765,809	-	0.71%
Assets held with International Monetary Fund	131,148,185	72,789,125.20	6,174	-	58,352,886	0.03%
Gold and silver	6,414,663	6,414,663	-	-	-	n/a
Claims from gold transactions	34,181,082	16,821,198	17,359,884	-	-	0.38%
Foreign currency loans to banks	127,742,085	53,699,480	74,042,606	-	-	1.10%
Other foreign currency financial assets	6,680,465	-	6,680,465	-	-	n/a
Total Foreign currency financial assets	2,011,575,597	1,120,427,901	228,029,002	604,765,809	58,352,886	
% of each type of financial asset with total financial assets	89.48%	97.59%	88.30%	87.40%	38.97%	
Local currency financial assets						
Taka coin and cash balances	321,706	321,706	-	-	-	n/a
Loans to the Government of Bangladesh	112,289,585	24,354,400	15,000,000	61,002,991	11,932,194	6.08%
Local currency investments	17,795,000	315,000	765,000	3,700,000.00	13,015,000	5.37%
Local currency loans to banks, financial institutions and employees	105,913,487	2,732,034	14,275,197	22,458,470	66,447,785	4.17%
Other local currency financial assets	169,283	-	169,283	-	-	n/a
Total Local currency financial assets	236,489,061	27,723,140	30,209,480	87,161,461	91,394,979	
% of each type of financial asset with total financial assets	10.52%	2.41%	11.70%	12.60%	61.03%	
Total financial assets	2,248,064,658	1,148,151,041	258,238,482	691,927,270	149,747,865	
Liabilities						
Foreign currency financial liabilities						
Deposits from banks and financial institutions	149,159,932	149,159,931	-	-	-	0.07%
Liabilities with International Monetary Fund	167,475,874	1,621,992	-	3,314,286	162,539,596	0.06%
Total foreign currency financial liabilities	316,635,806	150,781,923	0	3,314,286	162,539,596	
% of each type of financial liabilities with total financial liabilities	14.76%	45.48%	-	100.00%	100.00%	
Local currency financial liabilities						
Notes in circulation	973,633,449	-	-	-	-	n/a
Deposits from banks and financial institutions	180,721,995	180,721,995	-	-	-	5.67%
Short term borrowings	503,017,274	-	-	-	-	n/a
Other local currency financial liabilities	171,327,094	-	-	-	-	n/a
Total local currency financial liabilities	1,828,699,812	180,721,995	-	-	-	
% of each type financial liabilities with total financial liabilities	85.24%	54.52%	-	0.00%	0.00%	
Total financial liabilities	2,145,335,618	331,503,918	-	3,314,286	162,539,596	

All financial instruments are shown in their re-pricing period, which is equivalent to the remaining term of maturity.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

42.01 Separate Interest rate risk

ii) As at 30 June 2014

Taka '000

Particulars	Balance as at 30 June 2014	Re-pricing period				Weighted average interest
		0 to 3 months	3 to 12 months	1 to 5 years	over 5 years	
Assets						
Foreign currency financial assets						
Foreign currency accounts	17,792,227	501,735,055	-	-	-	0.02%
Foreign investments	1,416,960,021	479,878,616	146,197,324	306,941,253	-	1.52%
Assets held with International Monetary Fund	148,468,110	84,454,866	12,871	-	64,000,373	0.06%
Gold and silver	25,283,678	25,283,678	-	-	-	n/a
Claims from gold transactions	19,451,963	-	19,451,963	-	-	0.36%
Foreign currency loans to banks	105,186,763	-	105,186,763	-	-	1.09%
Other foreign currency financial assets	4,595,253	-	-	-	-	n/a
Total Foreign currency financial assets	1,737,738,015	1,091,352,215	270,848,921	306,941,253	64,000,373	
% of each type of financial asset with total financial assets	85.83%	99.16%	89.16%	65.62%	43.51%	
Local currency financial assets						
Taka coin and cash balances	546,240	546,240	-	-	-	n/a
Securities purchased under agreement to resell	980,000	980,000	-	-	-	11.86%
Loans to the Government of Bangladesh	168,861,943	4,500,000	18,084,206	122,271,208	24,006,529	8.92%
Local currency investments	7,005,000	250,000.00	2,170,000	3,280,000	1,305,000	4.89%
Local currency loans to banks, financial institutions and employees	108,628,077	2,934,320	12,673,653	35,245,395	57,774,709	4.01%
Other local currency financial assets	929,682	-	-	-	-	n/a
Total Local currency financial assets	286,950,942	9,210,560	32,927,859	160,796,603	83,086,238	
% of each type of financial asset with total financial assets	14.17%	0.84%	10.84%	34.38%	56.49%	
Total financial assets	2,024,688,958	1,100,562,775	303,776,780	467,737,856	147,086,611	
Liabilities						
Foreign currency financial liabilities						
Deposits from banks and financial institutions	149,897,535	149,897,536	-	-	-	0.08%
Liabilities with International Monetary Fund	188,331,836	3,833,497	2,496,600	14,048,010	167,953,729	0.04%
Total foreign currency financial liabilities	338,229,371	153,731,033	2,496,600	14,048,010	167,953,729	
% of each type of financial liabilities with total financial liabilities	17.99%	72.72%	100.00%	100.00%	100.00%	
Local currency financial liabilities						
Notes in circulation	847,170,600	-	-	-	-	n/a
Short term borrowings	57,664,690	57,664,690	-	-	-	5.67%
Local currency Deposits from banks and financial institutions	443,782,003	-	-	-	-	n/a
Other local currency financial liabilities	192,817,857	-	-	-	-	n/a
Total local currency financial liabilities	1,541,435,151	57,664,690	-	-	-	
% of each type financial liabilities with total financial liabilities	82.01%	27.28%	0.00%	0.00%	0.00%	
Total financial liabilities	1,879,664,522	211,395,723	2,496,600	14,048,010	167,953,729	

All financial instruments are shown in their re-pricing period, which is equivalent to the remaining term of maturity.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

43 Consolidated liquidity risk

The table below summarises the maturity profile of the Group's financial assets and liabilities based on the contractual repayment date determined on the basis of the remaining period at the statement of financial position date to the contractual maturity date.

Assets and liabilities will mature within the following periods:

i) As at 30 June 2015

Taka '000

Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
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Foreign currency financial assets

Foreign currency accounts	21,015,860	-	-	-	-
Foreign investments	554,652,038	399,923,459	139,913,581	614,504,078	-
Assets held with International Monetary Fund	72,789,125	-	6,174	-	58,352,886
Gold and silver	6,414,663	-	-	-	-
Claims from gold transactions	16,874,920	-	17,438,800	-	-
Foreign currency loans to banks	10,858,252	42,841,228	74,042,606	-	-
Total	682,604,858	442,764,686	231,401,160	614,504,078	58,352,886

Local currency financial assets

Taka coin and cash balances	14,483,987	-	-	-	-
Loans to the Government of Bangladesh	24,354,400	-	15,000,000	61,000,000	11,922,800
Local currency investments	315,000	-	1,239,086	3,700,000	1,015,000
Local currency loans to banks, financial institutions and employees	1,872,484	7,043,445	20,964,276	39,691,518	72,669,324
Total	41,025,871	7,043,445	37,203,362	104,391,518	85,607,124
Total financial assets	723,630,729	449,808,131	268,604,522	718,895,596	143,960,010

Foreign currency financial liabilities

Deposits from banks and financial institutions	149,159,931	-	-	-	-
Liabilities with International Monetary Fund	1,621,992	-	-	3,314,286	162,539,596
Total	150,781,923	-	-	3,314,286	162,539,596

Local currency financial liabilities

Notes in circulation	973,633,449	-	-	-	-
Deposits from banks and financial institutions	180,721,995	-	-	-	-
Short term borrowings	503,017,274	-	-	-	-
Other local currency financial liabilities	-	62,538,213	111,488,171	-	-
Total	1,657,372,718	62,538,213	111,488,171	-	-
Total financial assets	1,808,154,641	62,538,213	111,488,171	3,314,286	162,539,596
Maturity gap	(1,084,523,912)	387,269,919	157,116,351	715,581,310	(18,579,586)

Bangladesh Bank : Notes to the Financial Statements
As at and for the year ended 30 June 2015

43 Consolidated liquidity risk**ii) As at 30 June 2014**

Taka '000

	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
Foreign currency financial assets					
Foreign currency accounts	501,735,055	-	-	-	-
Foreign investments	32,802	479,845,814	146,197,324	306,941,253	-
Assets held with International Monetary Fund	84,454,866	-	12,871	-	64,000,373
Gold and silver	25,283,678	-	-	-	-
Claims from gold transactions	-	-	19,451,963	-	-
Foreign currency loans to banks	-	-	105,186,763	-	-
Other foreign currency financial assets	-	-	4,595,253	-	-
Total	611,506,401	479,845,814	275,444,174	306,941,253	64,000,373
Local currency financial assets					
Taka coin and cash balances	1,356,424	-	-	-	-
Securities purchased under agreement to resell	980,000	-	-	-	-
Loans to the Government of Bangladesh	-	4,500,000	18,084,206	122,271,208	24,006,529
Local currency investments	-	250,000	4,050,472	3,280,000	805,000
Local currency loans to banks, financial institutions and employees	-	2,934,320	12,673,653	35,245,395	58,851,326
Other local currency financial assets	-	-	1,145,214	-	-
Total	2,336,424	7,684,320	35,953,545	160,796,603	83,662,855
Total financial assets	613,842,825	487,530,134	311,397,719	467,737,856	147,663,228
Foreign currency financial liabilities					
Deposits from banks and financial institutions	149,897,536	-	-	-	-
Liabilities with International Monetary Fund	2,432,041	1,401,456	2,496,600	14,048,010	167,953,729
Total	152,329,577	1,401,456	2,496,600	14,048,010	167,953,729
Local currency financial liabilities					
Notes in circulation	847,170,600	-	-	-	-
Short term borrowings	57,664,690	-	-	-	-
Deposits from banks and financial institutions	443,782,003.2	-	-	-	-
Other local currency financial liabilities	41,199,148	-	109,432,934	42,684,694	-
Total	1,389,816,441	-	109,432,934	42,684,694	-
Total financial assets	1,542,146,018	1,401,456	111,929,534	56,732,704	167,953,729
Maturity gap	(928,303,194)	486,128,678	199,468,185	411,005,153	(20,290,501)

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

43.01 Separate liquidity risk

Taka '000

i) As at 30 June 2015

Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
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Foreign currency financial assets

Foreign currency accounts	21,015,860	-	-	-	-
Foreign investments	554,652,038	399,923,459	139,913,581	614,504,078	-
Assets held with International Monetary Fund	72,789,125	-	6,174	-	58,352,886
Gold and silver	6,414,663	-	-	-	-
Claims from gold transactions	16,874,920	-	17,438,800	-	-
Foreign currency loans to banks	10,858,252	42,841,228	74,042,606	-	-
Total	682,604,858	442,764,686	231,401,160	614,504,078	58,352,886

Local currency financial assets

Taka coin and cash balances	321,706	-	-	-	-
Loans to the Government of Bangladesh	24,354,400	-	15,000,000	61,000,000	11,922,800
Local currency investments	145,000	170,000	765,000	3,700,000	13,015,000
Local currency loans to banks, financial institutions and employees	1,872,484	7,043,445	20,964,276	39,564,793	71,669,324
Total	26,693,590	7,213,445	36,729,276	104,264,793	96,607,124
Total financial assets	709,298,448	449,978,131	268,130,436	718,768,871	154,960,010

Foreign currency financial liabilities

Deposits from banks and financial institutions	149,159,931	-	-	-	-
Liabilities with International Monetary Fund	1,621,992	-	-	3,314,286	162,539,596
Total	150,781,923	-	-	3,314,286	162,539,596

Local currency financial liabilities

Notes in circulation	973,633,449	-	-	-	-
Deposits from banks and financial institutions	180,721,995	-	-	-	-
Short term borrowings	503,017,274	-	-	-	-
Other local currency financial liabilities	-	62,538,213	108,934,018	-	-
Total	1,657,372,718	62,538,213	108,934,018	-	-
Total financial assets	1,808,154,641	62,538,213	108,934,018	3,314,286	162,539,596
Maturity gap	(1,098,856,193)	387,439,919	159,196,418	715,454,585	(7,579,586)

Bangladesh Bank : Notes to the Financial Statements
As at and for the year ended 30 June 2015

43.01 Separate liquidity risk**ii) As at 30 June 2014**

Taka '000

	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
Foreign currency financial assets					
Foreign currency accounts	501,735,055	-	-	-	-
Foreign investments	32,802	479,845,814	146,197,324	306,941,253	-
Assets held with International Monetary Fund	84,454,866	-	12,871	-	64,000,373
Gold and silver	25,283,678	-	-	-	-
Claims from gold transactions	-	-	19,451,963	-	-
Foreign currency loans to banks	-	-	105,186,763	-	-
Other foreign currency financial assets	-	-	4,595,253	-	-
Total	611,506,401	479,845,814	275,444,174	306,941,253	64,000,373
Local currency financial assets					
Taka coin and cash balances	546,240	-	-	-	-
Securities purchased under agreement to resell	980,000	-	-	-	-
Loans to the Government of Bangladesh	-	4,500,000	18,084,206	122,271,208	24,006,529
Local currency investments	250,000	-	2,170,000	3,280,000	1,305,000
Local currency loans to banks, financial institutions and employees	-	2,934,320	12,673,653	35,245,395	57,774,709
Other local currency financial assets	-	-	929,682	-	-
Total	1,776,240	7,434,320	33,857,541	160,796,603	83,086,238
Total financial assets	613,282,641	487,280,134	309,301,715	467,737,856	147,086,611
Foreign currency financial liabilities					
Deposits from banks and financial institutions	149,897,536	-	-	-	-
Liabilities with International Monetary Fund	1,624,626	2,208,871	2,496,600	14,048,010	167,953,729
Total	151,522,162	2,208,871	2,496,600	14,048,010	167,953,729
Local currency financial liabilities					
Notes in circulation	847,170,600	-	-	-	-
Short term borrowings	57,664,690	-	-	-	-
Deposits from banks and financial institutions	443,782,003	-	-	-	-
Other local currency financial liabilities	41,199,148.2	-	108,934,018	42,684,691	-
Total	1,389,816,441	-	108,934,018	42,684,691	-
Total financial assets	1,541,338,603	2,208,871	111,430,618	56,732,701	167,953,729
Maturity gap	(928,055,963)	485,071,263	197,871,097	411,005,155	(20,867,118)

Bangladesh Bank : Notes to the Financial Statements
As at and for the year ended 30 June 2015

44 Currency risk**Foreign currency monetary assets and liabilities****i) As at 30 June 2015**

Taka '000

Particulars	USD equivalent	Gold and Silver equivalent	EURO equivalent	GBP equivalent	Japanese Yen equivalent	Canadian \$ equivalent	Australian \$ equivalent	Chinese Yuan Renminbi equivalent	SDR equivalent	Others equivalent
Assets										
Held in other Central Banks and cash deposit abroad	456,204	-	6,576,637	2,294,103	9,162,609	581,064	716,823	938,753	-	289,666
Overnight Investment	244,402,177	-	2,991,376	-	-	-	-	-	-	-
Short term deposits in overseas commercial banks	516,728,208	-	4,331,991	79,055,301	-	27,628,702	32,905,057	12,312,831	-	1,503,789
Treasury bills	83,279,606	-	-	-	-	-	-	-	-	-
Foreign bonds	570,457,535	-	86,313,413	7,434,308	-	2,561,816	8,210,537	4,276,691	-	-
Loan to other banks	127,742,085	-	-	-	-	-	-	-	-	-
Interest receivable	4,987,491	89,138	1,080,017	121,090	-	56,313	305,877	38,573	-	1,886
Asset held with IMF	-	-	-	-	-	-	-	-	131,148,185	-
Total	1,548,053,305	89,138	101,293,434	88,904,803	9,162,609	30,827,894	42,138,294	17,566,849	131,148,185	1,795,341
Liabilities										
Deposits from other banks	147,778,657	-	972,876	397,554	7,558	3,286	-	-	-	-
Liabilities to IMF										
Securities	-	-	-	-	-	-	-	-	56,675,010	-
Loan under poverty reduction and growth facility	-	-	-	-	-	-	-	-	3,314,286	-
SDR allocation	-	-	-	-	-	-	-	-	55,847,748	-
Extended credit facility	-	-	-	-	-	-	-	-	50,016,838	-
Others	-	-	-	-	-	-	-	-	1,621,992	-
Total	147,778,657	-	972,876	397,554	7,558	3,286	-	-	167,475,874	-
Net	1,400,274,649	89,138	100,320,558	88,507,249	9,155,051	30,824,609	42,138,294	17,566,849	(36,327,690)	1,795,341

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

44 Currency risk

ii) As at 30 June 2014

Taka '000

Particulars	USD equivalent	Gold and Silver equivalent	EURO equivalent	GBP equivalent	Japanese Yen equivalent	Canadian \$ equivalent	Australian \$ equivalent	Chinese Yuan Renminbi equivalent	SDR equivalent	Others equivalent
Assets										
Held in other Central Banks and cash deposit abroad	449,191,353	-	41,371,602	1,779,970	7,208,389	923,089	146,192	843,123	-	271,338
Short term deposits in overseas commercial banks	338,244,163	-	26,577,179	53,811,550	-	23,688,692	32,671,149	1,504,615	-	15,553,368
Treasury bills	83,075,583	-	-	-	-	-	-	-	-	-
Foreign bonds	261,786,922	-	57,253,584	18,022,727	-	3,636,843	11,702,732	5,488,084	-	-
Loan to other banks	105,186,763	-	-	-	-	-	-	-	-	-
Interest receivable	3,104,213	-	897,789	147,713	-	72,602	332,462	18,048	-	22,346
Asset held with IMF	-	-	-	-	-	-	-	-	148,468,110	-
Other foreign assets	-	-	-	-	-	-	-	-	-	80
Total	1,240,588,997	-	126,100,154	73,761,960	7,208,389	28,321,226	44,852,535	7,853,870	148,468,110	15,847,132
Liabilities										
Deposits from other banks	148,615,380	-	763,722	505,776	8,851	3,806	-	-	-	-
Liabilities to IMF										
Securities & Emergency Natural Disaster Assistance	-	-	-	-	-	-	-	-	62,320,401	-
Loan under poverty reduction and growth facility	-	-	-	-	-	-	-	-	8,266,285	-
SDR allocation	-	-	-	-	-	-	-	-	61,252,784	-
Extended credit facility	-	-	-	-	-	-	-	-	54,857,548	-
Others	-	-	-	-	-	-	-	-	1,634,818	-
Total	148,615,380	-	763,722	505,776	8,851	3,806	-	-	188,331,836	-
Net	1,091,973,617	-	125,336,432	73,256,184	7,199,538	28,317,420	44,852,535	7,853,870	(39,863,726)	15,847,132

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

45 Sensitivity Analysis

- i) At 30 June 2015, if interest rates had been 100 basis points lower with all other variables constant, loss for the year would have been Taka 10,093 million higher (2014: Taka 18,666 million), arising mainly as a result of lower interest income on financial assets. Conversely, if interest rates had been 100 basis point higher with all other variables held constant, loss for the year would have been Taka 10,093 million lower (2014: Taka 18,666 million) arising mainly as a result of higher interest income on financial assets. Profit is very sensitive to changes in interest rates as interest is the principal source of income of the bank.

At 30 June 2015 if the Taka had weakened 10 per cent against the principal currencies in its foreign reserves portfolio with all other variables held constant, loss for the year would have been Taka 3,662 million lower, (2014: Taka 1,314 million). Conversely, if the Taka had strengthened 10 per cent against the same currencies with all other variables held constant, the Bank would have experienced a decrease in profit for the year of Taka 3,662 million, (2014: Taka 1,314 million). At 30 June 2015 if the Taka had weakened 10 per cent against the gold in its foreign reserves portfolio with all other variables held constant, other comprehensive income for the year would have been Taka 482 million higher, (2014: Taka 410 million). Conversely, if the Taka had strengthened 10 per cent against the same currencies with all other variables held constant, the Bank would have experienced a decrease in other comprehensive income for the year of Taka 482 million, (2014: Taka 410 million) . Thus the profit and other comprehensive income are sensitive to the changes in exchange rate movements.

ii) a. Consolidated fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (ie an exit price). Fair value have been based on management assumptions according to the portfolio of the asset and liability base. IFRS requires that the fair value of the financial assets and liabilities are disclosed according to IFRS 13 - Fair Value Measurement. The following tables summarise the carrying amounts and fair values of those financial assets and liabilities carried at fair value and not carried at fair value.

	Carrying value		Fair value	
	2015	2014	2015	2014
Financial assets at fair value				
US Dollar treasury bills	83,279,606	83,075,584	83,279,606	83,075,584
Foreign bonds	679,254,220	357,890,893	679,254,220	357,890,893
Gold and silver	6,414,663	25,283,678	6,414,663	25,283,678
Claims from gold transactions	34,181,082	19,451,963	34,181,082	19,451,963
Loans to the Government of Bangladesh	1,085,185	37,351,943	1,085,185	37,351,943
Local currency investments	6,269,088	8,385,472	6,269,088	8,385,472

Bangladesh Bank : Notes to the Financial Statements
As at and for the year ended 30 June 2015

	Carrying value		Fair value	
	2015	2014	2015	2014
Financial assets - at amortised cost				
Foreign currency accounts	21,015,860	17,792,227	21,015,860	17,792,227
Overnight Investment	247,393,553	483,942,828	247,393,553	483,942,828
Short term deposits with overseas				
commercial banks	674,465,879	492,050,716	674,465,879	492,050,716
Assets held with International Monetary Fund	131,148,185	148,468,110	131,148,185	148,468,110
Foreign currency loans to banks	127,742,085	105,186,763	127,742,085	105,186,763
Other foreign currency financial assets	6,680,465	4,595,253	6,680,465	4,595,253
Loans to the Government of Bangladesh	111,204,400	131,510,000	111,204,400	131,510,000
Securities purchased under agreement to resell	-	980,000	-	980,000
Local currency loans to banks, financial				
institutions and employees	107,040,213	109,704,694	107,040,213	109,704,694
Other local currency financial assets	531,648	1,145,214	531,648	1,145,214
Taka coin and cash balances	14,483,987	1,356,424	14,483,987	1,356,424
Financial liabilities - at amortised cost				
Liabilities with International Monetary Fund	167,475,874	188,331,836	167,475,874	188,331,836
Deposits from banks and financial institutions	652,177,206	743,577,076	652,177,206	743,577,076
Notes in circulation	973,633,449	847,170,600	973,633,449	847,170,600
Short term borrowings	180,721,995	57,664,690	180,721,995	57,664,690
Other local currency financial liabilities	174,121,257	193,316,773	174,121,257	193,316,773

ii) **b. Separate fair value**

	Carrying value		Fair value	
	2015	2014	2015	2014
Financial assets at fair value				
US Dollar treasury bills	83,279,606	83,075,584	83,279,606	83,075,584
Foreign bonds	679,254,220	357,890,893	679,254,220	357,890,893
Gold and silver	6,414,663	25,283,678	6,414,663	25,283,678
Loans to the Government of Bangladesh	1,085,185	37,351,943	1,085,185	37,351,943
Local currency investments	17,795,000	7,005,000	17,795,000	7,005,000

Bangladesh Bank : Notes to the Financial Statements
As at and for the year ended 30 June 2015

	Carrying value		Fair value	
	2015	2014	2015	2014
Financial assets - at amortised cost				
Foreign currency accounts	21,015,860	17,792,227	21,015,860	17,792,227
Overnight Investment	247,393,553	483,942,828	247,393,553	483,942,828
Assets held with International Monetary Fund				
Claims from gold transactions	131,148,185	148,468,110	131,148,185	148,468,110
Foreign currency loans to banks	34,181,082	19,451,963	34,181,082	19,451,963
Other foreign currency financial assets	127,742,085	105,186,763	127,742,085	105,186,763
Loans to the Government of Bangladesh	6,680,465	4,595,253	6,680,465	4,595,253
Securities purchased under agreement to resell	111,204,400	131,510,000	111,204,400	131,510,000
Local currency loans to banks, financial institutions and employees	-	980,000	-	980,000
Other local currency financial assets	105,913,487	108,628,077	105,913,487	108,628,077
Taka coin and cash balances	169,283	929,682	169,283	929,682
	321,706	546,240	321,706	546,240
Financial liabilities				
Liabilities with International Monetary Fund	167,475,874	188,331,836	167,475,874	188,331,836
Deposits from banks and financial institutions	503,017,274	593,679,541	503,017,274	593,679,541
Notes in circulation	973,633,449	847,170,600	973,633,449	847,170,600
Short term borrowings	180,721,995	57,664,690	180,721,995	57,664,690
Other local currency financial liabilities	171,567,104	192,817,857	171,567,104	192,817,857

Determination of fair value of financial assets

As per IFRS 13, fair value of foreign securities classified as available-for-sale is based on quoted market prices, at the statement of financial position date (2014: foreign securities available-for-sale at fair value). Local currency financial investments includes shares in SPCBL with a value of BDT 12,000,000,000 (2014: BDT 500,000,000) and debentures of BHBFC with a value of BDT 5,795,000,000 (2014: BDT 6,500,000,000) for which fair value cannot be reliably determined as they are not traded in the active market and there are no similar instruments with similar characteristics. Management believes that the fair value of these shares are their carrying value.

Loans to the Government i.e. WMA, ODB and ODC are carried at cost as the interest accrued is recovered on a daily basis. Government securities (treasury bills and bonds) classified as available-for-sale are carried at fair value (2014: Government securities (treasury bills and bonds) as available-for-sale measured at fair value). Loans to banks, financial institutions and employees are carried at amortized cost and are net of provisions for impairment. The fair value of these loans approximates their carrying value.

46 Consolidated classification of financial instruments

As per IAS 39, financial assets are classified into four categories i.e. financial assets at fair value through profit or loss, available-for-sale financial assets, loans and receivables and held-to-maturity investments while financial liabilities are categorised as financial liabilities at fair value through profit or loss and at amortised cost. These categories are used to determine how a particular financial asset is recognised and measured in the financial statements.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

i) As at 30 June 2015

Financial Assets Taka '000

Items	Loans and receivables	Held-to-maturity	Assets at fair value through profit or loss	Available-for-sale
Taka coin and cash balances	14,483,987	-	-	-
Foreign currency accounts	268,409,412	-	-	-
Foreign investments:				
Short term deposits with overseas commercial banks	674,465,879	-	-	-
US Dollar Treasury Bills	-	-	-	83,279,606
Foreign Bonds	-	-	-	678,881,294
Asset held with IMF	131,148,185	-	-	-
Gold and silver	-	-	-	6,414,663
Claims from gold transaction	-	-	-	34,181,082
Foreign currency loans to banks	127,742,085	-	-	-
Other foreign assets:				
Swift shares	-	-	-	80
Interest receivable	6,680,385	-	-	-
Loans to the Government:				
Ways and means advance	24,354,400	-	-	-
Overdraft - block	86,850,000	-	-	-
Overdraft - current	-	-	-	-
Treasury bills	-	-	-	-
Treasury bonds	-	-	-	1,085,185
Investments:				
Debenture - BHBFC	-	-	-	5,795,000
Short term money market investments	462,501	-	-	-
Share of ICB Islamic Bank Limited	-	-	-	7,452
Local currency loans to banks, financial institutions and employees:				
Loan to Commercial banks	4,963,167	-	-	-
Loan to Specialised banks	33,222,021	-	-	-
Loan to Private banks	3,019,500	-	-	-
Other loans and advances	26,172,779	-	-	-
Interest receivable	8,429,740	-	-	-
Loans and advances to employees	31,233,004	-	-	-
Other local currency financial assets	531,648	-	-	-
Total	1,442,168,694	-	-	809,644,362

Financial liabilities

Taka '000

Items	Carried at amortised cost	Liabilities at fair value through profit or loss	Total
Liabilities with IMF	167,475,874	-	167,475,874
Deposits from banks and financial institutions:			
Foreign currency deposits by commercial banks	78,892,716	-	78,892,716
Asian Clearing Union (ACU)	70,261,285	-	70,261,285
Notes in circulation	973,633,449	-	973,633,449
Local currency deposits from banks and financial institution	503,017,274	-	503,017,274
Short term borrowings	180,721,995	-	180,721,995
Total	1,974,002,593	-	1,974,002,593

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

ii) As at 30 June 2014

Financial Assets Taka '000

Items	Loans and receivables	Held-to-maturity	Assets at fair value through profit or loss	Available-for-sale
Taka coin and cash balances	1,356,424	-	-	-
Foreign currency accounts	501,735,055	-	-	-
Foreign investments:				
Short term deposits with overseas commercial banks	492,050,716	-	-	-
US Dollar Treasury Bills	-	-	-	83,075,584
Foreign Bonds*	-	-	-	357,890,893
Asset held with IMF	148,468,110	-	-	-
Gold and silver	-	-	-	25,283,678
Claims from gold transaction	-	-	-	19,451,963
Foreign currency loans to banks	105,186,763	-	-	-
Other foreign assets:				
Swift shares	-	-	-	80
Interest receivable	4,595,173	-	-	-
Loans to the Government				
Overdraft - block (Government treasury bills)	131,510,000	-	-	-
Overdraft - current	-	-	-	-
Treasury bills	-	-	-	2,327,168
Treasury bonds	-	-	-	35,024,775
Securities purchased under agreement to resell	980,000	-	-	-
Investments in shares and debentures:				
Debenture-House Building Finance Corporation	-	-	-	6,505,000
Short term money market investments	-	-	-	1,873,020
Share of ICB Islamic Bank Limited	-	-	-	7,452
Local currency loans to banks, financial institutions and employees:				
Loan to Commercial banks	4,105,182	-	-	-
Loan to Specialised banks	39,512,833	-	-	-
Loan to Private banks	2,634,900	-	-	-
Other loans and advances	28,601,184	-	-	-
Interest receivable	7,595,016	-	-	-
Loans and advances to employees	27,255,579	-	-	-
Other local currency financial assets	1,145,214	-	-	-
Total	1,496,732,149	-	-	531,439,613

Financial liabilities

Taka '000

Items	Carried at amortised cost	Liabilities at fair value through profit or loss	Total
Liabilities with IMF	188,331,836	-	188,331,836
Deposits from banks and financial institutions:			
Foreign currency deposits by commercial banks	74,804,441	-	74,804,441
Asian Clearing Union (ACU)	75,093,095	-	75,093,095
Notes in circulation	847,170,600	-	847,170,600
Deposits from banks and financial institution	443,782,003	-	443,782,003
Short term borrowings	57,664,690	-	-
Total	1,686,846,665	-	1,686,846,665

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

46.01 Classification of financial instruments (Separate)

ii) As at 30 June 2015

Financial Assets						Taka '000
Items	Loans and receivables	Held-to-maturity	Assets at fair value through profit or loss	Available-for-sale	Total	
Taka coin and cash balances	321,706	-	-	-	321,706	
Foreign currency accounts	268,409,412	-	-	-	268,409,412	
Foreign investments:						
Short term deposits with overseas commercial banks	674,465,879	-	-	-	674,465,879	
US Dollar Treasury Bills	-	-	-	83,279,606	83,279,606	
Foreign Bonds	-	-	-	678,881,294	678,881,294	
Assets held with International Monetary Fund	131,148,185	-	-	-	131,148,185	
Gold and silver	-	-	-	6,414,663	6,414,663	
Claims from gold transactions	-	-	-	34,181,082	34,181,082	
Foreign currency loans to banks	127,742,085	-	-	-	127,742,085	
Other foreign assets:					-	
Swift share	-	-	-	80	80	
Interest receivable	6,680,385	-	-	-	6,680,385	
Loans to the Government:						
Ways and means advance	24,354,400	-	-	-	24,354,400	
Overdraft - block	86,850,000	-	-	-	86,850,000	
Overdraft - current	-	-	-	-	-	
Treasury bills	-	-	-	-	-	
Treasury bonds	-	-	-	1,085,185	1,085,185	
Local currency investments					-	
Debenture - HBFC	-	-	-	5,795,000.00	5,795,000	
Investment in subsidiary	-	-	-	12,000,000.00	12,000,000	
Local currency loans to banks, financial institutions and employees						
Loan to Commercial banks	4,963,167	-	-	-	4,963,167	
Loan to Specialised banks	33,222,021	-	-	-	33,222,021	
Loan to Private banks	3,019,500	-	-	-	3,019,500	
Other loans and advances	26,172,779	-	-	-	26,172,779	
Interest receivable	8,429,740	-	-	-	8,429,740	
Loans and advances to employees	30,106,279	-	-	-	30,106,279	
Other local currency financial assets	169,283	-	-	-	169,283	
Total	1,426,054,822	-	-	821,636,910	2,247,691,732	

Financial liabilities

Financial liabilities				Taka '000
Items	Carried at amortised cost	Liabilities at fair value through profit or loss	Total	
Liabilities with IMF	167,475,874	-	167,475,874	
Deposits from banks and financial institutions:				
Deposits from banks and financial institutions	78,892,716	-	78,892,716	
Asian Clearing Union (ACU)	70,261,285	-	70,261,285	
Notes in circulation	973,633,449	-	973,633,449	
Deposits from banks and financial institutions	503,017,274	-	503,017,274	
Short term borrowings	180,721,995	-	180,721,995	
Total	1,974,002,593	-	1,974,002,593	

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

ii) As at 30 June 2014

Financial Assets

Taka '000

Items	Loans and receivables	Held-to-maturity	Assets at fair value through profit or loss	Available-for-sale	Total
Taka coin and cash balances	546,241	-	-	-	546,241
Foreign currency accounts	501,735,055	-	-	-	501,735,055
Foreign investments:					
Short term deposits with overseas commercial banks	492,050,716	-	-	-	492,050,716
US Dollar Treasury Bills	-	-	-	83,075,583	83,075,583
Foreign Bonds	-	-	-	357,890,893	357,890,893
Asset held with IMF	148,468,110	-	-	-	148,468,110
Gold and silver	-	-	-	25,283,678	25,283,678
Claims from gold transactions	-	-	-	19,451,963	19,451,963
Foreign currency loans to banks	105,186,762	-	-	-	105,186,762
Other foreign assets:					
Swift share	-	-	-	80	80
Interest receivable	4,595,173	-	-	-	4,595,173
Loans to the Government:					
Ways and means advance	-	-	-	-	-
Overdraft - block (Govt. treasury bills)	131,510,000	-	-	-	131,510,000
Overdraft - current	-	-	-	-	-
Treasury bills	-	-	-	2,327,168	2,327,168
Treasury bonds	-	-	-	35,024,775	35,024,775
Securities purchased under agreement to resell	980,000	-	-	-	980,000
Local currency investments					
Debenture - HBFC	-	-	-	6,505,000	6,505,000
Investment in subsidiary	-	-	-	500,000	500,000
Local currency loans to banks, financial institutions and employees					
Loan to Commercial banks	4,105,182	-	-	-	4,105,182
Loan to Specialised banks	39,512,833	-	-	-	39,512,833
Loan to Private banks	2,634,900	-	-	-	2,634,900
Other loans and advances	28,601,184	-	-	-	28,601,184
Interest receivable	7,595,016	-	-	-	7,595,016
Loans and advances to employees	26,178,962	-	-	-	26,178,962
Other local currency financial assets	929,682	-	-	-	929,682
Total	1,494,629,817	-	-	530,059,140	2,024,688,957

Financial liabilities

Taka '000

Items	Carried at amortised cost	Liabilities at fair value through profit or loss	Total
Liabilities with IMF	188,331,836	-	188,331,836
Deposits from banks and financial institutions:			
Foreign currency deposits by commercial banks	74,804,441	-	74,804,441
Asian Clearing Union (ACU)	75,093,095	-	75,093,095
Notes in circulation	847,170,600	-	847,170,600
Short term borrowings	57,664,690	-	57,664,690
Short term borrowings	443,782,003	-	443,782,003
Total	1,686,846,665	-	1,686,846,665

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

47 Consolidated classification of financial instrument

Analysis of financial assets and liabilities by fair value hierarchy

As per IFRS-13, the Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy categorises the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

Level 1: quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions.

Level 2: inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and includes: quoted prices for similar assets or liabilities in active markets quoted prices for identical or similar assets or liabilities in markets that are not active inputs other than quoted prices that are observable for the asset or liability.

Level 3: Valuation techniques using significant non-observable inputs. This category includes all instruments where the valuation technique includes inputs based on unobservable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist, Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

Financial instruments measured at fair value - fair value hierarchy

i) As at 30 June 2015

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

Financial Assets

Taka '000

Items	Note	Level 1	Level 2	Level 3	Total
Foreign investments:					-
US Dollar Treasury Bills	5	83,279,606	-	-	83,279,606
Foreign Bonds	5	678,881,294	-	-	678,881,294
Gold and silver	7	6,414,663	-	-	6,414,663
Claims from gold transaction	8	34,181,082	-	-	34,181,082
Other foreign assets:					-
Swift shares	10	-	-	80	80
Loans to the Government:					
Treasury bonds	13		1,085,185	-	1,085,185
Local currency investments:					
Short term money market investments	14	-	462,501	-	462,501
Debentures-BHBFC	14		5,795,000	-	5,795,000
Share of ICB Islamic Bank Limited	14	7,452	-	-	7,452
Total		802,764,097	7,342,686	80	810,106,863

ii) As at 30 June 2014

Taka '000

Items	Note	Level 1	Level 2	Level 3	Total
Foreign investments:					-
US Dollar Treasury Bills	5	83,075,584	-	-	83,075,584
Foreign Bonds	5	357,890,893	-	-	357,890,893
Gold and silver	7	25,283,678	-	-	25,283,678
Claims from gold transaction	8	19,451,963	-	-	19,451,963
Other foreign assets:					-
Swift shares	10	-	-	80	80
Loans to the Government:					
Treasury bills	13	-	2,327,168	-	2,327,168
Treasury bonds	13	-	35,024,775	-	35,024,775
Local currency investments:					
Short term money market investments	14	-	1,873,020	-	1,873,020
Share of ICB Islamic Bank Limited	14	7,452	-	-	7,452
Total		485,709,570	39,224,963	80	524,934,613

Level 3 fair value measurements

As at 30 June 2015 and 30 June 2014, the Group holds level 3 financial instruments only on Swift shares. The management believes that the fair value of these shares is equal to its carrying amount. A level 3 reconciliation table have not been disclosed as no change in fair value of investment from last year.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

Financial instruments not measured at fair value

These include taka coins and cash balances, foreign currency accounts, short term deposits with overseas commercial banks, assets held with IMF, foreign currency loans to banks, interest receivable, loans to government, securities purchased under agreement to resell, short term money market investments, local currency financial assets and local currency loans to banks, financial institutions and employees. These are measured under level 2 of fair value hierarchy, as the management believes that the fair value of those instruments are equal to their carrying amounts.

i) As at 30 June 2015

Financial assets

Taka '000

Items	Level 1	Level 2	Level 3	Total fair value	Total carrying value
Taka coin and cash balances	-	14,483,987	-	14,483,987	14,483,987
Foreign currency accounts	-	268,409,412	-	268,409,412	268,409,412
Foreign investments:					
Short term deposits with overseas commercial banks	-	674,465,879	-	674,465,879	674,465,879
Asset held with IMF	-	131,148,185	-	131,148,185	131,148,185
Foreign currency loans to banks	-	127,742,085	-	127,742,085	127,742,085
Interest receivable	-	6,680,385	-	6,680,385	6,680,385
Loans to the government					
Loans and advances to Govt.	-	24,354,400	-	24,354,400	24,354,400
Overdraft - Block	-	86,850,000	-	86,850,000	86,850,000
Local currency loans to banks, financial institutions and employees:					
Loan to commercial banks	-	4,963,167	-	4,963,167	4,963,167
Loan to specialised banks	-	33,222,021	-	33,222,021	33,222,021
Loan to private banks	-	3,019,500	-	3,019,500	3,019,500
Other loans and advances	-	26,172,779	-	26,172,779	26,172,779
Interest receivable	-	8,429,740	-	8,429,740	8,429,740
Loans and advances to employees	-	30,106,279	-	30,106,279	30,106,279
Other local currency financial assets	-	169,283	-	169,283	169,283
Total	-	1,440,217,103	-	1,440,217,103	1,440,217,103

Financial liabilities

Items	Level 1	Level 2	Level 3	Total fair value	Total carrying value
Liabilities with IMF	-	167,475,874	-	167,475,874	167,475,874
Deposits from banks and financial institutions:					
Foreign currency deposits by commercial banks	-	78,892,716	-	78,892,716	78,892,716
Asian Clearing Union (ACU)	-	70,261,285	-	70,261,285	70,261,285
Notes in circulation	-	973,633,449	-	973,633,449	973,633,449
Local currency deposits from banks and financial institutions	-	503,017,274	-	503,017,274	503,017,274
Short term borrowings	-	180,721,995	-	180,721,995	180,721,995
Total	-	1,974,002,593	-	1,974,002,593	1,974,002,593

Bangladesh Bank : Notes to the Financial Statements
As at and for the year ended 30 June 2015

ii) As at 30 June 2014

Financial assets

Taka '000

Items	Level 1	Level 2	Level 3	Total fair value	Total carrying value
Taka coin and cash balances	-	1,356,424	-	1,356,424	1,356,424
Foreign currency accounts	-	501,735,055	-	501,735,055	501,735,055
Foreign investments:					
Short term deposits with overseas commercial banks	-	492,050,716	-	492,050,716	492,050,716
Asset held with IMF	-	148,468,110	-	148,468,110	148,468,110
Foreign currency loans to banks	-	105,186,763	-	105,186,763	105,186,763
Interest receivable	-	4,595,173	-	4,595,173	4,595,173
Loans to the government:					
Overdraft - block (Government treasury bills)	-	-	-	-	-
Overdraft - current	-	-	-	-	-
Securities purchased under agreement to resell	-	980,000	-	980,000	980,000
Investments:					
Debentures in House Building Finance Corporation	-	6,505,000	-	6,505,000	6,505,000
Short term money market investments	-	1,868,910	-	1,868,910	1,868,910
Local currency loans to banks, financial institutions and employees:					
Loan to commercial banks	-	4,105,182	-	4,105,182	4,105,182
Loan to specialised banks	-	39,512,833	-	39,512,833	39,512,833
Loan to private banks	-	2,634,900	-	2,634,900	2,634,900
Other loans and advances	-	28,601,184	-	28,601,184	28,601,184
Interest receivable	-	1,145,214	-	1,145,214	1,145,214
Loans and advances to employees	-	27,255,579	-	27,255,579	27,255,579
Other local currency financial assets	-	1,145,214	-	1,145,214	1,145,214
Total	-	1,367,146,257	-	1,367,146,257	1,367,146,257

Financial liabilities

Items	Level 1	Level 2	Level 3	Total fair value	Total carrying value
Liabilities with IMF	-	188,331,836	-	188,331,836	188,331,836
Deposits from banks and financial institutions:					
Foreign currency deposits by commercial banks	-	74,804,441	-	74,804,441	74,804,441
Asian Clearing Union (ACU)	-	75,093,095	-	75,093,095	75,093,095
Notes in circulation	-	847,170,600	-	847,170,600	847,170,600
Local currency deposits from banks and financial institution	-	443,782,003	-	443,782,003	443,782,003
Short term borrowings	-	57,664,690	-	57,664,690	57,664,690
Total	-	1,686,846,665	-	1,686,846,665	1,686,846,665

Bangladesh Bank : Notes to the Financial Statements
As at and for the year ended 30 June 2015

47.01 Classification of financial instrument (separate)

Financial instruments measured at fair value - fair value hierarchy

i) As at 30 June 2015

Financial assets

Taka '000

Items	Note	Level 1	Level 2	Level 3	Total
Foreign investments:					
US Dollar Treasury Bills	5	83,279,606	-	-	83,279,606
Foreign Bonds	5	678,881,294	-	-	678,881,294
Gold and silver	7	6,414,663	-	-	6,414,663
Claims from gold transaction	8	34,181,082	-	-	34,181,082
Other foreign assets:					
Swift shares	10	-	-	80	80
Loans to the Government:					
Treasury bonds	13	-	1,085,185	-	1,085,185
Local currency investments:					
Investment in subsidiary	14.02	-	-	12,000,000	12,000,000
Debentures-HBFC	14.02	-	5,795,000	-	5,795,000
Total		802,756,645	6,880,185	12,000,080	815,841,910

ii) As at 30 June 2014

Taka '000

Items	Note	Level 1	Level 2	Level 3	Total
Foreign investments:					
US Dollar Treasury Bills	5	83,075,584	-	-	83,075,584
Foreign Bonds	5	357,890,893	-	-	357,890,893
Gold and silver	7	25,283,678	-	-	25,283,678
Claims from gold transaction	8	19,451,963	-	-	19,451,963
Other foreign assets:					
Swift shares	10	-	-	80	80
Loans to the Government:					
Treasury bills	13	-	2,327,168	-	2,327,168
Treasury bonds	13	-	35,024,775	-	35,024,775
Local currency investments:					
Investment in subsidiary	14.02	-	-	500,000	500,000
Total		485,702,118	37,351,943	500,080	523,554,141

Level 3 fair value measurements

As at 30 June 2015 and 30 June 2014, the Bank holds level 3 financial instruments on shares in the Subsidiary & debenture-HBFC. Management believes that the fair value of these shares is equal to its carrying amount.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

Financial instruments not measured at fair value

These include taka coins and cash balances, foreign currency accounts, short term deposits with overseas commercial banks, assets held with IMF, foreign currency loans to banks, interest receivable, loans to government, securities purchased under agreement to resell, short term money market investments, local currency financial assets and local currency loans to banks, financial institutions and employees. These are measured under level 2 of fair value hierarchy, since management believes that the fair value of those instruments are equal to their carrying amounts.

i) As at 30 June 2015

Financial assets

Taka '000

Items	Level 1	Level 2	Level 3	Total fair value	Total carrying value
Taka coin and cash balances	-	321,706	-	321,706	321,706
Foreign currency accounts	-	268,409,412	-	268,409,412	268,409,412
Foreign investments:					
Short term deposits with overseas commercial banks	-	674,465,879	-	674,465,879	674,465,879
Asset held with IMF	-	131,148,185	-	131,148,185	131,148,185
Foreign currency loans to banks	-	127,742,085	-	127,742,085	127,742,085
Interest receivable	-	6,680,385	-	6,680,385	6,680,385
Loans to the government:					
Treasury bills	-	24,354,400	-	24,354,400	24,354,400
Treasury bonds	-	86,850,000	-	86,850,000	86,850,000
Local currency loans to banks, financial institutions and employees:					
Loan to commercial banks	-	4,963,167	-	4,963,167	4,963,167
Loan to specialised banks	-	33,222,021	-	33,222,021	33,222,021
Loan to private banks	-	3,019,500	-	3,019,500	3,019,500
Other loans and advances	-	26,172,779	-	26,172,779	26,172,779
Interest receivable	-	8,429,740	-	8,429,740	8,429,740
Loans and advances to employees	-	30,106,279	-	30,106,279	30,106,279
Other local currency financial assets	-	169,283	-	169,283	169,283
Total	-	1,426,054,822	-	1,426,054,822	1,426,054,822

Financial liabilities

Items	Level 1	Level 2	Level 3	Total fair value	Total carrying value
Liabilities with IMF	-	167,475,874	-	167,475,874	167,475,874
Deposits from banks and financial institutions:					
Foreign currency deposits by commercial banks	-	78,892,716	-	78,892,716	78,892,716
Asian Clearing Union (ACU)	-	70,261,285	-	70,261,285	70,261,285
Notes in circulation	-	973,633,449	-	973,633,449	973,633,449
Local currency deposits from banks and financial institution	-	503,017,274	-	503,017,274	503,017,274
Short term borrowings	-	180,721,995	-	180,721,995	180,721,995
Total	-	1,974,002,593	-	1,974,002,593	1,974,002,593

Bangladesh Bank : Notes to the Financial Statements
As at and for the year ended 30 June 2015

ii) As at 30 June 2014

Financial assets

Taka '000

Items	Level 1	Level 2	Level 3	Total fair value	Total carrying value
Taka coin and cash balances	-	546,240	-	546,240	546,240
Foreign currency accounts	-	501,735,055	-	501,735,055	501,735,055
Foreign investments:				-	-
Short term deposits with overseas commercial banks	-	492,050,716	-	492,050,716	492,050,716
Asset held with IMF	-	148,468,110	-	148,468,110	148,468,110
Foreign currency loans to banks	-	105,186,763	-	105,186,763	105,186,763
Interest receivable	-	4,595,173	-	4,595,173	4,595,173
Loans to the government:					
Overdraft - current	-	-	-	-	-
Securities purchased under agreement to resell	-	980,000	-	980,000	980,000
Investments:				-	-
Debentures in House Building Finance Corporation	-	6,505,000	-	6,505,000	6,505,000
Local currency loans to banks, financial institutions and employees:					
Loan to commercial banks	-	4,105,182	-	4,105,182	4,105,182
Loan to specialised banks	-	39,512,833	-	39,512,833	39,512,833
Loan to private banks	-	2,634,900	-	2,634,900	2,634,900
Other loans and advances	-	28,601,184	-	28,601,184	28,601,184
Interest receivable	-	7,595,016	-	7,595,016	7,595,016
Loans and advances to employees	-	26,178,962	-	26,178,962	26,178,962
Other local currency financial assets	-	929,682	-	929,682	929,682
Total	-	1,369,624,816	-	1,369,624,816	1,369,624,816

Financial liabilities

Items	Level 1	Level 2	Level 3	Total fair value	Total carrying value
Liabilities with IMF	-	188,331,836	-	188,331,836	188,331,836
Deposits from banks and financial institutions:					
Foreign currency deposits by commercial banks	-	74,804,441	-	74,804,441	74,804,441
Asian Clearing Union (ACU)	-	75,093,095	-	75,093,095	75,093,095
Notes in circulation	-	847,170,600	-	847,170,600	847,170,600
Local currency deposits from banks and financial institutions	-	443,782,003	-	443,782,003	443,782,003
Short term borrowings	-	57,664,690	-	57,664,690	57,664,690
Total	-	1,686,846,665	-	1,686,846,665	1,686,846,665

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

48 Risk management

(i) Financial risk management

International Financial Reporting Standard "IFRS 7 - Financial Instruments: Disclosures" requires disclosure of information relating to both recognised and unrecognised financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the Group's policies for controlling risks and exposures.

Bank is involved in policy-oriented activities. Therefore, the Bank's risk management framework differs from the risk management framework for most other financial institutions. The main financial risks to which the Bank is exposed include credit risk, foreign exchange risk and interest rate risk. In the management of foreign reserves, minimising liquidity risk is the prime consideration in order to ensure the availability of currency as required. Like most central banks, the nature of the Bank's operations creates exposure to a range of operational and reputational risks also.

Bank's management seeks to ensure that strong and effective risk management and control systems are in place for assessing, monitoring and managing risk exposure. Experienced staff conducts the Bank's local currency, foreign currency reserves management, and foreign exchange dealing operations in accordance with a clearly defined risk management framework, including limits and delegated authorities set by the Governor.

Bank is subject to an annual audit by two external auditors who are appointed by the Government as prescribed in Article 65 (1) of the Bangladesh Bank Order, 1972. Auditing arrangements are overseen by the Audit Committee of the Board to monitor the financial reporting and audit functions within the Bank and the Committee reviews the internal audit functions as well. Audit Committee reports to the Board of Directors on its activities.

The overall risk management framework is designed to strongly encourage the sound and prudent management of the Bank's risk. The Bank seeks to ensure the risk management framework consistent with financial market best practices. Risk tables in this note are all based on the Bangladesh Bank portfolio as reported in its statement of financial position.

(ii) Operational risk

Operational risk is the risk of loss in both financial and non-financial terms resulting from human error and the failure of internal processes and systems. Managing operational risk is seen as an integral part of the day to day operations and management, which includes explicit consideration of both the opportunities and the risks of all business activities. Operational risk management includes Bank-wide corporate policies that describe the standard required of staff and specific internal control systems designed around the particular characteristics of various Bank activities. Compliance with corporate policies and departmental internal control systems are managed by departmental management and an active internal audit function.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

(iii) Credit risk management

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to pay for its obligation. Credit risk is monitored and managed regularly. Bangladesh Bank's maximum exposure to credit risk in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the statement of financial position. Bangladesh Bank's exposure is to highly rated counter-parties and its credit risk is very low, with mitigants to credit risk including both the Bank's rigorous monitoring activities and, in many cases, guarantees from the government.

Bank's significant end-of-year concentrations of credit exposure, based on the country/region in which the issuers' parent was located, were as follows:

Consolidated	2015	2014
Bangladesh	383,214,010	402,266,602
Other Asian countries	351,138,303	334,189,781
United States of America	673,787,180	698,182,076
Europe	478,108,449	324,018,757
Australia	80,433,234	17,653,619
Others	285,508,941	251,860,927
Total	2,252,190,116	2,028,171,762
Bank		
Bangladesh	379,088,552	398,783,797
Other Asian countries	351,138,303	334,189,781
United States of America	673,787,180	698,182,076
Europe	478,108,449	324,018,757
Australia	80,433,234	17,653,619
Others	285,508,941	251,860,927
Total	2,248,064,658	2,024,688,957

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Management of liquidity risk

Liquidity risk can be caused by market disruptions or credit downgrades which may cause certain sources of funding to dry up immediately.

To mitigate this risk, the Group has diversified funding sources and assets are managed with liquidity in mind.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

(v) Currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. In Bangladesh Bank, foreign exchange reserve management and investment functions are guided by an Investment Committee. Decision of the Investment Committee and dealing practices approved by the Investment Committee serve as operational guidelines for Bangladesh Bank's reserve management and investments. The guidelines are directed towards managing different types of risks, while earning a reasonable return. There is an approved benchmark for investment in terms of currency composition, portfolio duration and proportion of different assets within a band. Dealers/portfolio managers afford best to comply with this benchmark and continually rebalance the investment portfolio to follow the benchmark daily/weekly as approved by the Investment Committee.

49 Contingent liabilities

The Bank had contingent liabilities for guarantees outstanding as at 30 June 2015 amounting to Taka 70,020.36 million (2014: Taka 106,819 million) in favour of International Islamic Trade Finance Corporation which is secured by counter guarantees from the Government of Bangladesh.

The Bank had two pending litigations against which the estimated possible liability was Taka 1.86 million as at the reporting date. No provisions have been made in the financial statements in respect of these as it was not possible to determine the outcome of these cases with reasonable assurance.

50 Operating segments

The Bank's operation is concentrated in one geographical area - Bangladesh and as such comprise a single operating segment for the purpose of IFRS 8, the relevant standard for such segmentation. While the Bank is required by the Bangladesh Bank Order to report revenue and expenses by references to the functions carried out by the Bank viz. Issue and Banking department, these activities do not constitute separate operating segments for the purpose of IFRS 8.

51 Actuarial valuation of defined benefit plans

Most recent actuarial valuation was performed in the year 2011-12 by an independent actuarial firm. According to the valuation report, the estimated obligation of the pension fund as at 30 June 2012 was Taka 4,745,764 thousand and for gratuity fund was Taka 1,069,800 thousand. For the years 2013, 2014 and 2015, the obligations were calculated based on the recommendation made by the actuarial firm.

As at 30 June 2015 the obligation for pension fund and gratuity fund was calculated to Taka 6,618,746.93 thousand and Taka 1,453,800.00 thousand respectively. The balance of the funds is as under:

Bangladesh Bank : Notes to the Financial Statements
As at and for the year ended 30 June 2015

Taka '000

Particulars	Pension plans		Gratuity plans	
	2015	2014	2015	2014
Amounts recognised in the reporting date				
Balance at the beginning of the year	5,738,714	5,710,641	1,553,726	1,774,885
Paid during the year	(696,667)	(150,627)	(83,542)	(42,459)
Current year's contribution/transfer	1,576,700	178,700	-	(178,700)
Balance of the fund	6,618,747	5,738,714	1,470,184	1,553,726

Actuarial assumptions

Particulars	Pension plans		Gratuity plans	
	2015	2014	2015	2014
Discount rate	11.50%	11.50%	11.50%	11.50%
Salary growth rate	8%	8%	8%	8%

The assumptions regarding future mortality rate are based on the published statistics and mortality tables of the FA 1975-78 (based on experience collected from UK insurers).

Sensitivity

If the discount rate had been 100 basis points lower with all other variables constant, contribution for pension fund and gratuity fund for the year would have been Taka 57.38 million and Taka 12.69 million higher respectively, arising mainly as a result of lower discount income. Conversely, if discount rate had been 100 basis point higher with all other variables held constant, contribution for the same during the year would have been Taka 57.38 million and Taka 12.69 million lower arising mainly as a result of higher discount income. Discount rate is very sensitive for calculation of contribution.

52 Capital commitments

As at 30 June 2015, the Bank had outstanding capital commitments of Taka. 4.85 million with respect to different Air Conditionar purchase and installantion along with secutity instrument and generator purchase. (2014: 36.75 million)

53 Related parties transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In the case of the Bank, related parties, as defined in IAS 24 : Related Parties Disclosure, include directors and officers of the Bank, and companies of whom they are principal owners and key management personnel. Banking transactions are entered into with related parties on agreed terms and conditions on an arms length basis.

Bank is fully owned by the Government of Bangladesh. Government has interests in various entities such as state owned banks, specialised banks and corporations. Bank deals with these entities on the directives of the government in line with the its monetary policy objectives.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

The outstanding as at the reporting date and average balances during the year with respect to related parties included in the statement of financial position are as follows:

Taka '000

2015		2014	
Outstanding	Average	Outstanding	Average

Outstanding balances with the government of Bangladesh

Ways and means advance	24,354,400	12,177,200	-	10,000,000
Overdraft - block (refer note 13)	86,850,000	109,180,000	131,510,000	138,887,155
Overdraft - current	-	-	-	36,022,500
Treasury bills	-	1,163,584	2,327,168	2,847,150
Treasury bonds	1,085,185	18,054,980	35,024,775	49,012,660
Other assets (interest receivable)	29,491	405,312	781,134	1,284,140
	112,319,076	140,981,076	169,643,077	238,053,604

Other liabilities:

Deposits	5,033	20,602,091	41,199,148	20,602,078
Loan from government of Bangladesh	2,721,734	2,743,157	2,764,580	2,800,919
	2,726,767	23,345,248	43,963,728	23,402,996

Balances related to subsidiary (SPCBL)

Other assets (Prepayments and advances)	4,127,278	3,713,199	3,299,119	3,574,366
Other liabilities (sundry creditors)	1,335,120	1,513,596	1,692,073	1,483,314

The income and expenses in respect of related parties included in the statement of profit or loss are as follows:

2015 Taka'000	2014 Taka'000
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Income and expenses related to government

Interest income	7,880,673	19,500,993
Commission received	5,749	3,639
	7,886,421	19,504,632

Expenses

Agency charges	2,642,465	2,409,580
Under writing commission on treasury bills and bonds	488,067	415,000
	3,130,532	2,824,580

Income and expenses related to subsidiary

Dividend income	25,000	25,000
Note printing expenses	3,817,289	3,885,924

Key management personnel

Salaries, wages and other benefits (refer note 54.06)	3,969	3,969
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Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

53.01 Transactions with the Government and Government controlled enterprises

In the normal course of its operations, the Bank enters into transactions with related parties. Related parties include the Government of Bangladesh; as ultimate owner of the Bank, various Government departments, and Government controlled enterprises/entities. All transactions are carried out with reference to market rates. Transactions entered into include:

- (a) Acting as the fiscal agent, banker and financial advisor of the Government; the Bank is the depository of the Government and or its agents or institutions and provides banking services to Government and Government departments and corporations;
- (b) Acting as the agent of the Government or its agencies and institutions, provide guarantees, participate in loans to Government or related institutions and foreign reserve;
- (c) The Bank does not ordinarily collect any commission, fees, or other charges for services which it renders to the Government and related entities;
- (d) Acting as the agent of the Government, the Bank issues securities of Government, purchases any unsubscribed portion of any issue and amounts set aside for the Bank; and
- (e) As the agent of the Government manages public debt and foreign reserves.

During the year, the Bank received an amount of Taka 2,800,540.00 million (in 2014 : Taka 2,731,440.00 million) and paid Taka 2,866,080.00 million (in 2014: 2,598,210.00 million) on behalf of the Government. As at 30 June 2015, total outstanding balance was Taka 111,210.00 million.

- (f) Assets under management:

Japan Debt Relief Grant

2015 Taka'000	2014 Taka'000
918,989	1,106,605

The Bank acts as agent on behalf of Government of Bangladesh for managing the Japan Debt Relief Grant.

53.02 Transactions with entities in which the Bank has significant investments

During the year, the Bank received debenture interest amounting to Taka 311.39 million included in the interest income.

53.03 Transactions with controlled entities

During the year, as a part of its business operations the Bank incurred expense of Taka 3,817.29 million (2014: Taka 3,885.92 million) as note printing cost was paid to SPCBL which is included in the statement of profit or loss of the Bank. These transactions are eliminated in preparing consolidated financial statements. During the year, SPCBL paid dividend amounting to Taka 25 million (2014: 25 million) as per decision of their Board.

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

53.04 Transactions with retirement benefit plans

During the year, the Group was not required to contribute any amount to the retirement benefit plans (consisting of contribution to pension plans including widow/widowers), as sufficient reserve is available as per the actuarial valuation report. Amounts of balances held in the financial statements maintained by these retirement benefit plans are given in note 52.

53.05 Board of Directors of Bangladesh Bank and Key Management Personnel

During the year, the Group was not required to contribute any amount to the retirement benefit plans (consisting of contribution to pension plans including widow/widowers), as sufficient reserve is available as per the actuarial valuation report. Amounts of balances held in the financial statements maintained by these retirement benefit plans are given in note 52.

	Members of Board Directors	Executive Committee Members	Audit Committee Members
Dr. Atiur Rahman - appointed as the Chairman of the Board of Directors and also as the Governor of the Bangladesh Bank for a period of four years from 1 May 2009. Further he reappointed on 1 May 2013 for a period up to 2 August 2016.	Member of Board of Directors	Member of Executive Committee	
Mr. Md. Abul Quasem - appointed as a Director of the Board of Bangladesh Bank on 13 February 2012 for a period upto 6 July, 2015 and also holds the post of Deputy Governor, Bangladesh Bank.	Member of Board of Directors	Member of Executive Committee	
Dr. Mustafa Kamal Mujeri - appointed as a Director of the Board of Bangladesh Bank on 11 March 2010 for a period of three years and holds the post of Executive Director, Bangladesh Institute of Development Studies, Sher-E-Bangla nagar, Dhaka. Further reappointed on 11 March 2013 for a period up to 10 March 2016.	Member of Board of Directors		Member of Board Audit Committee
Prof. Sanat Kumar Saha - appointed as a Director of the Board of Bangladesh Bank on 11 March 2010 for a period of three years. Further reappointed on 11 March 2013 for a period up to 10 March 2016. He is an Ex-professor, Rajshahi University, Rajshahi.	Member of Board of Directors		
Dr. Sadiq Ahmed - appointed as a Director of the Board of Bangladesh Bank on 11 March 2010 for a period of three years. Further reappointed on 11 March 2013 for a period up to 10 March 2016. He is an Ex-Director, World Bank, USA & Vice Chairman, Policy Research Institute, Banani, Dhaka.	Member of Board of Directors		

Bangladesh Bank : Notes to the Financial Statements

As at and for the year ended 30 June 2015

	Members of Board Directors	Executive Committee Members	Audit Committee Members
Prof. Hannana Begum - appointed as a Director of the Board of Bangladesh Bank on 11 March 2010 for a period of three years. Further reappointed on 11 March 2013 for a period up to 10 March 2016. She is an Ex-Principal, Eden College, Dhaka.	Member of Board of Directors	Member of Executive Committee	Member of Board Audit Committee
Dr. M Aslam Alam - appointed as a Director of the Board of Bangladesh Bank on 13 November 2012 for a period until further order and holds the post of Secretary, Banking and Financial Institution Division, Ministry of Finance, Govt. of the Peoples Republic of Bangladesh.	Member of Board of Directors	Member of Executive Committee	Member of Board Audit Committee
Mr. Nojibur Rahman - appointed as a Director of the Board of Bangladesh Bank on 25 January, 2015 for a period until further order and holds the post of Secretary, Internal Resource Department, and Chairman of National Board of Revenue, Government of the People's Republic of Bangladesh.	Member of Board of Directors		Member of Board Audit Committee
Mr. Mahub Ahmed - appointed as a Director of the Board of Bangladesh Bank on 27 July, 2014 for a period until further order and holds the post of Senior Secretary, Finance Division, Ministry of Finance, Govt. of the People's Republic of Bangladesh.	Member of Board of Directors		
Number of meetings held during the year	8	6	8

53.06 Remuneration of members of the Board of Directors and Key management personnel

Members of the Board of Directors received remuneration totaling Taka 523,392 (2014: Taka 523,392) and the Governor received salary totaling Taka 590,400 (2014: Taka 590,400). In addition, the Governor availed a free furnished house for his residence and full time transport facility. Other key management personnel of the Bank received salary totaling Taka 2,855,520 (2014: Taka 2,855,520) and in addition, they availed official residence as well as transport.

54 Events after the reporting date

There were no material events that occurred between the end of the reporting period and the date of authorisation of the financial statements for issue that require adjustments to or disclosures in the financial statements.

55 Directors' responsibility for financial reporting

The Board of Directors approved the financial statement on 30 August 2015.