

**The Dhaka Mercantile Co-operative Bank Limited**  
19, Indira Road, Farmgate  
Tejgaon, Dhaka, 1215

**The Dhaka Mercantile Co-operative Bank Limited**

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Auditor's report and financial statements  
For the year ended 30 June 2022

**S. F. AHMED & CO.**

Chartered Accountants | Since: 1958

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**Independent Auditor's Report  
To the Shareholders/ Members of The Dhaka Mercantile Co-operative Bank Limited**

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**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of The Dhaka Mercantile Co-operative Bank Limited (the Society/Bank), which comprise the statement of financial position (balance sheet) as at 30 June 2022, and the statement of profit or loss and other comprehensive income (profit and loss account), statement of change in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 30 June 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for opinion**

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

**Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Co-operative Society Act and Rules and other applicable laws and regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



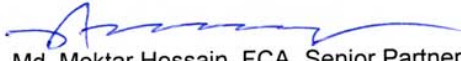
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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

**Other matter**

The Bank has one hundred and thirty six (136) Branches and two (2) sub-branches out of which we have conducted the audit of the ten (10) branches.

Auditor's Signature :   
Name of Engagement Partner : Md. Moktar Hossain, FCA, Senior Partner  
Enrollment No. : 728  
Firm's Name : S. F. AHMED & CO., Chartered Accountants  
Firm's Reg No. : 10898 E.P. under Partnership Act 1992



**Document Verification Code (DVC) : 2208280728AS199635**

Dated, 28 August 2022

**The Dhaka Mercantile Co-operative Bank Limited**

**Statement of Financial Position (Balance Sheet)  
As at 30 June 2022**

	Notes	2022 BDT	2021 BDT
<b>Property and assets</b>			
Cash in hand		227,527,931	125,099,803
Balance with banks and non-banking financial institutions	3	4,011,791,436	5,888,643,687
		<u>4,239,319,367</u>	<u>6,013,743,490</u>
<b>Investments</b>			
Bai - murabaha (micro)	4	22,239,790,890	15,075,714,223
Bai - murabaha (general)	5	2,901,554,502	2,269,758,785
Bai - murabaha (cash credit)	6	3,428,333,960	2,893,804,824
Bai - murabaha (SOD)	7	789,619,347	734,614,546
Bai - muazzal (consumer)	8	8,778,321	9,925,249
Bai - muazzal (staff)	9	588,436,222	430,685,026
Hire purchase under shirkatul meelk	10	8,342,019	9,384,228
Quard - e - hasana	11	12,117,774	15,494,432
Bai - murabaha (seasonal)	12	44,792,271	56,846,918
		<u>30,021,765,306</u>	<u>21,496,228,231</u>
<b>Fixed assets</b>	13	1,398,231,607	950,681,154
<b>Other assets</b>	14	572,666,460	670,371,316
<b>Total assets</b>		<u><b>36,231,982,740</b></u>	<u><b>29,131,024,191</b></u>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Financing (borrowing) from other banks	15	543,271,786	232,271,331
<b>Deposits</b>			
Al - wadeeah current and other deposits	16	3,652,951,489	2,189,362,803
Mudaraba saving deposits		629,891,123	406,044,442
Mudaraba term deposits	17	14,731,075,907	12,358,228,875
Other mudaraba deposits	18	14,925,632,169	12,371,404,739
		<u>33,939,550,688</u>	<u>27,325,040,859</u>
<b>Other liabilities</b>	19	1,401,779,465	1,287,266,679
<b>Total liabilities</b>		<u>35,884,601,939</u>	<u>28,844,578,869</u>
<b>Equity</b>			
Share capital	20	60,780,440	55,499,640
General reserve	21	209,044,992	185,067,718
Retained earnings	22	77,555,369	45,877,964
<b>Total equity</b>		<u>347,380,801</u>	<u>286,445,322</u>
<b>Total liabilities and equity</b>		<u><b>36,231,982,740</b></u>	<u><b>29,131,024,191</b></u>

These financial statements should be read in conjunction with the annexed notes

For and on behalf of the board of The Dhaka Mercantile Co-operative Bank Limited



Chairman



Deputy Managing Director

See annexed report of the date



Dhaka, Bangladesh  
Dated, 28 August 2022



S.F. AHMED & CO.  
Chartered Accountants  
DVC: 2208280728AS199635

**The Dhaka Mercantile Co-operative Bank Limited**

**Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account)  
For the year ended 30 June 2022**

	Notes	2022 BDT	2021 BDT
<b>Profit on investments</b>	23	6,626,454,641	4,834,535,328
Profit paid on deposits and borrowings	24	(2,504,591,711)	(2,161,632,918)
<b>Net investment income</b>		<b>4,121,862,930</b>	<b>2,672,902,410</b>
Other operating income	25	100,930,248	71,312,424
<b>Total operating income</b>		<b>4,222,793,178</b>	<b>2,744,214,834</b>
<b>Operating expenses</b>			
Salary, remuneration and allowances	26	2,969,290,474	1,889,548,693
Rent, taxes, insurance, electricity, etc.	27	263,495,925	242,648,005
Legal expenses		11,428,556	11,673,782
Postage, stamps, telecommunications, etc.	28	19,490,965	16,890,680
Stationery, printing, advertisement, etc.	29	93,570,963	66,504,247
Professional fees		1,430,000	2,073,128
Depreciation and repair and maintenance of assets	30	158,628,315	145,637,770
Other expenses	31	488,451,600	192,779,222
<b>Total operating expenses</b>		<b>4,005,786,798</b>	<b>2,567,755,527</b>
<b>Profit before provision and tax</b>		<b>217,006,380</b>	<b>176,459,307</b>
Provision against investments	32	67,300,730	59,753,421
<b>Profit before tax</b>		<b>149,705,650</b>	<b>116,705,886</b>
Provision for taxation (current tax)	33	29,819,282	25,272,301
<b>Profit for the year</b>		<b>119,886,368</b>	<b>91,433,585</b>
<b>Appropriation</b>			
General reserve		23,977,274	18,286,717
Provision for co-operative development fund		6,510,191	5,293,779
Staff welfare fund		2,397,727	1,828,672
Recreation and sports fund		3,596,591	2,743,008
Incentive bonus		5,994,318	4,571,679
Reserve for profit payable		5,994,318	4,571,679
Reserve for contingency		11,988,636	9,143,359
Dividend (proposed)		27,749,820	25,720,720
<b>Total appropriations</b>	34	<b>88,208,875</b>	<b>72,159,613</b>
<b>Profit after appropriation</b>	22	<b>31,677,493</b>	<b>19,273,972</b>

These financial statements should be read in conjunction with the annexed notes

For and on behalf of the board of The Dhaka Mercantile Co-operative Bank Limited

  
Chairman

  
Deputy Managing Director  
See annexed report of the date

Dhaka, Bangladesh  
Dated, 28 August 2022



  
S.F. AHMED & CO.  
Chartered Accountants  
DVC: 2208280728AS199635

**The Dhaka Mercantile Co-operative Bank Limited**

**Statement of Changes in Equity  
For the year ended 30 June 2022**

	Share capital BDT	General reserve BDT	Retained earnings BDT	Total BDT
<b>Balance as at 30 June 2020</b>	51,441,440	166,781,001	16,377,207	234,599,648
Addiiton during the year	4,058,200	-	-	4,058,200
Profit appropriated to general reserve	-	18,286,717	-	18,286,717
Profit after appropriation	-	-	19,273,972	19,273,972
Transferred from dividend payable	-	-	10,226,785	10,226,785
<b>Balance as at 30 June 2021</b>	<b>55,499,640</b>	<b>185,067,718</b>	<b>45,877,964</b>	<b>286,445,322</b>
<b>Balance as at 30 June 2021</b>	55,499,640	185,067,718	45,877,964	286,445,322
Addiiton during the year	5,280,800	-	-	5,280,800
Profit appropriated to general reserve	-	23,977,274	-	23,977,274
Profit after appropriation	-	-	31,677,493	31,677,493
Transfer to dividend payable	-	-	(88)	(88)
<b>Balance as at 30 June 2022</b>	<b>60,780,440</b>	<b>209,044,992</b>	<b>77,555,369</b>	<b>347,380,801</b>

For and on behalf of the board of The Dhaka Mercantile Co-operative Bank Limited

  
Chairman

  
Deputy Managing Director

Dhaka, Bangladesh  
Dated, 28 August 2022



**The Dhaka Mercantile Co-operative Bank Limited**

**Statement of Cash Flows**  
**For the year ended 30 June 2022**

	<b>2022</b>	<b>2021</b>
	BDT	BDT
<b>A. Cash flows from operating activities</b>		
Profit before tax	149,705,650	116,705,886
Adjustment for non-cash items:		
Depreciation	144,343,262	134,323,783
Gain on sale of fixed assets	(6,558,671)	(4,638,944)
Adjustment against proposed dividend	(88)	10,226,785
<b>Operating profit before working capital</b>	<b>287,490,153</b>	<b>256,617,510</b>
(Increase)/decrease in current assets:		
Investments	(8,525,537,075)	(1,622,280,255)
Other assets	110,308,564	102,386,027
Increase/(decrease) in current liabilities:		
Deposits	6,614,509,829	2,630,189,756
Other liabilities	45,734,204	48,372,991
<b>Cash generated from/(used in) operating activities</b>	<b>(1,754,984,478)</b>	<b>1,158,668,519</b>
Income tax paid	(37,876,009)	(52,174,437)
<b>Net cash from/(used in) operating activities</b>	<b>(1,505,370,334)</b>	<b>1,363,111,592</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of fixed assets	(605,968,072)	(513,833,892)
Receipts from disposal of fixed assets	20,633,028	15,364,609
<b>Net cash from/(used in) investing activities</b>	<b>(585,335,044)</b>	<b>(498,469,283)</b>
<b>C. Cash flows from financing activities</b>		
Increase in share capital	5,280,800	4,058,200
Financing (borrowing) from other banks	311,000,455	(1,359,331,971)
<b>Net cash from/(used in) financing activities</b>	<b>316,281,255</b>	<b>(1,355,273,771)</b>
<b>D. Net changes in cash and cash equivalents (A+B+C)</b>	<b>(1,774,424,123)</b>	<b>(490,631,462)</b>
<b>E. Opening cash and cash equivalents</b>	<b>6,013,743,490</b>	<b>6,504,374,952</b>
<b>F. Closing cash and cash equivalents (D+E)</b>	<b>4,239,319,367</b>	<b>6,013,743,490</b>
<b>Cash and cash equivalents:</b>		
Cash in hand	227,527,931	125,099,803
Balance with banks and non-banking financial institutions	4,011,791,436	5,888,643,687
	<b>4,239,319,367</b>	<b>6,013,743,490</b>

For and on behalf of the board of The Dhaka Mercantile Co-operative Bank Limited

  
Chairman

  
Deputy Managing Director

Dhaka, Bangladesh  
Dated, 28 August 2022



**The Dhaka Mercantile Co-operative Bank Limited**

**Notes to the financial statements  
for the year ended 30 June 2022**

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**1. Background of the bank/ society**

**1.1 Legal status of the bank/ society**

The Dhaka Mercantile Co-operative Bank Limited (the Bank/DMCB) was registered with the Government under the "The Bengal Co-operative Society Act, 1940 (Bengal Act XXI of 1940)" dated 6 January 1973. After registration, its Bye Laws were prepared for operating the activities of the Bank. In the Bye Laws, unless there is anything repugnant in the subject of context:

- (a) Act means the Bengal Co-operative Society Act, 1940.
- (b) Rules mean the Bengal Co-operative Society Rules, 1942.

In the case of The Dhaka Mercantile Co-operative Bank Limited, the words, 'Society' and the 'Bank' has become synonymous.

**1.2 Objectives of DMCB**

- i) To improve the socio-economic condition of the members of the society through the extension of investments for their small and medium enterprises, trades, agriculture, etc.
- ii) To reduce unemployment by investing and augmenting economic activities which leads to the creation of jobs and steady income.
- iii) Encouraging and motivating the new entrepreneurs to establish industries and businesses in line with the development of the national economy.
- iv) Enhancing savings tendency of the people by offering attractive and lucrative new savings schemes.
- v) Promoting the mobilization of savings both from urban and rural areas.
- vi) To procure funds, particularly from the small savers for investments.
- vii) To extend security-free investments to attract the less-privileged towards co-operative Society.
- viii) To aid the members of our society in understanding individual and communal goals and moving towards a better future.
- ix) To explore the needs of the common people including businessman and professionals.

**1.3 Business philosophy of DMCB**

Part of DMCB's business philosophy is to keep moving and developing with the changing era. What sets DMCB apart from other Co-operative banks/Society its operational accuracy which it has mastered gradually over the years. Through the development of key human resources and excellent service to its members, DMCB aims to be the leader in the Bangladeshi Co-operative Sector. The other half of our philosophy is to assist in the development of our national economy to its highest potential.

**1.4 Corporate governance**

The Dhaka Mercantile Co-operative Bank Limited is a 100% locally sponsored Private Co-operative bank/society as per the Co-operative Society Act. The bank/society has given proper importance to the compliance of all the rules, regulations and guidelines of Co-operative Society and other regulatory bodies.





**The Dhaka Mercantile Co-operative Bank Limited**

**Notes to the financial statements  
for the year ended 30 June 2022**

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Corporate Governance refers to the structure and process for the direction and control of the Bank. This is the framework of rules and practices by which a Board of Directors ensures accountability, fairness, and transparency in the institution's relationship with its all stakeholders. The Board reviews the policies and operating procedures of the various segments of businesses in order to establish effective risk management in investment and other key areas of operations. DMCB has continued to practice good corporate governance at all levels. It enables the bank/society to establish professionalism combined with trust and confidence among the interested parties, build the capacity necessary to operate the business efficiently, and create a congenial working environment that will inevitably meet the challenges of the present competitive business arena. The bank/society has established a clear outline for each sector to ensure corporate governance and functionality. To improve awareness of corporate governance, the members of the Board and the Management are encouraged to join seminars, workshops and other programs.

**1.5 Structure of the board**

The DMCB's Board of Directors comprises 12 (twelve) members. The board is formed/ elected/ nominated according to Co-operative Society Act, Rules and Bye-laws. The Board of Directors of DMCB is a professionally run forum having members from various backgrounds and professions.

The Board is primarily responsible for strategy and policy formulations and for taking decisions on business, operational and financial matters alongside ensuring compliance and risk management of the bank/society. The management of the bank/society operates within the set policies, guidance and limits approved by the Board.

The Board holds meetings regularly and sits at least once a month.

**2. Significant accounting policies**

**2.1 Basis of measurement**

The financial statements have been prepared on a going concern basis under the historical cost convention.

**2.2 Functional and presentation currency**

The financial statements are presented in Bangladeshi Taka (BDT), which is also the functional currency of the Bank.

**2.3 Reporting period**

The financial statements are prepared for a period from 1 July 2021 to 30 June 2022.

**2.4 Components of the financial statements**

Following are the components of the financial statements:

- (i) Statement of financial position (balance sheet);
- (ii) Statement of profit or loss and other comprehensive income (profit and loss account);
- (iii) Statement of changes in equity;
- (iv) Statement of cash flows;
- (v) Explanatory notes to the above financial statements which also describe accounting policies adopted and followed by the Bank.

**2.5 Revenue recognition**

The revenue is recognized as follows complying with the conditions of revenue recognition as provided:

- i) Profit on Bai - murabaha (micro) investments is recognized on a cash basis.
- ii) Profit on other investments is recognized on an accrual basis.
- iii) Fees and other income on services provided by the co-operative bank/societies are recognized as and when the services are rendered.



**The Dhaka Mercantile Co-operative Bank Limited**

**Notes to the financial statements  
for the year ended 30 June 2022**

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**2.6 Profit paid on deposits and borrowings**

- i) Profit paid to different mudaraba depositors has been recognized on the accrual basis as per the provisional rate.
- ii) Profit paid on borrowings is accounted for on the accrual basis.

**2.7 Other operating expenses**

All other operating expenses are provided for in the books of the account on the accrual basis.

**2.8 Reconciliation of books of accounts**

Books of account concerning inter-branch transactions are reconciled and no material difference was found which may affect the financial statements significantly.

**2.9 Fixed assets and depreciation**

All fixed assets are stated at cost less accumulated depreciation which is charged on the "straight-line method" applying the following rates:

<u>Category of assets</u>	<u>Rate of depreciation</u>
Land	0%
Building	5%
Furniture and fixtures	10%
Office equipment	20%
Electrical appliances	20%
Computer equipment	20%
Motor vehicles	20%
Others	10%

For the addition of an asset, depreciation is charged from the date of purchase and for disposal depreciation is charged up to the date of disposal.

**2.10 Cash in hand and balance banks and non-banking financial institutions**

Cash in hand and balance with banks and non-banking financial institutions include notes and coins in hand and balances held with other banks and non-banking financial institutions that are readily available amounts of cash and which are subject to an insignificant risk of changes in value.

**2.11 Investments**

Investments are stated at the net receivable amount of profit on 30 June 2022 except Quard - e - hasana investments are stated at the gross amount on 30 June 2022.

**2.12 Deposits**

Deposits are recognized when the bank/society enters into contractual agreements with the counterparties, which are generally on trade date and initially measured at the amount of consideration received.

**2.13 Financing (borrowing) from other banks**

Borrowed funds include secured overdrafts from different commercial banks and non-banking financial institutions. These are stated in the balance sheet as amounts payable. Profit/interest paid/payable on these borrowings is charged to the profit and loss account.

**2.14 Provision against investment**

Provisions against investments are made on the basis of year-end review by the managing committee.



**The Dhaka Mercantile Co-operative Bank Limited**

**Notes to the financial statements  
for the year ended 30 June 2022**

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**2.15 Provision for taxation**

As per the Income Tax Ordinance, 1984 provision for income tax has been made by applying applicable rate @ 15% after considering some of the add or backs to income and disallowances of expenditure as per income tax laws.

**2.16 General reserve**

Provision for general reserve has been made @ 20% on profit in compliance with minimum 15% requirement as prescribed in the Co-operative Society Act.

**2.17 Co-operative development fund**

Provision for co-operative development fund has been made @ 3% on profit before provision and tax as prescribed in the Co-operative Society Act.

**2.18 Staff welfare fund**

The Dhaka Mercantile Co-operative Bank Limited has established a staff welfare fund for the regular and confirmed employees. The fund is subscribed by the monthly contribution of the employees, ambiguous profit and also a percentage of net profit earned by the bank each financial year is contributed by the bank. This fund is mainly used to provide coverage in the event of accidental death, permanent disabilities, clinical treatment, marriage ceremony, etc. and also payment of scholarships to the meritorious students among the children of DMCB's officers and sub-staff. Disbursement from the fund is done as per rules for employees' welfare fund. Provision for staff welfare fund has been made @ 2% on profit as per Co-operative Society Act.

**2.19 Recreation and sports fund**

The Dhaka Mercantile Co-operative Bank Limited. has created a recreation and sports fund for its staff. The fund is subscribed at a percentage of net profit earned by the bank/society each financial year. Provision for recreation and sports fund has been made @ 3% on profit as per Co-operative Society Act.

**2.20 Incentive bonus**

This fund is used for payment to respective officers and sub-staffs in recognition of their outstanding performance/ contributions to the bank/society. The fund shall be subscribed at a percentage of net profit earned by the bank/society each financial year. Provision for incentive bonus has been made @ 5% on profit as per Co-operative Society Act.

**2.21 Dividend**

Dividend has been proposed @ 50% on share capital for the year ended 30 June 2021, which comes to BDT 27,749,820.

**2.22 Distribution of profit under islami banking operation**

DMCB operates its activities in complying with the rules of Islamic shariah, which absolutely prohibits receipts and payments of interest in any form. This year 35% of the full year's investment income is distributed to the different types of Mudaraba depositors according to the weightage and the remaining investment income is retained by the bank/society to meet administrative expenses and various reserves and provisions.

Provision rate of its being applied to the different types of depositors at the rates decided by the bank/ society from time to time taking into consideration of the business trend and of the rates of other institutions of Bangladesh. Final rates of profit are declared annually on the basis of income earned from different types of investments and distributed as per weightage of the different types of deposit products.



**The Dhaka Mercantile Co-operative Bank Limited**

**Notes to the financial statements  
for the year ended 30 June 2022**

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**2.23 Reserve for contingency**

Reserve for contingency has been made @ 10% on profit to settle the various probable obligation(s).

**2.24 Provident fund**

Provident Fund benefits are given to the permanent employees of the DMCB in accordance with DMCB's service rules. Accordingly, a trust deed and provident fund rules were prepared. The Commissioner of Income Tax, Taxes Zone-4, Dhaka has approved the provident fund as a recognized provident fund within the meaning of section 2(52), read with the provisions of part-B of the First Schedule of Income Tax Ordinance 1984. The recognition took effect on 31 May 2013. The fund is operated by a board of Trustees consisting of five members (3 members from management and other 2 members from the Board of Directors) of the bank/ society. All confirmed employees of the Bank/ Society are contributing 10% of their basic salary as a subscription to the fund. The bank/ society also contributes an equal amount to the employee's contribution. Profit earned from the investments is credited to the member's account on yearly basis.

**2.25 Gratuity fund**

The Gratuity Fund for the regular and confirmed employees of the bank/ society was established on 1st July 2016. The employees who served at least 10 (ten) years at the bank/ society are entitled to get a gratuity equivalent to 1 (one) month's basic pay and those were served for 20 (twenty) years are entitled to get 1.5 (one and half) months' basic pay for each completed years of service and fraction thereof.

**2.26 Leases**

IFRS 16 is effective for annual periods beginning on or after 1 January 2020 which replaces the previous guidance in IAS 17 Leases. Under this revised guidance, leases will be brought on to companies' balance sheets, increasing the visibility of their assets and liabilities. It further mostly removes the classification of leases as either operating leases or finance leases. therefore, eliminating the requirement for a lease classification test.

Applying IFRS 16 leases, except for short term leases (lease term of a year or less) and leases of low value assets, are recognized as the right of use assets and recognized lease liabilities in the statement of financial position, initially measured as the present value of future lease rental payment on its initial application.

The bank/ society has entered into rental agreements for its office spaces. In all cases, the lease term is for more than one year, and some of the leases have an escalation and renewal clause. There are no directions imposed by the guidelines of the co-operative department for co-operative bank/ society to follow lease standards. For the co-operative bank/society has not given any effect for such.



**The Dhaka Mercantile Co-operative Bank Limited**

**Notes to the financial statements  
for the year ended 30 June 2022**

**2.27 Reason for departures from IFRS**

SI no.	Area	IAS/IFRS	DMCB
i)	<b>Provision on loans / investments</b>	As per IFRS 9, an entity shall recognise an impairment allowance on loans investments based on expected credit losses. Expected credit losses are required to be measured through a loss allowance at an amount equal to: (i) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or (ii) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). For loans investments whose credit risk increased significantly since initial recognition, a loss allowance for full lifetime expected credit losses is required. For loans investments whose credit risk didn't increased significantly, a loss allowance equal to the 12-month expected credit losses is required.	To maintain provision, the Bank follows 1% provisional rate regarding good and irregular loan investments and 20% provisional rate regarding doubtful and bad loss loan investments. As per the directives issued by management vide letter no MCB/01/CAD/1188/2021 date 15 September 2021, provision have been maintained on Bai - murabaha (micro) investments at the rate of 50% based on outstanding month end value of investments. However, it is important to note that the above mentioned cases are more conservative / prudent than the Co-operative Society Act and rules prescribed provisional and write-off guidelines regarding loan investment.
ii)	<b>Leases</b>	As per IFRS 16, except for short term leases (lease term of a year or less) and leases of low value assets, are recognized as the right of use assets and recognized lease liabilities in the statement of financial position, initially measured as the present value of future lease rental payment on its initial application.	The Bank has entered into rental agreements for its office spaces. In all cases, the lease term is for more than one year, and some of the leases have an escalation and renewal clause. There are no directions imposed by the guidelines of the co-operative department for co-operative bank/ society to follow lease standards and hence this has not been adopted.



**The Dhaka Mercantile Co-operative Bank Limited**

**Notes to the financial statements  
For the year ended 30 June 2022**

	<b>2022</b> BDT	<b>2021</b> BDT
<b>3. Balance with banks and non-banking financial institutions</b>		
Current account	232,573,835	20,010,244
Short term deposit account	34,217,601	110,633,443
Other deposits account (TDR/FDR)	3,745,000,000	5,758,000,000
	<b><u>4,011,791,436</u></b>	<b><u>5,888,643,687</u></b>
<b>4. Bai - murabaha (micro)</b>		
Bai - murabaha (micro)	25,142,462,712	17,169,199,337
<u>Less: Profit receivable on bai - murabaha (micro)</u>	<u>2,902,671,822</u>	<u>2,093,485,114</u>
	<b><u>22,239,790,890</u></b>	<b><u>15,075,714,223</u></b>
<b>5. Bai - murabaha (general)</b>		
Bai - murabaha (general)	2,996,341,314	2,359,480,950
<u>Less: Profit receivable on bai - murabaha (general)</u>	<u>94,786,812</u>	<u>89,722,165</u>
	<b><u>2,901,554,502</u></b>	<b><u>2,269,758,785</u></b>
<b>6. Bai - murabaha (cash credit)</b>		
Bai - murabaha (cash credit)	3,456,653,997	2,920,220,078
<u>Less: Profit receivable on bai - murabaha (cash credit)</u>	<u>28,320,037</u>	<u>26,415,254</u>
	<b><u>3,428,333,960</u></b>	<b><u>2,893,804,824</u></b>
<b>7. Bai - murabaha (SOD)</b>		
Bai - murabaha (SOD)	789,821,562	734,839,367
<u>Less: Profit receivable on bai - murabaha (SOD)</u>	<u>202,215</u>	<u>224,821</u>
	<b><u>789,619,347</u></b>	<b><u>734,614,546</u></b>
<b>8. Bai - muazzal (consumer)</b>		
Bai - muazzal (consumer)	16,655,729	19,625,602
<u>Less: Profit receivable on bai - muazzal (consumer)</u>	<u>7,877,408</u>	<u>9,700,353</u>
	<b><u>8,778,321</u></b>	<b><u>9,925,249</u></b>
<b>9. Bai - muazzal (staff)</b>		
Bai - muazzal (staff)	588,816,455	431,065,259
<u>Less: Profit receivable on bai - muazzal (staff)</u>	<u>380,233</u>	<u>380,233</u>
	<b><u>588,436,222</u></b>	<b><u>430,685,026</u></b>
<b>10. Hire purchase under shirkatul meelk</b>		
Hire purchase under shirkatul meelk	9,569,706	10,750,848
<u>Less: Profit receivable on hire purchase shirkatul meelk</u>	<u>1,227,687</u>	<u>1,366,620</u>
	<b><u>8,342,019</u></b>	<b><u>9,384,228</u></b>
<b>11. Quard - e - hasana</b>		
Quard - e - hasana (general)	4,748,000	6,398,000
Quard - e - hasana (staff)	7,369,774	9,096,432
	<b><u>12,117,774</u></b>	<b><u>15,494,432</u></b>
<b>12. Bai - murabaha (seasonal)</b>		
Bai - murabaha (seasonal)	57,696,553	67,577,142
<u>Less: Profit receivable on bai - murabaha (seasonal)</u>	<u>12,904,282</u>	<u>10,730,224</u>
	<b><u>44,792,271</u></b>	<b><u>56,846,918</u></b>



**The Dhaka Mercantile Co-operative Bank Limited**

**Notes to the financial statements  
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	2022 BDT	2021 BDT
<b>13. Fixed assets</b>		
<b>Cost:</b>		
Opening balance	1,524,025,801	1,045,562,135
<u>Add: Addition during the year</u>	<u>605,968,072</u>	<u>513,833,892</u>
	2,129,993,873	1,559,396,027
<u>Less: Disposal during the year</u>	<u>43,551,362</u>	<u>35,370,226</u>
Closing balance (A)	<u>2,086,442,511</u>	<u>1,524,025,801</u>
<b>Accumulated depreciation:</b>		
Opening balance	573,344,647	463,665,425
<u>Add: Charge for the year</u>	<u>144,343,262</u>	<u>134,323,783</u>
	717,687,909	597,989,208
<u>Less: Disposal during the year</u>	<u>29,477,005</u>	<u>24,644,561</u>
Closing balance (B)	<u>688,210,904</u>	<u>573,344,647</u>
<b>Written down value (A-B)</b>	<b><u>1,398,231,607</u></b>	<b><u>950,681,154</u></b>
Details are in <b>Annex A.</b>		
<b>14. Other assets</b>		
Advance office rent	165,754,693	193,676,162
Profit receivable on other investments	110,555,937	183,677,948
Head office general a/c	111,796,439	119,184,540
Advance income tax (14.1)	80,210,562	67,606,854
Suspense account	66,409,246	24,931,147
Advance VAT	18,641,862	18,641,862
Stock of stationery and printing materials etc.	16,695,303	15,480,895
Advance deposits	2,098,838	46,768,838
Stamps	503,580	403,070
	<b><u>572,666,460</u></b>	<b><u>670,371,316</u></b>
<b>14.1 Advance income tax</b>		
Opening balance	67,606,854	28,233,157
<u>Add: Tax deducted at source on TDR/FDR profit</u>	<u>34,936,009</u>	<u>50,849,437</u>
<u>Advance tax paid for vehicles</u>	<u>2,940,000</u>	<u>1,325,000</u>
	105,482,863	80,407,594
<u>Less: Adjusted during the year</u>	<u>25,272,301</u>	<u>12,800,740</u>
Closing balance	<u>80,210,562</u>	<u>67,606,854</u>
<b>15. Financing (borrowing) from other banks</b>		
Pubali Bank Limited, Khamarbari Branch	412,207,904	142,500,100
National Bank Limited, Gulshan Branch	29,366,750	66,809,325
Southeast Bank Limited, Dhanmondi Branch	34,324,993	(71,927)
Agrani Bank Limited, B.A.F Branch	67,372,139	23,033,833
	<b><u>543,271,786</u></b>	<b><u>232,271,331</u></b>
<b>16. AI - wadeeah current and other deposits</b>		
AI - wadeeah current deposits	3,637,429,420	2,178,899,619
Sundry deposits	15,522,069	10,463,184
	<b><u>3,652,951,489</u></b>	<b><u>2,189,362,803</u></b>
<b>17. Mudaraba term deposits</b>		
Mudaraba term deposits	13,001,073,762	11,006,764,492
<u>Add: Profit payable on mudaraba term deposits</u>	<u>1,730,002,145</u>	<u>1,351,464,383</u>
	<b><u>14,731,075,907</u></b>	<b><u>12,358,228,875</u></b>



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	2022 BDT	2021 BDT
<b>18. Other mudaraba deposits</b>		
Mudaraba special deposits scheme (note 18.1)	14,410,475,360	11,902,190,284
<u>Add: Profit payable on mudaraba special deposits scheme</u>	<u>494,112,861</u>	<u>427,121,242</u>
	14,904,588,221	12,329,311,526
Mudaraba short notice deposits	21,043,948	42,093,213
	<b><u>14,925,632,169</u></b>	<b><u>12,371,404,739</u></b>
<b>18.1 Mudaraba special deposits scheme</b>		
Mudaraba daily sanchay prokalpa	7,732,408,759	5,938,519,355
Mudaraba daily education prokalpa	159,203,018	180,382,239
Mudaraba daily marriage prokalpa	8,653,612	7,926,567
Mudaraba daily hajj prokalpa	12,809,703	17,227,206
Mudaraba weekly sanchay prokalpa	39,213,370	29,086,026
Mudaraba monthly sanchay prokalpa	6,268,854,964	5,554,228,591
Mudaraba education sanchay prokalpa	129,194,352	114,879,410
Mudaraba marriage sanchay prokalpa	51,537,085	48,328,490
Mudaraba hajj sanchay prokalpa	8,600,497	11,612,400
	<u>14,410,475,360</u>	<u>11,902,190,284</u>
<b>19. Other liabilities</b>		
Profit payable on borrowings	90,146,712	54,314,862
Profit receivable on TDR	-	31,834,698
Payable to co-operative societies (note 19.1)	6,510,191	11,561,870
Staff welfare fund (note 19.2)	85,625,266	80,403,767
Recreation and sports fund (note 19.3)	6,401,371	2,804,780
Incentive bonus (note 19.4)	6,206,060	4,731,262
Dividend payable (note 19.5)	115,307,963	96,591,543
Reserve for profit payable (note 19.6)	11,637,362	9,981,920
Reserve for contingency (note 19.7)	12,262,696	9,274,060
With-holding tax (note 19.8)	4,301,931	1,493,532
With-holding VAT and bills payable	33,251,463	18,129,874
Provident fund (note 19.9)	19,727,825	5,259,423
Special welfare fund (note 19.10)	6,460,077	5,580,553
Provision against investment (note 19.11)	277,681,882	336,240,911
Provision for taxation (note 33)	29,819,282	25,272,301
Risk fund (note 19.12)	208,202,273	117,934,557
Investment loss provision micro (note 19.13)	435,630,996	435,348,690
Other payables (note 19.14)	52,606,115	40,508,076
	<b><u>1,401,779,465</u></b>	<b><u>1,287,266,679</u></b>
<b>19.1 Payable to co-operative society</b>		
Opening balance	11,561,870	6,268,091
<u>Add: Provision made during the year</u>	<u>6,510,191</u>	<u>5,293,779</u>
	18,072,061	11,561,870
<u>Less: Amount paid during the year</u>	<u>11,561,870</u>	<u>-</u>
Closing balance	<u>6,510,191</u>	<u>11,561,870</u>
<b>19.2 Staff welfare fund</b>		
Opening balance	80,403,767	73,482,709
<u>Add: Addition during the year (from salary)</u>	<u>16,762,731</u>	<u>12,575,037</u>
Provision made during the year	2,397,727	1,828,672
	99,564,225	87,886,418
<u>Less: Amount paid during the year</u>	<u>13,938,959</u>	<u>7,482,651</u>
Closing balance	<u>85,625,266</u>	<u>80,403,767</u>





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	<b>2022</b>	<b>2021</b>
	<b>BDT</b>	<b>BDT</b>
<b>19.3 Recreation and sports fund</b>		
Opening balance	2,804,780	61,772
<u>Add: Provision made during the year</u>	<u>3,596,591</u>	<u>2,743,008</u>
	6,401,371	2,804,780
<u>Less: Amount paid during the year</u>	<u>-</u>	<u>-</u>
Closing balance	<u>6,401,371</u>	<u>2,804,780</u>
<b>19.4 Incentive bonus</b>		
Opening balance	4,731,262	159,583
<u>Add: Provision made during the year</u>	<u>5,994,318</u>	<u>4,571,679</u>
	10,725,580	4,731,262
<u>Less: Amount paid during the year</u>	<u>4,519,520</u>	<u>-</u>
Closing balance	<u>6,206,060</u>	<u>4,731,262</u>
<b>19.5 Dividend payable</b>		
Opening balance	96,591,543	85,273,558
<u>Add: Provision made during the year</u>	<u>27,749,820</u>	<u>25,720,720</u>
Transferred from retained earnings	88	-
	124,341,451	110,994,278
<u>Less: Transfer to retained earnings</u>	<u>-</u>	<u>10,226,985</u>
Amount paid during the year	9,033,488	4,175,750
Closing balance	<u>115,307,963</u>	<u>96,591,543</u>
<b>19.6 Reserve for profit payable</b>		
Opening balance	9,981,920	5,410,241
<u>Add: Provision made during the year</u>	<u>5,994,318</u>	<u>4,571,679</u>
	15,976,238	9,981,920
<u>Less: Amount paid during the year</u>	<u>4,338,876</u>	<u>-</u>
Closing balance	<u>11,637,362</u>	<u>9,981,920</u>
<b>19.7 Reserve for contingency</b>		
Opening balance	9,274,060	1,030,701
<u>Add: Provision made during the year</u>	<u>11,988,636</u>	<u>9,143,359</u>
	21,262,696	10,174,060
<u>Less: Amount paid during the year</u>	<u>9,000,000</u>	<u>900,000</u>
Closing balance	<u>12,262,696</u>	<u>9,274,060</u>
<b>19.8 With-holding tax</b>		
Tax payable (profit on deposits)	3,939,219	943,017
Tax payable (others)	362,712	550,515
	<u>4,301,931</u>	<u>1,493,532</u>
<b>19.9 Provident fund</b>		
Opening balance	5,259,423	2,626,625
<u>Add: Addition during the year (contribution and profit)</u>	<u>179,128,635</u>	<u>106,244,246</u>
	184,388,058	108,870,871
<u>Less: Transfer to employees' provident fund</u>	<u>164,600,000</u>	<u>103,200,000</u>
Adjustment during the year	60,233	411,448
Closing balance	<u>19,727,825</u>	<u>5,259,423</u>



**The Dhaka Mercantile Co-operative Bank Limited**

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	<b>2022</b>	<b>2021</b>
	<b>BDT</b>	<b>BDT</b>
<b>19.10 Special welfare fund</b>		
Opening balance	5,580,553	3,068,934
<u>Add: Addition during the year</u>	<u>879,524</u>	<u>2,511,619</u>
	6,460,077	5,580,553
<u>Less: Paid during the year</u>	<u>-</u>	<u>-</u>
Closing balance	<u>6,460,077</u>	<u>5,580,553</u>
<b>19.11 Provision against investment</b>		
Opening balance	336,240,911	290,729,811
<u>Add: Provision made during the year (note 32)</u>	<u>67,300,730</u>	<u>59,753,421</u>
	403,541,641	350,483,232
<u>Less: Adjustment during the year</u>	<u>125,859,759</u>	<u>14,242,321</u>
Closing balance	<u>277,681,882</u>	<u>336,240,911</u>
<b>19.12 Risk fund</b>		
Opening balance	117,934,557	129,338,992
<u>Add: Addition during the year</u>	<u>117,456,617</u>	<u>74,318,814</u>
	235,391,174	203,657,806
<u>Less: Paid during the year</u>	<u>27,188,901</u>	<u>85,723,249</u>
Closing balance	<u>208,202,273</u>	<u>117,934,557</u>
<b>19.13 Investment loss provision (micro)</b>		
Opening balance	435,348,690	435,348,690
<u>Add: Addition during the year</u>	<u>282,306</u>	<u>-</u>
	435,630,996	435,348,690
<u>Less: Adjustment during the year</u>	<u>-</u>	<u>-</u>
Closing balance	<u>435,630,996</u>	<u>435,348,690</u>
<b>19.14 Other payables</b>		
Incentive bonus	48,449,160	37,000,000
Electricity	1,830,297	1,725,576
Sundry expenses	1,029,765	457,210
Fuel	550,000	266,619
Telephone charges	273,232	282,708
Internet bill	127,178	39,145
Gas	108,964	99,820
Water	96,420	76,409
Postage and courier	74,375	81,500
Service charge	41,860	12,000
Mobile phone charges	24,264	315,588
News paper	600	1,772
Wages	-	149,729
	<u>52,606,115</u>	<u>40,508,076</u>



**The Dhaka Mercantile Co-operative Bank Limited**

**Notes to the financial statements**  
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	<b>2022</b>	<b>2021</b>
	BDT	BDT
<b>20. Share capital</b>		
Opening balance	55,499,640	51,441,440
Add: Addition during the year	<u>5,280,800</u>	<u>4,058,200</u>
Closing balance	<u><b>60,780,440</b></u>	<u><b>55,499,640</b></u>
<b>21. General reserve</b>		
Opening balance	185,067,718	166,781,001
Add: Addition during the year	<u>23,977,274</u>	<u>18,286,717</u>
Closing balance	<u><b>209,044,992</b></u>	<u><b>185,067,718</b></u>
<b>22. Retained earnings</b>		
Opening balance	45,877,964	16,377,207
Add: Transferred from dividend payable	-	10,226,785
Profit after appropriation	<u>31,677,493</u>	<u>19,273,972</u>
	77,555,457	45,877,964
	88	-
Less: Transfer to dividend payable	<u>-</u>	<u>-</u>
Closing balance	<u><b>77,555,369</b></u>	<u><b>45,877,964</b></u>



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**Notes to the financial statements**  
**For the year ended 30 June 2022**

	<b>2022</b>	<b>2021</b>
	<b>BDT</b>	<b>BDT</b>
<b>23. Profit on investments</b>		
Profit on investments (note 23.1)	6,626,340,248	4,834,336,338
Profit on other bank accounts	114,393	198,990
	<b><u>6,626,454,641</u></b>	<b><u>4,834,535,328</u></b>
<b>23.1 Profit on investments</b>		
Profit on bai - murabaha (micro)	5,236,788,736	3,591,831,672
Profit on bai - murabaha (general)	107,898,573	123,084,299
Profit on bai - murabaha (cash credit)	243,510,100	196,547,781
Profit on bai - murabaha (SOD)	117,315,549	119,693,680
Profit on bai - muazzal (consumer)	952,933	1,192,796
Profit on bai - muazzal (staff)	36,780,166	30,261,930
Profit on hire purchase under shirkatul meelk	208,728	584,676
Profit on quard - e - hasana (staff)	982,539	1,118,957
Profit on bai - murabaha (seasonal)	1,145,072	2,951,586
Profit on investment (TDR/FDR)	329,472,742	411,011,717
Profit on other investments	551,285,110	356,057,244
	<b><u>6,626,340,248</u></b>	<b><u>4,834,336,338</u></b>
<b>24. Profit paid on deposits and borrowings</b>		
Profit paid on deposits (note 24.1)	2,312,193,373	2,073,659,754
Profit paid on borrowings	183,151,071	79,496,120
Profit paid on others (note 24.2)	9,247,267	8,477,044
	<b><u>2,504,591,711</u></b>	<b><u>2,161,632,918</u></b>
<b>24.1 Profit paid on deposits</b>		
Profit paid on mudaraba current and saving deposits	61,532,025	14,434,784
Profit paid on mudaraba term deposits	1,207,538,829	1,174,083,184
Profit paid on mudaraba special deposits scheme	1,043,122,519	885,141,786
	<b><u>2,312,193,373</u></b>	<b><u>2,073,659,754</u></b>
<b>24.2 Profit paid on others</b>		
Profit paid on provident fund	1,410,617	1,229,536
Profit paid on staff welfare fund	7,836,650	7,247,508
	<b><u>9,247,267</u></b>	<b><u>8,477,044</u></b>
<b>25. Other operating income</b>		
Membership fees	31,377,600	24,254,250
Incidental charges	19,576,512	9,881,704
SMS charges	18,803,571	14,907,953
Account closing fees	13,826,350	8,883,622
Gain on sale of assets	6,558,671	4,638,944
Membership card charges	5,420,382	4,283,660
Documentation charges	2,057,450	2,047,570
Cheque book charges	1,383,917	732,193
Investment form charges	972,350	998,850
Sundry income	493,488	249,192
Pass book charges	263,040	261,599
Remittance charges	196,917	172,887
	<b><u>100,930,248</u></b>	<b><u>71,312,424</u></b>



**The Dhaka Mercantile Co-operative Bank Limited**

**Notes to the financial statements**  
**For the year ended 30 June 2022**

	<b>2022</b>	<b>2021</b>
	<b>BDT</b>	<b>BDT</b>
<b>26. Salary, remuneration and allowances</b>		
Salary and remuneration	2,241,862,216	1,533,908,276
Bonus	367,494,694	204,532,901
Allowances	271,073,798	98,637,341
Bank's contribution to provident fund	88,859,766	52,470,175
	<b><u>2,969,290,474</u></b>	<b><u>1,889,548,693</u></b>
<b>27. Rent, taxes, insurance, electricity, etc.</b>		
Rent, taxes, rates and VAT	218,629,713	203,665,236
Insurance	5,856,672	4,454,054
Electricity, gas and water	39,009,540	34,528,715
	<b><u>263,495,925</u></b>	<b><u>242,648,005</u></b>
<b>28. Postage, stamps, telecommunications, etc.</b>		
Postage and courier	4,181,731	3,374,065
Telephone charges	564,145	584,204
Mobile phone charges	9,572,841	11,355,532
Internet charges	5,172,248	1,576,879
	<b><u>19,490,965</u></b>	<b><u>16,890,680</u></b>
<b>29. Stationery, printing, advertisement, etc.</b>		
Office stationery and printing	68,345,369	52,687,639
Photocopy expenses	1,134,076	1,044,224
Computer consumable stationery	12,275,271	11,112,970
Medicine and accessories	535,984	935,990
Publicity and advertisement	11,280,263	723,424
	<b><u>93,570,963</u></b>	<b><u>66,504,247</u></b>
<b>30. Depreciation and repair and maintenance of assets</b>		
<b>a) Depreciation of fixed assets (Annex A):</b>		
Building	6,265,131	2,214,096
Furniture and fixtures	15,770,479	15,481,353
Office equipment	3,651,397	3,632,094
Electrical appliances	28,593,545	36,243,536
Computer	14,362,210	14,661,337
Motor vehicles	44,332,677	31,255,325
Others	31,367,823	30,836,042
	<b><u>144,343,262</u></b>	<b><u>134,323,783</u></b>
<b>b) Repairs and maintenance of fixed assets:</b>		
Furniture and fixtures	516,417	304,363
Office equipment	745,303	399,036
Electrical appliances	5,172,315	4,178,432
Computer	450,967	408,464
Motor vehicles	4,301,859	3,945,971
Office premises	2,674,212	985,573
Others	423,980	1,092,148
	<b><u>14,285,053</u></b>	<b><u>11,313,987</u></b>
	<b><u>158,628,315</u></b>	<b><u>145,637,770</u></b>



**The Dhaka Mercantile Co-operative Bank Limited**

**Notes to the financial statements**  
**For the year ended 30 June 2022**

	<b>2022</b>	<b>2021</b>
	<b>BDT</b>	<b>BDT</b>
<b>31. Other expenses</b>		
Investment recovery expenses (MI)	248,666,718	-
Food expenses	83,776,450	66,973,430
Conveyance	56,405,295	54,232,514
Local travel cost	15,213,315	11,533,521
Holiday allowances	12,291,696	6,308,659
Fuel	9,653,819	6,106,251
Daily allowances	9,429,461	6,037,590
Sundry expenses (*)	7,430,901	7,173,089
Annual general meeting	7,339,795	940,700
Staff uniform	7,326,760	1,233,061
Overtime	7,043,873	7,613,952
Entertainment	4,759,199	3,954,484
Bank charges	4,258,042	7,849,780
Members' meeting, seminar and workshop	3,603,250	3,810,456
Training and recruitment expenses	2,801,292	1,224,750
Washing charges	2,751,713	1,473,746
Branch opening, renovation and business development	2,557,746	3,556,289
Service charges	2,097,407	1,941,296
Carrying charges	668,719	468,391
Newspaper	376,149	347,263
	<b><u>488,451,600</u></b>	<b><u>192,779,222</u></b>
(*) Sundry expenses includes corporate expenses, expenses on managers' conference, business expansion expenses and other expenses.		
<b>32. Provision against investment</b>		
Bai - murabaha (Micro)	43,233,199	52,181,226
Other investments	24,067,531	7,572,195
	<b><u>67,300,730</u></b>	<b><u>59,753,421</u></b>
<b>33. Provision for taxation</b>		
Opening balance	25,272,301	12,800,740
Add: Provision made during the year	29,819,282	25,272,301
	55,091,583	38,073,041
Less: Amount paid during the year	25,272,301	12,800,740
Closing balance	<b><u>29,819,282</u></b>	<b><u>25,272,301</u></b>
<b>34. Appropriations:</b>		
General reserve	23,977,274	18,286,717
Provision for co-operative development fund	6,510,191	5,293,779
Staff welfare fund	2,397,727	1,828,672
Recreation and sports fund	3,596,591	2,743,008
Incentive bonus	5,994,318	4,571,679
Reserve for profit payable	5,994,318	4,571,679
Provision for contingent liabilities	11,988,636	9,143,359
Dividend (proposed)	27,749,820	25,720,720
	<b><u>88,208,875</u></b>	<b><u>72,159,613</u></b>



**The Dhaka Mercantile Co-operative Bank Limited**


**Notes to the financial statements**  
**For the year ended 30 June 2022**

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**35. Others**

- 35.1** Figures in these notes and in the annexed financial statements have been rounded to the nearest integer.
- 35.2** These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- 35.3** Figures relating to the previous period included in this report have been rearranged, wherever considered necessary, without creating any impact on the value of assets and liabilities as reported in the financial statements.

For and on behalf of the board of The Dhaka Mercantile Co-operative Bank Limited

  
Chairman

  
Deputy Managing Director

Dhaka, Bangladesh  
Dated, 28 August 2022



The Dhaka Mercantile Co-operative Bank Limited

Annex A

Details of Fixed assets  
For the year ended 30 June 2022

Assets category	Cost			Accumulated depreciation			Written Down Value at 30 June 2022	
	Balance as on 1 July 2021	Addition during the year	Disposal during the year	Balance at 30 June 2022	Rate (%)	Charge for the year		Disposal during the year
	BDT	BDT	BDT	BDT		BDT	BDT	BDT
Land	419,514,252	280,373,952	-	699,888,204	0%	-	-	699,888,204
Building	56,271,648	170,755,707	-	227,027,355	5%	6,265,131	-	216,471,240
Furniture and fixtures	165,079,843	9,552,336	2,876,217	171,755,962	10%	15,770,479	1,895,640	82,434,265
Office equipment	21,577,104	652,387	199,511	22,029,980	20%	3,651,397	194,549	3,175,875
Electrical appliances	263,442,965	11,878,810	2,112,408	273,209,367	20%	28,593,545	1,978,836	43,557,512
Computers equipment	101,142,868	22,142,186	2,461,145	120,823,909	20%	14,362,210	2,441,428	41,361,292
Motor vehicles	181,432,860	100,039,598	32,414,203	249,058,255	20%	44,332,677	21,265,439	140,378,942
Others	315,564,261	10,573,096	3,487,878	322,649,479	10%	31,367,823	1,701,113	170,964,277
<b>Total 2022</b>	<b>1,524,025,801</b>	<b>605,968,072</b>	<b>43,551,362</b>	<b>2,086,442,511</b>		<b>144,343,262</b>	<b>29,477,005</b>	<b>1,398,231,607</b>
<b>Total 2021</b>	<b>1,045,562,135</b>	<b>513,833,892</b>	<b>35,370,226</b>	<b>1,524,025,801</b>		<b>134,323,783</b>	<b>24,644,561</b>	<b>950,681,154</b>

