

DHAKA BANK

L I M I T E D

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

BALANCE SHEET		
Notes	2005 Taka	2004 Taka
PROPERTY & ASSETS		
CASH:		
Cash in Hand (including foreign currencies)	1,530,300,353	1,062,113,165
Balance with Bangladesh Bank & Sonali Bank (including foreign currencies)	213,762,795	142,603,903
	1,316,537,558	919,509,262
BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS:		
In Bangladesh	1,066,943,725	937,888,789
Outside Bangladesh	329,304,377	191,525,833
	737,639,348	746,362,956
MONEY AT CALL AND SHORT NOTICE:		
	1,420,000,000	4,922,500,000
INVESTMENTS:		
Government	3,581,483,000	2,791,047,500
Others	344,568,397	286,855,011
	3,926,051,397	3,077,902,511
LOANS & ADVANCES:		
Loans, Cash Credit & Over Draft etc.	23,372,450,372	16,538,805,141
Bills Discounted and Purchased	22,612,732,086	16,208,663,197
	259,718,286	330,141,944
	121,993,488	124,713,634
	1,634,723,478	1,514,171,523
NON-BANKING ASSETS:		
TOTAL ASSETS	33,072,462,813	28,178,094,763
LIABILITIES & CAPITAL LIABILITIES:		
Borrowings from other banks / financial institutions and agents	580,000,000	3,125,000,000
DEPOSITS AND OTHER ACCOUNTS:		
Current Accounts & Other Accounts	28,438,792,427	22,270,276,218
Bills Payable	3,534,893,714	2,517,823,813
Savings Bank Deposits	443,052,218	323,639,132
Term Deposits	3,539,681,766	2,310,513,196
	20,921,164,729	17,118,300,077
OTHER LIABILITIES		
	1,837,689,597	1,294,931,183
TOTAL LIABILITIES	30,856,482,024	26,690,207,401
CAPITAL / SHAREHOLDERS' EQUITY:		
Paid-up Capital	1,228,097,000	663,836,200
Statutory Reserve	674,141,964	520,626,175
Other Reserve	4,698,667	72,366,672
Surplus in Profit and Loss Account	309,047,158	231,058,315
TOTAL SHAREHOLDERS' EQUITY:	2,215,980,789	1,487,887,362
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	33,072,462,813	28,178,094,763

CASH FLOW STATEMENT		
Notes	2005 Taka	2004 Taka
CASH FLOW FROM OPERATING ACTIVITIES		
Interest receipts	2,881,745,552	1,995,083,079
Interest payments	(1,803,278,827)	(1,399,743,758)
Dividend receipts	7,957,114	8,738,193
Fee and commission receipts	320,016,493	234,063,366
Recoveries on loans previously written off	1,637,144	-
Payments to employees	(286,477,935)	(289,171,028)
Payments to suppliers	(66,664,426)	(37,511,359)
Income taxes paid	(273,657,162)	(211,449,249)
Receipts from other operating activities	38	126,419,245
Payments for other operating activities	39	(232,974,465)
Operating profit before changes in current assets & liabilities	674,722,733	258,665,476
Increase / Decrease in operating assets and liabilities:		
Statutory deposits	-	(790,000,000)
Purchase / Sale of trading securities	(790,000,000)	(880,000,000)
Loans and advances to other banks	(6,833,645,231)	(3,791,332,841)
Loans and advances to customers	77,699,854	(677,398,151)
Other assets	40	(2,303,064,000)
Deposits from other banks	5,926,580,209	4,912,606,768
Deposits from customers	6,521,081	(31,076,787)
Other liabilities account of customers	-	-
Trading liabilities	-	-
Other liabilities	41	(129,867,983)
Net cash flow from operating activities (A)	(3,371,053,337)	2,225,916,052
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of securities	182,360,730	136,905,637
Purchase of securities	(57,713,386)	(169,498,112)
Purchase / Sale of property, plant & equipment	(4,880,079)	(44,498,848)
Sale of property, plant & equipment	516,528	3,728,105
Purchase / Sale of subsidiary	-	-
Net cash used in investing activities (B)	120,283,793	(73,363,218)
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of ordinary shares	331,918,100	-
Dividends paid	(66,383,620)	(79,660,350)
Net cash flow from financing activities (C)	265,534,480	(79,660,350)
Net increase / (Decrease) in cash (A+B+C)	(2,984,285,134)	2,072,892,484
Effects of exchange rate changes on cash & cash equivalent	80,412,688	99,182,223
Opening cash & cash equivalent as at 1 January	6,923,549,454	4,751,474,747
Closing cash & cash equivalent as at 31 December	42	4,018,727,078
	6,923,549,454	6,923,549,454

HIGHLIGHTS ON THE OVERALL ACTIVITIES OF THE BANK				
Sl.	Particulars	2005	2004	Change in %
1	Paid up Capital	1,228,097,000	663,836,200	85
2	Total Capital	2,453,169,597	1,650,883,170	49
3	Capital surplus / (deficit)	446,831,510	236,936,797	89
4	Total Assets	33,072,462,813	28,178,094,763	17
5	Total Deposits	28,438,792,427	22,270,276,218	28
6	Total Loans and Advances	23,372,450,372	16,538,805,141	41
7	Total Contingent Liabilities and Commitments	16,762,311,878	11,215,002,174	49
8	Credit Deposit Ratio (%)	82.19	74.26	11
9	Percentage of classified loans against total loans and advances	1.51	1.65	(8)
10	Profit after tax and provision	462,558,947	357,572,894	29
11	Amount of classified loans during the year	351,170,125	271,398,230	29
12	Provisions kept against classified loans	103,484,000	75,843,125	36
13	Provision surplus / (deficit)	-	9,536,150	-
14	Cost of fund (deposit cost & overhead cost) (%)	10.17	8.79	16
15	Interest earning Assets	29,471,057,238	25,330,273,158	16
16	Non-interest earning Assets	3,601,405,575	2,847,821,605	26
17	Return on Investment (ROI)	4.87	4.75	2
18	Return on Assets (ROA)	1.40	1.27	10
19	Incomes from Investments	191,069,233	146,297,106	31
20	Earning per Share (Taka)	43.99	60.57	(27)
21	Net Income per Share (Taka)	37.67	53.86	(30)
22	Price Earning Ratio (Times)	10.66	14.03	(24)

OFF BALANCE SHEET ITEMS AS AT 31 DECEMBER 2005		
Notes	2005 Taka	2004 Taka
CONTINGENT LIABILITIES:		
Acceptances and Endorsements	3,415,518,928	1,208,658,227
Letter of Credit	6,307,935,806	5,748,304,115
Letter of Guarantee	5,257,835,689	3,589,368,696
Bills for Collection	1,379,007,178	369,939,259
Other Contingent Liabilities	402,014,277	298,731,877
TOTAL:	16,762,311,878	11,215,002,174
OTHER COMMITMENTS:		
Documentary credit and short term trade-related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
TOTAL:	-	-
TOTAL OFF - BALANCE SHEET ITEMS	16,762,311,878	11,215,002,174

STATEMENT OF CHANGES IN EQUITY					
	Paid up capital	Statutory Reserve	Other Reserve	Profit and Loss Account	Total
Balance as at 1 January 2005	663,836,200	520,626,175	72,366,672	231,058,315	1,487,887,362
Changes in accounting policy	-	-	-	-	-
Restated balance	-	-	-	-	-
Surplus/deficit on account of revaluation of properties	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-
Currency transaction differences	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	462,558,947	462,558,947
Net Profit for the year	-	-	-	(66,383,620)	(66,383,620)
Dividend paid during the year	-	-	-	(153,511,789)	(153,511,789)
Changes in reserve	-	153,511,789	-	-	153,511,789
Issuance of Bonus Shares	232,342,700	-	(67,668,005)	(164,674,695)	-
Issuance of Right Shares	331,918,100	-	-	331,918,100	331,918,100
Balance as at 31 December	1,228,097,000	674,137,964	4,698,667	309,047,158	2,215,980,789

LIQUIDITY STATEMENT						
	Upto 01 month	1 - 3 months	3 - 12 months	1 - 5 years	more than 5 years	Total
Assets:						
Cash in Hand	1,530,300,353	-	-	-	-	1,530,300,353
Balance with other banks and financial institutions	1,066,943,725	-	-	-	-	1,066,943,725
Money at call on short notice	270,000,000	700,000,000	450,000,000	-	-	1,420,000,000
Investment	130,175,597	2,340,000,000	-	1,441,875,800	14,000,000	3,926,051,397
Loans and Advances	749,686,169	1,065,688,322	13,541,000,041	6,839,532,944	1,176,542,956	23,372,450,372
Fixed assets including premises, furniture and fixtures	518,174,482	-	736,774,902	341,685,855	38,088,159	1,634,723,478
Other assets	-	-	-	-	-	-
Non-banking assets	-	-	-	-	-	-
Total Assets	4,265,280,266	4,105,688,322	14,727,775,023	8,745,088,087	1,228,631,115	33,072,462,813
Liabilities:						
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	(480,000,000)	-	(103,000,000)	-	-	(583,000,000)
Deposits & Other Accounts	(3,979,403,380)	(4,597,295,524)	(19,012,342,482)	(291,457,403)	(558,293,638)	(28,438,792,427)
Provision and other liabilities	(751,360,051)	(1,086,329,536)	-	-	-	(1,837,689,597)
Capital & Reserve	-	-	-	(2,215,980,789)	-	(2,215,980,789)
Total Liabilities	(5,210,763,441)	(4,597,295,524)	(20,191,672,018)	(2,507,438,192)	(558,293,638)	(33,072,462,813)
Net Liquidity Gap	(945,483,175)	(1,491,607,202)	(5,470,896,995)	6,237,649,895	670,337,477	-
Cumulative Liquidity Gap	(945,483,175)	(1,437,070,377)	(6,907,987,372)	(670,337,477)	-	-

NOTES TO THE FINANCIAL STATEMENTS

03 CASH

Notes	2005 Taka	2004 Taka
3.1 Cash in Hand:		
In Local Currency (Bangladesh Bank Note & Govt. Note)	204,611,062	140,509,134
In Foreign Currencies	9,151,733	2,094,769
	213,762,795	142,603,903
3.2 Balance with Bangladesh Banks:		
In Local Currency	1,323,874,257	835,860,124
In Foreign Currencies	(13,610,599)	74,684,551
Balance with Sonali Bank as agent of Bangladesh Bank	1,310,263,658	910,544,675
	6,273,900	8,964,587
	1,316,537,558	919,509,262
	1,530,300,353	1,062,113,165
3.3 Statutory Deposits:		
Cash Reserve Ratio and Statutory Liquidity Ratio have been calculated and maintained as per Section 33 of the Bank Companies Act 1991 and BCD Circular No.13 dated 24.05.1992, BRPD Circular No.12 dated 20.09.1999 & BRPD Circular No.22 dated 06.11.2003 and BRPD Circular No.12 dated 25.08.2005.		
3.3.1 Cash Reserve Ratio (CRR): 5% & 4% of Average Demand & Time Liabilities for 2005 & 2004 respectively		
Required Reserve	Amount	1,187,981,250
	%	5%
Maintained	Amount	1,282,490,000
	%	5.40%
3.3.2 Statutory Liquidity Ratio (SLR): 13% & 12% of Average Demand & Time Liabilities for 2005 & 2004 respectively		
Required Reserve	Amount	3,088,751,250
	%	13%
Maintained	Amount	3,684,245,795
	%	15.50%
3.3.3 Total Amount of CRR & SLR required (18% & 16% for 2005 & 2004 respectively)	Amount	4,276,732,500
Maintained	Amount	4,966,735,795
	%	20.90%
04 BALANCE WITH OTHER BANKS & FINANCIAL INSTITUTIONS		
In Bangladesh (Note 4.1)	329,304,377	191,525,833
Outside Bangladesh (Nostro Accounts) (Note 4.2)	737,639,348	746,362,956
Total	1,066,943,725	937,888,789
4.1 In Bangladesh Form of Deposits:		
Current Account:		
Sonali Bank	212,640,151	28,113,794
Janata Bank	9,093,851	29,142,911
National Bank Limited	13,272	13,274
NCC Bank Limited	12,714	12,714
Commercial Bank of Ceylon	-	1,848,098
Southeast Bank Limited	8,839,892	10,019,392
Bank Asia Limited	1,706,071	-
United Commercial Bank Limited	21,585,248	-
	253,891,199	69,150,183
STD Account:		
Janata Bank	24,276,951	76,550,395
Sonali Bank	-	5,316,099
Agrani Bank	2,749,300	208,628
National Bank Limited	-	213,435
The Oriental Bank Limited	1,486	1,486
Dutch Bangla Bank Limited	26,550,735	28,600,351
Eastern Bank Limited	20,066,371	-
AB Bank Limited	300,000	-
Post Office Savings Certificate	1,000	1,000
	73,885,843	110,891,394
Mudaraba Savings Account	-	-
Social Investment Bank Limited	1,527,335	11,484,256
	1,527,335	11,484,256
Total	329,304,377	191,525,833