

Funding/Products
Bank's major source of deposits are individuals and various corporate bodies.
DBL introduced innovative services that enhance banking convenience to broaden depositors financial flexibility and successfully launched a number of products that are intended to have the broadest possible appeal to its customers. Among the products are:

Deposit Pension Scheme: Under the scheme customers see interest payments grow incrementally along with the life of the deposit. Any Bangladeshi citizen of 18 years of age and above (excepting insane person) may open this account for the term of 5, 8 or 10 years with monthly payment of Tk.250/=-, Tk. 500/=- and Tk.1000/=-. Depositor may appoint nominee, including minors. A depositor will be entitled to bonus at the maturity of the deposit in case where there had been no default in payment of monthly installments.

Marriage Savings Scheme: Another strong performer in savings scheme is Marriage Savings Scheme. Any Bangladeshi working parents may open account under the scheme in the name of his/her son/daughter. The term and monthly deposit amount is same as Deposit Pension Scheme. This scheme also has the provision for appointment of nominee.

Gift Cheque: Another alternative for the customers is gift cheque. The instrument has been designed as gift instrument for the purpose of presenting to near and dear ones and facilitate the habit of savings. This is an interest-bearing bearer instrument.

Telebanking: Understanding that the customers are increasingly being interested in extended banking services, DBL introduced telebanking facility and thereby very much enabling the customers to receive information and services at his/her place of choice.

Lending
DBL makes loans to broad range of industrial, commercial and private customers. It maintains close relationships with major corporate customers and is also active in providing loans to small and medium sized companies as well as to individuals. Bank's success in this area has been phenomenal.

In administering loan portfolio bank's policy is to participate in such loans to the extent that credit risks are deemed prudent and the portion of the bank's loan portfolio attributable to such loan loss does not materially increase. Credit worthiness of borrowers are strictly evaluated to control exposure to possible credit losses resulting from a reduction in the underlying collateral value and non performance by borrowers.

All over the world, banks traditional lending is in decline. As the competition for business has pushed banks into searching out new market niches, DBL has diversified into the fields of consumer credit scheme, investment banking, project/structured finance, lease/hire purchase finance etc.

Consumer Credit Scheme: In a country of low purchasing power like ours consumer credit facility helps to broaden the finished products market in addition to contributing to banks' profits. Under the DBL consumer credit scheme a customer may purchase a wide range of consumer durable at his/her choice under easy terms and conditions.

Merchant Banking: Since its inception DBL has been actively engaged in merchant banking including underwriting and is a member of both Dhaka and Chittagong stock exchanges. Merchant banking provides a great deal in bolstering bank's fee-intensive activities. So far, bank's success in providing investment banking services have been mixed as the stock markets begun plummeting since 1996 and investors' expectations have been with disappointment. Thus as a natural corollary, investors became cautious to park their surplus in capital market.

Lease/Hire Purchase Finance: Leasing is another effective means to allocate financial resources to capital investment and DBL has a solid footing in this arena too. Its customers under the lease finance & hire purchase programs include a number of prestigious corporate bodies of the country.

Project/Structured Finance: DBL has become well known for its expertise in the field

of project and structured finance. Bank works in partnership with its clients from a project's conceptual stage to its completion. DBL has extended substantial credit facilities to different thrust sectors of the economy viz. Textile & Garments, Steel & Engineering, Edible oil, Power Generation, Ship Breaking, General Construction etc

Provisioning
In order to strengthen credit discipline Bangladesh Bank through its BCD Circular no.34 dated 16.11.89 introduced a new system of provisioning and DBL has always been able to earmark sufficient funds for provisioning.

Besides Bangladesh Bank directives DBL management periodically evaluates its credit portfolio. The factors considered in this evaluation include, but not necessarily limited to, estimated future losses from loan and off - balance sheet obligations, general economic conditions, deterioration in value of collateral, historical loss experience, as well as trends in portfolio volume, maturity, composition etc. DBL takes all these factors into consideration while making provision.

Capital Adequacy
The capital adequacy guidelines adopted by Bangladesh Bank vide BRPD Circular no. 01 dated 08.01.96 closely follow the risk weighted approach proposed by the Basle Committee on Banking Regulation and Supervisory Practices of the Bank for International Settlements and are intended to further strengthen the soundness and stability of banks. The guidelines direct each bank to maintain a ratio of capital to risk weighted assets of not less than 8 percent with some other conditions. The table below shows that DBL has always been able to meet the Capital Adequacy requirements with wide margin.

Year	Required % of capital to bank's risk weighted assets	Actual % of capital to bank's risk weighted assets
1996	8%	14.78%
1997	8%	12.76%
1998	8%	9.24%
1999	8%	13.00%

Foreign Exchange & International business
With an extensive network of correspondents world wide, including major internationally reputed banks, DBL is able to better serve the needs of its customers engaged in business transactions outside Bangladesh and residents overseas. The bank has plan to launch its overseas financial presence shortly. DBL is also an active player in inter-bank foreign exchange market.

Technology
Technology has assumed a key role in DBL's strategy. Since its inception all offices of the bank are equipped with computers. Management of the bank believes that its innovative computer system is one of the key elements in the bank's business development.

DBL has already introduced telephone banking as an alternative distribution channel through which customized services are extended to maintain customer loyalty. After successful introduction of telephone banking DBL is all set for ATM services. The net-work is scheduled for operation by the end of year 2000. Besides DBL has already become a member of SWIFT to facilitate business world wide.

As DBL believes that technology allows banks to market products more efficiently, management has particular agenda to further its activities in permitting customers the benefit of paperless banking transactions.

Human Resources
Human Resources Development is another area where management puts utmost importance. Apart from moral boosting, intensive in-service training facilities are provided both at home and abroad. Young members of staff are increasingly being sent to abroad for acquiring skills of modern banking. Bank is going to open its own computer training facilities for all members of its staff soon and bank's own training institute is all set for launching with state of the art facilities.

Performances of the individual are given due recognition and performances are adequately rewarded in one way or the other. Moreover, members of staff are allowed Consumer Credit facility, House Building loan facility etc. on easy terms and other incentives like profit bonus are allowed quite liberally every year.

Risk Management
In view of the prevailing asset quality problem in the industry, bank's management has all-through been very concerned about management of variety of risks to which bank may find itself

ELECTRONIC BANKING - What Future Holds

M. Nazrul Islam
Executive Vice President

It is a fine Monday morning. You are sitting in your office trying to leaf through the day's works and finalizing a business deal. All supplies are lined up - you have also made an advance cheque to a critical supplier. Everything looks OK - you should be making a good amount of money on conclusion of the deal. Your accountant has just reported this years figures. Not very rosy, but acceptable. Suddenly your phone rang - the critical supplier's voice came from the other end, "sorry Mr. Rahman, we would not be able to supply you the goods on time because your cheque has bounced and we would cancel the deal if the money is not available today". All hell broke loose. You jumped out of your seat. Called the bank the line is busy. Rushed out on the street, grabbed a taxi to head for the bank at Motijheel. Someone has bungled up. Oops! Its already 12 noon, banks close at 2 PM and there is a big traffic jam. Cold sweat day, indeed.

The other day a friend told me a story. He had to visit USA for a few days. Met a few friends on the way. One of these friends called him up for dinner. They went into a posh down town French restaurant up in the Manhattan area. While having dinner, this friend asked the visitor "When are you leaving?" "Tomorrow morning at 4.30 a.m.," replied the visitor. In the middle of the dinner the friend picked up his cell-phone, punched up some numbers, did not say anything. Kept the phone back. My friend thought "show off, as if we have not seen a cell phone in our life". Few minutes later, the phone buzzed again the man picked up, listened to it again, punched up some numbers and put it back. Dinner took about 15 minutes more. They finished, chat some more, paid the waitress, a very pretty French looking teen and a rose up. The friend looked at his Rolex and started for the elevator.

As soon as the elevator came down and they hit the road, a gentleman in white overall appeared and asked the friend "Are you Mr. Karim," with a friendly smile. The friend nodded. "Your mobile ATM is at your service, Sir, if you would please follow me!" the white overall spoke. The visitor did not know what was it all about. His friend walked to a big black van and vanished inside. "Must be something wrong" thought the visitor. About a minute passed, his friend reappeared.

The white overall vanished into the car and it sped away. The friend asked the visitor "Rahman, since you are going to Dhaka tomorrow - would you do me a favour?" "Certainly!" replied Rahman. "What is it?" "Please give my mother this money," he pulled up a bundle of \$ 1000 in cash and handed over to Rahman. Rahman was apprehensive but said "OK but explain to me this" he tried to quiz his friend. "What" asked his friend. "All this van, overall etc?" "Nothing, its my banks Mobile ATM. Did you notice that I phoned a number during our dinner? That was when I called ATM service. They tracked my location through that call through GPS (Global Positioning System) and reconfirmed during the incoming call I received, few minutes later? Ordered the mobile ATM to come to the road side and wait. After we got down, he identified me through his A/C device, which contain my photo. The van you have noticed, is the ATM van. I walked in, put my card in it and asked for the money. This is the money I am giving you now! They call this service Electronic Banking". My friend virtually lost his speech! "Oh hah! So this is what was going on!"

Combine this two scenario! Impossible! No, it is not! It is also possible in Bangladesh. You have already seen & experienced the use of credit card. ATM's are coming soon! Dhaka Bank Ltd. has already installed telebanking - this service will be broadened with utility service and inter account transfers soon. The more banks are computerized, the better. The problem? Yes, the telephone system! If we receive adequate digital lease lines, all this will be available in Dhaka Bank Ltd. in not so distant future. So get ready! All you need is money in the account, rest will be taken care by us at your instruction.

At Dhaka Bank, we are marching ahead with our computerization. REUTER screen is already available. SWIFT services will be available from September next. ATM service, Home Banking and Credit Cards will be available soon, providing you with 24 hours online banking service. So, dear client, brace yourself for a full scale Electronic Banking right here in Bangladesh, at your favorite bank- Dhaka Bank Ltd.



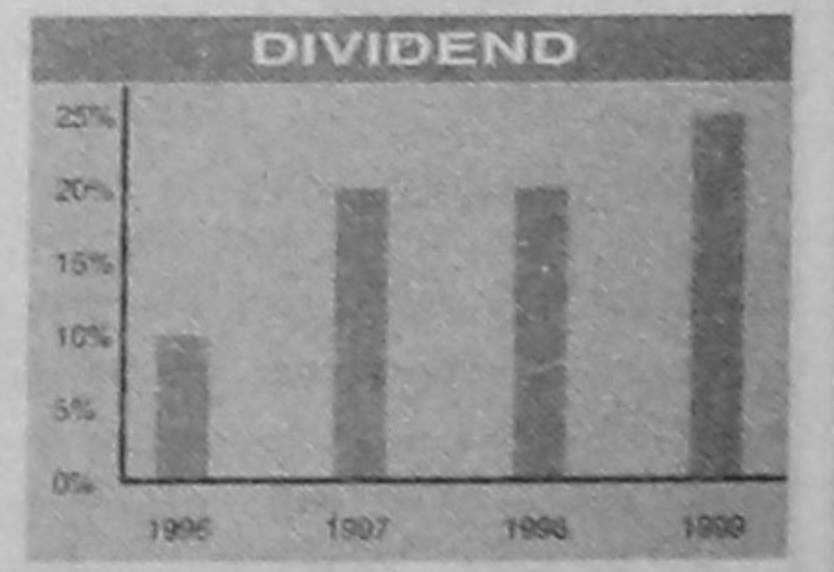
A Partial View of the 5th Annual General Meeting.

Branches			
Local Office Adamjee Court 115-120, Motijheel C/A, Dhaka	Khatungonj Branch 292-293, Khatungonj Road Khatungonj, Chittagong	Jubilee Road Branch 183, Jubilee Road Chittagong	Foreign Exchange Branch, Motijheel Biman Bhaban 100, Motijheel C/A, Dhaka
Bangshal Branch 2, Bangshal Lane North South Road, Dhaka	Banani Branch 73/B, Kemal Ataturk Avenue Banani, Dhaka.	Narayangonj Branch 26-29, S.M. Maleh Road Tanbazar, Narayangonj	Laldighirpar Branch 960, Laldighirpar Sylhet
Agrabad Branch Sadharan Bima Sadan 102, Agrabad C/A, Chittagong	Imamgonj Branch 1, Imamgonj Lane Imamgonj, Dhaka.	Islampur Branch 6-7, Islampur Road Islampur, Dhaka	Uttara Branch House # 95A, Road # 7 Sector 4, Uttara, Dhaka
Branches to be opened in 2000			
01. Dhanmondi Branch Mamtaj Plaza (1st floor) House # 07, Road # 04 Dhanmondi, Dhaka.	02. Karwan Bazar Branch Summit Centre (1st floor) 18, Karwan Bazar C/A. Dhaka.	03. Aminbazar Branch Aminbazar Jame Mosque Market Complex (1st floor) Plot # 204/528 Begunbari, Aminbazar Savar, Dhaka.	04. EPZ Branch (Ganakbari) Export Processing Zone Service Building Room # 52, Bepza Savar Dhaka.

exposed from time to time. Among the various risks, management particularly evaluates credit risks, settlement risks arising out of foreign exchange transactions and liquidity risk. Management puts every effort to optimize bank's overall asset - liability structure and thus maximize returns.

Dividend
Bank's ability to deal successfully with a challenging business environment has earned for itself a good name in the industry and bank is now well positioned to capitalize on its unique business strengths. Bank's strict cost-control effort, solid client base, safe loan to deposit ratio, good foreign exchange business, high emphasis on asset quality have delivered very good results

for its shareholders. Bank has always been able to disburse dividend to the shareholders and for the year 1999 cash dividend of 25% has already been approved in its AGM held on 21.06.2000. The percentage of dividend for the years 1996, 1997 and 1998 were 10%, 20% and 20% respectively.



Conclusion
However, although there is definitely reasons to be cheerful, DBL always puts relentless efforts to have competitive advantage and thereby earn hefty profits. Through judicious exploitation of imperatives of modern banking-product diversification & computerization, DBL is committed to steady growth and will continue to emphasize quality over quantity in its operation. In spite of fierce competition DBL sees that future remains mostly bright and holds great promise for itself.

Dhaka Bank Family

