



PUBALI BANK LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER - 2004

BALANCE SHEET

Notes	2004 TAKA	2003 TAKA
PROPERTY AND ASSETS		
Cash		
In hand (including foreign currencies)	1,054,782,767	981,823,511
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)	2,473,591,159	2,120,060,722
	3,528,373,926	3,101,883,683
Balance with Other Banks and Financial Institutions		
In Bangladesh	4,651,075,372	3,615,282,874
Outside Bangladesh	167,544,428	150,414,740
	4,818,619,800	3,765,697,614
Money at Call and Short Notice	710,000,000	1,150,000,000
Investments		
Government	5,660,150,622	4,877,327,322
Others	81,973,435	61,535,556
	5,742,124,057	4,938,862,878
Loans and Advances		
Loans, cash credits, overdrafts, etc.	27,236,695,420	26,018,830,791
Bills discounted and purchased	305,634,546	263,855,193
	27,542,329,966	26,282,685,984
Fixed assets including premises, furniture and fixtures	545,402,151	582,616,613
Other Assets	3,706,050,595	3,680,128,718
Non-banking assets	375,247	375,247
Total Assets	46,593,275,742	43,502,250,737
LIABILITIES AND CAPITAL		
LIABILITIES		
Borrowings from other banks, Financial Institutions and Agents	131,621,720	320,479,806
Deposits and other accounts		
Current deposits and other accounts	7,423,611,533	6,613,008,455
Bills payable	742,745,055	831,754,788
Savings bank deposits	17,686,668,405	15,909,757,281
Term deposits	13,936,689,101	12,488,077,205
	39,789,714,094	35,852,597,729
Other liabilities	4,364,179,080	5,197,418,199
Total Liabilities	44,285,514,894	41,370,495,734
Capital/Shareholders' Equity		
Paid up capital	200,000,000	200,000,000
Statutory reserve	1,250,121,617	1,201,139,635
General reserve	512,754,486	375,723,337
Other reserve	344,884,745	354,892,031
Surplus in Profit and Loss Statement	---	---
Total Shareholders' equity	2,307,760,848	2,131,755,003
Total Liabilities and Shareholders' Equity	46,593,275,742	43,502,250,737
LIABILITIES AND CAPITAL		
Off-Balance Sheet Items		
Contingent liabilities		
Acceptances and Endorsements		
Letters of guarantee	899,900,277	878,700,095
Irrevocable letters of credit	5,451,166,688	3,795,647,964
Bills for collection	285,577,874	185,094,389
Other contingent liabilities	1,171,379,955	1,728,958,955
Total Contingent Liabilities	7,808,024,794	6,588,401,403
Other Commitments		
Documentary credits and short term trade-related transactions	---	---
Forward assets purchase and forward deposits placement	---	---
Undrawn note issuance and revolving underwriting facilities	---	---
Undrawn formal standby facilities, credit lines and other commitments	---	---
Total Off-Balance Sheet Items	7,808,024,794	6,588,401,403

PROFIT AND LOSS STATEMENT

Notes	2004 TAKA	2003 TAKA
Operating Income		
Interest income		
Less: interest paid on deposits, borrowings, etc	2,292,593,030	2,198,139,296
	(1,308,331,722)	(1,400,571,229)
Net Interest Income	984,261,308	797,568,067
Income from investment	445,278,856	355,527,593
Commission, exchange and brokerage	637,377,344	936,215,310
Other operating income	80,070,690	79,435,980
Total operating income	2,146,988,198	2,168,746,950
Operating Expenses		
Salary and allowances	901,198,150	771,423,976
Rent, taxes, insurance, lighting, etc.	100,149,831	92,137,073
Legal expenses	49,735,390	50,364,679
Postage, stamps, telegram and telephone	49,549,307	48,862,975
Stationery, printing, advertisements, etc.	30,632,110	28,794,260
Managing Director's salary	3,220,000	2,717,166
Directors' fees and expenses	2,801,182	2,666,138
Bad debts written off	118,710,183	62,491,635
Auditors' fee	390,000	390,000
Depreciation, maintenance and repair of Bank's assets	57,044,509	59,330,047
Other expenses	208,647,628	184,397,639
Total operating expenses	1,522,078,290	1,303,575,588
Profit before provisions	624,909,908	865,171,362
Provision for loans and advances doubtful of recovery	313,690,332	520,000,000
Provision for diminution in value of investments	8,200,000	---
Other provisions	58,109,668	---
	380,000,000	520,000,000
Profit before taxation	244,909,908	345,171,362
Provision for taxation	110,209,459	155,327,113
Profit after taxation	134,700,449	189,844,249
Appropriations		
Statutory reserve	48,981,982	69,034,272
General reserve	85,718,467	120,809,977
	134,700,449	189,844,249
Retained surplus	---	---
Earning per share (EPS)	67.35	94.92

STATEMENT OF CHANGES IN EQUITY

Particulars	Paid up capital	Statutory Reserve	General Reserve	Other Reserves	Retained Earnings	Total
For the year 2004						
Balance at 01 January 2004	200,000,000	1,201,139,635	375,723,337	354,892,031	---	2,131,755,003
Changes in accounting policy	---	---	---	---	---	---
Restated balance	---	---	---	---	---	---
Surplus/deficit on account of revaluation of properties	---	---	---	---	---	---
Surplus/deficit on account of revaluation of investment	---	---	---	---	---	---
Currency translation differences	---	---	---	---	---	---
Net gains & losses not recognised in the profit & loss statement	---	---	---	---	---	---
Surplus/deficit on sale of properties	---	---	---	---	---	---
Net profit for the year	---	---	---	---	134,700,449	134,700,449
Transfer to statutory reserve	---	48,981,982	---	---	---	48,981,982
Transfer to general reserve	---	---	85,718,467	---	---	85,718,467
Balance at 31 December 2004	200,000,000	1,250,121,617	512,754,486	344,884,745	---	2,307,760,848

CASH FLOW STATEMENT

	2004 TAKA	2003 TAKA
Cash Flows from Operating Activities		
Interest receipts	2,730,683,869	2,546,119,137
Interest payments	(1,308,331,722)	(1,400,571,229)
Dividend receipts	7,188,017	7,547,752
Fees and commission receipts	276,653,664	628,642,462
Recovery of loans previously written off	14,686,961	3,626,946
Payments to employees	(904,418,150)	(709,141,142)
Payments to suppliers	(130,306,807)	(128,411,914)
Payments of income tax	(139,985,358)	(196,403,244)
Receipts from other operating activities	440,794,370	387,006,981
Payments for other operating activities	(487,353,333)	(401,022,532)
Operating profit before changes in operating assets and liabilities	499,611,511	737,393,217
(Increase)/decrease in operating assets & liabilities		
Statutory deposits	(641,811,250)	(569,241,200)
Purchase/sale of trading securities	37,986,871	35,344,000
Loans and advances to customers	(1,259,643,982)	(93,198,578)
Other assets	114,063,482	174,581,617
Deposits from other banks	(188,858,086)	204,768,957
Deposit from other customers	3,937,116,365	2,123,519,249
Other liabilities on account of customers	(1,036,423,797)	(1,213,026,275)
Other liabilities	(287,024,781)	(439,167,526)
Net increase in operating liabilities	475,404,822	222,580,244
Net cash from operating activities	975,016,333	959,973,461
Cash flows from investing activities		
Payment for purchase of securities	20,584,750	(200,000)
Sale of fixed assets	3,714,462	6,766,231
Purchase of fixed assets	(10,007,286)	(407,531)
Purchase/sale of subsidiary company	---	1,847
Net cash from investing activities	47,791,926	6,160,547
Cash flows from financing activities		
Receipt from issue of loan capital and debt securities	16,040,970	---
Net cash flows from financing activities	16,040,970	---
Net decrease in cash & cash equivalents	1,038,849,229	966,134,008
Cash & cash equivalents at beginning of the year	8,039,258,598	7,073,124,590
Cash & cash equivalents at end of the year (*)	9,078,107,827	8,039,258,598
(*) Cash & cash equivalent:		
Cash	1,054,782,767	981,823,511
Prize bonds	21,114,101	21,677,301
Money at call and short notice	710,000,000	1,150,000,000
Balance with other banks and financial institutions	7,292,210,959	5,885,757,786
	9,078,107,827	8,039,258,598

STATEMENT OF LIQUIDITY ANALYSIS

Particulars	up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 years maturity	Above 5 year maturity	Total
Assets						
Cash	1,054,782,767	---	---	---	---	1,054,782,767
Balance with other banks and financial institutions	2,649,691,350	4,642,519,609	---	---	---	7,292,210,959
Money at call and short notice	710,000,000	---	---	---	---	710,000,000
Investment	402,068,557	19,756,500	749,800,000	4,491,706,000	78,793,000	5,742,124,057
Loans and advances	5,030,032,424	3,404,760,019	12,967,517,386	3,927,456,263	2,212,563,874	27,542,329,966
Fixed assets	---	109,592,336	28,442,027	407,367,788	545,402,151	545,402,151
Other assets	38,264,872	1,104,505,915	1,002,184,487	190,405,840	1,370,709,381	3,706,050,595
Non-banking assets	---	---	---	---	---	375,247
Total assets	9,884,840,070	9,171,542,043	14,829,074,209	8,638,010,130	4,069,809,290	46,593,275,742
Liabilities						
Borrowings from other banks, financial institutions & agents	131,621,720	20,998,710,328	184,146,787	---	---	30,755,136,829
Deposits & other accounts	9,192,278,374	20,998,710,328	184,146,787	---	---	30,755,136,829
Other liabilities	742,745,055	---	---	---	---	742,745,055
Long term liability	---	---	---	5,590,827,869	2,981,005,081	8,571,832,950
Provision and other liabilities	487,682,992	---	---	---	---	487,682,992
Total liabilities	10,554,338,141	20,998,710,328	654,728,770	8,591,832,950	3,072,594,200	46,593,275,742
Net Difference in Liquidity-Excess (Shortage)	(669,498,071)	(11,827,168,885)	14,164,345,439	(358,132,725)	996,215,090	2,307,760,848

SOME IMPORTANT NOTES TO THE FINANCIAL STATEMENTS

	2004 TAKA	2003 TAKA		2004 TAKA	2003 TAKA		2004 TAKA	2003 TAKA
7. Loans and advances			7.5 Number of clients with amount of outstanding and classified loans to whom loans and advances sanctioned more than 15% of total capital of the Bank			12 (a) Deposits and other accounts		
Loans, cash credits and overdrafts, etc			Number of clients	21	13	Current deposits and other accounts:		
In Bangladesh:			Amount of outstanding advance	5,607,837,812	3,792,281,005	Current account deposits	4,934,209,382	4,387,916,900
Cash credits	8,753,313,350	9,084,256,795	Amount of classified advance	897,988,812	1,387,181,437	Cash credit account-credit balance	99,978,305	51,296,125
Loans	7,381,351,072	5,807,562,743				Call deposits	147,943,313	214,694,431
Overdrafts	4,585,097,310	3,848,153,611				Other deposits	1,167,104,016	1,619,592,202
Consumers' loan scheme	3,722,022,366	4,592,968,732	7.6 Classification of loans and advances including bills as per Bangladesh Bank circular			Foreign currency deposits	1,074,354,039	339,486,337
Payment against documents	1,207,387,487	1,417,708,911	Unclassified	22,567,604,966	19,185,989,222	Unclaimed drafts payable	3,564	3,564
Loans against trust receipt	1,067,229,716	542,347,863	Substandard	480,434,000	554,439,000	Unclaimed dividend	18,914	18,914
Lease finance	128,853,879	302,961,036	Doubtful	247,142,000	289,609,000		7,423,611,533	6,613,008,455
Loans against merchandise	128,367,424	143,735,278	Bad/Loss	4,247,149,000	6,252,448,762	(b) Bills payable	742,745,055	831,754,776
Packing credit loan	123,610,885	177,259,141		27,542,329,966	26,282,685,984	(c) Savings bank deposits	17,686,668,405	15,909,757,281
Agriculture credit	7,501,334	101,876,681						
Others	111,960,597	26,018,830,791	7.7 Particulars of required provision for loans and advances			Term deposits:		
Outside Bangladesh	27,236,695,420	26,018,830,791	Unclassified	208,871,380	177,556,245	Fixed deposits	5,439,131,219	5,254,677,108
Bills purchased and discounted			Substandard	50,703,000	50,271,000	Short-term deposits	5,080,709,364	4,201,804,586
In Bangladesh:			Doubtful	62,364,000	62,795,000	Deposit pension scheme	101,740,094	110,377,900
Loans against accepted bills	179,152,609	157,633,513	Bad/Loss	863,684,000	1,770,229,000	Interest payable on term deposits	184,146,787	189,095,488
Loans against demand draft purchased	6,297,118	23,307,509	Provision maintained	1,185,602,380	2,060,661,245	Bank's pension scheme	2,871,368,940	2,396,135,813
Outside Bangladesh:	185,449,727	180,941,022	Excess provision	1,192,744,509	2,112,491,128	Monthly profit-based deposits	251,696,650	344,703,230
Foreign bills purchased	118,960,917	82,171,856		7,142,129	51,639,883	Child education care and maturity deposits	7,896,047	1,283,080
Foreign drafts purchased	1,233,902	742,315	7.8 Particulars of loans and advances				13,936,689,101	12,498,077,205
	120,184,819	82,914,171	(i) Loans considered good in respect of which the Bank is fully secured	20,139,218,635	21,326,537,766		39,789,714,094	35,852,597,729
	305,634,546	263,855,193	(ii) Loans considered good for which the Bank holds no other security than the debtors' personal security	2,786,535,967	1,679,563,473	14.1 Paid-up capital as per shareholders' category		
	27,542,329,966	26,282,685,984	(iii) Loans considered good being secured by personal security of one or more parties in addition to the personal security of the debtors	4,616,575,364	3,276,584,745	No of share		
7.1 Maturity grouping of loans and advances including bills discounted and purchased			(iv) Loans considered doubtful or bad not provided for	---	---	Percentage (%)		
7.1.1 Loans and advances			(v) Loans due by directors or officers of the Bank or any of them either severally or jointly with any other persons	1,680,467,265	1,430,426,265	Directors	313,896	15.69
Repayable on demand	4,966,046,772	8,746,700,978	(vi) Loans due by companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	---	---	Cooperative societies	96,756	4.84
Below 3 months	3,215,165,657	2,433,181,761	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or employees of the Bank or any of them either severally or jointly with any other person	1,680,467,265	1,430,426,265	Banks and financial institutions	38,545	1.93
Over 3 months but below 1 year	12,915,462,854	9,176,947,144	(viii) Maximum total amount of advances, including temporary advances granted during the year to companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	---	---	Government	1,050	0.05
Over 1 year but below 5 years	3,927,456,263	3,715,425,653	(ix) Due from banking companies	---	---	Other institutions	243,645	12.18
Over 5 years	2,212,563,874	1,946,575,255	(x) Classified loans for which interest/profit not credited to income	4,974,725,000	7,096,696,762	Non-residents	143,571	7.18
	27,236,695,420	26,018,830,791	(xi) Increase/decrease of provision (specific)	1,984,396,548	1,449,709,587	General public	1,162,537	58.13
7.1.2 Bills discounted and purchased			(xii) Amount of written off loans	1,261,586,307	1,165,590,560		2,000,000	100
Repayable on demand	63,965,652	87,825,876	(xiii) Amount recovered against debts which are previously written off	(14,686,961)	(3,626,946)	14.4 Capital adequacy ratio (CAR)		
Below 3 months	189,594,362	105,381,093	(xiv) Amount of provision kept against amount classified as bad	1,185,651,380	2,112,491,128	Total assets including off-balance sheet items	54,401,300,536	50,090,652,140
Over 3 months but below 1 year	52,054,532	70,648,224	(xv) Amount of interest charged in suspense account	1,066,697,181	1,374,640,365	Total risk-weighted assets	21,595,157,000	21,846,005,000
	305,634,546	263,855,193	(xvi) Cumulative amount of written off loans	1,261,586,307	1,165,590,560	Required capital (A)	1,943,564,130	1,966,140,450
	27,542,329,966	26,282,685,984	Amount of loans written off for the current year	1,261,586,307	1,165,590,560	Core capital (Tier-I)	1,962,876,103	1,776,862,972
7.2 Loans and advances including bills discounted and purchased classified in the following broad categories			Amount of written off loans against which cases have been filed for recovery	1,742,930,059	1,646,934,312	Supplementary capital (Tier-II)	396,322,358	370,026,002
In Bangladesh:				3,004,516,366	2,812,524,872	Actual capital maintained (B)	2,359,198,461	2,146,888,974
Loans	14,083,734,487	13,267,361,407				Total capital surplus	415,634,331	180,748,524
Cash credits	8,753,313,350	9,084,256,795				Capital adequacy ratio:		
Overdrafts	4,585,097,310	3,848,153,611				On core capital against required minimum 4.50%	9.09%	8.13%
	27,422,145,147	26,199,771,813				On total capital against required minimum 9.00%	10.92%	9.83%
Outside Bangladesh	120,184,819	82,914,171						
	27,542,329,966	26,282,685,984						
7.3 Loans and advances on the basis of significant customer concentration								
Advance to directors and others	---	---						
Advance to officers and employees	1,680,467,265	1,430,426,265						
Advance to customers group	13,845,460,551	13,288,569,753						
Industrial advances	4,647,836,786	4,263,245,174						
Others	7,368,565,364	19,260,444,792						
	27,542,329,966	26,282,685,984						
7.4 Geographical area-basis distribution of loans and advances including bills discounted and purchased								
In Bangladesh - By Divisions								
Dhaka	19,057,096,769	18,488,783,231						
Chittagong	4,111,309,713	3,230,136,858						
Sylhet	1,183,770,860	1,317,221,710						
Barisal	520,475,593	603,113,727						
Khulna	1,285,298,773	1,331,245,323						
Rajshahi	1,264,193,439	1,229,270,964						
	27,422,145,147	26,199,771,813						
Outside Bangladesh	120,184,819	82,914,171						
	27,542,329,966	26,282,685,984						

HIGHLIGHTS ON THE OVERALL ACTIVITIES			
Sl. No.	Particulars	Current Year (2004) Taka	Previous Year (2003) Taka
1.	Paid-up capital	200,000,000	200,000,000
2.	Total capital	2,359,198,461	2,146,888,974
3.	Capital surplus	415,634,331	180,748,524
4.	Total assets	46,593,275,742	43,502,250,737
5.	Total deposits	39,789,714,094	35,852,579,729
6.	Total loans and advances	27,542,329,966	26,282,685,984
7.	Total contingencies	7,808,024,794	6,588,401,403
8.	Loan-deposit ratio	69.22%	73.31%
9.	Ratio of classified loans against total loans	18.06%	27.00%
10.	Profit after tax and provision	134,700,449	189,844,249
11.	Loans classified during the year	1,055,728,238	1,581,202,802
12.	Provision against classified loans	1,192,744,509	2,112,491,128
13.	Provision surplus	7,142,129	51,639,883
14.	Cost of funds	7.34%	7.58%
15.	Profit-earning assets	33,690,545,642	30,641,423,692
16.	Non-profit earning assets	12,902,730,100	12,860,827,045
17.	Return on investments	7.75%	7.20%
18.	Return on assets	0.29%	0.52%
19.	Income from investment	445,278,855	355,527,593
20.	Earning per share	67.35	94.92
21.	Net income per share	67.35	94.92
22.	Price earning ratio (times)	13.51	4.44