

## FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

## NOTES TO THE FINANCIAL STATEMENTS

Notes	2005 Taka	2004 Taka
<b>Non-Interest bearing Accounts</b>		
Sonali Bank, Kolkata	485,021	(4,595,731)
AB Bank Mumbai	33,708,852	71,181,429
Rupali Bank, Karachi	11,002,909	8,703,922
Nepal Bangladesh Bank, Nepal	689,189	(7,037,684)
Sampath Bank	450,696	(3,935,135)
Bhutan National Bank	87,440	78,728
Bank of Bhutan	12,589,951	12,230,071
<b>Total</b>	<b>59,014,057</b>	<b>76,625,600</b>
	<b>737,639,348</b>	<b>746,362,956</b>

## 4.3 Maturity grouping of balances with other banks &amp; financial institutions

Notes	2005 Taka	2004 Taka
On demand	991,530,547	815,513,139
Upto 1 month	75,413,178	122,375,650
Over 1 month but not more than 3 months	-	-
Over 3 months but not more than 1 year	-	-
Over 1 year but not more than 5 years	-	-
Over 5 years	-	-
<b>Total</b>	<b>1,066,943,725</b>	<b>937,888,789</b>

## 05 MONEY AT CALL AND SHORT NOTICE

## 5.1 Classification of Money at Call &amp; Short Notice:

Commercial Banks (Note 5.1.1)	100,000,000	-
Financial Institutions (Public & Private) (Note 5.1.2)	1,320,000,000	4,922,500,000
<b>Total</b>	<b>1,420,000,000</b>	<b>4,922,500,000</b>

## 5.1.1 Commercial Banks

Lending on Call:	-	-
Placement on Term basis:	-	-
First Security Bank Limited	100,000,000	-
<b>Total</b>	<b>100,000,000</b>	<b>-</b>

## 5.1.2 Financial Institutions

Lending on Call:	-	-
Industrial & Infrastructure Development Finance Company Limited	120,000,000	910,000,000
Phoenix Leasing Company Limited	-	280,000,000
Lanka Bangla Limited	10,000,000	5,000,000
National Housing Finance & Investment Limited	40,000,000	-
Industrial Promotion & Development Company Limited	40,000,000	-
Bay Leasing & Investment Limited	-	1,400,000,000
International Leasing & Financial Services Limited	50,000,000	250,000,000
Prime Finance & Investment Limited	50,000,000	37,500,000
People's Leasing Limited	30,000,000	-
Delta Brac Housing Finance Corporation Limited	300,000,000	-
Bangladesh Industrial Finance Company Limited	10,000,000	-
<b>Total</b>	<b>270,000,000</b>	<b>3,552,500,000</b>

## Placement on term basis:

Investment Corporation of Bangladesh	500,000,000	1,250,000,000
Premier Leasing International Limited	10,000,000	20,000,000
Phoenix Leasing Company Limited	200,000,000	100,000,000
Bangladesh Industrial Finance Company Limited	50,000,000	-
Prime Finance & Investment Limited	90,000,000	-
International Leasing & Financial Services Limited	150,000,000	-
Lanka Bangla Finance Limited	50,000,000	-
<b>Total</b>	<b>1,050,000,000</b>	<b>1,370,000,000</b>
	<b>1,320,000,000</b>	<b>4,922,500,000</b>

## 5.2 Maturity Grouping of call and Placements:

On demand	270,000,000	3,552,500,000
Less than three months	700,000,000	1,250,000,000
More than three months but less than one year	450,000,000	120,000,000
More than one year but less than Five years	-	-
More than five years	-	-
<b>Total</b>	<b>1,420,000,000</b>	<b>4,922,500,000</b>

The money at call and short notice includes Tk.500 million with public sector institution (previous year Tk.1250 million).

## 06 INVESTMENTS

## Government Securities:

## Treasury Bills (at face value)

28 days Treasury Bills	2,340,000,000	-
91 days Treasury Bills	-	150,000,000
182 days Treasury Bills	-	450,000,000
364 days Treasury Bills	-	850,000,000
2 years Treasury Bills	-	100,000,000
5 years Treasury Bills	945,000,000	1,070,000,000
5 years Treasury Bills (REPO for 180 days with DBBL @ 8.75%)	125,000,000	-
<b>Total</b>	<b>3,410,000,000</b>	<b>2,620,000,000</b>

## Bonds

Prize Bond (at cost)	1,483,000	1,047,500
Other Bonds (Note - 6.3)	371,875,800	326,281,000
<b>Total</b>	<b>373,358,800</b>	<b>327,328,500</b>

## Shares

Quoted companies (Note - 6.4):	-	-
Private	110,572,597	96,454,011
Unquoted companies:	-	-
Central Depository Bangladesh Limited	4,000,000	4,000,000
<b>Sub-Total</b>	<b>114,572,597</b>	<b>100,454,011</b>

## Debentures

ICB Debenture (at redeemable value)	14,000,000	16,000,000
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## Other Investments:

Dhaka Stock Exchange	9,120,000	9,120,000
Chittagong Stock Exchange	5,000,000	5,000,000
<b>Total</b>	<b>14,120,000</b>	<b>14,120,000</b>

## Gold

	3,926,051,397	3,077,902,511
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Treasury bills include unearned interest thereon and corresponding credit is shown in other liabilities.

## 6.1 Assets pledged as security

Assets in the amounts shown below were pledged as security for the following liabilities	-	-
Liabilities to banks	100,000,000	-
Liabilities to customers	-	-
<b>Total</b>	<b>100,000,000</b>	<b>-</b>

Following assets were pledged as security for the above mentioned liabilities

Claim on banks	125,000,000	-
Claim on customers	-	-
<b>Total</b>	<b>125,000,000</b>	<b>-</b>

Two Treasury bills (5 years) are pledged as security with Dutch Bangla Bank Limited against call borrowing for 180 days @8.75% under REPO Agreement. Other than Tk.100 million, No assets pledged, mortgaged or hypothecated against bank's borrowings. Borrowing from banks are secured by only Call Money Receipt (CMR).

## 6.2 Maturity Grouping of Investments:

On demand	130,175,597	115,621,511
Upto 1 month	2,340,000,000	-
Over 1 month but not more than 3 months	-	150,000,000
Over 3 months but not more than 1 year	-	1,300,000,000
Over 1 year but not more than 5 years	1,441,875,800	1,496,281,000
Over 5 years	14,000,000	16,000,000
<b>Total</b>	<b>3,926,051,397</b>	<b>3,077,902,511</b>

## 6.3 Other Bonds

Name of the bond	Rate of Interest	2005 Taka	2004 Taka
T & T Bond	7.00%	70,000,000	70,000,000
Bangladesh Government Treasury (BGT) Bond	8.00%	100,000,000	100,000,000
Zero Coupon Bond	-	-	-
Industrial Promotion & Development Company Ltd.	8.26%	85,477,000	156,281,000
United Leasing Company Limited	7.90%	116,398,800	-
<b>Total</b>		<b>371,875,800</b>	<b>326,281,000</b>

Bonds include unearned interest thereon and corresponding credit is shown in other liabilities.

## 6.4 Book value of Share as on 31 December 2005 as follows:

<b>Particulars</b>		
<b>Quoted Shares in:</b>		
Beximco Infusions Limited	-	420,367
Beximco Pharmaceuticals Limited	-	357,257
Bangladesh General Insurance Company Limited	-	1,523,377
United Cement Industries Limited (Holcim)	50,000,000	50,000,000
ICB AMCL 1st Mutual Fund	2,500,000	2,500,000
Lafarge Surma Cement Limited	11,559,080	8,002,900
Bank Asia Limited	620,000	620,000
Mercantile Bank Limited	11,810,916	11,093,816
One Bank Limited	5,364,788	4,781,150
Mutual Trust Bank Limited	8,801,108	4,977,037
Southeast Bank Limited	9,943,119	10,332,532
Exim Bank Ltd.	8,022,278	-
Prime Bank Limited	1,951,308	1,845,575
<b>Unquoted Shares in:</b>		
Central Depository Bangladesh Limited (CDBL)	4,000,000	-
<b>Total</b>	<b>114,572,597</b>	<b>100,454,011</b>

## 07 LOANS &amp; ADVANCES

## 7.1 Loans, Cash Credits &amp; Overdrafts etc.:

<b>In Bangladesh</b>		
Secured Overdraft/Quard against TDR	5,335,020,373	3,166,525,948
Demand Loan	1,228,860	1,415,907
Cash Credit/Murabaha	1,697,103,661	1,191,832,376
House Building Loan	325,367,631	226,371,605
Transport Loan	80,943,597	72,168,263
Term Loan	6,226,299,413	3,331,891,028
Loan Against Trust Receipt	5,226,447,472	5,730,837,570
Payment Against Documents	748,457,249	597,505,894
Loan Against Imported Merchandise	706,360,975	619,885,247
Loan Against Accepted Bills	7,993,530	225,547
<b>Total</b>	<b>23,372,450,372</b>	<b>16,538,805,141</b>

Notes	2005 Taka	2004 Taka
Packing Credit	11,358,904	45,567,716
Lease Finance / Izara (Note - 7.4)	775,025,858	681,737,188
Credit Card	66,737,685	58,096,552
Personal Loan	444,431,356	246,700,758
Other Loans (Including Bai-Muajjal)	759,955,522	237,901,598
	<b>22,612,732,086</b>	<b>16,208,663,197</b>

## Outside Bangladesh

<b>Sub-total</b>	<b>22,612,732,086</b>	<b>16,208,663,197</b>
<b>7.2 Bills Purchased &amp; Discounted</b>		
Payable in Bangladesh:	-	-
Inland bills purchased	365,892,309	138,930,886
Payable outside Bangladesh:	-	-
Foreign bills purchased & discounted	393,825,977	191,211,058
<b>Sub-total</b>	<b>759,718,286</b>	<b>330,141,944</b>
<b>Total</b>	<b>23,372,450,372</b>	<b>16,538,805,141</b>

## 7.3 Residual maturity grouping of loans including bills purchased and discounted

Repayable on Demand	749,686,109	598,921,801
Not more than 3 months	1,065,688,322	974,359,856
More than 3 months but not more than 1 year	13,541,000,041	9,898,827,133
More than 1 year but not more than 5 years	6,839,532,944	4,472,858,279
More than 5 years	1,176,542,956	593,838,072
<b>Total</b>	<b>23,372,450,372</b>	<b>16,538,805,141</b>

## 7.4 Investment in lease / izara finance

Lease rental receivable within 1 year	252,436,994	222,051,541
Lease rental receivable within more than 1 year	631,092,484	555,128,853
<b>Total lease/izara rental receivable</b>	<b>883,529,478</b>	<b>777,180,394</b>
Less: unearned interest receivable	108,503,620	95,443,206
<b>Net investment in lease/izara finance</b>	<b>775,025,858</b>	<b>681,737,188</b>

## 7.5 Loans on the basis of significant concentration including bills purchased &amp; discounted:

a. Advances to allied concerns of Directors;	678,878	880,326
b. Advances to Chief Executive	44,936,932	19,083,945
c. Advances to Other Senior Executives	-	-
d. Advances to Customer's Group:	-	-
Agriculture loan	3,768,125	4,487,125
Commercial lending	12,293,796,675	9,795,183,497
Export financing	317,031,198	334,350,173
Consumer credit scheme	56,587,459	300,542,533
Special Program Loan (SME)	45,559,673	11,176,597
Staff Loan	62,917,317	85,728,854
Others	10,087,172,115	5,966,392,091
<b>Total</b>	<b>23,372,450,372</b>	<b>16,538,805,141</b>

Loans and advances allowed to each customer exceeding 15% of Bank's Total Capital:

Number of Customers	53	121
Amount of outstanding loans*	16,852,355,578	9,740,902,719
Classified amount thereon	-	-
Measures taken for recovery	-	-

\*The amount represents the sum of total loans to each customer exceeding 15% of total Equity of the bank as at 31 December 2005.

## 7.6 Industry - wise loans including bills purchased &amp; discounted:

Agricultural Industries	92,801,565	4,487,125
Pharmaceuticals Industries	546,324,657	535,820,875
Textile & Garment Industries	3,345,193,175	1,889,289,863
Chemical Industries	638,560,225	524,141,137
Food & allied Industries	1,990,404,125	2,262,232,965
Transport & Communication	382,667,425	640,633,928
Electronics & Automobile Industries	357,099,127	407,467,897
Housing & Construction Industries	2,666,077,126	1,963,396,312
Engineering & Metal Industries including Ship Breaking	1,121,106,025	2,340,411,898
Energy & Power Industries	36,714,978	99,944,884
Service Industries	527,679,423	53,942,116
Other Industries	11,662,822,521	5,817,036,141
<b>Total</b>	<b>23,372,450,372</b>	<b>16,538,805,141</b>

## 7.7 Geographical Location - wise Loans and Advances:

<b>Urban:</b>		
Dhaka Region	18,460,796,170	12,034,264,179
Chittagong Region	4,402,867,212	4,254,725,975
Sylhet Region	217,312,764	106,531,574
Other	374,709	-
<b>Total</b>	<b>23,081,350,855</b>	<b>16,395,521,728</b>

## Rural:

Dhaka Region	210,776,170	101,390,085
Chittagong Region	-	-
Sylhet Region	-	-
Other	80,323,347	41,893,328
<b>Total</b>	<b>291,099,517</b>	<b>143,283,413</b>
	<b>23,372,450,372</b>	<b>16,538,805,141</b>

## 7.8 Sector - wise loans:

In Bangladesh		
Government & Autonomous bodies	929,436,125	724,406,125
Financial Institutions (Public & Private)	-	-
Other Public Sector	-	-
Private Sector	22,443,014,247	15,814,399,016
<b>Total</b>	<b>23,372,450,372</b>	<b>16,538,805,141</b>

## 7.9 Classification of loans &amp; advances:

Unclassified (including staff loan)	23,021,280,247	16,267,406,911
Sub-Standard	85,599,125	57,929,342
Doubtful	46,035,874	13,543,991
Bad or loss	219,535,126	199,924,897
<b>Total</b>	<b>23,372,450,372</b>	<b>16,538,805,141</b>

## 7.10 Provision required for loans and advances:

Status	Base for Provision	Rate %		
Unclassified	22,906,313,000	1	236,010,000	161,817,000
Classified:				
Sub-Standard	48,060,000	20	9,612,000	8,222,000
Doubtful	33,867,000	50	16,934,000	3,700,000
Bad or loss	76,938,000	100	76,938,000	63,921,000
			103,484,000	75,843,000
Required provision for loans & advances			339,494,000	237,660,000
Total provision maintained			339,494,000	237,660,000
Excess (short provision as at 31 December				