



# PUBALI BANK LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

### Balance Sheet

Property and Assets	Note	2007 Taka	2006 Taka
<b>Cash</b>	3	6,843,519,863	4,652,401,792
In hand (including foreign currencies)		2,087,901,273	1,157,710,154
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		4,755,618,590	3,494,691,638
<b>Balance with other banks and financial institutions</b>	4	1,101,569,774	1,217,110,092
Inside Bangladesh		779,517,461	991,043,402
Outside Bangladesh		322,052,313	226,066,690
<b>Money at call and short notice</b>	5	20,000,000	270,000,000
<b>Investments</b>	6	5,556,578,405	4,982,101,346
Government		5,426,589,401	4,892,454,822
Others		129,989,004	89,646,524
<b>Loans and advances</b>	7	50,549,167,102	40,386,653,343
Loans, cash credits, overdrafts, etc		50,086,557,423	40,007,458,178
Bills purchased and discounted		462,609,679	379,195,165
<b>Fixed assets including premises, furniture and fixtures</b>	8	1,367,228,968	1,369,304,099
<b>Other assets</b>	9	6,122,225,922	5,523,425,743
<b>Non banking assets</b>	10	375,246	375,246
<b>Total assets</b>		<b>71,560,665,280</b>	<b>58,401,371,661</b>
<b>Liabilities and Capital</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	11	1,187,764,568	119,154,713
<b>Deposits and other accounts</b>	12	57,996,817,802	48,675,931,231
Current accounts and other accounts		10,619,221,463	7,713,069,659
Bills payable		1,909,137,199	1,185,742,282
Savings bank deposits		24,291,225,666	22,284,785,114
Term deposits		18,956,529,157	15,456,333,281
Other deposits		2,220,704,317	2,036,000,895
<b>Other liabilities</b>	13	6,443,993,397	5,078,557,060
<b>Total liabilities</b>		<b>65,628,575,767</b>	<b>53,873,643,004</b>
<b>Capital/Shareholders' equity</b>			
Paid up capital	14	2,100,000,000	1,200,000,000
Statutory reserve	15	1,790,655,415	1,250,121,617
General reserve	16	845,752,014	931,733,620
Other reserves	17	1,195,682,084	1,145,873,420
Profit and loss account surplus	18	-	-
<b>Total shareholders' equity</b>		<b>5,932,089,513</b>	<b>4,527,728,657</b>
<b>Total liabilities and shareholders' equity</b>		<b>71,560,665,280</b>	<b>58,401,371,661</b>
<b>Off-balance sheet items</b>			
<b>Contingent liabilities</b>			
Acceptances and endorsements			
Letters of guarantee	19	3,421,579,950	1,962,304,992
Irrevocable letters of credit		11,408,136,788	8,694,408,982
Bills for collection		266,327,336	461,763,365
Other contingent liabilities		757,169,296	1,356,324,296
<b>Total contingent liabilities</b>		<b>15,853,213,370</b>	<b>12,474,801,135</b>
<b>Other commitments</b>			
Documentary credits 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			
<b>Total other commitments</b>			
<b>Total off balance sheet items including contingent liabilities</b>		<b>15,853,213,370</b>	<b>12,474,801,135</b>

### Profit and Loss Account

	Note	2007 Taka	2006 Taka
<b>Operating Income</b>			
Interest income	20	5,339,968,424	3,964,113,616
Less: Interest paid on deposits, borrowings, etc	21	1,910,406,167	1,604,846,769
<b>Net interest income</b>		<b>3,429,562,257</b>	<b>2,359,266,847</b>
Income from investment	22	405,693,452	437,554,080
Commission, exchange and brokerage	23	1,034,267,060	912,964,435
Other operating income	24	307,701,879	179,858,739
<b>Total operating income</b>		<b>5,177,224,648</b>	<b>3,889,644,101</b>
<b>Operating Expenses</b>			
Salaries and allowances	25	1,314,968,408	1,272,328,507
Rent, taxes, insurance, electricity, etc	26	127,844,936	111,448,285
Legal expenses	27	14,791,309	18,716,287
Postage, stamp, telecommunication, etc	28	55,651,657	49,261,200
Stationery, printing, advertisements, etc	29	56,779,832	42,450,915
Managing Director's salary and fees	30	4,380,000	4,209,000
Directors' fees	31	4,348,956	3,656,289
Charges on loan losses	32	16,121,217	140,305,835
Auditors' fees	33	450,000	450,000
Repair, maintenance and depreciation of fixed assets	34	85,960,318	76,883,945
Other expenses	34	553,959,027	359,875,912
<b>Total operating expenses</b>		<b>2,235,255,660</b>	<b>2,079,586,175</b>
<b>Profit before provision</b>		<b>2,941,968,988</b>	<b>1,810,057,926</b>
<b>Provision for loans and off balance sheet items</b>	35		
Provision for classified loans and advances		57,700,000	35,100,000
Provision for unclassified loans and advances		102,300,000	114,900,000
Provision for exposure of off balance sheet items		79,300,000	-
<b>Total provisions</b>		<b>239,300,000</b>	<b>150,000,000</b>
<b>Profit before taxation</b>		<b>2,702,668,988</b>	<b>1,660,057,926</b>
Provision for corporate tax		1,273,249,255	814,526,066
Provision for deferred tax		75,911,378	-
<b>Profit after taxes</b>		<b>1,349,160,633</b>	<b>845,531,860</b>
<b>Provision for taxes</b>		<b>1,353,508,355</b>	<b>845,531,860</b>
<b>Net profit after taxes</b>		<b>1,353,508,355</b>	<b>845,531,860</b>
<b>Appropriations</b>			
Statutory reserve		540,533,798	-
Retained surplus (general reserve) carried forward		812,974,557	845,531,860
Earning per ordinary share (EPS)		64.45	70.46

Accompanying notes 1 to 41 form an integral part of these financial statements.

(Helal Ahmed Chowdhury) (Sk. Wahidur Rahman) (Fahim Ahmed Faruk Chowdhury) (Hafiz Ahmed Mazumder)  
Managing Director Director Director Chairman

See annexed auditors' report to the shareholders of even date.

Kazi Zahir Khan & Co  
Chartered Accountants

Aziz Halim Khair Choudhury  
Chartered Accountants

B Alam & Co  
Chartered Accountants

Dhaka 25 May 2008

### Liquidity Statement

Particulars	Not more than 1 month term	1-3 months	3-12 months	1-5 years	Above 5 years term	Total
<b>Assets</b>						
Cash in hand	6,843,519,863	-	-	-	-	6,843,519,863
Balances with other banks and financial institutions	401,569,774	700,000,000	-	-	-	1,101,569,774
Money at call and short notice	-	-	-	20,000,000	-	20,000,000
Investments	335,030,381	490,640,000	1,271,560,064	3,397,222,960	62,125,000	5,556,578,405
Loans and advances	6,009,138,185	7,148,245,680	14,244,688,250	12,757,352,467	10,389,741,520	50,549,167,102
Fixed assets including land, building, furniture and fixtures	-	-	162,129,173	17,233,430	1,187,866,365	1,367,228,968
Other assets	410,185,838	1,406,921,540	1,275,443,331	150,189,062	2,879,486,151	6,122,225,922
Non banking assets	-	-	-	-	375,246	375,246
<b>Total assets</b>	<b>13,999,444,041</b>	<b>9,745,807,220</b>	<b>16,953,821,818</b>	<b>16,341,997,919</b>	<b>14,519,594,282</b>	<b>71,560,665,280</b>
<b>Liabilities</b>						
Borrowing from other banks, financial institutions and agents	1,187,764,568	-	-	-	-	1,187,764,568
Deposits	10,690,577,947	8,861,316,670	13,424,263,383	11,430,337,063	13,590,322,739	57,996,817,802
Provisions and other liabilities	1,741,372,916	-	532,893,495	4,015,304,606	154,422,380	6,443,993,397
<b>Total liabilities</b>	<b>13,619,715,431</b>	<b>8,861,316,670</b>	<b>13,957,156,878</b>	<b>15,445,641,669</b>	<b>13,744,745,119</b>	<b>65,628,575,767</b>
<b>Net liquidity gap</b>	<b>379,728,610</b>	<b>884,490,550</b>	<b>2,996,664,940</b>	<b>896,356,250</b>	<b>774,849,163</b>	<b>5,932,089,513</b>

### Some Important Notes to The Financial Statements

PROPERTY AND ASSETS	Note	2007 Taka	2006 Taka
<b>3 Cash</b>			
<b>3.1 Cash In hand</b>			
In local currency		2,070,288,590	1,142,918,962
In foreign currencies		17,612,683	14,791,192
		<u>2,087,901,273</u>	<u>1,157,710,154</u>
<b>3.2 Balance with Bangladesh Bank and its agent bank(s)</b>			
Bangladesh Bank:		3,706,628,023	2,903,267,992
In local currency		3,025,432,070	2,408,308,724
In foreign currencies		681,195,953	494,959,268
Sonali Bank as agent of Bangladesh Bank:			
Local currency		1,048,990,567	591,423,646
		<u>4,755,618,590</u>	<u>3,494,691,638</u>
		<u>6,843,519,863</u>	<u>4,652,401,792</u>
<b>3.3 Cash Reserve Ratio and Statutory Liquidity Ratio</b>			
Cash Reserve Ratio and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of Bank Companies Act 1991 and BRPD circular numbers 11 and 12 of 25 August 2005.			
The statutory Cash Reserve Ratio (CRR) required on the Bank's time and demand liabilities at the rate of 5% has been calculated and maintained with Bangladesh Bank in current account and 18% Statutory Liquidity Ratio (SLR) including CRR, on the same liabilities is also maintained in the form of treasury bills and bonds including balances with Bangladesh Bank. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:			
<b>3.3.1 Cash Reserve Ratio (CRR)</b>			
Required reserve 5%		2,655,617,222	2,254,277,000
Actual reserve held with Bangladesh Bank		2,766,359,867	2,316,567,000
Surplus		<u>110,742,645</u>	<u>62,290,000</u>
<b>3.3.2 Statutory Liquidity Ratio (SLR)</b>			
Required reserve 13%		6,904,604,778	5,861,121,000
Actual reserve held with Bangladesh Bank		7,764,155,000	6,192,782,000
Surplus		<u>859,550,222</u>	<u>331,661,000</u>
<b>3.3.3 Total required amount of CRR and SLR</b>			
Total required reserve		9,560,222,000	8,115,398,000
Total of actual reserve maintained		<u>10,530,514,867</u>	<u>8,509,349,000</u>
Total surplus		<u>970,292,867</u>	<u>393,951,000</u>
<b>4 Balance with other banks and financial institutions</b>			
Inside Bangladesh (Note 4.1)		779,517,461	991,043,402
Outside Bangladesh-Nostro Account (Note 4.2)		<u>322,052,313</u>	<u>226,066,690</u>
		<u>1,101,569,774</u>	<u>1,217,110,092</u>

	Note	2007 Taka	2006 Taka
<b>4.1 Inside Bangladesh</b>			
<b>In fixed term deposit account (in local currency)</b>			
IDFC, head office Dhaka		50,000,000	-
Delta Brac Housing and Finance Corporation		300,000,000	200,000,000
First Security Bank Ltd, Dikusha Branch		50,000,000	50,000,000
First Security Bank Ltd, Dhanmondi Branch		-	150,000,000
National Bank of Pakistan, Dhaka		-	200,000,000
The Oriental Bank Ltd, Bangshal Branch		50,000,000	50,000,000
The Oriental Bank Ltd, Principal office		250,000,000	250,000,000
		<u>700,000,000</u>	<u>900,000,000</u>
<b>In short term deposit account</b>			
Sonali Bank Ltd, Shilpa Bhaban Branch		452	452
Bank Al Falah Ltd, Dhaka		1,089,011	1,032,959
National Bank Ltd, Dikusha Branch		289,832	279,325
The City Bank Ltd, Dhaka		6,415	7,515
Mutual Trust Bank Ltd, Dhaka		1,219	1,219
Bangladesh Krishi Bank, Local Office, Dhaka		484,010	469,468
The Hongkong Shanghai Banking Corp Ltd		266,917	266,917
		<u>2,137,856</u>	<u>2,057,855</u>
		<u>702,137,856</u>	<u>902,057,855</u>
<b>Fixed deposit account (foreign currency)</b>			
Standard Chartered Bank, Dhaka		10,285,920	49,260,295
Commercial Bank of Ceylon, Dhaka		2,742,912	-
HSBC, Dhaka		64,350,773	39,725,252
		<u>77,379,605</u>	<u>88,985,547</u>
<b>Total</b>		<b>779,517,461</b>	<b>991,043,402</b>
<b>4.2 Outside Bangladesh (Nostro Account)</b>			
In demand deposit account (non interest bearing):			
		2007	2006
Name of bank	Foreign currency name	Amount in foreign currency	Amount in BD Taka
American Express Bank Ltd, New York	USD	868,008	59,521,725
Lloyds TSB Bank Plc, London	GBP	123,307	16,856,130
Lloyds TSB Bank Plc, London	USD	365,660	25,074,307
American Express Bank Ltd, Kolkata	ACD	43,212	2,963,166
Arab Bangladesh Bank Ltd, Mumbai	ACD	7,041	482,827
Bank of Bhutan, Bhutan	ACD	58,440	4,007,379
Bank of Tokyo Mitsubishi Ltd, Japan	Yen	568,088	346,147,221
Bank of Tokyo Mitsubishi Ltd, Kolkata	ACD	22,770	1,561,403
Citibank NA, New York	USD	249,351	17,098,718
Commerzbank AG, Frankfurt	EUR	134,534	13,574,176
Dresdner Bank, Frankfurt	EUR	84,673	8,543,329
HSBC, Mumbai	ACD	64,076	4,393,867
			<u>54,969,668</u>
			<u>135,20</u>
			<u>13,484,119</u>
			<u>69,07</u>
			<u>24,805,416</u>
			<u>5,427,501</u>
			<u>1,821,010</u>
			<u>0,58</u>
			<u>1,572,612</u>
			<u>-</u>
			<u>-</u>
			<u>91,15</u>
			<u>15,673,388</u>
			<u>4,425,411</u>

### Cash Flow Statement

	Note	2007 Taka	2006 Taka
<b>a Cash flows from operating activities</b>			
Interest receipts in cash		-	-
Interest payments		5,731,520,422	4,389,211,051
Dividend receipts		(1,910,406,167)	(1,604,846,769)
Fees and commission receipts in cash		14,141,454	12,456,645
Recoveries of loans previously written off		630,282,515	477,888,373
Cash payment to employees		107,110,626	62,627,309
Cash payment to suppliers		(1,319,348,408)	(1,276,537,507)
Income tax paid		(127,672,798)	(110,878,401)
Receipts from other operating activities		(758,246,807)	(483,714,756)
Cash payments for other operating activities	36	604,575,798	552,307,492
Operating profit before changes in operating assets & liabilities	37	(788,234,454)	(692,170,266)
Statutory deposits		2,183,722,181	1,326,343,171
Purchase/sale of trading securities		(569,826,500)	515,777,700
Loans and advances to customers (other than banks)		(5,241,459)	35,