



Note to the Financial Statements

for the year ended 31 December 2011

	Amount in Taka	
	31.12.2011	31.12.2010
5.1.1 Commercial Banks		
National Bank of Pakistan	100,000,000	50,000,000
Mercantile Bank Limited	150,000,000	-
Uttara Bank Limited	600,000,000	-
Agrani Bank Limited	200,000,000	-
National Bank Limited	100,000,000	-
Sonali Bank Limited	400,000,000	-
Mutual trust Bank Limited	490,000,000	-
Arab Bangladesh Bank Limited	-	200,000,000
	2,040,000,000	250,000,000
5.1.2 Financial Institutions		
Union Capital	100,000,000	-
International Leasing	100,000,000	-
	200,000,000	-
6.00 Investments		
Government Securities (note 6.1)	9,304,513,931	6,506,731,752
Other Investments (note 6.2)	189,569,065	169,700,086
	9,494,082,996	6,676,431,838
6.01 Government Securities		
Treasury Bills and Reserve Repo (note 6.1.1)	-	-
Treasury Bonds (note 6.1.2)	9,222,804,031	6,422,053,952
Prize Bond	1,709,900	2,177,800
Debenture (note 6.1.3)	80,000,000	82,500,000
	9,304,513,931	6,506,731,752
6.1.1 Treasury bills and reverse repo (at revalued amount)		
05 years Government treasury bills	-	-
364 days Government treasury bills	-	-
364 days Reverse repo	-	-
91 day Government treasury bills (at present value)	-	-
28 days Government treasury bills	-	-
01 day reverse repo-Bangladesh Bank	-	-
	-	-
6.1.2 Treasury bonds (at revalued amount)		
Five years Government treasury bond	7,224,569,348	5,642,977,075
Ten years Government treasury bond	1,490,192,624	270,761,835
Fifteen years Government treasury bond	508,042,059	508,315,042
	9,222,804,031	6,422,053,952
6.1.3 Debentures		
Twenty years HBFC debenture - 5.5%	10,000,000	12,500,000
Mutual Trust Bank bond	70,000,000	70,000,000
	80,000,000	82,500,000
6.2 Other Investments		
Shares (note 6.2.1)	189,534,065	169,700,086
Investment others	35,000	-
	189,569,065	169,700,086
6.2.1 Investment in shares		
Quoted companies		
Shares in listed companies	151,193,415	146,664,986
Unquoted companies		
Karmasangsthan Bank Limited	10,000,000	10,000,000
Bangladesh Development company limited	21,000,000	-
Gramen I. T. Park	4,201,760	4,201,760
Central Depository Bangladesh Limited	3,138,890	8,833,340
	189,534,065	169,700,086
(Details of investment in shares may kindly be seen in annexure - B)		
6.3 Investment in securities are classified as per Bangladesh Bank circular		
Held For Trading (HFT)	6,175,874,493	4,447,815,744
Held To Maturity (HTM)	3,046,929,538	1,974,238,208
	9,222,804,031	6,422,053,952
Treasury bond and treasury bills are categorized into HTM and HFT as per Bangladesh Bank circular. HTM securities are revalued at the end of the year and revaluation Loss/gain is shown in capital account. HFT securities are revalued weekly and gain on revaluation is shown as revaluation reserve under capital account. Securities are shown at revalued amount.		
6.4 Assets pledged as security		
Assets in the amounts shown below were pledged as security for the following liabilities		
Liabilities to bank	-	-
Liabilities to customers	-	-
We have no assets pledged, mortgaged or hypothecated against bank's borrowings.		
6.5 Maturity Grouping of Investments		
On demand	1,744,900	2,177,800
Upto one month	-	-
Over one month but not more than three months	-	-
Over three months but not more than one year	704,083,441	23,035,100
Over one year but not more than five years	6,710,019,972	5,789,642,061
Over five years	2,078,234,683	861,576,877
	9,494,082,996	6,676,431,838
7. Loans & advances		
Loans, cash credits & overdrafts etc. (note 7.1)	54,266,599,661	43,257,526,832
Bills purchased & discounted (note 7.2)	2,618,158,224	3,083,986,672
	56,884,757,885	46,341,513,504
7.1 Loans, cash credits & overdrafts etc.		
In Bangladesh		
Loans (note 7.1.1)	25,935,567,835	20,822,595,023
Cash credit	14,346,858,693	10,629,475,991
Overdraft (note 7.1.2)	6,279,490,073	4,022,853,609
Others (note 7.1.3)	7,704,683,060	7,782,602,209
	54,266,599,661	43,257,526,832
Outside Bangladesh	54,266,599,661	43,257,526,832
7.1.1 Loans		
Loan general	4,157,096,263	3,503,549,859
Term loan	20,832,637,475	16,286,874,333
Loan secured	72,562,301	-
Others	873,271,796	1,032,170,831
	25,935,567,835	20,822,595,023
7.1.2 Overdraft		
Temporary overdraft	195,977,620	54,206,639
Overdraft secured mortgage	3,760,548,963	1,776,369,955
Overdraft secured (other securities)	2,322,963,490	2,192,277,014
	6,279,490,073	4,022,853,609
7.1.3 Others		
Loan against packing credit	984,630,795	763,633,272
Payment against documents	879,206,006	199,006,125
Loan against trust receipts	4,949,720,855	6,075,822,517
Other short term advance	156,011,003	51,958,178
Staff loan	733,651,230	645,509,435
Loan against import merchandise	1,463,171	46,672,683
	7,704,683,060	7,782,602,209

	Amount in Taka			
	31.12.2011	31.12.2010		
7.2 Bills purchased & discounted				
Local bills purchased	2,228,148,433	2,593,050,695		
Foreign bills purchased and discounted	390,009,791	490,935,976		
	2,618,158,224	3,083,986,672		
7.3 Residual maturity grouping of loans including bills purchased and discounted				
Payable on demand	1,573,808,315	749,458,468		
Not more than three months	9,683,138,206	9,173,883,007		
Above three months but not more than one year	20,625,574,421	17,358,786,508		
Above one year but not more than five years	19,144,007,363	15,225,095,477		
Above five years	5,858,229,580	3,834,290,044		
	56,884,757,885	46,341,513,504		
7.4 Loans on the basis of significant concentration including bills purchased & discounted				
a. Advance to Directors'	-	-		
b. Advances to Managing director and other senior executives	733,651,230	645,509,435		
c. Advances to customers group	22,828,101,655	17,918,111,069		
d. Advances to Industrial sector (note 7.4.1)	33,323,005,000	27,777,893,000		
	56,884,757,885	46,341,513,504		
7.4.1 Advances to industrial sectors				
Food and allied industries	4,450,000,000	3,543,300,000		
Textile	6,684,300,000	6,313,600,000		
ERGM	3,652,000,000	3,230,400,000		
Accessories	1,129,400,000	1,018,200,000		
Jute Production and Allied Industries	3,211,200,000	3,389,200,000		
Forest production and allied Industries	54,900,000	66,100,000		
Paper, Board, Printing, Publication and Packaging	1,720,800,000	994,100,000		
Tannery leather and rubber production	926,600,000	927,400,000		
Chemical pharmaceutical and allied Industries	1,394,800,000	1,478,300,000		
Glass, Ceram. and other non Metal. Production	219,100,000	160,700,000		
Engineering	2,058,005,000	1,289,400,000		
Electrical and electronics Industries	669,400,000	567,700,000		
Service industries	4,752,300,000	2,809,700,000		
Miscellaneous industries	90,300,000	823,093,000		
Industries not elsewhere classified	2,309,900,000	1,166,700,000		
	33,323,005,000	27,777,893,000		
7.5 Loans and advances allowed to each customer exceeding 10% of bank's total equity				
Number of customers	12	13		
Amount of outstanding loans*	10,810,500,000	10,721,000,000		
Classified amount thereon	-	-		
Amount of recovery	-	-		
*Loans and advances allowed to customers' group exceeding 10% of banks total capital fund which is computed of Tk.61.26 crore of the bank as at 31 December 2011. (Details are given in Annexure - C)				
7.6 Geographical location - wise loans and advances;				
Inside Bangladesh				
Dhaka division	40,671,068,784	32,284,507,161		
Chittagong division	8,982,221,977	7,417,262,754		
Khulna division	2,695,990,948	1,894,406,322		
Rajshahi division	3,065,705,733	2,454,413,284		
Sylhet division	890,663,231	871,131,043		
Barisal division	166,625,319	132,804,599		
Rangpur division	412,481,893	1,286,988,340		
	56,884,757,885	46,341,513,504		
Outside Bangladesh	56,884,757,885	46,341,513,504		
7.7 Distribution of loans and advances according to BRPD circular by Bangladesh Bank				
Unclassified loan				
Standard	53,989,096,940	43,848,867,094		
SMA	406,890,840	252,678,180		
	54,395,987,780	44,101,545,274		
Classified loan:				
Sub-standard	229,718,980	296,593,990		
Doubtful	88,228,690	282,520,660		
Bad and loss	2,171,842,530	1,660,853,580		
	2,489,790,200	2,239,968,230		
Total	56,885,777,980	46,341,513,504		
7.8 Provision required for loans and advances				
Status	Base for Provision	Rate %		
Unclassified-General provision		Required Provision		
Agro based and Micro Credit	602,832,000	5	30,141,600	35,171,100
SMA	394,846,200	5	19,742,310	12,291,910
Others (excluding staff loan)	52,656,564,000	1 & 2	546,289,560	446,722,360
			596,173,470	494,185,370
Classified-specific provision				
Sub-standard	70,229,530	5 & 20	13,336,330	32,050,180
Doubtful	33,723,780	50	16,861,890	92,189,490
Bad/Loss	849,434,980	100	849,434,980	610,305,100
			879,633,200	734,544,770
Additional provision			14,743,316	-
Required provision for loans & advances			1,490,549,986	1,228,730,140
Total provision maintained			1,490,549,986	1,228,730,140
Excess / (Short) provision during the year				
7.9 Listing of assets Pledge as security/collaterals				
Nature of the secured assets				
Fixed assets	63,946,573,624	46,806,776,650		
Cash and quasi-cash	2,318,258,846	2,876,366,941		
Others	11,888,402,448	10,437,380,996		
	78,153,234,918	60,120,524,587		
7.10 Particulars of Loans and Advances:				
(i) Debts considered good in respect of which the banking company is fully secured.	54,353,665,087	40,550,640,918		
(ii) Debts considered good for which the banking company holds no other security other than debtor's personal security.	2,354,942,235	4,227,149,511		
(iii) Debts considered good secured by personal liabilities of one or more parties in addition to the personal security of	176,150,563	1,563,723,075		
(iv) Debts considered doubtful or bad not provided for.	-	-		
	56,884,757,885	46,341,513,504		
(v) Debts due by directors and officers of the banking company or any of them either severally or jointly with any other	733,651,230	645,509,435		
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies, as members.	-	-		
(vii) Maximum total amount of advances including temporary advances made at any time during the year to the directors or managers or officers of the banking company or any of them either severally or jointly with any other person.*	733,651,230	645,509,435		
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private company	-	-		
(ix) Due from banking companies.				
Amount of classified debts on which interest has not been credited to income	2,896,681,040	2,239,968,230		
(a-i) (Decrease) Increase in provision	76,466,436	97,606,429		
(a-ii) Amount realized against loan previously written off	83,737,916	7,570,819		
(b) Amount of provision kept against loan classified as	849,434,980	610,305,100		
x) Cumulative amount of classified loans which is written off	688,783,000	587,707,402		
xi) Classified loans which is written off for current Year	101,075,598	-		
There is no loans in the name of existing Directors. This amount represents loan to officers of the bank.				

	Amount in Taka	
	31.12.2011	31.12.2010
7.11 Bills Purchased and Discounted		
Payable in Bangladesh	2,228,148,433	2,593,050,695
Payable outside Bangladesh	390,009,791	490,935,976
	2,618,158,224	3,083,986,672
7.11.1 Maturity grouping of bills purchased & discounted		
Not more than one month	624,109,962	472,554,509
Above one month but not more than three months	914,277,457	1,408,796,305
Above three months but not more than six months	1,022,651,486	1,201,281,283
Above six months	57,119,319	1,354,574
	2,618,158,224	3,083,986,672
8. Premises and fixed assets		
Own assets		
Furniture and fixtures	154,738,903	135,924,255
Equipment and computer	426,893,571	370,490,285
Vehicles	217,096,177	134,832,794
	798,728,651	641,247,334
Less: Accumulated depreciation	437,669,926	361,578,983
	361,058,725	279,668,350
Leased assets		
Leasehold assets	4,000,000	4,000,000
Less: Accumulated depreciation	597,701	551,724
	3,402,299	3,448,276
	364,461,024	283,116,626 </