

**Southeast Bank Limited**

Report and financial statements  
for the year ended 31 December  
2006

## **Auditors' report to the shareholders of Southeast Bank Limited**

We have audited the accompanying balance sheet of Southeast Bank Limited ("the Bank") as of 31 December 2006 and the related profit and loss account, statement of cash flow and statement of changes in equity for the year then ended, and a summary of significant accounting policies and explanatory notes. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS) give a true and fair view of the state of the Bank's affairs as of 31 December 2006 and of the results of its operations and its cash flow for the year then ended and comply with the Bank Companies Act 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- iii) the Bank's balance sheet and profit and loss account dealt with by the report are in agreement with the books of account and returns;
- iv) the expenditure incurred was for the purposes of the Bank's business;
- v) the financial position of the Bank at 31 December 2006 and the profit for the year then ended have been properly reflected in the financial statements, and the financial statements have been prepared in accordance with the generally accepted accounting principles;
- vi) the financial statements have been drawn up in conformity with the Bank Companies Act 1991 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank;
- vii) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- viii) the financial statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- ix) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements; and
- x) the information and explanations required by us have been received and found satisfactory.

# Southeast Bank Limited

## Balance Sheet at 31 December 2006

<u>PROPERTY AND ASSETS</u>	<u>Notes</u>	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
<b>Cash:</b>	3		
In hand (including foreign currencies)		303,290,326	266,465,255
With Bangladesh Bank and Sonali Bank (including foreign currencies)		2,480,125,217	2,020,035,309
		2,783,415,543	2,286,500,564
<b>Balance with other banks and financial institutions:</b>	4		
In Bangladesh		316,822,677	276,383,561
Outside Bangladesh		(437,977,468)	64,795,311
		(121,154,791)	341,178,872
<b>Money at call and short notice</b>	5	830,000,000	800,000,000
<b>Investments:</b>	6		
Government securities		5,878,916,623	4,574,811,000
Others		386,633,337	538,327,504
		6,265,549,960	5,113,138,504
<b>Loans and advances:</b>	7		
Loans, cash credits, overdrafts, etc.		37,142,698,864	29,543,246,628
Bills discounted and purchased		4,004,583,136	3,007,843,164
		41,147,282,000	32,551,089,792
<b>Fixed assets including premises and furniture and fixtures</b>	8	1,300,385,135	790,621,005
<b>Other assets</b>	9	2,619,357,106	1,412,281,896
<b>Non-banking assets</b>		-	-
<b>Total assets</b>		54,824,834,953	43,294,810,633
 <b><u>LIABILITIES AND CAPITAL</u></b>			
<b>Liabilities:</b>			
Borrowing from other banks, financial institutions and agents	10	314,442,000	70,112,500
<b>Deposits and other accounts:</b>	11		
Current deposits and other accounts		3,588,572,367	3,113,194,702
Bills payable		598,513,410	389,877,506
Savings bank deposits		3,270,876,497	2,270,879,046
Term deposits		38,598,220,966	32,484,201,434
		46,056,183,240	38,258,152,688
<b>Other liabilities</b>	12	3,394,915,075	2,929,870,791
<b>Total liabilities</b>		49,765,540,315	41,258,135,979

	<u>2006</u>	<u>2005</u>
	<u>Taka</u>	<u>Taka</u>
<b>Capital/shareholders' equity:</b>	<u>Notes</u>	
Paid up capital	13	2,112,739,200
Premium on right shares		1,056,369,600
Proposed issue of bonus shares		-
Statutory reserve	14	176,061,600
Other reserves	15	697,215,000
Retained earnings	16	263,516,506
<b>Total shareholders' equity</b>		<u>19,573,548</u>
<b>Total liabilities and shareholders' equity</b>		<u>5,059,294,638</u>
		<u>54,824,834,953</u>
		<u>43,294,810,633</u>

**OFF BALANCE SHEET ITEMS**

**Contingent liabilities:**

Acceptances and endorsements	17	9,496,157,924	5,820,869,371
Letters of credit		6,942,189,752	7,370,640,825
Letters of guarantee		4,985,768,328	3,928,932,164
		<u>21,424,116,004</u>	<u>17,120,442,360</u>

**Bills for collection:**

Payable in Bangladesh	271,876,141	32,817,448
Payable outside Bangladesh	1,816,355,170	1,633,778,562
	<u>2,088,231,311</u>	<u>1,666,596,010</u>

**Other contingent liabilities:**

Value of travellers' cheques on hand	23,535,315	14,679,095
Value of Bangladesh Sanchaya Patra on hand	276,411,000	308,685,500
	<u>299,946,315</u>	<u>323,364,595</u>

**Other commitments:**

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	-	-
Claims against the bank not acknowledged as debt	-	-
	<u>-</u>	<u>-</u>

**Total off balance sheet items including contingent liabilities**

<u>23,812,293,630</u>	<u>19,110,402,965</u>
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*The annexed notes 1 to 33 form an integral part of these financial statements.*

\_\_\_\_\_  
Managing Director

\_\_\_\_\_  
Vice Chairman

\_\_\_\_\_  
Chairman

As per our annexed report  
of same date.

Dhaka, 28 March 2007

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Auditors

## Southeast Bank Limited

### Profit and Loss Account for the year ended 31 December 2006

	<u>Notes</u>	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Interest income	19	5,107,779,714	3,568,209,635
Interest paid on deposits, borrowings, etc.	20	(4,044,631,543)	(2,642,644,440)
<b>Net interest income</b>		<u>1,063,148,171</u>	<u>925,565,195</u>
Income from investment	21	439,218,094	289,330,007
Commission, exchange and brokerage	22	1,084,176,714	733,558,932
Other operating income	23	134,938,982	98,450,143
<b>Total operating income</b>		<u>2,721,481,961</u>	<u>2,046,904,277</u>
Salaries and allowances	24	249,316,572	261,946,701
Rent, taxes, insurance, lighting, etc.	25	81,643,918	69,472,542
Postage, stamp, telegram and telephone	26	51,369,709	39,665,019
Audit fees		350,000	250,000
Legal expenses		153,550	188,798
Stationery, printing, advertisement, etc.	27	30,358,555	24,811,813
Directors' fees and expenses	28	1,171,029	839,611
Managing Director's remuneration	29	3,792,903	2,280,000
Depreciation on and repairs to Bank's property	30	71,356,310	46,457,952
Other expenses	31	169,311,731	127,555,589
<b>Total operating expense</b>		<u>658,824,277</u>	<u>573,468,025</u>
<b>Profit before provisions</b>		2,062,657,684	1,473,436,252
<b>Provisions:</b>			
For loans and advances		415,000,000	542,440,000
For diminution in value of investment		6,341,000	10,800,000
Other provisions		3,000,000	3,800,000
<b>Total provisions</b>		<u>424,341,000</u>	<u>557,040,000</u>
<b>Profit before tax</b>		1,638,316,684	916,396,252
Provision for corporate tax:			
Current	12.4	714,000,000	543,275,000
Deferred	12.5	14,435,900	(1,082,600)
		<u>728,435,900</u>	<u>542,192,400</u>
<b>Profit after tax</b>		909,880,784	374,203,852
Retained surplus:			
Brought forward from previous year		19,573,548	3,339,634
Adjustment in respect of earlier years		-	1,370,662
		<u>19,573,548</u>	<u>4,710,296</u>
<b>Retained surplus before appropriation</b>		929,454,332	378,914,148
<b>Appropriations:</b>			
Statutory reserve		327,663,000	183,279,000
Proposed issue of bonus shares		-	176,061,600
		<u>327,663,000</u>	<u>359,340,600</u>

**Unappropriated profit for the year**

601,791,332

19,573,548

**Earnings per ordinary share**

32

67.16

35.42

*The annexed notes 1 to 33 form an integral part of these financial statements.*

\_\_\_\_\_  
Managing Director

\_\_\_\_\_  
Vice Chairman

\_\_\_\_\_  
Chairman

As per our annexed report  
of same date.

Dhaka, 28 March 2007

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Auditors

# Southeast Bank Limited

## Statement of Cash Flow for the year ended 31 December 2006

	<u>2006</u>	<u>2005</u>
	<u>Taka</u>	<u>Taka</u>
<b>A) Cash flows from operating activities:</b>		
Interest receipts	5,093,941,012	3,531,463,708
Interest payment	(4,042,656,308)	(2,642,644,440)
Dividend receipts	18,115,028	23,551,714
Income from Investment in approved securities	384,380,559	243,171,507
Fee and commission receipts	1,084,176,714	733,558,932
Payment to employees	(314,939,476)	(230,904,925)
Payment to suppliers	(37,865,695)	(26,855,647)
Income taxes paid	(676,326,385)	(297,843,317)
Receipts from other operating activities	134,938,982	97,125,522
Payments for other operating activities	(318,134,452)	(246,488,965)
<i>Operating profit before changes in operating assets and liabilities (i)</i>	1,325,629,979	1,184,134,089
 Increase/decrease in operating assets and liabilities:		
Sale of trading securities	166,245,517	134,656,520
Purchase of trading securities	(139,374,219)	(402,671,640)
Loans and advances to customers	(8,596,192,208)	(10,549,385,890)
Other assets	(1,014,892,511)	(334,681,784)
Deposits from other banks	244,329,500	(2,127,387,500)
Deposits from customers	7,798,030,553	10,309,485,119
Other liabilities	359,323,543	40,454,111
<i>Cash received from operating assets and liabilities (ii)</i>	(1,182,529,825)	(2,929,531,064)
<i>Net cash inflow/(outflow) from operating activities (i+ii)</i>	143,100,154	(1,745,396,975)
 <b>B) Cash flows from investing activities:</b>		
Proceeds from sale of securities	18,658,143,200	9,778,608,379
Payment for purchase of securities	(20,282,050,519)	(11,420,000,000)
Purchase of fixed assets	(567,518,335)	(148,119,660)
Sale of fixed assets	167,616	72,719,476
<i>Net cash inflow/(outflow) from investing activities</i>	(2,191,258,038)	(1,716,791,805)
 <b>C) Cash flows from financing activities:</b>		
Payment of dividend	-	-
Receipts from issue of right shares	2,112,739,200	-
<i>Net cash flow from financing activities</i>	2,112,739,200	-
 <b>D) Net increase in cash and cash equivalents (A+B+C)</b>	64,581,316	(3,462,188,780)
<b>E) Cash and cash equivalents at beginning of the year</b>	3,427,679,436	6,889,868,216
<b>F) Cash and cash equivalents at end of the year (D+E)</b>	3,492,260,752	3,427,679,436
 <b>Cash and cash equivalents:</b>		
Cash in hand and balance with Bangladesh Bank	2,783,415,542	2,286,500,564
Balance with other banks and financial institutions	(121,154,790)	341,178,872
Money at call and short notice	830,000,000	800,000,000
	3,492,260,752	3,427,679,436

## Southeast Bank Limited

### Statement of Changes in Equity for the year ended 31 December 2006

	<u>Paid up capital</u> Taka	<u>Proposed issue of bonus shares</u> Taka	<u>Statutory reserve</u> Taka	<u>Other reserves</u> Taka	<u>Premium on right shares</u> Taka	<u>Retained earnings</u> Taka	<u>Total</u> Taka
Balance at 1 January 2006	880,308,000	176,061,600	697,215,000	263,516,506	-	19,573,548	2,036,674,654
Profit for the year	-	-	-	-	-	909,880,784	909,880,784
Movement during the period:							
Bonus shares issued for 2006	176,061,600	(176,061,600)	-	-	-	-	-
Proposed issue of bonus shares for 2006	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	327,663,000	-	-	(327,663,000)	-
Issue of right shares	1,056,369,600	-	-	-	-	-	1,056,369,600
Premium on right shares	-	-	-	-	1,056,369,600	-	1,056,369,600
Balance at 31 December 2006	2,112,739,200	-	1,024,878,000	263,516,506	1,056,369,600	601,791,332	5,059,294,638

# **Southeast Bank Limited**

## **Notes to the Financial Statements for the year ended 31 December 2006**

### **1. The Bank and its activities**

Southeast Bank Limited is a scheduled commercial bank in the private sector established under the Bank Companies Act 1991 and incorporated in Bangladesh as a public limited company to carry out banking business in Bangladesh.

The bank has 31 branches, with no overseas branch as on 31 December 2006. Out of the above 31 branches, 5 branches are designated Islamic branch complying with the rules of Islamic Shariah the modus operandi of which is substantially different from other branches run on commercial conventional basis. Southeast Bank Limited offers services for all commercial banking needs of the customers, which includes deposit banking, loans and advances, export import financing, inland and international remittance facility, etc. The bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company.

### **2. Summary of significant accounting policies and basis of preparation of the financial statements**

#### **2.1 Conventional banking**

The financial statements of the bank are made upto 31 December each year and are prepared under the historical cost convention and in accordance with the First Schedule (Sec. 38) of the Bank Companies Act 1991, BRPD Circular No. 14 dated 25 June 2003, other Bangladesh Bank Circulars, Bangladesh Accounting Standard (BAS) 30, the Companies Act 1994, the Securities and Exchange Rules 1987 and other laws and regulations applicable in Bangladesh.

#### **2.2 Islamic banking**

The bank operates Islamic banking in five branches designated for the purpose in complying with the rules of Islamic Shariah. The financial statements of the branches have also been prepared as per Bank Companies Act 1991, Bangladesh Accounting Standards (BAS), Financial Accounting Standard issued by the Accountancy and Auditing Organisation for Islamic Financial Institutions for which a separate set of books and records are being maintained.

A separate balance sheet and profit and loss account are shown in Annexure - C and the figures under different heads appearing in the annexure have been converted into relevant heads of accounts under conventional banking for consolidation and incorporation in these financial statements.

#### **2.3 Functional and presentation currency**

These financial statements are presented in Taka, which is the Bank's functional currency. Except as indicated figures have been rounded to the nearest Taka.

#### **2.4 Basis of consolidation**

A separate set of records for consolidating the statement of affairs and income and expenditure statements of the branches were maintained at the Head Office of the Bank in Dhaka based on which these financial statements have been prepared.

## **2.5 Approval of financial statements**

The financial statements were approved by the Board of Directors on 21 March 2007.

## **2.6 Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

## **2.7 Foreign currency conversion**

Transactions in foreign currencies are translated into Bangladeshi Taka and recorded at the ruling exchange rates applicable on the date of transaction.

- i) Assets and liabilities denominated in foreign currency are translated into Taka at the weighted average rates at the balance sheet date.
- ii) Transactions in foreign currencies are converted into Taka currency at the rate of exchange prevailing on the dates of such transactions and any gains or losses thereon are adjusted to revenue through foreign exchange trading account.

## **2.8 Taxation**

Provision for current income tax has been made @ 45% as prescribed in the Finance Act 2006 on the taxable income for the year.

## **2.9 Deferred taxation**

The Bank has adopted deferred tax accounting policy as per Bangladesh Accounting Standard (BAS) 12. Accordingly deferred tax liability/asset is accounted for all temporary timing differences arising between the tax base of the assets and liabilities and their carrying value for financial reporting purposes. Deferred tax is computed at the prevailing tax rate as per Finance Act 2006.

## **2.10 Assets and basis of their valuation**

### **2.10.1 Cash and cash equivalents**

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the bank management for its short term commitments.

### **2.10.2 Advances and provisions**

Advances are stated at gross value.

Provision for loans and advances is made on the basis of periodical review by the management and of instructions contained in Bangladesh Bank BCD Circular No. 34 dated 16 November 1989, BCD Circular no. 20 dated 27 December 1994, BCD Circular no. 12 dated 4 September 1995, BRPD Circular no. 16 dated 6 December 1998, BRPD Circular no. 9 dated 14 May 2001, BRPD Circular no. 02 dated 15 February 2005, BRPD Circular no. 09 dated 20 August 2005 and BRPD Circular no. 17 dated 6 December 2005, BRPD Circular no. 18 and 19 dated 20 December 2005, BRPD Circular no. 8 dated 8 February 2006 and BRPD Circular no. 5 dated 5 June 2006. The classification rates are given below:

Particulars

Rate

**General provision on:**

Unclassified loans and advances	1%
Small Enterprise	2%
Consumer finance for house building loan and loans for professional setup	2%
Other consumer finance	5%
Special mention account	5%

**Specific provision on:**

Substandard loans and advances	20%
Doubtful loans and advances	50%
Bad/loss loans and advances	100%

Loans and advances are written off to the extent that (i) there is no realistic prospect of recovery, (ii) and against which legal cases are filed and classified as bad loss for more than five years as per guidelines of Bangladesh Bank. These write off however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are maintained and followed up.

**2.10.3 Investments**

Value of investment has been enumerated as follows:

<u>Items</u>	<u>Applicable accounting value</u>
Government treasury bill (HTM)	At present value
T&T treasury bond	At cost price
Zero coupon bond	At present value
Bangladesh Government treasury bond	At present value
Prize bond	At cost price
Investment in shares (quoted)	At cost or market value at the balance sheet date whichever is lower.
Investment in shares (unquoted)	At cost price

**2.10.4 Fixed assets and their depreciation**

- i) Fixed assets have been shown at written down value.
- ii) Depreciation is charged at the following rates on reducing balance method on all fixed assets other than vehicles, which are depreciated on straight line basis:

<u>Category of the assets</u>	<u>Rate of depreciation</u>
Land	Nil
Building	4%
Furniture and fixtures	10%
Electrical installation including computer	20%
Typewriter, adding and calculating machine	20%
Vehicles	20%

Depreciation has been charged from the month of purchase and in case of sale upto the month of sale.

**2.10.5 Leasehold assets**

As per BAS-17 "Lease", all fixed assets taken on lease has been accounted for as finance lease. Details of leased assets have been shown in note 8 to the financial statements.

**2.11 Change in accounting estimate for**

## **building**

During the year 2006 the bank adopted the policy to charge depreciation on building @ 4% instead of 5% charged in last year. Net effect due to the change of the estimate works out of Tk 1,825,603 resulting increase of profit for the year 2006 to the extent of the amount.

## **2.12 Retirement benefit schemes**

### **2.12.1 Provident fund**

Provident fund benefits are given to the staff of the bank in accordance with the registered Provident fund rules. The commissioner of Income Tax, Large Tax Payers Unit, Dhaka has approved the Provident Fund as a recognized fund within the meaning of section 2(52) read with the provisions of part - B of the First Schedule of Income Tax Ordinance 1984. The fund is operated by a Board of Trustees consisting of 11 (eleven) members of the bank. All confirmed employees of the bank are contributing 10% of their basic salary as subscription of the fund. The bank also contributes equal amount to the fund. Contributions made by the bank are charged as expense. Interest earned from the investments is credited to the members' account on half yearly basis.

### **2.12.2 Gratuity**

Gratuity fund benefits are given to the staff of the bank in accordance with the approved Gratuity fund rules. National Board of Revenue has approved the gratuity fund as a recognized gratuity fund with effect from December 2001. The fund is operated by a Board of Trustees consisting of 7 (seven) members of the bank. Employees are entitled to gratuity benefit after completion of minimum 7 (seven) years of service in the Company. The gratuity is calculated on the basis of last basic pay and is payable at the rate of one month's basic pay for every completed year of service. Gratuity so calculated are transferred to the fund and charged to expenses of the bank.

### **2.12.3 Superannuation**

The bank also contributes yearly amount to employees superannuation fund as per rules and regulations of the fund recognised by the Tax Authority. Contribution of the bank to such fund charged as expense of the bank.

## **2.13 Provisions and accrued expenses**

Provisions and accrued expenses are recognized in the financial statements when the bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

## **2.14 Revenue recognition**

### **2.14.1 Interest income**

The interest receivable is recognized on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified. It is then kept in interest suspense account. Interest on classified advances is accounted for on a cash receipt basis.

### **2.14.2 Profit on investment (Islamic banking)**

Mark-up on investment is taken into income account proportionately from profit receivable account. Overdue charge/compensation on classified investments transferred to profit suspense account instead of income account.

### **2.14.3 Investment income**

Income on investments is recognized on accrual basis.

#### **2.14.4 Fees and commission income**

Fees and commission income arises on services provided by the Bank and recognized on a cash receipt basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

#### **2.14.5 Dividend income on shares**

Dividend income from shares is recognized during the period in which they are declared and actually received.

#### **2.14.6 Interest paid and other expenses (conventional banking)**

Interest paid and other expenses are recognized on accrual basis.

#### **2.14.7 Profit paid on deposits (Islamic banking)**

Profit paid to mudaraba deposits are recognised on accrual basis as per provisional rate.

#### **2.15 Reconciliation of interbank and interbranch account**

Accounts with regard to interbank (in Bangladesh and outside Bangladesh) are reconciled regularly and there are no material differences which may affect the financial statements significantly.

Unmatched entries/balances in case of interbranch transactions as on the reporting date are not material (Note 9.2).

#### **2.16 Risk management**

The Risk Management policy or process of Southeast Bank consists of Risk appreciation, Risk identification, Risk measurement and Risk Control. The risk is defined as possibility of losses in case of any financial or other activities. The risk management of the bank covers 5 major core risk areas of banking i.e. Credit Risk, Foreign Exchange Risk, Asset Liability Management, Anti Money Laundering and Internal Control and Compliance as per BRPD Circular No. 17 of 7 October 2003. The main objectives of risk management of the bank is that the bank evaluates and takes sophisticated tools and techniques to reduce different risk elements (mentioned below) and thereby safeguarding the bank under the best practices by implementing different guidelines given by Bangladesh Bank.

##### **2.16.1 Credit risk**

Credit Risk is the risk of loss due to a borrower's/ debtor's non-payment of a loan or other line of credit. The credit risk may be simply defined as the potential that a bank borrower or counterparty will fail to meet its obligations in accordance with the agreed terms and conditions. Loans and advances are the largest and most obvious sources of credit risks; however, other sources of credit risk exist throughout other activities like trade finance, treasury operation etc. and both on & off balance sheet. Therefore, the Bank's credit risk management activities have been designed to address these issues.

In order to identify, measure, monitor and control the credit risk in line with basic principles of credit management, the Bank has established separate divisions/ units in its Head Office & Branches and segregated duties of the officers and executives involved in the credit related activities.

Different Branches of the Bank act as Marketing Units which are entrusted with the duties of marketing of credit products, maintaining effective relationship with the customer, exploring new business opportunities etc. The Credit Division at Head Office is entrusted with the duties of appraisal of credit proposal, assessment of credit risk, maintenance of asset quality, sanctioning credit, formulating credit policies/ strategies etc. There are specifically assigned officers/ cells to handle credit proposals as received from the branches. Credit Administration Department is assigned for credit administration and monitoring while a separate unit under the department is responsible for recovery of the loans.

A careful and detailed scrutiny and assessment of risks are done before approving any credit facility. The assessment part starts at the branches and ends at Credit Division at Head Office. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, client's past performance, security against the proposed facility, political & environmental risk etc. in line with Bank's Credit Policy. The credit officers at the branch gather all the required information and send a credit proposal to the Head Office as per bank's prescribed credit proposal format. The respective official at Head Office appraises the proposal and places it to the competent authority for approval/decision.

All the Bangladesh Bank regulations related to credit are strictly followed while sanctioning a credit. Loans are classified and provisions are maintained as per Bangladesh Bank's guidelines.

#### **2.16.2 Liquidity risk**

Liquidity Risk is the risk that the bank will be unable to meet its funding requirements or execute a transaction at a reasonable price. The objective of Liquidity management is to ensure that all projected funding commitments and withdrawal of funds as and when due. The bank is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional balances. The treasury department efficiently managed the liquidity risk by prudent application of decisions made by the Asset Liability Committee (ALCO) on a regular basis.

#### **2.16.3 Foreign exchange risk**

Foreign Exchange Risk is defined as the potential change in earning due to change in market prices of foreign currency. The bank has undertaken strong policy guideline to regulate and monitor to minimize the foreign exchange risk due to exposure in currency movements. The foreign exchange risk of the bank is minimal as most of the transactions are carried out on behalf of the customers against LC commitments and remittance requirements. Treasury department comprises of separate front office and back office desks and are responsible for currency transaction, deal verification and limit monitoring and settlement of transactions separately. All foreign exchange positions are revalued at marking to market rate as per the guideline of Bangladesh Bank. All Nostro accounts are reconciled and all outstanding entries are reviewed on a regular basis.

#### **2.16.4 Interest rate risk**

The bank monitored the overall interest rate movement of the market throughout the year through regular ALCO meeting. The Asset Liability Committee efficiently monitors the sensitivity of interest rate of its entire portfolio. The committee also monitors the mismatches in its assets and liabilities and re-price them accordingly; thereby the bank was able to maintain a stable Net Interest Margin.

#### **2.16.5 Risk of money laundering**

Money Laundering is the process of integrating the proceeds of crime into the legitimate stream of financial system by masking its origin and the main risks involve therein are reputational and legal. For mitigating the risk of money laundering, the Bank has taken out all measures in line with the guidance notes of Bangladesh Bank. At Head Office, Central Compliance Unit has been set up designating a Senior Executive of the Bank as Chief Anti Money Laundering Compliance Officer (CAMLCO) and at the Branches, Branch Anti Money Laundering Compliance Officer (BAMLCO) has been nominated to supervise and monitor the Anti Money Laundering procedures of the Bank and review the transactions of the clients in order to identify suspicious / unusual transactions. Moreover, continuous training is being imparted to all the Executives and Officers of the Bank for developing their skills to prevent money laundering and identify suspicious / unusual transactions.

#### **2.16.6 Operational risk**

Operational risk may arise from errors, frauds & forgeries, surprises and improper processes due to lack of effective internal control and compliance mechanism. Management has strengthened the Bank's control and compliance mechanism by restructuring its Internal Control & Compliance Division. Audit

& Inspection Unit of this Division conducts Comprehensive / Surprise / Special Inspection of the Branches and important Divisions of Head Office periodically, Compliance Unit ensures timely compliance of regulatory requirements and Monitoring Unit monitors the operational performance of the Bank.

### 2.16.7 Internal control and compliance

Internal Control and Compliance is a process to provide 'Immunization' and a high level of protection from errors, improper processes, frauds, surprises and inability to comply with legal and regulatory requirements. Proper policies and procedures and organizational structure are in place to mitigate the risk of Internal Control & Compliance in line with the Core Risk Guidelines of Bangladesh Bank and the overall control mechanism of the Bank has been found conducive for safe and sound banking operations.

### 2.16.8 Risk management of Information and Communication Technology (ICT)

The ICT Risk Management is a full blown process for the bank to ensure maintenance or recovery including uninterrupted services to customers in all adverse events such as natural disasters, technological failures, human error, etc. In order to organize Network resources, the bank pursues a central policy for administrator to secure intranet and Internet network access. A security policy is in place with a formal statement of the rules that people who are given access must abide by and adhere to what is laid in the policy. We have also established global Anti virus policy for all the branches of SEBL including Head office. Our Business Continuity Plan (BCP) is well documented to restore and recover business critical functions within predetermined time frame with minimum financial loss to the institution. A Disaster recovery plan covers data, hardware and software critical for business to restart in the event of a natural or human-caused disaster.

### 2.17 Off balance sheet items

Under general banking transactions, liabilities against acceptance, endorsements, and other obligations and bills against which acceptance has been given and claims exists there against, have been shown as off balance sheet items.

### 2.18 Earnings per share

Earnings per share has been calculated in accordance with BAS 33 "Earnings per share" by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year. Previous year's figure has been restated for the issue of 1,760,616 bonus shares.

## 3. Cash

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
In hand:		
Local currency	272,580,765	252,378,383
Foreign currencies	30,709,561	14,086,872
	303,290,326	266,465,255
Balance with Bangladesh Bank:		
Local currency	2,167,310,932	1,893,542,971
Foreign currencies	290,811,749	107,483,344
	2,458,122,681	2,001,026,315
Balance with Sonali Bank (as agent of Bangladesh Bank):		
Local currency	22,002,536	19,008,994

2,783,415,5432,286,500,564

- 3.1** Cash Reserve Requirement (CRR) and Statutory Liquidity Requirement (SLR) have been calculated and maintained in accordance with section 33 of Bank Companies Act, 1991 and BRPD circular nos. 11 and 12 dated 25 August 2005.

The statutory cash Reserve Requirement on the Bank's time and demand liabilities at the rate 5% has been calculated and maintained with Bangladesh bank in current account and 18% Statutory Liquidity requirement, including CRR, on the same liabilities has also been maintained in the form of treasury bills, bonds and debentures including FC balance with Bangladesh Bank. Both the reserves maintained by the Bank, are shown below:

**3.1.1 Cash Reserve Requirement (CRR)**

5% of required Average Demand and Time Liabilities:

Required reserve	2,167,215,950	1,674,111,300
Actual reserve held	<u>2,167,310,932</u>	<u>1,893,542,971</u>
Surplus	<u>94,982</u>	<u>219,431,671</u>

**3.1.2 Statutory Liquidity Requirement (SLR)**

13% of required Average Demand and Time Liabilities:

Required reserve	5,634,761,470	4,352,689,380
Actual reserve held	<u>7,050,749,410</u>	<u>4,967,768,593</u>
Surplus	<u>1,415,987,940</u>	<u>615,079,213</u>
Total surplus	<u><u>1,416,082,922</u></u>	<u><u>834,510,884</u></u>

**4. Balance with other banks and financial institutions**

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Inside Bangladesh (Note 4.1)	316,822,677	276,383,561
Outside Bangladesh (Note 4.2)	<u>(437,977,468)</u>	<u>64,795,311</u>
	<u><u>(121,154,791)</u></u>	<u><u>341,178,872</u></u>

**4.1 Inside Bangladesh**

Current account with:

Sonali Bank	(88,723,321)	2,231,672
Agrani Bank	(25,487,587)	6,991,179
Arab Bangladesh Bank Limited	2,590,623	546,457
The Commercial Bank of Ceylon Limited	13,697	22,497
National Bank Limited	3,685,085	983,380

Janata Bank	2,473,876	2,189,879
Pubali Bank Limited	5,278,704	3,217,448
Rupali Bank Limited	1,111,792	3,464,453
United Commercial Bank Limited	5,303,851	2,308,457
Bangladesh Krishi Bank	346,808	346,784
Al-Arafah Islami Bank Limited	1,373,825	724,414
The Oriental Bank Limited	5,072,164	318,482
Islami Bank Bangladesh Limited	3,063,072	1,993,491
Bank Asia Limited	2,906,972	6,029,529

(80,990,439)

31,368,122

Short term deposits account with:

The City Bank Limited	2,542,269	1,245,004
Arab Bangladesh Bank Limited	32,335	32,708
Eastern Bank Limited	169,953	164,103
Uttara Bank Limited	(111,702)	(59,911)
EXIM Bank Limited	134,435	131,360
Pubali Bank Limited	95,577	1,244,549
National Bank Limited	60	544
Sonali Bank	10,776,680	9,496,307
Standard Chartered Bank	3,033,571	1,665,640
Social Investment Bank Limited	1,139,938	1,095,135

17,813,116

15,015,439

Fixed deposits with other banks:

Arab Bangladesh Bank Limited	150,000,000	-
Dhaka Bank Limited	100,000,000	-
	250,000,000	-

Fixed deposits with financial institutions:

Bay Leasing and Investment Limited	130,000,000	130,000,000
International Leasing and Financial Services Limited	-	100,000,000

130,000,000

230,000,000

316,822,677

276,383,561

## 4.2 Outside Bangladesh

	<u>Currency</u>	2006			2005		
		<u>Amount in foreign currency</u>	<u>Conversion rate per unit F.C.</u>	<u>Amount Taka</u>	<u>Amount in foreign currency</u>	<u>Conversion rate per unit F.C.</u>	<u>Amount Taka</u>
<b>In demand deposit accounts (interest bearing) with:</b>							
American Express Bank, New York	USD	2,500,724	69.0651	172,712,753	88,997	66.2125	5,892,714
Standard Chartered Bank, New York	USD	(2,281,242)	69.0651	(157,554,207)	(1,217,790)	66.2125	(80,632,920)
Citibank, New York	USD	(3,317,883)	69.0651	(229,149,921)	(969,937)	66.2125	(64,221,954)
HSBC, New York	USD	(1,444,204)	69.0651	(99,744,094)	1,378,558	66.2125	91,277,772
HSBC, PLC London	GBP	(144,454)	135.3123	(19,546,472)	-	-	-
Mashreq Bank PSC New York	USD	1,912,691	69.0651	132,100,170	(216,574)	66.2125	(14,339,906)
Wachovia Bank, New York	USD	(4,465,584)	69.0651	(308,416,006)	64,059	66.2125	4,241,507
Citibank AG Frankfurt Germany	EUR	281,187	91.1659	25,634,675	(36,182)	78.4088	(2,836,987)
Standard Chartered Bank London	GBP	127,004	135.3123	17,185,209	417,421	113.9054	47,546,506
Standard Chartered Bank, Kolkata	ACUD	233,174	69.0651	16,104,186	10,369	66.2125	686,557
Arab Bangladesh Bank Ltd., Mumbai	ACUD	8,821	69.0651	609,223	364,227	66.2125	24,116,340
ICICI Bank, Mumbai	ACUD	(181,011)	69.0651	(12,501,543)	315,097	66.2125	20,863,360
				<u>(462,566,026)</u>			<u>32,592,989</u>

**In demand deposit accounts (non interest bearing)  
with:**

Bank of Nova Scotia, Toronto, Canada	CAD	17,577	59.2833	1,042,023	3,090	56.7665	175,408
Sonali Bank, Kolkata	ACUD	57,455	69.0651	3,968,135	82,425	66.2125	5,457,565
Standard Chartered Bank, Karachi	ACUD	265,568	69.0651	18,341,480	144,837	66.2125	9,590,020
Standard Chartered Bank, Sri Lanka	ACUD	249	69.0651	17,197	1,561	66.2125	103,358
Nepal Bangladesh Bank Ltd., Nepal	ACUD	1,309	69.0651	90,406	12,915	66.2125	855,134
Citibank Mumbai	ACUD	1,596	69.0651	110,228	12,219	66.2125	809,051
Bank of Bhutan, Pheuntsholing	ACUD	5,395	69.0651	372,606	4,945	66.2125	327,419
Bank of Tokyo Mitsubishi, Kolkata	ACUD	29,136	69.0651	2,012,281	29,136	66.2125	1,929,167
American Express Bank Ltd. Kolkata	ACUD	65,191	69.0651	4,502,423	88,500	66.2125	5,859,806
Sumitomo Mitsui Banking Corp.	JPY	5,485,732	0.5805	3,184,339	985,941	0.5613	553,409
Dresdner Bank, Frankfurt Germany	EUR	(123,643)	91.1659	(11,272,029)	65,027	78.4088	5,098,689
UBS, Zurich	CHF	14,322	56.6851	811,844	27,730	50.3100	1,395,096
National Australia Bank Ltd. Melbourne	AUD	25,950	54.2437	<u>1,407,625</u>	1,000	48.2000	<u>48,200</u>
				<u>24,588,558</u>			<u>32,202,323</u>
				<u>(437,977,468)</u>			<u>64,795,311</u>

The credit balances included in this head are book balances. However, bank statements of those account revealed credit balance (in favour of the company) at 31 December 2006.

**4.3 Maturity grouping of balance with other banks and financial institutions**

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
On demand	(518,967,907)	210,083,737
Not more than three months	267,813,116	101,095,135
More than three months but not more than six months	-	-
More than six months but not more than one year	130,000,000	30,000,000
More than one year but less than five years	-	-
Above five years	-	-
	<u>(121,154,791)</u>	<u>341,178,872</u>

**5. Money at call and short notice**

In bank:

The Oriental Bank Limited	20,000,000	30,000,000
Sonali Bank	-	50,000,000
	<u>20,000,000</u>	<u>80,000,000</u>

In non-banking financial institutions (public and private):

International Leasing and Financial Services Limited	50,000,000	50,000,000
Bay Leasing and Investment Limited	200,000,000	230,000,000
Bangladesh Industrial Finance Company Limited	10,000,000	10,000,000
Investment Corporation of Bangladesh	300,000,000	350,000,000
Lanka - Bangladesh	30,000,000	40,000,000
Fareast Leasing	-	40,000,000
Premier Leasing International Limited	50,000,000	-
Peoples Leasing	30,000,000	-
Phonix Leasing Company Limited	80,000,000	-
Oman Bangladesh Leasing & Finance Ltd.	60,000,000	-
	<u>810,000,000</u>	<u>720,000,000</u>
	<u>830,000,000</u>	<u>800,000,000</u>

## 6. Investments

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
<b>Government securities:</b>		
28 days Treasury Bills	687,930,523	500,000,000
91 days Treasury Bills	346,401,523	600,000,000
182 days Treasury Bills	299,700,449	200,000,000
364 days Treasury Bills	239,622,457	-
2 Years Treasury Bills	963,037,848	860,000,000
5 Years Treasury Bills	<u>691,805,656</u>	<u>720,000,000</u>
	3,228,498,456	2,880,000,000
Add: Reverse repo with other banks	<u>150,000,000</u>	<u>320,000,000</u>
	3,378,498,456	3,200,000,000
Prize Bonds	3,644,800	3,811,000
T & T Treasury Bond	230,756,000	350,000,000
Bangladesh Government Treasury Bond	<u>2,266,017,367</u>	<u>1,021,000,000</u>
	<u>5,878,916,623</u>	<u>4,574,811,000</u>
<b>Others:</b>		
Shares in quoted companies	367,343,796	377,416,327
Shares in unquoted companies	26,260,000	123,500,000
Zero Coupon Bond	12,072,364	50,113,000
Less: Provision for diminution in the market value of shares	<u>(19,042,823)</u>	<u>(12,701,823)</u>
	<u>386,633,337</u>	<u>538,327,504</u>
	<u><u>6,265,549,960</u></u>	<u><u>5,113,138,504</u></u>

### 6.1 Maturity grouping of investment as follows:

On demand	451,945,773	368,525,504
Not more than three months	1,470,484,515	1,782,855,000
More than three months but not more than one year	872,138,824	882,489,000
More than one year but not more than five years	1,783,412,310	1,408,269,000
Above five years	<u>1,687,568,538</u>	<u>671,000,000</u>
	<u><u>6,265,549,960</u></u>	<u><u>5,113,138,504</u></u>

**6.2 Cost and market value of investment as at 31 December 2006**

	<u>No. of shares</u>	<u>Cost price</u> <u>Taka</u>	<u>Market price</u> <u>Taka</u>
<b>Government :</b>			
Treasury Bills		3,228,498,456	3,228,498,456
Reverse Repo		150,000,000	150,000,000
T & T Treasury Bond Bangladesh Government Treasury Bond		230,756,000 2,266,017,367	230,756,000 2,266,017,367
Prize Bonds		<u>3,644,800</u>	<u>3,644,800</u>
		<u>5,878,916,623</u>	<u>5,878,916,623</u>

**Un-quoted shares and bond:**

Industrial & Infrastructure Development Finance Co. Ltd. Shares in	142,600	14,260,000	14,260,000
Karmasangsthan Bank Central Depository Bangladesh Ltd.	100,000	10,000,000	10,000,000
Zero Coupon Bond (IPDC)	2	2,000,000	2,000,000
		<u>12,072,364</u>	<u>12,072,364</u>
		<u>38,332,364</u>	<u>38,332,364</u>

**Quoted shares:**

	<u>Type of market category</u>	<u>No. of shares</u>	<u>Cost price</u> <u>Taka</u>	<u>Market price</u> <u>Taka</u>
National Tea Company Ltd	A	64568	51,262,660	39,386,480
Dhaka Bank Ltd.	A	1250	528,881	582,188
NCC Bank Ltd.	A	5915	1,737,192	1,710,914
Prime Bank Ltd.	A	51850	27,271,837	27,415,688
National Bank Ltd.	A	2	1,053	1,521
Lafarge Surma Cement Ltd.	G	38150	14,905,275	14,945,263
EXIM Bank Ltd.	A	627790	185,272,881	211,408,283
Square Textile	A	30650	2,447,813	2,295,685
Eastland Insurance	A	6340	2,476,522	1,229,960
Reliance Insurance	A	332	160,800	76,360
Rupali Insurance	Z	920	347,353	138,000
United Insurance	A	890	658,451	534,000
Beximco Pharma	A	210341	11,616,397	11,295,312

Square Pharma	A	4600	10,841,746	10,419,000
Olympic Industries	A	7110	1,725,467	945,630
Qashem Drycell	A	23000	535,420	234,600
National Life Insurance	A	15265	17,966,286	17,966,905
Rupali Bank	A	5300	9,522,743	8,829,800
ICB Islamic Mutual Fund	A	27500	3,623,767	3,609,375
IDLC Ltd.	A	1420	1,375,066	1,113,635
Midas Finance Ltd.	A	15099	3,579,420	3,355,753
Standard Bank Ltd.	A	10000	2,719,291	2,880,000
Uttara Finance Ltd.	A	2400	1,388,831	1,226,400
Mercantile Ins. Co. Ltd.	A	1000	178,739	88,250
Eastern Cables Ltd.	A	10620	2,667,413	2,469,150
H R Textile	B	2078	207,800	135,070
Orion Infusion Ltd.	A	4180	684,455	573,705
Padma Textile Ltd.	A	38125	1,029,024	854,000
Singer BD. Ltd.	A	100	592,655	77,450
STD Ceramic Ind. Ltd.	B	263	39,450	24,196
ICB AMCL	A	2000	483,908	460,500
Bank Asia Ltd.	A	6	2,498	2,568
One Bank Ltd.	A	1525	352,073	435,769
Premier Leasing Int'l Ltd.	A	10450	2,358,672	1,862,713
Summit Power Industries Ltd.	A	2500	1,300,840	1,324,375
Popular Life Insurance Ltd.	B	5650	4,238,708	4,248,800
Islamic Finance & Investment	A	4175	1,242,409	799,513
			<u>367,343,796</u>	<u>374,956,807</u>
Less: Provision for diminution in the market value of shares			<u>(19,042,823)</u>	<u>-</u>
			<u>348,300,973</u>	<u>374,956,807</u>
			<u><u>6,265,549,960</u></u>	<u><u>6,292,205,794</u></u>

## 7. Loans and advances/investment

	<u>2006</u>	<u>2005</u>
Loans, cash credits and overdrafts, etc.:	<u>Taka</u>	<u>Taka</u>

Inside Bangladesh:  
Cash credit and

overdrafts	9,787,406,213	8,616,917,797
Demand loan	1,063,657,578	278,427,739
Time loan	5,299,876,293	4,236,896,222
Term loan	13,112,934,513	9,553,595,048
Consumer credit scheme	203,663,122	164,440,590
Bills against letter of credit (BLC)	656,427,026	483,179,678
Loan against Imported Merchandise (LIM)	-	344,476
Loan against trust receipt (LTR)	4,763,253,004	4,715,890,654
Export Development Fund (EDF)	302,625,193	-
Advances - Packing credit (PC)	398,421,716	153,792,269
Car loan - Staff	546,873	1,265,137
House building loan - Staff	115,373,579	121,347,446
Loan - Credit card	123,300,925	59,850,999
Education - Loans	673,902	-
Loan against foreign bills	-	75,467,843
	<u>35,828,159,937</u>	<u>28,461,415,898</u>
<b>Investment - IBBs:</b>		
Bai-Muajjal - Investment	396,514,361	366,759,643
Murabaha - Investment	203,192,777	181,415,577
Hire purchase - Investment	608,171,726	480,288,757
Quard against MTDR	106,660,063	53,366,753
	<u>1,314,538,927</u>	<u>1,081,830,730</u>
	37,142,698,864	29,543,246,628
Outside Bangladesh	-	-
	<u>37,142,698,864</u>	<u>29,543,246,628</u>

**Bills discounted and purchased** (excluding treasury bills): Note 7.8

Payable in Bangladesh	3,069,602,060	2,477,895,164
Payable outside Bangladesh	934,981,076	529,948,000

<u>4,004,583,136</u>	<u>3,007,843,164</u>
<u>41,147,282,000</u>	<u>32,551,089,792</u>

**7.1 As per the remaining maturity grouping in the following order:**

On demand	4,712,503,000	3,187,608,792
Less than three months	10,122,531,000	10,082,075,000
More than three months but less than one year	13,499,850,000	9,921,887,000
More than one year but less than five years	9,173,467,000	8,449,613,000
More than five years	<u>3,638,931,000</u>	<u>909,906,000</u>
	<u>41,147,282,000</u>	<u>32,551,089,792</u>

**7.2 Concentration of loans and advances**

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Advances to allied concerns of directors	35,297,944	33,278,000
Advances to chief executive and other senior executives	73,964,033	88,665,000
Advances to large and medium industries	15,191,220,811	5,847,923,000
Advances to small and cottage industries	36,300,000	62,089,000
Advances to customers' group	<u>25,810,499,212</u>	<u>26,519,134,792</u>
	<u>41,147,282,000</u>	<u>32,551,089,792</u>

Number of clients, with amount of outstanding and classified loans, to whom loans and advances sanctioned more than 10% of total capital of the bank:

	2006	2005
Number of the clients	35	56
Amount of outstanding advances (Tk)	19,323,600,000	17,067,422,000
Amount of classified advances (Tk)	-	-
Amount of recovery/rescheduling thereon (Tk)	-	-

**7.3 Sector-wise allocation of loans and advances**

	<u>2006</u>		<u>2005</u>	
	<u>% of</u> <u>Total loan</u>	<u>Taka</u>	<u>% of</u> <u>Total loan</u>	<u>Taka</u>
Agriculture, fishing,	0.03%		0.00%	

forestry and dairy firm		10,700,000.00		-
Industry (jute, textiles, garments, chemicals, cements, etc.)	21.33%	8,775,300,000	16.30%	5,307,000,000
Working capital financing	15.60%	6,417,500,000	12.29%	4,001,800,000
Export credit	8.75%	3,601,600,000	8.51%	2,770,500,000
Commercial credit	42.93%	17,662,700,000	51.76%	16,847,700,000
Small and cottage industries	0.09%	36,300,000	0.21%	66,800,000
Miscellaneous	11.28%	4,643,182,000	10.93%	3,557,289,792
	<u>100.00%</u>	<u>41,147,282,000</u>	<u>100.00%</u>	<u>32,551,089,792</u>

#### 7.4 Geographical location-wise allocations of loans and advances

Urban:

Dhaka region	72.27%	29,738,241,219	68.30%	22,230,945,972
Chittagong region	20.87%	8,586,511,734	23.53%	7,657,043,602
Sylhet region	5.01%	2,067,542,639	6.11%	1,990,389,138
Khulna region	0.68%	278,844,652	0.82%	266,575,375
	<u>98.83%</u>	<u>40,671,140,244</u>	<u>98.76%</u>	<u>32,144,954,087</u>

Rural:

Dhaka region	0.13%	50,869,158	0.02%	7,274,470
Chittagong region	0.74%	301,483,646	0.91%	297,441,927
Sylhet region	0.30%	123,788,952	0.31%	101,419,308
Khulna region	0.00%	-	0.00%	-
	<u>1.17%</u>	<u>476,141,756</u>	<u>1.24%</u>	<u>406,135,705</u>
	<u>100.00%</u>	<u>41,147,282,000</u>	<u>100.00%</u>	<u>32,551,089,792</u>

#### 7.5 Classification of loans and advances

	2006		2005	
	% of total loan	Taka	% of total loan	Taka
Unclassified	95.39%	39,250,144,701	95.48%	31,079,799,481
Special mention account (SMA)	0.64%	265,350,771	0.15%	49,048,043
Substandard	0.15%	57,869,747	0.19%	63,288,087
Doubtful	0.15%	62,235,730	1.33%	431,208,046
Bad/loss	3.67%	1,511,681,051	2.85%	927,746,135
	<u>100.00%</u>	<u>41,147,282,000</u>	<u>100.00%</u>	<u>32,551,089,792</u>

**7.6 Particulars of loans and advances**

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
i) Debts considered good in respect of which the bank is		
fully secured;	31,336,713,732	26,599,454,792
ii) Debts considered good for which the bank holds no other security than the debtors' personal security;	4,231,824,924	2,107,866,000
iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors;	5,578,743,344	3,843,769,000
iv) Debts considered doubtful or bad, not provided for	-	-
	<u>41,147,282,000</u>	<u>32,551,089,792</u>
v) Debts due by directors or officers of the bank or any of them either severally or jointly with any other persons;	161,444,897	115,496,000
vi) Debts due by companies or firms in which the directors or officers of the bank are interested as directors, partners or managing agents or, in case of private companies, as members;	35,297,944	33,278,000
vii) Maximum total amount of advances, including temporary advances made any time during the year to directors or managers or officers of the bank or any of them either severally or jointly with any other persons;	196,281,914	122,312,000
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 case of private companies, as members;	35,297,944	33,278,000
ix) Due from banking	-	-

companies;

x)	Classified loan for which interest/profit not charged		
	(a) Increase/decrease of provision (specific)	304,749,026	427,740,000
	Amount of debts written off	6,250,973	18,700,000
	Amount realised against the debts previously written off	-	-
		<u>2006</u>	<u>2005</u>
		<u>Taka</u>	<u>Taka</u>
	(b) Provision against the debt classified as bad/loss at the date of balance sheet	1,020,273,517	629,529,000
	(c) Amount of interest charged in suspense account	133,711,235	116,814,416
xi)	Loans written off:		
	- Current year	6,250,973	18,700,000
	- Cumulative to-date	112,439,592	106,188,619
	- The amount of written off loans for which lawsuit filed	150,957,746	150,501,746

**7.7 Listing of assets pledged as security/collaterals**

Nature of the secured assets

Fixed assets	23,528,563,476	18,821,103,000
Cash and quasi-cash	3,541,139,111	3,410,353,000
Others	<u>8,456,336,988</u>	<u>8,906,395,000</u>
	<u>35,526,039,575</u>	<u>31,137,851,000</u>

**7.8 Bills discounted and purchased**

Bills discounted and purchased excluding treasury bills:

Inside Bangladesh	3,069,602,060	2,477,895,164
Outside Bangladesh	<u>934,981,076</u>	<u>529,948,000</u>
	<u>4,004,583,136</u>	<u>3,007,843,164</u>

**7.9 Maturity grouping of bills  
discounted and purchased**

Within one month	2,078,052,136	1,395,111,164
More than one month but less than three months	1,294,322,000	1,230,351,000
More than three months but less than six months	606,678,000	357,515,000
More than six months	<u>25,531,000</u>	<u>24,866,000</u>
	<u>4,004,583,136</u>	<u>3,007,843,164</u>

## 8. Fixed assets including premises and furniture and fixtures

Category of assets	Cost					Rate of dep.	Depreciation				Written down value at 31 December 2006
	Balance at 1 January 2006	Additions during the year	Revalued during the year	Disposals during the year	Balance at 31 December 2006		Balance at 1 January 2006	Charged for the year	Adjustments for disposals etc.	Balance at 31 December 2006	
	Taka	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka	Taka
<b><u>Own assets</u></b>											
<b>Office:</b>											
Land	408,195,250	152,874,393	-	-	561,069,643	-	-	-	-	-	561,069,643
Buildings	143,218,839	342,651,101	-	-	485,869,940	4	16,650,606	6,079,376	-	22,729,982	463,139,958
Furniture and fixtures	65,448,600	27,662,832	-	-	93,111,432	10	1,793,904	8,457,868	-	10,251,772	82,859,660
Office appliances	1,297,392	633,034	-	-	1,930,426	20	1,011,945	148,756	-	1,160,701	769,725
Electrical appliances	29,603,355	41,331,975	-	-	70,935,330	20	2,568,837	10,823,343	-	13,392,180	57,543,150
Motor vehicles	1,477,767	50,000	-	-	1,527,767	20	1,463,599	-	-	1,463,599	64,168
	<u>649,241,203</u>	<u>565,203,335</u>	<u>-</u>	<u>-</u>	<u>1,214,444,538</u>		<u>23,488,891</u>	<u>25,509,343</u>	<u>-</u>	<u>48,998,234</u>	<u>1,165,446,304</u>
<b>Residence of executives:</b>											
Furniture and fixtures	1,020,290	75,000	-	(25,000)	1,070,290	10	314,855	94,987	(7,215)	402,627	667,663
Electrical appliances	7,858,694	1,350,000	-	(275,000)	8,933,694	20	3,326,567	1,053,988	(125,168)	4,255,387	4,678,307
	<u>8,878,984</u>	<u>1,425,000</u>	<u>-</u>	<u>(300,000)</u>	<u>10,003,984</u>		<u>3,641,422</u>	<u>1,148,975</u>	<u>(132,383)</u>	<u>4,658,014</u>	<u>5,345,970</u>
	<u>658,120,187</u>	<u>566,628,335</u>	<u>-</u>	<u>(300,000)</u>	<u>1,224,448,522</u>		<u>27,130,313</u>	<u>26,658,318</u>	<u>(132,383)</u>	<u>53,656,248</u>	<u>1,170,792,274</u>
<b><u>Leased assets</u></b>											
Furniture and fixtures	106,051,227	-	-	-	106,051,227	10	10,605,123	9,544,610	-	20,149,733	85,901,494

Electrical appliances	58,886,808	-	-	-	58,886,808	20	11,777,362	9,421,896	-	21,199,258	37,687,550
Motor vehicles	21,344,476	425,206	-	-	21,769,682	20	4,268,895	11,496,970	-	15,765,865	6,003,817
	186,282,511	425,206	-	-	186,707,717		26,651,380	30,463,476	-	57,114,856	129,592,861
Total 2006	844,402,698	567,053,541	-	(300,000)	1,411,156,239		53,781,693	57,121,794	(132,383)	110,771,104	1,300,385,135
Total 2005	356,406,480	334,402,171	231,662,460	(78,068,413)	844,402,698		42,676,459	36,981,450	(25,876,216)	53,781,693	790,621,005

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
<b>9. Other assets</b>	<u>2,619,357,106</u>	<u>1,412,281,896</u>
<b>9.1 Classification of other assets</b>		
a) Income generating other assets	-	-
b) Non-income generating other assets:		
i) Investment in shares of subsidiary companies:		
- Inside Bangladesh	-	-
- Outside Bangladesh	-	-
ii) Stationery, stamps, printing materials, etc.	21,509,382	13,982,540
iii) Advance rent and advertisement	47,284,535	42,152,032
iv) Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures, and other income receivables	136,202,678	92,418,341
v) Security deposits	935,600	1,188,613

vi) Preliminary, formation and organisational expenses, renovation, development and prepaid expenses	80,342,846	2,479,352
vii) Branch adjustment (Note 9.2)	1,064,443,949	202,453,657
viii) Suspense account	29,642,795	18,273,122
ix) Silver	-	-
x) Others (Note 9.3)	<u>1,238,995,321</u>	<u>1,039,334,239</u>
	<u><u>2,619,357,106</u></u>	<u><u>1,412,281,896</u></u>

## 9.2 Branch adjustment

General accounts debit	11,483,424,148	5,739,817,101
General accounts credit	<u>(10,418,980,199)</u>	<u>(5,537,363,444)</u>
	<u><u>1,064,443,949</u></u>	<u><u>202,453,657</u></u>

Branch adjustments account represents outstanding interbranch and head office transactions (net) originated but yet to be responded by balance sheet date. However, the unrespondent entries of 31 December 2006 are given below:

	<u>Debit</u>	<u>No. of unrespondent entries</u>	<u>Credit</u>	<u>Debit</u>	<u>Unrespondent entries (Taka)</u>	<u>Credit</u>
Upto 3 months	875		465	1,330,470,851		260,812,629
Over 3 months but within 6 months	42		53	5,115,343		13,702,820
Over 6 months but within 1 year	48		43	94,446,849		92,453,577
Over 1 year but within 5 years	<u>16</u>		<u>1</u>	<u>1,384,932</u>		<u>5,000</u>
	<u><u>981</u></u>		<u><u>562</u></u>	<u><u>1,431,417,975</u></u>		<u><u>366,974,026</u></u>

**9.3 Breakup of others**

Advance tax paid	1,118,710,158	934,054,202
Accounts receivable - others	106,509,998	97,783,612
ATM teller account	7,610,400	5,774,100
DD paid without advice	1,755,055	639,725
Deferred tax	-	1,082,600
Right Issue of Share	4,409,710	-
	<u>1,238,995,321</u>	<u>1,039,334,239</u>

**10. Borrowing from other banks, financial institutions and agents**

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Inside Bangladesh:		
Secured -		
Refinance from Bangladesh Bank	14,442,000	70,112,500
Unsecured -		
Bangladesh Commerce Bank Limited	50,000,000	-
Al-Falah Bank	100,000,000	-
Basic Bank Limited	150,000,000	-
	<u>314,442,000</u>	<u>70,112,500</u>
Outside Bangladesh	-	-
	<u>314,442,000</u>	<u>70,112,500</u>

**10.1 Maturity grouping of borrowings**

Repayable on demand	300,000,000	-
Repayable within one month	-	-
Over one month but within 6 months	300,000	-
Over six months but within one year	-	-
Over one year	<u>14,142,000</u>	<u>70,112,500</u>
	<u><u>314,442,000</u></u>	<u><u>70,112,500</u></u>

**11. Deposits and other accounts**

Inter-bank deposits (Note 11.1)	2,878,472,000	2,713,113,112
Other deposits (Note 11.2)	<u>43,177,711,240</u>	<u>35,545,039,576</u>
	<u><u>46,056,183,240</u></u>	<u><u>38,258,152,688</u></u>

**11.1 Inter-bank deposits**

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Pubali Bank Limited	-	150,000,000
Rupali Bank Limited	200,000,000	300,000,000
Uttara Bank Limited	200,000,000	200,000,000
Basic Bank Limited	300,000,000	300,000,000
Exim Bank Limited	264,830,000	4,461,000
IFIC Bank Limited	300,206,000	200,000
BRAC Bank Limited	766,000	2,148,000

Mercantile Bank Limited	100,000	69,000
Arab Bangladesh Bank Limited	49,000	48,000
Bank Asia Limited	-	282,000
Social Investment Bank Limited	191,835,000	150,422,000
National Bank Limited	-	350,000,000
Agrani Bank	-	800,000,000
Janata Bank	300,000,000	-
Bangladesh Shilpa Rin Sangstha	50,000,000	30,100,000
Dhaka Bank Limited	59,000	8,015,000
Bangladesh Shilpa Bank	50,000,000	50,000,000
Shahjalal Islami Bank Limited	751,757,000	200,514,000
Al-Arafah Islami Bank Limited	25,798,000	19,390,000
Islami Bank Bangladesh Limited	228,397,000	116,658,000
Accrued interest	<u>14,675,000</u>	<u>30,806,112</u>
	<u><u>2,878,472,000</u></u>	<u><u>2,713,113,112</u></u>

Analysis of residual maturity grouping of inter-bank deposits:

Payable on demand	314,000	8,015,000
Within one month	1,062,303,000	618,588,193
More than one month but less than six months	1,815,855,000	2,086,509,919
More than six months but less than one year	-	-
More than one year but less than five years	-	-

More than five years but less than ten years	-	-
	-	-
	<u>2,878,472,000</u>	<u>2,713,113,112</u>

## 11.2 Other deposits

Analysis of residual maturity grouping of other deposits:

Payable on demand	6,107,164,240	3,768,292,688
Within one month	2,424,490,000	6,157,331,807
More than one month but less than six months	14,046,481,000	8,342,347,081
More than six months but less than one year	12,547,221,000	8,537,361,000
More than one year but less than five years	7,387,809,000	8,076,207,000
More than five years but less than ten years	664,546,000	663,500,000
	<u>43,177,711,240</u>	<u>35,545,039,576</u>

## 12. Other liabilities

	<u>Notes</u>	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Provision for classified loans and advances	12.1	1,117,350,408	812,601,381
Provision for unclassified loans and advances	12.2	420,000,000	316,000,000
Interest suspense account	12.3	133,711,235	101,885,897
Provision for taxation	12.4	1,391,142,049	1,169,277,272
Provision for deferred tax	12.5	13,353,300	-
Provision for Superannuation Fund		4,300,000	-
Obligation under finance lease	12.6	115,185,406	149,312,722

Accrued expenses	5,377,705	3,402,469
Interest payable on borrowings	846,673	2,140,875
Accounts payable - Bangladesh Bank (local currency)	4,064,151	2,550,000
Accounts payable - Others	128,401,386	155,140,054
Provision for bonus	3,457,150	65,287,151
Provision for others	8,569,807	5,569,807
Advance interest on treasury bills	-	107,285,931
Withholding tax on interest on deposits	48,805,805	39,167,232
Provision for audit fees	350,000	250,000
	<u>3,394,915,075</u>	<u>2,929,870,791</u>

#### 12.1 Provision for classified loans and advances

Opening balance	812,601,381	384,861,381
Fully provided advances written off during the year	(6,250,973)	(18,700,000)
Specific provision for the year	<u>311,000,000</u>	<u>446,440,000</u>
Closing balance	<u>1,117,350,408</u>	<u>812,601,381</u>

#### 12.2 Provision for unclassified loans and advances

Opening balance	316,000,000	220,000,000
General provision for the year	<u>104,000,000</u>	<u>96,000,000</u>
Closing balance	<u>420,000,000</u>	<u>316,000,000</u>

### 12.3 Interest suspense account

Opening balance	101,885,897	23,686,481
Interest suspense for the year	93,786,176	116,814,416
Interest suspense recovered during the year	(61,950,828)	(37,391,000)
Interest suspense written off during the year	<u>(10,010)</u>	<u>(1,224,000)</u>
Closing balance	<u>133,711,235</u>	<u>101,885,897</u>

### 12.4 Provision for taxation

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Balance, brought forward	1,169,277,272	1,120,153,189
Adjustment of tax provision in respect of assessment years 2006-2007 have been completed and finalised	(492,135,223)	-
Adjustment of tax provision in respect of assessment years 2001-2002 to 2003-2004 have been completed and finalised	-	(494,150,917)
Provision for the year	<u>714,000,000</u>	<u>543,275,000</u>
Balance, carry forward	<u>1,391,142,049</u>	<u>1,169,277,272</u>

Provision for tax for the year 2006 (assessment year 2007-2008) has been made as per best estimate of the Tax Adviser of the company.

Assessment for the year 2005 (assessment year 2006-2007) has been completed and finalised.

Assessment for the year 2004 (assessment year 2005-2006) is under appeal with the Taxes Appellate Tribunal against disallowance of gratuity expense for the year. The Bank maintains Gratuity Fund as recognised by the Tax Authority.

Assessment for the year 2003 (assessment year 2004-2005) is under appeal preferred by the bank against tax department's demand for additional tax of Tk 11,022,772.

Provision made in the accounts for the year is, however, adequate to cover the tax assessed by the DCT.

Assessments for the years 1999 to 2002 (assessment years 2000-2001 to 2003-2004) have been completed and finalised.

Assessments for the years 1997 and 1998 (assessment years 1998-1999 and 1999-2000) are under appeal with the High Court preferred by the bank against tax department's demand for additional tax of Tk 22,222,416 and Tk 28,781,692. Revised assessed tax exceeded the provision made in the accounts for these assessment years by Tk 37,486,223.

## 12.5 Provision for deferred tax

Deferred tax assets:

Opening balance as on 1 January	1,082,600	-
Addition during the year	-	-
Closing balance as on 31 December	<u>1,082,600</u>	<u>-</u>

Deferred tax liabilities:

Opening balance as on 1 January	-	-
Addition during the year	<u>14,435,900</u>	<u>-</u>
Closing balance as on 31 December	<u>14,435,900</u>	<u>-</u>
	<u>13,353,300</u>	<u>-</u>

## 12.6 Obligation under finance lease

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
This represents obligation in respect of lease of:		
Furniture and fixtures	74,525,532	91,869,713
Electrical appliances	38,319,396	49,496,098
Motor vehicles	<u>2,340,478</u>	<u>7,946,911</u>
	<u>115,185,406</u>	<u>149,312,722</u>

## 13. Share capital

### 13.1 Authorised:

<u>35,000,000</u> ordinary shares of Tk 100 each	<u>3,500,000,000</u>	<u>2,500,000,000</u>
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### 13.2 Issued, subscribed and paid up:

4,150,000 ordinary shares of Tk 100 each issued for cash	415,000,000	415,000,000
6,413,696 ordinary shares of Tk 100 each issued as bonus shares	641,369,600	465,308,000
<u>10,563,696</u> ordinary shares of Tk 100 each issued as right shares	<u>1,056,369,600</u>	<u>-</u>
<u>21,127,392</u>	<u>2,112,739,200</u>	<u>880,308,000</u>

Shareholding position was as follows:

			<u>Face value/Taka</u>	
	<u>Number</u>	<u>Percentage</u>	<u>At 31 Dec. 2006</u>	<u>At 31 Dec. 2005</u>
Sponsors	7,834,174	37.08%	783,417,400	328,077,600

Investment Corporation of Bangladesh	85,368	0.40%	8,536,800	7,138,400
ICB Investors A/c	1,321,332	6.25%	132,133,200	84,605,400
Financial institutions	3,339,762	15.81%	333,976,200	97,795,400
General public	8,386,514	39.69%	838,651,400	356,014,400
Foreign investors	<u>160,242</u>	<u>0.76%</u>	<u>16,024,200</u>	<u>6,676,800</u>
	<u><u>21,127,392</u></u>	<u><u>100%</u></u>	<u><u>2,112,739,200</u></u>	<u><u>880,308,000</u></u>

Classification of shareholders by holding:

	Number of holders		% of total holding	
	<u>At 31 Dec.</u> <u>2006</u>	<u>At 31 Dec.</u> <u>2005</u>	<u>At 31 Dec. 2006</u>	<u>At 31 Dec.</u> <u>2005</u>
Less than 500 shares	7,123	4,842	4.58	6.66
501 to 5,000 shares	1,455	743	9.85	12.75
5,001 to 10,000 shares	88	45	3.05	4.24
10,001 to 20,000 shares	54	50	3.64	9.26
20,001 to 30,000 shares	23	14	2.71	5.30
30,001 to 40,000 shares	22	10	3.59	5.96
40,001 to 50,000 shares	12	9	2.57	5.59
50,001 to 100,000 shares	29	21	10.38	20.15
100,001 to 1,000,000 shares	49	16	59.63	30.09
Over 1,000,000 shares	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>8,855</u></u>	<u><u>5,750</u></u>	<u><u>100.00</u></u>	<u><u>100.00</u></u>

### 13.3 Initial public offer (IPO)

Out of the total issued, subscribed and fully paid up capital of the bank 1,500,000 ordinary shares of Tk 100 each amounting to Tk 150,000,000 was raised through public offering on shares in 1999.

### 13.4 Right issue

During the year the bank issued right shares in the proportion of 1 right share for each share held at a premium of Tk 100 per share. Accordingly, 10,563,696 shares of Tk 100 each amounting to Tk 1,056,369,600 along with premium of Tk 1,056,369,600 have been subscribed and paid up during the year 2006.

### 13.5 Name of directors and their shareholdings as on 31 December 2006

Name of directors	Status	Position as on 31.12.06
Mr. Alamgir Kabir, FCA	Chairman	161,460 shares of Tk 100 each total Tk 16,146,000
Tillaghar Holdings Limited Represented by Mr. Abdul Hye	Vice Chairman	93,600 shares of Tk 100 each total Tk 9,360,000
MK Holdings Limited Represented by Mrs. Sultana Kashem	Director	93,600 shares of Tk 100 each total Tk 9,360,000
AD Holdings Limited Represented by Mrs. Farzana Azim	Director	93,600 shares of Tk 100 each total Tk 9,360,000
Bangla Capital Limited Represented by Mr. Tanveer Harun	Director	31,200 shares of Tk 100 each total Tk 3,120,000
Mrs. Rehana Rahman	Director	259,622 shares of Tk 100 each total Tk 25,962,200
Mrs. Sirat Monir	Director	12,480 shares of Tk 100 each total Tk 1,248,000
Karnafuli Tea Co. Ltd. Represented by Mr. Md. Dewan Mustaq Majid	Director	3,744 shares of Tk 100 each total Tk 374,400

### 13.6 Capital adequacy

Calculated as per BRPD Circular no. 10 issued by Bangladesh Bank on 25 November 2002 and subsequent amended Circular no. 3 dated 9 May 2004.

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Total assets of the bank including off-balance sheet items	<u>78,637,128,583</u>	<u>62,404,130,998</u>
Total risk weighted assets	<u>42,960,414,000</u>	<u>32,428,978,000</u>
Required capital @ 9% of risk weighted assets	<u>3,866,437,260</u>	<u>2,918,608,020</u>
Capital held:		
Core capital	4,400,881,000	1,800,808,148
Supplementary capital	540,035,000	436,035,276
	<u>4,940,916,000</u>	<u>2,236,843,424</u>
Surplus/(deficit)	<u>1,074,478,740</u>	<u>(681,764,596)</u>
Percentage of capital held against risk weighted assets	<u>11.50%</u>	<u>6.90%</u>

### 14. Statutory reserve

Balance brought forward	697,215,000	513,936,000
Addition during the year	<u>327,663,000</u>	<u>183,279,000</u>
Balance carried forward	<u>1,024,878,000</u>	<u>697,215,000</u>

### 15. Other reserves

General reserve:

Opening balance	27,650,000	27,650,000
Addition during the year	-	-
Closing balance	27,650,000	27,650,000
Revaluation reserve		
Opening balance	231,662,460	-
Addition during the year	-	231,662,460
Closing balance	231,662,460	231,662,460
Exchange equalisation fund:		
Opening balance	4,204,046	4,204,046
Addition during the year	-	-
Closing balance	4,204,046	4,204,046
	<u>263,516,506</u>	<u>263,516,506</u>

## 16. Retained earnings

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Balance brought forward	19,573,548	3,339,634
Adjustment in respect of prior years	-	1,370,662
Profit for the year	909,880,784	374,203,852
Transfer to statutory reserve	(327,663,000)	(183,279,000)
Proposed issue of bonus shares	-	(176,061,600)
Amount transferred to SBL Foundation	-	-
Balance carried forward	<u>601,791,332</u>	<u>19,573,548</u>

Adjustment in respect of prior years represent the following:

Depreciation on land charged earlier	-	19,202,658
Under provision for expenses	-	<u>(17,831,996)</u>
	-	<u>1,370,662</u>

## 17. Contingent liabilities and commitments

a)	Claims against the Bank not acknowledged as debts	-	-
	Money for which the Bank is contingently liable in respect of guarantee given favouring:		
	Directors	7,530,000	9,081,000
	Government	-	-
	Banks and other financial institutions	-	-
	Others	<u>4,978,238,328</u>	<u>3,919,851,164</u>
		<u>4,985,768,328</u>	<u>3,928,932,164</u>
b)	Commitments:		
i)	Documentary credit and short term business transactions	16,438,347,676	13,191,510,196
ii)	Forward assets purchased and forward deposits	-	-
iii)	Existing facilities, loan facilities and other commitments not accounted for:		
	Less than one year		

	-	-
More than one year	-	-
iv) Spot and forward foreign exchange rate contracts	-	-
v) Other exchange contracts	-	-
	<u>16,438,347,676</u>	<u>13,191,510,196</u>

## 18. Income statement

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Income:		
Interest, discount and similar income	5,508,959,040	3,827,051,649
Dividend income	18,115,028	23,551,714
Fees, commission and brokerage	611,838,044	445,592,998
Gains less losses arising from dealing securities	19,923,740	6,936,279
Gains less losses arising from investment securities	-	-
Gains less losses arising from dealing in foreign currencies	472,338,670	287,965,934
Income from non-banking assets	-	-
Other operating income	134,938,982	98,450,143
Profit less losses on interest rate changes	-	-
Nominal value of bonus share received	-	-
	<u>6,766,113,504</u>	<u>4,689,548,717</u>
Expenses:		
Interest, fees and commission	4,044,631,543	2,642,644,440
Losses on loans and advances	-	-
Administrative expenses	432,390,752	408,930,986

Other operating expenses	169,311,731	127,555,589
Depreciation on banking assets	<u>57,121,794</u>	<u>36,981,450</u>
	<u>4,703,455,820</u>	<u>3,216,112,465</u>
Income over expenditure	<u><u>2,062,657,684</u></u>	<u><u>1,473,436,252</u></u>

## 19. Interest income

Interest on loans and advances	4,811,331,708	3,327,372,362
Interest on placement with other banks and financial institutions	113,931,676	146,891,438
Interest on foreign currency balances	<u>23,418,555</u>	<u>5,212,567</u>
	<u>4,948,681,939</u>	<u>3,479,476,367</u>
Profit on investment (Islamic Banking Branch):		
Profit on Bai-Muajjal	50,478,327	31,741,546
Profit on Murabaha	28,661,658	15,714,441
Profit on hire purchase	69,368,742	39,202,316
Profit on Quard against MTDR	<u>10,589,048</u>	<u>2,074,965</u>
	<u>159,097,775</u>	<u>88,733,268</u>
	<u><u>5,107,779,714</u></u>	<u><u>3,568,209,635</u></u>

## 20. Interest paid on deposits, borrowings, etc.

Interest paid on:

Interest on deposits	3,694,400,003	2,376,790,433
Interest on borrowings	104,012,706	154,020,516
Interest on foreign bank accounts	-	319,292

	<u>3,798,412,709</u>	<u>2,531,130,241</u>
Profit paid on deposits (Islamic Banking Branch):		
Mudaraba Savings Deposits (MSB)	62,177,642	26,744,158
Mudaraba Short Term Deposits (MSTD)	3,740,896	23,281,032
Mudaraba Fixed Term Deposits (MFDR)	<u>180,300,296</u>	<u>61,489,009</u>
	<u>246,218,834</u>	<u>111,514,199</u>
	<u>4,044,631,543</u>	<u>2,642,644,440</u>

## 21. Income from investment

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Interest on treasury bills/bonds	384,380,559	243,171,507
Dividend on investment in shares	18,115,028	23,551,714
Capital gain - Treasury bill/bonds	19,923,740	6,936,279
Gain on sale of investment in shares	16,798,767	15,670,507
Nominal value of bonus share received	-	-
	<u>439,218,094</u>	<u>289,330,007</u>

## 22. Commission, exchange and brokerage

Commission and brokerage	611,838,044	445,592,998
Exchange gain (Note 22.1)	<u>472,338,670</u>	<u>287,965,934</u>
	<u>1,084,176,714</u>	<u>733,558,932</u>

**22.1 Exchange gain**

Exchange gain	472,338,670	287,965,934
Less: Exchange loss thereon	-	-
	<u>472,338,670</u>	<u>287,965,934</u>

**23. Other operating income**

Remittance fees	3,523,644	3,053,933
Service and incidental charges	53,493,138	42,159,822
Other fees -Telephone/telex/postage	17,204,006	9,376,235
Income from ATM services	290,360	371,340
Income from credit card	18,532,293	9,523,379
On-line services	9,193,180	8,590,083
Other fees - SWIFT	30,385,651	20,745,918
Demat and custody fees	-	856,012
Gain on sale of fixed assets (Note 23.1)	-	1,324,621
Miscellaneous income	<u>2,316,710</u>	<u>2,448,800</u>
	<u>134,938,982</u>	<u>98,450,143</u>

**23.1 Gain on sale of fixed assets****Cost:**

Motor vehicle	-	1,098,298
Furniture and fixtures	25,000	53,308,771
Office appliances	-	312,625

Electrical appliances	<u>275,000</u>	<u>23,348,719</u>
	<u>300,000</u>	<u>78,068,413</u>
<b>Accumulated depreciation:</b>		
Motor vehicle	-	607,916
Furniture and fixtures	7,215	2,695,586
Office appliances	-	270,679
Electrical appliances	<u>125,168</u>	<u>3,099,377</u>
	<u>132,383</u>	<u>6,673,558</u>
<b>Written down value</b>	167,617	71,394,855
Sale proceeds of the above fixed assets	<u>167,617</u>	<u>72,719,476</u>
<b>Gain on sale of fixed assets</b>	<u>-</u>	<u>1,324,621</u>

#### 24. Salaries and allowances

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Basic salary	130,682,991	109,121,963
Allowances	83,190,602	61,824,387
Bonus	24,144,175	81,678,175
Provident fund	<u>11,298,804</u>	<u>9,322,176</u>
	<u>249,316,572</u>	<u>261,946,701</u>

#### 25. Rent, taxes, insurance, lighting, etc.

Rent, rates and taxes	50,106,399	43,564,655
Insurance	20,406,076	16,070,855
Electricity and lighting	<u>11,131,443</u>	<u>9,837,032</u>
	<u><u>81,643,918</u></u>	<u><u>69,472,542</u></u>

**26. Postage, stamp, telegram and telephone**

Postage	10,367,615	5,489,025
Telephone	9,311,493	7,530,805
Telex	19,778	218,751
Electronic banking service	3,595,930	3,911,421
FC Charge (Nostro)	1,053,979	685,962
VSAT on-line	9,812,364	8,115,483
Reuters services	2,755,087	2,650,007
SWIFT services	<u>14,453,463</u>	<u>11,063,565</u>
	<u><u>51,369,709</u></u>	<u><u>39,665,019</u></u>

**27. Stationery, printing, advertisement, etc.**

Table stationery	4,435,305	3,119,535
Printing stationery	4,870,789	2,998,222
Security stationery	1,072,946	917,498
Computer stationery	4,344,770	3,836,484
Publicity and advertisement	<u>15,634,745</u>	<u>13,940,074</u>
	<u><u>30,358,555</u></u>	<u><u>24,811,813</u></u>

## 28. Directors' fees and expenses

Directors' fees	880,200	583,000
Directors' haltage and travelling	<u>290,829</u>	<u>256,611</u>
	<u><u>1,171,029</u></u>	<u><u>839,611</u></u>

Each director is paid Tk 4,000 per meeting per attendance.

## 29. Managing Director's remuneration

Basic salary	2,993,548	1,800,000
Festivel bonus (two)	500,000	300,000
Provident fund	<u>299,355</u>	<u>180,000</u>
	<u><u>3,792,903</u></u>	<u><u>2,280,000</u></u>

## 30. Depreciation on and repairs to Bank's property

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Depreciation on own assets:		
Building	6,079,376	4,871,681
Furniture and fixtures	8,552,854	1,877,988
Office appliance	148,631	95,267
Electrical appliance	11,877,457	3,485,134
Motor vehicles	<u>-</u>	<u>-</u>
	<u><u>26,658,318</u></u>	<u><u>10,330,070</u></u>
Depreciation on leased assets:		
Furniture and fixtures	9,544,610	10,605,123

Electrical appliance	9,421,896	11,777,362
Motor vehicles	<u>11,496,970</u>	<u>4,268,895</u>
	<u>30,463,476</u>	<u>26,651,380</u>
Repairs:		
Furniture and fixtures	1,786,860	1,001,011
Office and electrical appliance	7,193,395	4,018,314
Motor vehicles	2,621,676	2,298,180
Repair, maintenance and utilities	<u>2,632,585</u>	<u>2,158,997</u>
	<u>14,234,516</u>	<u>9,476,502</u>
	<u>71,356,310</u>	<u>46,457,952</u>

### 31. Other expenses

Security and cleaning	13,510,554	11,742,488
Entertainment - Office and AGM	7,910,403	7,250,034
Business promotion expenses	16,998,349	3,936,569
Car expenses	26,711,384	20,536,407
Books and periodicals	401,831	420,295
Subscription and donation	8,913,139	5,093,079
Travelling expenses	4,944,202	2,020,116
Finance charge on leased assets	16,147,793	19,336,815
Conveyance	2,159,899	1,695,298
Petrol, oil and lubricant	3,738,547	3,120,565
Training/seminar		

	2,141,912	1,408,221
Uniforms and apparels	649,132	668,576
Medical expenses	994,209	491,902
Gratuity	14,300,000	14,547,467
Superannuation fund	4,300,000	1,001,000
Professional expenses	5,149,590	3,895,057
Expenses for CIB report	77,400	63,650
Expenses regarding credit card	10,977,545	6,459,429
Miscellaneous	<u>29,285,842</u>	<u>23,868,621</u>
	<u><u>169,311,731</u></u>	<u><u>127,555,589</u></u>

## 32. Earnings per share

	<u>Taka</u>
Bonus issue:	
Net profit after tax for the year ended 31 December 2005	374,203,852
Number of ordinary shares outstanding	<u>10,563,696</u>
Earnings per share (EPS) in 2005	<u><u>35.42</u></u>
Right issue:	
Net profit after tax for the year ended 31 December 2006	<u>909,880,784</u>
Ordinary shareholding until 27 May 2006	8,803,080
Bonus shares issued on 28 May 2006 (1 share per 5 shares held)	<u>1,760,616</u>
Shares outstanding prior to right issue	

	<u>10,563,696</u>
Right shares issued on 15 October 2006 (1 share per 1 outstanding share)	<u>10,563,696</u>
Total ordinary shares outstanding after right issue	<u><u>21,127,392</u></u>
Theoretical ex-rights per share	244.50
Adjustment facto	1.18
Fair value of each share (market price as on 15 October 2006)	289.00
Exercise value of right shares	200.00
Earnings per share (EPS) in 2006	67.16

Previous year's figure has been rearranged to conform to current year's presentation.

### 33. General

#### 33.1 Audit Committee

The Audit Committee of the Board of Directors of the bank has been constituted by the Board of Directors in its 231st meeting held on 15 June 2006. The audit committee currently consists of the following members:

Sl. no.	Name	Status with the committee	Educational qualification
1)	Tillaghar Holdings Limited (represented by Mr. Abdul Hye)	Chairman	Graduate
2)	M/s AD Holdings Ltd. (represented by Mrs. Farzana Azim)	Member	M.A. (English)
3)	M/s MK Holdings Ltd. (represented by Mrs. Sultana Kashem)	Member	BBA

During the year 2006, the audit committee held 3 meetings on 22 August, 21 December and 23 December 2006. In those meetings, internal inspection report on bank's branches, and accounts of branches audited at the instructions of the audit committee were reviewed and suitable decisions were given. The audit committee also prescribed guidelines and gave directives for audit and inspection of branches, routinely in order that rules and norms of banking are always complied and deviations, if any, are ratified.

#### 33.2 Names of the directors and the entities in which they had interest as at 31 December 2006

Sl. No.	Name of Directors	Status with the bank	Entities where they had interest	Position
01.	Mr. Alamgir Kabir, FCA	Chairman	-	-
02	Tillaghar Holdings Limited represented by Mr. Abdul Hye	Vice Chairman	The Sylhet Tea Co. Limited  Rajnagar Tea Co. Limited Union Syndicate Limited TMR Knit Fabrics Limited Star Tea Estate Limited	Director  Director Director Director
03	MK Holdings Limited represented by Mrs. Sultana Kashem	Director	MK Sweaters Limited Rose Corner (Pvt) Limited	Director Director
04	AD Holdings Limited represented by Mrs. Farzana Azim	Director	Mutual Food Products Ltd. Mutual Milk Product Ltd.	Director Director
05	Bangla Capital Limited represented by Mr. Tanveer Harun	Director	Foremost Securities Ltd.  Megatrend Limited	Managing Director Managing Director
06	Mrs. Rehana Rahman	Director	Bengal Tradeways Limited  Knitex Dyeing & Printing Ltd.	Managing Director Managing Director
07	Mrs. Sirat Monira	Director		
08	Karnafuli Tea Co. Ltd. represented by Mr. Md. Dewan Mustaq Majid	Director		

### 33.2.1 Loans and advances to directors and their related concern

<u>Name of party</u>	<u>Name of the director</u>	<u>Related by</u>	<u>Nature of transaction</u>	<u>Amount in million Taka</u>	<u>Status</u>
Bangla German Latex Co. Ltd.	Mr. Tanveer Harun	Director	Syndicate term loan	35.30	Rescheduled
- do-	-do-	Director	Bank guarantee	2.00	Regular
Monorom Traders	Mrs. Farzana Azim	Director	Bank guarantee	5.53	Regular

### 33.3 Related party/(ies) transaction

As of the date of these financial statements the bank had no transactions with the related party/(ies) as defined in the BRPD Circular No. 14 issued by the Bangladesh Bank on 25 June 2003.

### 33.4 Post balance sheet events

The Board of Directors in its 248th board meeting dated 21 March 2007 decided to recommend cash dividend @ 20% amounting to Tk 422,547,840 and stock dividend @ 8% i.e. 1 share for every 12.5 shares held amounting to Tk 169,019,136.

### 33.5 Number of employees

The number of employees engaged for the whole year or part thereof who received a total yearly remuneration of Tk 36,000 or above were 998 (2005: 913).

### 33.6 Auditors' work-hour

The external auditor of the Bank, M/s Rahman Rahman Huq, Chartered Accountants worked more than 1,800 man-hour at the Bank's head office and different branches. During their audit, they audited above 80% of the Bank's risk weighted assets as on the reporting date.

**Southeast Bank Limited**

**Statement of Liquidity**  
**(Maturity Analysis of Assets and Liabilities)**  
**for the year ended 31 December 2006**

	<u>Within one month Taka</u>	<u>Within one to three months Taka</u>	<u>Within three to twelve months Taka</u>	<u>Within one to five years Taka</u>	<u>More than five years Taka</u>	<u>Total Taka</u>
<b>ASSETS:</b>						
Cash in hand	2,783,415,543	-	-	-	-	2,783,415,543
Balance with other banks and financial institutions	(518,967,907)	267,813,116	130,000,000	-	-	(121,154,791)
Money at call and short notice	830,000,000	-	-	-	-	830,000,000
Investments	451,945,773	1,470,484,515	872,138,824	1,783,412,310	1,687,568,538	6,265,549,960
Loans and advances	4,712,503,000	10,122,531,000	13,499,850,000	9,173,467,000	3,638,931,000	41,147,282,000
Fixed assets including leased assets	-	-	-	276,175,534	1,024,209,601	1,300,385,135
Other assets	1,216,918,703	21,025,196	223,534,365	1,134,214,676	23,664,166	2,619,357,106
Non-banking assets	-	-	-	-	-	-
<b>Total assets</b>	<b>9,475,815,112</b>	<b>11,881,853,827</b>	<b>14,725,523,189</b>	<b>12,367,269,520</b>	<b>6,374,373,305</b>	<b>54,824,834,953</b>

LIABILITIES:

Borrowing from other  
banks, financial institutions  
and agents

300,000,000	300,000	-	14,142,000	-	314,442,000
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Deposits

9,594,271,240	7,733,159,000	20,676,398,000	7,387,809,000	664,546,000	46,056,183,240
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Provisions and other  
liabilities

63,394,333	21,727,775	56,752,510	2,846,366,847	406,673,610	3,394,915,075
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**Total liabilities**

9,957,665,573	7,755,186,775	20,733,150,510	10,248,317,847	1,071,219,610	49,765,540,315
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**Amount of net liquidity  
difference**

(481,850,461)	4,126,667,052	(6,007,627,321)	2,118,951,673	5,303,153,695	5,059,294,638
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**Annexure - B****Southeast Bank Limited****Highlights on the overall activities  
as at 31 December 2006**

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
1 Paid up capital	2,112,739,200	880,308,000
2 Total capital (core + supplementary)	4,940,916,000	2,236,843,424
3 Capital surplus/(deficit)	1,074,478,740	(681,764,596)
4 Total assets	54,824,834,953	43,294,810,633
5 Total deposits	46,056,183,240	38,258,152,688
6 Total loans and advances	41,147,282,000	32,551,089,792
7 Total contingent liabilities and commitments	23,812,293,630	19,110,402,965
8 Credit deposit ratio (%)	89.34%	85.08%
9 Percentage of classified loans against total loans and advances	3.97%	4.37%
10 Profit after tax and provisions	909,880,784	374,203,852
11 Amount of classified loans during the year	1,631,786,528	1,422,242,268
12 Provisions kept against classified loans	1,117,350,408	812,601,381
13 Provision surplus/(deficit)	2,188,909	7,381
14 Cost of fund	9.43%	7.95%
15 Interest earning assets	46,488,844,133	36,935,052,231
16 Non-interest earning assets	8,335,990,820	6,358,675,802
17 Return on investment (ROI)	18.42%	16.69%
18 Return on assets (ROA)	1.66%	0.86%
19 Income from investment	439,218,094	289,330,007
20 Earning per share	67.16	35.42
21 Net income per share	43.07	35.42
22 Price earning ratio	4.78	15.80

**Balance Sheet of Islami Banking Branches  
as at 31 December 2006**

<b><u>PROPERTY AND ASSETS</u></b>	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
<b>Cash:</b>		
In hand (including foreign currencies)	30,114,779	14,124,465
With Bangladesh Bank and Sonali Bank (including foreign currencies)	8,044,867	-
	38,159,646	14,124,465
<b>Balance with other banks and financial institutions:</b>		
In Bangladesh	11,916,618	10,591,442
Outside Bangladesh	-	-
	11,916,618	10,591,442
<b>Money at call and short notice</b>	-	-
<b>Investments including bills:</b>		
Bai-Muajjal, Murabaha, Quard against MTDR and others	1,352,576,368	1,113,967,866
Bills purchased and discounted	63,123,498	12,872,739
	1,415,699,866	1,126,840,605
<b>Fixed assets including premises and furniture and fixtures</b>	22,385,807	20,018,889
<b>Other assets</b>	2,682,398,595	898,610,731
<b>Non-banking assets</b>	-	-
<b><i>Total assets</i></b>	<u>4,170,560,532</u>	<u>2,070,186,132</u>

**LIABILITIES AND**

**CAPITAL****Liabilities:**

Borrowing from other banks, financial institutions and agents

- -

**Deposits and other accounts:**

Al-Wadiah current accounts and other accounts, etc.

145,308,919 132,310,742

Bills payable

22,439,736 29,806,543

Mudaraba savings bank deposits

1,382,987,017 700,777,406

Mudaraba term deposits

2,515,049,259 1,150,433,524

4,065,784,931 2,013,328,215

**Other liabilities**

104,775,601 56,857,917

**Total liabilities**

4,170,560,532 2,070,186,132

Annexure - C  
(contd.)2006  
Taka2005  
Taka**OFF BALANCE SHEET ITEMS****Contingent liabilities:**

Acceptances and endorsements

18,369,000

-

Letters of credit

229,585,500

10,482,000

Letters of guarantee

160,821,361

82,805,351

408,775,861

93,287,351

**Bills for collection:**

Payable in Bangladesh

3,477,735

1,430,017

Payable outside Bangladesh

-

-

3,477,735

1,430,017

**Other commitments**

-

-

**Total off balance sheet items including contingent liabilities**

412,253,596

94,717,368

Annexure - C  
(contd.)

**Profit and Loss Account of Islami Banking Branches  
for the year ended 31 December 2006**

<u>Particulars</u>	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Income from investment	369,982,899	193,637,272
Profit paid on deposits and borrowings, etc.	(250,101,956)	(115,778,411)
<b>Net investment income</b>	119,880,943	77,858,861
Commission, exchange and brokerage	11,619,030	4,879,441
Other operating income	11,058,083	8,440,763
	<u>22,677,113</u>	<u>13,320,204</u>
<b>Total operating income</b>	142,558,056	91,179,065
Salary and allowances	18,184,364	14,175,198
Rent, taxes, insurance, lighting, etc.	7,273,581	13,605,640
Postage, stamp, telegram and telephone	2,993,539	2,435,199
Stationery, printing and advertisement	1,088,343	1,181,918
Depreciation on and repairs to bank's property	3,627,828	2,910,991
Other expenses	14,025,548	5,950,048
<b>Total operating expenses</b>	<u>47,193,203</u>	<u>40,258,994</u>
<b>Total operating profit</b>	<u><u>95,364,853</u></u>	<u><u>50,920,071</u></u>

## Southeast Bank Limited

Head Office: Dhaka

### At a Glance

In Million taka

PARTICULARS	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Authorized Capital	3,500.00	2,500.00	2,500.00	2,500.00	2,500.00	500.00	500.00	500.00	500.00	500.00
Paid up Capital	2,112.74	1,056.37	880.31	677.16	399.30	363.00	330.00	300.00	150.00	125.00
Reserve Fund	2,828.18	1,180.47	769.13	622.98	571.66	394.20	235.28	145.70	85.13	46.43
Equity Fund (Capital and Reserve)	4,940.92	2,236.84	1,649.44	1,300.14	970.96	757.20	565.28	445.70	235.13	171.43
Deposit	46,056.18	38,258.15	27,930.84	19,618.82	15,343.45	10,570.25	8,569.70	7,512.49	5,483.39	4,146.00
Advance	41,147.28	32,551.09	22,001.70	15,541.50	13,027.13	9,178.03	7,061.87	5,051.88	3,402.21	2,588.32
Investment	6,265.55	5,113.14	3,190.15	2,581.61	2,282.08	1,727.44	1,369.92	971.81	509.73	420.66
Import Business	35,125.12	29,079.30	20,229.62	16,270.80	12,817.01	12,187.37	11,239.14	8,228.50	6,852.19	4,686.29
Export Business	25,874.61	13,511.10	6,761.93	3,033.79	2,263.45	2,675.05	1,319.51	704.47	353.43	177.46
Guarantee Business	8,656.80	7,975.00	4,717.82	3,391.19	2,502.48	1,854.50	1,306.24	907.18	744.92	345.41
Total Income	6766.11	4,689.55	3,043.49	2,772.52	1,936.54	1,748.18	1,259.03	862.86	727.53	389.00
Total Expenditure	4703.45	3,216.11	2,234.83	2,107.36	1,443.98	1,256.05	921.70	661.02	556.87	284.00
Operating Profit	2062.66	1,473.44	808.66	665.16	492.56	492.13	337.33	201.84	170.66	105.00
Net Profit after Tax and Provision	909.88	374.20	294.69	256.06	253.56	270.74	172.84	170.48	98.01	68.64
Fixed Assets	1,300.39	790.62	313.73	288.02	48.81	36.26	71.13	78.37	85.92	93.26
Total Assets	54,824.83	43,294.81	33,744.96	23,135.74	18,882.48	14,468.66	11,710.56	8,336.17	5,962.71	4,423.22

<i>Earning per Share (Tk.)</i>	67.16	42.51	43.52	45.38	69.85	82.04	57.61	56.99	45.38	40.65
<i>Dividend Cash (%)</i>	20%	-	-	20%	20%	30%	25%	15%	-	-
<i>Bonus Shares</i>	8%(12.5:1)	20% (5:1)	30(10:3)	20% (5:1)	10% (10:1)	10% (10:1)	10%(10:1)	-	20% (5:1)	25% (4:1)
<i>Return on Equity (ROE)</i>	19.62%	17.64%	17.87%	19.69%	26.11%	35.76%	30.58%	38.25%	41.68%	40.04%
<i>Return on Asset (ROA)</i>	1.66%	0.86%	1.00%	1.11%	1.34%	1.87%	1.48%	2.05%	1.64%	1.55%
<i>Non Performaing Loans as % of Total Lans</i>	3.97%	4.37%	4.96%	2.09%	1.99%	2.78%	2.95%	3.75%	4.25%	0.75%
<i>Number of Correspondent Banks</i>	138	130	122	80	45	40	39	34	32	30
<i>Number of Foreign Correspondents</i>	536	507	463	350	295	280	269	253	238	190
<i>Number of Shareholders</i>	8,855	5750	4704	2912	1666	1429	1266	1129	27	27
<i>Number of Employees - Banking</i>	845	759	685	586	488	479	445	399	369	289
<i>- Non Banking</i>	153	154	150	115	107	96	83	81	78	69
<i>Number of Branches</i>	31	31	27	23	19	13	12	12	12	10