

# Auditors' Report To The Share Holders of The City Bank Limited

We have audited the accompanying Balance Sheet of The City Bank Limited as of December 31, 2008 and the related Profit and Loss Account and the statement of Cash Flows for the year then ended. The preparation of these financial statements is the responsibility of the bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

## Scope:

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.

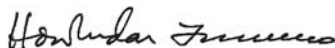
We observed that:

- a) Bank is required to make provision on Employee Gratuity Expenses as per requirement of the Bangladesh Accounting Standard (BAS)-19. This year the bank has made actuarial valuation on Gratuity Expenses showing deficit of provision of Taka 255,399,543 as of August 2008 under the assumption of continuing the fund. There is a shortfall of provision amounting to Taka 207,062,200 as of December 31, 2008 after considering additions and payment made in this regard;
- b) During the year loans and advances aggregating to Taka 372,896,000 has been written off against which provision for bad and doubtful debts were made in the year 2006, 2007 and 2008. The Bank has filed court cases against such advances on different dates in the year 2006, 2007 and 2008 which are pending on the date of Balance Sheet. On verification, we observe that income tax benefit has been claimed against such written off loans and advances which is subject to approval of the Income Tax Authority.

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraphs, 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 December 31, 2008, and of the results of its operations and its cash flows for the year then ended and comply with the applicable sections of 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.

Subject to the above, 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 company 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 December 31, 2008 and the profit for the year then ended have been properly reflected in the financial statements; the financial statements have been prepared in accordance with the generally accepted accounting principles;
- vi) the financial statements have drawn up in conformity with the Bank Companies Act 1991 and in accordance with the accounting rules and regulations issued by 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 ;
- x) the information and explanations required by us have been received and found satisfactory;
- xi) We were not aware of any other matters, which are required to be brought to the notice of the shareholders of the bank;
- xii) 80% of the risk-weighted assets of the branches allocated for audit have been audited by us.



HOWLADAR YUNUS & CO  
Chartered Accountants

Dhaka, Bangladesh  
May 24, 2009

# Balance Sheet as at 31 December 2008

PROPERTY AND ASSETS	Notes.	2008 Taka.	2007 Taka.
<b>Cash</b>	3		
In hand (including foreign currencies)		704,619,630	771,568,562
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		2,415,553,674	2,705,998,489
		<b>3,120,173,304</b>	<b>3,477,567,051</b>
<b>Balance with other banks and financial institutions</b>	4		
In Bangladesh		4,474,521,554	4,672,945,417
Outside Bangladesh		99,168,755	109,529,003
		<b>4,573,690,309</b>	<b>4,782,474,420</b>
<b>Money at call and short notice</b>	5	220,000,000	1,830,000,000
<b>Investments</b>	6		
Government		7,608,214,230	7,094,714,100
Others		1,423,484,654	455,892,392
		<b>9,031,698,884</b>	<b>7,550,606,492</b>
<b>Loans and advances / Investments</b>	7		
Loans, cash credits, overdrafts, etc./ general investments		32,426,746,144	25,039,792,708
Bills purchased and discounted	8	1,994,198,836	1,748,673,430
		<b>34,420,944,980</b>	<b>26,788,466,138</b>
<b>Fixed assets including premises, furniture and fixtures</b>	9	2,514,383,969	1,390,732,198
<b>Other assets</b>	10	3,233,684,612	2,935,556,719
<b>Non - banking assets</b>		-	-
<b>Total assets</b>		<b>57,114,576,058</b>	<b>48,755,403,018</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	11	2,104,480,285	850,000,000
<b>Deposits and other accounts</b>	12		
Current deposits and other accounts		6,537,161,488	6,735,767,915
Bills payable		629,426,422	889,821,320
Savings bank deposits		8,770,274,032	7,761,124,764
Fixed deposits		29,097,472,560	25,152,920,036
Bearer certificate of deposit		-	-
		<b>45,034,334,502</b>	<b>40,539,634,035</b>
<b>Other liabilities</b>	13	5,758,284,742	4,491,401,997
<b>Total liabilities</b>		<b>52,897,099,529</b>	<b>45,881,036,032</b>
<b>Capital / Shareholders' equity</b>			
Paid up capital	14.2	1,366,200,000	1,188,000,000
Statutory reserve	15	1,099,775,065	896,948,006
Other reserve	16	1,518,103,447	573,104,088
Surplus in profit and loss account / Retained earnings	17	28,468,017	38,114,892
Proposed dividend (stock)		204,930,000	178,200,000
<b>Total Shareholders' equity</b>		<b>4,217,476,529</b>	<b>2,874,366,986</b>
<b>Total liabilities and Shareholders' equity</b>		<b>57,114,576,058</b>	<b>48,755,403,018</b>
<b>OFF- BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>			
Acceptances and endorsements	18	2,033,415,824	874,890,070
Letters of guarantee	18.1	2,079,543,071	1,569,361,688
Irrevocable letters of credit	18.2	4,206,478,089	2,622,378,064
Bills for collection	18.3	2,601,429,682	3,211,005,932
Other contingent liabilities		-	-
<b>Total</b>		<b>10,920,866,666</b>	<b>8,277,635,754</b>
<b>Other commitments</b>			
Documentary credits and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities , credit lines and other commitments		-	-
Other commitments		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total Off-Balance Sheet items including contingent liabilities</b>		<b>10,920,866,666</b>	<b>8,277,635,754</b>

These financial statements should be read in conjunction with the annexed notes 1 to 44.

  
Managing Director & CEO

  
Director

  
Director

  
Chairman

See annexed auditors' report to the Shareholders of date.

  
Howladar Yunus & Co  
Chartered Accountants

# Profit and Loss Account for the year ended 31 December 2008

	2008	2007
Notes	Taka	Taka
Interest income / profit on investments	20 4,669,370,374	4,183,260,712
Interest / profit paid on deposits and borrowings, etc.	21 (3,162,885,370)	(3,235,362,655)
<b>Net interest / net profit on investments</b>	<b>1,506,485,004</b>	<b>947,898,057</b>
Investment income	22 1,171,667,761	860,400,285
Commission, exchange and brokerage	23 493,021,105	532,246,444
Other operating income	24 339,093,067	231,647,934
<b>Total operating income (A)</b>	<b>3,510,266,937</b>	<b>2,572,192,720</b>
Salaries and allowances	25 1,029,038,516	877,594,990
Rent, taxes, insurance, electricity, etc.	26 164,711,221	141,269,481
Legal expenses	27 11,084,368	9,882,321
Postage, stamp, telecommunication, etc.	28 22,988,304	25,868,331
Stationery, printing, advertisements, etc.	29 90,353,731	52,143,307
Chief Executive's salaries and fees	30 10,380,000	5,370,000
Directors' fees	31 700,000	892,000
Auditors' fees	469,750	729,375
Depreciation and repair of Bank's assets	32 169,153,557	115,733,404
Other expenses	33 256,466,897	86,832,367
<b>Total operating expenses (B)</b>	<b>1,755,346,344</b>	<b>1,316,315,576</b>
<b>Profit / (loss) before provision (C=A-B)</b>	<b>1,754,920,593</b>	<b>1,255,877,144</b>
Provision for loans and advances / investments	34 (548,925,007)	(297,100,000)
Provision for Off-Balance Sheet exposures	(64,208,667)	(45,000,000)
Provision for gratuity	(106,544,372)	(50,000,000)
Provision for diminution in value of investments	-	(10,108,000)
Other provision	35 (21,107,250)	(45,206,118)
<b>Total provision (D)</b>	<b>(740,785,296)</b>	<b>(447,414,118)</b>
<b>Total profit / (loss) before taxes (C-D)</b>	<b>1,014,135,297</b>	<b>808,463,026</b>
Income Tax	(616,025,113)	(465,000,000)
Previous years tax	-	(290,000,000)
Deferred tax	13.6.2 23,974,887	(50,000,000)
Current Tax	13.6 (640,000,000)	(125,000,000)
<b>Net profit after taxation</b>	<b>398,110,184</b>	<b>343,463,026</b>
Retained earnings brought forward from previous year	38,114,892	34,544,471
	<b>436,225,076</b>	<b>378,007,497</b>
	2008	2007
	Notes	Taka
Appropriations		Taka
Statutory reserve		202,827,059
Proposed dividend (stock)		204,930,000
		407,757,059
Retained surplus	17	28,468,017
Earnings per share (EPS)	40	29.14

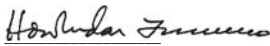
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Managing Director & CEO

  
Director

  
Director

  
Chairman

  
Howladar Yunus & Co.  
Chartered Accountants


See annexed auditors' report to the Shareholders of date


Dhaka, 24 May 2009

# Cash Flow Statement for the year ended 31 December 2008

	2008 Taka	2007 Taka
<b>A) Cash flows from operating activities</b>		
Interest receipts in cash	4,619,673,327	4,060,027,793
Interest payments	(2,954,545,527)	(3,089,944,490)
Dividend receipts	83,873,488	9,152,956
Fees and commission receipts in cash	277,626,238	273,225,031
Recoveries of loans previously written off	41,920,636	18,415,068
Cash payments to employees	(1,039,418,516)	(882,964,990)
Cash payments to suppliers	(28,947,814)	(22,502,530)
Income taxes paid	(272,526,888)	(610,287,020)
Receipts from other operating activities	36 1,426,887,340	1,082,895,263
Payments for other operating activities	37 (585,442,997)	(332,231,710)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>1,569,099,287</b>	<b>505,785,371</b>
<b>Increase / (decrease) in operating assets and liabilities</b>		
Statutory deposits	-	-
Purchase of trading securities (Treasury bills)	-	-
Loans and advances to other banks	-	-
Loans and advances to customers	(7,632,478,842)	4,000,555,844
Other assets	38 24,096,042	912,363,334
Deposits from other banks / borrowings	1,490,106,015	659,173,232
Deposits from customers	4,259,074,737	(150,953,034)
Other liabilities account of customers	-	-
Trading liabilities	-	-
Other liabilities	39 (340,188,143)	(598,993,745)
	<b>(2,199,390,191)</b>	<b>4,822,145,631</b>
<b>Net cash from operating activities</b>	<b>(630,290,904)</b>	<b>5,327,931,002</b>
<b>B) Cash flows from investing activities</b>		
Debentures	-	-
Proceeds from sale of securities	(967,592,262)	76,171,816
Payments for purchases of securities	-	-
Purchase / sale of property, plant and equipment	(397,690,538)	(187,258,117)
Payment against lease obligation	-	-
Proceeds from sale of property, plant and equipment	-	-
<b>Net cash used in investing activities</b>	<b>(1,365,282,800)</b>	<b>(111,086,301)</b>
<b>C) Cash flows from financing activities</b>		
Dividend paid	-	-
<b>Net Cash from financing activities</b>	<b>-</b>	<b>-</b>
	<b>2008</b>	<b>2007</b>
	<b>Taka</b>	<b>Taka</b>
<b>D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)</b>	<b>(1,995,573,704)</b>	<b>5,216,844,701</b>
<b>E) Effects of exchange rate changes on cash and cash equivalent</b>	<b>215,394,867</b>	<b>259,021,413</b>
<b>F) Cash and cash equivalents at beginning of the year</b>	<b>17,184,755,571</b>	<b>11,708,889,457</b>
<b>G) Cash and cash equivalents at end of the year (D+E+F)</b>	<b>15,404,576,734</b>	<b>17,184,755,571</b>
<b>Cash and cash equivalents at end of the year</b>		
Cash in hand (including foreign currencies)	704,619,630	771,568,562
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	2,415,553,674	2,705,998,489
Balance with other banks and financial institutions	4,573,690,309	4,782,474,420
Money at call and short notice	220,000,000	1,830,000,000
Government securities	7,490,713,121	7,094,714,100
	<b>15,404,576,734</b>	<b>17,184,755,571</b>

*These financial statements should be read in conjunction with the annexed notes 1 to 44.*

  
\_\_\_\_\_  
Managing Director & CEO

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chairman

Dhaka, 24 May 2009

## Statement of Changes in Equity for the year ended 31 December 2008

Particulars	Paid-up capital	Statutory reserve	Share premium	Other Reserves	Proposed		Retained earnings	Total
					Bonus share	Cash dividend		
Balance as at 1 January 2008	Taka 1,188,000,000	Taka 896,948,006	Taka -	Taka 573,104,088	Taka 178,200,000	Taka -	Taka 38,114,892	Taka 2,874,366,986
Changes in accounting policy	-	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>1,188,000,000</b>	<b>896,948,006</b>	<b>-</b>	<b>573,104,088</b>	<b>178,200,000</b>	<b>-</b>	<b>38,114,892</b>	<b>2,874,366,986</b>
Surplus / deficit on account of revaluation of properties	-	-	-	827,498,250	-	-	-	827,498,250
Surplus / deficit on account of revaluation of investments	-	-	-	117,501,109	-	-	-	117,501,109
Currency translation differences	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	398,110,184	398,110,184
Dividends (Bonus share)	178,200,000	-	-	-	(178,200,000)	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-
Appropriation made during the year	-	202,827,059	-	-	204,930,000	-	(407,757,059)	-
<b>Balance as at 31 December 2008</b>	<b>1,366,200,000</b>	<b>1,099,775,065</b>	<b>-</b>	<b>1,518,103,447</b>	<b>204,930,000</b>	<b>-</b>	<b>28,468,017</b>	<b>4,217,476,529</b>

*These financial statements should be read in conjunction with the annexed notes 1 to 44.*

  
Managing Director & CEO

  
Director

  
Director

  
Chairman

Dhaka, 24 May 2009

## Liquidity Statement (Analysis of maturity of assets and liabilities) As at 31 December 2008

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
<b>Assets:</b>						
Cash in hand	3,120,173,304	-	-	-	-	3,120,173,304
Balance with other banks and financial institutions	1,544,896,327	1,925,168,591	1,073,521,494	30,103,897	-	4,573,690,309
Money at call and short notice	220,000,000	-	-	-	-	220,000,000
Investments	39,210,569	12,133,333	37,848,903	373,909,090	8,568,596,989	9,031,698,884
Loans and advances / investments	5,704,507,454	6,190,708,090	11,888,915,536	6,509,182,514	4,127,631,386	34,420,944,980
Fixed assets including premises, furniture and fixtures	-	-	50,199,710	190,120,240	2,274,064,019	2,514,383,969
Other assets	2,243,145,332	71,392,398	82,171,656	382,428,764	454,546,462	3,233,684,612
Non banking assets	-	-	-	-	-	-
<b>Total assets (A):</b>	<b>12,871,932,986</b>	<b>8,199,402,412</b>	<b>13,132,657,299</b>	<b>7,485,744,505</b>	<b>15,424,838,856</b>	<b>57,114,576,058</b>
<b>Liabilities:</b>						
Borrowings from other banks, financial institutions and agents	1,045,000,000	306,000,000	727,160,095	26,320,190	-	2,104,480,285
Deposits	15,699,930,846	7,670,702,584	15,509,035,818	1,743,918,875	2,615,878,312	43,239,466,435
Other accounts	1,794,868,067	-	-	-	-	1,794,868,067
Provision and other liabilities	1,955,979,607	15,368,620	1,845,288,783	822,511,482	1,119,136,250	5,558,284,742
<b>Total liabilities (B):</b>	<b>20,495,778,520</b>	<b>7,992,071,204</b>	<b>18,081,484,696</b>	<b>2,592,750,547</b>	<b>3,735,014,562</b>	<b>52,891,099,529</b>
<b>Net liquidity gap (A - B):</b>	<b>(7,623,845,534)</b>	<b>207,331,208</b>	<b>(4,948,827,397)</b>	<b>4,892,993,958</b>	<b>11,689,824,294</b>	<b>4,217,476,529</b>

  
Managing Director & CEO

  
Director

  
Director

  
Chairman

Dhaka, 24 May 2009

# HIGH LIGHTS

*Figures in million unless specified*

Sl no.	Particulars	2008	2007
1	Paid-up capital	1,366.20	1,188.00
2	Total capital	3,953.47	3,156.25
3	Capital surplus / (deficit)	361.58	652.55
4	Total assets	57,114.58	48,755.40
5	Total deposits	45,034.33	40,539.63
6	Total loans and advances / investments	34,420.94	26,788.47
7	Total contingent liabilities and commitments	10,920.87	8,277.64
8	Credit deposit ratio	76.43%	66.08%
9	Percentage of classified loans / investments against total loans and advances / investments	6.30%	6.24%
10	Profit after tax and provision	398.11	343.46
11	Amount of classified loans / investments during current year	2,169.81	1,671.83
12	Provisions kept against classified loans / investments	779.80	462.78
13	Provision surplus/(deficit) against classified loans / investments	0.07	40.00
14	Cost of fund	6.90%	7.55%
15	Interest earning assets	49,196.70	42,757.28
16	Non-interest earning assets	7,917.88	5,998.12
17	Return on investment (ROI)	14.13%	12.33%
18	Return on assets (ROA)	0.75%	0.71%
19	Income from investment	1,171.67	860.27
20	Earnings per share (Taka)	29.14	25.14
21	Net income per share (Taka)	29.14	25.14
22	Price earning ratio (times)	15.49	28.85

## Notes to the Financial Statements for the year ended 31 December 2008

### 1.1 Status of the Bank

The City Bank Limited ("the Bank") was incorporated as a public limited company in Bangladesh under Companies Act, 1913. It commenced its banking business from March 14, 1983 under the license issued by Bangladesh Bank. Presently the bank has 83 branches and 5 SME centers all over Bangladesh. The Bank had no overseas branches as at 31 December 2008. Out of the above 83 branches, 01 (one) branch is designated as Islamic Banking Branch complying with the rules of Islamic Shariah, the modus operandi of which is substantially different from other branches run on conventional basis. The bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company for its general class of shares. With 23 ATMs and 5 SME centers in Dhaka, Chittagong and Sylhet City Bank Limited offers financial services including current and saving accounts, personal loans, Period deposit.

### 1.1.1 Principal activities

The principal activities of the Bank are to provide all kinds of commercial banking, consumer banking trade services, custody and clearing to its customers through its branches in Bangladesh.

### 1.2 Significant accounting policies and basis of preparation of financial statements

#### 1.2.1 Basis of preparation

The financial statements of the Bank are made up to 31 December 2008 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 # 14 dated 25 June, 2003, other Bangladesh Bank Circulars, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh, Companies Act, 1994, the Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchanges' listing regulations and other laws and rules applicable in Bangladesh.

In addition to foregoing directives and standards, the operation of Islamic Banking Branch is accounted for in accordance with Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions, Bahrain, and accordingly a separate set of books and records are being maintained. A separate balance sheet, income statement and a statement of profit paid on deposits are shown in Annexure-H and H(1) and the figures appearing in the annexure have been incorporated in the related heads of these financial statements as recommended by the Central Shariah Board for Islamic Banks in Bangladesh.

#### 1.2.2 Basis of consolidation

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

The consolidated financial statements comprise the financial statements of The City Bank Limited in terms of the Bangladesh Accounting Standard 27 on Consolidated Financial Statements.

#### 1.2.3 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The most significant areas where estimates and judgments have been made are on provision for loans and advances. 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.

#### 1.2.4 Foreign currencies translation

The Financial Statements of Banks are presented in Bangladesh Taka (BDT) which is the Banks functional and presentation currency. According to BAS-21 "The Effects of Changes in Foreign Exchange Rates" Transactions in foreign currencies recorded in the functional currencies at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the end of the month. Any resulting exchange difference are included in the profit and loss account.

#### 1.2.5 Provision for taxation

Provision for current income tax has been made @ 45% as prescribed in the Finance Ordinance, 2008 of the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure as per income tax laws in compliance with BAS-12 " Income Taxes".

## 1.2.6 Deferred taxation

Deferred tax is recognised on temporary (taxable and deductible) differences between the carrying amount of assets and liabilities in the balance sheet and the amount attributed to such assets and liabilities for tax purposes. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities has also been recognised in the profit and loss account as per BAS-12 "Income Taxes". Deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized (note-13.6.2).

## 1.3 Assets and basis of their valuation

### 1.3.1 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.

Cash flow statement is prepared in accordance with BAS-7 titled "Cash Flow Statements". Cash flows from operating activities have been presented at "Direct Method".

### 1.3.2 Loans and advances / investments

- a) Loans and advances of conventional Banking or investments of Islamic Banking branches are stated in the balance sheet on gross basis.
- b) Provision for loans and advances or investments is made on the basis of quarter-end review by the management following 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 of February 2005, BRPD Circular no. 09 of August 2005 and BRPD Circular no. 17 dated 06 December 2005, BRPD Circular no.5 Dated 19 of April 2008. BRPD Circular no.5 (5 June 2006) also provides scope for further provisioning based on qualitative judgment. The classification rates are given below:

#### General provision on loans and advances:

On unclassified loans and advances / investments	1%
On unclassified small & medium enterprise financing	1%
On unclassified loans / investments for housing finance and on loans for professionals	2%
On unclassified consumer financing other than housing finance and loans for professionals	5%
On special mention account	5%

#### Specific provision on loans and advances:

On substandard loans and advances / investments	20%
On doubtful loans and advances / investments	50%
On bad / loss loans and advances / investments	100%

- c) Loans and advances / investments are written off to the extent that (i) there is no realistic prospect of recovery, and (ii) against which legal cases are pending 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 meticulously maintained and followed up.

### 1.3.3 Investments

All investment securities are initially recognised at cost, being fair value of the consideration given, including acquisition charges associated with the investment. Premiums are amortised and discounts accredited, using the effective yield method and are taken to discount income. The valuation method of investments used are:

#### Held to maturity

Investments which have 'fixed or determinable payments', and are intended to be 'held to maturity', other than those that meet the definition of 'held at amortised cost-others' are classified as held to maturity. These investments are subsequently measured at present value as per Bangladesh Bank Guideline. Investments in securities have been revalued as mark to market as at December 31, 2008 and the gain of revaluation from held to maturity securities has been shown in the statement in changes in equity for December 31, 2008.

#### Held for trading

Investments classified in this category are acquired principally for the purpose of selling or repurchasing -in short-trading or if designated as such by the management. After initial recognition, investments are measured at fair value and any change in the fair value is recognised in the statement of income for the period in which it arises.

Value of investments has been enumerated as follows :

Items	Applicable accounting value
Government treasury bills	Present value (as per DOS Circular no. 5 dated 26 May 2008)
T & T bonds and Bangladesh treasury bonds	Present value (as per DOS Circular no. 5 dated 26 May 2008)
Prize bond	At cost
BHBFC-Debtenture	At redeemable value
ICB-Debtenture	At redeemable value
Investments in shares	At cost price or market value at the Balance Sheet date whichever is lower

### 1.3.4 Fixed assets and depreciation

- a) All fixed assets are stated at cost less accumulated depreciation as per BAS-16 " Property, Plant and Equipment".
- b) Depreciation is charged for the year at the following rates on straight line method on all fixed assets and no depreciation on land is charged:

Category of fixed assets	Rate
Land	Nil
Building	2.50%
Furniture and fixtures	10%
Office equipment	20%
Software	5%
Vehicles	20%

- c) For additions during the year, depreciation is charged from the month of acquisition and no depreciation is charged for the month of disposal.
- d) Land, building and building under construction were revalued in the year 2008. Detail information regarding revaluation has been shown in the notes to the accounts.

### 1.3.5 Leasing

Leases are classified as finance leases whenever the 'terms of the lease' transfer substantially all the risks and rewards of ownership to the lessee as per BAS-17 " Leases". All other leases are classified as operating leases as per BAS-17 "Leases".

#### The Bank as lessor

Amount due from lessees under finance leases are recorded as receivables at the amount of the Bank's net investment in the leases (note-7.3). Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the bank's net investment outstanding in respect of the leases.

#### The Bank as lessee

Assets held under finance leases are recognised as assets of the Bank at their fair value at the date of acquisition or if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation (note-13.9). Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

### 1.3.6 Off balance sheet exposures

Under general banking transactions, liabilities against acceptance and endorsements, Letters of guarantee, Irrevocable letters of credit, Bills for collection and other obligations have been given and claims exist there against, have been shown as off balance sheet items.

#### 1.4 Liabilities and provisions

##### 1.4.1 Retirement benefits to the employees

###### Provident fund

Provident fund benefits are given to the permanent staffs of the Bank in accordance with the locally registered Provident Fund Rules. The Commissioner of Income Tax, Taxes Zone - 4, Dhaka has approved the Provident Fund as a recognized provident 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 recognition took effect from 31 October 1987. The Fund is operated by a Board of Trustees consisting five members (all members from management of the Bank). All confirmed employees of the Bank are contributing 10% of their basic salary as subscription to the Fund. The Bank also contributes equal amount of the employees' contribution. Interest earned from the investments is credited to the members' account on yearly basis.

###### Gratuity

The Bank operates a gratuity scheme, provision in respect of which is made annually covering all its permanent eligible employees. A valuation of gratuity scheme had been made by a professional Actuarial & Pension Consultants, Z. Halim & Associates to assess the adequacy of the liabilities provided for the scheme as per BAS-19 "Employee Benefits". On closed fund basis valuation, a shortfall amounting to Tk. 6.67 crore against gratuity scheme is yet to be accounted for.

The Bank intends to meet the short fall to make adequate provision for gratuity scheme as per BAS-19 "Employee Benefits" by 2011 in the following phases as approved by its Board of Directors:

i. In the year 2007	10%
ii. In the year 2008	15%
iii. In the year 2009	20%
iv. In the year 2010	25%
v. In the year 2011	30%
	<hr/>
	100%
	<hr/>

This action plan has subsequently been informed to regulatory bodies.

###### Provision for liabilities

A provision is recognised in the balance sheet when the Bank has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

##### 1.5 Revenue recognition

###### 1.5.1 Interest income

In terms of the provisions of the BAS-18 "Revenue", the interest income 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 in a memorandum account. Interest on classified advances is accounted for on a cash receipt basis.

###### 1.5.2 Profit on investment (Islamic Banking Branch)

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

###### 1.5.3 Investment income

Income on investments is recognised on accrual basis.

###### 1.5.4 Fees and commission income

Fees and commission income arises on services provided by the Bank are 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.

###### 1.5.5 Dividend income on shares

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

###### 1.5.6 Interest paid and other expenses (Conventional Banking Branches)

In terms of the provisions of the BAS - 1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

###### 1.5.7 Profit paid on deposits (Islamic Banking Branch)

Profit paid to mudaraba deposits are recognized on accrual basis. However, the final profit distributed among the depositors as per Annexure-G.

###### 1.6 Reconciliation of inter-bank and inter-branch account

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

Un-reconciled entries / balances in case of inter-branch transactions as on the reporting date are not material (note - 10.4).

###### 1.7 Risk management

Risk is defined as the possibility of losses, financial or otherwise. Risk management of the Bank covers core risk areas of banking viz credit risk, liquidity risk, market risk that includes foreign exchange risk, interest rate risk and equity risk, operational risk and reputation risk arising from money laundering incidences and operational inefficiencies. The prime objective of the risk management is that the Bank evaluates and takes well calculative business risks and thereby safeguarding the Bank's capital, its financial resources and profitability from various business risks through its own measures and through implementing Bangladesh Bank's guidelines and following some of the best practices as under:



### 1.7.1 Credit risk

It arises mainly from lending, trade finance, leasing and treasury businesses. This can be described as potential loss arising from the failure of a counter party to perform as per contractual agreement with the Bank. The failure may result from unwillingness of the counter party or decline in his / her financial condition. Therefore, the Bank's credit risk management activities have been designed to address all these issues.

The Bank has segregated duties of the officers / executives involved in credit related activities. Separate Corporate / SME / Retail divisions have been formed at Head Office which are entrusted with the duties of maintaining effective relationship with customers, marketing of credit products, exploring new business opportunities etc. Moreover, credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, three separate units have been formed within the Credit Risk Management (CRM) Division. These are (a) Credit Risk Management Unit (b) Credit Administration Unit and (c) Credit Monitoring and Recovery Unit. Credit Risk Management Unit is entrusted with the duties of maintaining asset quality, assessing risk in lending, sanctioning credit, formulating policy / strategy for lending operation, etc. For retail lending a separate Retail Finance Center (RFC) has been formed to assess risk, approve and monitor retail loans.

A thorough risk assessment is done before sanction of any credit facility at risk management units. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the credit facility etc. The assessment process starts at the relationship level and ends at Credit Risk Management Unit when it is approved / declined by the competent authority. Credit approval authority has been delegated to the individual executives. Proposal beyond their delegation are approved / declined by the Executive Committee and / or the Board of Directors of the Bank. Concentration of credit risk is shown in note -7.5.

In determining Single borrower / Large loan limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted at periodical intervals to ensure compliance of Bank's and Regulatory policies. Loans are classified as per Bangladesh Bank's guidelines. Concentration of single borrower / large loan limit is shown in note-7.9.

### 1.7.2 Liquidity risk

The object of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. To this end, the Bank is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional balance (note - 12). Management of liquidity and funding is carried out by Treasury Department under an approved policy guidelines. Treasury front office is supported by a very structured back office. The Liquidity management is monitored by Asset Liability Committee (ALCO) on a regular basis. A written contingency plan is in place to manage extreme situation.

### 1.7.3 Market risk

The exposure of market risk of the Bank is restricted to foreign exchange risk, interest rate risk and equity risk.

#### Foreign exchange risk

Foreign exchange risk is defined as the potential change in earnings due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements.

Treasury Department independently conducts the transactions and the back office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to-Market rate as determined by Bangladesh Bank at the month-end. All Nostro accounts are reconciled on a monthly basis and outstanding entry beyond 30 days is reviewed by the management for its settlement.

#### Interest rate risk

Interest rate risk may arise either from trading portfolio and non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills and bonds of different maturities. Interest rate risk arises from mismatches between the future yield of an asset and their funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis and Treasury Division actively manages the Balance Sheet gap profitably on a regular basis.

#### Equity risk

Equity risk arises from movement in market value of equities held. The risks are monitored by Special Banking Wing under a well designed policy framework. The market value of equities held was however higher than the cost price at the balance sheet date. **(Annexure-B)**

### 1.7.4 Reputation risk arising from money laundering incidences

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has a designated Chief Compliance Officer at Head Office and Compliance Officers at branches, who independently review the transactions of the accounts to verify suspicious transactions. Manuals for prevention of money laundering have been established and Transaction profile has been introduced. Training are continuously given to all the category of Officers and Executives for developing awareness and skill for identifying suspicious activities / transactions.

### 1.7.5 Operational risk

Operational risk may arise from error and fraud due to lack of internal control and compliance. Management through Internal Control and Compliance Division controls operational procedure of the Bank. Internal Control and Compliance Division undertakes periodical and special audit of the branches and departments at the Head Office for review of the operation and compliance of statutory requirements. The Audit Committee of the Board subsequently reviews the reports of the Internal Control and Compliance Division.

### 1.8 Earnings per share

#### Basic earnings per share

Basic earnings per share has been calculated in accordance with BAS 33 "Earnings per Share" which has been shown on the face of the profit and loss account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

The bonus shares issued during the year 2008 were treated as if they had been in issue in previous year also (declared on 2007 result). Hence, in computing the basic earnings per share of 2007, the total number of shares including the said bonus shares has been considered as the weighted average no. of shares outstanding during the year 2007 as per BAS 33 "Earnings per Share".

#### Diluted earnings per share

No diluted earnings per share is required to be calculated for the year.

### 1.9 Segment report by nature of business

The Bank reports its operations under the following business segments:

- a) Commercial banking comprising the retail, SME, corporate banking and treasury operations of the Bank.
- b) Inter-segment transactions are generally based on inter-branch fund transfer measures as determined by the management. Income, expenses, assets and liabilities are specifically identified with individual segments. Based on such allocation, segmental balance sheet as on 31 December 2008 and segmental profit and loss account for the year ended 31 December 2008 have been prepared.
- c) Segmental report by nature of business

Particulars	Consumer and Commercial Banking		Total
	Conventional	Islamic	
Total Operating Profit (Profit before unallocated expenses and tax)	3,447,618,841	62,648,096	3,510,266,937
Allocated expenses	(1,737,875,219)	(17,471,125)	(1,755,346,344)
Provision against loans and advances	-	-	(548,925,007)
Provision against Off-Balance Sheet exposures	-	-	(64,208,667)
Provision for gratuity	-	-	(106,544,372)
Other provision	-	-	(21,107,250)
Profit before tax	-	-	1,014,135,297
Income tax expenses including deferred tax	-	-	(616,025,113)
Net profit	-	-	398,110,184
Segment assets	55,098,272,445	2,016,303,613	57,114,576,058
Segment liabilities	55,098,272,445	2,016,303,613	57,114,576,058

#### 1.10 Events after the balance sheet date

Events after the balance sheet date that provide additional information about the Bank's position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are not adjusting event are disclosed in the notes when material.

#### 1.11 Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

Name of the BAS	BAS no	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Not Applicable
Cash Flow Statements	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Balance Sheet Date	10	Applied
Construction Contracts	11	Not Applicable
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Not Applicable
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Not Applicable
Consolidated and Separate Financial Statements	27	Not Applicable
Investment in Associates	28	Not Applicable
Interests in Joint Ventures	31	Not Applicable
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	Applied
Agriculture	41	Not Applicable

Name of the BFRS	BFRS no.	Status
Bangladesh Financial Reporting Standards	1	Applicable
Share Based Payment	2	Not Applicable
Business Combinations	3	Not Applicable
Insurance Contracts	4	Not Applicable
Non-current Assets Held for Sale and Discontinued Operations	5	Not Applicable
Exploration for and Evaluation of Mineral Resources	6	Not Applicable
Financial Instruments Disclosures	7	Applicable
Operation segment	8	Applicable

#### 1.12 Regulatory and legal compliance

The Bank complied with the requirements of following Laws and Regulations:

- The Bank Companies Act, 1991.
- The Companies Act, 1994.
- Rules and Regulations issued by the Bangladesh Bank.
- The Securities and Exchange Rules 1987, The Securities and Exchange Ordinance 1969, The Securities and Exchange Commission Act 1993.
- The Income Tax Ordinance, 1984.
- The VAT Act, 1991.

#### 2 General

- These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- The expenses, irrespective of capital or revenue nature, accrued / due but not paid have been provided for in the books of the Bank.
- Figures of previous year have been rearranged whenever necessary to conform to current years presentation.
- The external auditors of the Bank, M/s. Howladar Yunus & Co., Chartered Accountants worked in excess of 3,850 man hours 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.

	2008	2007
	Taka	Taka
<b>3 Cash</b>		
<b>3.1 Cash in hand</b>		
In local currency	650,726,011	713,887,282
In foreign currency	53,893,619	57,681,280
	<u>704,619,630</u>	<u>771,568,562</u>
<b>3.2 Balance with Bangladesh Bank and its agent bank(s)</b>		
In local currency	2,066,860,358	2,366,858,485
In foreign currency	(24,672,995)	(9,801,033)
	2,042,187,363	2,357,057,452
Sonali Bank Ltd. as agent of Bangladesh Bank (Local currency)	308,871,975	274,078,621
Sonali Bank Ltd. other than agent of Bangladesh Bank (Local currency)	64,494,336	74,862,416
	373,366,311	348,941,037
	<u>2,415,553,674</u>	<u>2,705,998,489</u>
Foreign currency balance with Bangladesh Bank on December 31, 2008 was negative due to an unresponded entry, which was responded on the following date and the balance become positive on that date.		
<b>3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)</b>		
Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of Bank Companies Act, 1991 and BRPD circular no.11 and 12, dated August 25, 2005.		
The minimum Cash Reserve Requirement on the Bank's time and demand liabilities at the rate of 5% has been calculated and maintained with Bangladesh Bank in current account and 18% Statutory Liquidity Ratio, 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 in excess of the statutory requirements, as shown below:		
<b>a) Cash Reserve Requirement</b>		
Required reserve	2,284,419,000	2,171,060,000
Actual reserve maintained	2,321,252,000	2,201,544,235
Surplus / (deficit)	36,833,000	30,484,235
<b>b) Statutory Liquidity Ratio</b>		
Required reserve (including CRR)	8,210,229,000	7,821,976,000
Actual reserve maintained (including CRR)	10,312,595,000	10,696,769,000
Surplus / (deficit)	2,102,366,000	2,874,793,000
<b>Total required reserve</b>	8,210,229,000	7,821,976,000
<b>Actual reserve held</b>	10,312,595,000	10,696,769,000
<b>Total surplus</b>	<u>2,102,366,000</u>	<u>2,874,793,000</u>
<b>3.4 Held for Statutory Liquidity Ratio</b>		
Cash in hand	544,885,000	478,329,000
Balance with Bangladesh Bank and its agent bank(s)	2,421,575,000	2,537,777,000
Government securities and bonds	7,346,135,000	7,680,663,000
	<u>10,312,595,000</u>	<u>10,696,769,000</u>
<b>4 Balance with other banks and financial institutions</b>		
In Bangladesh (note 4.1)	4,474,521,554	4,672,945,417
Outside Bangladesh (note 4.2)	99,168,755	109,529,003
	<u>4,573,690,309</u>	<u>4,782,474,420</u>
<b>4.1 In Bangladesh</b>	<b>2008</b>	<b>2007</b>
	<b>Taka</b>	<b>Taka</b>
<b>Current account</b>		
Janata Bank Ltd.	16,884,967	202,806
Agrani Bank Ltd.	41,150,370	14,239,491
United Commercial Bank Ltd.	10,522,262	2,549,620
Rupali Bank Ltd	8,907,934	-
Islami Bank Bangladesh Ltd.	10,956,330	-
Pubali Bank Ltd.	11,757,076	-
Bangladesh Krishi Bank	9,285,680	200,000
	<u>109,464,619</u>	<u>17,191,917</u>

**Short-term deposit accounts**

Social Investment Bank Ltd.	31,070	29,890
Standard Bank Ltd.	3,499	3,891
Dutch-Bangla Bank Ltd	1,942,123	-
Standard Chartered Bank	5,203,548	7,870,974
	<b>7,180,240</b>	<b>7,904,755</b>

**Savings accounts**

Social Investment Bank Ltd. Dhaka	521,695	493,745
	<b>521,695</b>	<b>493,745</b>

**Fixed deposit receipts**

Phoenix Finance & Investments Ltd.*	247,355,000	247,355,000
Bangladesh Industrial Finance Company Ltd.	-	20,000,000
IDLC Finance Limited	150,000,000	-
International Leasing Co. Ltd.	260,000,000	200,000,000
Industrial Promotion and Development Co. of BD. Ltd. (IPDC)	250,000,000	-
Industrial & Infrastructural Development Finance Company Ltd.(IDFC)	180,000,000	140,000,000
National Housing Finance and Investment Co. Ltd.	185,000,000	-
Uttara Finance and Investment Ltd.	450,000,000	250,000,000
Fareast Finance & Investment Ltd.	40,000,000	20,000,000
Islamic Finance and Investment Ltd.	120,000,000	120,000,000
LankaBangla Finance Ltd.	260,000,000	-
Prime Finance & Investment Ltd.	170,000,000	-
Union Capital Ltd.	175,000,000	-
Premier Leasing & Finance Ltd.	120,000,000	-
MIDAS Financing Ltd.	100,000,000	-
Mercantile Bank Ltd.	-	650,000,000
Dhaka Bank Ltd.	520,000,000	750,000,000
BRAC Bank Ltd.	-	500,000,000
AB Bank Ltd.	-	600,000,000
Prime Bank Ltd.	-	150,000,000
Bank Asia Ltd.	-	400,000,000
One Bank Ltd.	-	300,000,000
Jamuna Bank Ltd.	150,000,000	200,000,000
Southeast Bank Ltd.	300,000,000	-
Standard Bank Ltd	100,000,000	-
National Bank of Pakistan	300,000,000	-
Habib Bank Ltd.	280,000,000	100,000,000
	<b>4,357,355,000</b>	<b>4,647,355,000</b>
	<b>4,474,521,554</b>	<b>4,672,945,417</b>

\* Term deposits amounting Tk. 22,355,000 is under lien against Lease Obligation Payable.

## 4.2 Outside Bangladesh (NOSTRO Accounts)

**Current account**

	2008 Taka	2007 Taka
American Express Bank Ltd., New York, USA	(12,305,143)	34,436,010
Mashreq Bank, New York, USA	11,087,405	(4,235,516)
Habib American Bank, New York, USA	13,503	1,920,380
HSBC, London, UK	2,744,436	1,564,062
Citibank N.A., New York, USA	1,453,641	32,835,625
HSBC, New York, USA	(1,192,778)	40,880,539
Standard Chartered Bank, New York, USA	46,448,668	31,670,927
Deutschebank, Frankfurt, Germany	37,789,818	2,233,573
Union Bank of Switzerland, Switzerland	-	1,413,522
Arab National Bank, Ryadh	759,140	648,553
Bank of Tokyo Mitsubishi Ltd., Japan	1,003,243	(185,082)
American Express Bank Ltd., Frankfurt, Germany	38,333	3,064,433
Standard Chartered Bank, Kolkata, India	2,048,318	(18,172,603)
Bank of Tokyo Mitsubishi Ltd., Kolkata, India	539,478	524,170
HSBC, Mumbai, India	2,061,679	(18,092,188)
AB Bank Ltd., Mumbai, India	2,688,880	(1,328,405)
Sonali Bank Ltd., Kolkata, India	3,823,044	6,206,575
NDLC-IFIC, Karachi, Pakistan	1,168,252	75,268
Standard Chartered Bank, Nepal	680,216	635,645
Commercial Bank of Ceylon, Colombo, Sri Lanka	(761,252)	149,656
American Express Bank Ltd., Kolkata, India	727,418	1,276,624
Bank of Bhutan, Bhutan	2,932,683	3,344,443
ICICI Bank, Mumbai, India	(12,908,270)	(18,509,418)
HSBC, Karachi, Pakistan	866,294	627,499
Commerz Bank AG, Frankfurt, Germany	4,177,355	1,299,343
Commerz Bank AG, Frankfurt, Germany	271,586	304,146
Wachovia Bank, New York, USA	(10,771,192)	4,941,222
	85,384,755	109,529,003
	13,784,000	-
	<b>99,168,755</b>	<b>109,529,003</b>

**Term deposit**

Standard Chartered Bank, New York, USA  
(Annexure -A may kindly be seen for details)

4.3 Maturity grouping of balance with other banks and financial institutions

Payable on demand	194,896,327	126,765,357
Up to 1 month	1,350,000,000	3,054,177,032
Over 1 month but not more than 3 months	1,925,168,591	724,177,031
Over 3 months but not more than 1 year	1,073,521,494	855,000,000
Over 1 year but not more than 5 years	30,103,897	22,355,000
Over 5 years	-	-
	<u>4,573,690,309</u>	<u>4,782,474,420</u>

5 Money at call and short notice

	2008 Taka	2007 Taka
<b>Banking company</b>		
ICB Islamic Bank Ltd.	100,000,000	100,000,000
Eastern Bank Ltd.	-	200,000,000
Southeast Bank Ltd.	100,000,000	-
Mercantile Bank Ltd.	20,000,000	-
IFIC Bank Ltd.	-	150,000,000
Mutual Trust Bank Ltd.	-	300,000,000
Bank Asia Ltd.	-	200,000,000
Uttara Bank Ltd.	-	500,000,000
	<u>220,000,000</u>	<u>1,450,000,000</u>
<b>Non-banking financial institutions</b>		
Investment Corporation of Bangladesh	-	250,000,000
Industrial Promotion and Development Company of Bangladesh Ltd.	-	50,000,000
Fareast Finance & Investment Co. Ltd.	-	30,000,000
National Housing Finance and Investment Co. Ltd	-	50,000,000
	-	<u>380,000,000</u>
	<u>220,000,000</u>	<u>1,830,000,000</u>

The Bank has a Call loan with "The Oriental Bank Ltd" since 2007, presently renamed as "The ICB Islamic Bank". It is mentioned here that Bangladesh Bank has issued a notification dated August 2, 2007- BRPD (R-1) 651/991002007- 447 and approved a scheme of reconstruction of The Oriental Bank Ltd. in which payment of liabilities of the bank has been finalized as per following schedule:

Amount	Earliest Settlement Date
First Tk. 100,000	Within 06 months after 02 months of the appointed day
Further Tk. 100,000	Within 12 months after 06 months of the appointed day
Further Tk. 100,000	Within 18 months after 12 months of the appointed day
Further Tk. 100,000	Within 24 months after 18 months of the appointed day
Further Tk. 100,000	Within 30 months after 24 months of the appointed day
Further Tk. 100,000	Within 36 months after 30 months of the appointed day
Further Tk. 100,000	Within 42 months after 36 months of the appointed day
Further Tk. 100,000	Within 48 months after 42 months of the appointed day
Further Tk. 100,000	Within 54 months after 48 months of the appointed day
Further Tk. 100,000	Within 60 months after 54 months of the appointed day
The remaining balance	After 60 months of the appointed day

Based on the above schedule of payment the bank (CBL) has received first two installments.

6 Investments

i) Investment classified as per Bangladesh Bank Circular

Held for Trading (HFT)	5,755,834,565	-
Held to Maturity (HTM)	1,799,561,265	-
Other Securities	1,476,303,054	-
	<u>9,031,698,884</u>	<u>-</u>

	2008	2007
	<b>Taka</b>	<b>Taka</b>
<b>i) Investment securities are classified as follows</b>		
<b>a) Government securities</b>		
5 years treasury bills	14,042,690	727,208,490
Reverse repo with NCC Bank Ltd.	-	250,000,000
	<u>14,042,690</u>	<u>977,208,490</u>
<b>b) Government bonds</b>		
Prize bonds	7,818,400	6,305,500
Government bonds - (note 6.2)	7,586,353,140	6,111,200,110
	<u>7,594,171,540</u>	<u>6,117,505,610</u>
	<u>7,608,214,230</u>	<u>7,094,714,100</u>
<b>c) Other investments</b>		
Debenture of Bangladesh Welding Electrodes Limited	368,000	368,000
Debenture of IDLC Finance Limited	-	100,000,000
ULC Securitized Bond	705,275	11,486,850
IDLC Asset Backed Bond	40,322,185	3,764,337
BRAC Securitization Bond	55,213,344	7,657,104
Grameen Phone Bond	300,000,000	-
Shares (note-6.3)	1,026,875,850	332,616,101
	<u>1,423,484,654</u>	<u>455,892,392</u>
	<u>9,031,698,884</u>	<u>7,550,606,492</u>
<b>6.1 Maturity grouping of investments</b>		
On demand	-	-
Over 1 month but not more than 3 months	51,343,902	-
Over 3 months but not more than 1 year	37,848,903	549,144,913
Over 1 year but not more than 5 years	373,909,090	2,755,158,158
Over 5 years	8,568,596,989	4,246,303,421
	<u>9,031,698,884</u>	<u>7,550,606,492</u>
<b>6.2 Government bonds</b>		
<b>Name of the bonds</b>		
5 years Treasury bonds	2,664,601,192	2,224,032,700
10 years Treasury bonds	4,352,938,386	3,346,067,410
15 years Treasury bonds	523,813,562	486,100,000
Debentures of Bangladesh House Building Finance Corporation (bearing interest rate @5.5%)	35,000,000	40,000,000
Debentures of Investment Corporation of Bangladesh (bearing interest rate@ 5%)	10,000,000	15,000,000
	<u>7,586,353,140</u>	<u>6,111,200,110</u>

6.3	Investment in shares	2008	2007
		Taka	Taka
	<b>Quoted</b>		
	IDLC Finance Ltd.	24,242,600	14,540,000
	Heidelberg Cement (BD) Ltd.	10,729,584	10,729,584
	Shine Pukur Holdings Limited	4,993	4,993
	United Leasing Limited	6,000	2,400
	Federal Insurance Co. Limited	250,945	188,945
	BEXIMCO Pharmaceuticals Limited	736,034	4,212,165
	Meghna Cement Limited	3,033,433	3,033,433
	Perfume Chemical Ind. Limited	3,500	3,500
	Samorita Hospital Limited	5,300	4,900
	Fu-wang Ceramic Ind. Limited	47,665	47,665
	Fu-wang Foods Limited	40,000	40,000
	Rasmit Inc. (BD) Limited	6,153,414	6,153,415
	Aramit Cement Limited	18,019	18,019
	Olympic Ind. Limited	110,391	110,390
	Meghna PET Industries Limited	1,880,000	1,880,000
	Rangamati Food Products Ltd.	645,000	645,000
	Meghna Condense Milk Limited	590,000	590,000
	Beach Hatchery Limited	570,000	570,000
	Square Textile Mills Limited	11,190	9,170
	Bangladesh Welding Electrodes Limited	2,000	2,000
	German Bangla Joint Venture Foods Ltd.	210,000	210,000
	Mercantile Bank Ltd.	33,188,815	31,169,515
	EXIM Bank Limited	26,062,505	24,285,305
	Bank Asia Limited	17,407,363	16,366,163
	One Bank Limited	20,680,859	19,099,859
	South East Bank Limited	2,333,280	2,152,380
	Mutual Trust Bank Limited	1,900	1,300
	Investment Corporation of Bangladesh	1,482,000	986,000
	British American Tobacco Bangladesh	13,668,260	-
	<b>Unquoted</b>		
	Central Depository Bangladesh Limited (CDBL)	4,000,000	4,000,000
	KARMA Sangsthan Bank Limited	10,000,000	10,000,000
	Industrial & Infrastructural Development Finance Company Ltd.(IIDFC)	22,770,000	16,560,000
	Unique Hotel & Resort Ltd.	150,000,000	150,000,000
	Venture Investment Partners Bangladesh Ltd.	15,000,000	15,000,000
	Khulna Power Company Ltd.	600,000,000	-
	Grameen Phone Pre IPO Placement	60,990,800	-
	<b>(Annexure -B may kindly be seen for details)</b>	<b>1,026,875,850</b>	<b>332,616,101</b>
	<b>6.4 Debentures of Bangladesh House Building Finance Corporation - at redeemable value</b>		
	Principal	100,000,000	100,000,000
	Redeemed up to 31 December 2008	65,000,000	60,000,000
	Redeemable value	<b>35,000,000</b>	<b>40,000,000</b>
	<b>6.5 Debentures of Investment Corporation of Bangladesh - at redeemable value</b>		
	Principal	50,000,000	50,000,000
	Redeemed up to 31 December 2008	40,000,000	35,000,000
	Redeemable value	<b>10,000,000</b>	<b>15,000,000</b>

7	Loans and advances / investments	2008	2007
i)	Loans, cash credits, overdrafts, etc.	Taka	Taka
<i>Inside Bangladesh</i>			
	Secured overdraft	1,859,298,145	2,243,144,722
	Quard against TDR	6,864,063	9,347,508
	Cash credit	5,403,424,164	6,650,487,648
	Murabaha	19,356,308	31,393,741
	Loans (General)	21,876,648	23,967,722
	House building loans	227,201,747	272,106,278
	Loans against trust receipt	5,663,678,651	2,484,080,608
	Loans against imported merchandise	377,982,013	424,050,119
	Payment against document	832,998,474	242,846,963
	Consumer credit scheme	19,747,821	34,792,449
	Lease finance / Izara (note - 7.3)	210,776,595	269,740,360
	Hire purchase shirkatul melk	266,798,351	395,227,122
	Bai-Salam	-	1,439,550
	Industrial credit	12,212,829,187	8,849,321,383
	Export development fund	102,854,826	66,313,409
	Staff loan	884,944,291	662,088,222
	City card loans*	539,324,510	251,081,080
	Small and medium enterprise loans	571,405,230	399,008,851
	Transportation loans	392,471,080	284,611,303
	Bai-muajjal	302,079,587	138,363,073
	City Drive	119,703,270	-
	City solution	914,122,102	-
	City Express	166,491,108	-
	Other loans and advances	1,310,517,973	1,306,380,597
		<u>32,426,746,144</u>	<u>25,039,792,708</u>
	<i>Outside Bangladesh</i>	-	-
		<u>32,426,746,144</u>	<u>25,039,792,708</u>
	ii) Bills purchased and discounted (note-8)		
	<i>Payable Inside Bangladesh</i>		
	Inland bills purchased	1,785,766,147	1,470,581,439
	<i>Payable Outside Bangladesh</i>		
	Foreign bills purchased and discounted	208,432,689	278,091,991
		<u>1,994,198,836</u>	<u>1,748,673,430</u>
		<u>34,420,944,980</u>	<u>26,788,466,138</u>
* City Card loans represents the legitimate claims raised against credit card up to December 30, 2008.			
7.1	Performing loans and advances / investments		
	Gross loans and advances / investments	34,420,944,980	26,788,466,138
	Less:		
	Non-performing loans and advances / investments	2,169,808,000	1,671,833,000
	Interest suspense	351,815,473	352,005,997
	Provision for loans and advances / investments	1,200,000,000	963,612,192
		<u>3,721,623,473</u>	<u>2,987,451,189</u>
		<u>30,699,321,507</u>	<u>23,801,014,949</u>
7.2	Residual maturity grouping of loans and advances / investments including bills purchased and discounted		
	Repayable on demand	2,280,290,895	2,395,004,882
	Over 1 month but not more than 3 months	8,947,765,561	3,749,750,701
	Over 3 months but not more than 1 year	7,571,381,729	8,873,833,620
	Over 1 year but not more than 5 years	10,789,202,024	7,202,558,760
	Over 5 years	4,832,304,771	4,567,318,175
		<u>34,420,944,980</u>	<u>26,788,466,138</u>
7.3	Lease finance / Izara	2008	2007
		Taka	Taka
	Lease rental receivable within 1 year	914,955	75,738,989
	Lease rental receivable within 5 years	245,148,465	258,310,742
	Lease rental receivable after 5 years	14,964,869	-
	Total lease / Izara rental receivable	261,028,289	334,049,731
	Less: Unearned interest receivable	50,251,694	64,309,371
	Net lease / Izara finance	<u>210,776,595</u>	<u>269,740,360</u>
7.4	Loans and advances / investments		
	Loans	25,137,803,464	16,105,419,090
	Cash credits	5,422,780,472	6,681,881,388
	Overdrafts	1,866,162,208	2,252,492,230
		<u>32,426,746,144</u>	<u>25,039,792,708</u>
	Bills purchased and discounted (Note-8)	1,994,198,836	1,748,673,430
		<u>34,420,944,980</u>	<u>26,788,466,138</u>



7.5 Loans and advances / investments on the basis of significant concentration including bills purchased and discounted.

Loans and advances / investments to Directors of the Bank	689,000	1,233,000
Loans and advances / investments to Chief Executive and other senior executives	45,572,814	57,672,000
Loans and advances / investments to customer groups	14,456,900,000	11,081,900,000
Industrial loans and advances/ investments	12,213,700,000	7,728,058,150
Others loans and advances/ investments	7,704,083,166	7,919,602,988
	<u>34,420,944,980</u>	<u>26,788,466,138</u>

Loans and advances / investments on the basis of industrial sectors

Agricultural industries	555,800,000	5,217,000
Large and medium industries	10,754,400,000	5,541,258,150
Small and cottage industries	167,200,000	27,900,000
Commerce and trade industries	13,404,900,000	10,998,500,000
Insurance, real estate and service industries	835,059,716	2,158,900,000
Transportation and communications industries	858,122,000	284,611,303
Others	7,845,463,264	7,772,079,685
	<u>34,420,944,980</u>	<u>26,788,466,138</u>

7.6 Loans and advances / investments -geographical location-wise

Inside Bangladesh

Urban

Dhaka	23,276,078,029	20,662,930,175
Chittagong	8,627,271,884	3,348,073,259
Sylhet	225,624,990	194,397,281
Bogra	1,131,116,854	1,144,784,030
Khulna	757,157,607	1,016,169,218
	<u>34,017,249,364</u>	<u>26,366,353,963</u>

Rural

Dhaka	179,133,567	194,140,066
Chittagong	91,807,684	154,231,852
Sylhet	44,601,110	32,394,918
Bogra	37,464,366	41,345,339
Khulna	50,688,889	-
	<u>403,695,616</u>	<u>422,112,175</u>

Outside Bangladesh

	-	-
	<u>34,420,944,980</u>	<u>26,788,466,138</u>

7.7 Sector-wise loans / investments including bills purchased and discounted

Public sector  
Co-operative sector  
Private sector

	2008 Taka	2007 Taka
Public sector	-	-
Co-operative sector	-	-
Private sector	<u>34,420,944,980</u>	<u>26,788,466,138</u>
	<u>34,420,944,980</u>	<u>26,788,466,138</u>

7.8 Securities against loans / investments including bills purchased and discounted

Collateral of movable / immovable assets  
Local banks and financial institutions guarantee  
Foreign banks guarantee  
Export documents  
Fixed deposit receipts (FDR)  
FDR of other banks  
Government bonds  
Personal guarantee  
Other securities

Collateral of movable / immovable assets	28,087,036,775	16,902,702,017
Local banks and financial institutions guarantee	556,545,347	1,231,380,033
Foreign banks guarantee	270,544,382	364,683,948
Export documents	1,685,096,090	523,840,790
Fixed deposit receipts (FDR)	1,696,526,293	1,508,597,245
FDR of other banks	59,418,709	147,469,868
Government bonds	864,632	2,521,679
Personal guarantee	1,200,332,079	4,016,461,810
Other securities	864,580,673	2,090,808,748
	<u>34,420,944,980</u>	<u>26,788,466,138</u>

## 7.9 Detail of large loan / investments

Number of clients with amount of outstanding and classified loans / investments exceeding 10% of total capital of the Bank. Total capital of the Bank was Taka 3,953.50 million as at 31 December 2008 (Tk 3,156.30 million in 2007).

Number of clients	65	54
Amount of outstanding advances / investments	14,226,600,000	11,081,900,000
Amount of classified advances / investments	230,300,000	699,000,000

## 7.10 Particulars of loans and advances / investments

	2008	2007
	Taka	Taka
i) Loans / investments considered good in respect of which the Bank is fully secured	33,076,657,290	24,310,727,381
ii) Loans / investments considered good against which the Bank holds no security other than the debtors' personal guarantee	493,604,959	2,477,738,757
iii) Loans / investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	850,682,731	-
iv) Loans / investments adversely classified; provision not maintained there against	-	-
	<u>34,420,944,980</u>	<u>26,788,466,138</u>
v) Loans / investments due by directors or officers of the banking company or any of them either separately or jointly with any other persons	<u>885,633,291</u>	<u>662,088,221</u>
vi) Loans / investments due from companies or firms in which the directors of the Bank have interest as directors, partners or managing agents or in case of private companies as members	-	-
vii) Maximum total amount of advances / investments, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either separately or jointly with any other person.	<u>885,633,291</u>	<u>662,088,221</u>
viii) Maximum total amount of advances / investments, including temporary advances / investments granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in the case of private companies, as members	-	-
ix) Due from banking companies	-	-
x) Classified loans and advances / investments		
a) Classified loans and advances / investments on which interest has not been charged	<u>1,421,290,000</u>	<u>1,193,892,000</u>
b) Provision on classified loans and advances / investments (for detail see note-13.1)	<u>779,800,000</u>	<u>462,780,000</u>
c) Provision kept against loans / investments classified as bad debts	<u>587,456,000</u>	<u>352,079,000</u>
d) Interest credited to Interest Suspense Account (Note-13.3)	<u>351,815,473</u>	<u>352,005,997</u>
xi) Cumulative amount of written off loans / investments		
Opening Balance	3,671,509,000	2,983,992,000
Amount written off during the year	<u>372,896,000</u>	<u>687,517,000</u>
	<u>4,044,405,000</u>	<u>3,671,509,000</u>
Amount realised against loans / investments previously written off	<u>86,835,000</u>	<u>30,942,000</u>
The amount of written off / classified loans / investments for which law suits have been filed	<u>3,844,198,000</u>	<u>3,164,430,259</u>

## 7.11 Classification of loans and advances / investments

### Unclassified

Standard including staff loan	31,745,159,980	22,828,767,138
Special mention account (SMA)	505,977,000	2,287,866,000
	<u>32,251,136,980</u>	<u>25,116,633,138</u>

### Classified

Sub-standard	286,730,000	348,078,000
Doubtful	461,788,000	129,863,000
Bad / Loss	1,421,290,000	1,193,892,000
	<u>2,169,808,000</u>	<u>1,671,833,000</u>
	<u>34,420,944,980</u>	<u>26,788,466,138</u>

7.12 Particulars of required provision for loans and advances / investments		2008	2007
Status		Taka	Taka
<b>General Provision</b>			
Loans / investments (Excluding SMA)		379,086,850	236,427,950
Special mention account (SMA)		24,446,750	111,423,050
		<u>403,533,600</u>	<u>347,851,000</u>
A. Total provision maintained for outstanding standard loans(note - 13.1)		<u>420,200,000</u>	<u>500,832,192</u>
Excess / (short) provision at 31 December		<u>16,666,400</u>	<u>152,981,192</u>
Status		Base	Rate
		for provision	(%)
<b>Specific provision</b>			
Sub-standard	179,212,000	20	35,842,400
Doubtful	312,856,000	50	156,428,000
Bad / Loss	587,456,000	100	587,456,000
			<u>779,726,400</u>
			<u>422,779,900</u>
Required provision for loans and advances / investments		<u>779,726,400</u>	<u>422,780,000</u>
B. Total provision maintained for classified loans(note - 13.1)		<u>779,800,000</u>	<u>462,780,000</u>
Excess / (short) provision at 31 December		<u>73,600</u>	<u>40,000,000</u>
C. Total provision maintained for loans and advances/ investments (A+B)		<u>1,200,000,000</u>	<u>963,612,192</u>
<b>8 Bills purchased and discounted</b>			
Payable in Bangladesh		1,785,766,147	1,470,581,439
Payable outside Bangladesh		208,432,689	278,091,991
		<u>1,994,198,836</u>	<u>1,748,673,430</u>
<b>8.1 Maturity grouping of bills purchased and discounted</b>			
Payable within one month		502,170,444	230,977,242
Over one month but less than three months		367,706,024	205,254,670
Over three months but less than six months		917,282,695	1,034,997,414
Six months or more		207,039,673	277,444,104
		<u>1,994,198,836</u>	<u>1,748,673,430</u>
<b>9 Fixed assets including premises, furniture and fixtures</b>			
<b>Cost</b>			
Land		1,305,798,768	735,937,368
Building		483,463,540	161,145,053
Building under construction		184,119,400	93,243,477
Furniture and fixtures		268,258,475	197,280,125
Office equipment and machinery		397,456,310	246,399,720
Bank's vehicles		74,367,565	65,070,072
Leased assets		18,835,822	18,835,822
Software		74,493,478	71,062,478
		<u>2,806,793,358</u>	<u>1,588,974,115</u>
Less: Accumulated depreciation		<u>292,409,389</u>	<u>198,241,917</u>
Net book value at the end of the year (See Annexure-C for detail)		<u>2,514,383,969</u>	<u>1,390,732,198</u>
		2008	2007
		Taka	Taka
<b>10 Other assets</b>			
Stationery and stamps		12,857,928	17,333,253
Advance deposits and advance rent		68,009,994	48,190,132
Prepaid expenses (note-10.1)		52,728,396	39,850,669
Advance payment of tax (note-10.2)		2,311,626,814	2,039,099,926
Adjusting account debit (note-10.3)		444,310,469	394,613,422
Branch adjustments accounts (note-10.4)		52,957,093	84,810,468
Interest receivable on bond		-	15,874,454
Premium on bond		-	12,185,535
Suspense account (note -10.5)		219,972,255	274,867,733
Advance against advertisement		22,474,256	4,227,240
Protested bill		4,503,887	4,503,887
Users License		44,243,520	-
		<u>3,233,684,612</u>	<u>2,935,556,719</u>
10.1 Prepaid expenses relating to expenses paid in advance for membership fees for Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. and for Bill Board.			
<b>10.2 Advance tax</b>			
Balance as on 1 January		2,039,099,926	1,448,098,602
Paid during the year		272,526,888	441,001,324
Paid for previous years tax liability		-	150,000,000
		<u>2,311,626,814</u>	<u>2,039,099,926</u>
10.3 Adjusting account debit represents amount of interest receivable from call loans, debentures and STD accounts.			
10.4 Branch adjustments account represents outstanding Inter-branch and Head Office transactions (Net) originated but yet to be responded at the balance sheet date. However, the status of unresponded entries of 31.12.2008 as of 31.03.2009 are nil.			
10.5 Suspense account includes amount paid against opening of proposed branches, advance against TA/ DA, suspense others etc.			
<b>11 Borrowings from other banks, financial institutions and agents</b>			
In Bangladesh (Note-11.1)		2,104,480,285	850,000,000
Outside Bangladesh		-	-
		<u>2,104,480,285</u>	<u>850,000,000</u>

<b>11.1 In Bangladesh</b>			
Janata Bank Ltd.		-	750,000,000
Dutch Bangla Bank Ltd.		300,000,000	100,000,000
Agrani Bank Ltd.		50,000,000	-
National Bank Ltd.		150,000,000	-
Citi bank N.A		35,000,000	-
Bank Alfalah Ltd.		90,000,000	-
Rupali Bank Ltd.		300,000,000	-
Pubali Bank Ltd.		20,000,000	-
BASIC Bank Ltd.		100,000,000	-
Bangladesh Bank (Islami Investment Bond's Fund)		1,020,000,000	-
Refinance against SME loan from Bangladesh Bank		39,480,285	-
		<b>2,104,480,285</b>	<b>850,000,000</b>
<b>11.2 Security against borrowings from other banks, financial institutions and agents</b>			
Secured		1,020,000,000	-
Unsecured		1,084,480,285	850,000,000
		<b>2,104,480,285</b>	<b>850,000,000</b>
		<b>2008</b>	<b>2007</b>
		<b>Taka</b>	<b>Taka</b>
<b>11.3 Maturity grouping of borrowings from other banks, financial institutions and agents</b>			
Payable on demand		-	-
Up to 1 month		1,045,000,000	850,000,000
Over 1 month but within 3 months		306,000,000	-
Over 3 months but within 1 year		727,160,095	-
Over 1 year but within 5 years		26,320,190	-
Over 5 years		-	-
		<b>2,104,480,285</b>	<b>850,000,000</b>
<b>12 Deposits and other accounts</b>			
Inter-bank deposits		476,941,755	241,316,025
Other deposits		44,557,392,747	40,298,318,010
		<b>45,034,334,502</b>	<b>40,539,634,035</b>
<b>12.1 Inter-bank deposits</b>			
	<b>CD</b>	<b>STD &amp; FDR</b>	<b>Mudaraba Saving &amp; Term Deposit</b>
			<b>Total</b>
Eastern Bank Ltd.	5,865,532	447,675	-
Trust Bank Ltd.	4,304,766	-	-
Dutch-Bangla Bank Ltd.	3,746,372	789,458	-
Prime Bank Ltd.	286,639	-	-
Islami Bank Bangladesh Ltd.	42,140	-	1,049
The Oriental Bank Ltd.	1,037,842	-	-
South East Bank Ltd.	138	924,692	-
Bank Asia Ltd.	-	3,317,188	-
BRAC Bank Ltd.	-	3,370	-
Al Arafah Islami Bank Ltd.	-	-	629,880
Jamuna Bank Ltd.	-	-	283,735
Social Investment Bank Ltd.	-	-	252,761,279
Premier Bank Ltd.	-	2,500,000	-
Basic Bank Ltd.	-	200,000,000	-
	<b>15,283,429</b>	<b>207,982,383</b>	<b>253,675,943</b>
			<b>476,941,755</b>
<b>12.2 Deposits and other accounts</b>			
		<b>2008</b>	<b>2007</b>
		<b>Taka</b>	<b>Taka</b>
<b>Current deposits and other accounts</b>			
Current / Al-wadeeah current deposits		4,742,293,421	5,112,087,783
Foreign currency deposits		114,435,914	91,265,878
Security deposits receipts		67,780,644	73,279,474
Sundry deposits (note - 12.3)		1,612,651,509	1,459,134,780
		<b>6,537,161,488</b>	<b>6,735,767,915</b>
<b>Bills payable</b>			
Pay orders issued		521,077,482	742,575,283
Pay slips issued		25,127,394	33,831,215
Demand draft		83,006,046	112,838,614
T. T. payable		215,500	576,208
		<b>629,426,422</b>	<b>889,821,320</b>
		<b>8,770,274,032</b>	<b>7,761,124,764</b>
<b>Savings bank deposits (note-12.4)</b>			
<b>Fixed deposits</b>			
Fixed deposits / Mudaraba fixed deposits		19,152,200,859	16,308,429,606
Short term deposits/ Mudaraba short notice deposits		4,300,166,582	3,229,631,684
Non resident taka deposits		8,196,252	72,186,116
Scheme deposits (note- 12.5)		5,636,908,867	5,542,672,630
		<b>29,097,472,560</b>	<b>25,152,920,036</b>
		<b>45,034,334,502</b>	<b>40,539,634,035</b>

	2008 Taka	2007 Taka
<b>12.3 Sundry deposits</b>		
Sundry creditors	138,493,960	135,219,278
Foreign currency	802,525	802,525
Margin on L/C	370,794,020	249,029,344
Margin on L/G	196,729,245	181,278,269
Interest payable on three stage deposits	555,224,481	485,155,150
Foreign correspondence charges	15,754,642	14,474,210
Sanchaypatra	22,962,503	44,016,563
Unclaimed foreign DD	2,045,308	52,425
Security money- Supplier	24,599,970	18,472,812
Security money- Staff	392,153	680,628
Unclaimed balances	284,041	212,770
Hajj deposits	814,597	194,597
Margin on inland bills purchased	1,219,827	1,832,942
Foreign bills purchased awaiting remittance	198,076,142	304,797,872
Imprest fund- Cash Incentive	4,746,171	1,165,347
Key deposit	799,800	713,200
Risk fund (Consumer Credit Schemes and lease finance)	4,445,439	3,744,910
Lease deposits	11,215,205	12,664,269
Agent commission on Consumer Credit Schemes	233,750	232,766
CIB service charges	260,750	89,350
Currency settlement	1,554,001	349,936
Late payment charge	-	324,665
Excess over limit charge	-	443,324
Charge back	513,450	1,027,056
Auto debit receipt/ payment (Credit Card)	4,823,320	2,105,099
Interest payable on City Shomridhhi	2,662,182	-
Margin on Muldhan	940,000	-
Margin on Shulov	100,000	-
Margin on Sheba	200,000	-
Security deposit-Non Residence Business	15,228,712	-
Sundry deposit- ATM	36,656,884	-
Others	78,431	55,473
	<b>1,612,651,509</b>	<b>1,459,134,780</b>
<b>12.4 Savings bank deposits</b>		
Savings bank deposits	8,645,166,580	7,525,568,887
Mudaraba savings deposits	125,107,452	235,555,877
	<b>8,770,274,032</b>	<b>7,761,124,764</b>
<b>12.5 Scheme deposits</b>		
City Bank sanchaya scheme	474,376,528	639,444,630
Bonus deposit scheme	1,600,000	18,300,000
Deposit pension scheme (note-12.5.1)	70,502,053	68,114,500
Three stage scheme deposit	3,203,747,573	2,729,356,230
Monthly benefit scheme	1,070,668,700	1,910,450,000
Education savings scheme	34,502,989	28,086,312
Junior savers scheme	124,135,614	87,830,562
Lakpati savings scheme	64,941,890	25,834,371
Marriage savings scheme	24,882,355	20,258,340
Mudaraba monthly profit	1,600,000	1,600,000
City ichchapuron	438,050,000	13,200,000
City projonmo	36,265,665	197,685
City Shomridhhi	91,635,500	-
	<b>5,636,908,867</b>	<b>5,542,672,630</b>
12.5.1 Deposit pension scheme was closed from the year 1995 and its interest was 15% p.a.		
<b>12.6 Sector-wise deposits</b>	<b>2008</b>	<b>2007</b>
	<b>Taka</b>	<b>Taka</b>
Government	468,951,661	525,900,931
Deposit money banks	476,941,755	241,316,025
Other public	3,302,765,338	2,752,608,193
Foreign currency	114,435,914	91,265,878
Private	40,671,239,834	36,928,543,008
	<b>45,034,334,502</b>	<b>40,539,634,035</b>
<b>12.7 Maturity analysis of inter-bank deposits</b>		
Payable on demand	15,283,429	37,277,989
Up to 1 month	189,857,199	40,807,607
Over 1 month but within 3 months	89,945,174	61,211,410
Over 3 months but within 1 year	181,855,953	102,019,019
	<b>476,941,755</b>	<b>241,316,025</b>

12.8 Maturity analysis of other deposits

Payable on demand	7,311,202,723	7,396,591,154
Up to 1 month	9,753,797,704	4,934,026,635
Over 1 month but within 6 months	7,482,254,785	10,691,746,790
Over 6 months but within 1 year	15,128,022,001	12,035,691,374
Over 1 year but within 5 years	1,701,075,645	3,975,016,658
Over 5 years but within 10 years	2,551,613,467	375,424,079
Over 10 years	-	-
	<u>43,927,966,325</u>	<u>39,408,496,690</u>

Maturity analysis of other deposits (bills payable)

Payable on demand	629,426,422	889,821,320
Up to 1 month	-	-
Over 1 month but within 3 months	-	-
Over 3 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years but within 10 years	-	-
Over 10 years	-	-
	<u>629,426,422</u>	<u>889,821,320</u>
	<u>44,557,392,747</u>	<u>40,298,318,010</u>

13 Other liabilities

Provision for loans and advances/ investments (note-13.1)	1,200,000,000	963,612,192
Provision for outstanding Off-Balance Sheet exposures (note-13.2)	109,208,667	45,000,000
Interest suspense account (note-13.3)	351,815,473	352,005,997
Other provision (note-13.4)	90,458,423	69,455,423
Exchange equalisation fund (note-13.5)	16,862,379	16,862,379
Provision for income tax (note-13.6)	2,544,635,332	1,928,610,219
Adjusting account credit	1,065,704,873	857,365,030
Provision for gratuity (note-13.7)	146,657,858	66,132,896
Provision for NOSTRO A/C (note-13.8)	8,692,635	8,588,385
Export Development Fund (EDF)	102,730,737	67,807,948
Obligation under finance lease (note - 13.9)	6,542,817	10,512,711
Others	114,975,548	105,448,817
	<u>5,758,284,742</u>	<u>4,491,401,997</u>

13.1 Accumulated provision for loans and advances / investments

	2008 Taka	2007 Taka
Movement in specific provision on classified loans / investments:		
Provision held as on 1 January	462,780,000	943,260,518
Less: Fully provided debts written off during the year	(354,063,340)	(629,195,394)
Less: Fully waived during the year	(394,495)	-
Add: Recoveries of amounts previously written off	41,920,636	18,415,068
Add: Specific provision made during the year for other accounts	548,925,007	134,999,808
Add: Excess amount transferred from provision for unclassified accounts	80,632,192	-
Less: Excess amount transferred to provision for unclassified accounts	-	(4,700,000)
Provision held as on 31 December	<u>779,800,000</u>	<u>462,780,000</u>
Movement in general provision on unclassified loans / investments		
Provision held as on 1 January	500,832,192	334,032,000
Excess amount transferred from provision for classified accounts	-	4,700,000
Excess amount transferred to provision for classified accounts	(80,632,192)	-
Add: General provision made during the year	-	162,100,192
Provision held as on 31 December	<u>420,200,000</u>	<u>500,832,192</u>
	<u>1,200,000,000</u>	<u>963,612,192</u>

13.2 As per BRPD Circular No. 08 and 10 dated August 07, 2007 and September 18, 2007 respectively, banks are advised to maintain general provision against outstanding Off-Balance Sheet exposures in the following manner:

- i) 0.50% provision effective from December 31, 2007 and
- ii) 1% provision effective from December 31, 2008.

In order to comply with the Circulars, Bank had to maintain a provision of Tk. 109,208,667 as on December 31, 2008, which was complied with.

13.3 Interest suspense account

Interest suspense account on classified loans and advances	334,773,594	292,601,281
Interest suspense on special mention account	17,041,879	59,404,716
	<u>351,815,473</u>	<u>352,005,997</u>

13.3.1 Movement of interest suspense account

Balance as on 1 January	352,005,997	277,219,774
Add: Amount transferred to "interest suspense" account during the year	81,900,458	98,774,507
Add: Amount kept against standard loan	133,078,136	59,757,000
Add: Amount kept against SMA accounts	17,041,879	59,404,716
Less: Amount recovered from "interest suspense" account during the year	(213,276,997)	(84,500,000)
Less: Amount waived during the year	(101,340)	(275,000)
Less: Amount written-off during the year	(18,832,660)	(58,375,000)
Balance as on 31 December	<u>351,815,473</u>	<u>352,005,997</u>

13.4 Other provision (classified assets)

Balance as on 1 January	69,455,423	14,590,063
Add: Addition during the year (note-13.4.1)	21,003,000	55,000,000
Less: Adjustment during the year	-	(134,640)
Balance as on 31 December	<u>90,458,423</u>	<u>69,455,423</u>

<b>13.4.1 Additional provision</b>		
Provision for diminution in value of investments	-	10,108,000
Provision for other assets	1,003,000	9,892,000
Provision for incentive bonus for employees	20,000,000	35,000,000
	<u>21,003,000</u>	<u>55,000,000</u>
	<b>2008</b>	<b>2007</b>
<b>13.5 Exchange equalization account</b>	<b>Taka</b>	<b>Taka</b>
Balance as on 1 January	16,862,379	16,862,379
Add: Addition during the year	-	-
Balance as on 31 December	<u>16,862,379</u>	<u>16,862,379</u>
<b>13.6 Provision for income tax</b>		
Balance as on 1 January	1,928,610,219	1,482,895,915
Tax paid from provisions for 2002, 2004 and 2006	-	(19,285,696)
Provision made for shortfall for previous years	-	290,000,000
Current tax (note-13.6.1)	640,000,000	125,000,000
Adjustment of deferred tax liability (note-13.6.2)	(23,974,887)	50,000,000
	<u>2,544,635,332</u>	<u>1,928,610,219</u>
<b>13.6.1.</b> Provision for current tax of Tk 640,000,000 has been made @ 45% as prescribed by Finance Ordinance, 2008 of the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance and Rules, 1984.		
<b>13.6.2 Deferred tax liability</b>		
Balance as on 1 January	50,000,000	-
Addition during the year	-	50,000,000
Adjustment during 2008	(23,974,887)	-
	<u>26,025,113</u>	<u>50,000,000</u>
Corporate tax position of the bank has been shown in <b>annexure-D</b>		
<b>13.7 Provision for gratuity</b>		
Balance as on 1 January	66,132,896	36,274,775
Addition during the year	106,544,372	50,000,000
Payment during the year	(26,019,410)	(20,141,879)
Balance as on 31 December	<u>146,657,858</u>	<u>66,132,896</u>
The Bank had a shortfall of Tk. 6.67 crore against Provision for Gratuity as on December 31, 2008 and intended to build adequate provision against the said head by 2011. And in order to reach the target and comply with Bangladesh Accounting Standard-19 "Employee Benefits" the Bank had accounted for Tk. 10.65 crore under gratuity provision during 2008 and the deficit amount of Tk. 6.67 crore will be provided gradually by 2011.		
<b>13.8 Provision for NOSTRO account</b>		
Balance as on 1 January	8,588,385	8,274,267
Addition during the year	104,250	314,118
Balance as on 31 December	<u>8,692,635</u>	<u>8,588,385</u>
Additional provision was accounted for due to foreign exchange rate fluctuation		
<b>13.9 Obligation under finance lease</b>		
Minimum lease rental payable		
Within 1 year	5,033,930	5,068,320
Above 1 year but within 5 years	2,217,394	7,254,015
	<u>7,251,324</u>	<u>12,322,335</u>
Less: Finance charges payable	708,507	1,809,624
Obligation under finance lease	<u>6,542,817</u>	<u>10,512,711</u>
<b>14 Share capital</b>	<b>2008</b>	<b>2007</b>
<b>14.1 Authorized capital</b>	<b>Taka</b>	<b>Taka</b>
17,500,000 ordinary shares of Taka 100.00 each	<u>1,750,000,000</u>	<u>1,750,000,000</u>
<b>14.2 Issued, subscribed and fully paid up capital</b>		
4,340,000 ordinary shares of Taka 100.00 each issued for cash	434,000,000	434,000,000
Ordinary shares of Taka 100.00 each issued as bonus shares during previous years:		
7,540,000 ordinary shares up to 2007	-	754,000,000
9,322,000 ordinary shares up to 2008	932,200,000	-
	<u>1,366,200,000</u>	<u>1,188,000,000</u>
<b>14.3 Capital Adequacy Ratio</b>		

In terms of section 13 (2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD circulars no. 01,14 10 and 05, dated January 08, 1996, November 16,1996, November 25, 2002 and May 14, 2007 respectively, required capital of the Bank at the close of business on 31 December 2008 was Taka 359.19 crore as against available core capital of Taka 271.08 crore and supplementary capital of Taka 124.27 crore making a total capital of Taka 395.35 crore thereby showing a surplus capital / equity of Taka 36.16 crore at that date. Details are shown below:

	2008 Taka	2007 Taka
<b>Core capital (Tier-I)</b>		
Paid up capital	136.62	118.80
Proposed bonus share	20.49	17.82
Statutory reserve (note-15)	109.98	89.69
General reserve (note-16)	1.14	1.14
Surplus in profit and loss account / Retained earnings (note-17)	2.85	3.81
	<u>271.08</u>	<u>231.27</u>
<b>Supplementary capital (Tier-II)</b>		
General provision maintained against unclassified loan / investments (note-13.1)	42.02	50.08
General provision maintained against outstanding off balance sheet exposures	10.92	4.50
Assets revaluation reserve (Annexure-F)	69.46	28.09
Exchange equalization account (note-13.5)	1.69	1.69
Revaluation reserve for HTM securities	0.18	0.00
	<u>124.27</u>	<u>84.36</u>
<b>Total capital</b>	<u>395.35</u>	<u>315.63</u>
Total assets	5,711.46	4,875.54
Total risk weighted assets	3,591.89	2,503.69
Required capital (10% of risk weighted assets)	359.19	250.37
<b>Surplus</b>	<u>36.16</u>	<u>65.26</u>
<b>Capital adequacy ratio</b>	<u>11.01%</u>	<u>12.61%</u>
<b>Capital requirement</b>	<b>Required Held</b>	<b>Required Held</b>
Tier - I	5.00% 7.55%	5.00% 9.24%
Tier - II	5.00% 3.46%	5.00% 3.37%
<b>Total</b>	<u>10.00% 11.01%</u>	<u>10.00% 12.61%</u>

As per BRPD Circular no. 05 dated May 14, 2007, banks are required to maintain Capital to Risk-Weighted Assets Ratio 10% at the minimum with core capital not less than 5%.

#### 14.4 Percentage of shareholdings at the closing date

Particulars	2008	2008	2007	2007
	Taka	Percentage(%)	Taka	Percentage(%)
Sponsors and general public	1,202,612,800	88.03%	1,024,518,400	86.24%
Financial institutions	163,587,200	11.97%	163,481,600	13.76%
	<u>1,366,200,000</u>	<u>100.00%</u>	<u>1,188,000,000</u>	<u>100.00%</u>

#### 14.5 Shareholding range on the basis of shareholdings at 31 December 2008

Shareholding range	Number of		Percentage (%)
	share holders	Shares	
01 - 500	18,102	796,290	5.83%
501 - 5,000	486	694,745	5.09%
5,001 - 10,000	43	301,333	2.21%
10,001 - 20,000	45	673,955	4.93%
20,001 - 30,000	26	678,243	4.96%
30,001 - 40,000	11	372,492	2.73%
40,001 - 50,000	12	525,291	3.84%
50,001 - 100,000	28	1,950,115	14.27%
100,001 - 1,000,000	30	7,669,536	56.44%
1,000,000 and over	-	-	-
	<u>18,783</u>	<u>13,662,000</u>	<u>100.00%</u>

#### 15 Statutory reserve

	2008 Taka	2007 Taka
Balance on 1 January	896,948,006	735,255,401
Addition during the year (20% of pre-tax profit)	202,827,059	161,692,605
Balance at 31 December	<u>1,099,775,065</u>	<u>896,948,006</u>

#### 16 Other reserve

	2008	2007
General reserve	11,394,928	11,394,928
Revaluation reserve for HTM securities	3,508,039	-
Revaluation reserve for HFT securities	113,993,070	-
Asset revaluation reserve (note-16.1)	1,389,207,410	561,709,160
	<u>1,518,103,447</u>	<u>573,104,088</u>

16.1 Balance on 1 January	561,709,160	561,709,160
Addition during the year (Annexure-F may kindly be seen for more disclosure)	827,498,250	-
Balance at 31 December	<u>1,389,207,410</u>	<u>561,709,160</u>

#### 17 Retained earnings / movement of profit and loss account

Balance on 1 January	38,114,892	34,544,471
Addition during the year	398,110,184	343,463,026
Transfer to statutory reserve	(202,827,059)	(161,692,605)
Transfer of paid-up capital (issue of bonus shares)	-	-
Proposed dividend (stock)	(204,930,000)	(178,200,000)
Balance at 31 December	<u>28,468,017</u>	<u>38,114,892</u>



<b>18</b>	<b>Contingent liabilities</b>		
<b>18.1</b>	<b>Letters of guarantee</b>		
	Letters of guarantee (Local)	2,035,145,848	1,750,639,957
	Letters of guarantee (Foreign)	241,126,468	-
		2,276,272,316	1,750,639,957
	Less: Margin	196,729,245	181,278,269
		<u>2,079,543,071</u>	<u>1,569,361,688</u>
	Money for which the Bank is contingently liable in respect of guarantees given favoring:		
		<b>2008</b>	<b>2007</b>
		<b>Taka</b>	<b>Taka</b>
	Directors or Officers	-	-
	Government	1,498,316,338	1,333,143,000
	Banks and other Financial Institutions	156,340,242	68,295,000
	Others	621,615,736	349,201,957
		2,276,272,316	1,750,639,957
	Less: Margin	196,729,245	181,278,269
		<u>2,079,543,071</u>	<u>1,569,361,688</u>
<b>18.2</b>	<b>Irrevocable Letters of Credit</b>		
	Letters of credit (Inland)	1,344,068,785	843,159,195
	Letters of credit (General)	1,202,034,627	754,058,542
	Back to back L/C	604,055,879	378,935,419
	Back to back bills	1,277,707,310	801,529,415
	Back to back bills (EDF)	67,028,471	42,048,199
	Bank's liabilities PAD (DEF)	82,377,037	51,676,638
		4,577,272,109	2,871,407,408
	Less: Margin	370,794,020	249,029,344
		<u>4,206,478,089</u>	<u>2,622,378,064</u>
<b>18.3</b>	<b>Bills for collection</b>		
	Outward local bills for collection	44,543,452	47,176,965
	Outward foreign bills for collection	556,765,167	484,765,149
	Inward local bills for collection	730,305,757	610,936,645
	Inward foreign bills for collection	1,271,035,133	2,069,960,115
		2,602,649,509	3,212,838,874
	Less: Margin	1,219,827	1,832,942
		<u>2,601,429,682</u>	<u>3,211,005,932</u>
<b>19.</b>	<b>Income statement</b>		
	<b>Income:</b>		
	Interest, discount and similar income (note-19.1)	5,581,586,629	5,034,378,878
	Dividend income (note-22)	83,873,488	9,152,956
	Fees, commission and brokerage (note-19.2)	275,665,419	267,641,957
	Gains <i>less</i> losses arising from dealing in securities (note-22)	28,805,365	129,163
	Gains <i>less</i> losses arising from investment securities (note-22)	146,772,653	-
	Gains <i>less</i> losses arising from dealing in foreign currencies (note-23.1)	217,355,686	264,604,487
	Income from non-banking assets	-	-
	Other operating income (note-24 <i>minus</i> gain from sale of treasury bonds/shares)	339,093,067	231,647,934
	Profit <i>less</i> losses on interest rate changes	-	-
		<u>6,673,152,307</u>	<u>5,807,555,375</u>
	<b>Expenses:</b>		
	Interest / profit paid on deposits, borrowings etc. (note-21)	3,162,885,370	3,235,362,655
	Losses on loans and advances	-	-
	Administrative expenses (note-19.3)	1,397,342,430	1,150,866,863
	Other operating expenses (note-33)	256,466,897	86,832,367
	Depreciation on banking assets (note-32)	101,537,017	78,616,346
		4,918,231,714	4,551,678,231
		<u>1,754,920,593</u>	<u>1,255,877,144</u>
<b>19.1</b>	<b>Interest, discount and similar income</b>		
	Interest income(note-20)	4,669,370,374	4,183,260,712
	Interest income on treasury bills / reverse repo / bonds (note-22)	907,922,669	791,255,111
	Interest on debentures (note-22)	4,293,586	59,863,055
		<u>5,581,586,629</u>	<u>5,034,378,878</u>
<b>19.2</b>	<b>Fees, commission and brokerage</b>		
	Commission (note-23)	275,665,419	267,641,957
	Brokerage	-	-
		<u>275,665,419</u>	<u>267,641,957</u>
<b>19.3</b>	<b>Administrative expenses</b>		
	Salary and allowances (note-25)	1,029,038,516	877,594,990
	Rent, taxes, insurance, electricity, etc. (note-26)	164,711,221	141,269,481
	Legal expenses (note-27)	11,084,368	9,882,321
	Postage, stamp, telecommunication, etc. (note-28)	22,988,304	25,868,331
	Stationery, printing, advertisement, etc. (note-29)	90,353,731	52,143,307
	Chief Executive's salary and fees (note-30)	10,380,000	5,370,000
	Directors' fees (note-31)	700,000	892,000
	Auditors' fees	469,750	729,375
	Repair of Bank's assets (note-32)	67,616,540	37,117,058
		<u>1,397,342,430</u>	<u>1,150,866,863</u>

20 Interest income / profit on investment

Loans (General) / Musharaka	2,953,119	4,280,786
Loans against imported merchandise / Murabaha	31,196,453	90,847,158
Loans against trust receipts	531,905,006	434,098,326
Packing credit	17,091,792	34,661,086
Interest on EDF	154,465	-
House building loan	33,694,650	55,921,839
Industrial credit		1,194,078,099
Transport loan	65,841,013	34,615,773
Lease finance / Izara	28,942,397	34,354,995
Demand loan	202,085,213	121,300,149
Payment against documents	54,347,021	92,550,629
Cash credit / Bai-Muajjal	820,188,537	860,059,080
Hire purchase shirkatul melk	47,863,604	35,023,005
Fully and partly secured overdraft	359,159,125	299,696,442
Consumer credit scheme	5,620,237	7,372,803
Interest on SME	83,779,832	84,625,415
Staff loan	46,037,035	33,492,273
Documentary bills purchased	253,318,311	312,475,397
Interest income from credit card	84,082,652	38,017,789
Interest on cash incentive	4,679,112	15,410,109
Other loans and advances / Investments	73,122,128	7,363,879
<b>Total interest / profit on loans and advances / investments</b>	<b>4,263,284,463</b>	<b>3,790,245,032</b>
Interest / profit on balance with other banks and financial institutions	368,624,725	280,840,887
Interest on call loans	30,244,151	83,146,162
Interest received from foreign banks	7,217,035	29,028,631
	<b>4,669,370,374</b>	<b>4,183,260,712</b>

21 Interest / profit paid on deposits, borrowings etc.

	2008 Taka	2007 Taka
a) Interest / profit paid on deposits:		
Savings bank	365,353,584	295,575,493
Mudaraba savings deposits	5,603,223	34,536,648
Short term deposits	220,725,861	99,248,148
Mudaraba short notice deposits	2,096,300	5,695,138
Fixed deposits	1,733,597,747	2,166,124,348
Mudaraba term deposits	51,017,214	37,121,430
Deposits under scheme	601,980,070	570,924,660
Mudaraba monthly benefit scheme	182,400	138,700
Repurchase agreement (REPO)	97,462,844	11,838,351
Others (Note-21.1)	1,360,629	2,739,757
b) Interest / profit paid on local bank accounts	68,220,220	11,419,982
c) Interest / profit paid on borrowing from Bangladesh Bank	15,285,278	-
	<b>3,162,885,370</b>	<b>3,235,362,655</b>

21.1 Others

Interest paid on Foreign Currency	18,516	2,471,863
Interest paid on security deposit-staff	-	223,300
Profit paid on gift cheque	1,342,113	44,594
	<b>1,360,629</b>	<b>2,739,757</b>

22 Investment income

Interest on treasury bills / Reverse repo / bonds	907,922,669	791,255,111
Interest on debentures	4,293,586	59,863,055
Dividend on shares	83,873,488	9,152,956
Gain on Government securities	124,766,936	129,163
Gain on revaluation of HFT securities	28,805,365	-
Gain on sale of shares and debentures	22,005,717	-
	<b>1,171,667,761</b>	<b>860,400,285</b>

23 Commission, exchange and brokerage

Commission on L/Cs	112,253,458	104,106,971
Commission on L/Gs	41,451,928	26,321,987
Commission on export bills	23,771,831	28,625,585
Commission on bills purchased	3,218,384	5,701,070
Commission on accepted bills	50,327,156	56,918,980
Commission on OBC, IBC etc.	5,620,698	6,149,637
Commission on PO, DD, TT, TC, etc.	31,215,787	35,881,317
Other commission	7,806,177	3,936,410
	<b>275,665,419</b>	<b>267,641,957</b>
Exchange gain (note - 23.1) - including gain from Foreign Currency dealings	217,355,686	264,604,487
Brokerage	-	-
	<b>217,355,686</b>	<b>264,604,487</b>
	<b>493,021,105</b>	<b>532,246,444</b>

23.1 Exchange gain

Exchange gain	223,384,601	288,796,134
Less: Exchange loss	(6,028,915)	(24,191,647)
	<b>217,355,686</b>	<b>264,604,487</b>

	2008 Taka	2007 Taka
<b>24 Other operating income</b>		
Rental Income	5,712,664	4,315,737
Postage / telex / SWIFT/ fax recoveries	26,235,088	32,127,062
Incidental charges	30,348,758	29,294,060
Service and other charges	78,676,766	61,762,456
Profit from sale of fixed assets	2,564,313	1,045,899
Legal charges recoveries	2,102,852	962,223
Credit card income (Note-24.1)	95,046,727	41,457,321
Rebate received from foreign banks	7,602,445	6,702,798
Underwriting commission	413,890	78,671
Miscellaneous earnings (Note-24.2)	90,389,564	53,901,707
<b>24.1 Credit card income</b>	<b>339,093,067</b>	<b>231,647,934</b>
Card issue fees		
Late payment fees		
Inter-change, mark-up, excess limit, cash advance fees etc.		
Currency conversion gain		
Others		
	<b>95,046,727</b>	<b>41,457,321</b>
<b>24.2 Miscellaneous earnings include syndication fee, service charges, recovery of bank charges, realization of revaluation gain on building, etc.</b>		
<b>25 Salaries and allowances</b>		
Basic pay	466,957,122	399,310,483
Allowances	436,287,266	370,355,952
Bonus	81,247,005	69,732,026
Bank's contribution to provident fund	44,547,123	38,196,529
	<b>1,029,038,516</b>	<b>877,594,990</b>
<b>26 Rent, taxes, insurance, electricity etc.</b>		
Rent, rates and taxes		
Insurance	98,491,331	80,846,840
Power and electricity	36,010,832	36,524,424
	30,209,058	23,898,217
	<b>164,711,221</b>	<b>141,269,481</b>
<b>27 Legal expenses</b>		
Legal expenses	10,897,513	9,822,946
Other	186,855	59,375
	<b>11,084,368</b>	<b>9,882,321</b>
<b>28 Postage, stamps, telecommunication etc.</b>		
Postage	5,976,681	6,857,404
Telegram, telex, fax and e-mail	687,248	4,695,301
Telephone - office	12,466,114	11,127,707
Telephone - residence	3,858,261	3,187,919
	<b>22,988,304</b>	<b>25,868,331</b>
<b>29 Stationery, printing and advertisements etc.</b>		
Office and security stationery (note-29.1)	27,578,902	13,351,364
Computer consumable stationery	1,368,912	9,151,166
Publicity and advertisement (note-29.2)	61,405,917	29,640,777
	<b>90,353,731</b>	<b>52,143,307</b>
	2008	2007
	Taka	Taka
<b>29.1 Office and security stationery</b>		
Office stationery	23,592,979	11,494,163
Security stationery	3,985,923	1,857,201
	<b>27,578,902</b>	<b>13,351,364</b>
<b>29.2 Publicity and advertisement</b>		
Newspaper and magazine	12,084,864	6,211,931
Television and radio	12,831,668	6,190,440
Miscellaneous	36,489,385	17,238,406
	<b>61,405,917</b>	<b>29,640,777</b>
<b>30 Chief Executive's salary and fees</b>		
Basic salary	7,920,000	3,600,000
Bonus and other allowances	2,460,000	1,770,000
	<b>10,380,000</b>	<b>5,370,000</b>

31	<b>Directors' fees</b>		<b>700,000</b>	<b>892,000</b>
	Meeting fees			
	Each Director is paid Tk.4,000/- per meeting per attendance.			
32	<b>Depreciation and repair of Bank's assets</b>			
	<b>Depreciation - (see annexure C for detail)</b>			
	Fixed assets	97,769,852		74,993,682
	Leased assets	3,767,165		3,622,664
		<b>101,537,017</b>		<b>78,616,346</b>
	<b>Repairs</b>			
	Premises	14,028,989		3,503,920
	Furniture and fixtures	1,053,739		603,499
	Office equipment	9,521,607		6,651,549
	Vehicle	39,112,040		24,861,146
	Others	3,900,165		1,496,944
		<b>67,616,540</b>		<b>37,117,058</b>
		<b>169,153,557</b>		<b>115,733,404</b>
33	<b>Other expenses</b>			
	Entertainment	8,460,908		5,298,257
	Car expenses	10,546,158		6,865,436
	Books, magazines and newspapers, etc.	1,514,508		1,239,287
	Liveries and uniforms	430		1,198,725
	Medical expenses	1,529,053		446,996
	Cash carrying charges	1,450,865		1,585,815
	Loss on sale of fixed assets	3,537,513		257,109
	Loss on sale of shares	-		1,527,582
	Finance charge for lease assets	1,098,426		1,747,942
	Subscription to institutions	3,442,404		5,392,854
	Donations	1,747,498		8,327,730
	Consultancy fees	3,007,859		1,434,000
	Travelling expenses	19,233,877		8,993,587
	Local conveyance, labour etc.	3,234,394		2,404,967
	Business development	2,332,126		5,343,268
	Training and internship	8,537,351		2,274,214
	Laundry and cleaning	973,205		754,920
	Credit card expenses (note-33.1)	36,039,554		21,321,795
	Branch up keep	3,212,425		2,652,364
	Interest on Government bond	120,589,419		-
	Miscellaneous expenses	25,978,924		7,765,519
		<b>256,466,897</b>		<b>86,832,367</b>
		<b>2008</b>		<b>2007</b>
		<b>Taka</b>		<b>Taka</b>
33.1	<b>Credit card expenses</b>			
	Processing and personalization fee	11,204,949		7,811,874
	Interchange fee	6,601,326		1,267,955
	VISA International fee	10,914,699		11,326,334
	Currency conversion loss	139,554		70,150
	ATM service charge	1,750,647		60,000
	Miscellaneous expenses	5,428,379		785,482
		<b>36,039,554</b>		<b>21,321,795</b>
34	<b>Provision for loans and advances / investments</b>			
	Provision for bad and doubtful loans and advances / investments	548,925,007		134,999,808
	Provision for unclassified loans and advances / investments	-		162,100,192
		<b>548,925,007</b>		<b>297,100,000</b>
35	<b>Other provision</b>			
	Provision for other assets	1,003,000		9,892,000
	Provision for incentive bonus for employees	20,000,000		35,000,000
	Provision for NOSTRO accounts	104,250		314,118
		<b>21,107,250</b>		<b>45,206,118</b>
36	<b>Receipts from other operating activities</b>			
	Interest on bonds, debentures and treasury bills	1,087,794,273		851,247,329
	Rent recovered	5,712,664		4,315,737
	Postage / Telex / Fax / Swift charge recoveries	26,235,088		32,127,062
	Incidental charges	30,348,758		29,294,060
	Service and other charges	78,676,766		61,762,456
	Income from sale of bank's property	2,564,313		1,045,899
	Legal charges recoveries	2,102,852		962,223
	Credit card income	95,046,727		41,457,321
	Rebate received from foreign banks	7,602,445		6,702,798
	Underwriting commission	413,890		78,671
	Miscellaneous earnings	90,389,564		53,901,707
		<b>1,426,887,340</b>		<b>1,082,895,263</b>
37	<b>Payments for other operating activities</b>			
	Rent, taxes, insurance, electricity, etc.	164,711,221		141,269,481
	Legal expenses	11,084,368		9,882,321
	Postage, stamp, telecommunication, etc.	22,988,304		25,868,331
	Advertisement expenses	61,405,917		29,640,777
	Directors' fees	700,000		892,000
	Auditors' fees	469,750		729,375
	Repair to Bank's assets	67,616,540		37,117,058
	Other expenses	256,466,897		86,832,367
		<b>585,442,997</b>		<b>332,231,710</b>

38 Increase / (decrease) of other assets

Stationery and stamps	4,475,325	(2,530,294)
Advance deposits and advance rent	(19,819,862)	(26,622,931)
Prepaid expenses	(12,877,727)	(16,640,660)
Branch adjustment account	31,853,375	1,104,594,460
Interest receivable on bond	15,874,454	(15,874,454)
Premium on bond	12,185,535	(12,185,535)
Suspense account	54,895,478	(120,593,713)
Advance against advertisement	(18,247,016)	2,113,621
Users license	(44,243,520)	-
Books	-	102,840
	<b>24,096,042</b>	<b>912,363,334</b>

39 Increase / (decrease) of other liabilities

	2008 Taka	2007 Taka
Loans written off and waived	(354,457,835)	(629,195,394)
Interest suspense account	(190,524)	74,786,223
Other provision	-	(134,640)
Provision for gratuity	(26,019,410)	(20,141,879)
Export Development Fund (EDF)	34,922,789	(27,604,462)
Lease obligation payable	(3,969,894)	(8,187,353)
Others	9,526,731	11,483,760
	<b>(340,188,143)</b>	<b>(598,993,745)</b>
Net profit after tax (Numerator)	398,110,184	343,463,026
Number of ordinary shares outstanding (Denominator)	13,662,000	13,662,000
Earnings per share (EPS)	<b>29.14</b>	<b>25.14</b>

Earnings per share has been calculated in accordance with BAS - 33: "Earnings Per Share (EPS)". Previous year's figures have been adjusted for the issue of 1,080,000 bonus shares (for 2007) during the year.

41 Number of employees

The number of employees engaged for the whole year or part thereof who received a total remuneration of Tk. 36,000 p.a or above were 2,134.

42 Audit committee

a. Particulars of audit committee

Pursuant to the BRPD Circular no. 12 dated 23.12.2002, the Audit Committee of the Board of Directors consisted of the following 3 (three) members of the Board:

<u>Name</u>	<u>Status with bank</u>	<u>Status with committee</u>	<u>Educational Qualification</u>
Mr. Hossain Mehmood	Vice Chairman	Convenor	Associate Degree in Textile Eng. & Mgt.
Mr. Rubel Aziz	Director	Member	BBA
Mr. Hossain Khaled Saifullah	Director	Member	MBA

b. Meetings held by audit committee with senior management to consider and review the Bank's Financial Statements:

During the year under review the committee held several meetings to oversee / review various functions including reviewing the Annual Financial Statements in compliance with the Bangladesh Bank circular.

Meetings held by the committee during the year by date:

- 16th Committee Meeting held on 09.03.2008
- 17th Committee Meeting held on 24.04.2008
- 18th Committee Meeting held on 21.05.2008
- 19th Committee Meeting held on 27.11.2008

c. Steps taken for implementation of an effective internal control procedure of the Bank :

Through circular the committee placed its report regularly to the Board of Directors of the Bank mentioning its review results and recommendations on internal control system, compliance of rules and regulations and establishment of good governance within the organization.

43 Related Party Disclosures

i) Particulars of Directors of the Bank for 2008

Sl. no.	Name of the persons	Designation	Present Address	Percentage (%) of shares as on 31.12.08
1	Mr. Aziz Al Kaiser	Chairman	Bloomingdale 24 Dulabas Road, Baridhara, Dhaka	4.58
2	Mr. Hossain Mehmood (Representative of City General Insurance Company Limited)	Vice Chairman	Managing Director City General Insurance Company Ltd. Baitul Hossain, 27 Dilkusha C/A, Dhaka	0.01
3	Mr. Rubel Aziz	Director	Road no.55, House no.9, Gulshan-2, Dhaka	4.63
4	Mrs. Evana Fahmida Mohammad	Director	23/A, Shyamoli, Dhaka-1207	0.67
5	Mr. Hossain Khaled Saifullah	Director	Anwar Group of Industries Baitul Hossain Building, 27 Dilkusha C/A, Dhaka-100	1.56
6	Mr. Ahmed Rajeeb Samdani	Director	House no.76, Road no.6, Old D.O.H.S, Dhaka	0.70
7	Mr. Rajibul Huq Chowdhury	Director	688/3, Baro Mogh Bazar, Dhaka	0.37
8	Mr. Rafiqul Islam Khan	Director	House no.97, Road no.11/A, Dhanmondi, Dhaka	1.03
9	Mrs. Tabassum Kaiser	Director	Bloomingdale, 24 Dulabas Road, Baridhara, Dhaka	0.33
10	Mrs. Meherun Haque	Director	House no.3, Road no. 58/59, Gulshan-2, Dhaka	0.29
11	Mr. Mobarak Ali	Director	Plot no. SWA(20), Road no.8, Gulshan-1, Dhaka	0.38

\* For directors interest in different entities please refer to Disclosure to Annexure-E

ii) Statement of debts due by companies or firms in which the Directors ( Including Ex-Director ) of the Banking company have interests as on December 31, 2008.

A) Statement of funded debts due by the Directors of the banking company as on 31-12-2008

(Fig. in BDT Lac)

Sl.No.	Name of Director	Present Status with the Bank	Name of the Institution	Types of Facility	Outstanding as on 31.12.2008	Classification Status	Value of Eligible Security
1	Mr. Aziz-Al-Kaiser	Chairman	Self	Credit Card	3.57	UC	Marked as lien of \$ 0.10 in RFCD A/C
2	Mr. Rubel Aziz	Director	Self	Credit Card	0.66	UC	Marked as lien of \$ 0.25 in RFCD A/C
3	Mr. Ahmed Rajib Samdani	Director	Self	Credit Card	0.35	UC	-
4	Mr. Hossain Mehmood	Director	Self	Credit Card	0.02	UC	-
5	Mrs. Tabassum Kaiser	Director	Self	Credit Card	2.35	UC	Marked as lien of \$ 0.05 in RFCD A/C

B) Statement of non-funded debts due by the companies or firms in which the Directors of the banking company have interests as on 31-12-2008

Sl.	Name of Director	Present Status with the Bank	Name of the Institution	Types of Facility	Outstanding as on 31-12-08	Classification Status	Value of Eligible Security
1	Mr. Hossain Khaled Saifullah	Director	Monowar Industries (Pvt) Ltd.	BG	0.12	UC	Margin 0.01 lac
2	Mr. Hossain Mehmood	Director	Eulon Plastic Private Ltd.	BG	5.62	UC	Margin 0.56 lac
3	Mr. Rajibul Huq Chowdhury	Director	Shahida Trading Corporation	BG	4.11	UC	Margin 4.11 Lac

C) Statement of non-funded debts due by the companies or firms in which the Ex-Directors of the banking company have interests as on 31-12-2008

Sl.	Name of Director	Present Status with the Bank	Name of the Institution	Types of Facility	Outstanding as on 31-12-08	Classification Status	Value of Eligible Security
1	Mr. Azizul Haque Chowdhury	Ex-Director	Shahida Trading Corporation	BG	4.11	UC	100% margin
2	Mr. Anowar Hossain and Mr. Monowar Hossain	Ex-Directors	Anowar Silk Mills and Allied Concerns	BG	5.75	UC	Margin 2.13 Lac

Sl.	Name of Ex-Director	Present Status with the Bank	Name of the Institution	Types of Facility	Outstanding as on 31-12-2008	Classification Status	Amount of Provision Created	Value of Eligible Security	Amount of Share Holding	Amount written off	Remarks	
1	Mr.M. A. Hashem	Ex. Director	Mukta Metal Inds.	LIM	5.80	B/L	-	Nil	-	5.80	Suit Filled	
			Kamal Store		38.06		-			38.06		
			Kamal Store		42.65		-			42.65		
			Salma Enterprise		68.91		-			68.91		Appealed in High Court
2	Mr.Md. Feroz Alam & Mr.Abul Hashem	Ex. Director	Ibrahim Rubber Industries Ltd.	Term Loan	344.34	UC	-	84 Post-dated cheque	-	-	SMA	
3	Mr.Lutfur Rahman	Ex. Director	Corporate Printing & Products Ltd.	CC(Hypo)	26.44	B/L	-	a) Hypothecation of Mill & machinery b) Personal guarantee of the directors of the company	-	-	26.44	Suit filled
				CC(Pledge)	15.58	B/L	-	a) Pledge of printing chemicals, stencils and carbon paper. No value for goods due to long time elapses.	-	-	15.58	Suit filled
			Monosul Paper Products Ltd.	SOD (WO)	34.71	B/L	9.13	Token Legal mortgage of 0.0825 thousandths land & building at Bongram, Dhaka	-	-	-	Body warrant issued
4	Mr. Z.H. Choudhury and Mrs. Hosne Ara Begum	Ex. Director	Fine Flour Mills Ltd.	Term Loan	1,205.56	UC	0.00	a) Hypo. of mill machineries worth Tk. 9.54 crore b) Hypo. of raw materials c) 2nd charge mort. on 10.785 acre land & build. at Islamabad Dharmal. Value assessed at 6.41 crore. d) 2nd charge created on RUSC	-	-	-	Unclassified
			Noorani Sales & Distribution Co. Ltd.	Term Loan	1,199.72	UC	0.00	a) Hypo of raw materials & semi finished goods stored in factory. b) Mortgage of 84.22 Decima Land & build. at 16 Imamong Dhaka worth Tk. 12.99 crores c) 1st charge created with RUSC	-	-	-	Unclassified
			Dhaka Aluminium Works Ltd.	Term Loan	1,180.25	UC	0.00	a) Hypo. of machineries installed in the factory. b) Hypo of raw materials & semi finished goods used in factory. c) Mortgage of 0.50 acres land & build. at 281, Tejganj Wk. worth Tk.8.00 crore. d) Mortgage of 51.98 decimal land & build. at 17 Imamong Dhaka. worth Tk.6.62 crores. e) 1st charge created with RUSC	-	-	-	Unclassified
			Nurani Salt Refinery Iodolions Plant Ltd.	Term Loan	747.98	UC	0.00	a) Hypo. of machineries installed in the factory. b) Hypo of raw materials & semi finished goods used in factory. c) Mortgage of Land & factory shed worth at Tk. 2.34 crore. d) 1st charge created with RUSC	-	-	-	Unclassified
			A M Traders	CC (Pledge)	120.28	B/L	-	-	-	-	120.28	Suit filled
			Ahsan Traders	CC (Pledge)	35.04	B/L	-	-	-	-	35.04	Suit filled
5	Mr. A.B.M. Feroj	Ex. Director	National King Electrical Industries Ltd.	Mid Term Industrial Credit	88.09	B/L	-	20 post dated Cheque	-	-	-	Suit filled
			M/S King Metal Industries Ltd.	Mid Term Industrial Credit	24.84	UC	-	Legal mortgage of 80 katha land worth Tk. 2.50 crore	-	-	-	SMA
			RP Electrical Industries	Term Loan	46.24	B/L	-	20 post dated Cheque	-	-	46.24	-
6	Mr.Saleh Ahmed Chowdhury	Ex. Director	Saleh Fashion Ltd.	CC(Hypo)	88.20	B/L	-	a) Hypo. of machineries installed in the factory worth 24.00 Lac. b) Mortgage of Land & factory worth Tk. 26.80 lac. c) Mortgage of 5 katha land with 2 storied building worth Tk.1.00 crore d) 1st charge created with RUSC	-	-	-	Suit filled
			Hasan Enterprise	LIM	530.23	B/L	-	-	-	-	530.23	Body warrant issued

## 44 Event after the Balance Sheet date

No material event had occurred after the Balance Sheet date which could substantially effect the values reported in the financial statements.

## Balance with other banks-Outside Bangladesh (Nostro Account) as at 31 December 2008

Annexure-A

Name of the Bank	Account type	2008				2007		
		Currency type	FC amount	Exchange rate	Equivalent Taka	FC amount	Exchange rate	Equivalent Taka
American Express Bank Ltd., New York, USA	CD	US\$	(178,542.42)	68.9200	(12,305,143)	502,181.78	68.5728	34,436,010
Mashreq Bank, New York, USA	CD	US\$	160,873.55	68.9200	11,087,405	(61,766.70)	68.5728	(4,235,516)
Habib American Bank, New York, USA	CD	US\$	195.91	68.9200	13,503	28,004.98	68.5728	1,920,380
HSBC, London, UK	CD	GBP	27,542.27	99.6445	2,744,436	11,441.58	136.6999	1,564,062
Citibank N.A., New York, USA	CD	US\$	21,091.72	68.9200	1,453,641	478,843.30	68.5728	32,835,625
HSBC, New York, USA	CD	US\$	(17,306.71)	68.9200	(1,192,778)	596,162.61	68.5728	40,880,539
Standard Chartered Bank, New York, USA	CD	US\$	673,950.49	68.9200	46,448,668	461,858.45	68.5728	31,670,927
Deutschebank, Frankfurt, Germany	CD	EURO	392,438.01	96.2950	37,789,818	22,136.94	100.8980	2,233,573
Union Bank of Switzerland, Switzerland	CD	CHF	-	-	0	23,237.55	60.8292	1,413,522
Arab National Bank, Riyadh	CD	SAR	41,339.63	18.3635	759,140	35,439.63	18.3002	648,553
Bank of Tokyo Mitsubishi Ltd., Japan	CD	JPY	1,319,189.00	0.7605	1,003,243	(303,618.00)	0.6096	(185,082)
American Express Bank Ltd., Frankfurt, Germany	CD	EURO	398.08	96.2950	38,333	30,371.59	100.8980	3,064,433
Standard Chartered Bank, Kolkata, India	CD	ACUD	29,720.23	68.9200	2,048,318	(265,011.83)	68.5728	(18,172,603)
Bank of Tokyo Mitsubishi Ltd., Kolkata, India	CD	ACUD	7,827.60	68.9200	539,478	7,644.00	68.5728	524,170
HSBC, Mumbai, India	CD	ACUD	29,914.09	68.9200	2,061,679	(263,839.13)	68.5728	(18,092,188)
AB Bank Ltd., Mumbai, India	CD	ACUD	39,014.51	68.9200	2,688,880	(19,372.19)	68.5728	(1,328,405)
Sonali Bank Ltd., India	CD	ACUD	55,470.74	68.9200	3,823,044	90,510.74	68.5728	6,206,575
NDLC-IFC, Karachi, Pakistan	CD	ACUD	16,950.84	68.9200	1,168,252	1,097.64	68.5728	75,268
Standard Chartered Bank, Nepal	CD	ACUD	9,869.64	68.9200	680,216	9,269.64	68.5728	635,645
Commercial Bank of Ceylon, Colombo, Sri Lanka	CD	ACUD	(11,045.45)	68.9200	(761,252)	2,182.44	68.5728	149,656
American Express Bank Ltd., Kolkata, India	CD	ACUD	10,554.53	68.9200	727,418	18,617.06	68.5728	1,276,624
Bank of Bhutan, Bhutan	CD	ACUD	42,551.99	68.9200	2,932,683	48,772.15	68.5728	3,344,443
ICICI Bank, Mumbai, India	CD	ACUD	(187,293.54)	68.9200	(12,908,270)	(269,923.61)	68.5728	(18,509,418)
HSBC, Karachi, Pakistan	CD	ACUD	12,569.56	68.9200	866,294	9,150.84	68.5728	627,499
Commerz Bank AG, Frankfurt, Germany	CD	EURO	43,380.81	96.2950	4,177,355	12,877.78	100.8980	1,299,343
Commerz Bank AG, Frankfurt, Germany	CD	CHF	4,173.88	65.0680	271,586	5,000.00	60.8292	304,146
WACHOVIA Bank N.A., New York, USA	CD	US\$	(156,285.41)	68.9200	(10,771,192)	72,058.05	68.5728	4,941,222
Standard Chartered Bank, New York, USA	TD	US\$	200,000.00	68.9200	13,784,000	-	-	-
					7,461,749			6,544,711
					99,168,755			109,529,003

## Investment in Shares as at 31 December 2008

Annexure-B

Sl. no.	Name of the company	Type of shares	Face value	Number of shares	Cost of holding	Average cost	Quoted rate per share as on 31.12.08	Total market value as at 31.12.08
			Taka		Taka	Taka	Taka	Taka
<b>Quoted</b>								
1	IDLC Finance Ltd.	A	100	242,426	24,242,600	100.00	2,289.75	555,094,934
2	Heidelberg Cement (BD) Ltd.	A	100	8,258	10,729,584	1,299.30	1,214.00	10,025,212
3	Shine Pukur Holdings Limited	Z	100	25	4,993	199.72	185.40	4,635
4	United Leasing Limited	A	100	52	6,000	115.38	756.00	39,312
5	Federal Insurance Co. Limited	A	100	1,839	250,945	136.46	281.50	517,679
6	BEXIMCO Pharmaceuticals Limited	A	10	14,800	736,034	49.73	167.70	2,481,960
7	Meghna Cement Limited	A	100	6,050	3,033,433	501.39	386.00	2,335,300
8	Perfume Chemical Ind. Limited	Z	100	28	3,500	125.00	38.00	1,064
9	Samorita Hospital Limited	A	100	53	5,300	100.00	260.00	13,780
10	Fu-wang Ceramic Ind. Limited	B	100	300	47,665	158.88	115.25	34,575
11	Fu-wang Foods Limited	B	10	4,000	40,000	10.00	23.80	95,200
12	Raspi Inc. (BD) Limited	Z	10	366,000	6,153,414	16.81	1.90	695,400
13	Aramil Cement Limited	Z	100	50	18,019	360.38	177.50	8,875
14	Olympic Ind. Limited	A	100	600	110,391	183.99	387.00	232,200
15	Meghna PET Industries Limited	N	10	188,000	1,880,000	10.00	4.20	789,600
16	Rangamati Food Products Ltd.	Z	10	64,500	645,000	10.00	3.20	206,400
17	Meghna Condense Milk Limited	Z	10	59,000	590,000	10.00	9.10	536,900
18	Beach Hatchery Limited	Z	10	57,000	570,000	10.00	5.80	330,600
19	Square Textile Mills Limited	A	10	1,216	11,190	9.20	117.30	142,637
20	Bangladesh Welding Electrodes Limited	Z	10	200	2,000	10.00	23.40	4,680
21	German Bangla Joint Venture Foods Ltd.	Z	10	21,000	210,000	10.00	3.60	75,600
22	Marcantile Bank Ltd.	A	100	121,160	33,188,815	273.93	348.25	42,193,970
23	EXIM Bank Limited	A	100	88,865	26,062,505	293.28	323.50	28,747,828
24	Bank Asia Limited	A	100	52,061	17,407,363	334.36	383.25	19,952,378
25	One Bank Limited	A	100	79,054	20,680,859	261.60	333.00	26,324,982
26	South East Bank Limited	A	100	9,015	2,333,280	258.82	318.00	2,866,770
27	Mutual Trust Bank Limited	A	100	19	1,900	100.00	319.75	6,075
28	Investment Corporation of Bangladesh	A	100	14,820	1,482,000	100.00	1,923.25	28,502,565
29	British American Tobacco Bangladesh	A	10	73,250	13,668,260	186.60	201.60	14,767,200
<b>Unquoted</b>								
1	Central Depository Bangladesh Limited (CDBL)		1,000,000	4	4,000,000	1,000,000.00	1,000,000.00	4,000,000
2	KARMA Sangsihan Bank Limited		100	100,000	10,000,000	100.00	100.00	10,000,000
3	Industrial & Infrastructural Development Finance Company Ltd.(IIDFC)		100	227,700	22,770,000	100.00	100.00	22,770,000
4	Unique Hotel & Resort Ltd.		100	1,500,000	150,000,000	100.00	100.00	150,000,000
5	Venture Investment Partners Bangladesh Ltd.(VIPB)		100	150,000	15,000,000	100.00	100.00	15,000,000
6	Khulna Power Company Ltd.		1,000	600,000	600,000,000	1,000.00	1,000.00	600,000,000
7	Grameen Phone Pre IPO Placement		-	-	60,990,800	0.00	-	60,990,800
<b>Total</b>						<b>1,026,875,850</b>		<b>1,599,789,110</b>

Although total market value of investment being higher than cost, provision has been made in the Financial Statements for certain classes of share.



Schedule of fixed and leased assets as at 31 December 2008

Annexure-C

Particulars	COST				DEPRECIATION				Net book value as on 31.12.08
	Opening balance as on 01.01.08	Additions during the year	Disposals/ adjustments during the year	Total balance as on 31.12.08	Opening balance as on 01.01.08	Charge for the year	Disposals/ adjustments during the year	Total balance as on 31.12.08	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
<b>Fixed assets</b>									
Land	735,937,368	569,861,400	-	1,305,798,768	-	-	-	-	1,305,798,768
Building	161,145,053	322,318,487	-	483,463,540	6,794,376	4,700,127	-	11,494,503	471,969,037
Building under construction	93,243,477	90,875,923	-	184,119,400	-	-	-	-	184,119,400
Furniture and fixtures	197,280,125	77,615,081	(6,636,731)	268,258,475	41,942,236	23,617,670	(2,051,682)	63,508,224	204,750,251
Office equipment and machinery	246,399,720	152,611,327	(1,554,737)	397,456,310	93,372,586	57,697,893	(335,366)	150,735,113	246,721,197
Software	71,062,478	3,431,000	-	74,493,478	8,508,302	3,607,420	-	12,115,722	62,377,756
Bank's vehicles	65,070,072	14,280,000	(4,982,507)	74,367,565	37,597,924	8,146,742	(4,982,497)	40,762,168	33,605,395
<b>At 31 December 2008</b>	<b>1,570,138,293</b>	<b>1,230,993,218</b>	<b>(13,173,976)</b>	<b>2,787,957,535</b>	<b>188,215,424</b>	<b>97,769,852</b>	<b>(7,369,545)</b>	<b>278,615,730</b>	<b>2,509,341,805</b>
<b>At 31 December 2007</b>	<b>1,378,113,968</b>	<b>213,921,412</b>	<b>(21,897,087)</b>	<b>1,570,138,293</b>	<b>114,065,196</b>	<b>74,993,682</b>	<b>(843,452)</b>	<b>188,215,424</b>	<b>1,381,922,869</b>
<b>Leased assets</b>									
Vehicles(note-9)	18,835,822	-	-	18,835,822	10,026,493	3,767,165	-	13,793,658	5,042,164
<b>At 31 December 2008</b>	<b>18,835,822</b>	<b>-</b>	<b>-</b>	<b>18,835,822</b>	<b>10,026,493</b>	<b>3,767,165</b>	<b>-</b>	<b>13,793,658</b>	<b>5,042,164</b>
<b>At 31 December 2007</b>	<b>28,185,258</b>	<b>-</b>	<b>(9,349,436)</b>	<b>18,835,822</b>	<b>10,143,604</b>	<b>3,622,664</b>	<b>(3,739,775)</b>	<b>10,026,493</b>	<b>8,809,329</b>

Statement of tax position as at 31 December 2008

Annexure-D

Accounting year	Assessment year	Tax provision made on the basis of accounts	Tax as per assessment	Excess/ (shortage) of provision	Tax paid	Excess/ (shortage) of tax paid	Present status
		Taka	Taka	Taka	Taka	Taka	
2001	2002-2003	142,586,320	135,394,648	7,191,672	135,394,648	-	Case pending in the High Court
2002	2003-2004	52,251,886	282,103,143	(229,851,257)	282,103,143	-	Yet to file petition to the High Court
2003	2004-2005	190,000,000	274,512,399	(84,512,399)	164,322,890	(110,189,509)	Yet to file petition to the High Court
2004	2005-2006	279,401,346	304,324,683	(24,923,337)	274,852,018	(29,472,665)	Appeal submitted to the Appellate Tribunal
2005	2006-2007	590,000,000	425,248,456	164,751,544	361,038,883	(64,209,573)	Assessment order not yet received
2006	2007-2008	413,000,000	535,135,696	(122,135,696)	535,135,696	-	Return submitted
2007	2008-2009	465,000,000	-	-	441,001,324	-	Assessment process started
2008	2009-2010	616,025,113	-	-	272,526,888	-	Return yet to submit

From year 1983 to 2000, assessments were finalized.

## Name of Directors and their interest in different entities as on December 31, 2008

Annexure-E

Sl no.	Name of Directors	Status with CBL	Entities where they have interest	% of Interest
1	Mr. Aziz Al Kaiser	Chairman	<b><u>Vice-Chairman</u></b> Partex Group <b><u>Managing Director</u></b> Star Particle Board Mills Ltd. 75.00% Star Vegetable Oils Limited 75.00% Partex Real Estate Limited 15.00% Ferrotech Limited 15.00% Partex Limited 10.00% Corvee Maritime Co.Limited 75.00% Fairhope Housing Ltd. 80.00% Partex Furniture Inds. Limited 75.00% Partex Builders Ltd. 75.00% Partex Laminates Ltd 80.00% <b><u>Director</u></b> Danish Condensed Milk (BD) Limited 15.00% Partex Beverage Limited 0.20% Danish Foods Limited 15.00% Foloroma Limited 15.00% Danish Milk Bangladesh Limited 15.00% Rubel Steel Mills Limited 15.00% Danish Distribution Network Limited 15.00% Partex Sugar Mills Limited 15.00% Danish Dairy Firm Limited 15.00% Dhaka Com. Limited 15.00% Janala Insurance Co. Ltd. 2.00% Partex Housing Ltd 50.00%	
2	Mr. Hossain Mehmood	Vice Chairman	City General Insurance Co. Ltd	-
3	Mr. Rubel Aziz	Director	<b><u>Managing Director</u></b> Partex Beverage Limited 0.20% Partex Plastics Ltd. 37.50% Partex Accessories Limited 37.50% Partex Plastics Furniture Ltd. 37.50% Foloroma Ltd. 10.00% <b><u>Director</u></b> Amber Cotton Mills Limited 2.08% Partex Real Estate Limited 15.00% Partex Rotor Spinning Mills Ltd. 37.50% Danish Distribution Network Limited 15.00% Partex Sugar Mills Limited 15.00% Partex Denim Limited 15.00% Partex Rotor Mills Ltd. 35.00% Partex Energy Limited 37.50% Janala Insurance Company Ltd. 1.33% Dhaka Com. Limited 15.00% Partex Properties Limited 35.00% Partex Spinning Mills Ltd. 25.00% Partex Ceramic Ltd 25.00%	
4	Mrs. Evana Fahmida Mohammad	Director	<b><u>Director</u></b> Phoenix Textile Mills Limited 10.00% Eastern Dyeing & Printing Works Ltd. 5.26% Rangdhanu Spinning Mills Ltd. 0.05% Phoenix Insurance Co. Ltd. - Phoenix Finance & Investment Ltd. - Phoenix Securities Ltd. -	
5	Mr. Hossain Khaled Saifullah	Director	<b><u>Director, Finance</u></b> Anwar Group of Industries - <b><u>Director</u></b> Anwar Silk Mills Ltd. 0.58% Mehmud Ind. (Pvt.) Ltd. 9.62% Anwar Jute Mills Limited 4.84% Anwar Steel Mills Ltd. 14.29% Anwar Galvanizing Ltd. 4.92% Khaled Iron & Steel Mills Ltd. 27.07% Hossain Dying & Printing Mills Ltd.(Unit-1&2) 16.26%	
6	Mr. Ahmed Rajeeb Samdani	Director	<b><u>Managing Director</u></b> VT Connections Limited - Golden Harvest Agro Industries Limited - Golden Harvest Sea Food & Fresh Processing Ltd - Golden Harvest Organic Aquaculture Holdings Ltd - G.H. Commodities Ltd. - G.H. Infotech Ltd. - G.H. Scankort Gis Ltd. - G.H. Logistics Ltd. - <b><u>Director</u></b> IDLC Finance Limited -	

Sl no.	Name of Directors	Status with CBL	Entities where they have interest	% of Interest
7	Mr. Rajibul Huq Chowdhury	Director	<u>Managing Director</u> Aziz Super Garments Ltd. Marina Knit Fashion Ltd. Khushi Apparels Ltd. Ranata Fashion Ltd. Tubingen Chemical Bd. Ltd. <u>Proprietor</u> R. H. Corporation <u>Director</u> A.S.M. Chemical Industries Ltd.	- - - - - - - -
8	Mr. Rafiqul Islam Khan	Director	<u>Chairman &amp; Managing Director</u> Pakiza Dyeing & Printing Inds. (Pvt.) Ltd. Pakiza Textile Mills Limited Pakiza Spinning Mills (Pvt.) Limited Garden Textile Mills (Pvt.) Limited Pakiza Cotton Spinning Mills (Pvt.) Ltd. Sweet Pakiza Ltd. Pakiza Weaving Mills (Pvt.) Ltd Phoenix Insurance Co. Ltd. Phoenix Finance & Investment Ltd. Phoenix Securities Ltd. Phoenix Medical Center Ltd. <u>Partner</u> Pakiza Fabrics Pakiza Textile	35.00% 75.00% 75.00% 75.00% 75.00% 50.00% 50.00% - - - - 50.00% 50.00%
11	Mrs. Tabassum Kaiser	Director	<u>Director</u> Fairhope Housing Ltd. Janata Insurance Co. Ltd.	20.00% 0.86%
12	Mrs. Meherun Haque	Director	<u>Director</u> Phoenix Insurance Co. Ltd. Phoenix Finance Investment Ltd.	1.68% 0.95%
13	Mr. Mobarak Ali	Director	<u>Managing Director</u> Tiger Wire Rod Re-rolling Mills Limited <u>Director</u> Phoenix Insurance Company Ltd.	- 0.05%

## Statement of Asset Revaluation

Annexure-F

Year	Particulars of Property	Carrying value of property before revaluation	Value of Property after revaluation	Revaluation surplus after revaluation	Revaluation surplus as on 31-12-2008	Basis of Revaluation	Revaluation Conducted
2008	a) Address: 11 Dilkusha C/A, Dhaka i. One Bigha ten Katha and two Square Feet Land and ii. Six Storied Building	390,000,000	750,000,000	360,000,000	360,000,000	Market Price	By Geodetic Survey Corporation
	b) 20.625 Katha Land at Plot no.11 Block no. CEN(C), Gulshan Dhaka	294,937,500	464,062,500	169,125,000	169,125,000	-Do-	-Do-
	c) 12 Katha Land at Abdullahpur, Uttara, Dhaka	60,000,000	84,000,000	24,000,000	24,000,000	-Do-	-Do-
	d) 7.00 Decimal land, Mouza: Baniakhamar, Dist: Khulna	6,539,600	6,776,000	236,400	236,400	-Do-	-Do-
	e) 4800 sft. floor space at Kaniz Plaza, Sylhet	25,393,875	43,600,000	18,206,125	18,168,195	-Do-	-Do-
	f) 4236.22 sft. floor space at Urban Habitat Shamoli	18638100	40,000,000	21,361,900	21,317,396	-Do-	-Do-
	g) 4 Floors at Al Amin Centre, Dhaka	116380816	248,584,000	132,203,184	131,927,761	-Do-	-Do-
	h) 6635.96 sft. floor space at UTC Building at KawranBazar, Dhaka	75283938	92,903,440	17,619,502	17,582,795	-Do-	-Do-
	i) 4000 sft. floor space at Metro Centre, Sylhet	23595190	38,000,000	14,404,810	14,374,800	-Do-	-Do-
	j) Building Under Construction at Gulshan	115491184.4	184,119,400	68,628,216	68,628,216	-Do-	-Do-
					<b>827,927,287</b>	<b>827,498,250</b>	

All sorts of local regulatory requirements were accomplished after revaluation of above properties.

Annexure-G

### Distribution of Profit under Islamic banking operation

The City Bank is operating 01 (one) Islamic Banking branch based on Islamic Shariah, which absolutely prohibits receipts and payments of interest in any form. The operation of this branch is totally different from other conventional banking branches as they operate on the basis of profit sharing arrangement.

### Fixation of final profit rate for the year 2008 and provisional profit rate for the year 2009

Normally profit and loss is calculated annually as on 31 December in every year. For the year ended 31 December 2007, total investment income shall be distributed to the different types of Mudaraba depositors (except no cost fund) in compliance with Shariah.

Provisional profit are applied to the different types of depositors at the rates to be decided by the Bank from time to time taking into consideration of the industry trend and that of the rates of other Islamic Banks in Bangladesh. Final rates of profit are declared annually on the basis of income earned from different investments and other business by the branch and distributed as per weightage of the different deposit products.

## Balance Sheet of Islamic Banking Branch As at 31 December 2008

PROPERTY AND ASSETS	Notes	2008 Taka	2007 Taka
<b>Cash:</b>			
Cash in hand (including foreign currencies)	1	19,749,384	15,868,524
Balance with Bangladesh Bank its agent bank(s) (Including foreign currencies)		-	-
		19,749,384	15,868,524
<b>Balance with other banks and financial institutions</b>			
In Bangladesh	2	1,020,521,696	120,493,745
Outside Bangladesh		-	-
		1,020,521,696	120,493,745
<b>Money at call and short notice</b>			
		-	-
<b>Investments ( Including bills):</b>			
General investments etc.	3	595,098,309	576,837,496
Bills purchased and discounted		129,869,779	70,895,070
		724,968,088	647,732,566
<b>Fixed assets including premises, furniture and fixtures</b>			
	4	4,578,989	4,377,119
<b>Other assets</b>			
	5	246,485,456	3,073,581
<b>Non - banking assets</b>			
		-	-
<b>Total assets</b>		<u>2,016,303,613</u>	<u>791,545,535</u>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities:</b>			
Borrowings from other banks, financial institutions and agents		1,020,000,000	-
<b>Deposits and other Accounts :</b>			
Al-wadeeah current deposits and other accounts, etc.		32,071,870	38,134,971
Bills payable		8,776,619	10,812,334
Mudaraba savings deposits		125,107,452	235,555,877
Mudaraba term deposits		772,936,826	416,355,672
		938,892,767	700,858,854
Other liabilities	6	57,410,846	90,686,681
<b>Total liabilities</b>		<u>2,016,303,613</u>	<u>791,545,535</u>
<b>OFF BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>			
Letters of guarantee		41,404,006	4,331,000
Irrevocable letters of credit		252,000	62,964,000
Bills for collection		9,624,511	25,552,576
Other contingent liabilities		-	-
		51,280,517	92,847,576
<b>Other commitments:</b>			
		-	-
<b>Total Off-Balance Sheet items including contingent liabilities</b>		<u>51,280,517</u>	<u>92,847,576</u>

## Profit and Loss Account of Islamic Banking Branch for the year ended 31 December 2008

	2008	2007
Note	Taka	Taka
Investment income	128,672,874	143,208,430
Profit paid on deposits and borrowings etc.	(74,184,416)	(77,491,916)
<b>Net investment income</b>	<b>54,488,458</b>	<b>65,716,514</b>
Commission, exchange and brokerage	7 5,635,997	5,739,644
Other operating income	8 2,523,642	3,271,525
<b>Total operating income</b>	<b>62,648,097</b>	<b>74,727,683</b>
Salaries and allowances	12,377,651	13,768,380
Rent, taxes, insurance, electricity etc.	1,725,731	1,560,541
Legal expenses	205,669	6,000
Postage, stamp, telecommunication etc.	463,028	820,786
Stationery, printing, advertisement etc.	519,778	345,017
Depreciation and repair of Bank's assets	1,095,469	1,009,536
Other expenses	9 1,083,799	375,948
<b>Total operating expenses</b>	<b>17,471,125</b>	<b>17,886,208</b>
<b>Net operating profit</b>	<b>45,176,972</b>	<b>56,841,476</b>

	2008	2007
	Taka	Taka
1. Cash		
Cash in hand		
In local currency	19,691,164	15,536,304
In foreign currency	58,220	332,220
	<u>19,749,384</u>	<u>15,868,524</u>
2. Balance with other banks and financial institutions		
In Bangladesh (note 2.1)	1,020,521,696	120,493,745
Outside Bangladesh	-	-
2.1 In Bangladesh	<u>1,020,521,696</u>	<u>120,493,745</u>
Mudaraba savings deposit accounts		
Social Investment Bank Ltd.	521,696	493,745
Mudaraba term deposit accounts		
Islamic Finance & Investment Ltd.	120,000,000	120,000,000
Jamuna Bank Ltd.	150,000,000	-
Southeast Bank Ltd.	250,000,000	-
Dhaka Bank Ltd.	500,000,000	-
	<u>1,020,521,696</u>	<u>120,493,745</u>
3. Investments		
i) Investments		
<i>Inside Bangladesh</i>		
Murabaha	19,356,308	31,393,741
Bai-muazzal	302,079,587	138,363,073
Hire purchasemeelk (HPSM)	266,798,351	395,227,122
Bai salam	-	1,439,550
Quard	6,864,063	9,347,508
Investment to staff	-	1,066,502
	595,098,309	576,837,496
<i>Outside Bangladesh</i>	-	-
	<u>595,098,309</u>	<u>576,837,496</u>
ii) Bills purchased and discounted		
<i>Payable Inside Bangladesh</i>		
Inland bills purchased	16,979,100	9,113,520
<i>Payable Outside Bangladesh</i>		
Foreign bills purchased and discounted	112,890,679	61,781,550
	<u>129,869,779</u>	<u>70,895,070</u>
	<u>724,968,088</u>	<u>647,732,566</u>

4	<b>Fixed assets including premises, furniture and fixtures</b>		
	Cost		
	Furniture and fixtures	2,620,296	2,620,296
	Office equipment and machinery	5,160,333	3,965,678
		<b>7,780,629</b>	<b>6,585,974</b>
	Less: Accumulated depreciation	3,201,640	2,208,855
	<b>Net book value at the end of the year (See Annexure-C for detail)</b>	<b>4,578,989</b>	<b>4,377,119</b>
		2008	2007
		<b>Taka</b>	<b>Taka</b>
5	<b>Other assets</b>		
	Stationery and stamps	30,511	35,831
	Advance deposits and advance rent	283,500	373,500
	Profit receivable	15,165,312	2,306,250
	Suspense account (note -5.1)	51,392	358,000
	Branch adjustment account	230,954,741	-
		<b>246,485,456</b>	<b>3,073,581</b>
5.1	Suspense account includes amount outstanding against sundry debtors.		
6	<b>Other liabilities</b>		
	Profit suspense account	-	3,228,987
	Adjusting account credit	7,472,128	974,254
	Profit payable account	30,613,850	10,978,356
	Profit receivable account	18,043,059	6,380,666
	Branch adjustment account	-	66,791,622
	Others	1,281,809	2,332,796
		<b>57,410,846</b>	<b>90,686,681</b>
7	<b>Commission, exchange and brokerage</b>		
	Commission on L/Cs	2,454,413	3,272,599
	Commission on L/Gs	211,932	-
	Commission on export bills	385,366	194,860
	Commission on bills purchased	584	978
	Commission on accepted bills	1,741,054	1,200,230
	Commission on OBC, IBC etc.	11,634	46,632
	Commission on PO, DD, TT, TC, etc.	136,586	141,597
	Other commission	200	191,225
		<b>4,941,769</b>	<b>5,048,121</b>
	Exchange gain	694,228	691,523
	Brokerage	-	-
		<b>694,228</b>	<b>691,523</b>
		<b>5,635,997</b>	<b>5,739,644</b>
8	<b>Other operating income</b>		
	Postage / telex / SWIFT/ fax recoveries	556,855	387,118
	Incidental charges	407,949	786,097
	Service and other charges	622,858	2,057,700
	Locker rent	35,500	19,750
	Miscellaneous earnings (Note-8.1)	900,480	20,860
		<b>2,523,642</b>	<b>3,271,525</b>
8.1	Miscellaneous earnings include processing fees, cheque book charges, etc.		
9.	<b>Other expenses</b>		
	Washing and cleaning	7,385	6,926
	Branch up keep	63,248	67,458
	Entertainment	59,739	66,542
	Conveyance	42,933	37,658
	Live rage and uniforms	-	10,526
	Cash carrying charge	5,828	3,441
	Car expenses	69,700	70,430
	Travelling expenses	770	14,125
	Newspapers	16,290	11,438
	Miscellaneous expenses	817,906	87,404
		<b>1,083,799</b>	<b>375,948</b>