

## Notes to the Financial Statements for the year ended 31 December 2009

### **1. Status of the Bank**

- 1.1 Dutch-Bangla Bank Limited (the Bank) is a scheduled commercial bank set up as a joint venture between Bangladesh and The Netherlands. Incorporated as a public limited company under the Companies Act 1994, the Bank obtained licence from Bangladesh Bank on 23 July 1995 and started its banking business with one branch on 3 June 1996. The number of branches was 79 as on 31 December 2009 all over Bangladesh. The Bank is listed with Dhaka Stock Exchange and Chittagong Stock Exchange as a publicly quoted company.

### **1.2 Nature of business**

The principal activities of the Bank are to carry on all kinds of commercial banking business in Bangladesh.

### **2. Significant accounting policies and bases of preparation of financial statements**

#### **2.1 Basis of accounting**

The financial statements of the Bank have been prepared under historical cost convention except investments which are measured at present value and in accordance with "First Schedule" of the Bank Companies Act, 1991 as amended under sub-section 38(4) of the Act, relevant Bangladesh Bank Circulars, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and named as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other rules and regulations applicable in Bangladesh.

#### **2.2 Consolidation**

The financial statements of the Bank have been prepared on the basis of the consolidated statements of affairs and income and expenditure account of all branches and head office .

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

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.

#### **2.4 Use of estimates and judgements**

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

#### **2.5 Foreign currency transactions**

Foreign currency transactions are converted into Taka using the exchange rates prevailing on the dates of respective transactions. In terms of instructions contained in Bangladesh Bank's Letter No. BRPD(R)717/2004-959 dated 21 November 2004, foreign currency assets and liabilities are translated into Taka at the weighted average rate as determined by Bangladesh Bank . Gains and losses arising from foreign currency transactions are credited/charged to profit and loss account.

## 2.6 Taxation

As per provisions of Bangladesh Accounting Standard (BAS) 12, 'Income Taxes', provision for income taxes has been made as under:

### 2.6.1 Current tax

Provision for current income tax has been made @ 42.50% on taxable profit as per Income Tax Ordinance, 1984.

### 2.6.2 Deferred tax

Deferred tax is accounted for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purpose. Tax rate prevailing at the balance sheet date is used to determine deferred tax.

## 2.7 Bases for valuation of assets

### 2.7.1 Loans and advances

a) Loans and advances are stated at gross amount. Provision and interest suspense against loans and advances are shown separately as other liability. Interest income is accounted for on accrual basis until the loans and advances are defined as Special Mention Account (SMA) or classified accounts as per Bangladesh Bank guidelines.

Interest on Special Mention Account (SMA) and classified loans (other than bad/loss loans) are credited to interest suspense account instead of income account. Such interest kept in suspense account is reversed to income account only when respective loan accounts are regularized and /or realized in cash.

As per Bangladesh Bank directives, interest on loans and advances classified as bad/loss is not accounted for. A separate memorandum record is maintained for such interest on bad/loss loans.

b) Provision for loans and advances is made on the basis of the year-end review by the management of the Bank in line with the instructions contained in BRPD Circular No. 05 dated 05 June 2006 and BRPD Circular No. 05, dated 29 April 2008 issued by Bangladesh Bank on the following basis:

Category / status of loans and advances	Rates	
	Bangladesh Bank's requirement	Maintained by the Bank
General provisions for unclassified loans and advances :		
All unclassified loans (Other than loans under small and medium enterprise financing, consumer financing, short term agricultural credit, special mention account and staff loans)	1.00%	1.00%
Small and medium enterprise financing	1.00%	1.00%
Consumer financing (other than housing finance and loans for professionals under consumer financing scheme)	5.00%	5.00%
Consumer financing (for housing finance)	2.00%	2.00%
Consumer financing (for professionals)	2.00%	2.00%
Short term agricultural credit	5.00%	5.00%
Special mention account		
Specific provision for classified loans and advances:		
Substandard	20.00%	20.00%
Doubtful	50.00%	50.00%
	100.00%	100.00%

**Specific provision**

Specific provision for classified loans and advances has been maintained @ 20% to 100% as prescribed by Bangladesh Bank.

**General provision**

General provision for consumer financing, short term agricultural credit and special mention account has been maintained @ 2% to 5%.

General provision for all unclassified loans and advances and small & medium enterprise financing (other than loans under consumer financing, short term agricultural credit, special mention account and staff loans) has been maintained @ 1%.

- c) Loans and advances are written-off in line with Bangladesh Bank's BRPD Circular No. 02 dated 13 January 2003 and DOS Circular No. 01 dated 29 December 2004, when prospect of recovery of such loans and advances become non-existent. However, such write-off does not reduce the claim against the borrower. Detailed records for all write-off accounts are separately maintained by the Bank to continue the recovery efforts.

**2.7.2****Lease finance****The bank as lessor**

Investments under lease operation of the Bank has been accounted for as finance lease as defined by Bangladesh Accounting Standard (BAS) 17, 'Leases' because assets leased to customers substantially transfers all the risks and rewards incident to its ownership to the customers.

The aggregate lease receivables including un-guaranteed residual value throughout the lease term are stated as gross lease receivables while the excess of gross lease receivables over the total acquisition cost including interest during the period of acquiring the lease equipment constitutes the unearned lease income.

Initial direct costs in respect of leases are expensed in the year in which the costs are incurred.

Unearned lease income is transferred to income yielding a constant rate of return over the period of lease.

**2.7.3****Investments**

- a) Investments have been accounted for as follows:

**Particulars****Valuation method**

Government treasury bills

Present value

Government treasury bonds

Present value

ICB's debenture

At redemption value

Prize bond

Cost price

Shares:

Quoted

Cost or market price whichever is lower

Unquoted

Cost or Book value as per last audited accounts whichever is

b) The investment in government securities (Treasury bills and bonds) are classified into Held to Maturity (HTM) and Held for Trading (HFT) as per Bangladesh Bank's guidelines contained in DOS Circular Letter No. 05 dated 26 May 2008 and DOS Circular Letter No. 05 dated 28 January 2009. Reclassification of HTM securities into HFT securities are also done in compliance with Bangladesh Bank's guidelines.

The government securities under 'Held to Maturity (HTM)' category are valued at present value at amortized cost at the end of the year. The Held to Maturity securities are amortized to ensure a constant yield over the remaining period of maturity of the securities. The resulting gains / (losses) are credited to revaluation reserve account and shown in the equity.

The government securities under 'Held for Trading (HFT)' category are valued at present value on the basis of marking to market method. The resulting gains / (losses) are transferred to other reserve account. The gains / (losses) arising on maturity or sale of such securities are credited to income.

#### 2.7.4

#### **Fixed assets**

- a) All fixed assets are stated at cost or revalued amount less accumulated depreciation.  
b) Depreciation is charged at the following annual rates on a straight line method on all fixed assets except land. For purchase of fixed assets during the year, depreciation is charged from the month of purchase. In case of disposal, depreciation is charged up to the date of disposal.

Furniture and fixtures	10.00%
Computer equipment and software	20.00%
Other machinery and equipment	15.00%
Motor vehicles	20.00%
Interior decoration	15.00%
Building	2.50%
ATM booth	10.00%
Books	10.00%

- c) As at 31 December 2007, all immovable properties of the Bank including land, building and ready made floor spaces were revalued by a professionally qualified valuation firm. Accordingly, revaluation surplus is included in fixed assets and equity.

#### 2.8

#### **Off-balance sheet exposures**

In compliance with the instruction contained in BRPD Circular No. 10 dated 18 September 2007 issued by Bangladesh Bank, provision against the off-balance sheet exposures of the Bank as at reporting date has been made as under:

Category / status of Off-balance sheet exposures	Rates	
	Bangladesh Bank's requirement	Maintained by the Bank
General provision for Off-balance sheet exposures		
All types of Off-balance sheet exposures	1.00%	1.00%

## **2.9 Bases for valuation of liabilities and provisions**

### **2.9.1 Retirement benefits to the employees**

The retirement benefits accrued for the employees of the Bank as on the reporting date have been accounted for in accordance with the provisions of Bangladesh Accounting Standard (BAS) 19, 'Employee Benefits' as outlined below:

#### **a) Provident fund**

There is a Provident Fund Scheme under defined contribution plan. The Fund is operated by a separate Board of Trustees approved by the National Board of Revenue as per Income Tax Ordinance, 1984. All eligible employees contribute 15% of their basic pay to the Fund. The Bank also contributes equal amount of employees' contribution to the Fund. Benefits from the Fund is given to eligible employees at the time of retirement/resignation as per approved rules of the Fund.

#### **b) Gratuity fund**

The Bank has a separate Board of Trustees for operating the staff gratuity fund approved by the National Board of Revenue. The provision for the gratuity fund is made in the books of account of the Bank for the eligible employees on the basis of the assessment made by the Actuary. The amount of provision is transferred to the Board of Trustees of the Fund on a yearly basis.

#### **c) Superannuation fund**

The Bank has a separate Board of Trustees for operating the staff superannuation fund approved by the National Board of Revenue. The provision for the superannuation fund is made in the books of account of the Bank for the eligible employees on the basis of the assessment made by the Actuary. The amount of provision is transferred to the Board of Trustees of the Fund on a yearly basis.

### **2.10 Revenue recognition**

The revenues of the Bank during the year have been recognized in terms of the provisions of Bangladesh Accounting Standard (BAS) 18, 'Revenue' as outlined below:

## **2. Interest income**

### **a) Interest income from loans and advances and lease finance**

The policy for accounting of interest income on loans and advances and income from lease finance is stated in 2.7.1.a and 2.7.2 above.

### **b) Other interest income**

Interest income from investments, money at call and short notice and fund placement with other banks and financial institutions are recognized on accrual basis.

### **2.10.2 Fees and commission income**

Fees and commission income arising from different services provided by the Bank are recognized on cash receipt basis. Commission realized on letters of credit and letters of

### **2.10.3 Dividend income**

Dividend income from investments in shares is accounted for on cash receipt basis.

### **2.10.4 Interest paid on deposits and borrowings**

Interest paid on deposits, borrowings etc. are accounted for on accrual basis.

### **2.10.5 Other operating expenses**

All other operating expenses are provided for in the books of the accounts on accrual basis.

### **2.11 Earnings per share**

Earnings per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2009 as per Bangladesh Accounting Standard (BAS) 33, 'Earnings Per Share'.

### **2.12 Cash flow statement**

Cash flow statement has been prepared in accordance with the Bangladesh Accounting Standard (BAS) 7, 'Cash Flow Statement' under Direct method as recommended in the BRPD Circular No. 14 dated 25 June 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

### **2.13 Statement of liquidity**

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following bases:

- a) Balance with other banks and financial institutions, money at call and short notice etc. are on the basis of their maturity term.
- b) Investments are on the basis of their maturity.
- c) Loans and advances and lease receivables are on the basis of their repayment / maturity schedule.
- d) Fixed assets are on the basis of their useful life.
- e) Other assets are on the basis of their realization/adjustment.
- f) Borrowing from other banks, financial institutions and agents are as per their maturity repayment term.
- g) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors.
- h) Other long term liabilities are on the basis of their maturity term.
- i) Provisions and other liabilities are on the basis of their payment /adjustment schedule.

### **2.14 Post balance sheet events**

There were no material post balance sheet events, except declaration of proposed dividend (bonus share), which could affect the values stated in these financial statements.

### **2.15 Reconciliation of books of account**

Books of account with regard to inter-bank (in Bangladesh and outside Bangladesh) transactions

2.16 Offsetting

No asset or liability has been offset or reduced by any other asset or liability unless a legal right [Note 9 (lease receivables), 10, 28 (revaluation gain on securities), 29.2 and 30.1] of set-off exists and the offsetting represents the expectation as to the realization or settlement of the asset or liability.

2.17 Compliance report on Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the official standard setting body as well as the regulator of accounting profession in the country. ICAB has adopted most of the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS). The Bank has complied with most of the Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards for preparation and presentation of the financial statements of the Bank as at 31 December 2009 as noted below:

Bangladesh Accounting Standards (BAS)	BAS Number	Status of compliance by DBBL
Presentation of Financial Statements	BAS -1	Complied
Inventories	BAS -2	Complied
Cash Flow Statements	BAS -7	Complied
Accounting Policies, Changes in Accounting Estimates and Errors	BAS -8	Complied
Events After the Balance Sheet Date	BAS -10	Complied
Construction Contracts	BAS -11	Not applicable
Income Taxes	BAS -12	Complied
Segment Reporting	BAS -14	Not applicable
Property, Plant and Equipment	BAS -16	Complied
Leases	BAS -17	Complied
Revenue	BAS -18	Complied
Employee Benefits	BAS -19	Complied
Accounting for Government Grants and Disclosure of Government Assistance	BAS -20	Not applicable
The Effects of Changes in Foreign Exchange Rates	BAS -21	Complied
Borrowing Costs	BAS -23	Complied
Related Party Disclosures	BAS -24	Complied
Accounting and Reporting by Retirement Benefit Plans	BAS -26	Complied
Consolidated Financial Statements and Accounting for Investments in Subsidiaries	BAS -27	Not applicable
Accounting for Investments in Associates	BAS -28	Not applicable
Disclosures in the Financial Statements of Banks and Similar Financial Institutions	BAS -30	Complied
Financial Reporting of Interests in Joint Ventures	BAS -31	Not applicable
Financial Instruments: Presentation	BAS -32	Not applicable
Earnings Per Share	BAS -33	Complied
Interim Financial Reporting	BAS -34	Complied
Impairment of Assets	BAS -36	Complied
Provisions, Contingent Liabilities and Contingent Assets	BAS -37	Complied
Intangible Assets	BAS -38	Not applicable
Financial Instruments: Recognition and Measurement	BAS -39	Not applicable
Investment Property	BAS -40	Not applicable
Agriculture	BAS -41	Not applicable

Bangladesh Financial Reporting Standards (BFRS)	BFRS Number	Status of compliance by DBBL
First-time Adoption of Bangladesh Financial Reporting Standards	BFRS - 1	Complied
Share-based Payment	BFRS - 2	Not applicable
Business Combinations	BFRS - 3	Not applicable
Insurance Contracts	BFRS - 4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	BFRS - 5	Not applicable
Exploration for and Evaluation of Mineral Resources	BFRS - 6	Not applicable
Financial Instruments: Disclosures	BFRS - 7	Not applicable
Operating Segments	BFRS - 8	Not applicable

#### 2.18 Approval of the financial statements

The Board of Directors of the Bank in its 98th meeting held on 14 February 2010 approved the financial statements for the year ended 31 December 2009.

### 3. General

3.1 Wherever considered necessary previous year's figures have been rearranged to conform with the current year's presentation.

#### 3.2 Auditors' work-hour

The external auditors, M/s Hoda Vasi Chowdhury & Co. , Chartered Accountants of the Bank worked about in excess of 4,000 work-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 at the reporting date.

4. Cash in hand (including foreign currencies)	2009 Taka	2008 Taka
Local currency	1,929,053,069	1,233,040,197
Foreign currencies	9,110,797	12,531,382
	<u>1,938,163,866</u>	<u>1,245,571,579</u>



	2009 Taka	2008 Taka
<b>5. Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)</b>		
Bangladesh Bank		
Local currency	3,475,059,511	2,656,050,455
Foreign currencies	893,981,231	892,767,772
	4,369,040,742	3,548,818,227
Sonali Bank Limited (as an agent of Bangladesh Bank) - Local currency	346,695,912	332,295,518
	<u>4,715,736,654</u>	<u>3,881,113,745</u>

- 5.1 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)  
Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 33 of the Bank Companies Act, 1991 and the instructions contained in BRPD Circular No. 11 dated 25 August 2005, BRPD Circular No. 12 dated 25 August 2005, BRPD Circular No. 15 dated 31 October 2005, DOS Circular Letter No. 10 dated 11 September 2006 and DOS Circular No. 1 dated 3 March 2009 issued by Bangladesh Bank.

5.1.1 Cash Reserve Requirement (CRR): 5% of average demand and time liabilities		
Required reserve	3,422,613,000	2,553,340,000
Actual reserve maintained		
Balance with Bangladesh Bank-Local currency [Note 5]	3,475,059,511	2,656,050,455
Surplus	<u>52,446,511</u>	<u>102,710,455</u>

5.1.2 Statutory Liquidity Ratio (SLR): 13% of average demand and time liabilities		
Required reserve	8,898,793,000	6,638,684,000
Available for maintenance:		
Cash in hand (including foreign currencies)	1,938,163,866	1,245,571,579
Balance with Bangladesh Bank - Foreign currencies	893,981,231	892,767,772
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	346,695,912	332,295,518
Unencumbered approved securities (treasury bills and bonds, debentures etc)	9,681,879,937	5,318,307,949
	<u>12,860,720,946</u>	<u>7,788,942,818</u>
Surplus	<u>3,961,927,946</u>	<u>1,150,258,818</u>
Total surplus (5.1.1+5.1.2)	<u>4,014,374,457</u>	<u>1,252,969,273</u>

	2009 Taka	2008 Taka
<b>6. Balance with other banks and financial institutions</b>		
(a) In Bangladesh		
In current deposit accounts with		
Janata Bank Limited	6,013,749	14,325
Sonali Bank Limited	36,289,760	25,712,643
Standard Chartered Bank, Dhaka	8,716,337	4,729,823
National Bank Limited	23,750	23,750
	51,043,596	30,480,541
In short term deposit accounts with		
Sonali Bank Limited	90,469,095	14,151,966
National Bank Limited	120,345,087	40,985,750
The City Bank Limited	35,882,583	7,450,550
Rupali Bank Limited	11,681,026	9,816,430
Agrani Bank Limited	7,782,567	8,514,558
Janata Bank Limited	30,058,455	-
Dhaka Bank Limited	1,234,875	1,234,875
	297,453,688	82,154,129
In fixed deposit accounts with		
Southeast Bank Limited	300,000,000	300,000,000
Jamuna Bank Limited	700,000,000	-
Mercantile Bank Limited	200,000,000	-
ONE Bank Limited	300,000,000	-
The City Bank Limited	300,000,000	-
United Commercial Bank Limited	500,000,000	-
National Bank of Pakistan	300,000,000	-
	2,600,000,000	300,000,000
In fixed deposit accounts (in foreign currency) with		
Commercial Bank of Ceylon Plc, Dhaka	343,250,000	344,600,000
	343,250,000	344,600,000
Other financial institutions		
In fixed deposit accounts with		
Investment Corporation of Bangladesh	5,000,000,000	1,000,000,000
Uttara Finance and Investment Limited	50,000,000	-
Prime Finance and Investment Limited	400,000,000	-
Phoenix Finance & Investments Limited	100,000,000	-
International Leasing and Financial Services Limited	250,000,000	-
Premier Leasing & Investment Limited	100,000,000	-
Bangladesh Industrial Finance Company Limited	150,000,000	-
Foreast Finance and Investment Limited	100,000,000	-
IDLC Finance Limited	100,000,000	-
People's Leasing and Financial Services Limited	100,000,000	-
LankaBangla Finance Limited	200,000,000	-
GSP Finance Company (Bangladesh) Limited	50,000,000	-
Bay Leasing and Investment Limited	50,000,000	-
	6,650,000,000	1,000,000,000
<b>Total</b>	<b>9,941,747,284</b>	<b>1,757,234,669</b>

(b) Outside Bangladesh

In demand deposit accounts (interest bearing) with

Name of the correspondent Bank	Currency	2009			2008		
		Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka	Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka
Standard Chartered Bank, New York, USA	USD	835,920	69.2667	57,901,445	653,067	68.9200	45,009,349
Mashreqbank psc, New York, USA	USD	243,980	69.2667	16,899,717	1,031,329	68.9200	71,079,199
Dresdner Bank AG, Frankfurt, Germany	EURO	-	99.3562	-	4,398	96.2881	423,442
CommerzBank AG, Frankfurt, Germany	EURO	171,032	99.3562	16,993,124	62,534	96.2881	6,021,252
The Hongkong and Shanghai Banking Corporation Limited, New York, USA	USD	311,662	69.2667	21,587,771	312,753	68.9200	21,554,928
Citibank N.A, New York, USA	USD	1,942,664	69.2667	134,561,951	216,491	68.9200	14,920,542
Unicredito italiano SPA, Milan, Italy	EURO	4,885	99.3562	485,319	54,846	96.2881	5,281,003
CommerzBank AG, Frankfurt, Germany	CHF	38,019	66.7374	2,537,313	22,643	65.0496	1,472,945
ICICI Bank, Mumbai, India	ACU	122,660	69.2667	8,496,230	(775,449)	68.9200	(53,443,959)
Wachovia Bank N.A, New York, USA	USD	33,360	69.2667	2,310,759	9,206	68.9200	634,509
American Express Bank Limited, New York, USA	USD	-	69.2667	-	161,697	68.9200	11,144,137
		<u>261,773,629</u>			<u>124,097,347</u>		

In demand deposit account (non-interest bearing) with

Name of the correspondent Bank	Currency	2009			2008		
		Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka	Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka
Standard Chartered Bank, London, UK	GBP	(5,691)	110.0994	(626,581)	40,586	99.6239	4,043,375
AB Bank Limited, Mumbai, India	ACU	793	69.2667	54,959	4,418	68.9200	304,519
Standard Chartered Bank Limited, Colombo, Sri Lanka	ACU	-	69.2667	-	334	68.9200	22,994
The Bank of Tokyo Mitsubishi, Tokyo, Japan	JPY	2,673,424	0.7524	2,011,484	1,765,524	0.7603	1,342,328
The Bank of Novascotia, Mumbai, India	ACU	2,873	69.2667	198,978	2,873	68.9200	197,982
The Bank of Novascotia, Toronto, Canada	CAD	61,631	66.3601	4,089,823	55,055	56.5381	3,112,702
The Hongkong and Shanghai Banking Corporation Limited, Mumbai, India	ACU	6,425	69.2667	445,049	104,880	68.9200	7,228,359
The Hongkong and Shanghai Banking Corporation Limited, Sydney, Australia	AUD	11,802	61.9244	730,844	23,370	47.3618	1,106,834
Citibank NA, Mumbai, India	ACU	22,185	69.2667	1,536,705	574	68.9200	39,544
Union Bank (Incorporated in Pakistan), Srilanka	ACU	2,206	69.2667	152,825	-	-	-
Standard Chartered Bank, Mumbai, India	ACU	2,627	69.2667	181,996	15,863	68.9200	1,093,257
The Hongkong and Shanghai Banking Corporation Limited, Karachi, Pakistan	ACU	5,558	69.2667	384,958	7,091	68.9200	488,698
U.B.A.F, Tokyo, Japan	JPY	1,508,647	0.7524	1,135,106	1,508,647	0.7603	1,147,024
				10,296,146			
Total				272,069,775			
Total (a+b)				10,213,817,059			

Bay Leasing and Investment Limited	50,000,000	-
IDLC Finance Limited	90,000,000	-
Bangladesh Finance and Investment Limited	-	30,000,000
Industrial and Infrastructure Development Finance Company Limited	120,000,000	-
Delta Brac Housing Finance Corporation Limited	110,000,000	-
GSP Finance Company (Bangladesh) Limited	100,000,000	-
Bangladesh Industrial Finance Company Limited	20,000,000	-
Prime Finance and Investment Limited	-	30,000,000
		820,000,000
Total (a+b)		820,000,000

## 8. Investments

### In Government securities

#### Treasury bills

91-day treasury bills	-	198,887,180
364-day treasury bills	-	192,313,604
	-	391,200,784

#### Treasury bonds

5-year treasury bonds	2,196,813,280	1,387,264,644
10-year treasury bonds	6,805,338,657	2,921,662,300
15-year treasury bonds	662,600,000	662,600,000
	9,664,751,937	4,971,526,944

#### Total treasury bills and bonds

	9,664,751,937	5,362,727,728
Adjustment due to correction of calculation error in valuation of HTM Securities	-	(63,104,279)
Adjusted total treasury bills and bonds	9,664,751,937	5,299,623,449
Prize bonds	5,128,000	3,684,500
	9,669,879,937	5,303,307,949

### Other investments

ICB's fifteen years debenture ( interest rate @ 5% p.a. to be matured on 4 March 2013)	12,000,000	15,000,000
Shares [Note 8.3]	4,000,000	4,000,000
	16,000,000	19,000,000
	9,685,879,937	5,322,307,949

## 8.1 Classification of investments

### Government treasury bills and bonds

#### Held for trading (HFT) [Note 8.2] [A]

5,175,810,451	472,142,000
---------------	-------------

#### Held to maturity (HTM) [Note 8.2]

Adjustment due to correction of calculation error in valuation of HTM Securities

4,488,941,486	4,890,585,728
-	(63,104,279)

#### Adjusted total value of HTM securities [B]

4,488,941,486	4,827,481,449
---------------	---------------

#### Adjusted total treasury bills and bonds [C=A+B]

9,664,751,937	5,299,623,449
---------------	---------------

#### Prize bonds [D]

5,128,000	3,684,500
-----------	-----------

#### Total investments in government securities [C+D]

9,669,879,937	5,303,307,949
---------------	---------------

#### Other investments

16,000,000	19,000,000
------------	------------

9,685,879,937	5,322,307,949
---------------	---------------

## 8.2 Details of treasury bills and bonds

Tenors and Status (HFT/HTM)	Rate of interest/Yield	Date of maturity	Present value (Taka)	
			As at 31 Dec 2009	As at 31 Dec 2008
Held for trading (HFT) [Note 8.1]				
5-year treasury bonds	10.65%	10-Apr-11	-	95,015,600
5-year treasury bonds	10.65%	12-Jun-11	-	189,233,400
5-year treasury bonds	10.90%	20-Sep-11	-	187,893,000
5-year treasury bonds	10.60%	18-Feb-14	220,648,400	-
5-year treasury bonds	9.23%	17-Jun-14	44,390,556	-
5-year treasury bonds	8.20%	22-Jul-14	1,010,536,703	-
10-year treasury bonds	11.72%	7-Jan-19	239,077,600	-
10-year treasury bonds	11.72%	4-Feb-19	239,065,800	-
10-year treasury bonds	11.68%	8-Apr-19	486,702,792	-
10-year treasury bonds	10.22%	6-May-19	880,969,600	-
10-year treasury bonds	9.44%	8-Jul-19	1,050,430,000	-
10-year treasury bonds	8.50%	5-Aug-19	1,003,989,000	-
Total of held for trading (HFT) securities			5,175,810,451	472,142,000
Held to maturity (HTM) [Note 8.1]				
91-day treasury bills	7.89%	26-Jan-09	-	198,887,181
364-day treasury bills	8.48%	29-Jun-09	-	192,247,160
5-year treasury bonds	10.50%	13-Feb-11	19,334,057	18,854,010
5-year treasury bonds	10.60%	13-Feb-11	77,247,569	75,267,352
5-year treasury bonds	10.90%	24-Jan-12	187,336,590	182,447,096
5-year treasury bonds	10.80%	18-Apr-12	37,319,405	36,389,069
5-year treasury bonds	10.60%	16-Jul-13	600,000,000	600,000,000
10-year treasury bonds	12.50%	6-Sep-16	931,079,048	913,313,758
10-year treasury bonds	12.50%	4-Oct-16	378,338,653	371,178,478
10-year treasury bonds	12.50%	8-Nov-16	163,600,016	160,533,783
10-year treasury bonds	12.50%	7-Feb-17	179,073,977	175,799,568
10-year treasury bonds	12.50%	7-Mar-17	261,564,671	256,816,405
10-year treasury bonds	12.38%	9-May-17	244,565,444	240,315,611
10-year treasury bonds	12.19%	6-Jun-17	246,625,951	242,558,010
10-year treasury bonds	11.73%	1-Jan-18	500,256,105	500,273,968
15-year treasury bonds	13.97%	15-Aug-22	358,600,000	358,600,000
15-year treasury bonds	12.22%	9-Jan-23	304,000,000	304,000,000
Total of held to maturity (HTM) securities			4,488,941,486	4,827,481,449
Total of treasury bills and bonds (HFT and HTM)			9,664,751,937	5,299,623,449

			2009 Taka	2008 Taka
8.3	Other investments - shares			
	In shares (quoted and unquoted)			
	Quoted		-	-
	Unquoted			
	Central Depository Bangladesh Limited		4,000,000	4,000,000
			4,000,000	4,000,000
			4,000,000	4,000,000
8.4	Valuation of investments			
		Cost / present value Taka	Market/present value at 31 Dec 2009 Taka	
	Government securities			
	Treasury bills and bonds			
	Held for trading (HFT)	5,175,810,451	5,175,810,451	
	Held to maturity (HTM)	4,488,941,486	4,488,941,486	
	Prize bonds	5,128,000	5,128,000	
		9,669,879,937	9,669,879,937	
	Other investments			
	ICB's fifteen years' debenture (redemption value)	12,000,000	12,000,000	
	Shares			
	Unquoted as at 31 December 2009	Number of shares	Market price	
	Central Depository Bangladesh Limited	4	1,000,000	4,000,000
	Total of investments		9,685,879,937	9,685,879,937
			2009 Taka	2008 Taka
8.5	Maturity grouping of investments			
	Payable			
	On demand		5,128,000	3,684,500
	Within one to three months		-	198,887,181
	Within three to twelve months		-	192,247,160
	Within one to five years		2,212,813,280	1,404,099,527
	More than five years		7,467,938,657	3,523,389,581
			9,685,879,937	5,322,307,949

	2009 Taka	2008 Taka
9. Loans and advances		
Loans, cash credits, overdrafts etc.		
In Bangladesh		
Overdraft	5,702,190,533	5,343,574,678
Cash credit	14,125,877,109	11,639,437,250
Export cash credit	606,556,360	403,517,587
Transport loan	299,241,576	378,998,760
House building loan	206,992,020	184,351,128
Loan against trust receipt	7,394,224,362	7,424,373,516
Term loan - industrial	12,293,587,479	9,526,858,429
Term loan - other	1,438,362,496	1,110,088,929
Payment against document - cash	339,401,947	375,625,070
Payment against document - EDF	286,174,123	50,314,626
Retail loan	1,229,268,484	622,514,316
Staff loan	127,080,825	98,236,269
	44,048,957,314	37,157,890,558
Outside Bangladesh	-	-
	44,048,957,314	37,157,890,558
Bills purchased and discounted		
Payable in Bangladesh		
Inland bills purchased	4,295,658,349	3,784,225,995
Payable outside Bangladesh		
Foreign bills purchased and discounted	16,080,632	74,506,084
	4,311,738,981	3,858,732,079
a) Total loans and advances	48,360,696,295	41,016,622,637
Lease receivables		
Lease payment receivables	52,325,628	998,755,956
Less: Unearned interest income	2,032,304	317,057,324
b) Total lease receivables	50,293,324	681,698,632
Total loans, advances and lease receivables (a+b)	48,410,989,619	41,698,321,269



	2009 Taka	2008 Taka
9.1 Net loans, advances and lease receivables including bills purchased and discounted		
Total loans, advances and lease receivables [Note 9]	48,410,989,619	41,698,321,269
Less : Provision against loans and advances (specific and general) [Note 9.8(b)]	1,304,145,592	918,675,719
Less : Cumulative balance of interest suspense account [Note 14.6]	145,065,203	141,640,761
	<u>46,961,778,824</u>	<u>40,638,004,789</u>
9.2 Residual maturity grouping of loans, advances and lease receivables including bills purchased and discounted		
Payable		
On demand	5,060,725,236	4,013,371,402
With in one to three months	10,489,801,803	7,532,074,170
With in three to twelve months	25,437,779,169	19,226,525,723
With in one to five years	6,309,280,900	9,468,822,221
More than five years	1,113,402,511	1,457,527,753
	<u>48,410,989,619</u>	<u>41,698,321,269</u>
9.3 Loans, advances and lease receivables including bills purchased and discounted are classified into the following broad categories		
a) Loans, advances and lease receivables		
In Bangladesh		
Loans	24,271,182,996	20,856,577,262
Cash credit	14,125,877,109	11,639,437,250
Overdraft	5,702,190,533	5,343,574,678
	<u>44,099,250,638</u>	<u>37,839,589,190</u>
Outside Bangladesh	-	-
	<u>44,099,250,638</u>	<u>37,839,589,190</u>
b) Bills purchased and discounted		
Payable in Bangladesh	4,295,658,349	3,784,225,995
Payable outside Bangladesh	16,080,632	74,506,084
	<u>4,311,738,981</u>	<u>3,858,732,079</u>
Total (a+b)	<u>48,410,989,619</u>	<u>41,698,321,269</u>

	2009 Taka	2008 Taka
9.4 Loans, advances and lease receivables including bills purchased and discounted on the basis of significant concentration		
i. Loans and advances to the allied concerns of the directors	-	-
ii. Advances to chief executive and other senior executives (AVP and above)	106,402,927	75,747,500
iii. Advances to customers' group		
Commercial lending	29,828,969,325	18,817,475,393
Agricultural loan	618,716,686	663,426,831
Export financing	2,479,445,793	1,542,703,362
Consumer credit scheme	1,286,433,152	898,321,345
Small and medium enterprise financing	9,970,723,667	9,149,829,023
Staff loan (except SI. No. ii)	20,677,898	22,488,769
House building loan (other than the employees)	285,157,094	184,351,128
Others	3,814,463,077	10,343,977,918
	48,304,586,692	41,622,573,769
	48,410,989,619	41,698,321,269

iii (a) Disclosure on large loan

Disclosures on large loan i.e. loan sanctioned to any individual or enterprise or any organization of a group amounting to 10% or more of the Bank's total capital and classified amount therein and measures taken for recovery of such loan have been furnished as under. Mentionable that, total capital of the Bank as at 31 December 2009 was Taka 5,899,788,431 against that of Taka 4,587,482,361 as at 31 December 2008.

iii (a.i) Number of clients to whom loans and advances sanctioned each more than 10% of the Bank's total capital	47	44
iii (a.ii) Amount of outstanding loans and advances [to the clients quoted in iii(a.i) above]	18,871,862,000	15,985,419,000
iii (a.iii) Amount of classified loans and advances [out of the amount quoted in iii(a.ii) above]	-	331,375,235
iii (a.iv) Measures taken for recovery [for the amount mentioned in iii(a.iii) above]	-	Vigorous persuasion is going on

	2009 Taka	2008 Taka
9.5 Industry-wise loans, advances and lease receivables including bills purchased and discounted		
Agriculture, fisheries and forestry	618,716,686	663,426,830
Pharmaceutical industries	597,692,819	427,527,142
Textile and ready-made garment industries	21,633,344,599	14,509,875,113
Chemical industries	611,899,517	266,991,185
Bank and other financial institutions	24,896,999	-
Transport and communication	895,760,845	1,360,124,226
Electronics and automobile industries	658,458,202	564,062,130
Housing and construction industries	2,695,599,475	2,927,752,926
Energy and power industries	432,637,279	325,454,801
Cement and ceramic industries	593,982,959	295,283,493
Food and allied industries	1,414,817,934	700,024,175
Engineering and metal industries including ship breaking	2,887,485,813	1,493,039,815
Service industries	3,211,718,024	1,453,759,070
Other industries	12,133,978,468	16,711,000,363
	<u>48,410,989,619</u>	<u>41,698,321,269</u>
9.6 Geographical location-wise loans, advances and lease receivables including bills purchased and discounted		
Urban		
Dhaka Division	38,630,561,733	35,750,094,091
Chittagong Division	4,206,529,860	2,357,789,514
Khulna Division	94,254,103	56,964,388
Sylhet Division	275,193,681	320,370,814
Barisal Division	63,838,673	41,469,169
Rajshahi Division	155,881,086	178,134,388
	<u>43,426,259,136</u>	<u>38,704,822,364</u>
Rural		
Dhaka Division	4,841,704,990	2,879,626,489
Chittagong Division	19,617,134	83,565,415
Khulna Division	-	-
Sylhet Division	123,408,359	30,307,001
Barisal Division	-	-
Rajshahi Division	-	-
	<u>4,984,730,483</u>	<u>2,993,498,905</u>
	<u>48,410,989,619</u>	<u>41,698,321,269</u>

	2009 Taka	2008 Taka
9.7 Broad economic sector-wise segregation of loans, advances and lease receivables including bills purchased and discounted		
Government and autonomous bodies	-	-
Bank and financial institutions (public and private)	24,896,999	-
Other public sector	-	-
Private sector	48,386,092,620	41,698,321,269
	<u>48,410,989,619</u>	<u>41,698,321,269</u>

9.8 a) Classification of loans, advances and lease receivables including bills purchased and discounted

Status of loans and advances	Year			
	2009		2008	
	Outstanding amount (Taka)	Mix (%)	Outstanding amount (Taka)	Mix (%)
Unclassified loans and advances				
Unclassified (including staff loans)	46,793,150,196	96.66%	39,592,984,193	94.95%
Special mention account	424,522,214	0.88%	742,162,440	1.78%
Total unclassified loans and advances	47,217,672,410	97.54%	40,335,146,633	96.73%
Classified loans and advances				
Substandard	32,617,804	0.07%	534,757,411	1.28%
Doubtful	10,863,372	0.02%	185,926,382	0.45%
Bad/loss	1,149,836,033	2.38%	642,490,843	1.54%
Total classified loans and advances	1,193,317,209	2.46%	1,363,174,636	3.27%
Total loans and advances	48,410,989,619	100.00%	41,698,321,269	100.00%

b) Classification and provisioning of loans, advances and lease receivables including bills purchased and discounted

Classification / status of loans and advances	Amount of outstanding loans and advances as of 31 December 2009	Base for provision	Percentage(%) of provision required as per Bangladesh Bank's directives	Amount of provision required as of 31 December 2009	Amount of provision required as of 31 December 2008
Unclassified loans and advances					
All unclassified loans (other than loans under small and medium enterprise, Short term agricultural credit, consumer financing and special mention account)	35,281,640,869	35,154,560,044	1%	351,545,600	294,465,976
Small and medium enterprise financing	9,694,793,122	9,694,793,122	1%	96,947,931	91,498,290
Consumer financing (other than housing finance and loans for professionals under consumer financing scheme)	1,028,141,183	1,028,141,183	5%	51,407,059	24,089,962
Consumer financing (for housing finance)	272,260,111	272,260,111	2%	5,445,202	8,330,442
Consumer financing (for professionals)	-	-	2%	-	-
Short term agricultural credit	516,314,911	516,314,911	5%	25,815,746	-
Special mention account	46,793,150,196	46,666,069,371		531,161,539	418,384,670
	424,522,214	405,458,186	5%	20,272,909	36,280,070
	47,217,672,410	47,071,527,557		551,434,448	454,664,740
Classified loans and advances					
Substandard	32,617,804	19,883,228	20%	3,976,646	90,820,366
Doubtful	10,863,372	9,742,181	50%	4,871,091	71,344,938
	1,149,836,033	733,863,209	100%	733,863,209	301,845,675
	1,193,317,209	763,488,618		742,710,945	464,010,979
	48,410,989,619	47,835,016,175		1,294,145,393	918,675,719
Total provision maintained				1,304,145,592	918,675,719
Total provision surplus				10,000,199	-

		2009 Taka	2008 Taka
9.9	Particulars of loans, advances and lease receivables including bills purchased and discounted		
	i) Loans considered good in respect of which the banking company is fully secured	34,134,037,008	16,302,990,467
	ii) Loans considered good for which the banking company holds no other security other than the debtor's personal guarantee	10,115,881,171	9,117,174,693
	iii) Loans considered good and secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors	4,161,071,440	16,278,156,109
	iv) Loans adversely classified; provision not maintained thereagainst	-	-
		<u>48,410,989,619</u>	<u>41,698,321,269</u>
	v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons *	<u>127,080,825</u>	<u>98,236,269</u>
	vi) Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members	<u>-</u>	<u>-</u>
	vii) Maximum total amount of advances, 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 persons	<u>127,080,825</u>	<u>98,236,269</u>
	vii i) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members	<u>-</u>	<u>-</u>
	ix) Due from other banking companies	<u>-</u>	<u>-</u>
	x) Amount of classified loans on which interest has not been charged	<u>1,193,317,209</u>	<u>1,363,174,636</u>
	a.i) Increase/(decrease) in specific provision	<u>278,699,966</u>	<u>(51,153,721)</u>
	a.ii) Amount of loan written-off during the year	<u>-</u>	<u>289,888,786</u>
	a.ii i) Amount realized against loan previously written-off	<u>2,650,477</u>	<u>-</u>
	b) Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet	<u>733,863,209</u>	<u>301,845,675</u>
	c) Interest creditable to the interest suspense account (during the year)	<u>91,246,851</u>	<u>448,450,053</u>

\* Amount represents loans to employees of the Bank only.

	2009 Taka	2008 Taka
xi) a) Cumulative amount of written-off loan		
Opening balance	615,364,555	325,475,769
Add: Amount written-off during the year	-	289,888,786
Balance as on 31 December	615,364,555	615,364,555
b) Amount realized against loan previously written-off	2,650,477	-
c) Amount of written-off loan for which lawsuit has been filed for its recovery	612,714,078	615,364,555
9.10 Bills purchased and discounted		
Payable		
In Bangladesh	4,295,658,349	3,784,225,995
Outside Bangladesh	16,080,632	74,506,084
	4,311,738,981	3,858,732,079
9.10.1 Bills purchased and discounted on the basis of the residual maturity grouping		
Payable		
Within one month	463,448,180	709,772,696
More than one month but less than three months	2,048,087,830	1,267,367,928
More than three months but less than six months	1,442,792,224	1,815,187,472
Above six months	357,410,747	66,403,983
	4,311,738,981	3,858,732,079
9.11 Litigation filed by the Bank		

As of the reporting date, the Bank filed lawsuit against recovery of its defaulted loans and advances as under:

Name of the Branch	Lawsuit filed for recovery of loans and advances outstanding as at 31 December	
	2009	2008
Local office	802,619,336	148,070,442
Agra bad branch	22,713,936	16,466,987
Banani branch	5,083,554	-
Nababpur branch	555,853	-
Motijheel (Foreign Exchange) branch	550,382,212	147,474,820
Narayangonj branch	4,289,181	3,587,811
Kawran Bazar branch	121,681,469	18,217,762
Total	1,507,325,541	333,817,822

	2009 Taka	2008 Taka
10. Fixed assets at cost or revalued amount including land, building, furniture and fixtures		
Land	319,429,500	319,429,500
Building	219,674,103	126,436,700
Interior decoration	352,816,304	275,383,550
Furniture and fixtures	117,662,738	100,289,392
Other machinery and equipment	317,429,406	228,902,121
Computer equipment and software	1,089,561,217	755,752,490
Motor vehicles	140,238,455	129,080,676
ATM Booth	220,798,295	117,464,796
Books	16,316	16,316
	<u>2,777,626,334</u>	<u>2,052,755,541</u>
Less: Accumulated depreciation	<u>1,004,027,113</u>	<u>712,464,427</u>
	<u>1,773,599,221</u>	<u>1,340,291,114</u>
Details are shown in Annexure-A		
11. Other assets		
Income generating other assets (Note 11.1.a)	-	-
Non-income generating other assets (Note 11.1.b)	<u>3,922,343,126</u>	<u>2,729,903,499</u>
	<u>3,922,343,126</u>	<u>2,729,903,499</u>
11.1.a Income generating other assets		
i) Investment in shares of subsidiary companies:		
In Bangladesh	-	-
Outside Bangladesh	-	-
	<u>-</u>	<u>-</u>
11.1.b Non-income generating other assets		
i) Stationery, stamps, printing materials in stock	62,187,208	51,405,031
ii) Advance rent and advertisement	117,506,430	102,678,858
iii) Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable	440,513,785	208,268,555
iv) Security deposits	4,811,851	4,662,072
v) Preliminary, formation and organization expenses, renovation/development expenses and prepaid expenses	143,728,390	159,882,214
vi) Branch adjustment (net)	-	41,475
vii) Suspense account	27,067,604	14,140,989
viii) Silver	-	-
ix) Others [Note 11.2]	<u>3,126,527,858</u>	<u>2,188,824,305</u>
	<u>3,922,343,126</u>	<u>2,729,903,499</u>



	2009 Taka	2008 Taka
11.2 Break-up of others		
Encashment of Sanchaya Patra (awaiting realization)	65,661,706	51,891,440
Advance tax [Note 11.2.1]	2,716,022,237	2,051,145,815
Sundry assets [Note 11.2.2]	344,843,915	85,787,050
	<u>3,126,527,858</u>	<u>2,188,824,305</u>
11.21 Advance tax		
The amount is stated after adjustment of advance income tax against final assessment orders for the accounting years 1996, 1997, 2001, 2002 and 2003. [Note 14.4 and 14.4.2]		
11.2.2 Sundry assets		
Sundry debtors	206,216,664	1,447,124
Cash remittance	34,054,375	(4,200,825)
Others	104,572,876	88,540,751
	<u>344,843,915</u>	<u>85,787,050</u>
12. Borrowings from other banks, financial institutions and agents		
a) In Bangladesh		
Secured		
Refinance from Bangladesh Bank		
Small and Medium Enterprise Financing [Note 12.1]	11,225,500	27,983,500
Housing [Note 12.1]	1,500,000	1,500,000
Investment Promotion and Financing Facility	500,000,000	-
	<u>512,725,500</u>	<u>29,483,500</u>
Unsecured		
Call borrowing		
Call borrowing from other banks [Note 12.2]	1,450,000,000	-
	<u>1,450,000,000</u>	<u>-</u>
Credit lines		
From Rupantarita Prakritik Gas Company Limited	340,325,386	227,860,569
	<u>340,325,386</u>	<u>227,860,569</u>
	<u>2,303,050,886</u>	<u>257,344,069</u>
b) Outside Bangladesh		
Secured	-	-
Unsecured		
Credit lines		
FMO local currency loan for five years bearing interest rate at prevailing bank rate plus 2.90% margin. The effective rate of interest as of the reporting date was 7.90% in BDT.	208,435,703	250,122,844
FMO foreign currency loan for five years bearing interest rate at six months' LIBOR plus 2.65% margin.	-	86,150,003
	<u>208,435,703</u>	<u>336,272,847</u>
	<u>208,435,703</u>	<u>336,272,847</u>
Total (a+b)	<u>2,511,486,589</u>	<u>593,616,916</u>

	2009 Taka	2008 Taka
12.1 Assets pledged as security for liability		
As at the reporting date of these financial statements, the Bank had no assets pledged as security except the Balance with Bangladesh Bank (local currency) against liability of refinance facility availed from Bangladesh Bank under Housing Loan and Small and Medium Enterprise (SME) financing by the Bank. [Note 12]		
12.2 Call borrowing from other banks		
The Hongkong and Shanghai Banking Corporation Limited, Dhaka, Bangladesh	50,000,000	-
Trust Bank Limited	200,000,000	-
United Commercial Bank Limited	300,000,000	-
Rupali Bank Limited	500,000,000	-
BRAC Bank Limited	200,000,000	-
National Bank Limited	200,000,000	-
	<u>1,450,000,000</u>	<u>-</u>
12.3 Residual maturity grouping of borrowings from other banks, financial institutions and agents		
Repayable		
On demand	1,450,000,000	1,961,892
Over one month but within three months	11,225,500	7,164,772
Over three months but within twelve months	91,687,139	115,327,712
Over one year but within five years	868,248,564	291,428,173
Over five years	90,325,386	177,734,367
	<u>2,511,486,589</u>	<u>593,616,916</u>
13. Deposits and other accounts		
Current deposits and other accounts		
Current deposits	6,718,570,579	4,676,337,920
Foreign currency deposits	294,278,717	273,957,292
Sundry deposits [Note 13.1]	4,435,506,723	3,111,713,621
	<u>11,448,356,019</u>	<u>8,062,008,833</u>
Bills payable		
Payment order	913,124,116	746,730,519
Demand draft	81,710,705	85,239,434
	<u>994,834,821</u>	<u>831,969,953</u>
Savings bank deposits	22,344,361,766	12,212,029,105
Term deposits		
Fixed deposits	24,664,795,520	25,404,016,613
Short-term deposits	7,969,738,298	4,853,827,460
Non resident foreign currency deposits	4,305,122	37,458,264
Resident foreign currency deposits	7,614,591	17,432,971
Monthly term deposits	354,526,898	156,924,061
	<u>33,000,980,429</u>	<u>30,469,659,369</u>
	<u>67,788,533,035</u>	<u>51,575,667,260</u>

	2009 Taka	2008 Taka
13.1 Details of sundry deposits		
Margin on irrevocable letters of credit	831,830,658	299,546,722
Margin on letters of guarantee	146,072,672	122,125,473
Margin on inward foreign documentary bills for collection	69,279,735	67,469,257
Sundry deposit on foreign bills purchased awaiting for realization	1,185,945,698	848,325,833
Sundry deposit - withholding tax -IT	54,187,029	39,223,853
Sundry deposit - excise duty	139,003,867	20,689,271
Sundry deposit - withholding tax -VAT	33,825,995	6,182,306
Sundry deposits-sale proceeds of PSP, BSP etc.	9,440,204	9,420,102
Interest payable on deposit accounts	1,055,687,077	1,145,927,238
Deposits on lease finance	15,983,929	16,043,929
Others sundry deposits	894,249,859	536,759,637
	<u>4,435,506,723</u>	<u>3,111,713,621</u>
13.2 Segregation of deposits and other accounts		
Other than inter-bank deposits	67,607,581,042	51,520,964,565
Inter-bank deposits [Note 13.6]	180,951,993	54,702,695
	<u>67,788,533,035</u>	<u>51,575,667,260</u>
13.3 Residual maturity grouping of deposits and other accounts		
(a) Other than inter-bank deposits		
Repayable		
On demand	10,171,285,194	6,960,331,597
Within one month	4,896,577,817	4,437,692,248
Over one month but within six months	26,060,433,099	5,628,338,675
Over six months but within one year	16,721,190,129	20,482,351,098
Over one year but within five years	8,979,612,524	10,467,266,832
Over five years but within ten years	778,482,279	3,544,984,115
	<u>67,607,581,042</u>	<u>51,520,964,565</u>
(b) Inter-bank deposits [Note 13.6]		
Repayable		
On demand	31,265,045	12,311,084
Within one month	149,686,948	42,391,611
Over one month but within six months	-	-
Over six months but within one year	-	-
Over one year but within five years	-	-
Over five years but within ten years	-	-
	<u>180,951,993</u>	<u>54,702,695</u>
Total (a+b)	<u>67,788,533,035</u>	<u>51,575,667,260</u>
13.4 Unclaimed deposits for ten (10) years and more held by the Bank	-	-
	<u>-</u>	<u>-</u>
13.5 As at the reporting date of these financial statements, there were no valuable items unclaimed for ten (10) years or more held by the Bank.		

	2009 Taka	2008 Taka
13.6 Details of inter-bank deposits		
In current deposits account		
Al-Arafah Islami Bank Limited	31,260,342	12,305,831
Mercantile Bank Limited	4,703	5,253
	31,265,045	12,311,084
In short term deposits account		
Janata Bank Limited	57,199	58,394
Bangladesh Shilpa Rin Shangstha	3,789,265	4,220,218
Dhaka Bank Limited	13,365,013	12,249,946
Mutual Trust Bank Limited	39,770,357	9,578,452
National Credit and Commerce Bank Limited	2,211,531	1,375,178
Prime Bank Limited	32,234,568	2,063,984
Commercial Bank of Ceylon Plc	4,606,510	520,374
Southeast Bank Limited	6,700,209	1,093,151
Bank Asia Limited	2,507,979	2,163,574
The City Bank Limited	12,494,339	1,942,123
First Security Islami Bank Limited	10,061,884	1,219,759
The Trust Bank Limited	21,887,255	5,883,757
National Bank of Pakistan	839	22,701
	149,686,948	42,391,611
	180,951,993	54,702,695

13.7 Sector-wise break up of deposits and other accounts

Deposit and other accounts	Year			
	2009		2008	
	Outstanding	Mix (%)	Outstanding	Mix (%)
a) Other than inter-bank deposits				
Government institutions	98,184,125	0.14%	44,051,000	0.09%
Autonomous and semi autonomous bodies	433,900,119	0.64%	467,894,000	0.91%
Public non-financial corporations	4,902,001,226	7.23%	4,206,434,000	8.16%
Local authorities	68,534,016	0.10%	62,894,000	0.12%
Non-bank depository corporations-public	84,479,229	0.12%	69,022,000	0.13%
Other financial intermediaries-public	135,944,248	0.20%	134,275,000	0.26%
Insurance companies and pension funds - public	190,796,234	0.28%	129,921,000	0.25%
Private sector (including individual public deposit)	61,693,741,845	91.01%	46,406,473,565	89.98%
	67,607,581,042	99.73%	51,520,964,565	99.89%
b) Inter-bank deposits [Note 13.6]				
State-owned commercial banks (SCBs)	57,199	0.00%	58,394	0.00%
Specialised banks (SBs)	3,789,265	0.01%	4,220,218	0.01%
Private commercial banks (PCBs)	177,105,529	0.26%	50,424,083	0.10%
	180,951,993	0.27%	54,702,695	0.11%
Total (a+b)	67,788,533,035	100.00%	51,575,667,260	100.00%

		2009 Taka	2008 Taka
14. Other liabilities			
	<u>Notes</u>		
Unclaimed dividends		1,920,226	1,924,838
Provision for expenses		47,560,408	86,974,166
Contribution to Dutch-Bangla Bank Limited Employees' Superannuation Fund		4,000,000	5,000,000
Contribution to Dutch-Bangla Bank Limited Employees' Gratuity Fund		37,000,000	27,000,000
Contribution to Dutch-Bangla Bank Foundation	14.1	113,388,343	93,477,839
Exchange equalization reserve	14.2	2,905,024	2,905,024
Provision for interest on credit lines and subordinated debt		19,923,202	24,167,113
Branch adjustment (net)		14,815,245	-
Provision for classified assets	14.3	2,858,000	1,858,000
Provision for taxation	14.4	3,326,978,280	2,310,297,826
Accumulated provision for loans and advances including off-balance sheet exposures	14.5	1,566,773,393	1,137,837,241
Cumulative balance of interest suspense account	14.6	145,065,203	141,640,761
Others		30,794,048	29,994,599
		<u>5,313,981,373</u>	<u>3,863,077,407</u>

14.1 Contribution to Dutch-Bangla Bank Foundation

As per the policy of the Bank a yearly contribution to Dutch-Bangla Bank Foundation (DBBF) has been made @ 5% on profit after provision for loans and advances (both specific and general) and other provisions as under:

Profit before provision	2,695,720,417	1,935,872,027
Less: Provision for loans and off-balance sheet exposures	426,953,563	64,915,248
Less: Other provisions	1,000,000	1,400,000
Profit after provision for loans and advances and other provisions (A)	<u>2,267,766,854</u>	<u>1,869,556,779</u>
Contribution to Dutch-Bangla Bank Foundation @ 5% on the amount shown in (A) above	<u>113,388,343</u>	<u>93,477,839</u>

14.2 Exchange equalization reserve

Movement in exchange equalization reserve		
Opening balance	2,905,024	2,905,024
Adjustment during the year	-	-
Closing balance	<u>2,905,024</u>	<u>2,905,024</u>

14.3 Other provisions

Provision for other classified assets [Note 14.3.1]	2,858,000	1,858,000
Provision for nostro accounts [Note 14.3.2]	-	-
	<u>2,858,000</u>	<u>1,858,000</u>

	2009 Taka	2008 Taka
14.3.1 Provision for other classified assets		
As per BPPD Circular No. 14 dated 25 June 2001, the following amount has been provided in the financial statements of the Bank as provision for other classified assets:		
Opening balance	1,858,000	458,000
Add: Provision made for the year [Note 14.3.1.1]	1,000,000	1,400,000
Closing balance	2,858,000	1,858,000
14.3.1.1 Provision for other classified assets has been made as under:		
Prepaid legal expenses for carrying out the legal proceedings against the defaulted borrowers	1,000,000	1,400,000
	1,000,000	1,400,000
14.3.2 Provision for nostro accounts		
As per instructions contained in the Circular Letter No. FEPD (FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, following provision has been made against the un-reconciled debit balance of nostro accounts:		
Opening balance	-	-
Add: Adjustment during the year	-	-
Closing balance	-	-
14.4 Provision for taxation		
Current tax		
Opening balance	2,493,126,897	1,579,393,424
Add: Provision made for the year [Note 14.4.1]	1,141,735,364	913,733,473
Closing balance [Note 14.4.2]	3,634,862,261	2,493,126,897
Deferred tax		
Opening balance	(182,829,071)	(223,509,489)
Add: Provision made for the year	(125,054,910)	40,680,418
Closing balance	(307,883,981)	(182,829,071)
	3,326,978,280	2,310,297,826
14.4.1 Current tax - Provision for the year		
Provision made for the current year on taxable income	1,138,455,411	923,255,386
Adjustment for the previous years	3,279,953	(9,521,913)
	1,141,735,364	913,733,473
14.4.2 Assessment of income tax has been finalized with the tax authority for the accounting years 1996, 1997, 2001, 2002 and 2003. [Note 11.2.1]		
Final assessment of income tax for accounting years 1998, 1999, 2000, 2004, 2005, 2006 and 2007 are pending with Appellate Authorities. Full tax provision has been made in the accounts for the respective years based on the latest assessment orders made by the Deputy Commissioner of Taxes or Appellate Authorities.		
However, Deputy Commissioner of Taxes has disallowed tax claim on loan loss written -off in accounting year 2006 and 2007 (Assessment Year 2007-2008 and 2008-2009) which is an allowable expenses as per Section 29 (1) (XV) of Income Tax Ordinance, 1984. Accordingly, income tax provisions for accounting years 2006, 2007, 2008 and 2009 (Assessment Years 2007-2008, 2008-2009, 2009-2010 and 2010-2011 respectively) have been made considering loan loss written -off as an allowable expenses with the anticipation that it will be ultimately allowed by Appellate Authorities in line with Section 29 (1) (XV) of Income Tax Ordinance, 1984.		

	2009 Taka	2008 Taka
--	--------------	--------------

14.5 Accumulated provision for loans and advances and Off-balance sheet exposures

(A) Specific provision for bad and doubtful loans and advances

Opening balance	464,010,979	515,164,700
Less: Fully provided debt written-off	-	-
Add: Recoveries of amounts previously written-off	1,982,589	-
Add: Specific provision for the year	276,717,377	(51,153,721)
Less: Provision no more required for advances realized	-	-
Add: Net charge to profit and loss account	-	-
Provision held at the end of the year [Note 9.8(b)]	742,710,945	464,010,979

(B) General provision

(B.1) General provision against unclassified loans and advances

Opening balance	454,664,740	464,762,241
General provision for the year	106,769,907	(10,097,501)
Provision held at the end of the year [Note 9.8(b)]	561,434,647	454,664,740

(B.2) General provision against Off-balance sheet exposures

As per the instructions contained in BRPD Circular No. 8 dated 7 August 2007 and BRPD Circular No. 10 dated 18 September 2007, following provision has been made against the Off-balance sheet exposures of the Bank:

Opening balance	219,161,522	92,995,052
Add: Provision made for the year	43,466,279	126,166,470
Provision held at the end of the year	262,627,801	219,161,522
	824,062,448	673,826,262
Total (A) + (B)	1,566,773,393	1,137,837,241

14.6 Cumulative balance of interest suspense account

Opening balance	141,640,761	164,955,643
Add: Amount transferred to interest suspense account during the year	91,246,851	448,450,053
Less: Amount recovered from interest suspense account during the year	(74,488,260)	(373,199,061)
Less: Amount written-off/waived during the year	(13,334,149)	(98,565,874)
Balance at the end of the year	145,065,203	141,640,761

	2009 Taka	2008 Taka
<b>15. Subordinated debt</b>		
Subordinated debt - 1: The Bank arranged a subordinated debt from FMO, the Netherlands of Taka 442,860,000 equivalent to EURO 5 million for a term of nine years to strengthen the capital base of the Bank. As per BRPD Circular No. 10 dated 25 November 2002 and BRPD Circular No. 13 dated 14 October 2009 issued by Bangladesh Bank, the debt capital has been considered as a component of supplementary capital (Tier - 2 capital) of the Bank. [Note 16.6(D)]	379,594,286	442,860,000
Subordinated debt - 2: The Bank arranged a subordinated debt from FMO, the Netherlands of Taka 492,884,500 equivalent to EURO 5 million for a term of nine years to strengthen the capital base of the Bank. As per BRPD Circular No. 10 dated 25 November 2002 and BRPD Circular No. 13 dated 14 October 2009 issued by Bangladesh Bank, the debt capital has been considered as a component of supplementary capital (Tier - 2 capital) of the Bank. [Note 16.6(D)]	492,884,500	492,884,500
Subordinated debt - 3: The Bank arranged a subordinated debt from FMO, the Netherlands of Taka 642,252,440 equivalent to EURO 6.6 million for a term of ten years as under:		
1st Tranche: Taka 487,263,000 equivalent to EURO 5.0 million	487,263,000	487,263,000
2nd & Final Tranche: Taka 154,989,440 equivalent to EURO 1.6 million	154,989,440	-
	<u>1,514,731,226</u>	<u>1,423,007,500</u>
The interest rate for Subordinated debt 1 and 2 above are determined on the basis of the weighted average yield of 182-day treasury bills plus 3.90% margin. The effective rate of interest of which as at the reporting date was approximately 7.44%.		
While the interest rate for Subordinated debt-3 was 7.00%.		
<b>15.1 Residual maturity grouping of subordinated debt</b>		
Repayable		
Within one month	-	-
Over one month but within three months	-	-
Over three months but within twelve months	98,471,750	63,265,714
Over one year but within five years	855,837,307	464,299,071
More than five years	560,422,169	895,442,715
	<u>1,514,731,226</u>	<u>1,423,007,500</u>



	2009 Taka	2008 Taka
<b>16. Share capital</b>		
<b>16.1 Authorized share capital</b>		
40,000,000 ordinary shares of Taka 100 each (As at 31 December 2008: 10,000,000 ordinary shares of Taka 100 each.)	<u>4,000,000,000</u>	<u>1,000,000,000</u>
<b>16.2 Issued, subscribed and fully paid up share capital</b>		
15,000,000 ordinary shares of Taka 100 each (As at 31 December 2008: 10,000,000 ordinary shares of Taka 100 each.)	<u>1,500,000,000</u>	<u>1,000,000,000</u>
<b>16.2.1 Raising of capital</b>		
The paid-up share capital of the Bank was raised in the following manner:		
From the sponsor shareholders		
By Issuing of 1,800,000 ordinary shares of Taka 100 each	180,000,000	180,000,000
Through Initial Public Offering (IPO)		
The Bank raised Taka 22,135,000 through initial public offering in the year 2001 against issuance of 221,350 ordinary shares of Taka 100 each		
The premium of Taka 50 was also applied for 221,350 shares against face value of Taka 100 each [Note 17]	22,135,000	22,135,000
Bonus shares		
Bonus shares @3.94719 against 1 existing share of Taka 100 each for the year 2007	797,865,000	797,865,000
Bonus shares @0.50 against 1 existing share of Taka 100 each for the year 2008	<u>500,000,000</u>	<u>-</u>
	<u>1,500,000,000</u>	<u>1,000,000,000</u>

**16.3 Particulars of fully paid up share capital as at 31 December are as follows**

Categories	2009			2008
	Number of shares	Percentage (%) of holding	Value (Taka)	Value (Taka)
Local sponsors	9,197,570	61.32	919,757,000	643,189,900
Foreign sponsors	3,851,168	25.67	385,116,800	256,744,600
Public shares	1,951,262	13.01	195,126,200	100,065,500
<b>Total</b>	<b>15,000,000</b>	<b>100.00</b>	<b>1,500,000,000</b>	<b>1,000,000,000</b>

**16.4 Range-wise shareholdings as at 31 December 2009 are as follows**

Range of holding of shares	Number of shareholders	Percentage (%) of holding of shares	Number of shares
Less than 500	7,094	4.50	675,201
500 to 5,000	371	2.41	361,063
5,001 to 10,000	12	0.53	79,895
10,001 to 20,000	9	0.83	124,654
20,001 to 30,000	4	0.65	97,044
30,001 to 40,000	4	0.93	139,554
40,001 to 50,000	-	-	-
50,001 to 100,000	4	1.92	288,333
100,001 to 1,000,000	6	15.16	2,274,577
Over 1,000,000	4	73.06	10,959,679
<b>Total</b>	<b>7,508</b>	<b>100.00</b>	<b>15,000,000</b>

16.5 Name of the Directors and their shareholdings in the year 2009

SL. No	Name of the Directors	Status	Position on 1 January 2009 (number of shares)	Position on 31 December 2009 (number of shares)	Percentage (%) of shareholdings
1	Mr. Abedur Rashid Khan	Chairman	523,461	785,191	5.23%
2	Mr. Zaheed Hossain Khan	Director	95,480	143,220	0.95%
3	Mr. Bernhard Frey *	Director (Nominee of Ecotrim Hong Kong Limited)	-	-	-
4	Mr. Sayem Ahmed	Director	247,539	371,038	2.47%
5	Mr. Md. Fakhrul Islam	Director (from the general shareholders' group from March 23, 2009)	-	750	0.005%
6	Dr. Irshad Kamal Khan **	Independent Director	-	-	-
7	Dr. Syed Fakhrul Ameen **	Director (from the depositors of the Bank)	-	-	-
8	Mr. Chowdhury M. Ashraf Hossain **	Director (from the depositors of the Bank)	-	-	-
9	Mr. Abul Hasnat Md. Rashidul Islam ***	Director (Upto April 30, 2009)	201,350 (2.01%)	-	-
10	Mr. Shahabuddin Ahmed ****	Director from general shareholders' group (Upto March 23, 2009)	4,452 (0.04%)	-	-
11	Mr. Md. Yeasin Ali **	Ex-officio Director (Managing Director)	-	-	-

\* Mr. Bernhard Frey is a Director nominated by M/s. Ecotrim Hong Kong Limited (sponsor shareholder).  
M/s. Ecotrim Hong Kong Limited held 2,473,594 shares as on 1 January 2009 and 3,710,391 shares as on 31 December 2009.

\*\* Independent Director, Directors from the depositors and Managing Director of the Bank need not hold any qualification share.

\*\*\* Mr. Abul Hasnat Md. Rashidul Islam resigned from the Board of Directors with effect from 30 April 2009.

	2009 Taka	2008 Taka
16.6 Capital adequacy ratio		
As per Section 13 (2) of the Bank Companies Act, 1991 and of instructions contained in BRPD Circular No. 10 dated 25 November 2002, BRPD Circular No. 3 dated 9 May 2004, BRPD Circular No. 7 dated 28 August 2006, BRPD Circular No. 1 dated 19 February 2007, BRPD Circular No. 5 dated 14 May 2007, BRPD Circular No. 3 dated 12 March 2008 and BRPD Circular No. 6 dated 21 May 2008, the regulatory capital of the Bank as of 31 December 2009 stood at Taka 5,899,788,431 against the statutory requirement of Taka 5,091,348,162 thereby showing a capital surplus of Taka 808,440,268. The details of capital adequacy ratio are furnished below:		
Total assets (excluding off-balance sheet assets)	81,480,529,482	60,618,968,787
Total off-balance sheet assets	26,262,780,062	23,253,619,532
Total risk weighted assets (RWA) [Note 16.6.1]	50,913,481,623	42,113,861,329
A) Required capital (10% of risk weighted assets)	5,091,348,162	4,211,386,133
B) Regulatory / total capital (Tier i and ii) [C+D]	5,899,788,431	4,587,482,361
C) Core capital (Tier - 1)		
Paid-up share capital	1,500,000,000	1,000,000,000
Share premium	11,067,500	11,067,500
Statutory reserve	2,000,000,000	1,197,524,880
Dividend equalization account	25,266,875	25,266,875
Proposed dividend	500,000,000	500,000,000
Retained earnings	12,552,712	177,329,775
	4,048,887,087	2,911,189,030
D) Supplementary capital (Tier - 2)		
General provision maintained against unclassified loans and off-balance sheet exposures	824,062,448	673,826,262
Exchange equalization reserve	2,905,024	2,905,024
Subordinated debt capital [Note 16.6.2]	872,478,786	873,356,709
Assets revaluation reserves [Note 16.6.3]	122,450,444	122,450,444
Revaluation reserves of HTM securities [Note 16.6.4]	26,297,189	698,993
Other reserve (Revaluation reserves of HFT securities) [Note 16.6.5]	2,707,453	3,055,900
	1,850,901,344	1,676,293,331
Regulatory / total capital (Tier 1 and 2) [C+D]	5,899,788,431	4,587,482,361
Total capital surplus [B - A]	808,440,268	376,096,230
Capital adequacy ratio		
On core capital (against standard of minimum 5.00%)	7.95%	6.91%
On total capital (against standard of minimum 10.00%)	11.59%	10.89%

## 16.6.1 Calculation of risk weighted assets (RWA)

SL. No.	Particulars	Balance as at 31 December 2009 (Taka)	Risk weight (%)	Risk weighted assets (Taka)	
				As at 31 December 2009	As at 31 December 2008
i.	Cash in hand (including foreign currencies) and with banks (except banks abroad)	4,335,929,919	0%	-	-
ii.	Balances with other financial institutions-public	5,000,000,000	0%	-	-
iii.	Balances with other financial institutions-private	1,650,000,000	20%	330,000,000	-
iv.	Money at call & short notice				
	With deposit money banks	-	0%	-	-
	With other financial institutions-public	-	0%	-	-
	With other financial institutions-private	820,000,000	20%	164,000,000	28,000,000
v.	Balances with banks abroad	272,069,775	0%	-	-
vi.	Foreign currency clearing account balances with Bangladesh Bank	893,981,231	0%	-	-
vii.	Export and other foreign bills				
	Export bills	16,080,632	50%	8,040,316	37,253,042
viii.	Import and inland bills				
	Private sector	2,372,258,410	100%	2,372,258,410	2,391,169,211
	Deposit money banks	1,923,399,940	20%	384,679,988	278,611,357
ix.	Advances				
	Private sector	40,834,255,115	100%	40,834,255,115	35,026,662,374
x.	Investment (as per book value)				
	Treasury bills (28 days, 91 days etc.)	-	0%	-	-
	Treasury bills/ bond (long-term)	9,664,751,937	0%	-	-
	Prize bonds/ income tax bonds	5,128,000	0%	-	-
	Autonomous & semi autonomous bodies	12,000,000	20%	2,400,000	3,000,000
	Private sector	4,000,000	100%	4,000,000	4,000,000
xi.	Head Office and Inter Branches Adjustments	-	0%	-	-
xii.	Other assets				
	Contingent assets as per contra				
	Off-balance sheet items	9,441,454,591	50%	4,720,727,296	3,048,153,545
	Fixed assets	1,773,599,221	50%	886,799,610	670,145,557
	Expenditure account	2,716,022,237	0%	-	-
	Other	1,206,320,889	100%	1,206,320,889	626,866,244
Total		82,941,251,896		50,913,481,623	42,113,861,329

	2009 Taka	2008 Taka
16.6.2 As per Bangladesh Bank's instruction Subordinated Debt is considered as a component of supplementary capital up to maximum 30% of Tier-1 capital (i.e. Taka 4,048,887,087) which comes to Taka 1,214,666,126 as on 31 December 2009. However, eligible Subordinated Debt of Taka 872,478,786 has been considered as a component of supplementary capital as at 31 December 2009.		
16.6.3 As per Bangladesh Bank's instruction 50% of incremental value of Bank's assets amounting to Taka 122,450,444 (i.e 50% of Taka 244,900,889) has been considered as part of supplementary capital. [Note 21]		
16.6.4 As per Bangladesh Bank's instruction up to 50% of revaluation reserves of HTM securities amounting to Taka 26,297,189 (i.e. 50% of Taka 52,594,378) has been considered as supplementary capital. [Note 22]		
16.6.5 As per Bangladesh Bank's instruction up to 50% of other reserve (revaluation reserves of HFT securities) amounting to Taka 2,707,453 (i.e 50% of Taka 5,414,905) has been considered as supplementary capital. [Note 19.1]		
<b>17. Share premium</b>		
Taka 50 per share on 221,350 ordinary shares of Taka 100 each at the time of issuing shares through initial public offering in the year 2001	11,067,500	11,067,500
<b>18. Statutory reserve</b>		
As per Section 24 (1) of the Bank Companies Act, 1991, minimum 20% of the profit before taxes should be transferred to the statutory reserve fund. Against 20% of minimum requirement, 37.25% of the profit before taxes for the year has been transferred to the statutory reserve fund as under:		
Balance at 1 January	1,197,524,880	842,309,092
Add: Transferred from profit during the year	802,475,120	355,215,788
Balance at 31 December	2,000,000,000	1,197,524,880
<b>19 Other reserve</b>		
Revaluation reserve of HFT securities [Note 19.1]	5,414,905	6,111,800
	5,414,905	6,111,800
<b>19.1 Other reserve</b>		
In terms of First Schedule (Section 38) of the Bank Companies Act, 1991, and of instructions contained in BRPD Circular No. 5 dated 26 May 2008 the revaluation reserve for HFT securities has been made as under:		
Balance at 1 January	6,111,800	-
Add: Reserve made for the year	(696,895)	6,111,800
Balance at 31 December	5,414,905	6,111,800
<b>20 Dividend equalization account</b>		
As per BRPD Circular Letter No. 18 dated 20 October 2002 issued by Bangladesh Bank, 'Dividend Equalization Account' has been created by transferring the amount from the profit that is equal to the cash dividend paid in excess of 20%.		

	2009 Taka	2008 Taka
<b>21 Assets revaluation reserve</b>		
In terms of Bangladesh Accounting Standard (BAS) 16, 'Property, Plant and Equipment', and instructions contained in BRPD Circular No. 10 dated 25 November 2002 issued by Bangladesh Bank, all the immovable properties of the Bank has been revalued by a professionally qualified valuation firm of the country. Accordingly, revaluation surplus of Taka 244,900,889 has been included in equity.		
Balance at 1 January	244,900,889	244,900,889
Add: Reserve made for the year	-	-
Balance at 31 December	244,900,889	244,900,889
<b>22 Revaluation reserve of HTM securities [Note 2.7.3(b)]</b>		
Balance at 1 January	1,397,985	-
Add: Reserve made for the year	51,196,393	64,502,264
Adjustment due to correction of calculation error	-	(63,104,279)
Closing balance	52,594,378	1,397,985
<b>23 Calculation of Earnings Per Share (EPS)</b>		
The earnings per share of the Bank has been calculated in accordance with the Bangladesh Accounting Standard (BAS) 33, 'Earnings Per Share' under Basic Earning Per Share method as follows:		
Basic earnings (net profit after tax) [numerator]	1,137,698,057	821,665,049
Number of ordinary shares outstanding (denominator) [Note 23.1]	15,000,000	15,000,000
Earnings Per Share (Taka)	75.85	54.78
23.1 5,000,000 bonus shares issued during the year 2009 have been included in the number of ordinary shares outstanding as at 31 December 2008.		
<b>24 Contingent liabilities</b>		
a) Acceptances and endorsements	-	-
b) Letters of guarantee [Note 24.1]		
Local	2,990,663,933	2,364,080,641

	2009 Taka	2008 Taka
c) Irrevocable letters of credit [Note 24.2]		
Local		
Cash	156,068,518	47,638,512
Usance	123,036,864	87,655,562
Back to back	2,206,721,882	977,686,090
	2,485,827,264	1,112,980,164
Foreign		
Cash	9,289,404,861	4,291,386,833
Usance	2,741,848,767	999,970,833
Back to back	1,299,368,885	766,650,883
	13,330,622,513	6,058,008,549
	15,816,449,777	7,170,988,713
d) Bills for collection		
Inward	5,929,232,511	6,450,891,901
Outward	1,175,623,035	7,008,256,047
	7,104,855,546	13,459,147,948
e) Other contingent liabilities		
Travellers' cheques	4,844,548	4,842,728
Export development fund	142,543,023	63,150,157
Bangladesh Shanchaya Patra	169,000,000	169,000,000
	316,387,571	236,992,885
Total (a+b+c+d+e)	26,262,780,062	23,253,619,532

#### 24.1 Letters of guarantee

Money for which the Bank is contingently liable in respect of guarantee issued favoring:

Directors	-	-
Government	302,826,002	421,956,000
Bank and other financial institutions	55,200,000	15,010,520
Others	2,667,061,166	1,949,523,466
	3,025,087,168	2,386,489,986

	2009 Taka	2008 Taka
24.2 Irrevocable letters of credit and other commitments		
Documentary credit and short-term trade-related transactions	15,816,449,777	7,170,988,713
	15,816,449,777	7,170,988,713
Forward Assets purchased and forward deposits placed	-	-
	-	-
Undrawn formal stand by facilities, credit facilities and other commitments		
Less than one year	-	-
One year and above	-	-
	-	-
Spot and forward foreign exchange rate contract	-	-
	-	-
Other exchange contract	-	-
	-	-
	15,816,449,777	7,170,988,713

## 25 Particulars of profit and loss account

	Notes		
Income			
Interest, discount and other similar income	26	6,162,588,658	5,453,919,587
Dividend income	28	2,335,075	400,000
Fees, commission and brokerage	29	323,069,748	310,581,852
Gains less losses arising from dealing securities		-	-
Gains less losses arising from investment securities	28	1,331,830,977	621,328,877
Gains less losses arising from dealing in foreign currencies	29.2	537,335,597	541,481,435
Income from non-banking assets		-	-
Other operating income	30	557,122,864	348,041,964
Profit less losses on interest rate changes		-	-
		8,914,282,919	7,275,753,715
Expenses			
Interest, fee and commission	27	4,095,761,110	3,636,244,111
Charges on loan losses	41	-	191,322,911
Directors' fees	39	89,467	58,534
Administrative expenses	31	1,505,526,189	1,066,222,901
Other operating expenses	43	311,150,850	229,945,332
Depreciation on banking assets	42.1	306,034,886	216,087,899
		6,218,562,502	5,339,881,688
Profit before provision		2,695,720,417	1,935,872,027



	2009 Taka	2008 Taka
<b>26 Interest income</b>		
Interest on loans and advances		
House building loan	25,867,342	28,034,666
Transport loan	29,026,817	34,915,088
Term loan - industrial	1,393,103,088	1,192,304,875
Term loan - others	124,966,409	140,668,719
Secured overdraft	617,484,397	626,288,908
Cash credit	1,736,287,820	1,607,579,173
Payment against document - cash	61,540,113	92,617,699
Payment against document - others	10,153,152	5,970,902
Loan against trust receipts	936,292,906	862,777,909
Export cash credit	28,994,104	30,092,929
Loan against accepted bills	272,674,885	313,674,940
Interest income from lease financing	74,705,945	122,474,114
Staff loan	5,191,855	5,599,605
Retail loan	150,325,452	45,452,971
Others	43,465,146	64,671,202
	<u>5,510,079,431</u>	<u>5,173,123,700</u>

Interest on balance with other banks and financial institutions

Fixed deposits	504,179,096	131,294,004
Short term deposits	43,050,872	26,621,331
Nostro accounts	347,359	8,824,164
Money at call and short notice	104,931,900	114,056,388
	<u>652,509,227</u>	<u>280,795,887</u>
	<u>6,162,588,658</u>	<u>5,453,919,587</u>

**27 Interest paid on deposits and borrowings etc.**

Interest paid on deposits [Note 27.1]	3,906,990,601	3,403,363,571
Interest paid on borrowings [Note 27.2]	188,770,509	232,880,540
	<u>4,095,761,110</u>	<u>3,636,244,111</u>

**27.1 Interest paid on deposits**

Savings deposits	787,178,956	537,816,920
Short term deposits	276,118,897	187,382,368
Fixed deposits	2,823,739,587	2,661,853,070
Non-resident foreign currency deposits	177,978	2,076,099
Resident foreign currency deposits	10,005	74,164
Monthly term deposits	19,765,178	14,160,950
	<u>3,906,990,601</u>	<u>3,403,363,571</u>

	2009 Taka	2008 Taka
27.2 Interest paid on borrowings		
Interest on call loan borrowing	14,317,959	15,056,497
Interest on credit lines	35,035,662	34,912,271
Interest paid on DBBL Industrial Bond	-	50,544,434
Interest paid on subordinated debt	135,682,649	123,733,085
Interest on borrowing under REPO with Bangladesh Bank & Re-financing facilities	3,403,195	8,634,253
Interest on borrowing under REPO with other banks	331,044	-
	<u>188,770,509</u>	<u>232,880,540</u>

## 28. Investment income

Dividend on shares	2,335,075	400,000
Interest on treasury bills, bonds and debentures		
Interest on treasury bills and bonds	871,036,102	620,503,877
Revaluation gain on securities (net)	347,537,614	-
Interest on debenture	675,000	825,000
	<u>1,219,248,716</u>	<u>621,328,877</u>
Gain on sale of shares	112,582,261	-
	<u>1,334,166,052</u>	<u>621,728,877</u>

## 29. Commission, exchange and brokerage

Commission [Note 29.1]	322,880,149	310,482,010
Exchange earnings (net) [Note 29.2]	537,335,597	541,481,435
Brokerage	189,599	99,842
	<u>860,405,345</u>	<u>852,063,287</u>

### 29.1 Commission

Commission on Remittances-Local	16,671,213	13,010,643
Commission on Remittances-Foreign	16,401,445	11,828,207
Commission on Letter of Credit-Import	38,623,746	32,695,360
Commission on Letter of Credit-Export	209,197,179	207,118,274
Commission on Export Bills	6,954,768	7,027,911
Commission on Letter of Guarantee	33,192,476	37,511,772
Commission on Sales of Government Saving Instruments	1,031,571	698,758
Commission on Banker to the issue & underwriting	133,377	176,080
Other Commission	674,374	415,005
	<u>322,880,149</u>	<u>310,482,010</u>

### 29.2 Exchange earnings (net)

From commercial bills	536,276,735	540,203,536
From dealing operations	1,058,862	1,277,899
	<u>537,335,597</u>	<u>541,481,435</u>

	2009 Taka	2008 Taka
<b>30. Other operating income</b>		
Charges for service	19,490,353	14,310,722
Income from IT service	203,572,587	119,586,189
Recoveries from client	44,097,703	32,314,959
Service charges on deposit accounts	178,602,039	91,291,300
Income from Export-Import	56,821,197	41,542,733
Examination and appraisal fees	2,706,261	3,138,642
Document handling charges	6,863,153	3,209,038
Locker Rent	2,554,050	2,163,300
Gain on sale of fixed assets [Note 30.1]	1,191,553	2,239,510
Other earning	41,223,968	38,245,571
	<u>557,122,864</u>	<u>348,041,964</u>

**30.1 Gain on sale of fixed assets (net)**

Some impaired items of fixed assets were sold during the year as under:

Gain on sale of fixed asset	1,229,053	2,385,893
Less: Loss on sale of fixed assets	(37,500)	(146,383)
Gain on sale of fixed assets (net) [Note 30.2]	<u>1,191,553</u>	<u>2,239,510</u>

**30.2 Calculation of income from sale of fixed assets**

Sale proceeds [A]	5,384,401	10,818,729
Cost price of the sold items	18,665,049	18,009,324
Less: Accumulated depreciation	14,472,201	9,430,105
Written down value [B]	4,192,848	8,579,219
Net gain [A - B]	<u>1,191,553</u>	<u>2,239,510</u>

**31. Administrative expenses**

	Notes		
Salary and allowances	32	986,799,655	703,469,053
Rent, taxes, insurance, electricity, etc.	34	260,693,501	184,931,930
Legal expenses	35	2,043,489	3,284,748
Postage, stamp, telecommunications, etc.	36	35,970,284	29,064,607
Stationery, printings, advertisements etc.	37	127,640,640	75,892,242
Managing Director's salary and allowances	38	9,121,950	5,468,000
Auditors' fees	40	440,250	472,163
Repair and maintenance	42.2	82,454,420	63,640,158
		<u>1,505,164,189</u>	<u>1,066,222,901</u>

	2009 Taka	2008 Taka
<b>32. Salary and allowances</b>		
Basic salary	360,931,402	220,031,787
Casual salary and allowances	135,579,495	75,650,242
House rent allowance	167,185,797	103,912,279
Conveyance allowance	48,006,286	27,960,450
Other allowances	2,784,093	2,654,931
Bank's contribution to provident fund	41,670,902	28,006,094
Leave fare assistance	84,063,159	50,223,809
Medical expenses	35,800,451	23,197,515
Bonus	68,778,070	139,831,946
Gratuity	37,000,000	27,000,000
Superannuation	5,000,000	5,000,000
	<u>986,799,655</u>	<u>703,469,053</u>

**33. Number of employees and remuneration thereof**

As per the Schedule XI of the Companies Act, 1994, the number of employees (including contractual employees) engaged for the whole year or part thereof who received a total remuneration of Taka 36,000 per annum or Taka 3,000 per month were 1,785 at the end of 2009 as against 1,229 in 2008.

**34. Rent, taxes, insurance, electricity, etc.**

Rent		
Office premises	106,919,410	76,177,598
Reuters	1,452,945	1,622,101
Radio link	38,984,708	34,958,494
Godown and other installation	13,659,588	6,078,065
	<u>161,016,651</u>	<u>118,836,258</u>
Rates and taxes		
Rates	697,540	371,147
Taxes	926,750	394,222
	<u>1,624,290</u>	<u>765,369</u>
Insurance		
Cash	10,960,938	7,053,002
Vehicles	1,896,608	1,923,638
Deposits	29,262,016	21,493,408
Other properties	2,696,298	1,941,711
	<u>44,815,860</u>	<u>32,411,759</u>
Electricity and sanitation		
Light and power	51,115,756	30,950,073
Water and sewerage	2,120,944	1,968,471
	<u>53,236,700</u>	<u>32,918,544</u>
	<u>260,693,501</u>	<u>184,931,930</u>

	2009 Taka	2008 Taka
35. Legal expenses	2,043,489	3,284,748
36. Postage, stamp, telecommunications, etc.		
Postage	15,225,055	11,157,439
Telex	82,316	49,179
Telephone	13,974,534	11,097,819
Swift, Reuters, Internet, etc.	6,688,379	6,760,170
	<u>35,970,284</u>	<u>29,064,607</u>
37. Stationery, printings, advertisements etc.		
Printing and stationery:		
Printed stationery	21,976,185	16,336,848
Security stationery	18,832,817	15,365,675
Petty stationery	34,173,319	17,886,885
	<u>74,982,321</u>	<u>49,589,408</u>
Publicity and advertisement	52,658,319	26,302,834
	<u>127,640,640</u>	<u>75,892,242</u>
38. Managing Director's salary and allowances		
Basic salary	5,793,000	3,120,000
House rent allowance	315,000	180,000
Bank's contribution to provident fund	868,950	468,000
Leave fare assistance	360,000	360,000
Other allowances	615,000	300,000
Bonus	1,170,000	1,040,000
	<u>9,121,950</u>	<u>5,468,000</u>
39. Directors' fees		
Honorarium for attending meeting	30,000	7,500
Incidental expenses for attending meeting	59,467	51,034
	<u>89,467</u>	<u>58,534</u>
40. Auditors' fees		
Statutory annual audit fees (Including VAT)	313,500	313,500
Special audit fees	110,000	-
Fees for various certification	16,750	158,663
	<u>440,250</u>	<u>472,163</u>
41. Charges on loan losses		
Loan written-off	-	191,322,911
Interest waived	-	-
	<u>-</u>	<u>191,322,911</u>

	2009 Taka	2008 Taka
<b>42 Depreciation and repair of bank's assets</b>		
Depreciation [Note 42.1]	306,034,886	216,087,899
Repair and maintenance [Note 42.2]	82,454,420	63,640,158
	<u>388,489,306</u>	<u>279,728,057</u>

**42.1 Depreciation on fixed assets including land, building, furniture and fixtures [Annexure 'A' for details]**

Land	-	-
Building (including lease hold property)	3,767,901	3,805,075
Interior decoration	35,468,411	28,709,817
Furniture and fixtures	10,476,181	8,488,945
Other machinery and equipment	37,139,811	26,510,408
Computer equipment and software	178,838,495	121,942,716
Motor vehicles	20,040,075	17,931,126
ATM Booth	20,302,380	8,698,281
Books	1,632	1,531
	<u>306,034,886</u>	<u>216,087,899</u>

**42.2 Repair and maintenance**

Premises	21,319,452	17,671,690
Vehicles	5,694,264	5,144,985
Computers	55,440,704	40,823,483
	<u>82,454,420</u>	<u>63,640,158</u>

**43. Other expenses**

Entertainment expenses	19,387,897	15,197,716
Fuel and lubricant	25,900,817	21,138,057
Subscription and donations	58,840,696	59,522,292
Annual general meeting	4,262,207	1,906,725
Travelling expenses	7,781,608	4,309,480
Petty conveyance	6,054,345	4,389,033
Credit rating fees	709,357	409,000
News papers, periodicals, learning materials etc.	875,221	690,672
Crockeries	402,926	373,650
Debit and Credit Card expenses	49,040,291	37,081,629
ATM expenses	17,193,445	4,464,228
Cash carrying charges	8,952,171	13,292,910
ATM cash replenishment charges	35,021,775	15,420,684
Recruitment, training, seminar and workshop	7,936,492	4,059,547
Service charge on nostro account	1,263,908	1,091,823
Front end fee for credit lines	9,876,561	3,169,880
Commitment fee paid for FMO loan	6,433,060	507,218
Consultancy fees	3,164,538	2,143,375
Business promotion and development	45,089,843	39,562,185
Laundry and cleaning	289,539	183,895
Miscellaneous	3,036,153	1,031,333
	<u>311,512,850</u>	<u>229,945,332</u>

	2009 Taka	2008 Taka
<b>44. Receipts from other operating activities</b>		
Other operating income [Note 30]	557,122,864	348,041,964
Less: Income from sale of fixed assets (net)	1,191,553	2,239,510
Add: Gain on shares sold in previous year but received in current year	-	48,000,000
	555,931,311	393,802,454
Exchange earnings (net) [Note 29.2]	537,335,597	541,481,435
	<u>1,093,266,908</u>	<u>935,283,889</u>

<b>45. Payments for other operating activities</b>		
Expenses for the year	544,820,497	381,834,391
Add: Opening accrued expenses	16,974,166	23,255,096
Add: Closing advance expenses	117,506,430	102,678,858
Less: Closing accrued expenses	18,350,072	16,974,166
Less: Opening advance expenses	102,678,858	169,051,555
	<u>558,272,163</u>	<u>321,742,624</u>

<b>46. Increase/(decrease) of other assets</b>		
Closing other assets		
Security deposits	4,811,851	4,662,072
Suspense account	27,067,604	14,140,989
Branch adjustment (net)	-	41,475
Encashment of Sanchaya Patra (awaiting realization)	65,661,706	51,891,440
Sundry debtors	206,216,664	1,447,124
Cash remittance	34,054,375	(4,200,825)
Others	104,572,876	88,540,751
	<u>442,385,076</u>	<u>156,523,026</u>
Opening other assets		
Security deposits	4,662,072	4,174,312
Suspense account	14,140,989	4,310,948
Branch adjustment (net)	41,475	-
Encashment of Sanchaya Patra (awaiting realization)	51,891,440	24,364,456
Sundry debtors	1,447,124	215,159,282
Cash remittance	(4,200,825)	-
Others	88,540,751	31,674,683
Balance with other bank & financial institutions	-	1,180,250,000
	<u>156,523,026</u>	<u>1,459,933,681</u>
	<u>285,862,050</u>	<u>(1,303,410,655)</u>

	2009 Taka	2008 Taka
<b>47. Increase/(decrease) of other liabilities</b>		
Closing other liabilities		
Exchange equalization reserve	2,905,024	2,905,024
Branch adjustment (net)	14,815,245	-
Provision for other classified assets	1,858,000	1,858,000
Cumulative balance of Interest suspense account	145,065,203	141,640,761
Revaluation reserve for HTM securities	52,594,378	1,397,985
Revaluation reserve for HFT securities	5,414,905	6,111,800
Others	30,794,048	29,994,599
	253,446,803	183,908,169
Opening other liabilities		
Exchange equalization reserve	2,905,024	2,905,024
Branch adjustment (net)	-	839,825
Provision for other classified assets	1,858,000	-
Cumulative balance of Interest suspense account	141,640,761	164,955,643
Revaluation reserve for HTM securities	1,397,985	-
Revaluation reserve for HFT securities	6,111,800	-
Others	29,994,599	38,950,338
	183,908,169	207,650,830
	69,538,634	(23,742,661)
Less: Payment to Dutch-Bangla Bank Foundation	93,477,839	53,803,018
	(23,939,205)	(77,545,679)

**48. Cash and cash-equivalents**

Cash In hand (Including foreign currencies)	1,938,163,866	1,245,571,579
Balance with Bangladesh Bank and its agent bank (Including foreign currencies)	4,715,736,654	3,881,113,745
Balance with other banks and financial institutions	10,213,817,059	1,901,459,632
Treasury bills and bonds	-	198,887,180
Prize bonds	5,128,000	3,684,500
Money at call and short notice	820,000,000	2,500,000,000
	17,692,845,579	9,730,716,637



#### 49. Disclosure on audit committee of the Board

The Audit Committee of the Board was duly constituted by the Board of Directors of the Bank in accordance with the BRPD Circular No. 12 dated 23 December 2002 of Bangladesh Bank. The Board of Directors in its 91st Meeting held on 30th April 2009 reconstituted the Committee as under:

Sl. No.	Name	Status with the Bank	Status with the committee	Educational qualification
i)	Mr. Zahed Hossain Khan	Director	Chairman	B.Sc. Engineer (Chemical)
ii)	Mr. Abedur Rashid Khan	Chairman	Member	B.Sc.
iii)	Mr. Sayem Ahmed	Director	Member	i. Bachelors of Software Engineering University of Toronto, Canada ii. Currently persuing Certified Managerial Accountant (CMA) (Part time at University of Toronto, Canada.)
iv)	Dr. Irshad Kamal Khan	Independent Director	Member	Ph. D. (Economics)

The Audit Committee of the Board conducted seven (7) meetings from 1 January to 31 December 2009 in which among others, the following salient issues were discussed:

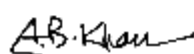
- The Committee reviewed inspection reports of different branches and divisions of the Bank conducted and submitted by the Bank's Internal Control & Compliance Division and gave necessary instructions to the management for proper and prompt resdution of the irregularities/objections stated therein. The Committee also reviewed audit and inspection plan of the Bank.
- The Committee reviewed the annual financial statements for the year 2008 including the annual report and gave necessary instructions.
- The Committee also reviewed the half-yearly financial statements of the Bank as at 30 June 2009 and gave necessary instructions.

## 50. Disclosures on related party / (ies)


### 50.1 Name of the Directors and the entities in which they have interest as at 31 December 2009

Sl. No.	Name of the Directors	Status with the Bank	Name of the firms/ companies in which interested as proprietor, partner, director, managing agent, guarantor, employee, etc.	Percentage (%) of holding / interest in the concern	Remarks
i)	Mr. Abadur Rashid Khan	Chairman	i) Avanti International - Proprietor ii) Nextgen Trading Limited - Chairman	100.00% 16.67%	
ii)	Mr. Zahed Hossain Khan	Director	-	-	
iii)	Mr. Bernhard Frey (Note 16.5)	Director	Ecotrim Hong Kong Limited - Chairman	1.00%	Nominee of Ecotrim Hong Kong Limited
iv)	Mr. Sayam Ahmed	Director	i) Accelero Software Limited - Managing Director ii) Kader Compact Spinning Limited - Director Deputy Managing Director of i) Kader Synthetic Fibres Limited ii) MSA Spinning Limited iii) AA Synthetic Fibres Limited iv) SR Synthetic Fibres Limited and v) AA Power Generation Co. Limited	50.00% 45.00% - - - -	
v)	Mr. Md. Fakhru Islam	Director	i) M/S DEVCON - Proprietor ii) ADEPT Limited - Managing Director	100.00% 50.00%	
vi)	Dr. Irshad Kamal Khan	Independent Director	Professor & Chairman Department of Economics University of Chittagong Chittagong	-	
vii)	Dr. Syed Fakhru Ameen	Director (from the depositors of the Bank)	Professor Department of Civil Engineering Bangladesh University of Engineering & Technology (BUET), Dhaka	-	
viii)	Mr. Chowdhury M. Ashraf Hossain	Director (from the depositors of the Bank)	Union Bond (Trading House) - Proprietor	100.00%	
ix)	Mr. Md. Yeasin Ali	Ex-officio Director	Dutch-Bangla Bank Limited - Managing Director	-	

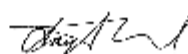
50.2	Significant contracts in which the Bank, its subsidiary or any fellow subsidiary company was a party and wherein the Directors have interest subsisted at any time during the year or at the end of the year	Nil
50.3	Shares issued to Directors and Executives to acquire shares at 'Nil' consideration or restricted shares plan exercisable at discount	Nil
50.4	Nature, type and elements of transactions with the related party	Not applicable
50.5	Lending policies in respect of related party	
	a) Amount of transactions regarding loans and advances, deposits, guarantees and commitment	Nil
	b) Amount of transactions regarding principal items of deposits, expenses and commission	Nil
	c) Amount of provision against loans and advances given to related party	Not applicable
	d) Amount of guarantees and commitments arising out of the statement of affairs	Nil
50.6	Business other than the banking business with the related concerns of the Directors as per Section 18(2) of the Bank Companies Act, 1991	Nil
50.7	Investments in securities of the Directors and their related concerns	Nil



Chairman



Director



Director



Managing Director

Dhaka, 14 February 2010