

# **AGRANI BANK**

## **INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2006**

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Rahman Rahman Huq  
Chartered Accountants

Ahmad & Ahmad  
Chartered Accountants

**Auditors' Report**

To

The Government of the People's Republic of Bangladesh

We have audited the accompanying Balance Sheet of Agrani Bank ("the Bank") as of 31 December 2006 and the related Profit and Loss Account and Statement of Changes in Equity and Cash Flow Statement for the year then ended. The preparation of these financial statements is the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements prepared in accordance with International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), except International Accounting Standards (IAS)-27 Consolidated and Separate Financial Statements, disclosed in Note-9.1, give a true and fair view of the state of the Bank's affairs as at 31 December 2006 and of the results of its operations and its cash flows for the year then ended and comply with the Bank Companies Act 1991, the Companies Act 1994, the rules and regulations issued by the Bangladesh Bank and other applicable laws and regulations.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- c) the Bank's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of accounts and returns;
- d) the expenditure incurred were for the purposes of the Bank's business;

- e) the financial position of the Bank as on 31 December 2006 and the profit for the year then ended have been properly reflected in the Financial Statements and the Financial Statements have been prepared in accordance with the generally accepted accounting principles;
- f) the Financial Statements have been drawn up in conformity with the Bank Companies Act 1991 and in accordance with the rules and regulations issued by the Bangladesh Bank;
- g) the Financial Statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- h) adequate provision has been made for advances and other assets which are, in our opinion, doubtful of recovery;
- i) the records and statements submitted by the branches have been fairly maintained and consolidated in the Financial Statements;
- j) adequate capital of the Bank, as required by law, has not been maintained (Note-13.3) during the year; and
- k) the Bank had no overseas branch.

Rahman Rahman Huq  
Chartered Accountants

Ahmad & Ahmad  
Chartered Accountants

Dhaka, 5 April 2007

**Rahman Rahman Huq**  
Chartered Accountants

**Ahmad & Ahmad**  
Chartered Accountants

**Agrani Bank**

Balance Sheet as at 31 December 2006

	<u>Notes</u>	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
<b><u>PROPERTY AND ASSETS</u></b>			
<b>Cash</b>	3	8,409,622,327	8,875,238,100
Cash in Hand (including foreign currencies)		953,629,215	991,891,241
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		7,455,993,112	7,883,346,859
<b>Balance with other banks and financial institutions</b>	4	2,666,957,967	7,741,336,851
In Bangladesh		1,820,500,000	7,510,500,000
Outside Bangladesh		846,457,967	230,836,851
<b>Money at call and short notice</b>	5	750,000,000	1,370,000,000
Investments:	6	22,306,011,498	24,330,709,980
Government		20,191,879,200	22,288,739,853
Others		2,114,132,298	2,041,970,127
Loans and advances		105,869,227,452	99,404,403,502
Loans, Cash Credit and Overdraft etc.	7	101,769,454,613	95,861,072,514
Bills Discounted and Purchased		4,099,772,839	3,543,330,988
Fixed assets including land, building, furniture and fixtures	8	406,350,962	443,838,000
Other assets	9	13,672,196,901	13,362,390,546
Non-banking assets		-	-
Total assets		154,080,367,107	155,527,916,979
<b><u>LIABILITIES &amp; CAPITAL</u></b>			
<b>Liabilities</b>			
Borrowings from other banks, financial Institutions and agents	10	3,911,407,724	4,180,758,043
Deposit and other	11	128,920,728,227	130,834,505,043

accounts			
Current deposit & other accounts		17,087,322,909	14,223,445,130
Bills payable		2,318,191,652	3,002,669,144
Savings bank deposits		57,853,357,004	52,014,586,063
Fixed deposits		51,661,856,662	61,593,804,706
Other liabilities	12	36,572,755,527	37,777,040,553
Total liabilities		169,404,891,478	172,792,303,639

	<u>Notes</u>	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
<b>Capital/ Shareholders' equity</b>			
Paid-up Capital	13	2,484,200,000	2,484,200,000
<b>Reserve</b>		292,226,841	338,098,826
Statutory reserve	14	145,712,106	145,712,106
Assets revaluation reserve	8	146,115,735	191,987,720
Other reserve	15	399,000	399,000
Retained surplus profit/(deficit) from profit and loss account	16	(18,100,951,212)	(20,086,685,486)
<b>Total shareholders' equity</b>		(15,324,524,371)	(17,264,386,660)
Total liabilities and shareholders' equity:		154,080,367,107	155,527,916,979

#### **Contingent Liabilities**

Acceptances and Endorsements	17	66,429,021,332	37,871,848,353
Letters of Guarantee	17.a	1,081,457,477	1,176,637,741
Letters of Credit		43,535,027,264	17,964,338,667
Bills for Collection	17.b	11,086,990,400	8,315,861,721
Other Contingent Liabilities	17.c	1,999,603,191	2,070,785,224
Claims against the bank not acknowledge as debt		8,725,943,000	8,344,225,000

#### **Other commitments**

Documentary credit and short term trade-related transactions		-	-
Liability on account of outstanding forward exchange contract		-	-
Forward assets purchased and forward deposits placed		-	-

Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
	-	-
Total Off-Balance Sheet items	66,429,021,332	37,871,848,353

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

**Rahman Rahman**  
**Huq**  
Chartered Accountants

**Ahmad & Ahmad**  
Chartered Accountants

**Agrani Bank**

Profit and Loss Account  
for the year ended 31 December  
2006

	<u>Notes</u>	2006 <u>Taka</u>	2005 <u>Taka</u>
<b>Operating income</b>			
Interest income	19	8,031,423,065	6,385,264,163
Interest paid on deposits, borrowings etc.	20	(5,586,816,955)	(5,774,292,584)
Net interest income		2,444,606,110	610,971,579
Investment income	21	1,557,564,991	1,762,939,848
Commission, exchange earnings and brokerage	22	2,322,370,746	1,948,034,709
Other operating income	23	419,938,601	501,359,763
Total operating income ( A )		6,744,480,448	4,823,305,899
<b>Operating expenses</b>			
Salary and allowance	24	2,511,990,943	2,054,800,966
Rent, taxes, insurance, electricity etc.	25	232,088,895	228,048,435
Legal expenses	26	15,492,478	20,866,815
Postage, stamps, telecommunication etc.	27	74,235,042	69,553,421
Stationery, printing, advertisement etc.	28	66,890,190	68,168,602
Managing Directors' salary and allowances	29	-	-
Directors' fee	30	673,210	666,275
Auditors fees		1,281,000	850,000
Depreciation and repair of bank's assets	31	134,831,658	126,460,107
Expenses in dealing with non banking assets		-	5,707,809
Other expenses	32	125,185,171	107,199,831
Total operating expenses ( B )		3,162,668,587	2,682,322,261
Profit / (Loss ) before provision ( C ) = ( A - B )		3,581,811,861	2,140,983,638
Provisions for loans and advances	33	603,137,983	3,003,334,839
Other provisions	34	(311,712,100)	733,061,876
Total provisions ( D )		291,425,883	3,736,396,715
Total profit / (loss) before tax ( C - D )		3,290,385,978	(1,595,413,077)

**Provision for tax**

Current tax		(930,815,389)	-
Deferred tax	9.6	(419,708,300)	3,229,867,185
		(1,350,523,689)	3,229,867,185
<b>Net profit/(loss) after tax</b>		1,939,862,289	1,634,454,108
Add: Retained surplus/(deficit) from previous year	40	(20,040,813,501)	(21,721,139,594)
Accumulated Net profit / (Loss)		(18,100,951,212)	(20,086,685,486)

	<u>Notes</u>	2006 <u>Taka</u>	2005 <u>Taka</u>
<b>Appropriation</b>			
Statutory reserve		-	-
General reserve		-	-
Dividend payable to Government		-	-
		-	-
Retained surplus/(loss)		(18,100,951,212)	(20,086,685,486)

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

Dhaka, 5 April 2007



**Rahman Rahman**  
**Huq**  
Chartered Accountants

**Ahmad & Ahmad**  
Chartered Accountants

**Agrani Bank**

Cash Flow Statement  
for the year ended 31 December 2006

	<u>Notes</u>	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
<b>A. Cash flows from operating activities</b>			
Interest received		9,658,191,266	8,299,672,238
Interest payments		(5,858,273,481)	(6,053,384,437)
Dividend received		4,557,319	4,566,137
Fess and commission received		1,152,057,546	660,458,813
Recovery on loans previously written off		94,983,589	132,153,353
Cash payment to employee		(2,512,180,693)	(2,056,381,963)
Cash payments to suppliers		(69,616,963)	(64,228,666)
Receipts from other operating activities	35	422,449,720	486,931,990
Payments for other operating activities	36	(474,245,424)	(465,190,211)
Operating profit/(loss) before changes in operating assets and liabilities	37	2,417,922,879	944,597,254
<b>(Increase)/decrease in operating assets</b>			
Statutory deposit		-	-
Treasury bills		(13,125,647)	(201,048,653)
Repo		(750,000,000)	2,805,000,000
Fund advanced to customers		(6,464,823,950)	(3,483,603,052)
Other assets		(1,848,071,598)	4,050,946,821
		(9,076,021,195)	3,171,295,116
<b>Increase/(decrease) in operating liabilities</b>			
Deposit from customers		(1,913,776,816)	6,208,906,006
Other liabilities		(1,253,478,453)	(6,260,960,406)

		(3,167,255,269)	(52,054,400)
Net cash from operating activities-			
A		(9,825,353,585)	4,063,837,970
<b>B. Cash flows from investing activities</b>			
Other bonds		2,857,980,000	(368,846,390)
Debentures		(69,999,997)	259,107,725
Purchase of securities		(2,162,174)	21,680,889
(Purchase)/sales of properties, plant & equipment		(39,914,400)	(53,960,547)
<b>Net cash from investing activities-B</b>		2,745,903,429	(142,018,323)
		2006	2005
	<u>Notes</u>	<u>Taka</u>	<u>Taka</u>
<b>C. Cash flows from financing activities</b>			
Payment of long term borrowings		(488,368,418)	(109,678,595)
Receipt from other borrowings		219,018,099	(780,889,332)
Net cash from financing activities (C)		(269,350,319)	(890,567,927)
Net increase/(decrease) in cash and cash equivalents (A+B+C)=D		(7,348,800,475)	3,031,251,720
Effect of exchange rate change on cash and cash equivalent		1,186,799,518	1,265,914,228
Cash and cash equivalents at the beginning of the year		17,996,576,751	13,699,410,803
Cash and cash equivalents at the end of the year	38	11,834,575,794	17,996,576,751

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

Dhaka, 5 April 2007

Rahman Rahman Huq Chartered Accountants	Ahmad & Ahmad Chartered Accountants
Agrani Bank	
Statement of Changes in Equity for the year ended 31 December 2006	
Particulars	Total Taka
Balances at 01 January 2006	2,484,200,000 (20,084,681,484) (17,444,384,440)
Change in Accounting Policy	-
Restated balance	2,484,200,000 (20,084,681,484) (17,444,384,440)
Net profit for the year	1,939,842,289 #
Balances at 31st December 2006	4,424,042,289 # (18,100,951,212) (15,324,544,371)

Previously depreciation on revalued amount of assets has been charged to profit and loss account. During this year such depreciation has been charged against assets revaluation reserve with prior years effects.

M.d. Abdul Latif Sikdar Deputy General Manager	Syed Abdul Hamid General Manager	F. R. M. Hafiz-ul Islam Deputy Managing Director
Syed Abu Naser Bubhtear Ahmed Managing Director & J.F.O	Air Commodore Syed Imtiaz Hussain Director	M.d. Sham sul Alam Khan Director
Ranjit Kumar Chakraborty		Nasruddin Ahmed

<b>Liquidity Statement</b>									
(Asset and Liability Maturity Analysis) as at 31 December 2006									
	Upto 01 month Taka	01-03 months Taka	03-12 months Taka	01-05 years Taka	More than 05 years Taka	Total Taka			
ions	8,409,622,327	700,000,000	520,000,000	-	500,000	8,409,622,327			
	1,446,457,967	-	-	-	-	2,666,957,967			
	730,000,000	-	-	-	-	750,000,000			
	5,096,625,478	148,830,000	9,409,936,000	5,760,400,000	1,890,200,020	22,306,011,498			
res	13,762,999,569	5,293,461,373	30,702,075,961	14,821,691,843	41,288,998,706	105,869,227,452			
	-	-	-	1,038,561,966	406,350,962	406,350,962			
	-	-	4,411,137,424	8,202,497,511	-	13,672,196,901			
	<b>29,465,705,341</b>	<b>6,142,311,373</b>	<b>45,043,149,385</b>	<b>21,640,653,809</b>	<b>51,788,547,199</b>	<b>154,080,367,107</b>			
% financial institutions and agents	894,300,534	-	109,446,920	2,907,660,270	-	3,911,407,724			
	22,464,804,934	11,167,976,166	21,394,993,052	71,737,243,008	2,155,711,067	128,920,728,227			
	-	-	-	-	-	-			
	-	97,296,695	3,218,927,366	9,357,756,028	23,898,775,438	36,572,755,527			
	<b>23,359,105,468</b>	<b>11,265,272,861</b>	<b>24,723,367,338</b>	<b>84,002,659,306</b>	<b>26,054,486,505</b>	<b>169,404,891,478</b>			
	<b>6,106,599,873</b>	<b>(5,122,961,488)</b>	<b>20,319,782,047</b>	<b>(62,362,005,497)</b>	<b>25,734,060,694</b>	<b>(15,324,524,371)</b>			
resents the Shareholders' Equity of the Bank.									
nto saving deposit contracts, which are repayable on demand, but these are usually rolled over for the next periods repeatedly. As a result, savings deposits									
-relatively stable source of funds for the Bank.									
part of this financial statement.									
	Syed Abdul Hamid General Manager	F. R.M. Hafiz-ul Islam Deputy Managing Director				Syed Abu Naser Bukhtear Ahmed Managing Director & CEO			
	Md. Shamsul Alam Khan Director	Ranjit Kumar Chakraborty Director				Nasiruddin Ahmed Director and Acting Chairman			

## **AGRANI BANK**

Notes to the Financial Statements  
For the year ended 31 December 2006

### **1. Background Information**

#### **1.1 Establishment and Status of the Bank**

Agrani Bank is a Nationalized Commercial Bank established by the Bangladesh Bank's (Nationalization) Order 1972 (P.O. 26 of 1972) and is fully owned by the Government of the People's Republic of Bangladesh. The Bank had 866 branches as on 31 December 2006 (no overseas branch). The bank also has two wholly owned subsidiary Companies named Agrani Exchange House (Pvt) Ltd. in Singapore and Agrani Remittance House SDN, BHD, Malaysia.

#### **1.2 Nature of Business**

The principal activities of the Bank are providing all kinds of commercial banking services to its customers and the principal activities of its subsidiaries are to carry on the remittance business and to undertake and participate in any or all transactions, and operations commonly carried or undertaken by remittance and exchange houses.

### **2. Significant Accounting Policies**

#### **2.1 Scope and objective**

The accounting policy comprises principles and basic assumptions, concepts, rules, practices, and procedures adopted by the management for reporting the activity of the Bank and financial statements preparation and presentation. The purpose of accounting policy is to provide the necessary organizational and methodological direction in carrying the accounting activity of the Bank.

#### **2.2 Basis of Preparation of Financial Statements**

These financial statements have been prepared as at 31 December 2006 in accordance with the "First Schedule" of the Bank Companies Act 1991 as amended under sub-section 38 (4) of that Act, Bangladesh Bank's Circulars, International Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and other rules and regulations applicable in Bangladesh on a going concern basis under historical cost convention.

### 2.3 Investment and related Income

- a) Investments are stated at cost.
- b) Income on investments other than shares in joint stock companies is accounted for on accrual basis.
- c) Dividend income on shares of joint stock companies is accounted for in the year of receipt of such dividend.
- d) Investment write offs:

Investments with no realistic prospect of recovery have been written off and full provision has been kept against these without affecting the claim amount of the Bank in any way against the debtors. Notional balances against the written off investments have been kept to maintain the detailed memorandum records for written off accounts. Cumulative amount of the written off investment up to December 2006 was Tk. 230,307,724

### 2.4 Advances

- a) **Interest on loans and advances:**
  - (i) Interest is calculated on unclassified loans and advances and recognized as income during the year.
  - (ii) Interest calculated on classified loans and advances as per Bangladesh Bank Circulars are kept in interest suspense account and credited to income on realization.
  - (iii) Interest is calculated on a daily product basis but debited to the party's loan account quarterly. No interest is charged on loans and advances which are classified as bad and loss.
  - (iv) Total balance of loans and advances as on 31 December 2006 includes bad/loss loan Tk 24,579 million on which the Bank did not accrue any interest because of deterioration of quality of loans and advances determined by the management and on the basis of instructions contained in Bangladesh Bank Circulars as mentioned in Para-2.4 (b) of this financial statements.
  - (v) Interest suspense and penal interest, if any, calculated on classified loans and advances are taken into income in the year of its receipt from the defaulting borrowers.

b) **Provision for loans and advances**

Provision for loans and advances has been made on the basis of instructions contained in Bangladesh Bank BCD circular no. 34 dated 16 November 1989, BCD Circular no. 20 dated 27 December 1994, BCD Circular no. 12 dated 4 September 1995, BRPD Circular no. 16 dated 6 December 1998, BRPD Circular no. 9 dated 14 May 2001 and BRPD Circular no. 09 dated 20 August 2005 and as per the year end review by the management.

c) **Interest and discount income**

Interest on loans and advances, investment and discount income are stated at gross amount as per requirement of BRPD Circular no 14 dated 25 June 2003.

d) **Written off loans and advances**

Loans and advances with no realistic prospect of recovery have been written off against which full provisions made and legal cases initiated but pending, except the state owned enterprises for which no legal actions have been taken. Detailed memorandum records for all such written off accounts are maintained without reducing the Bank's claim.

e) **Presentation of advances**

i) Advances are shown at gross amount as assets while interest suspense and loan loss provision against classified advances are shown as liabilities in the Balance Sheet as per BRPD circular no. 14, dated 25 June 2003.

ii) Staff loan of Tk 6,878 million allowed at concessional rate as approved by the authority are shown under advances as per BRPD circular no. 14, dated 25 June 2003.

## 2.5 Fixed assets and depreciation

a) Land and building were revalued on 31 December 1992. Fixed assets are stated at historical cost or revalued amount (where applicable) less accumulated depreciation.

b) Depreciation is charged at the following rates per annum on straight-line method on all fixed assets.

Building	2.50%
Furniture and Fixture	10.00%
Library Books	10.00%
Motor Vehicle	20.00%
Office Equipments	20.00%
Electric Materials	20.00%
Computer and Computer accessories	20.00%

- c) Depreciation at the applicable rates is charged proportionately on additions made during the year from the month of their acquisition excepting that no depreciation is charged thereon for the month if such assets are acquired in the second half of the month and for assets retiring during the year, depreciation is charged for the period up to the end of the month of their retirement excepting that no depreciation is charged on assets retiring in the first half of the month.
- d) Upon retirement of items of fixed assets the cost and accumulated depreciation are eliminated from the accounts and the resulting gains or losses, if any, are transferred to Profit and Loss Account.
- e) Repairs and maintenance costs of fixed assets are charged to Profit and Loss Account when incurred.

## **2.6 Other assets**

### **a) Provisions for other assets**

Other assets have been classified as per BRPD Circular-14 dated 25.06.2001 of Bangladesh Bank and necessary provisions made thereon accordingly and for items not covered under the circular adequate provisions have been made considering their realisability.

### **b) Write off other assets**

Other assets having no realistic prospect of recovery have been written off and full provision kept there against without reducing the claim amount of the Bank against the debtors in any way. Notional balances against other assets written off have been kept to maintain the detail memorandum records for such accounts/assets. Cumulative balance of other assets written off up to December 2006 was Tk 1,532,795,549.

## **2.7 Reconciliation of inter branch transactions**

Inter branch transactions are reconciled on regular basis and balance of unmatched entries at the closing date is accounted for according to its nature. Detail reconciliation position is shown in Note-12.13.1.

## **2.8 Assets pledged as security**

The bank has no secured liabilities except as mentioned in Note-10.2 and there was no assets pledged as security against liabilities.



## **2.9 Foreign currency translation**

Assets and liabilities denominated in foreign currencies are translated into taka currency at the rates of exchange ruling at the year end and those in pre-liberation Pakistani currency have been translated at Tk 1 = Pak Rupee 1.

Transactions in foreign currencies other than Assets and Liabilities are translated into Taka currency at the rates of exchange prevailing on the date of such transactions and resulting gains or losses are credited or charged to Profit and Loss Account.

## **2.10 Items treated as income**

Items have been treated as income when there exist no risk or uncertainty regarding its realisability.

## **2.11 Fees and Commissions**

Fees and Commissions consist mainly of fees for payment transactions in BDT and in foreign currency, opening of letters of credit and issuance of guarantees. Fees and Commissions are charged when falling due. Commissions arising from foreign currency transactions are reported in the income.

## **2.12 Interest paid and expenses**

In terms of the provision of the Bangladesh Accounting Standard (BAS-1) Presentation of Financial Statements, the interests and other expenses are recognized on accrual basis.

## **2.13 Retirement benefit scheme**

The bank operates two alternative retirement benefit schemes for its permanent employees, elements of which are as under;

### **a) Contributory provident fund (CPF) scheme**

- (i) Employees' contribution 10%
- (ii) Bank's contribution 10%
- (iii) This fund is operated by a Board comprising of 4 Trustees
- (iv) Gratuity: Employees enjoying contributory provident fund facilities are entitled to get gratuity for 2 months last basic pay drawn for each completed year of services subject to completion of minimum 10 years services.

b) **General pension fund scheme**

(i) **Pension:**

The bank operates a pension scheme. This fund is operated by a Board comprising of 6 Trustees.

(ii) **Annual provision**

Year	% of basic pay
Up to 2001	15%
2004	25%
2005	30%
2006	35% (Actuarial valuation has been performed and necessary provision are being maintained in the accounts as per valuation)

This has been named as Superannuation Fund (SAF) created for paying pension to retiring employees.

(iii) **General provident fund (GPF)**

Employees opted for pensions are also contributing 10%-30% of basic salary as per their desire to GPF. The bank does not contribute any amount against these employees to the GPF. The Fund is shown under Sundry Deposit.

**2.14 Death relief grant scheme**

The bank operates a Death Relief Grant Scheme since 01 January 1989, which replaced the group insurance scheme. The scheme is applicable to all employees of the bank and payments out of this fund are made to the successors of the employees on their death while in Bank's service and quantum of payment is determined as per scale and grade of such employees.

**2.15 Taxation**

- i) **Current Tax:** Tax has been provided in the accounts at the rate of 45% on current year's profit as per Income Tax Ordinance 1984.
- ii) **Deferred Tax:** As per Bangladesh Accounting Standard-12 deferred tax has been calculated. Calculation show deferred tax assets of Tk 281,015,885 (Note no. 9.6), which has been accounted for accordingly as against previous year's figure of Tk 3,229,867,185. Difference amount of Tk 419,708,300 has been charged to the Profit & Loss Account.

**2.16 Liquidity statement**

The Liquidity Statement has been prepared in accordance with grouping of the value of the remaining assets and liabilities as on the reporting date.

## 2.17 Offsetting of asset and liability

The values of any asset or liability as shown in the balance sheet are not off-set by way of deduction from another liability or asset unless there exist a legal right therefor. No such incident existed during the year.

## 2.18 Post balance sheet events

No material event occurred after the Balance Sheet date, that could affect the values stated in the financial statement.

## 2.19 Segment Reporting

For the purpose of Segment Reporting as per Bangladesh Accounting Standards -14, the following segments relating to revenue, expenses, assets and liabilities have been identified and shown in the related notes accordingly as primary / secondary segments

- banking operations comprising of branches of the banking entity,
- treasury operations comprising of the banking entity
- domestic operations in line with Geographical segments. Geographical location wise operating profit of the bank is mentioned below:

Geographical location	Figure in million			
	Operating profit 2006		Operating profit 2005	
	Amount	in %	Amount	in %
Dhaka	2,516	70.24%	1,546	72.19%
Chittagong	684	19.09%	473	22.08%
Khulna	79	2.21%	(50)	(2.34%)
Rajshahi	79	2.21%	(27)	(1.28%)
Sylhet	197	5.50%	188	8.76%
Barishal	27	0.75%	13	.59%
<b>Total</b>	<b>3,582</b>	<b>100%</b>	<b>2,141</b>	<b>100%</b>

## 2.20 Risk management

The risks of Agrani Bank have been defined as the possibility of losses, financial or otherwise. The Risk Management of the Bank covers 5 (five) Core Risk Areas of banking i.e. Credit Risk Management, Foreign Exchange Risk Management, Asset Liability Management, Prevention of Money Laundering and establishment of Internal Control and Compliance. The prime objective of the risk management is that the Bank takes well calculative business risks while safeguarding the Bank's capital, its financial resources and profitability from various risks. In this context, the Bank has implemented various steps as per the guidelines of Bangladesh Bank.

### **2.20.1 Credit risk management**

Credit risk is one of the primary risks faced by the Bank. This can be described as potential loss arising from the failure of borrower to perform as per contractual agreement with the Bank. The failure may result from unwillingness of the borrower or due to decline the financial condition. Therefore, Bank's Credit risk management activities have been designed to address all these issues.

On the basis of prudential guidelines of Bangladesh Bank, Agrani bank prepared a Credit Policy Manual, which have been approved by Bank's Board of Directors and is already in force. However, to bring the credit operation of the Bank to the level of international standard the revised version has been prepared. The Bank has segregated duties of the officers/Executives involved in credit related activities. A separate Credit Division has been formed at Head Office, which is entrusted with the duties of maintaining effective relationship with the customers, marketing of credit products, exploring new business opportunities etc. Credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, three separate units have been formed within Credit Division. These are (a) Credit Risk Management Unit, (b) Credit Administration Unit, (c) Credit Monitoring and Recovery Unit. Credit Risk Management Unit is entrusted with the duties of maintaining asset quality, assessing risk in lending to particular customer, sanctioning credit, formulating policy/strategy for lending operation etc.

A thorough due diligence is done before sanction of any credit facility at Credit Risk Management Unit. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security against credit facility etc. The assessment process is initiated at Credit Division by the Relationship Manager/Officer and ends at Credit Risk Management Unit when it is approved/ declined by the Credit Committee and subsequently the Board.

In determining single borrower/large loan limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted at periodical interval to ensure compliance of Bank's and Regulatory policies. Loans are classified as per Bangladesh Bank's guidelines.

### **2.20.2 Foreign exchange risk management**

Foreign exchange risk is defined as the potential for profit or loss arising due to change in market price of a particular currency against another currency. The foreign exchange risk of the Bank is minimal as majority of the transactions are carried out on behalf of the customers for various trade finance and remittance activities. The Bank did not conduct any speculative proprietary foreign currency activity for the year. However, the Bank does conduct cross currency activities to consolidate its currency position into a single foreign currency by converting its inflow of various currencies due to customer export activities and remittances into a single currency to minimize any potential for loss arising from currency fluctuation.

In compliance with the Bangladesh Bank Guidelines Agrani Bank has prepared Foreign Exchange Risk Management Manual covering the Foreign Exchange Risk and Policy related with Foreign Exchange dealings. As per terms and conditions of the Manual Treasury Front Office, Back office and Mid Office has been established under separate Management.

To facilitate the Treasury functions individual limit for the dealers and dealing room limit including Stop Loss limit, Trigger limit and Counter Party limit have been fixed up and therefore there is no scope to take any excessive risk by any dealer. To keep the deal very much transparent and to avoid the future dispute a Voice Recorder has been set-up in the dealing room. The foreign exchange risk of the bank is minimal as all the transactions are carried out on behalf of the customer against L/C commitment and other outward remittances. No dealing on Bank's account was conducted during the year.

To support the activities of Treasury, an independent Treasury back office is functioning through an independent organisational chain. The personnel working under back office are very much well equipped to settle and reconcile the day to day deal transactions. Back office is responsible for verification of the deals and passing of entries in the books of accounts. All Nostro accounts are reconciled on fortnightly basis and the management for its settlement reviews outstanding entry beyond 15 days.

### **2.20.3 Asset liability management**

Asset and Liability Management (ALM) is one of the key elements of managing a bank's balance sheet efficiently. As part of the ongoing reform and modernization program, Agrani Bank has retooled its ALM to reflect a modern, dynamic and vibrant process through the adaptation of international best practices. Agrani Bank today has an active ALCOM (Asset Liability Committee) process, which plays a critical role in determining the strategic and operational direction of the bank in terms of balance sheet management and off balance sheet items.

Today's markets are fraught with every conceivable kind of risks around the corner. Each element of risk is segmented, fragmented and quantified before it is loaded on to the balance sheet of the Bank. A clear balance sheet management strategy is articulated to senior management from the beginning of the year so that they are fully aware of the ALM strategies.

### **2.20.4 Prevention of money laundering**

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

## 2.20.5 Internal control and compliance

Operational loss may arise from error and fraud due to lack of internal control and compliance. Management through Internal Control and Compliance Division controls operational procedure of the Bank. According to the Bangladesh Bank guidelines, Agrani Bank has introduced three Units under Internal Control and Compliance (ICC). The three units are (1) Compliance (2) Monitoring and (3) Audit and Inspection. The Monitoring Unit is named as Audit Implementation Division in this Bank. Internal Audit and Inspection Division undertakes periodical and special audit of the branches and Divisions at Head Office for review of operational effectiveness and internal/external compliance requirements. The Board Audit Committee subsequently reviews the very serious lapses (VSLs) identified by Audit and Inspection Division.

## 2.21 Related party transactions

During the year the bank had some transactions with the Government (owner of the Bank) and Directors of the bank in respect of banking business like loans and advances, guarantees and commitments as mentioned below.

Related party relationship disclosure for the year 2006 (BAS-24 Related Party Disclosure)				
Sl. no.	Name of Related Party	Related Party Relationship	Transaction	Nature
1	Government (Note-17.a)	Owner	77,768,196	Letter of Guarantee
2	Government (Note-12)	Owner	5,000,000	Dividend payable (Provision during the year 2003)
3	Government (Note-6)	Owner	19,441,879,200	Government Securities (Total purchase Tk 28,505 crore through 189 transactions and total encashment Tk 28,790 crore through 190 transactions).
4	Government (Note-9)	Owner	4,787,018,412	Advance Income Tax
5	Ministry of Food and other Ministry (Note-7.3.b)	Owner	957,548,000	Loans and Advance
6	State Owned Enterprises (Annexure-A)	Enterprises Owned by Government	45,789,500,000	Guarantees for Loans and Advances (Funded and Non-Funded) to State Owned Enterprises
7	Air Commodore Khandkar Iftekhar Ahmad (Director) (Note-7.7(vi))	Director	2,203,983	House Building Loan
8	Government (Note-11.d)	Owner	4,523,676,000	Deposit (CD, SB, FDR, STD and special purpose deposit)
9	Agrani Exchange House Pvt. Ltd., Singapore	Subsidiary Company	6,457,000	Investment in subsidiary company
10	Agrani Remittance House SDN.BHD, Malaysia	Subsidiary Company	8,967,168	Investment in subsidiary company

## 2.22 Particulars of Directors of the Bank

Name and address	Designation	Date of original appointment	Paid up value and no of shares held in the bank	Name of firms/companies in which interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Nature and value of interest in the firm/companies in which interested
1	2	3	4	5	6
Mr. S.M. Jahrul Islam, Secretary, Ministry of Environment & Forest, Government of the Peoples Republic of Bangladesh, Bangladesh Secretariat, Dhaka	Chairman	18.12.2006	Not Applicable (N/A)	N/A	N/A
Mr. Nasiruddin Ahmed, Additional Secretary, (WTO Cell), Ministry of Commerce, Bangladesh Secretariat, Dhaka	Director	13.12.2006	N/A	N/A	N/A
Air Commodore Khandkar Iftekhar Ahmad, Assistant Air Chief (Maintenance), Bangladesh Air Force, Air Head Quarters, Dhaka Cantonment, Dhaka	Director	31.07.02 (Date of retirement 22.02.2007)	N/A	N/A	N/A
Mr. Molla Mansur Ahmed, Joint Secretary, Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka	Director	10.04.2006	N/A	N/A	N/A
Mr. Ranjit Kumar Chakraborty, Joint Secretary, Finance Division & Director MRP, BTMC Bhaban (6 <sup>th</sup> Floor), Karwan Bazar, Dhaka	Director	13.12.2006	N/A	N/A	N/A

Name and address	Designation	Date of original appointment	Paid up value and no of shares held in the bank	Name of firms/companies in which interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Nature and value of interest in the firm/companies in which interested
1	2	3	4	5	6
Air Commodore Syed Imtiaz Hussain, NDU, PSC, Agrani Bank, Head Office, Dhaka	Director	22.02.06	N/A	N/A	N/A
Mr. Md. Shamsul Alam Khan, Joint Secretary, Ministry of Since, Information and Telecommunication	Director				
Mr. Syed Abu Naser Bukhtear Ahmed, Agrani Bank, Head Office, Dhaka	Managing Director & CEO	26.09.04	N/A	N/A	N/A

### 2.23 Audit Committee

Name	Status with the Bank	Status with the Committee	Address	
			Present	Residence
Mr. Nasiruddin Ahmed	Director	Chairman	Additional Secretary, (WTO Cell), Ministry of Commerce, Bangladesh Secretariat, Dhaka	Bhaban no. 10 (Ground Floor), Eskaton Garden, Officers Quarters, Dhaka
Mr. Molla Mansur Ahmed	Director	Member	Joint Secretary, Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka	40 Shantinagar, Dhaka
Mr. Ranjit Kumar Chakraborty	Director	Member	Joint Secretary, Finance Division & Director, FMRP, BTMC Bhaban (6 <sup>th</sup> Floor), Karwan Bazar, Dhaka	B-19/E-5 (Swaranika), Eskaton Garden, Officers Quarters, Dhaka



### **Important decisions given by the Audit Committee during 2006**

Five meetings of the Audit Committee were held with the Top management of the Bank in 2006. During those meetings emphasis were given on the following subjects:-

- 1) The Committee emphasized to comply with the instructions mentioned in the BRPD circular no-12 & to arrange meeting of the Audit Committee in accordance with the directives of the circular.
- 2) The Committee was informed about the objections raised by the commercial audit and Bangladesh Bank inspection and thus the committee advised the Management to take effective measures to settle those irregularities soon.
- 3) The Audit Committee also advised the Management of the bank to focus the importance on the objections relating to financial loss for the bank and to take necessary disciplinary action against the persons involved with that misappropriation.

Moreover the Committee also advised the Management of the bank as follows:

- (a) To minimize the audit objections through strengthening the internal control systems.
- (b) To ensure the appropriate implementation of the audit recommendations.
- (c) To collect the report of regularization of the irregularities/objections raised by the Audit Team as soon as possible.
- (d) To take steps to scrutinize the implementations of the objections on random basis.
- (e) To place the most irregularities/objections raised by Internal Audit to the Audit Committee in the form of Executive Summary.

#### **2.24 General**

- a) Figures have been rounded off to the nearest taka.
- b) Prior year's figures shown for comparison purpose, have been rearranged, wherever necessary, to conform to current year's presentation.

**Rahman Rahman**  
**Huq**  
Chartered  
Accountants

**Ahmad &**  
**Ahmad**  
Chartered Accountants

<b>3 CASH</b>	<u>2006</u>	<u>2005</u>
	<u>Taka</u>	<u>Taka</u>
<b>3.1 Cash in Hand</b>		
Local Currency	867,446,614	904,796,725
Foreign Currencies	86,182,601	87,094,516
	953,629,215	991,891,241
<b>3.2 Balance with Bangladesh Bank and its agent bank</b>		
Bangladesh Bank (Note-3.2.1)	6,880,936,377	7,302,206,371
Sonali Bank as agent of Bangladesh Bank (Note 3.2.2)	575,056,735	581,140,488
	7,455,993,112	7,883,346,859
Total (Note 3.1+3.2)	8,409,622,327	8,875,238,100
<b>3.2.1 Balance with Bangladesh Bank</b>		
Local Currency	6,880,936,377	6,223,044,375
Foreign Currencies	-	1,079,161,996
	6,880,936,377	7,302,206,371
<b>3.2.2 Balance with Sonali Bank</b>		
Local Currency	575,056,735	575,617,278
Foreign Currencies	-	5,523,210
	575,056,735	581,140,488
<b>3.3 Statutory Deposits</b>		

Cash Reserve Ratio and Statutory Liquidity Ratio have been calculated and maintained as per Section 33 of the Bank Companies Act 1991 and BRPD Circular No (P)683/2005-2996 dated 25-08-05.

**3.3.1 Cash Reserve Ratio (CRR): Average Demand and Time Liabilities**

Required Reserve @ 5% for 2006 and 2005	6,309,900,000	6,497,900,000
Required Reserve @ 5% for 2006 & @ 4% for 2005	6,309,900,000	5,198,300,000
Actual Reserve held with Bangladesh Bank	6,637,700,000	6,329,000,000
Surplus / (deficit) for 2006 and for 2005	327,800,000	1,130,700,000

**3.3.2 Statutory Liquidity Ratio (SLR)-12% of Average Demand and Time Liabilities**

Required Reserve	16,405,800,000	16,894,700,000
Actual Reserve held	20,910,600,000	22,236,700,000
Surplus / (deficit)	4,504,800,000	5,342,000,000
Total Surplus / (deficit) [3.3.1+3.3.2]	4,832,600,000	6,472,700,000

**4 BALANCE WITH OTHER BANKS & FINANCIAL INSTITUTIONS**

In Bangladesh (Note-4.1)	1,820,500,000	7,510,500,000
Outside Bangladesh (Nostro Accounts-Annexure C)	846,457,967	230,836,851
	2,666,957,967	7,741,336,851

A sum of Tk 10 million of bilateral trade is included in the balance outside Bangladesh (Nostro accounts) as of 31 December 2006 which remain unreconciled for a long period. The total unreconciled amount has been provided in the accounts.

#### 4.1 In Bangladesh

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
a) <b>Local Currency Banks</b>		
Jamuna Bank Limited	-	500,000,000
Dutch Bangla Bank Limited	-	200,000,000
The Oriental Bank Limited	100,000,000	100,000,000
Commercial Bank of Ceylon (Indosuez)	500,000	500,000
Dhaka Bank Limited	-	300,000,000
Social Investment Bank Limited	-	400,000,000
Southeast Bank Limited	-	800,000,000
Standard Bank Limited	-	300,000,000
Eastern Bank Limited	-	200,000,000
Shahjalal Islami Bank Limited	-	200,000,000
National Bank of Pakistan	100,000,000	300,000,000
One Bank Limited	-	500,000,000
First SecurityBank Limited	50,000,000	100,000,000
Marcantile Bank Limited	-	500,000,000
Mutual Trust Bank Limited	-	200,000,000
Bank Asia Limited	-	500,000,000
Premier Bank Limited	-	100,000,000
	250,500,000	5,200,500,000
<b>Other Financial Institutions</b>		
Investment Corporation of Bangladesh (ICB)	-	350,000,000
Prime Finance and Investment Ltd.	100,000,000	150,000,000
Industrial Promotion & Development Company of Bangladesh Limited (IPDC)	200,000,000	200,000,000
Industrial Infrastructure Finance Company Limited (IIFDC)	150,000,000	150,000,000

Phonix Leasing Company Limited		
	100,000,000	100,000,000
Bay Leasing & Investment Limited	100,000,000	150,000,000
International Leasing and Financing Service Limited (ILFS)	150,000,000	200,000,000
Industrial Development Leasing Company of Bangladesh Limited (IDLC)	200,000,000	200,000,000
Lanka Bangla (Vanik Bangladesh Limited)	50,000,000	50,000,000
Bangladesh Financial Investment Company Limited (BFIC)	30,000,000	30,000,000
National Housing Finance & Investments Limited	-	100,000,000
United Leasing Company Limited	-	150,000,000
Primier Leasing International Limited	10,000,000	50,000,000
Peoples Leasing and Finance & Investment Limited	50,000,000	50,000,000
Fareast Finance & Investment Limited	50,000,000	50,000,000
GSP Finance Company Bangladesh Limited	150,000,000	150,000,000
Delta Barc Housing Finance Corporation Limited	-	50,000,000
Uttara Finance & Investment Limited	100,000,000	100,000,000
Bangladesh Industrial Finance Company Limited	30,000,000	30,000,000
Union Capital	50,000,000	-
First Lease International Limited	50,000,000	-
	1,570,000,000	2,310,000,000
b) <b>Foreign currency</b>		
Sonali Bank	-	-
	1,820,500,000	7,510,500,000

**4.2 Balance with other Banks and financial institutions (Account wise)**

Current & Other Accounts	846,457,967	230,836,851
Fixed Deposit Receipts (FDR)	1,820,500,000	7,510,500,000
	2,666,957,967	7,741,336,851

#### 4.3 Maturity grouping of balances

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
On demand	846,457,967	230,836,851
Less than three months	1,300,000,000	6,280,000,000
More than three months but less than one year	520,000,000	1,230,000,000
More than one year but less than five years	-	-
More than five years	500,000	500,000
	2,666,957,967	7,741,336,851

#### 5 MONEY AT CALL AND SHORT NOTICE

Commercial Banks (Note 5.1)	750,000,000	1,370,000,000
	750,000,000	1,370,000,000

#### 5.1 Commercial Banks

Bangladesh Krishi Bank	200,000,000	-
Bank Asia Limited	-	100,000,000
One Bank Limited	100,000,000	-
Eastern Bank Limited	-	100,000,000
Standard Chartered Bank	250,000,000	-
BRAC Bank Limited	150,000,000	100,000,000
HSBC	-	350,000,000
A.B Bank Limited	50,000,000	200,000,000
NCC Bank Limited	-	70,000,000
Sonali Bank	-	200,000,000
National Bank of Pakistan	-	100,000,000

RAKUB	-	150,000,000
	750,000,000	1,370,000,000

## 6 INVESTMENTS

Government Securities:		
Treasury Bills ( Present value)	13,596,777,700	13,583,652,053
Other Bonds	5,837,106,000	8,695,086,000
Prize Bonds (at cost)	7,995,500	10,001,800
Reverse REPO	19,441,879,200	22,288,739,853
Inter Bank Repo	750,000,000	-
	-	-
	20,191,879,200	22,288,739,853
Other Investments:		
Shares (at cost)	104,132,278	101,970,104
Debentures (at cost)	2,010,000,020	1,940,000,023
Gold	-	-
	2,114,132,298	2,041,970,127
	22,306,011,498	24,330,709,980

### 6.1 Maturity Grouping of Investments

On demand	908,633,778	111,971,903
Less than three months	4,336,841,700	9,357,596,077
More than three months but less than one year	9,409,936,000	630,316,000
More than one year but less than five years	5,760,400,000	11,673,043,000
More than five years	1,890,200,020	2,557,783,000
	22,306,011,498	24,330,709,980

## 6.2 Value of Investment

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Treasury Bills-(Enclosed Annexure-B)		
Treasury Bills (28 Days)	3,789,162,700	4,990,356,953
Treasury Bills (91 Days)	98,850,000	98,939,100
Treasury Bills (05 Years)	9,309,936,000	8,494,356,000
Bangladesh Bank Bills	398,829,000	
Reverse Repo	750,000,000	-
Total Treasury Bills	14,346,777,700	13,583,652,053
Treasury Bonds (Annexure-B.1)	5,687,106,000	8,545,086,000
Other Bonds (Annexure-B.1)	150,000,000	150,000,000
Prize Bonds	7,995,500	10,001,800
Debentures (Annexure-B.2)	2,010,000,020	1,940,000,023
Shares (Note-6.2.1 and Annexure-B.3)	104,132,278	101,970,104
	7,959,233,798	10,747,057,927
	22,306,011,498	24,330,709,980

Detail information about Treasury Bonds, Debentures and Shares are given in Annexure-B.

- 6.2.1 All investment in shares have been valued at the year end at Tk 132,370,274. The quoted shares have been valued as per market price in the stock exchange and unquoted shares as per book value of last audited balance sheet.

## 6.3 Net Investment

Carrying amount	22,306,011,498	24,330,709,980
Less: Provision	3,260,269	2,205,269
Net Investment	22,302,751,229	24,328,504,711



## 7 LOANS and ADVANCES

### 7.1 As per classification into the following broad categories

#### Loans, Cash Credit and Overdraft etc.

##### In Bangladesh

a)	Loans		
	Rural Credit	5,935,470,261	6,462,643,890
	Weavers Credit	442,435,642	445,309,038
	Industrial Credit	22,763,834,496	19,634,439,047
	Jute Advance	6,480,376,606	6,666,376,973
	Leather Sector Advance	783,382,256	9,028,498
	Staff Loan	6,878,562,384	6,313,027,330
	Loan (Others)	16,660,037,887	18,956,763,659
	Small and micro credit	2,092,926,967	917,993,073
		62,037,026,499	59,405,581,508
b)	<b>Cash credit</b>		
	Cash Credit	24,643,451,208	24,918,008,332
	Packing Credit	795,859,001	688,078,632
	Loan Against Imported Merchandize (LIM)	1,160,464,619	1,344,783,527
	Payment Against Documents (PAD)	7,326,114,559	3,587,650,207
		33,925,889,387	30,538,520,698
c)	Overdrafts	5,800,881,113	5,916,970,308
	Outside Bangladesh	101,763,796,999	95,861,072,514
		5,657,614	-
		101,769,454,613	95,861,072,514

2006  
Taka

2005  
Taka

**Bills Purchased and Discounted (Note-7.8)**

In Bangladesh:

Inland Bills

Purchased

70,467,362 77,597,872

Outside Bangladesh:

Foreign Bills Purchased

4,029,305,477 3,465,733,116

4,099,772,839 3,543,330,988

105,869,227,452 99,404,403,502

**7.2 Maturity grouping of loans and advances**

Repayable on

Demand

13,762,999,569 12,821,600,639

Not more than 3 months

5,293,461,373 5,192,973,319

More than 3 months but not more than 1 year

30,702,075,961 28,570,741,743

More than 1 year but not more than 5 years

14,821,691,843 13,745,970,937

More than 5 years

41,288,998,706 39,073,116,864

105,869,227,452 99,404,403,502

**7.3.a Disclosure for significant concentration**

Advances to allied concerns of Directors;

2,203,983 3,988,300.00

Advances to Managing Director

- -

Advances to Other Executives

4,552,376,780 4,497,979,132

Advances to Customers' Group

78,550,812,193 75,267,997,023

Industrial Credit

22,763,834,496 19,634,439,047

105,869,227,452 99,404,403,502

**7.3.b Disclosure for sector-wise loans and advances**

Government sector

957,548,000 791,469,000

Other public sector

15,270,252,000 14,181,332,000

Private sector

89,641,427,452 84,431,602,502

105,869,227,452 99,404,403,502

**7.3.c Detail information on advances of more than 10% of bank's total capital**

Number of clients	76	73
Amount of outstanding advances	73,107,100,000	45,006,723,000
Amount of recovery	3,746,223,000	2,809,637,000
Amount of classified advances	6,121,600,000	6,410,772,000

Detail information for the year 2006 and 2005 are given in the enclosed Annexure-A.

**7.4 Geographical Location of Loans and Advances**

**Urban**

Dhaka Region	63,196,336,540	56,611,701,273
Chittagong Region	13,606,335,971	14,456,211,408
Khulna Region	6,174,068,014	5,939,649,286
Rajshahi Region	3,839,688,539	3,526,658,563
Barisal Region	877,504,216	808,532,733
Sylhet Region	382,078,595	362,978,218
	88,076,011,875	81,705,731,481

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
<b>Rural</b>		
Dhaka Region	6,699,584,558	6,756,675,598
Chittagong Region	1,780,050,817	1,869,741,075
Khulna Region	2,824,837,979	2,733,850,672

Rajshahi Region	4,668,682,237	4,615,535,339
Barisal Region	1,277,631,941	1,221,377,325
Sylhet Region	542,428,045	501,492,012
	17,793,215,577	17,698,672,021
	105,869,227,452	99,404,403,502

#### 7.5 Sector-wise Loans and Advances

Jute and Jute Goods	7,469,500,000	8,119,500,000
Cotton and Cotton Txtile	10,305,400,000	10,937,300,000
Chemicals and Pharmaceuticals	3,348,200,000	2,722,900,000
Iron and Steel	1,694,800,000	1,780,400,000
Hides and Skins	5,643,000,000	5,035,700,000
Food and Allied	6,545,400,000	6,491,700,000
Ready-made garments	4,448,100,000	2,176,600,000
Real Estate, insurance/services	8,421,700,000	8,426,900,000
Others	57,993,127,452	53,713,403,502
	105,869,227,452	99,404,403,502

#### 7.6 Loans and advances: classified as per Bangladesh Bank Circular

Unclassified (including staff loan)	75,986,484,452	69,552,042,502
Special Mention Account	2,065,794,000	1,708,764,000
Classified Sub-Standard	2,047,359,000	1,590,803,000
Doubtful	1,190,704,000	992,294,000
Bad or loss	24,578,886,000	25,560,500,000
	27,816,949,000	28,143,597,000

105,869,227,452 99,404,403,502

**7.7 Particulars of loans and advances:**

(i)	Loans considered good in respect of which of the bank company is fully secured	92,042,797,648	86,875,616,139
(ii)	Loans considered good against which the bank company holds no security other than the debtor's personal guarantee	6,978,145,974	5,805,971,192
(iii)	Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors	6,848,283,830	6,722,816,171
(iv)	Loans adversely classified; provision not maintained there against	-	-
		105,869,227,452	99,404,403,502
(v)	Loans due by directors or officers of the bank company or any of these either separately or jointly with any other persons	4,552,376,780	4,497,979,132
(vi)	Loans due from companies or firms in which the directors of the bank company have interests as directors, partners or managing agents or in case of private companies as members	2,203,983	3,988,300
(vii)	Maximum total amount of advances including temporary advance made at any time during the year to directors or managers or officers of the bank company or any of them either separately or jointly with any other person	4,234,769,090	4,723,131,780
(viii)	Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the bank company have interests as directors, partners or managing agents or in the case of private companies as members	2,203,983	3,988,300
		<u>2006</u>	<u>2005</u>
		<u>Taka</u>	<u>Taka</u>
(ix)	Due from bank companies	-	-
(x)	Amount of classified loan on which interest has not been charged, should be mentioned as follows:		

a) (Decrease) / increase in provision	-	-
b) Amount of loan written off	-	-
c) Amount realized against loan previously written off	94,983,589	132,153,353
d) Amount of provision kept against loan classified as "bad/loss" on the date of preparing the balance sheet	11,572,518,000	13,582,017,184
e) Interest creditable to the Interest Suspense Account	-	-
(xi) Cumulative amount of the written off loans	12,650,533,000	9,731,931,000
(xii) Amount written off during the current year	2,918,602,000	3,350,019,000
(xiii) The amount of written off loans for which lawsuits have been filed	12,650,533,000	9,731,931,000

#### 7.8 Bills purchased and discounted

With in Bangladesh	70,467,362	77,597,872
Outside Bangladesh	4,029,305,477	3,465,733,116
	4,099,772,839	3,543,330,988

#### 7.9 Maturity of bills purchased and discounted

Payable within 1 month	4,099,772,839	3,543,330,988
Over 1 month but less than 3 months	-	-
Over 3 months but less than 6 months	-	-
6 months or more	-	-
	4,099,772,839	3,543,330,988

#### 7.10 Net Loans and advances

Carrying amount	105,869,227,452	99,404,403,502
Less: Interest suspense and penal interest	8,917,321,495	9,592,028,123
Provision for loans and advances	13,375,748,213	14,329,652,702
	22,293,069,708	23,921,680,825
Net loans and advances	83,576,157,744	75,482,722,677



Rahman Rahman Huq Chartered Accountants		Ahmad & Ahmad Chartered Accountants									
<b>8. FIXED ASSETS INCLUDING LAND, BUILDINGS, FURNITURE AND FIXTURES</b>											
Particulars	Land and building T aka	Furniture and fixture T aka	Motor vehicles T aka	Office equipment T aka	Electric materials T aka	Computers T aka	Others (Library Books) T aka	Total T aka			
<b>Cost</b>											
Balance at 01, January 2006	326,344,488	246,147,239	293,065,817	91,177,661	122,747,550	229,033,471	2,168,594	1,310,684,820			
Addition during the year	-	7,751,609	4,654,583	15,945,893	2,745,672	8,568,346	248,297	39,914,400			
Disposal / Transfer during the year			-	-	-	-	-	-			
<b>At 31 December 2006</b>	326,344,488	253,898,848	297,720,400	107,123,554	125,493,222	237,601,817	2,416,891	1,350,599,220			
<b>Less: Accumulated Depreciation</b>											
Balance at 01 January 2006	77,665,776	167,874,391	274,530,800	73,978,774	109,235,245	161,688,140	1,873,694	866,846,820			
Charge for the year	6,004,956	19,469,606	10,253,733	7,097,047	6,067,440	28,367,075	141,581	77,401,438			
A adjustment for disposal / transfer	-	-	-	-	-	-	-	-			
<b>At 31 December 2006</b>	83,670,732	187,343,997	284,784,533	81,075,821	115,302,685	190,055,215	2,015,275	944,248,258			
<b>Net Book Value At</b>											
<b>31 December 2006</b>	242,673,756	66,554,851	12,935,867	26,047,733	10,190,537	47,546,602	401,616	406,350,962			
<b>31 December 2005</b>	248,678,712	78,272,848	18,555,017	17,198,887	13,512,305	67,345,331	294,900	443,838,000			
Fixed Assets at cost Tk 1,350,599,220 includes revaluation surplus of Tk 191,987,720 (against Land Tk 39,003,452 and Building Tk 152,984,268) as of 31 December 1992. Depreciation has been charged at applicable rate on Buildings and debited to the revaluation reserve upto 2006 (Tk 45,871,985).											
Other than inter branch transfer there were no disposals of any fixed assets in 2006. As such disposal (transfer price) and the original cost and accumulated depreciation were not considered in this statement.											



**Rahman Rahman  
Huq**  
Chartered  
Accountants

**Ahmad &  
Ahmad**  
Chartered Accountants

**9 OTHER  
ASSETS**

	2006 <u>Taka</u>	2005 <u>Taka</u>
Investment in shares of subsidiary company (Note-9.1)	15,424,168	6,457,000
Stationery, stamps, printing materials etc.	42,813,577	45,437,605
Accrued Income (Note-9.3)	636,359,377	774,236,157
Income receivable from Government	26,990,800	60,064,775
Discount receivable on Treasury Bills	703,222,300	1,516,347,947
Advance Deposits and prepayments	7,261,810	3,525,728
Advance Tax Paid (Annexure-E)	4,787,018,412	4,547,598,479
Advance rent	41,691,809	36,939,783
Suspense account (Note-9.2)	1,919,300,902	1,734,771,226
Demonetized Notes	189	8,826
D.D paid without advice	1,077,161,049	683,583,103
Net Balance with Pakistani Bank (Note-9.4)	-	-
Net Assets with Indian Bank (Note-9.5)	-	-
Protested Bills	16,090,134	9,421,621
Exempted loan	220,591,658	193,448,721
Interest on exempted loan	821,879,985	518,008,846
Deferred tax assets (Note 9.6)	2,810,158,885	3,229,867,185
Foreign correspondent drafts paid	5,289,419	2,667,626
Debit balance with Al-Raji Commercial	540,918,927	-
Foreign Exchange, Jeddah (Note-34)		
Balance with Indian Bank	23,500	5,918
	13,672,196,901	13,362,390,546

9 (a) All of other assets (Tk 13,178,575,061) mentioned in Note-9 except Investment in shares of subsidiary companies (Agrani Exchange House (Pvt.) Ltd. Singapore and Agrani Remittance House, Malaysia) are non income generating in nature.

9.1 This represents investment in shares of Agrani Exchange House (Pvt.) Ltd., Singapore (Tk 6,457,000) and Agrani Remittance House, Malaysia (Tk 8,967,168), wholly owned subsidiary companies of Agrani Bank. As per

International Accounting Standard-27 the financial statements of the parent and its subsidiaries are required to be combined on a line item basis by consolidating all items of assets, liabilities, equity, income and expenses, but as per the directives of the Bank Companies Act 1991 investment in subsidiary companies must be presented under the heading of "Other Assets". As the Bank Companies Act 1991 is the law, the bank is obliged to comply, as a result investments in Agrani Exchange House (Pvt.) Ltd. & Agrani Remittance House are presented in the financial statements in compliance with the Bank Companies Act. For the purpose of full transparency the audited financial statements of Agrani Exchange House (Pvt.) Ltd. and Agrani Remittance House, Malaysia for the year 2006 are enclosed as Annexure-F & G

## 9.2 Suspense account

Sundry debtors (staff) {Note-9.2 (i)}	1,227,033	172,249,429
Sundry debtors (other) {Note-9.2 (i)}	64,973,441	80,484,118
Legal charges	5,487	18,846
Clearing adjustment {Note-9.2 (i)}	1,735,428	1,685,824
Advance against petty cash	1,625	1,232,351
Army pension {Note-9.2 (ii)}	1,366,828,224	1,097,076,191
Purchase of WES Bond	7,735,999	-
Loan application forms	1,458,903	1,473,622
Civil pension	11,799,088	3,578,017
Payment against sanchaya patra	457,849,351	370,713,929
Premium paid on XPB	71,846	-
Defective/Mutilated/Burnt notes	5,614,477	6,257,791
Excise duty on cheque books	-	1,108
	1,919,300,902	1,734,771,226

9.2 (i) **Sundry debtors-staff and others and clearing adjustment**

An amount of Tk 7,966,538 remained un-recovered/unadjusted for a long period and has been provided for in the accounts.

9.2 (ii) **Army Pension**

After retirement of army personnel their pension amounts are paid by the Bank, and subsequently the amount is recovered from the respective department and adjusted accordingly. An amount of Tk 119.40 million remain un-recovered/unadjusted for a long period and has been provided for in the accounts.

9.3 **Accrued income**

	2006 <u>Taka</u>	2005 <u>Taka</u>
Accrued interest on Loans & Advances	77,452,004	44,634,052
Accrued interest on Investment	310,013,963	456,564,738
Accrued interest on Balance with Other Banks & Financial Institutions	157,272,054	207,609,738
Accrued commission, Exchange & Brokeage	44,026,195	31,916,816
Accrued Other Operating Inome	47,595,161	33,510,813
	636,359,377	774,236,157

9.4 **Net balance with Pakistani Bank**

Pak account	1	1
Exchange Transaction account	1	1
	2	2
Less: CBL General (Pak) account (Cr.)	2	2
	-	-

Net balance with Pakistani bank of Tk 33,842,386 was written off during the year 2005 (Note-2.6.b).

9.5 **Net Assets of Indian Bank**

Branch code	Branch name		
254	Sadarghat, Dhaka	1	1
298	J.N. College, Dhaka	1	1
341	Sadarghat, Chittagong	1	1
472	Mirjumlam, N.Gonj	1	1

		4	4
Less: Taken over liabilities of Indian Bank:			
254	Sadarghat, Dhaka	1	1
298	J.N. College, Dhaka	1	1
341	Sadarghat, Chittagong	1	1
472	Mirjumlam, N.Gonj	1	1
		4	4
		-	-

Net balance with Indian bank of Tk 4,824,561 was written off during the year 2005 (Note-2.6.b).

#### 9.6 Deferred Tax assets

Deferred tax assets have been computed in accordance with the provisions of BAS-12 based on taxable temporary difference in the carrying amount of the assets and its tax base as follows:

##### i) Witten down value of fixed assets

a) Carrying amount at balance sheet date	406,350,962	443,838,000
b) Tax base	534,246,070	567,309,524
c) Taxable/(deductible) temporary difference (a-b)	(127,895,108)	(123,471,524)

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
ii) <b>Gratuity provision</b>		
a) Carrying amount at balance sheet date	(6,116,902,415)	(7,054,011,110)
b) Tax base	-	-
c) Taxable/(deductible) temporary difference (a-b)	(6,116,902,415)	(7,054,011,110)
iii) <b>Temporary difference (Taxable)</b>		
a) Carrying amount at balance sheet date (i.a+ii.a)	(5,710,551,453)	(6,610,173,110)
b) Tax base (i.b+ii.b)	534,246,070	567,309,524
c) Taxable/(deductible) temporary difference	(6,244,797,523)	(7,177,482,634)

(i.c+ii.c)

iv) Applicable tax rate	45%	45%
v) Deferred tax assets	(2,810,158,885)	(3,229,867,185)

Except fixed assets and provision for gratuity no other items have been considered for calculation of deffered tax as there was no considerable taxable temporary difference. As per calculation, Deferred Tax assets balance of the year 2006 has been reduced by an amount of Tk 419,708,300 from previous year and this has been charged in the profit and loss accounts .

## 10 BORROWING FROM OTHER BANKS INCLUDING FINANCIAL INSTITUTIONS AND AGENTS

### 10.1 Classified into the following broad categories

In Bangladesh	3,228,592,169	3,539,975,608
Outside Bangladesh	682,815,555	640,782,435
	3,911,407,724	4,180,758,043

### 10.2 Segregated as

Secured (Secured by D.P Notes and agreements)	3,228,592,169	3,539,975,608
Unsecured borrowing	682,815,555	640,782,435
	3,911,407,724	4,180,758,043

### 10.3 Maturity-wise grouping

On Demand	894,300,534	675,282,435
On Maturity	3,017,107,190	3,505,475,608
	3,911,407,724	4,180,758,043

### 10.4 Term grouping

#### 10.4.1 Short Term Borrowing

T.T sold (With Sonali Bank)	189,500,000	34,500,000
-----------------------------	-------------	------------

	Credit Balance with Bangladesh Bank (Annexure D)	21,984,979	-
	Credit Balance of Nostro Account( (Nostro Accounts-Annx.-C)	682,815,555	640,782,435
		894,300,534	675,282,435
10.4.2	<b>Long Term Borrowing</b>		
a)	<b>From Bangladesh Bank Counter Finance</b>		
	Rural Housig Scheme	11,052,240	12,338,452
	IFAD	5,496,168	3,831,134
	Loan - 194		
	ADB Credit-821,773	92,898,512	118,356,948
		109,446,920	134,526,534
b)	5 & 7 Years Agrani bank Shilpa Unnayan Bond	2,907,660,270	3,370,949,074
		3,911,407,724	4,180,758,043

## 11 DEPOSITS AND OTHER ACCOUNTS

### 11.a Deposits and Other Accounts (Category wise)

		2006 <u>Taka</u>	2005 <u>Taka</u>
	Current and Other contingency accounts (Notes-11.a.1)	17,087,322,909	14,223,445,130
	Bills payable (Notes-11.a.2)	2,318,191,652	3,002,669,144
	Saving Bank Deposits	57,853,357,004	52,014,586,063
	Fixed Deposits (Notes-11.a.3)	51,661,856,662	61,593,804,706
		128,920,728,227	130,834,505,043
11.a.1	<b>Current and Other contingency account</b>		
	Current Deposits	12,396,545,746	9,925,089,301
	Balance with ATM	15,173,025	12,280,150
	Sundry Deposits (Notes-11.a.1.1)	4,489,334,135	4,120,065,707
	Call Deposits	186,270,003	166,009,972

	17,087,322,909	14,223,445,130
<b>11.a.1.1 Sundry Deposits</b>		
Hajj Deposits	29,681	124,250
General Provident Fund	2,185,126,400	2,070,022,620
Margin on Bills purchased	25,025,528	8,114,598
Margin on Letters of Credit	1,235,541,781	978,263,150
Margin on Letters of Guarantee	135,042,968	143,800,458
Miscellaneous	1,668,252	881,149
Margin Key Deposit	2,122,360	2,257,644
Satff Cash Security	356,437	5,840
Foreign corospondence charges	34,467,052	41,259,298
F.C.	1,018,474	92,732
BCCI		
F. C Exp.	53,677,189	2,561,362
Proceeds		
Com. Payable to Govt.	18,311,494	1,667,262
Clearing adjustment	969,077	88,234
Self Employment Promotion	134,975	134,975
Teachers payment	326,722,851	79,917,742
Boisko bhata	158,916	-
FSSAP	5,061,515	54,993,336
Freedom fighter allowance	3,377,774	68,337,999
Army pension	188,812,433	230,497,652
Others	271,708,978	437,045,406
	4,489,334,135	4,120,065,707
<b>11.a.2 Bills payable</b>		
Draft payable	392,133,061	422,445,612
TT's payable	142,499,302	281,018,958
MT's Payable	19,933	541
Pay slips Issued	62,645,948	48,619,865
Pay orders Issued	654,325,793	657,971,524

Inland bill proceeds awaiting remittance	15,054,472	15,737,866
Foreign bill proceeds awaiting remittance	921,320,210	1,384,932,195
Overdue DD payable	15,827,608	18,202,915
Upahar cheques sold account	69,154	623,144
Foreign D.D, T.T, & TC payable	114,296,171	173,116,524
	2,318,191,652	3,002,669,144
11.a.3 <b>Fixed Deposits</b>		-
	2006	2005
	<u>Taka</u>	<u>Taka</u>
Fixed Deposits	22,331,683,573	24,463,240,055
Spl. Notice Time Deposits	12,170,814,601	11,810,362,224
Deposit Pension Scheme	1,129,478,712	1,139,410,428
Agrani Bank Pension Scheme	15,925,004,637	24,161,625,571
Month wise Fixed Deposits	89,965,255	10,664,040
Non Resident Spl. Deposits	14,909,884	8,502,388
	51,661,856,662	61,593,804,706
11.b <b>Maturity Grouping of Deposits and Other Accounts</b>		
Repayable on demand;	16,692,851,043	18,318,171,213
Repayable within 1 month;	5,771,953,891	58,631,992,069
Over 1 month but within 3 months;	11,167,976,166	5,179,956,386
Over 3 months but within 1 year;	21,394,993,052	15,544,787,585
Over 1 year but within 5 years;	71,737,243,008	31,089,575,170
Over 5 years but within 10 years;	2,155,711,067	2,070,022,620
	128,920,728,227	130,834,505,043
11.c <b>Geographical Location-wise Deposits</b>		
Dhaka Region	63,817,689,954	64,603,527,354
Chittagong Region	27,289,129,604	27,405,998,119
Khulna Region	10,415,928,322	10,600,741,609
Rajshahi	14,084,923,792	14,862,831,076



Region		
Barisal	4,128,331,105	4,317,359,251
Region		
Sylhet	9,184,725,450	9,044,047,634
Region		
	128,920,728,227	130,834,505,043
<b>11.d Sector-wise Deposits</b>		
Government Sector		
President's/PM's office, Ministry & Judiciary	4,523,676,000	4,647,749,000
Autonomus & Semi Autonomus Bodies	6,838,565,000	5,882,504,000
	11,362,241,000	10,530,253,000
Deposit money bank	780,155,000	519,619,000
Other public sector	14,352,746,000	13,977,443,000
Private sector	102,425,586,227	105,807,190,043
	128,920,728,227	130,834,505,043
<b>12 OTHER LIABILITIES</b>		-
Interest suspense (Notes-12.4)	8,913,732,796	9,586,042,711
Penal interest	3,588,699	5,985,412
Provision for Expenses ( Note -12.12)	2,117,929,640	3,046,222,372
Sundry Creditors	928,432,484	672,024,961
Tax deducted at source	42,236,482	27,582,239
VAT on services	25,448,950	4,199,402
Excise duty	117,427,593	-
Levy on interest payment	14,382,819	-
Levy and Surcharge on intt. payment	445,572	-
Provision for taxation (Note-12.8 and Annexure-E)	1,428,995,961	498,180,572
Provision for Bad and Doubtful Debts (Notes-12.1.)	12,059,860,966	13,582,017,184
General provision for unclassified loan (Notes-12.2)	1,187,212,247	747,635,518
General provision for Special Mention Account (Notes-12.3)	94,261,000	68,582,000

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
3 % General reserve for Consumer Financing	34,414,000	-
Provision for balance with Al-Raji Commercial Foreign Exchange, Jeddah	506,399,159	-
Provision for investment (Notes-12.6)	3,260,269	2,205,269
Provision for protested bill ( Notes-12.7)	16,090,134	9,421,621
Provision for doubtful assets ( Notes-12.5)	1,048,087,313	874,306,953
Provision for Ex-Gratia (1990-2006)	177,250,143	152,900,562
Exchange Equalisation	72,341,228	72,341,228
Exchange adjustment	36,759,252	36,759,252
Employees Super Annuation Fund, Gratuity Fund and leave encashment (Note-12.9)	6,116,902,415	7,213,098,669
Death relief grand scheme (Note-12.10)	75,829,693	82,454,693
Reserve for unforeseen losses	7,454,029	7,454,029
Duty draw back imprest fund	867,169	4,542,495
Doctors self employment program	1,600,000	1,600,000
Collection Accounts	15,409,828	-
Cash incentive to hand garments exporters	-	15,761
10% cash subsidy to exporting spinning mills	26,672	15,918
Cash incentive to leather goods exporters	103,681	-
Cash incentive to frozen foods exporters	-	7,018
SPL account OPEC fund	70,508,242	70,508,242
SPL account MEDU fund	610,319,493	630,753,894
Export development fund	80,889,345	68,952,803
Govt. bond for land mortgage loan	1,335,389	-
Govt. bond for sick industries	-	979,897
Special block account	174	8,826
SPL block account (DD,TT, MT & PO)	9,731,871	9,654,763
Unclaimed Deposit 10 years and above (Note-12.11)	170,979	7,156,397
Dividend payable to Government exchaquer	5,000,000	5,000,000
Employees Benevolent Fund	399,134	-

Service charge on CIB report	860,349	4,202,735
Provision for balance of Bilateral Trade	10,000,305	10,000,305
Provision for agri credit exemption on river erosion	1,176,472	1,176,472
Interest Waived on staff house building loan	12,838,741	-
Branch adjustment (Note-12.13)	722,774,839	267,925,238
Others	-	5,125,142
	36,572,755,527	37,777,040,553

#### 12.1 Provision for loans and advances

Provision held at the beginning of the year	13,582,017,184	12,728,121,679
Recoveries of amount previously written off	-	-
Specific provision for the year	103,468,254	2,818,675,839
Less. Written off/Waived	(1,625,624,472)	(1,964,780,334)
Provision held at the end of the year	12,059,860,966	13,582,017,184

#### 12.2 General Provision for unclassified loans

Provision held at the beginning of the year	747,635,518	631,558,518
Additional provision for the year	439,576,729	116,077,000
Provision held at the end of the year	1,187,212,247	747,635,518

#### 12.3 General Provision for Special Mention Account

	2006 <u>Taka</u>	2005 <u>Taka</u>
Provision held at the beginning of the year	68,582,000	-
Additional provision for the year	25,679,000	68,582,000
Provision held at the end of the year	94,261,000	68,582,000

#### 12.4 Interest Suspense Account

Balance at the beginning of the year	9,586,042,711	11,235,938,934
Amount transferred to "Interest Suspense" A/c during the year	1,477,001,939	954,405,551
Transferred to Income during the year	(387,807,137)	(367,406,726)
Amount waived/written off during the year		

year	(1,761,504,717)	(2,236,895,048)
Balance at the end of the year	8,913,732,796	9,586,042,711

#### 12.5 Provision for Doubtful Assets

Balance at the beginning of the year	874,306,953	2,449,175,090
Amount transferred to "Provision for doubtful assets" during the year	177,316,228	162,849,386
Amount written off during the year	-	(1,272,124,569)
Amount added back during the year	(3,535,868)	(465,592,954.00)
Balance at the end of the year	1,048,087,313	874,306,953

#### 12.6 Provision for Investment

Balance at the beginning of the year	2,205,269	232,512,993
Amount transferred to Provision for doubtful investment during the year	1,055,000	(230,307,724)
Balance at the end of the year	3,260,269	2,205,269

#### 12.7 Provision for protested bill

Balance at the beginning of the year	9,421,621	311,474,664
Amount transferred to "Provision for Protested Bills" Account during the year	6,668,513	-
Amount written off during the year	-	(260,166,563)
Amount added back during the year	-	(41,886,480)
Balance at the end of the year	16,090,134	9,421,621

#### 12.8 Provision for taxation

Balance at the beginning of the year	498,180,572	462,662,919
Amount transferred to Provision for Income Tax during the year	930,815,389	35,517,653
Balance at the end of the year	1,428,995,961	498,180,572

This represents provision for income tax payable to the Government. Assessments completed up to year 2001.

#### 12.9 Employees super annuation fund, gratuity fund and leave encashment

Opening balance	7,213,098,669	6,172,601,507
Amount credited during the year	378,189,251	1,290,873,131
Amount transferred to SAF and	(376,234,505)	(250,375,969)

Gratuity paid during the year		
Adjustment made during the year (Note-34.1)	(1,098,151,000)	-
Closing balance	6,116,902,415	7,213,098,669

#### 12.10 Death relief grand scheme

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Opening balance	82,454,693	76,879,693
Amount transferred to "Death relief grand scheme" Account during the year	12,500,000	12,500,000
Amount payment during the year	(19,125,000)	(6,925,000)
Closing balance	75,829,693	82,454,693

12.11 As per Section-35 of Bank Companies Act.1991 these amount will be deposited to Bangladesh Bank on completion of formalities mentioned in the section.

#### 12.12 Provision for expenses

Provision for Interest on DPS	84,991,529	83,609,022
Provision for Interest on SNTD	10,975,357	11,124,809
Provision for Interest on FDR	597,052,157	594,057,442
Provision for Interest on ABPS	697,060,824	956,237,386
Provision for Interest on Borrowings	121,063,573	143,532,645
Un-disbursed Salary and Other staff benefit	1,487,702	1,639,476
Unearned discount	539,758,530	1,224,179,330
Other provision Expenses	65,539,968	31,842,262
Total provision fo expenses	2,117,929,640	3,046,222,372

#### 12.13 Branch adjustment

<u>Debit</u> <u>balance</u>		
Main Office Account (M.O)	661,931,005,199	605,624,845,932
New General Account (N.G)	648,738,982,830	625,693,781,820

Instant Financial Massaging System	21,075,031,660	3,444,995,254
	1,331,745,019,689	1,234,763,623,006
Less: Credit balance		
Main Office Account (M.O)	64,507,745,605	605,400,104,985
New General Account (N.G)	,665,510,268	626,043,898,610
Instant Financial Messaging System	21,294,538,655	3,587,544,649
	1,332,467,794,528	1,235,031,548,244
	(722,774,839)	(267,925,238)

The credit balance has been shown under "Other Liabilities".

**12.13.1 Reconciliation position of branch accounts (New General Account and Main Office Account as on 31 December 2006 and 31 December 2005**

Year-wise break up	2006	Total number of reconciled entries Taka	2005	Total number of reconciled entries Taka
	Total number of originating entries Taka		Total number of originating entries Taka	
For the year 2003 N/G	-	-	4,065,403	4,065,224
For the year 2004 N/G & M/O	4,396,893	4,396,886	4,643,078	4,641,600
For the year 2005 N/G & M/O	4,196,046	4,193,801	4,196,046	4,112,496
For the year 2006 N/G & M/O	4,302,445	4,221,007	-	-
	<b>12,895,384</b>	<b>12,811,694</b>	<b>12,904,527</b>	<b>12,819,320</b>
	Total originating amount in crore Taka	Total reconciled amount in crore Taka	Total originating amount in crore Taka	Total reconciled amount in crore Taka
For the year 2003 N/G	-	-	91,504.62	91,503.56
For the year 2004 N/G & M/O	108,331.49	108,331.00	191,245.49	191,231.87
For the year 2005 N/G				

& M/O	128,602.04	128,593.00	128,602.04	127,646.87
For the year 2006 N/G				
& M/O	170,115.96	167,889.00	-	-
	<b>407,049.49</b>	<b>404,813.00</b>	<b>411,352.15</b>	<b>410,382.30</b>

	Percentage of Recociliation		Percentage of Recociliation	
	Number of entries Taka	Amount Taka	Number of entries Taka	Amount Taka
For the year 2003 N/G	-		99.9956%	99.9999%
For the year 2004 N/G	99.998%	99.9999%	99.9682%	99.993%
& M/O				
For the year 2005 N/G	99.9465%	99.993%	98.0088%	
& M/O				
For the year 2006 N/G	98.1027%	98.6912%	-	99.257%
& M/O				

	Total number of debit outstanding entries Taka	Total number of credit outstanding entries Taka	Total number of debit outstanding entries Taka	Total number of credit outstanding entries Taka
	For the year 2003 N/G	-	-	
For the year 2004 N/G			80	99
& M/O	3	4	687	791
For the year 2005 N/G	846	1,399	18,865	64,685
& M/O				
For the year 2006 N/G	27,638	53,800	-	-
& M/O		<b>55,203</b>		
	<b>28,487</b>		<b>19,632</b>	<b>65,575</b>

	Total amount of Dr. outstanding in crore Taka	Total amount of Cr. Outstanding in crore Taka	Total amount of Dr. outstanding in crore Taka	Total amount of Cr. Outstanding in crore Taka
For the year 2003 N/G	-	-	0.6469	0.4073
For the year 2004 N/G	0.0665	0.0337	6.0613	6.5622
For the year 2005 N/G & M/O	5.4641	3.1704	465.1863	489.9896
For the year 2006 N/G & M/O	1,091.6348	1,134.9017	-	-
	<b>1,097.1654</b>	<b>1,138.1058</b>	<b>471.8945</b>	<b>496.9591</b>

	Total number of Dr. and Cr. outstanding entries Taka	Total amount of Dr. and Cr. outstanding in crore Taka	Total number of Dr. and Cr. outstanding entries Taka	Total amount of Dr. and Cr. outstanding in crore Taka
For the year 2003 N/G	-	-	179	1.0542
For the year 2004 N/G	7	0.1002	1,478	12.6235
For the year 2005 N/G & M/O	2,245	8.6345	83,550	955.1759
For the year 2006 N/G & M/O	81,438	2,226.5365	-	-
	<b>83,690</b>	<b>2,235.2712</b>	<b>85,207</b>	<b>968.8536</b>



### 13 Share capital

#### 13.1 Authorized Capital-Tk 8,000,000,000

#### 13.2 Paid up Capital-Tk 2,484,200,000

The entire amount of Paid up Capital was subscribed by the Government of the People's Republic of Bangladesh. No share certificate had been issued nor shares have so far been denominated. As such earning per share cannot be calculated.

#### 13.3 Capital adequacy ratio

There remains adjusted capital shortfall of Tk 21,552.95 million of the bank as per requirement of section 13 (2) of Bank Company Act, 1991 and BRPD Circular No. 10 Dated: 25 November 2002. Details of which are given below:

	<b>Figure in million</b>	
Total Assets including Off-Balance Sheet items	186,520.00	158,926.90
Total Risk Weighted Assets	83,817.10	79,785.80
i) Required Capital(9% of Risk Weighted Assets)	7,543.50	7,180.70
ii) <b>Actual Capital Held</b>	(14,009.45)	(16,471.84)
Core Capital (Tier-1 Note-13.4)	(15,470.65)	(17,456.38)
Supplementary Capital (Tier-2 Note-13.5)	1,461.20	984.54
iii) Total Capital surplus/(shortfall) (i-ii)	(21,552.95)	(23,652.54)
iv) Short provision	-	-
v) Adjusted Capital Surplus/(Shortfall) (iii+iv)	(21,552.95)	(23,652.54)
Capital Adequacy Ratio (%)	(16.72%)	(20.65%)
Core Capital (against standard minimum of 4.50%)	(18.46%)	(21.88%)
Supplementary Capital	1.74%	1.23%

#### 13.4 Core Capital (Tier-1)

Paid up capital	2,484.20	2,484.20
Statutory Reserve	145.70	145.70

General Reserve	0.40	0.40
Retained Earnings	(18,100.95)	(20,086.68)
	(15,470.65)	(17,456.38)

### 13.5 Supplementary Capital (Tier-2)

General Provision	1,315.80	816.20
Assets Revaluation Reserve( 50% of Tk.146.11 million)	73.10	96.00
Exchange Equalization accounts	72.30	72.34
	1,461.20	984.54

### 13.6 Capital Enhancement Plan

The Bank has an adjusted capital shortfall Tk 21,552.95 million (Tk 23,652.54 million in 2005), Note-13.3 including negative net worth/owners equity of Tk 15,324.52 million (Tk 17,264.39 million in 2005) Note-39 as at the balance sheet date. However, the management has taken following initiatives in addressing these issues:

- a) The process of restructuring the bank has been taken up.
- b) The prudential operation plan for improving the bank's performance has been put in place.
- c) As the bank is fully owned by the Government, it has to inject the capital shortfall amount either in cash or in bond. If however the Government decides not to recapitalize, the bank will cover up these shortfall from its own income generation.
- d) The management has placed utmost importance to improve the quality of assets with the view to improving capital shortfall.
- e) Reduction in number of classified loans and advances and ultimately increase interest income and reduce provisioning cost.
- f) The bank has geared up its efforts to improve the recovery rate of classified and overdue loans and also taken appropriate measures for converting non-performing loans into performing ones.

- g) Finally, the way to adjust the capital shortfall will be by increasing the operating profit of the Bank as per plan, reduction of non-performing loan and expected support from the Government as owner of the Bank.

#### 14 STATUTORY RESERVE

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Opening balance	145,712,106	145,712,106
Add: Addition during the year	-	-
Closing balance	145,712,106	145,712,106

#### 15 OTHER RESERVE Tk 399,000

This reserve was created in the year 1995 when the bank got 39,900 shares of Tk 10 each from Dhaka Dyeing and Manufacturing Co. Ltd. unexpectedly. The bank debited investment account and credited other reserve account for this windfall

#### 16 Retained surplus/(deficit) from profit and loss account

Net operating income as on 31 December (Profit/(loss) before provision)	3,581,811,861	2,140,983,638
Less: Provision for Special Mention Account during the year	25,679,000	116,077,000
General Provision for loans during the year	439,576,729	68,582,000
Provision for Bad and Doubtful loans during the year (Note-32)	103,468,254	2,818,675,839
3% general reserve for Consumer Financing	34,414,000	-
Other Provision (Note-33)	(311,712,100)	733,061,876
Net Profit /(loss) Before Tax	291,425,883	3,736,396,715
	3,290,385,978	(1,595,413,077)
Less: Provision for Income Tax		
Current Tax	930,815,389	-
Deferred tax (Note-9.6)	419,708,300	(3,229,867,185)
Net profit/(loss) after tax	1,350,523,689	(3,229,867,185)

Add Retained Profit/(Loss) for the previous year	1,939,862,289	1,634,454,108
:	(20,040,813,501)	(21,721,139,594)
Retained Profit/(Loss) for the year	(18,100,951,212)	(20,086,685,486)

**17 Acceptances and endorsements (Contingent liabilities)**

Letters of Guarantee (Note-17.a)	1,081,457,477	1,176,637,741
Letters of Credit	43,535,027,264	17,964,338,667
Bills for Collection Note-17.b)	11,086,990,400	8,315,861,721
Other Contingent Liabilities Note-17.c)	1,999,603,191	2,070,785,224
Claims against the bank not acknowledge as debt	8,725,943,000	8,344,225,000
	66,429,021,332	37,871,848,353

**17.a Letters of guarantee**

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

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Directors	-	-
Government	77,768,196	158,891,289
Bank and other financial institutions	35,700,793	8,217,660
Foreign Bank against government counter guarantee	118,183,955	116,756,525
Others	849,804,533	892,772,267

	1,081,457,477	1,176,637,741
<b>17.b Bills for collection</b>		
Payable In Bangladesh	702,068,545	735,641,770
Payable outside Bangladesh	10,384,921,855	7,580,219,951
	11,086,990,400	8,315,861,721

**17.c Other Contingent Liabilities**

Inland Travelers Cheques	44,332,000	47,365,000
Upahar Cheques	47,806,800	2,586,000
Shanchay Patras	1,235,517,081	1,268,884,224
Agrani Bank Shilpa Unnayan Bonds	671,947,310	751,950,000
	1,999,603,191	2,070,785,224

Liability will be created for the Bank by the sales amount of Inland Travelers Cheque, Upahar Cheque, Shanchay Patra and Agrani Bank Shilpa Unnayan Bond, as such as saleable price of present stock of such instruments have been considered as contingent liabilities.

**17.d Geographical Location - wise Contingent Liabilities**

Dhaka Region	56,094,636,219	31,207,463,315
Chittagong Region	7,233,670,450	4,392,311,953
Khulna Region	653,521,213	1,436,992,158
Rajshahi Region	888,090,007	339,871,828
Barisal Region	530,312,923	58,754,970
Sylhet Region	1,028,790,520	436,454,129
	66,429,021,332	37,871,848,353

**18 The disclosures in the Profit and Loss Account**

<b>Income</b>		
Interest, discount and similar income		
	9,584,430,737	8,143,637,874
Dividend income		
	4,557,319	4,566,137
Fee, commission and brokerage		
	2,322,365,078	1,948,034,709
Gains less Losses arising from dealing in securities	-	113,321,097
Gains less Losses arising from investment securities	-	-
Gains less Losses arising from dealing in foreign currencies	-	-
Income from non-banking assets	-	-
Other operating income		
	419,938,601	388,038,666
Profit/(loss) on interest rate changes:		
	(209,802,037)	523,200,000
Profit for changing interest rates on Loans and advances	231,462,407	6,500,000
Profit/(loss) for changing interest rates on deposit (2005 profit)	(441,264,444)	516,700,000
<b>Expenses</b>		
Interest, fees and commission		
	5,586,816,955	5,774,292,584
Losses on loans and advances and other assets		
	291,425,883	3,736,396,715

	<u>2006</u>	<u>2005</u>
	<u>Taka</u>	<u>Taka</u>
Administrative expenses		
	2,960,081,978	2,480,663,573
Other operating expenses		
	125,185,171	107,199,831
Depreciation on banking assets		
	77,401,438	94,458,857

**19 INTEREST INCOME**

Interest on Loans and Advances :

Interest on rural credit	295,110,602	322,557,213
Interest on Weavers Credit	264,929	1,433,587
Interest on Industrial credit	1,252,323,700	941,798,139
Interest on Jute Advance	292,290,508	249,043,239

Interest on Leather credit	29,783,195	58,266,625
Interest on Staff loans	284,597,617	202,515,313
Interest on loans	1,156,677,340	1,103,342,887
Interest on Small and Micro credit	154,289,253	101,140,882
Interest on Overdrafts	492,529,053	527,981,869
Interest on cash credit	1,946,303,452	1,540,327,030
Interest on packing credit	36,983,705	37,940,895
Interest on loan against importated merchandise	81,097,733	80,221,387
Interest on payment against document	897,547,317	327,339,798
Interest on Foreign bills purchased	94,973,285	67,433,029
Interest on inland bills purchased	1,630,922	407,674
Interest on foreign currency loan	-	2,024,837
Sundry Interest	-	357,495
Sub-total	7,016,402,611	5,564,131,899
<b>Interest on Balance with other Banks and Financial Institution</b>		
Interest on call loans to Banks	325,115,296	174,992,995
Interest on received from local bank	538,111,780	490,107,899
Interest on received from foreign bank	56,809,789	23,878,017
Sub-total	920,036,865	688,978,911
Income from write off Loan	94,983,589	132,153,353
	1,015,020,454	821,132,264
	8,031,423,065	6,385,264,163

#### 19.1 Geographical Location-wise Interest on Loans and Advances

Dhaka Region	5,480,336,511	4,175,554,505
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Chittagong Region	1,145,959,263	1,015,587,495
Khulna Region	577,902,738	480,112,005
Rajshahi Region	610,576,679	525,539,609
Barisal Region	158,696,483	137,295,147
Sylhet Region	57,951,391	51,175,402
	8,031,423,065	6,385,264,163

## 20 INTEREST PAID ON DEPOSITS & BORROWINGS

	2006 <u>Taka</u>	2005 <u>Taka</u>
a) <b>Interest paid on Deposits</b>		
Interest on Saving Deposit	1,384,656,110	1,158,964,486
Interest on SPL. notice time Deposit	288,404,494	164,833,389
Interest on Fixed Deposits	1,383,569,379	1,511,147,059
Interest on Deposit Pension Scheme	148,308,965	150,151,862
Interest on staff provident fund	224,715,359	202,167,521
Interest paid on NFCD	18,889,091	5,874,063
Interest paid on ABPSP	1,716,044,974	2,202,895,188
Interest paid on Non Resident Saving Deposits	391,097	147,253
Sub Total	5,164,979,469	5,396,180,821
b) <b>Interest paid on Banks</b>		
Interest paid to foreign banks		



Interest on call loans	43,070,684	42,131,498
Interest paid to Bangladesh Bank	19,476,944	5,136,667
Sub Total	14,193,993	15,663,061
	76,741,621	62,931,226
<b>c) Interest paid on Borrowings</b>		
Interest Paid on Agrani bank shilpa unnayan bond		
Discount on TT Sold	341,938,509	312,203,931
Sub Total	3,157,356	2,976,606
	345,095,865	315,180,537
	5,586,816,955	5,774,292,584

## 21 INVESTMENT INCOME

Interest on reverse Repo	141,873,373	142,316,971
Interest on debenture	100,329,087	102,454,429
Dividend warrant	4,557,319	4,566,137
Interest on 15 years Gov. SPL T bond	126,660,000	229,745,000
Interest on 10 years treasury bond	16,202,981	36,585,000
Interest on T & T bond	52,325,000	34,535,576
Interest on 5 years treasury bond	37,147,924	46,970,151
Discount on 5 & 10 years Bond & 3 years T&T bond	16,318,533	4,499,600
Interest on 25 years Govt. jute bond	42,889,150	42,889,150
Interest on BSC bond	28,408,000	28,408,000
Interest on 5 years BADC bond	-	10,143,000
Interest on Ansar VDP bond	4,000,000	4,000,000
Interest on DDBL bond	10,000,000	10,000,000
Interest on 5 & 10 years govt. treasury bond	41,500,000	46,500,000
Discount on treasury bills	935,353,624	1,019,326,834
	1,557,564,991	1,762,939,848

The above investment income was earned from Dhaka region only.

**22 COMMISSION /EXCHANGE EARNINGS & BROKERAGE**

Commission on bills	37,954,345	34,570,288
Commission DD, TT, MT(Local)	122,580,748	99,981,013
Commission on travelers cheque	98,882	101,835
Commission on DD, TT, MT (Foreign)	10,485,695	2,063,724
Commission on Letters of Guarantee (Local)	13,513,303	12,702,716
Commission on Letters of Guarantee (Foreign)	2,697,349	3,816,703
Commission on Letter of Credit	716,254,887	341,905,294
Commission on Export bill	95,812,005	78,966,654
Commission on service charge on LIM	4,219,913	4,243,973

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Commission on Army Pension	1,684,782	1,073,692
Commission on Food procurement Bills	55,603,217	52,642,529
Foreign correspondence charges	5,383,427	10,027,026
Exchange account foreign currency	1,186,799,518	1,265,914,228
Commission on Miscellaneous	33,582,312	16,986,699
Commission on Sanchay patra	12,785,517	10,238,401
Consortium / Syndication Fee	7,942,889	5,466,722
Loan processing fee	14,888,637	7,333,212
Discount on bills		-

	83,320	
	2,322,370,746	1,948,034,709
<b>22.1 Geographical Location-wise Commission, Exchange and brokerage</b>		
Dhaka Region	1,985,519,490	1,617,702,673
Chittagong Region	172,924,126	202,799,506
Khulna Region	56,071,547	40,001,138
Rajshahi Region	85,685,848	67,669,346
Barisal Region	10,699,158	8,520,144
Sylhet Region	11,470,577	11,341,902
	2,322,370,746	1,948,034,709
<b>23 OTHER OPERATING INCOME</b>		
Rent on Properties and Godown	2,180,156	2,188,929
Profit on sale of shares and securities	-	113,321,097
Profit on sale of other assets	1,949,206	86,067
Postage Recoveries	83,734,816	66,617,360
Telegram Recoveries	9,879,793	13,053,724
Truncall Recoveries	1,467,854	1,693,196
Incidental charge Recoveries	19,518,708	15,481,293
PO, PS, DD, TT and MT (Local and Foreign)	-	1,411,226
Remittance	415,550	312,456
Insurance	10,247	18,737.00
Rent on SD Lockers	3,886,979	3,410,350
Service charge on Industrial credit	483,375	1,570,278
Service charge on rural credit	350,184	333,128
Service charge on Weavers/Hosiery credit		

Service charge on other credit	10,489	9,849
Sales proceeds on loan application form	43,226,080	29,255,291
Closing Charges on deposit account	3,156,697	1,687,910
Closing Charges on Loan account	152,374,821	154,542,470
Service Charges on Sanchaya Patra	7,269,656	5,876,973
Service Charges on FSSAP	6,529,023	7,126,588
Sales proceeds of Export Enlistment forms and Tender schedule	16,899,688	29,575,987
Telephone, Telex and Swift charges	3,146,061	3,383,653
Rebate received from Foreign bank	26,378,368	18,219,120
Account Closing Charge	14,929,306	9,111,189
Proceeds realisation certificate charges	11,861,993	12,585,267
Service Charge on Pension paid	2,721,314	1,464,056
Service Charge on Deposit account	233,484	278,750
	7,324,753	8,744,819
	419,938,601	501,359,763

### 23.1 Geographical Location-wise Operating Income

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Dhaka Region	214,044,285	308,589,270
Chittagong Region	68,255,068	70,139,156
Khulna Region	48,910,588	43,329,653
Rajshahi Region	59,713,840	50,056,499

Barisal Region	15,639,099	16,328,809
Sylhet Region	13,375,721	12,916,376
	419,938,601	501,359,763

#### 24 SALARY AND ALLOWANCE

Salaries officers	844,961,336	739,569,530
Salaries staff	321,932,845	303,305,893
Dearness allowance (Officers and Staff)	185,234	2,043,042
Bonus (Officer and Staff)	250,135,976	125,695,515
Banks contribution to provident fund	15,569,779	14,516,565
Banks contribution to employees pension fund	357,188,988	275,275,342
Banks contribution to gratuity fund	10,000,000	7,000,000
Conveyance allowance	4,498,092	3,780,830
Entertainment allowance	523,884	36,095
Children education allowance	1,049,625	1,222,113
Other allowance	9,720,472	5,618,743
Honorarium and Fees	837,046	2,297,769
Medical Expenses consultation	723,615	832,448
Medical allowance	64,828,643	58,200,426
Uniform and other appeals	7,482,762	7,435,988
Overtime expenses	7,828,976	6,172,782
Staff income tax	17,094,818	8,803,235
Lunch subsidy	131,468,790	128,688,932
Sports and culture activity	4,586,000	2,134,000
House rent allowance (office)	292,797,889	222,062,597
House rent allowance (staff)	126,624,909	97,451,469

Wages paid to temporary employees	9,773,299	12,579,343
Death relief grant scheme	12,500,000	12,500,000
Staff transport	12,703,888	12,756,055
Police and Ansar Expenses	5,914,868	3,890,631
Hill Allowance	955,199	855,150
DMD Allowance	104,010	76,473
	2,511,990,943	2,054,800,966

**25 RENT, TAXES, INSURANCE, LIGHTING ETC.**

Rent on Premises	137,207,785	131,652,874
Rent on Godwon	2,985,674	2,854,641
Lighting Charge	23,466,954	24,585,967
Insurance Charges on cash	107,103	107,809
Insurance Charges on vehicles	2,116,160	2,130,105
Insurance Charges on property	120,375	121,168
Rates and Taxes	5,310,180	5,656,343
Tax on immovable property	239,440	5,400
Insurance Charges on Deposit	60,535,224	60,934,128
	232,088,895	228,048,435

**26 LEGAL  
EXPENSES**

	<u>2006</u>	<u>2005</u>
	<u>Taka</u>	<u>Taka</u>
Court Fee		

Law-yer's fee	295,974	92,028
Other professional fees	3,174,000	4,827,845
	12,022,504	15,946,942
	15,492,478	20,866,815
<b>27 POSTAGE, STAMP, TELEGRAM AND TELEPHONE</b>		
Postage	39,501,352	35,579,983
Telegram Charge	487,078	697,513
Telex and Teleprinter charge	7,974,761	7,332,397
Stamps	13,539	2,421
Telephone Charges (office)	23,893,622	22,738,573
Telephone Charges (Resident)	2,004,975	2,766,724
Trun call charge	359,715	435,810
	74,235,042	69,553,421
<b>28 STATIONERY, PRINTING, ADVERTISEMENT ETC.</b>		
Security Stationery	12,119,946	10,991,670
Printing Stationery	39,155,601	41,390,603
Paper and Table Stationery	10,101,393	10,464,953
Advertisement publicity charge (Tender)	659,993	861,233
Advertisement publicity charge (Development)	4,853,257	4,460,143
	66,890,190	68,168,602
<b>29 MANAGING DIRECTOR'S SALARY</b>		
Remuneration	-	-
Allowances	-	-
	-	-

Managing Director and CEO is under contract with PwC and the salary is paid by PwC under contract with the Ministry of Finance.

### 30 DIRECTORS' FEES AND MEETING EXPENSES

Director Fees for attending board meetings	270,825	308,775
Director Allowances	402,385	357,500
	673,210	666,275

### 31 DEPRECIATION & REPAIRS OF BANK'S ASSETS

a) <b>Depreciation of Banks Assets</b>		
Bank		
Buildings	6,004,956	6,004,938
Furniture and fixtures	19,469,606	21,436,063
Motor Vehicle	10,253,733	12,838,261
Office		
Equipment	7,097,047	9,511,315
Electric		
material	6,067,440	11,067,637
Computers	28,367,075	33,370,719
Library and Others	141,581	229,924
	77,401,438	94,458,857

	<u>2006</u>	<u>2005</u>
	<u>Taka</u>	<u>Taka</u>
b) <b>Repairs and Maintenance of Banks Assets</b>		
Bank		
Buildings	3,610,434	1,339,548
Furniture and fixtures	2,475,717	2,062,933
Motor Vehicle	8,608,783	8,191,827
Office		
Equipment	1,918,349	1,138,353
Computers	35,853,941	14,204,642
Repairs/Mntc. Elect. Equip and Lighting Materials	4,962,996	5,061,615



Renovation and Maintenance of Branch Premises	-	2,332
	57,430,220	32,001,250
	134,831,658	126,460,107
<b>32 OTHER EXPENSES</b>		
Conveyance/Transportation Charges	10,835,551	8,310,088
Petrol, Oil and Lubricants for vehicles	13,300,871	10,973,260
Petrol, Oil and Lubricants for genaretor	2,276,020	2,265,369
Entertainment: canteen and other	7,187,742	7,244,314
Traveling and Conveyance	14,548,088	13,962,094
Traveling and Conveyance (Foreign)	657,408	275,145
Remittance (Trough Bank)	3,406,985	3,066,218
Remittance (Cash)	26,563,146	22,456,406
Registration Charges	448,243	409,758
Subscription	4,353,460	3,944,572
Donation	2,123,000	17,450
Bankers Clearing House charges	211,713	200,577
Loss on Sale of Furniture Aad Fixture	-	28,798
Loss on Sale of Other Assets	-	-
Newspapers and Periodicals	6,389,341	6,600,963
Upkeep of office premises	8,085,551	7,368,405
Business Development and Promotion	3,190,568	1,887,660
Training Expenses	3,616,049	3,054,194
Washing Charges	1,487,115	1,428,160
Closing expenses	6,227,754	4,511,564
Entertainment: Out ciling	4,492,004	4,147,760

Mortgages expenses under house building	3,934,239	2,954,178
Funeral expenses	470,000	490,350
Fess and commission	1,350,173	1,602,548
Micro Enterprise Development Unit	30,150	-
	125,185,171	107,199,831

### 33 PROVISION FOR LOANS and ADVANCES

Provision for Bad & Doubtful Loans and Advance ( Note-12.1)	103,468,254	2,818,675,839
Unclassified loans and advances ( Note-12.2)	439,576,729	116,077,000
Special Mentioned Account (Note-12.3)	25,679,000	68,582,000
3% General reserve for consumer financing	34,414,000	-
	603,137,983	3,003,334,839

### 34 OTHER PROVISION

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Protested Bill (Note-12.7)	6,668,513	(41,886,480)
Ex-Gratia	95,000,000	85,000,000
Ex-Gratia undisburse of earlier year	-	(25,000,000)
Incentive bonus undisburse of earlier year	-	(6,415,118)

Employees super annuation fund gratuity fund and leave encashment (Note-34.1)	(1,098,151,000)	1,002,566,389
Provision for Income Tax due to short provision up to 2001 (Note-12.8)	-	35,517,653
Reserve for rural credit fund	-	(13,977,000)
Fixed Assets (Note-34.2)		
	20,118,075	1,795,253
Other Assets-Nostro account (Note-12.5)	-	32,457,566
Provision for balance with Al-Raji Commercial Foreign Exchange, Jeddah	506,399,159	-
Other Assets-Branch adjustment (Note-12.5)	-	3,070,000
Other Assets-Army pension (Note-12.5)	-	119400000
Other Assets-Sundry debtors staff and others and clearing adjustment (Note-12.5)	1,839,971	6,126,567
Other Assets-exempted loan and interest on exempted loan (Note-12.5)	155,358,182	(465,592,954)
Investment (Note 12.6)	1,055,000	-
	(311,712,100)	733,061,876

**34.1 Provision for employees super annuation fund, gratuity fund and leave encashment**

Up to 31 December 2006 required amount for employees retirement benefit have been worked out at Tk 8,471,000,000 (not valued professionally) and provision kept for Tk 7,213,098,669 considering the investment balance. During the year 2006 actual requirements have been worked out by the professional actuary and actual liabilities arrived at Tk 7,372.85 Million i.e. Tk 1,098.15 million less than earlier calculation and provision. This excess provision of Tk 1,098.15 Million has been reversed during the year.

34.2 This represents provision kept against fixed assets due to difference between detailed item wise written down value and ledger balance of fixed assets

**35 Cash receipts from other operating activities**

Rent on Properties and Godown	2,326,520	2,044,565
Profit on sale of shares and securities	-	113,321,097
Profit on sale of other assets	1,949,206	86,067
Postage		

Telegram	83,734,816	66,617,360
Truncall	9,879,793	13,053,724
Incidental charge	1,467,854	1,693,196
PO, PS, DD, TT and MT (Local and Foreign)	19,518,708	15,481,293
Remittance	-	1,411,226
Insurance	415,550	-
Rent on SD Lockers	10,247	18,737
Service charge on Industrial credit	3,886,979	3,410,350
Service charge on rural credit	483,375	1,570,278
Service charge on Weavers/Hosiery credit	350,184	-
Service charge on other credit	10,489	
Sales proceeds on loan application form	43,226,080	29,598,268
Closing Charges on deposit account	3,156,697	1,687,910
Closing Charges on Loan account	152,374,821	163,117,791
Service Cgarges on Sanchaya Patra	7,269,656	5,266,133
Service Cgarges on FSSAP	7,714,473	4,037,259
	18,078,993	19,759,951

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Sales proceeds of Export Enlistment forms and Tender schedule	3,146,061	3,383,653
Telephone, Telex and Swift charges	26,378,368	18,219,120
Rebate received from Foreign bank	14,929,306	9,104,689
Account Closing Charge	11,861,993	12,585,267

Proceeds realisation certificate charges		
	2,721,314	1,464,056
Service Charge on Pension paid		
	233,484	
Miscellaneous earnings	7,324,753	-
	422,449,720	486,931,990
<b>36 Cash payment for other operating activities</b>		
Rent, taxes, insurance lighting etc.		
	227,643,341	230,594,678
law charges		
	14,808,388	21,718,981
Postage, stamps, telegrams and telephone		
	71,803,629	69,499,226
Auditors' fees		
	855,000	850,000
Directors' fees and allowances		
	673,210	666,275
Repairs to fixed assets		
	39,514,500	29,290,587
Sale from dealing with non banking assets		
	-	5,707,809
Other expenses		
	118,947,356	106,862,655
	474,245,424	465,190,211
<b>37 Operating Profit before Changes in Operating Assets and Liabilities</b>		
Profit before Income Tax		
	3,290,385,978	(1,595,413,077)
Add: Depreciation		
	77,401,438	94,458,857
Less: Effect of exchange rate changes		
	(1,186,799,518)	(1,265,914,228)
	2,180,987,898	(2,766,868,448)
Income receivable		
	187,741,554	252,098,276
	2,368,729,452	(2,514,770,172)
Expenses payable		
	(242,232,456)	(277,029,289)
Add: Provision		
	291,425,883	3,736,396,715
	2,417,922,879	944,597,254

**38 Cash and Cash equivalent at the end of the period**

Cash in hand and with Bangladesh Bank and Sonali Bank.	8,409,622,327	8,875,238,100
Balance with Other Banks	2,666,957,967	7,741,336,851
Money at Call and Short Notice	750,000,000	1,370,000,000
Prize Bonds	7,995,500	10,001,800
	11,834,575,794	17,996,576,751

**39 Owners equity**

Paid up Capital	2,484,200,000	2,484,200,000
Statutory Reserve	145,712,106	145,712,106
Assets Revaluation Reserve	146,115,735	191,987,720
Other Reserve	399,000	399,000
Retained profit/(Loss) from profit and loss account	(18,100,951,212)	(20,086,685,486)
Owners Equity	(15,324,524,371)	(17,264,386,660)

**40 Retained profit/(loss) for the previous year**

	<u>2006</u> <u>Taka</u>	<u>2005</u> <u>Taka</u>
Retained profit/(loss) for the year 2005	(20,086,685,486)	(20,086,685,486)
Add: Adjustment for depreciation of revalued assets	45,871,985	-
	(20,040,813,501)	(20,086,685,486)

#### 41 Current ratio

The Bank had the following current assets and current liabilities as on 31 December 2006 and 2005 as per liquidity statement:

##### Current

##### Assets

Cash		
	8,409,622,327	8,875,238,100
Balance with other banks and financial institutions		
	2,666,957,967	7,740,836,851
Money at call and short notice		
	750,000,000	1,370,000,000
Investment		
	14,655,411,478	10,099,883,980
Loans and advances		
	49,758,536,903	46,585,315,701
Other assets		
	4,411,137,424	4,781,176,279
Total current assets		
	80,651,666,099	79,452,450,911

##### Current

##### liabilities:

Borrowing from other banks, financial institutions and agents		
	1,003,747,454	2,077,472,678
Deposits		
	55,027,774,152	97,676,546,729
Provisions and other liabilities		
	3,316,224,061	3,487,570,949
Total Current liabilities		
	59,347,745,667	103,241,590,356
Current assets exceeding current liabilities		
	21,303,920,432	(23,789,139,445)
Current ratio (Current assets / Current liabilities)	=	
	80,651,666,099	79,452,450,911
	59,347,745,667	103,241,590,356
	=	
	1.36	0.77

#### 42 Salient features of subsidiary companies

##### Agrani Exchange House Pvt. Ltd, Singapore

Total Assets		20251516
	51,200,328	
Total Liabilities		9094844
	28,945,037	
Capital and Reserve		11156672
	22,275,291	
Total Revenue		15346511
	21,797,706	

##### Agrani Remittance House SDN. BHD Malaysia

Total Assets		-
	18,530,792	
Total Liabilities		-
Capital and Reserve	13,205,615	
	6,642,617	
Total Revenue		-
	2,290,275	

The conversion rate of Singapore \$ 1 = BDT 45.0552 at 31 December 2006 and BDT 39.56 at 31 December 2005 and Malaysian RM 1 = 19.50 at 31 December 2006.



43 **Performance evaluation**

		<u>2006</u>	<u>2005</u>	
a) Average Cost of Deposits	=	515.80 12,629.73	4.08% 539.62 12,284.80	4.39%
b) Average Cost of Borrowing	=	7.99 78.48	10.18% 6.59 86.23	7.64%
c) Average Cost of Agrani Bank Shilpa Unnayan Bond	=	- 34.19 324.24	10.55% 31.22 349.98	8.92%
d) Average Yield on Loans & Advances (performing loan)	=	711.14 7,465.65	9.53% 556.41 7,010.50	7.94%
e) Average Yield on Investments	=	155.76 2,362.06	6.59% 175.84 2,540.48	6.92%
f) Average Yield on Call loans to Bank	=	- 32.51 205.28	- 15.84% 17.50 165.33	10.58%
g) Average Yield on Balance with other Banks	=	59.49 520.41	11.43% 49.02 497.47	9.85%
h) Net Spread			2.55%	1.22%

i) Net Interest Margin	2.96%	1.73%
j) Contribution of non-interest bearing liabilities	0.41%	0.51%
k) Bank did not receive any concessional rate bearing deposits to subsidise the loss on Government directives loans.		
l) Bank allowed loans at 3% rate of interest on jute sector. Due to concessional rate of interest on loans and advances bank had incurred a loss to the tune of Tk 18.81 and 32.50 crore during the year 2006 and 2005 respectively.		

Rahman Rahman Huq Chartered Accountants		Ahmad & Ahmad Chartered Accountants									
<b>8. FIXED ASSETS INCLUDING LAND, BUILDINGS, FURNITURE AND FIXTURES</b>											
Particulars	Land and building and Taka	Furniture and fixture and Taka	Motor vehicles and Taka	Office equipment and Taka	Electric materials and Taka	Computers (Library Books) and Taka	Others (Library Books) and Taka	Total		Taka	
<b>Cost</b>											
Balance at 01, January 2006	326,344,488	246,147,239	293,065,817	91,177,661	122,747,550	229,033,471	2,168,594	1,310,684,820			
Addition during the year	-	7,751,609	4,654,583	15,945,893	2,745,672	8,568,346	248,297	39,914,400			
Disposal / Transfer during the year											
<b>At 31 December 2006</b>	326,344,488	253,898,848	297,720,400	107,123,554	125,493,222	237,601,817	2,416,891	1,350,599,220			
<b>Less: Accumulated Depreciation</b>											
Balance at 01 January 2006	77,665,776	167,874,391	274,530,800	73,978,774	109,235,245	161,688,140	1,873,694	866,846,820			
Charge for the year	6,004,956	19,469,606	10,253,733	7,097,047	6,067,440	28,367,075	141,581	77,401,438			
A adjustment for disposal / transfer											
<b>At 31 December 2006</b>	83,670,732	187,343,997	284,784,533	81,075,821	115,302,685	190,055,215	2,015,275	944,248,258			
<b>Net Book Value At</b>											
<b>31 December 2006</b>	242,673,756	66,554,851	12,935,867	26,047,733	10,190,537	47,546,602	401,616	406,350,962			
<b>31 December 2005</b>	248,678,712	78,272,848	18,555,017	17,198,887	13,512,305	67,345,331	294,900	443,838,000			
Fixed Assets at cost Tk 1,350,599,220 includes revaluation surplus of Tk 191,987,720 (against Land Tk 39,003,452 and Building Tk 152,984,268) as of 31 December 1992. Depreciation has been charged at applicable rate on Buildings and debited to the revaluation reserve upto 2006 (Tk 45,871,985).											
Other than inter branch transfer there were no disposals of any fixed assets in 2006. As such disposal (transfer price) and the original cost and accumulated depreciation were not considered in this statement.											

Rahman Rahman Huq Chartered Accountants		Ahmad & Ahmad Chartered Accountants									
			Annexure-A								
Details information of advances in excess of 10% of Bank's total capital (funded and non-funded)											
Sl. no.	Name of borrower	Outstanding as on 31-12-2006				Outstanding as on 31-12-2005					
		Funded Taka	Non-Funded Taka	Total Taka	Classified Taka	Recovery Taka	Funded Taka	Non-funded Taka	Total Taka	Classified Taka	Recovery Taka
1	M/s. Bangladesh Petroleum Corporation	100,800.00	293,456.00	394,256.00	UC	2,770.00	52,186.00	50,906	103,092.00	UC	-
2	M/s. Adamjee Jute Mills Ltd.	2,861.00	-	2,861.00	SMA	-	2,861.00	-	2,861.00	UC	482.00
3	M/s. B.J.M.C	9,981.00	-	9,981.00	BL	-	18,343.00	-	18,343.00	BL	-
4	Star Jute Mills Ltd.	10,279.00	-	10,279.00	UC	1,500.00	9,276.88	-	9,276.88	UC	65.54
5	Bangladesh Service Ltd.	3,482.00	-	3,482.00	SS	1,359.00	3,668.00	-	3,668.00	UC	123.00
6	Power Development Board	-	31,855.00	31,855.00	UC	-	16,310.00	33,000	33,000.00	UC	-
7	M/s. B.T.M.C	-	-	-	-	-	16,310.00	-	16,310.00	BL	-
8	M/s. Peoples Jute Mills Ltd.	5,201.00	-	5,201.00	UC	116.00	4,456.12	-	4,456.12	UC	620.03
	<b>Sub total</b>	<b>132,604.00</b>	<b>325,291.00</b>	<b>457,895.00</b>		<b>4,395.00</b>	<b>107,101.00</b>	<b>83,906.00</b>	<b>191,007.00</b>		<b>1,290.57</b>
9	M/s. Bashundhara Paper Mills Ltd.	5,469.00	1,135.00	6,604.00	UC	1,259.00	5,258.00	454	5,712.00	UC	796.00
10	M/s. Bashundhara Steel Mills Ltd.	2,690.00	-	2,690.00	UC	240.00	2,665.00	-	2,665.00	UC	-
11	M/s. East-West Property Dev.(Pvt.) Ltd.	4,772.00	-	4,772.00	UC	344.00	4,605.53	-	4,605.53	UC	668.49
12	M/s. Prime Composite Mills Ltd.	13,054.00	31.00	13,085.00	UC	1,236.00	15,004.31	988	15,992.00	UC	1,066.79
13	M/s. Pioneer Ship Breakers Ltd.	513.00	-	513.00	UC	96.00	572.00	-	572.00	UC	42.00
14	M/s. Prime Steel Re-Rolling Mills Ltd.	310.00	-	310.00	UC	30.00	328.00	-	328.00	UC	-
15	M/s. Steel Enterprise Ltd.	668.00	-	668.00	UC	96.00	744.00	-	744.00	UC	54.00
16	M/s. The Dhaka Jute Mills Ltd.	5,876.00	-	5,876.00	BL	-	5,876.00	-	5,876.00	BL	-
17	M/s. S.D.S International	9,622.00	36.00	9,658.00	UC	446.00	9,009.00	26	9,034.52	UC	448.27
18	M/s. Pathway Potato Flakes Ltd.	4,301.00	19.00	4,320.00	UC	114.00	4,175.80	19	4,194.72	UC	0.60
19	M/s. Flamingo Agrotec Ltd.	3,610.00	-	3,610.00	SS	80.00	3,367.77	-	3,367.77	UC	-
20	M/s. Redisia Knitex Ltd.	3,877.00	-	3,877.00	UC	477.00	3,900.00	-	3,900.00	UC	-
21	M/s. Beninco Pharmaceutical Ltd.	3,397.00	-	3,397.00	UC	-	2,722.00	-	2,722.00	UC	-
22	M/s. Dhaka Dying and Manur. Co. Ltd.	4,636.00	-	4,636.00	UC	141.00	4,248.00	-	4,248.00	UC	-
23	M/s. Karachi Detergent & Chemical Ind Ltd.	3,149.00	-	3,149.00	BL	-	2,674.13	-	2,674.13	BL	-
24	Sweater Composite Ltd.	3,142.00	-	3,142.00	UC	83.00	-	-	-	-	-
25	Julia Sweater Composite Ltd.	2,733.00	-	2,733.00	UC	69.00	-	-	-	-	-
26	AI-Haj Textile Mills Ltd.	2,832.00	12.00	2,844.00	UC	434.00	5,168.75	99	5,268.02	UC	-
27	M/s. Greeney Spinning Mills Ltd.	8,795.00	601.00	9,396.00	UC	400.00	6,619.00	1,668	8,287.00	UC	941.08
28	Poly Fabrics Ltd.	-	-	-	-	-	-	-	-	-	-
29	M/s. Apex Tannery Ltd.	9,997.00	738.00	10,735.00	UC	-	5,591.00	3,331	8,922.00	UC	272.00
30	Sena Kalyan Saugha	7,589.00	-	7,589.00	UC	312.00	8,338.00	-	8,338.00	UC	312.00

Sl. no.	Name of borrower	Outstanding as on 31-12-2006				Outstanding as on 31-12-2005					
		Funded Taka	Non-Funded Taka	Total Taka	Classified Taka	Recovery Taka	Funded Taka	Non-funded Taka	Total Taka	Classified Taka	Recovery Taka
31	M/s. Dhaka Hide & Skins Ltd.	14,775.00	307.00	15,082.00	UC	5,269.00	12,655.13	770	13,424.72	UC	4,508.60
32	M/s. The Acme Laboratories Ltd.	2,463.00	76.00	2,539.00	UC	-	1,273.18	283	1,556.18	UC	-
33	M/s. Bay Tanneries Ltd.	7,144.00	242.00	7,386.00	UC	4,840.00	7,303.56	828	8,131.71	UC	3,409.18
34	M/s. Bengal Fine Ceramics Ltd.	3,512.00	25.00	3,537.00	DF	90.00	3,489.85	35	3,524.91	UC	154.25
35	M/s. Tsj Tubes Ltd.	3,981.00	-	3,981.00	BL	-	3,980.93	-	3,980.93	BL	-
36	M/s. ARCH Ltd.	5,056.00	163.00	5,219.00	UC	241.00	3,084.61	2,099	5,183.53	UC	1,46.77
37	Kobinoot Chemical Ind. (BD) Ltd.	1,570.00	25.00	1,595.00	UC	299.00	-	-	-	-	-
38	M/s. Orion Lab Ltd.	4,593.00	240.00	4,833.00	UC	451.00	4,783.00	442	5,225.00	UC	-
39	M/s. Orion Infusion Ltd.	4,715.00	296.00	5,011.00	UC	356.00	4,845.00	213	5,058.00	UC	-
40	Fariapur Jute Fibre Ltd.	2,929.00	-	2,929.00	UC	136.00	3,100.00	11	3,111.00	UC	75.95
41	M/s. Karm Jute Mills Ltd.	1,775.00	-	1,775.00	UC	124.00	1,733.82	18	1,751.78	UC	62.62
42	M/s. Potato Flaks (BD) Ltd.	5,287.00	-	5,287.00	UC	27.00	4,869.00	-	4,869.00	UC	-
43	M/s. Gachhata Aquaculture Farms Ltd.	3,436.00	-	3,436.00	BL	2.00	2,244.00	580	2,824.00	BL	-
44	BRAC	8,819.00	-	8,819.00	UC	3,600.00	5,333.00	-	5,333.00	UC	2,800.00
45	M/s. Shan Febrics Ltd.	1,275.00	59.00	1,334.00	UC	29.00	1,165.00	117	1,282.00	UC	14.00
46	M/s. Ms Shan Febrics Ltd.(Unit-2)D	2,747.00	212.00	2,959.00	UC	-	2,023.00	142	2,165.00	UC	-
47	M/s. Ms Shan Knitting & processing Ltd.	328.00	56.00	384.00	UC	26.00	353.00	61	414.00	UC	33.00
48	M/s. Ms Shan Hoshiary (Unit-1)D	52.00	35.00	87.00	UC	21.00	86.00	44	130.00	UC	-
49	M/s. Ms Shan Hoshiary (Unit-2)D	119.00	123.00	242.00	UC	21.00	138.00	130	268.00	UC	30.00
50	M/s. Phenoux Leather Com. Ltd.	7,115.00	-	7,115.00	BL	-	6,886.82	-	6,886.82	SMA	348.50
51	M/s. East Asia Tanneries Ltd.	4,273.00	-	4,273.00	BL	-	4,273.69	-	4,273.69	SS	-
52	M/s. Ms Night Dying Ltd.	2,981.00	-	2,981.00	BL	-	1,952.49	-	1,952.49	BL	-
53	M/s. Ms Night Garments Ltd.	1,042.00	-	1,042.00	BL	-	596.23	-	596.23	BL	-
54	M/s. Top Stich Ltd.	419.00	-	419.00	BL	196.00	225.05	-	225.05	BL	-
55	M/s. Danish Fashions Ltd.	33.00	-	33.00	BL	7.00	18.12	-	18.12	BL	-
56	M/s. Bangladesh Steel Re-Rolling Mills Ltd.	3,871.00	293.00	4,164.00	UC	214.00	5,557.40	120	5,677.88	UC	427.61
57	M/s. Meghna Engg Works Ltd.	5,209.00	2,047.00	7,256.00	UC	604.00	5,360.32	854	6,414.57	UC	833.48
58	M/s. Ms Star Cement Industries.	5,611.00	152.00	5,763.00	UC	300.00	5,706.41	405	6,111.00	UC	608.24
59	M/s. Ms Javed Steel Mills Ltd.	3,239.00	-	3,239.00	BL	365.00	3,601.00	-	3,601.00	UC	354.24
60	M/s. Ms Vengard Steel Ltd.	2,580.00	-	2,580.00	BL	-	2,580.00	-	2,580.00	BL	39.01
61	M/s. Ms Afisif synthetic Fibers Ltd	586.00	-	586.00	BL	5.00	590.00	-	590.00	BL	-
62	M/s. Ms Asif Steel Mills Ltd.	590.00	-	590.00	BL	7.00	595.00	-	595.00	BL	72.40
63	M/s. Ms Afroza Oil Ltd.	553.00	-	553.00	BL	-	553.00	-	553.00	BL	2.00
64	M/s. N. Rahmania Banaspati & Vegetable Ghee Products Ltd.	2,178.00	-	2,178.00	UC	50.00	2,716.08	-	2,716.08	BL	231.00



Sl. no.	Name of borrower	Outstanding as on 31-12-2006				Outstanding as on 31-12-2005					
		Funded Taka	Non-Funded Taka	Total Taka	Classified Taka	Recovery Taka	Funded Taka	Non-funded Taka	Total Taka	Classified Taka	Recovery Taka
65	M/s. National Cement Mills Ltd.	4,315.00	332.00	4,647.00	UC	256.00	4,310.33	-	4,310.33	UC	153.50
66	Gul Ahmed Jute Mills Ltd.	3,438.00	-	3,438.00	UC	470.00	-	-	-	-	-
67	Mahi Fish Processing Ltd.	3,349.00	-	3,349.00	BL	43.00	-	-	-	-	-
68	M/s. Diamond Cement Ltd. (Unit -1)	900.00	-	900.00	UC	163.00	2,432.00	1,468	3,900.00	UC	-
69	M/s. Diamond Cement Ltd. (Unit -2)	3,314.00	-	3,314.00	UC	3,477.00	-	-	-	-	-
70	M/s. Sad Musa Fabrics Ltd. (Unit -1)	1,928.00	94.00	2,022.00	UC	-	8,109.26	4,697	12,806.00	UC	4,512.00
71	M/s. Sad Musa Fabrics Ltd. (Unit -2)	7,154.00	312.00	7,466.00	UC	107.00	-	-	-	-	-
72	M/s. Sad Musa Fabrics Ltd. (Unit -3)	-	1.00	1.00	UC	-	-	-	-	UC	-
73	M/s. Rahman Hasan Cotton Spinning Mills Ltd.	4,960.00	-	4,960.00	UC	5.00	5,693.00	101	5,794.00	UC	-
74	M/s. Globe Soft drinks Ltd.	3,400.00	-	3,400.00	UC	673.00	3,465.00	-	3,465.00	UC	155.00
75	M/s. Apex Foods Ltd.	7,956.00	-	7,956.00	UC	529.00	5,824.00	-	5,824.00	UC	335.07
76	M/s. Shazil Steel Ind.	2,474.00	-	2,474.00	UC	42.00	2,542.00	-	2,542.00	UC	200.00
77	M/s. S.Trading Corporation	3,071.00	-	3,071.00	UC	1,465.00	3,641.61	-	3,641.61	UC	660.19
78	M/s. Fresh Foods Ltd.	3,367.00	-	3,367.00	UC	2,700.00	3,125.47	-	3,125.47	UC	1,318.42
79	M/s. Knitex Industry	-	-	-	-	-	624.00	1,645	2,269.00	UC	339.54
80	Rajdani Umayan Kartipakkha	-	-	-	-	-	-	-	-	-	-
81	M/s. Shapuri Dairy & Food Products Ltd.	-	-	-	-	-	142.44	-	142.44	UC	-
82	M/s. B. Brothers Garments Co. Ltd. Unit-1.	-	-	-	-	-	551.00	-	551.00	UC	360.00
83	M/s. B. Brothers Garments Co. Ltd. Unit-2.	-	-	-	-	-	2,195.00	-	2,195.00	UC	-
<b>Sub total</b>		<b>265,514.00</b>	<b>7,662.00</b>	<b>273,176.00</b>		<b>33,067.00</b>	<b>237,413.09</b>	<b>21,647.14</b>	<b>259,060.23</b>		<b>26,805.80</b>
<b>Grand total</b>		<b>398,118.00</b>	<b>332,953.00</b>	<b>731,071.00</b>		<b>37,462.00</b>	<b>344,514.09</b>	<b>105,553.14</b>	<b>450,067.23</b>		<b>28,096.37</b>

**Annexure-B**  
**Treasury Bills**

Particulars/Name of Companies	Number of quantity	Face value	Rate of interest	Cost value	Market Price	Market value as on 31.12.06
		Taka		Taka	Taka	Taka
28 Days	4		7.30-			
		3,800,000,000	7.34	3,778,703,000	-	3,789,162,700
30 Days	2					
		400,000,000	7.38	397,584,000	-	398,829,000
91 Days	1					
		100,000,000	7.56	98,145,000	-	98,850,000
5 Years	14		10.15-			
		10,000,000,000	11.00	6,603,724,000	-	9,309,936,000
<b>Total</b>		<b>14,300,000,000</b>		<b>10,878,156,000</b>		<b>13,596,777,700</b>
Reverse Repo						
	1	750,000,000	6.50	750,000,000		750,000,000
<b>Total</b>						<b>14,346,777,700</b>

**Annexure-B.1**  
**Treasury Bonds**

Particulars	Number of quantity	Cost price Taka
<b>Approved</b>		
Jute Sector (25 Years)	2	790,219,000
Govt. Treasury Bond ( 5 years)	8	440,000,000
Govt. Treasury Bond ( 10 years)	2	100,000,000
Treasury Bond- agri.( 5 Years )	1	19,899,000
B.S.C. Treasury Bond (10 years)	1	355,100,000
Treasury Bond - sick Ind.( 5 years)	6	654,688,000
T&T Bond	6	747,500,000
<b>Other Bonds</b>		
Ansar V.D.P Bank Bond	1	



DBBL Industrial Bond	1	50,000,000
		100,000,000
<b>Total Approved Bonds</b>		<b>3,257,406,000</b>
<b>Unapproved</b>		
Jute Sector (10 Years)	1	46,500,000
Special Treasury Bonds (15 Years)	2	2,533,200,000
<b>Total Unapproved Bonds</b>		<b>2,579,700,000</b>
<b>Total Approved &amp; Unapproved Bonds</b>		<b>5,837,106,000</b>

**Rahman Rahman**  
**Huq**  
Chartered  
Accountants

**Ahmad & Ahmad**  
Chartered Accountants

**Annexure-**  
**B.2**  
**Debenture**

Name of organisation	Number of quantity	Amount Taka
<b>Debenture (Unapproved)</b>		
M/S Bawa Jute mills Ltd.	1	1
M/S hotel ilisium	1	1
Pioneer Pharma Ltd	1	1
Rupon Oil & Feeds Ltd.	1	1
Bay-Sodium Chemicals Ltd	1	1
Monir Chemicals Ltd	1	1
Ismail Carpet Mills Ltd	1	1
Saleh Carpet Mills Ltd	1	1
Mirzabo steel Ltd	1	1
A.D.R. Rahaman Ltd	1	1
Karnafuly Paper Mills Ltd.	1	1
Karnafuly Rayon & Chamicsals Ltd.	1	1
Hotel Unique & Resourt Ltd.	1	100,000,000
<b>Total (Unapproved)</b>		100,000,012
<b>Debenture (Approved)</b>		
Bangladesh Textile Mills Corporation	1	1
Bangladesh Textile Mills Corporation	1	1
Bangladesh Steel & Engeneering Corporation	1	1
Do	1	1
Do	1	1
Do	1	1
Do	1	1

Do	1	1
Bangladesh House Building Finance Corporation	1	
		100,000,000
Do	1	90,000,000
Do	1	10,000,000
Do	1	120,000,000
Do	1	25,000,000
Do	1	200,000,000
Do	1	155,000,000
Do	1	10,000,000
Do	1	10,000,000
Do	1	130,000,000
Do	1	150,000,000
Do	1	200,000,000
Do	1	150,000,000
Do	1	140,000,000
Do	1	150,000,000
Do	1	135,000,000
Do	1	135,000,000
Debenture (Approved)		1,910,000,008
Total debenture (Approved + Unapproved)		2,010,000,020