

Respectable Stakeholders, Customers and Correspondents

I, on behalf of the Management, would like to take this privilege to place before you the unaudited Balance sheet, Profit & Loss Account, Cash Flow Statement and Statement of Changes in Equity together with highlights on the overall activities of Agrani Bank Limited for the half year ended at June 30, 2009.

Before I state the business performances and other achievements, I would like to say a few words about a momentous event that has recently taken place in our Bank. As part of long term financial sector reform and modernization plan of the Government, the Bank has been converted into a Public Limited Company on May 17, 2007 with all assets, liabilities, rights and obligations of the former Agrani Bank. This has offered us new opportunity and possibility to shape our destiny with greater autonomy and flexibility

The Bank has been able to hold, like before, the promise of sustain growth in all key areas during the period under review

During the half year ended June 30, 2009 the Bank has earned an operating profit of Tk. 3.09 billion as compared with Tk. 2.93 billion during the corresponding period of the previous year. The increase was 5.46 percent higher than that of June, 2008. Investment increased to Tk. 30.94 billion which was Tk. 29.33 billion as on 31-12-2008.

The Bank has mobilized total deposits of Tk. 160.56 billion as of June 30, 2009, recording a growth of 9.37 percent over the deposits of December 31, 2008. Loans & Advances stood at 113.72 billion as at 30 June, 2009.

The total forex business stood at 81.86 billion as at 30 June, 2009. The Bank handled Tk. 26.63 billion of remittance during the period under review which was Tk. 26.81 billion as at 30 June 2008.

We aim to thrive competitively and aggressively to improve our operational efficiency, good asset quality, strong liquidity, sound management and overall good health of the Bank.

We shall continue to maximize the shareholders' value in the future.

I want to thank our valued customers, patrons and well-wishers for their co-operation and trust in maintaining an active and rewarding relationship with the Bank. My special thanks go to our respected stakeholders for their continuous support and confidence they reposed in us.

Thanking you

Sincerely yours,

(Syed Abu Naser Bukhtear Ahmed, BSc. MBA)

Managing Director and Chief Executive Officer

Balance Sheet
As at June 30, 2009

	30.06.2009 (Unaudited)	31.12.2008 (Audited)
<u>PROPERTY AND ASSETS</u>		
Cash:	17,170,508,749	8,663,286,977
Cash in Hand (including foreign currencies)	2,079,127,474	2,079,816,597
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	15,091,381,275	6,583,470,380
Balance with other banks and financial institutions:	3,111,226,981	1,457,506,665
In Bangladesh	2,168,764,077	1,033,964,077
Outside Bangladesh	942,462,904	423,542,588
Money at call and short notice:	1,600,000,000	820,000,000
Investments:	30,937,863,172	29,329,782,812
Government	28,852,079,503	27,110,078,580
Others	2,085,783,669	2,219,704,232
Loans and advances:	113,715,334,896	113,362,262,183
Loans, Cash Credit & Over Draft etc.	111,286,021,152	110,597,858,125
Bills Discounted and Purchased	2,429,313,744	2,764,404,058
Fixed assets including land, building, furniture and fixtures:	2,600,991,483	2,530,786,283
Other assets:	34,559,093,978	31,162,093,150
Non-banking assets:	-	-
Total assets	203,695,019,259	187,325,718,070
<u>LIABILITIES & CAPITAL</u>		
Liabilities:		
Borrowings from other banks, financial Institutions and agents	1,196,591,566	2,105,909,168
Deposit and other accounts:	160,556,168,719	146,814,621,768
Current deposits & other accounts	26,246,630,150	24,823,027,429
Bills payable	2,695,347,717	3,015,184,391
Savings bank deposits	66,543,470,284	64,855,561,211
Fixed deposits	65,070,720,568	54,120,848,737
Other liabilities:	33,363,786,151	31,985,974,022
Total liabilities	195,116,546,436	180,906,504,958
Capital/Shareholders' equity:		
Paid-up Capital	2,484,200,000	2,484,200,000
Reserve:	1,214,786,993	742,835,981
Statutory Reserve	1,209,786,993	737,835,981
General Reserve	5,000,000	5,000,000
Revaluation Reserve on investment in Govt. Securities	1,227,678,759	425,278,208
Retained surplus from profit and loss account	3,651,807,071	2,766,898,923
Total shareholders' equity	8,578,472,823	6,419,213,112
Total liabilities and shareholders' equity	203,695,019,259	187,325,718,070
<u>OFF BALANCE SHEET ITEMS</u>		
Contingent Liabilities:		
Acceptances and Endorsements	41,670,999,513	46,164,500,358
Letters of Guarantee	1,425,659,877	1,117,077,122
Letters of Credit	17,995,931,605	20,434,338,854
Bills for Collection	9,084,719,042	11,376,898,986
Other Contingent Liabilities	2,745,468,989	2,156,830,396
Claims against the Bank not acknowledged as debt	10,419,220,000	11,079,355,000
Other commitments:	-	-
Total Off-Balance Sheet Items	41,670,999,513	46,164,500,358

Md.Nazrul Islam Farazi
Deputy General Manager
Central Accounts Division

Md.Obayed Ullah Al Masud
General Manager

Profit and Loss Account
For the period ended June 30, 2009

	30.06.2009 Unaudited <u>Taka</u>	30.06.2008 Unaudited <u>Taka</u>
Operating income		
Interest income	4,777,749,625	4,445,276,015
Interest paid on deposits, borrowings etc.	2,956,966,036	2,610,563,426
Net interest income	1,820,783,589	1,834,712,589
Investment income	1,516,430,955	852,925,612
Commission, exchange earnings and brokerage	1,087,479,906	1,631,442,531
Other operating income	445,508,658	129,580,516
Total operating income (A)	4,870,203,108	4,448,661,248
Operating expenses		
Salary and allowance	1,369,028,892	1,191,997,378
Rent, taxes, insurance, electricity etc.	129,605,886	118,905,907
Legal expenses	8,975,023	5,332,972
Postage, stamp, telecommunication etc.	45,175,501	38,518,029
Stationery, printing, advertisement etc.	36,626,822	36,153,814
Chief Executive's salary and fees	3,600,000	-
Directors' fees	672,245	614,200
Auditors' fees	645,000	5,000
Depreciation and repair of bank's assets	62,699,088	48,769,632
Sale from dealing with non banking assets	-	-
Other expenses	126,878,667	79,869,388
Total operating expenses (B)	1,783,907,125	1,520,166,320
Profit/(Loss) before amortization, provision & tax (C) = (A - B)	3,086,295,983	2,928,494,928
Amortization for Valuation Adjustment (D)	664,800,000	-
Profit/(Loss) before provision & tax (E) = (C - D)	2,421,495,983	2,928,494,928
Provision for loans and advances	52,299,000	1,494,550,559
Other provision	9,441,922	-
Total provision (F)	61,740,922	1,494,550,559
Net profit/(loss) before Tax (G)=(E-F)	2,359,755,061	1,433,944,369
Provision for tax		
Current tax	1,002,895,901	-
Deferred tax	-	-
	1,002,895,901	-
Net profit/(loss) after tax	1,356,859,160	1,433,944,369
Add. Retained surplus for the previous year	2,766,898,923	698,780,377
	4,123,758,083	2,132,724,746
Appropriation:		
Statutory Reserve	471,951,012	-
General Reserve	-	-
Retained surplus	3,651,807,071	2,132,724,746

Md.Nazrul Islam Farazi
Deputy General Manager
Central Accounts Division

Md.Obayed Ullah Al Masud
General Manager

Cash Flow Statement

For the half year ended June 30, 2009

	30.06.2009 (Unaudited)	30.06.2008 (Unaudited)
	<u>Taka</u>	<u>Taka</u>
A. Cash flows from operating activities		
Interest receipts in cash	5,898,753,538	5,245,578,891
Interest payments	(2,956,966,036)	(2,477,636,318)
Dividend receipts	4,033,531	2,504,607
Fees and commission receipts	496,237,929	657,556,293
Recovery of loans previously written off	141,951,093	30,824,895
Cash payment to employees	(1,372,628,892)	(1,202,496,230)
Cash payments to suppliers	(36,626,822)	(35,223,346)
Receipts from other operating activities	444,858,546	129,260,390
Payments for other operating activities	(341,739,633)	(270,493,414)
Operating profit/(loss) before changing in operating assets and liabilities	2,277,873,254	2,079,875,768
(Increase)/decrease in operating assets		
Treasury bills	4,999,640,002	2,458,282,941
Repo	(3,060,000,000)	(5,160,000,000)
Fund advanced to customers	(353,072,713)	9,669,677,264
Other assets	(3,830,163,540)	(2,691,267,446)
	(2,243,596,251)	4,276,692,759
Increase/(decrease) in operating liabilities		
Deposit from customers	13,741,546,951	5,097,496,231
Other liabilities	1,082,664,080	(4,349,442,476)
	14,824,211,031	748,053,755
Net cash from operating activities (A)	14,858,488,034	7,104,622,282
B. Cash flows from investing activities		
Other bond	(3,684,469,825)	(2,166,350,000)
Debenture	135,000,000	15,000,000
Purchase of securities	(1,079,437)	(3,279,505)
Purchase/ sales of properties, plant & equipment	(70,205,200)	(51,676,874)
Proceeds from sale of properties, plant & equipment	-	-
Net cash from investing activities (B)	(3,620,754,462)	(2,206,306,379)
C. Cash flows from financing activities		
Payment of long term borrowings	(700,241,268)	(958,372,266)
Receipt from other borrowings	(209,076,334)	(6,465,030,323)
Net cash from financing activities (C)	(909,317,602)	(7,423,402,589)
Net increase in cash and cash equivalents (A+B+C)	10,328,415,970	(2,525,086,686)
Effect of exchange rate change on cash and cash equivalent	609,697,219	958,651,171
Cash and cash equivalents at the beginning of the year	10,953,848,241	13,063,987,948
Cash and cash equivalents at the end of the period	21,891,961,430	11,497,552,433

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Deputy General Manager
Central Accounts Division

Md.Obayed Ullah Al Masud
General Manager

Statement of Changes in Equity (Unaudited)
For the half year ended June 30, 2009

Figure in Tk.

Particulars	Paid up Capital	Revaluation Reserve on Government Securities	Statutory Reserve	General Reserve	Profit and Loss Account	Total
Balance as at 01, January 2009	2,484,200,000	425,278,208	737,835,981	5,000,000	2,766,898,923	6,419,213,112
Changes in accounting policy	-	(425,278,208)	-	-	-	(425,278,208)
Restated balance	2,484,200,000	-	737,835,981	5,000,000	2,766,898,923	5,993,934,904
Held to Maturity	-	34,798,390	-	-	-	34,798,390
Held for Trading	-	1,192,880,369	-	-	-	1,192,880,369
Net profit for the	-	-	-	-	1,356,859,160	1,356,859,160
Balance as at June 30, 2009	2,484,200,000	1,227,678,759	737,835,981	5,000,000	4,123,758,083	8,578,472,823

HIGHLIGHTS ON THE OVERALL ACTIVITIES OF THE BANK

(Taka in billion)

Particals	30.06.2009 (Unaudited)	30.06.2008 (Unaudited)
Authorised Capital	8.00	8.00
Paid-up- Capital	2.48	2.48
Reserve Fund	1.21	0.16
Retained Profit / (Loss)	3.65	2.13
Total Equity	8.58	4.77
Deposits	160.56	141.02
Loans & Advances	113.72	108.83
Net Loans & Advances	102.24	87.62
Investments	30.94	26.76
Fixed Assets	2.60	2.51
Total Assets	203.70	182.65
Classified Loans & Advances	24.03	29.92
Interest Suspense	6.89	8.26
Provision required against Loans & Advances	11.48	12.95
Total Provision available against Loans & Advances	11.48	12.95
Net Classified Loans & Advances	6.76	8.71
Gross Classified Loans to Total Loans	21.13%	27.50%
Net Classified Loans to Total Loans	5.94%	9.95%
Capital Adequacy Ratio	11.10%	7.72%
Total Income	7.83	7.06
Total Expenditure	4.74	4.13
Operating Profit	3.09	2.93
Provision Made	0.62	1.49
Profit after Provision	2.35	1.43
Net Profit / (Loss) after provision and tax	1.35	1.43
Total Interest Income	4.78	4.44
Total Interest Expenses	2.96	2.61
Net Interest Income	1.82	1.83
Forex Business		
i. Imports	32.95	61.01
ii. Exports	22.28	24.82
iii. Remittances	26.63	26.81
Total:	81.86	112.64
Guarantee Business	1.43	1.05
Cost of Fund	6.89%	6.47%
Return on Equity	31.47%	35.47%
Return on Assets	1.33%	1.57%
Net Interest Margin	4.46%	3.80%
Net Spread	4.17%	3.17%
Average Yield on Loan	10.77%	10.49%
Advance Deposit Ratio	70.83%	77.17%
Number of Branches	867	866
Number of Employees	11,477	11,064
Number of Correspondent Banks with NOSTRO A/c	39	39
Number of Foreign Correspondents	390	416