



**AUDITORS' REPORT
AND
AUDITED FINANCIAL STATEMENTS
OF
AGRANI BANK LIMITED**

ACNABIN

Chartered Accountants
BDBL Bhaban (13th Floor)
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Dhaka-1000



Agrani Bank Limited
committed to serve the nation & its people



AUDITORS' REPORT
TO THE SHAREHOLDERS OF AGRANI BANK LIMITED



Agrani Bank Limited
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AUDITORS' REPORT

TO THE SHAREHOLDERS OF AGRANI BANK LIMITED

We have audited the accompanying financial statements of Agrani Bank Limited (“the Bank”) for the year ended 31 December 2010 which comprise the balance sheet, profit and loss account, cash flow statement and statement of changes in equity and the related notes 1–52 thereto.

Management Responsibilities for the Financial Statements

Management of Agrani Bank Limited is responsible for the preparation of financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards and Bangladesh Bank Guidelines and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above which have been prepared in accordance with Bangladesh Financial Reporting Standards give a true and fair view of the state of affairs of the Bank as at 31 December 2010 and of their financial performance and cash flows for the year then ended and comply with the Companies Act 1994, the Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank and other applicable laws and regulations.

Emphasis of Matter

We draw attention to the following matters, though our opinion is not qualified in respect of the same:

- a. As detailed in note # 9.7 to the financial statements, “Other Assets” includes a net Branch adjustment amount of Tk.667.87 crore (31/12/09:Tk.496.95 crore) which need to be reconciled as early as possible.
- b. As detailed in note # 9.6 to the financial statements, deferred tax assets (net off liabilities) of Tk.354.54 crore includes inter alia an amount of Tk.175.53 crore related to temporary differences on account of provision for bad/loss loans and advances. This is the first time that the Bank has created such deferred tax assets on temporary differences related to the provision for bad/loss loans and advances, and the relevant figures for the previous years have also been restated.
- c. As stated in note # 2.13 to the financial statements, the Bank operates a pension scheme for its employees, called Superannuation Fund, and also maintains a gratuity fund for its employees under defined benefit plan. As on 31 December 2010, Tk. 429.76 crore of Superannuation Fund was lying with the Bank, and not transferred to the account of the Trust for the Fund. In addition, as per BAS–19 actuarial valuation is required for the funds. Last actuarial valuation of the funds was done in the year 2006. It is prudent to have actuarial valuation more frequently in order to avoid any under or over provision of pension and gratuity fund liabilities.
- d. As disclosed in note # 2.25 to the financial statements, a wholly owned subsidiary company under the name and style of “Agrani SME Financing Company Limited” was incorporated on 27 October 2010 to take over and carry on the activities of Small Enterprises Development Project (SEDP) of the Bank. The Company is yet to start its business, and is awaiting for execution of a Vendor's Agreement for transfer of assets and liabilities of SEDP from the Bank.



We further report that:

1. 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;
2. in our opinion, proper books of accounts as required by laws were 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 the branches not visited by us;
3. 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;
4. the expenditures incurred were for the purpose of the Bank's operations;
5. the financial statements have been drawn up in conformity with the Bank Companies Act 1991 and in accordance with the accounting rules and regulations issued by Bangladesh Bank;
6. adequate provisions have been made for advances and other assets which are, in our opinion, doubtful of recovery;
7. adequate capital of the Bank, as required by law, has been maintained during the period under audit after considering revaluation of ICB shares as disclosed in note # 13.5 to the financial statements;
8. the records and statements submitted by the branches have been properly maintained and in the consolidated financial statements;
9. the information and explanations required by us have been received and found satisfactory; and
10. 80% of the risk-weighted assets have been reviewed spending over 8,000 hours

ACNABIN

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Chartered Accountants

Hawladar Yunus

Hawladar Yunus & Co.
Chartered Accountants

Dated: 13 April, 2011



AUDITED FINANCIAL STATEMENTS FOR THE YEAR – 2010



Agrani Bank Limited
committed to serve the nation & its people





Balance Sheet As at December 31, 2010

(Amount in Taka)

Particulars	Notes	2010	2009 (Restated)
<u>PROPERTY AND ASSETS</u>			
Cash:	03	13,016,651,219	9,536,303,168
Cash in Hand (including foreign currencies)		2,602,354,936	1,598,153,732
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		10,414,296,283	7,938,149,436
Balance with other banks and financial institutions:	04	3,004,978,834	2,985,379,481
In Bangladesh		2,431,535,722	2,776,760,212
Outside Bangladesh		573,443,112	208,619,269
Money at call and short notice:	05	–	1,700,000,000
Investments:	06	43,916,295,003	40,897,186,296
Government		30,261,416,132	37,958,724,137
Others		13,654,878,871	2,938,462,159
Loans and advances:	07	163,256,184,445	122,236,085,269
Loans, Cash Credit & Over Draft etc.		158,002,246,902	119,949,016,599
Bills Discounted and Purchased		5,253,937,543	2,287,068,670
Fixed assets including land, building, furniture and fixtures:	08	5,435,899,358	2,878,697,343
Other assets:	09	36,222,018,059	33,829,220,120
Non-banking assets:		–	–
Total assets		<u>264,852,026,918</u>	<u>214,062,871,677</u>
<u>LIABILITIES & CAPITAL</u>			
Liabilities:			
Borrowings from other banks, Financial Institutions and agents	10	6,216,816,056	1,192,703,306
Deposit and other accounts:	11	206,326,011,342	166,283,624,192
Current deposits & other accounts		36,982,051,462	28,028,439,819
Bills payable		4,000,219,277	2,935,711,346
Savings bank deposits		80,130,887,928	69,655,900,644
Fixed deposits		85,212,852,675	65,663,572,383
Other liabilities:	12	36,591,914,752	35,145,617,167
Total liabilities		<u>249,134,742,150</u>	<u>202,621,944,665</u>
Capital/Shareholders' equity:			
Paid-up Capital	13	5,465,240,000	4,968,400,000
Reserve:		4,855,652,360	1,394,372,030
Statutory Reserve	14	2,670,821,390	1,389,372,030
General Reserve	15	5,000,000	5,000,000
Asset Revaluation Reserve	16	2,179,830,970	–
Revaluation & Amortization Reserve	17	902,502,801	2,064,827,476
Retained surplus	18	4,493,889,607	3,013,327,506
Total Shareholders' Equity		<u>15,717,284,768</u>	<u>11,440,927,012</u>
Total Liabilities and Shareholders' Equity		<u>264,852,026,918</u>	<u>214,062,871,677</u>



Off Balance Sheet Items

As at December 31, 2010

(Amount in Taka)

Particulars	Notes	2010	2009
Contingent Liabilities:			
Acceptances and Endorsements			
	19	90,504,944,790	52,973,577,264
Letters of Guarantee	19.1	5,273,265,283	1,608,124,704
Letters of Credit		53,376,426,099	28,071,298,976
Bills for Collection	19.2	20,585,539,551	9,157,827,344
Other Contingent Liabilities	19.3	3,606,579,857	2,759,426,240
Claims against the Bank not acknowledged as debt		7,663,134,000	11,376,900,000
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		90,504,944,790	52,973,577,264

These financial statements should be read in conjunction with the annexed notes 1 to 52.

(MD. NAZRUL ISLAM FARAZI)
General Manager (Accounts)

(MD. ABDUS SALAM)
Deputy Managing Director

(SYED ABDUL HAMID)
Managing Director & CEO

(NAGIBUL ISLAM DIPU)
Director

(RANJIT KUMAR CHAKRABORTY)
Director

(DR. KHONDOKER BAZLUL HOQUE)
Chairman

ACNABIN
Chartered Accountants

Howladar Yunus & Co.
Chartered Accountants

Dated, Dhaka
April 13, 2011.



Profit and Loss Account

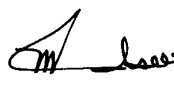
For the year ended December 31, 2010


(Amount in Taka)

Particulars	Notes	2010	2009 (Restated)
Operating income			
Interest income	21	13,997,620,160	10,122,406,610
Interest paid on deposits, borrowings etc.	22	7,086,680,562	6,083,558,757
Net interest income		6,910,939,598	4,038,847,853
Investment income	23	6,477,974,670	3,690,178,143
Commission, exchange earnings and brokerage	24	2,755,639,008	2,128,283,992
Other operating income	25	785,659,475	426,163,469
Total operating income (A)		16,930,212,751	10,283,473,457
Operating expenses			
Salary and allowance	26	4,510,011,163	3,043,883,148
Rent, taxes, insurance, electricity etc.	27	335,033,649	268,924,565
Legal expenses	28	8,255,815	14,950,989
Postage, stamp, telecommunication etc.	29	94,972,717	89,249,269
Stationery, printing, advertisement etc.	30	136,818,388	94,726,446
Chief Executive's salary and fees	31	4,277,395	7,200,000
Directors' fees	32	4,970,482	1,960,192
Auditors' fees	33	1,450,250	1,320,575
Depreciation and repair of bank's assets	34	220,228,492	133,789,446
Other expenses	35	752,167,208	183,024,557
Total operating expenses (B)		6,068,185,559	3,839,029,187
Profit/(Loss) before amortization, provision & tax (C)=(A-B)		10,862,027,192	6,444,444,270
Amortization of Valuation Adjustment (D)	9.8	1,329,500,000	1,329,500,000
Profit/(Loss) before provision & tax (E) = (C - D)		9,532,527,192	5,114,944,270
Provision for loans and advances	36	892,216,494	909,472,355
Other provision	37	2,233,063,896	947,791,669
Total provision (F)		3,125,280,390	1,857,264,024
Net profit/(loss) before Tax (G)=(E-F)		6,407,246,802	3,257,680,246
Provision for Tax			
Current Tax	12.4	2,068,600,000	1,700,000,000
Deferred Tax	9.6	821,874,534	202,163,281
		2,890,474,534	1,902,163,281
Net profit/(loss) after Tax		3,516,772,268	1,355,516,965
Add. Retained surplus for the previous year(restated)	18.1	2,755,406,699	4,793,546,590
		6,272,178,967	6,149,063,555
Appropriation:			
Statutory Reserve	14	1,281,449,360	651,536,049
Bonus Share Issue		496,840,000	2,484,200,000
Retained surplus	18	4,493,889,607	3,013,327,506
Earnings Per Share (EPS)	13.3	64.35	24.80

These financial statements should be read in conjunction with the annexed notes 1 to 52.


 (MD. NAZRUL ISLAM FARAZI)
 General Manager (Accounts)

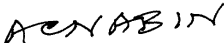

 (MD. ABDUS SALAM)
 Deputy Managing Director



 (SYED ABDUL HAMID)
 Managing Director & CEO


 (NAGIBUL ISLAM DIPU)
 Director


 (RANJIT KUMAR CHAKRABORTY)
 Director


 (DR. KHONDOKER BAZLUL HOQUE)
 Chairman


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 Chartered Accountants

Dated, Dhaka
April 13, 2011.



Cash Flow Statement

For the year ended December 31, 2010

(Amount in Taka)

Particulars	Notes	2010	2009
A. Cash flows from operating activities			
Interest receipts in cash	38	18,638,039,351	13,568,312,137
Interest payments	39	(6,763,362,863)	(5,753,728,870)
Dividend receipts		487,064,391	8,694,725
Fees and commission receipts		1,343,558,636	973,257,361
Recovery of loans previously written off		587,182,446	231,076,551
Cash payment to employees		(3,969,827,501)	(3,051,110,963)
Cash payments to suppliers		(128,786,855)	(94,775,233)
Receipts from other operating activities	40	788,092,123	435,472,204
Payments for other operating activities	41	(1,313,555,784)	(612,833,862)
Operating profit/(loss) before changing in operating assets and liabilities	42	9,668,403,944	5,704,364,050
(Increase)/decrease in operating assets			
Treasury bills		5,588,800,953	1,383,317,481
Repo		-	(5,250,000,000)
Fund advanced to customers		(41,020,099,176)	(8,873,823,086)
Other assets		(2,111,637,854)	(2,282,819,377)
		(37,542,936,077)	(15,023,324,982)
Increase/(decrease) in operating liabilities			
Deposit from customers		40,042,387,150	19,469,002,424
Other liabilities		(2,647,063,323)	905,316,302
		37,395,323,827	20,374,318,726
Net cash from operating activities (A)		9,520,791,694	11,055,357,794
B. Cash flows from investing activities			
Other bond		(3,140,167,748)	(6,981,953,938)
Debenture		230,000,000	285,000,000
Purchase of securities		(10,946,416,712)	(1,003,757,927)
Purchase/ sales of properties, plant & equipment		(330,236,306)	(391,818,914)
Proceeds from sale of properties, plant & equipment		91,516,815	69,413,434
Net cash from investing activities (B)		(14,095,303,951)	(8,023,117,345)
C. Cash flows from financing activities			
Payment of long term borrowings		(591,399,018)	(206,024,542)
Receipt from other borrowings		5,615,511,768	(707,181,320)
Net cash from financing activities (C)		5,024,112,750	(913,205,862)
Net increase in cash and cash equivalents (A+B+C)		449,600,493	2,119,034,587
Effect of exchange rate change on cash and cash equivalent		1,351,672,111	1,161,863,520
Cash and cash equivalents at the beginning of the year		14,234,746,349	10,953,848,242
Cash and cash equivalents at the end of the year	43	16,036,018,953	14,234,746,349

These financial statements should be read in conjunction with the annexed notes 1 to 52.

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Deputy Managing Director

(SYED ABDUL HAMID)
Managing Director & CEO

(NAGIBUL ISLAM DIPU)
Director

(RANJIT KUMAR CHAKRABORTY)
Director

(DR. KHONDOKER BAZLUL HOQUE)
Chairman

Dated, Dhaka
April 13, 2011.



Statement of Changes in Equity

As at December 31, 2010

(Amount in Taka)

Particulars	Paid up Capital	Revaluation Reserve on Government Securities	Statutory Reserve	General Reserve	Profit and Loss Account	Total
Balance as at 01, January 2010	4,968,400,000	2,064,827,476	1,389,372,030	5,000,000	3,013,327,506	11,440,927,012
Changes in accounting policy	–	(2,064,827,476)	–	–	–	(2,064,827,476)
Prior Years Adjustment of Provision for Taxation up to 2004	–	–	–	–	(247,661,767)	–
Adjustment of Advance Tax	–	–	–	–	(10,259,040)	–
Restated balance	4,968,400,000	–	1,389,372,030	5,000,000	2,755,406,699	9,118,178,729
Surplus/deficit on account of revaluation of properties	–	–	–	2,179,830,970	–	2,179,830,970
Surplus on account of revaluation of investments in Approved Securities:	–	–	–	–	–	–
Held to Maturity (HTM)	–	118,117,307	–	–	–	118,117,307
Held for Trading (HFT)	–	784,385,494	–	–	–	784,385,494
Currency transaction differences	–	–	–	–	–	–
Net gains and losses not recognized in the income statement	–	–	–	–	–	–
Bonus Share	496,840,000	–	–	–	(496,840,000)	–
Net profit for the year	–	–	–	–	3,516,772,268	3,516,772,268
Statutory Reserve	–	–	1,281,449,360	–	(1,281,449,360)	–
Balance as at December 31, 2010	5,465,240,000	902,502,801	2,670,821,390	2,184,830,970	4,493,889,607	15,717,284,768

These financial statements should be read in conjunction with the annexed notes 1 to 52.

(MD. NAZRUL ISLAM FARAZI)
General Manager (Accounts)

(MD. ABDUS SALAM)
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Chartered Accountants

Dated, Dhaka
April 13, 2011.



Liquidity Statement

(Asset and Liability Maturity Analysis)
As at December 31, 2010

(Amount in Taka)

Particulars	Up to 01 month	1 – 3 months	3 – 12 months	1 – 5 years	More than 5 years	Total
Assets:						
Cash in hand	13,016,651,219	–	–	–	–	13,016,651,219
Balance with other banks and financial institutions	573,544,347	1,198,294,959	1,149,993,951	–	83,145,577	3,004,978,834
Money at call and short notice	–	–	–	–	–	–
Investment	14,388,900	14,264,459,591	1,873,994,426	9,752,688,161	18,010,763,925	43,916,295,003
Loans and advances	15,759,254,043	21,608,656,516	33,115,722,636	48,014,882,420	44,757,668,830	163,256,184,445
Fixed assets including land, furniture and fixtures	–	–	–	–	5,435,899,358	5,435,899,358
Other assets	9,353,737,907	1,943,461,404	4,419,553,199	8,377,616,165	12,127,649,384	36,222,018,059
Non-banking assets	–	–	–	–	–	–
Total Assets	38,717,576,416	39,014,872,470	40,559,264,212	66,145,186,746	80,415,127,074	264,852,026,918
Liabilities:						
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	6,194,367,250	–	–	–	22,448,806	6,216,816,056
Deposits	23,503,866,370	4,530,500,824	21,680,361,417	52,609,833,909	104,001,448,822	206,326,011,342
Other Accounts	–	–	–	–	–	–
Provision and other liabilities	318,000,192	429,539,855	2,037,485,036	13,189,942,420	20,616,947,249	36,591,914,752
Total Liabilities	30,016,233,812	4,960,040,679	23,717,846,453	65,799,776,329	124,640,844,877	249,134,742,150
Net Liquidity Gap	8,701,342,604	34,054,831,791	16,841,417,759	345,410,417	(44,225,717,803)	15,717,284,768

(MD. NAZRUL ISLAM FARAZI)
General Manager (Accounts)(MD. ABDUS SALAM)
Deputy Managing Director(SYED ABDUL HAMID)
Managing Director & CEO(NAGIBUL ISLAM DIPU)
Director(RANJIT KUMAR CHAKRABORTY)
Director(DR. KHONDOKER BAZLUL HOQUE)
ChairmanDated, Dhaka
April 13, 2011.



Notes to the Financial Statements

As at and for the year ended December 31, 2010

1. BACKGROUND INFORMATION

1.1 Establishment and status of the Bank

Agrani Bank Limited (the Bank) has been incorporated as a Public Limited Company on May 17, 2007 vide Certificate of Incorporation # C-66888(4380)/07. The Bank has taken over the business of Agrani Bank (emerged as a Nationalized Commercial Bank in 1972, pursuant to Bangladesh Bank (Nationalization) Order # 1972 (P.O. # 26 of 1972) on a going concern basis through a Vendor Agreement signed between the Ministry of Finance of the People's Republic of Bangladesh on behalf of Agrani Bank and the Board of Directors on behalf of Agrani Bank Limited on November 15, 2007 with a retrospective effect from July 01, 2007. The Bank's current shareholdings comprise Government of the People's Republic of Bangladesh and other 12 (Twelve) shareholders nominated by the Government. The Bank has 867 branches as on December 31, 2010. The Bank, however, has four wholly-owned subsidiary Companies named (a) Agrani Exchange House (Pvt.) Ltd. in Singapore, (b) Agrani Remittance House SDN, BHD in Malaysia, (c) Agrani Equity and Investment Limited and (d) Agrani SME Financing Company Limited.

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.

To separate the Micro credit activities over the country the Bank has decided to open a subsidiary company named Agrani SME Financing Company Limited which has got registration from Registrar of Joint Stock Companies vide certificate of incorporation no. C87827/10 dated October 27, 2010. The company has also got permission from Bangladesh Bank to start the operation as a non-banking financial institution.

The Bank has also open another subsidiary company named Agrani Equity and Investment Limited for providing necessary support to develop the capital market of the country which has been incorporated as a Public Limited Company on March 16, 2010 vide Certificate of Incorporation No. C-8357/10.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Scope and objective

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

2.2 Basis of preparation of Financial Statements

These Financial Statements have been prepared as at December 31, 2010 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 and International Financial Reporting Standards (IFRS) 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. During the year 2010 the bank has started activities on Islamic principle as separate unit in five branches. Operational results and performance of those units have been incorporated in the total activities of the bank. However, Balance sheet and profit and loss account of those Islami Banking Units are shown separately in Annexure-I.



2.2.1 Determination of fair value

Fair value is defined as the price at which an asset or liability could be exchanged in a current transaction between knowledgeable, willing parties, other than in a forced or liquidation sale. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or inputs are not available, valuation techniques appropriate for the particular instrument are applied. Regulatory body's guideline is also used as valuation techniques. These valuation techniques involve some level of management estimation and judgment, the degree of which will depend on the price transparency for the instrument or market and the instrument's complexity.

2.2.2 Accounting period

The financial period of the Bank covers one year from January 01, 2010 to December 31, 2010.

2.3 Investments

2.3.1 Held to Maturity

Investment (financial instruments) which have fixed or determinable maturity date and the bank has no intention to sell before their maturity date irrespective of changes in market prices or the bank's financial position or performance those are grouped as held to maturity. Government Treasury Bill, Government Treasury Bonds and other securities approved for statutory liquidity reserves have been classified as held to maturity financial asset. These financial assets have been presented at market value as determined on the basis as mentioned in note 2.3.3. As on December 31, 2010 financial assets grouped under this head has been valued at Tk.4,239 million as against its cost of Tk.4,120 million.

2.3.2 Held for Trading

Investment (financial instruments) are grouped as held for trading if they have been originated, acquired or incurred principally for the purpose of selling or repurchasing them in the next term. Treasury bond and quoted shares have been grouped as held for trading instruments. Instruments under this head have been valued at market price except quoted shares. Government Treasury Bills Bonds have been valued using marking to market concept on the basis as mentioned in note 2.3.3. Gain/(loss) on revaluation of held for trading instrument is recognized in the profit and loss account. Quoted shares have been presented at cost instead of market price as describe in note 2.3.5. However total market prices of held for trading instrument except quoted share is Tk. 21,456 million as against cost of Tk. 20,936 million as on 31 December 2010.

2.3.3 Revaluation

As per the DOS (BB) Circular letter no.-05, dated 26 May 2008 & sub sequent amendment circular no.-05, dated 28 January 2009, HFT (Held for Trading) securities are revalued on weekly basis and HTM (Held to Maturity) securities are amortized on yearly basis. The HTM securities are also revalued if they are reclassified to HFT category with the Board's approval. Any gain or loss on revaluation of HTM securities is recognised in the statement of changes in equity. Gain/(loss) on revaluation of HFT securities is recognised in the profit and loss account on weekly basis and gain on revaluation is transferred to statement of changes in equity on monthly basis.

2.3.4 Available for sale

Investment (financial instrument) in shares that have a quoted price, and that is not held for trading and investment in shares that is not quoted in an active market and that is not held for trading are grouped as Available for sale. Financial instruments grouped under this head mere to present in note 47. All shares quoted and unquoted have been presented in financial statements at cost instead of market price as described in note 2.3.5.

2.3.5 Quoted and unquoted shares

Investment in equity instruments shares that are not quoted in active market, are not measured at fair value due to have no opportunity to measure those in fair value reliably and as such these are presented at cost. The equity instruments that are quoted in active market are also not presented at fair value. Abnormal ups and down has been going on in the market of quoted share and if the shares are measured at fair value the results of financial performance will be seriously misleading for the objective of financial statements. Considering the circumstance principal of presenting the quoted share in market value has been departed and that departure is replead with regulatory requirements i.e. Bangladesh Bank guideline. Provision has been made for diminution in value of shares.



2.3.6 Investment and related income

- (a) Income on investments other than shares is accounted for on accrual concept basis
- (b) Dividend income on investment in shares is accounted for in the year when right has been established.
- (c) Investments with no realistic prospect of recovery Tk 1733 million have been written off against full provision without affecting the claim amount of the Bank. Notional balances against the written off investments have been kept to maintain the detailed memorandum records for written off accounts.

2.4 Loans and advances

2.4.1 Presentation of loans and advances

- i) Loans and advances are initially recognized at fair value, representing the cash advanced to the borrower plus the net of direct and incremental transaction costs and fees. They are subsequently measured at amortized cost are shown at gross amount instead of directly reducing the carrying amount of 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 June 25, 2003 and reconciliation of changes in interest suspense and loan loss provision have been presented.
- ii) Staff loan of Tk.13,792 million allowed at concessional rate as approved by the authority are shown under advances as per BRPD Circular no. 14, dated 25 June 2003.

2.4.2 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 is kept in interest suspense account and credited to income on realization.
- iii) Interest is calculated on 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 December 31, 2010 includes bad/loss loan Tk 17,376 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 Note–2.4.3 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.

2.4.3 Provision for loans and advances

Provision for loans and advances has been made on the basis of instructions contained in Bangladesh Bank BRPD Circular no.05 dated June 05, 2006 in relation with BCD Circular no.34 dated November 19, 1989, BCD Circular no. 20 dated December 27, 1994, BCD Circular no. 12 dated September 4, 1995, BRPD Circular no. 16 dated December 6, 1998, BRPD Circular no. 9 dated May 14, 2001, BRPD Circular no. 09 dated August 20, 2005 and BRPD Circular no. 17 dated December 06, 2005.

2.4.4 Interest and discount income

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

2.4.5 Written off loans and advances

Loans and advances with no realistic prospect of recovery have been written off against which full provisions were made earlier 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.



2.5 Fixed assets and depreciation

- a) Fixed assets are stated at cost of acquisition/valuation less accumulated depreciation.
- b) Depreciation is charged on straight–line method on all fixed assets at the following rates per annum:

Land	Nil
Building	2.50%
Furniture and Fixture	10.00%
Library Books	10.00%
Motor Vehicles	20.00%
Office Equipment	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 if such assets are acquired in the first half of the month. Depreciation is charged on assets retiring during the year for the period up to the end of the month of their retirement if assets are retiring in the second 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 treated as revenue expenditure and charged to Profit and Loss Account when they are incurred. Depreciation of premises and equipment is included in general and administrative expenses. Maintenance and repairs are charged to general and administrative expenses and improvements are capitalized. Gains and losses on disposals are reflected in other income.
- f) Land and building were revalued at Tk. 4,49,20,46,050 and Tk. 24,18,13,775 respectively by the Asian Surveyors Ltd. which was approved by the Board vide Memo No. 198/2011 dated February 23, 2011 and Revaluation Reserve for land and building Tk. 220,36,33,975 and Tk.11,48,48,549 respectively transferred to Fixed Assets Revalutaion Reserve, which has been certified by Ahmad & Akhtar Chartered Accountants.

2.6 Other Assets

2.6.1 Provision for other assets

Other assets have been classified as per BRPD Circular No. 14 dated June 25, 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 realisibility.

2.6.2 Write off other assets

Other assets having no realistic prospect of recovery have been written off against full provision without reducing the claim amount of the Bank. Notional balances against other assets written off have been kept to maintain the detailed memorandum records for such accounts/assets.

2.7 Reconciliation of inter branch transactions

Inter branch transactions are reconciled on a regular basis and balance of unreconciled entries at the closing date is accounted for according to its nature.

2.8 Assets pledged as security

The Bank has no secured liabilities except as mentioned in Note–10.2 to the financial statements and there was no asset 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 Revenue recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the entity. Items are treated as revenue/income when there exists no risk or uncertainty regarding its realisability.

2.11 Fees and commissions

The recognition of fee revenue including commissions is determined by the purpose for the fees and the basis of accounting for any associated financial instruments. Fees earned from services that are provided over a specified service period are recognized over that service period. Fees earned for the completion of a specific service or significant event are recognized when the service has been completed or the event has occurred.

Fees and commissions consist mainly of fees for opening of letters of credit and issuance of guarantees in BDT and in foreign currencies. Fees and commissions are charged when become due. Commissions arising from foreign currency transactions are reported as income.

2.12 Interest paid and expenses

In terms of the provision of the International Accounting Standard (IAS-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 6 Trustees and
- iv) Employees enjoying contributory provident fund facilities are entitled to get gratuity for 2 months last basic pay drawn for each completed year of service subject to completion of minimum 10 years of service.

b) General pension fund scheme

i) Pension

The Bank operates a pension scheme. This fund is operated by a Board comprising of 7 Trustees.

ii) Annual provision

Year	% of basic pay
1986 to 1994	10%
1995 to 1999	18%
2000 to 2003	25%
2004–2005	30%
2006	35% (Actuarial valuation has been performed and necessary provision are being maintained in the accounts as per valuation)
2007 to 2010	30% (Necessary provisions are being maintained in the accounts)

This has been named as Superannuation Fund (SAF) created for paying pension to retiring employees. The fund is shown under other liabilities.

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 January 01, 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

The Bank recognizes the current and deferred tax in the financial statements using the provisions of the prevailing tax laws and IAS-12. Current and deferred taxes are charged or credited to equity if the tax relates to items that are charged or credited directly to equity. Status of current and deferred tax is as under

- i) **Past tax liability:** Income Tax assessment has been finalized up to 2004 except 2002 and appeal pending for the year 2002, 2005, 2006 and 2007. The return has been submitted for the year 2008 and 2009. The tax assessment for the year 2010 is under process.
- ii) **Current tax:** Taka 1,700 million has been made for provision for the year 2009 and Taka 2,068.60 million in the year 2010.
- iii) **Deferred tax:** Deferred tax has been calculated as per International Accounting Standard-12 *Income Taxes*. Calculation shows deferred tax assets of Tk 3,545.39 million (Note – 9.6), which has been accounted for accordingly as against previous year's figure of Tk 4,005.92 million. Difference amount of Tk. 821.87 million has been debited to the Profit & Loss Account.
- iv) **Changes in Accounting Policy :** Provision for loans and advances (bad & loss) was not considered in deferred tax calculation in previous years. In this year the Bank has changed its accounting policy and considered provision for loans and advances (bad & loss) in deferred tax calculation and financial statements of previous year have restated accordingly.

2.16 Provisions

Provisions are recognized if the Bank has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation as of the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

2.17 Loan commitments

No loan commitments are found to be designated at fair value through profit or loss under the fair value option. All loan commitments remain as off balance sheet item.

2.18 Statement of cash flows

For purposes of the statement of cash flows, the Bank's cash and cash equivalents include highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of change in value. Such investments include cash and balances at central banks and demand deposits with banks.

2.19 Liquidity statement

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

2.20 Offsetting of asset and liability

The value 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 therefore. No such incident existed during the year.

2.21 Post balance sheet events

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

2.22 Segment reporting

For the purpose of Segment Reporting as per International Financial Reporting Standard-8, the following segments relating to revenue, expenses, assets and liabilities have been identified and shown in the related notes accordingly as primary/secondary segments.

- domestic operations in line with geographical segments.
- banking operations comprising of branches of the banking entity,
- treasury operations comprising of the banking entity



a) Geographical location wise segments report

Figure in million (Tk)

Particulars	For the year ended December 31, 2010							
	Branches of the banking entity and operations in line with geographical segments							
	Dhaka	Chittagong	Khulna	Rangpur	Rajshahi	Sylhet	Barisal	Total
Number of Branches	262	174	128	62	134	58	49	867
Interest income on loans & advances	9231.01	2515.79	939.67	408.05	444.40	206.66	252.04	13997.62
Interest on Branch A/C (Net)	(1880.44)	672.35	156.13	35.40	275.43	611.72	129.41	–
Interest paid on deposits & borrowings	(3998.28)	(1262.72)	(426.10)	(260.10)	(294.50)	(676.94)	(168.03)	(7086.67)
Net interest income	3352.29	1925.42	669.70	185.35	423.33	186.82	168.04	6910.95
Investment income	6477.97	–	–	–	–	–	–	6477.97
Commission, exchange & brokerage	2193.07	341.78	70.56	59.96	42.89	22.18	25.20	2755.64
Other operating income	204.15	179.78	34.42	124.88	166.50	52.76	23.17	785.66
Total operating income	12227.47	2446.98	774.68	370.19	632.72	261.76	216.41	16930.22
Allocated expenses	(3638.13)	(807.64)	(576.61)	(196.48)	(419.62)	(196.48)	(233.23)	(6068.19)
Operating profit (loss)	8589.54	1639.34	198.07	133.71	173.10	65.28	63.18	10862.03
Operating profit / (loss) as % of total operating profit of the Bank	80%	15%	2%	2%	2%	1%	1%	100%

b) Segment report by nature of operation

Figure in million (Tk)

Nature of operation	December 31, 2010	
	Amount	In %
Operating profit from banking operation	4384.06	40.36%
Operating profit from investment operation	6477.97	59.64%
Total operating profit	10862.03	100%

2.23 Risk Management

The risks of Agrani Bank Limited have been defined as the possibility of losses, financial or otherwise. The Risk Management of the Bank covers 6 (six) Core Risk Areas of banking i.e. Credit Risk Management, Foreign Exchange Risk Management, Asset Liability Management, Prevention of Money Laundering, establishment of Internal Control & Compliance and Information & Communication Technology (ICT) risk. 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.

2.23.1 Credit Risk Management

Credit Risk is one of the prime risks of the Bank. It indicates the potential loss arising from contractual failure of the borrower with the Bank. The failure may be resulted from unwillingness of the borrower or due to decline of the financial conditions. Therefore, Bank's Credit Risk Management activities have been designed to address all these issues.

On the basis of Bangladesh Bank's Credit Risk Management (CRM) policies, Agrani Bank Limited has formulated a Manual of Credit Risk Management Policies which has been approved by Bank's Board of Directors, already in force. These help to bring the credit operation of the Bank to the level of international standard.



The organizational structure of Bank's Head Office has been designed in line with CRM guidelines. The duties of the officers/executives, working in credit areas, have been segregated for smooth functioning. Credit approval, administration, monitoring and recovery function have been segregated and functioning accordingly. Credit Risk Management activities ensure maintaining asset quality, assessing risks 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 as per Credit Risk Management Policy. 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 Branch/Credit Division which is placed before the Credit Committee (CRE-COM)/Board for approval/decline.

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 the policies of the Bank and Regulatory bodies.

2.23.2 Foreign Exchange Risk Management

The risk of foreign exchange transactions has been streamlined to earn a potential gain through the Treasury Department. i.e. Fund Management Division which is run by a group of structured manpower. Although the global economic scenario was very much alarming because of the crises in all economic phenomena, still the Bank has faced it prudently leading to higher profit compared with the previous record of the Bank. It has become possible by Treasury Department through optimum use of open position limit fixed by Bangladesh Bank with a view to generating maximum revenue.

There is active participation in inter-bank foreign exchange market. The foreign exchange risk of the Bank is minimal as majority of the transactions are carried out on behalf of the customer's requirement for various trade finance and remittance activities. The Bank did not conduct any speculative deal in foreign currency for the year. To minimize any potential loss arising from currency fluctuation, 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's export activities and remittances from abroad.

In compliance with the Bangladesh Bank Guidelines, Agrani Bank Limited 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 have 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 Department, an independent Treasury Back Office is functioning through an independent organizational 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.

2.23.3 Asset Liability Management

Asset and Liability Management is one of key essentials of managing a Bank's balance sheet efficiently. In line with the ongoing reform and modernization program, Agrani Bank Limited has retooled its ALM to deliver modern, dynamic, vibrant & futuristic process through the adaptation of international best recognized practice.

Considering all risk factors Agrani Bank Limited has established an effective ALM process for assessing, analyzing and reviewing various kinds of risk exposures arising from the composition and dynamics of the balance sheet. Asset Liability Committee (ALCOM) of the Bank regularly reviewing these risk exposures and advised for both the opportunities and threats to its liquidity and balance sheet positions as well as positions of maturing assets and liquidity contingency plan. The Bank maintained its liquidity at satisfactory level to meet the requirements of all types of customers.

At present the markets are fraught with various kinds of risk around the corner. Each element of risk is segmented, fragmented and quantified before it is loaded in 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.



2.23.4 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. Meticulous records of 'Know Your Customer (KYC)' & Transaction Profile (TP) are being maintained. Cash Transaction Report (CTR) & 'Suspicious Transaction Report (STR)' if any observed are sent to competent authority in strict adherence to Central Bank directives. Training has been continuously given to the category of officers and executives for developing awareness and skills for identifying suspicious activities.

2.23.5 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 Ltd. has introduced three Units under Internal Control and Compliance (ICC). The three units are: Compliance, Monitoring and Audit and Inspection. The Monitoring unit is named as Audit Implementation Division. Internal Audit and Inspection Division undertakes periodical and special audit of the branches and Division 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.

2.23.6 Information and Communication Technology Risk

Use of ICT in Agrani Bank Limited is increasing tremendously with the increased use of ICT it become necessary to be more careful to address the risk associated to ICT security. Bank has formulated well defined ICT policy in line with the international best practices and prudential guidelines of Bangladesh Bank on ICT security. Besides the policy bank also prepared implementation manual for user at all level in conformity with the ICT policy. An ICT Audit manual has been prepared and is in use for auditing ICT activities of the bank to assure that the policy and the procedure are meticulously followed while using ICT by the user at any level.

2.24 Financial Guarantees

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other parties on behalf of customers to secure loans, overdrafts, other banking facilities and other various payments. Financial guarantees are recognized in the financial statements at fair value on the date the guarantee was given as contingent liability.

2.25 Related Party Transactions

Parties are considered to be related if one party has the ability to directly or in directly control the other party or exercise significant influence over the other party in making financial or operational decisions. During the year the Bank has some transactions with the Government (owner of the Bank) in respect of banking business like loans and advances, guarantees and commitments as mentioned below:

Related party relationship disclosure during the year 2010 (IAS-24 Related Party Disclosure)				
Sl. no.	Name of Related Party	Related Party Relationship	Transaction Amount Tk.	Nature
1	Government (Note-19.1)	Owner	20,431,316	Letter of Guarantee
2	Government (Note-6)	Owner	30,261,416,132	Government Securities
3	Government (Note-9)	Owner	5,484,724,868	Advance Income Tax
4	Ministry of Food and other Ministry (Note-7.3.b)	Owner	789,873,000	Loans and Advances



Related party relationship disclosure during the year 2010 (IAS–24 Related Party Disclosure)				
Sl. no.	Name of Related Party	Related Party Relationship	Transaction Amount Tk.	Nature
5	State Owned Enterprises	Enterprises Owned by Government	29,451,353,000	Guarantees for Loans and Advances (Funded and Non–Funded) to State Owned Enterprises
6	Government (Note–11.d)	Owner	15,129,089,912	Deposit (CD, SB, FDR, STD and special purpose deposit)
7	Agrani Exchange House Pvt. Ltd., Singapore	Subsidiary Company	6,457,000	Investment in subsidiary company
8	Agrani Remittance House SDN.BHD, Malaysia	Subsidiary Company	8,967,168	Investment in subsidiary company
9	Agrani Equity & Investment Limited	Subsidiary Company	1,999,998,700	Investment in subsidiary company
10	Agrani SME Financing Company Limited	Subsidiary Company	Nil	Capital not yet been provided. Paid–up capital of the company is to be provided by way of transferring the assets (including loans and advances given by SEDP) and liabilities of SEDP awaiting for execution of Vendor Agreement among the Company, Bank and Ministry of Finance.

2.26 Particulars of Directors and their interest in the Bank (31–12–2010)

Name and address	Status	Date of original appointment	No. of shares held in the Bank
1	2	3	4
Dr. Khondoker Bazlul Hoque Chairman, Department of International Business, University of Dhaka	Chairman	09–09–2009	01
Mr. Ranjit Kumar Chakraborty, Additional Secretary, Ministry of Finance, Finance Division, Government of the People’s Republic of Bangladesh	Director	13–12–2006	01
Mr. Shekhar Dutta Secretary, Moni Singh–Farhad Memorial Trust, 3, Comrade Moni Singha Sarak, 21/2 Purana Paltan, Dhaka	Director	09–09–2009	01
Mr. Nagibul Islam Dipu 56, Shantinagar, Dhaka	Director	09–09–2009	01
Engineer Md. Abdus Sabur 4, Motijheel C/A (2 nd Floor), Dhaka–1000	Director	09–09–2009	01
Barrister Zakir Ahammad 13, Topkhana Road, Rupayan Lotus, SUIT B#2, Dhaka–1000.	Director	09–09–2009	01



Name and address	Status	Date of original appointment	No. of shares held in the Bank
1	2	3	4
Mr. Shahjada Mohiuddin Flat No. A/4 (4 th Floor), 19/A Lake Circus, Kalabagan, Dhanmondi, Dhaka.	Director	09-09-2009	01
Mr. Abdulz Jahir Chowdhury (Sufian) 87, Sagar Dighirpar, Sylhet	Director	14-09-2009	01
Mr. K.M.N. Manzurul Hoque Lablu Chief Editor & Managing Director, Global News Agency, 33, Topkhana Road (1 st Floor), Shabuj Chaya, Dhaka.	Director	14-09-2009	01
Mr. A.K. Gulam Kibria FCA Chartered Accountants, G. Kibria & Co. 24-25 Dilkusha C/A (5 th Floor), Dhaka.	Director	24-09-2009	01
Luna Shamsuddoha Chairman, Dohatek New Media, 43, Purana Paltan Line, Dhaka-1000.	Director	24-09-2009	01
Mr. Syed Bazlul Karim, BPM Flat No. 1/301, Eastern Rokeya Tower, 98, Bara Mogbazar, Ramna, Dhaka	Director	22-10-2009	01
Mr. Syed Abdul Hamid Agrani Bank Limited, Head Office, Dhaka.	Managing Director & CEO	20-04-2010	N/A

2.27 Name of the Directors and their interest in different entities (31-12-2010)

Name of the Directors	Designation with ABL	Entities where they have interest	Position with the Entities
1	2	3	4
Dr. Khondoker Bazlul Hoque	Chairman	Department of International Business, University of Dhaka	Chairman
Mr. Ranjit Kumar Chakraborty,	Director	Ministry of Finance, Finance Division, Government of the People's Republic of Bangladesh	Additional Secretary
Mr. Shekhar Dutta	Director	Moni Singh-Farhad Memorial Trust, 3, Comrade Moni SinghaSarak, 21/2 Purana Paltan, Dhaka	Secretary
Mr. Nagibul Islam Dipu	Director	Polac Real Estate Ltd. 56, Shantinagar, Dhaka	Managing Director



Name of the Directors	Designation with ABL	Entities where they have interest	Position with the Entities
1	2	3	4
Engineer Md. Abdus Sabur	Director	National Design & Construction Ltd., 4, Motijheel C/A (2 nd Floor), Dhaka-1000.	Director
Barrister Zakir Ahammad	Director	Indepth News of Bangladesh (INB), 13 Topkhana Road, Dhaka-1000.	Chairman
Mr. Shahjada Mohiuddin	Director	M/S Arshi Enterprise, 152/2B Green Road, 3 rd Floor, Dhaka.	Proprietor
Mr. Abdus Jahir Chowdhury (Sufian)	Director	Social Worker	Social Server
Mr. K.M.N. Manzurul Hoque Lablu	Director	Global News Agency, 33, Topkhana Road (1 st Floor), Shabuj Chaya, Dhaka.	Chief Editor & Managing Director
Mr. A.K. Gulam Kibria FCA	Director	Chartered Accountants, G. Kibria & Co. 24-25 Dilkusha C/A (5 th Floor), Dhaka.	Senior Partner
Luna Shamsuddoha	Director	Dohatek New Media, 43, Purana Paltan Line, Dhaka-1000.	Chairman
Mr. Syed Bazlul Karim, BPM	Director	Social Worker	Rtd. AIG

2.28 Audit Committee (31-12-2010)

Name	Status with the Bank	Status with the Committee	Address	
			Present	Residence
Mr. Ranjit Kumar Chakraborty	Director	Chairman	Additional Secretary, Ministry of Finance, Finance Division, Government of the People's Republic of Bangladesh	B-19/E-5 (Swaranika) Easkaton Garden Govt. Officer's Quarters Dhaka.
Engineer Md. Abdus Sabur	Director	Member	Director, National Design & Construction Ltd., 4, Motijheel C/A (2 nd Floor), Dhaka-1000	20 Green Corner, Green Road, Dhaka-1205
Mr. A.K. Gulam Kibria FCA	Director	Member	Senior Partner G. Kibria & Co. Chartered Accountants 24-25 Dilkusha C/A (5 th Floor), Dhaka.	House # 12, Road # 95 Aptt. 4/C, Gulshan-2, Dhaka-1212.



Board Audit Committee:

The Board Audit Committee played an important role during 2010 for efficient and safe banking system. The Committee ensured close co-operation between the management and the ultimate supervisory authority– the Board of Directors. It also performed a vital role by identifying various risk factors that arose from the business activities of the Bank; by periodically reviewing the audit reports for safe, sound and disciplined banking operations. Besides these, the Audit Committee has directed the concerned to allocate right man for audit, prepare Risk-based audit planning, reduce the number of objections of the same nature raised by internal audit by making groups according to the nature of objection, re-define the serious objections and very serious objections and reconcile all pending entries. The committee advised the Bank Management to perform auditing on random basis, complete auditing of all branches & divisions every three year, re-audit 10% of the branches audited last year. The committee also advised the Bank Management to de-centralize audit functions by creating audit cells at Personnel Division and different circles.

Important decisions were taken by the Audit Committee in 04 (Four) meetings held during the reporting year 2010. In those meetings emphasis were given on the following issues:

1. The committee recommended Banks Balance Sheet and Profit and Loss Account of 2009 for approval of the Board of Directors. The Committee analysed the draft Balance Sheet as at December 31, 2009 and Profit and Loss Account. After the analysing the committee suggested some amendments and then to place it to the Board for approval.
2. The Committee enquired about the objections raised by different Audit Groups (Viz Bangladesh Bank Inspection Team, External Audit Team, Govt. Commercial Audit Team and Internal Audit Team) and found some objections yet to be settled. The Committee then advised the Bank Management to take corrective measures to settle those objections immediately.
3. The Committee analysed the implementation status of Audit plan 2009. The Committee also looked into the “Annual Audit Plan–2010” of the Bank and approved the same after some amendments.
4. The Committee asked the Bank Management to create a cell (welfare cell) under Personnel Division to issue clearance regarding Annual Increment, PRL (Post Retirement Leave), Final Settlement, Selection Grade, Time Scale etc. instead of issuing clearance by Internal Audit Team.
5. The Committee also gave emphasis on proper allocation of manpower for Internal Audit so that auditing could be done properly.
6. The Committee advised the Bank Management to take necessary measures for reconciliation of all unreconciled entries, specially regarding army pension.

Beyond that, the committee instructed the Bank Management to perform the following activities regularly:

- To perform auditing on random basis.
- To cover auditing of all branches of the bank in every 3 years.
- To re-audit 10% of the branches audited last year so as to be ensure that the previous audit objections are positively and correctly compiled.
- To set priority area for auditing.
- To minimize the audit objections through strengthening the internal control systems.
- To ensure the appropriate implementation of the audit recommendations.
- To collect the report of regularization of the irregularities/objections raised by the Audit Team as soon as possible.
- To take steps to scrutinize the implementations of the objections on random basis.
- To place the most irregularities/objections raised by Internal Audit to the Audit Committee in the form of Executive Summary.
- To prepare Risk-based audit planning, reduce the number of objections of the same nature raised by internal audit by making groups according the nature of objection and redefine the serious objections and very serious objections.
- To fix up the criteria for selection of External Auditor.

2.29 General:

- a) Figures have been rounded off to the nearest taka.
- b) Prior Year's figures have been shown for comparison purposes and rearranged wherever necessary to conform to current year's presentation.
- c) Conversion rate is calculated based on the simple average of buying and selling rate.



3 CASH	December 31, 2010	December 31, 2009
	Taka	Taka
3.1 Cash in Hand:		
Local Currency	2,522,456,266	1,506,387,539
Foreign Currencies	79,898,670	91,766,193
	2,602,354,936	1,598,153,732
3.2 Balance with Bangladesh Bank and its agent bank:		
Bangladesh Bank (Note-3.2.1)	9,483,298,449	7,071,463,763
Sonali Bank Limited as agent of Bangladesh Bank (Note 3.2.2)	930,997,834	866,685,673
	10,414,296,283	7,938,149,436
Total (Note 3.1+3.2)	13,016,651,219	9,536,303,168
3.2.1 Balance with Bangladesh Bank		
Local Currency	9,441,498,714	7,030,444,309
Foreign Currencies	41,799,735	41,019,454
	9,483,298,449	7,071,463,763
3.2.2 Balance with Sonali Bank Limited		
Local Currency	930,997,834	866,685,673
Foreign Currencies	-	-
	930,997,834	866,685,673
3.3 Cash Reserve Requirement and Statutory Liquidity Ratio:		
Cash Reserve Requirement 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.		
As per MPD Circular No.04 dated 01 December, 2010 the amount of CRR required to be maintained @ 6% of total demand and time liabilities daily on biweekly average basis subject to the condition that the amount of CRR so maintained should not be less than @ 5.5% in any day effecting from 15 December, 2010.		
3.3.1 Cash Reserve Requirement (CRR)		
Minimum Reserve Required @ 5.5% of Total Demand and Time Liabilities [@ 4.5% for the previous(2009) year]	10,251,736,500	6,885,916,200
Required Reserve @ 6% of Average Demand and Time Liabilities [@ 5% for the Previous (2009) Year]	11,183,712,500	7,651,018,000
Actual Reserve held with Bangladesh Bank	10,977,045,000	8,360,395,000
Surplus/ (Deficit)	(206,667,500)	709,377,000
As per MPD circular # 4 dated 01 December 2010 daily CRR may kept @5.5% on daily basis. But biweekly average amount not below 6% of Time & Demand Liabilities.		
3.3.2 Cash Reserve Requirement (bi-weekly average)		
Required Reserve @ 6% of Average Demand and Time Liabilities [@ 5% for the Previous (2009) Year]	11,183,712,500	7,651,018,000
Actual Reserve held with Bangladesh Bank (on average for last bi-weekly of December)	11,341,104,000	8,000,480,000
Surplus	157,391,500	349,462,000



	December 31, 2010 Taka	December 31, 2009 Taka
3.3.3 Statutory Liquidity Ratio (SLR)		
Required Reserve @19% of Total Demand and Time Liabilities	35,415,089,700	19,892,647,000
Actual Reserve held	41,514,935,300	41,468,182,000
Surplus	6,099,845,600	21,575,535,000
4 BALANCE WITH OTHER BANKS & FINANCIAL INSTITUTIONS		
In Bangladesh (Note-4.1)	2,431,535,722	2,776,760,212
Outside Bangladesh (Nostro Accounts: Debit balance – Annex E)	573,443,112	208,619,269
	3,004,978,834	2,985,379,481
4.1 In Bangladesh:		
(a) Local Currency		
Bank		
Al-Arafa Islami Bank Limited	10,576,754	–
First Security Bank Limited	2,712,156	–
Islami Bank Bangladesh Limited	101,235	–
Bangladesh Commerce Bank Limited	300,000,000	200,000,000
Bank Asia Limited	500,000	500,000
Exim Bank Limited	–	300,000,000
Jamuna Bank Limited	500,000,000	400,000,000
National Bank of Pakistan	200,000,000	400,000,000
Non Interest bearing deposit with ICB Islamic Bank Ltd (Former The Oriental Bank Ltd.)	82,645,577	83,264,077
South East Bank Limited	–	100,000,000
	1,096,535,722	1,483,764,077
Other Financial Institutions		
Agrani Bank Limited – Merchant Bank Unit	–	7,996,135
Bangladesh Financial Investment Co Ltd	30,000,000	30,000,000
Bangladesh Industrial Finance Company Limited	30,000,000	30,000,000
Bay Leasing & Investment Limited	30,000,000	30,000,000
Far east Finance & Investment Limited	150,000,000	30,000,000
Fidelity Asset & Security Limited	–	50,000,000
First Lease Int. Limited	20,000,000	20,000,000
GSP Finance Company Bangladesh Limited	50,000,000	50,000,000
IDLC Finance Limited	–	200,000,000
Industrial & Infrastructure Development FinCo.Ltd	95,000,000	75,000,000
International Leasing and Financing Service Ltd.	100,000,000	75,000,000
Lanka Bangla Limited (Vanik Bangladesh Limited)	150,000,000	50,000,000
Oman Bangladesh Leasing Limited	–	100,000,000
Peoples Leasing and Finance & Investment Limited	230,000,000	120,000,000
Phoenix Leasing Company Limited	–	50,000,000
Premier Leasing & Finance Limited	100,000,000	100,000,000
Prime Finance and Investment Limited	100,000,000	100,000,000
Reliance Finance Limited	200,000,000	–
Union Capital Limited	–	75,000,000
Uttara Finance & Investment Limited	50,000,000	100,000,000
	1,335,000,000	1,292,996,135
	2,431,535,722	2,776,760,212
(b) Foreign currencies	–	–
	2,431,535,722	2,776,760,212



	December 31, 2010 Taka	December 31, 2009 Taka
4.2 Balance With Other Banks and Financial Institutions (Account wise):		
Current & Other Accounts	586,833,257	208,619,269
Fixed Deposit Receipts (FDR)	2,418,145,577	2,776,760,212
	3,004,978,834	2,985,379,481
4.3 Maturity grouping of balances:		
On demand	573,544,347	529,879,481
Less than three months	1,198,294,959	1,220,000,000
More than three months but less than one year	1,149,993,951	1,151,035,923
More than one year but less than five years	-	-
More than five years	83,145,577	84,464,077
	3,004,978,834	2,985,379,481
5 MONEY AT CALL AND SHORT NOTICE		
Commercial Banks (Note 5.1)	-	1,700,000,000
	-	1,700,000,000
5.1 Commercial Banks:		
One Bank Limited	-	100,000,000
Standard Bank Limited	-	100,000,000
Mercantile Bank Limited	-	100,000,000
AB Bank Limited	-	400,000,000
IFIC Bank Limited	-	300,000,000
Premier Bank Limited	-	300,000,000
Basic Bank Limited	-	300,000,000
IDLC Finance Limited	-	100,000,000
	-	1,700,000,000
6 INVESTMENTS		
a. Government Securities:		
Treasury Bills (marking to market) (Annex –B.1)	3,273,575,166	8,862,376,119
Treasury and Other Bonds (Annex –B.2)	26,973,452,066	23,833,284,318
Inter Bank REPO	-	5,250,000,000
Prize Bonds (at cost)	14,388,900	13,063,700
Sub total	30,261,416,132	37,958,724,137
b. Other Investments:		
Shares at cost (Annex –C.1, C.2)	12,229,878,852	1,283,462,140
Debenture (at cost) (Annex –D)	1,425,000,019	1,655,000,019
Sub total	13,654,878,871	2,938,462,159
Grand Total (a + b)	43,916,295,003	40,897,186,296
6.1 Maturity Grouping of Investments:		
On demand	14,388,900	8,181,730,039
Less than three months	14,264,459,591	3,594,896,310
More than three months but less than one year	1,873,994,426	3,675,169,210
More than one year but less than five years	9,752,688,161	10,178,156,295
More than five years	18,010,763,925	15,267,234,442
	43,916,295,003	40,897,186,296



	December 31, 2010 Taka	December 31, 2009 Taka
6.2 Value of Investments:		
Treasury Bills:		
Treasury Bills (28 Days)	—	—
Treasury Bills (91 Days)	538,151,869	3,823,999,174
Treasury Bills (182 Days)	835,645,874	1,694,127,276
Treasury Bills (364 Days)	1,899,777,423	3,344,249,669
Inter Bank Repo	—	5,250,000,000
Total Treasury Bills:	3,273,575,166	14,112,376,119
Treasury Bonds	25,043,452,066	23,093,683,318
Other Bonds	1,930,000,000	739,601,000
Prize Bonds	14,388,900	13,063,700
Debentures	1,425,000,019	1,655,000,019
Shares	12,229,878,852	1,283,462,140
	40,642,719,837	26,784,810,177
	43,916,295,003	40,897,186,296
6.3 Net Investments:		
Carrying amount	43,916,295,003	40,897,186,296
Less: Provision [Note 12.11]	1,280,024,694	6,988,820
Net Investment	42,636,270,309	40,890,197,476

6.4 a) The investment in shares includes 62,50,000 shares at a consideration of Tk. 200 per share, purchased from Crescent Limited, a shareholder of Unique Hotel & Resorts Limited under sell and buy back agreement signed among Agrani Bank Limited, Crescent Limited and Beximco Holding Limited on November 10, 2010 for the period of one year commencing from November 10, 2010. Under this agreement Beximco Holding Limited has given an undertaking to act as a “Buy back guarantor” for a period of one year commencing from November 10, 2010 at 20% annual markup on such purchase price. Beximco Holding Limited has also given corporate guarantee for payment of the guaranteed liabilities on November 11, 2010.

b) The investment in shares includes 1,35,00,000 shares at a consideration of Tk. 80 per share, purchased from New Dhaka Industries Ltd., a shareholder of Bextex Limited under sell and buy back agreement signed among Agrani Bank Limited, New Dhaka Industries Ltd. and Beximco Holding Limited on November 28, 2010 for the period of one year commencing from November 28, 2010. Under this agreement Beximco Holding Limited has given an undertaking to act as a “Buy back guarantor” for a period of one year commencing from November 28, 2010 at 20% annual markup on such purchase price. Beximco Holding Limited has also given corporate guarantee for payment of the guaranteed liabilities on November 28, 2010.

7 LOANS & ADVANCES

7.1 As per classification into the following broad categories:

Loans, Cash Credits & Over Drafts etc.

In Bangladesh

a) Loans

Rural Credits	7,401,310,194	6,943,245,136
Weavers Credits	32,251,189	427,325,809
Industrial Credits	28,737,788,675	23,913,595,468
Jute Advances	8,884,324,509	6,502,441,863
Leather Sector Advances	3,649,591,278	3,170,581,744
Staff Loans	13,791,943,256	12,035,557,778
Loan (Others)	30,269,857,893	17,295,297,582
Small and Micro Credits *	2,029,779,752	2,166,015,781
	94,796,846,746	72,454,061,161

* This amount includes Taka 45.84 crore of SEDP loan which will be transferred to Agrani SME Financing Limited. The said loan includes some stuck up loans and advances which are doubtful of recovery against which no provision has been made in the Financial Statements as these loans of Tk.45.84 crore are to be taken over by Agrani SME Financing Limited a newly formed subsidiary company of Agrani Bank Limited.



	December 31, 2010 Taka	December 31, 2009 Taka
b) Cash credits		
Cash Credits	31,085,942,884	24,799,921,163
Packing Credits	760,127,211	651,830,481
Loan Against Imported Merchandise (LIM)	578,299,410	426,665,736
Payment Against Documents (PAD)	21,608,656,516	16,503,356,725
	<u>54,033,026,021</u>	<u>42,381,774,105</u>
c) Overdrafts	9,166,889,879	5,107,672,077
Total (a+b+c)	157,996,762,646	119,943,507,343
Outside Bangladesh	5,484,256	5,509,256
	<u>158,002,246,902</u>	<u>119,949,016,599</u>
Bills Purchased & Discounted (Note 7.8)		
In Bangladesh		
Inland Bills Purchased	25,620,042	38,001,031
Outside Bangladesh		
Foreign Bills Purchased	5,228,317,501	2,249,067,639
	<u>5,253,937,543</u>	<u>2,287,068,670</u>
Total Loans & Advances	163,256,184,445	122,236,085,269
7.2 Maturity grouping of loans and advances :		
Repayable on Demand	15,759,254,043	9,402,432,318
Not more than 3 months	21,608,656,516	8,083,614,215
More than 3 months but not more than 1 year	33,115,722,636	35,840,275,866
More than 1 year but not more than 5 years	48,014,882,420	27,563,905,148
More than 5 years	44,757,668,830	41,345,857,722
	<u>163,256,184,445</u>	<u>122,236,085,269</u>
7.3.a Disclosure for significant concentration:		
Advances to allied concerns of Directors	-	-
Advances to Managing Director	-	-
Advances to Other Executives	9,774,238,961	8,338,372,564
Advances to Customers' Group	124,744,156,809	89,984,117,237
Industrial Credits	28,737,788,675	23,913,595,468
	<u>163,256,184,445</u>	<u>122,236,085,269</u>
7.3.b Disclosure for sector-wise loans and advances:		
Government sector	789,873,000	775,100,000
Other public sector	28,463,487,000	22,070,430,000
Private sector	134,002,824,445	99,390,555,269
	<u>163,256,184,445</u>	<u>122,236,085,269</u>
7.3.c Detail of information on advances more than 10% of the Bank's Paid-up capital:		
Number of the clients	15	28
Amount of outstanding advances (funded)	38,173,300,000	38,921,300,000
Amount of recovery	1,183,600,000	1,417,700,000
<i>Detail information as at December 31, 2010 given in the enclosed Annex-A</i>		
7.4 Geographical Location – wise Loans and Advances:		
A. Urban:		
Dhaka Region	98,166,862,409	74,815,772,841
Chittagong Region	25,516,300,852	19,063,498,890
Khulna Region	11,995,140,562	6,854,282,793
Rajshahi Region	5,201,786,586	4,019,545,466
Barisal Region	1,860,093,897	1,464,289,244
Sylhet Region	1,674,501,252	1,062,253,137
Rangpur	3,138,545,840	2,425,229,773
Sub Total	147,553,231,398	109,704,872,144



	December 31, 2010 Taka	December 31, 2009 Taka
B. Rural:		
Dhaka Region	4,844,679,621	4,145,948,206
Chittagong Region	1,898,485,283	1,255,145,680
Khulna Region	2,314,446,526	1,810,605,696
Rajshahi Region	2,476,686,049	2,036,573,459
Barisal Region	1,492,668,893	1,211,861,130
Sylhet Region	689,987,503	437,996,228
Rangpur	1,985,999,172	1,633,082,726
Sub Total	15,702,953,047	12,531,213,125
Total (A + B)	163,256,184,445	122,236,085,269
7.5 Sector – wise Loans and Advances:		
Agriculture and Fishery	7,401,310,193	6,943,245,136
Jute & Jute Goods	8,884,324,509	6,502,441,363
Transport Storage & Communication	2,520,750,000	714,863,279
Ship Breakings	954,757,761	791,134,036
Textile & Readymade Garments	16,949,693,306	12,690,877,000
Food & Allied Industry	6,806,383,793	5,096,197,198
Construction & Engineering	3,145,531,603	2,355,178,584
Pharmaceuticals and Chemicals	4,276,462,268	3,201,949,184
Leather Sector	5,348,091,277	4,644,700,000
Power Sector	1,957,300,000	74,833,630
Professional and Services	1,310,344,000	930,231,316
Housing Service	14,738,164,291	13,708,001,108
Wholesale/Retail Trading	26,871,640,565	20,119,814,504
Personal (staff and other personal loan)	13,791,943,256	12,935,557,778
Others	48,299,487,623	31,527,061,153
	163,256,184,445	122,236,085,269
7.6 Loans & Advances are Classified as per Bangladesh Bank Circular:		
Unclassified (including staff loan)	139,972,052,384	97,004,644,269
Special Mention Account	2,263,505,000	1,492,168,000
Classified:		
Sub–Standard	2,314,410,385	1,491,610,000
Doubtful	1,330,576,000	1,612,743,000
Bad or loss	17,375,640,676	20,634,920,000
	21,020,627,061	23,739,273,000
	163,256,184,445	122,236,085,269
7.7 Particulars of Loans and Advances:		
Loans considered good in respect of which of the banking company is fully secured;	139,167,068,310	104,199,652,139
Loans considered good against which the banking company holds no security other than the debtor's personal guarantee;	12,736,883,337	9,536,586,726
Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors;	11,353,232,798	8,499,846,404
Loans adversely classified; provision not maintained there against;	–	–
	163,257,184,445	122,236,085,269



	December 31, 2010 Taka	December 31, 2009 Taka
Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons;	9,774,238,961	8,338,372,564
Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members;	–	–
Maximum total amount of advances including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;	9,774,238,961	8,894,264,068
Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members;	–	–
Due from bank companies;	–	–
Amount of classified loan on which interest has not been charged, mentioned as follows:		
(Decrease) / increase in provision;	–	–
Amount of loan written off;	–	–
Amount realized against loan previously written off;	587,182,446	231,076,551
Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet;	7,961,179,212	10,312,283,000
Interest creditable to the Interest Suspense A/c;	–	–
Cumulative amount of the written off loan;	28,294,172,000	25,594,072,000
Amount written off during the current period	2,700,100,000	1,373,500,000
Amount of written off loan for which lawsuit has been filed	28,294,172,000	25,594,072,000
7.8 Bills purchased and discounted :		
In Bangladesh	25,620,042	38,001,031
Outside Bangladesh	5,228,317,501	2,249,067,639
	5,253,937,543	2,287,068,670
7.9 Maturity grouping of bills purchased and discounted :		
Payable within 1 month	5,253,937,543	2,287,068,670
Over 1 month but less than 3 months	–	–
Over 3 months but less than 6 months	–	–
6 months or more	–	–
	5,253,937,543	2,287,068,670
7.10 Net Loans and advances:		
Carrying amount	163,256,184,445	122,236,085,269
Less: Interest suspense and penal interest	5,786,981,525	6,912,157,626
Provision for loans and advances (Note–7.10a)	10,642,366,030	11,872,731,999
	16,429,347,555	18,784,889,625
Net loans and advances	146,826,836,890	103,451,195,644
7.10a Provision for loans and advances		
Provision against classified loan (12.5)	8,345,139,597	10,560,586,999
Provision against unclassified loan (12.6)	1,916,329,433	1,140,884,000
Provision special mention account (12.7)	112,067,000	72,299,000
3% General Provision for consumer financing (12.8)	268,830,000	98,962,000
	10,642,366,030	11,872,731,999



	December 31, 2010 Taka	December 31, 2009 Taka
8 FIXED ASSETS INCLUDING LAND, BUILDINGS, FURNITURE AND FIXTURES		
Cost/valuation:		
Balance at the beginning of the year	3,869,419,348	3,477,600,434
Addition during the year	335,633,207	417,324,494
Revaluation during the year*	2,318,482,524	–
Disposal / Transfer during the year	(5,396,901)	(25,505,580)
Balance at the end of the year	6,518,138,178	3,869,419,348
Less: Accumulated Depreciation		
Balance at the beginning of the year	990,722,005	946,814,151
Charge for the year	96,913,716	69,413,434
Adjustment for disposal / transfer	(5,396,901)	(25,505,580)
Balance at the end of the year	1,082,238,820	990,722,005
Written down value	5,435,899,358	2,878,697,343

* Land and building were revalued to Tk. 4,49,20,46,050 and Tk. 24,18,13,775 respectively by the Asian Surveyors Ltd as on December 30, 2010 which was approved by the board vide Memo No. 198/2011 dated February 23, 2011 and Revaluation Reserve for land and building Tk. 220,36,33,975 and Tk. 11,48,48,549 respectively were transferred to Fixed Assets Revaluation Reserve. Detail are given in Annex–G.1

9 OTHER ASSETS		
Investment in shares of subsidiary companies (Note–9.1) (Annexure–J,K,L)	2,015,422,868	15,424,168
Stationery, stamps, printing materials etc.	86,208,136	67,739,131
Accrued Income (Note – 9.3)	1,323,927,989	1,042,767,904
Income Receivable From Govt.	19,135,014	20,895,624
Discount Receivable on Treasury Bills	382,436,434	382,436,434
Advance Deposits & prepayments	3,590,641	4,313,468
Advance Tax Paid (Annex–F)	5,484,724,868	6,017,468,303
Advance Rent	45,416,670	33,668,899
Suspense Account (Note–9.2)	4,541,090,246	3,619,510,901
Demonetized Notes	187	187
Debit balance of Al Raji Foreign Exchange	347,892,609	347,892,609
D.D paid without advice	811,576,652	886,863,972
Net Balance with Pakistani Bank (Note–9.4)	–	–
Net Balance with Indian Bank (Note –9.5)	–	–
Protested Bills	47,519,237	37,685,866
Exempted Loans	182,012,316	282,785,793
Interest on Exempted Loans	567,931,255	733,269,492
Deferred Tax Assets (Note 9.6)	3,545,392,538	4,505,918,626
Foreign Correspondent draft paid	6,464,164	4,419,075
Indian Bank	28,550	28,550
Software Purchase	173,750,687	173,833,720
Valuation Adjustment (Note–9.8)	9,307,381,639	10,636,881,639
Receivable from ICB against sale of share (H.O)	598,447,336	32,310,685
Dividend Receivable from Preference Share	–	13,623,391
Mark–up Receivable from Buy back Share	52,958,905	–
Branch Adjustment (Note–9.7)	6,678,709,118	4,969,481,683
	36,222,018,059	33,829,220,120

All the other assets amounting to Tk. 36,222,018,059 mentioned in Note –9 except Investment in shares of subsidiary companies (Agrani Exchange House (Pvt) Ltd. Singapore, Agrani Remittance House, Malaysia and Agrani Equity & Investment Limited) are non income generating in nature.



9.1 This represents investment in shares of Agrani Exchange House (Pvt) Ltd., Singapore Tk. 6,457,000, Agrani Remittance House, SDN, BHD, Malaysia Tk. 8,967,168 and Agrani Equity and Investment Limited Tk. 1,999,998,700 are wholly owned subsidiary companies of Agrani Bank Limited. As per International Accounting Standards–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 directive of Bangladesh Bank investment in subsidiary companies must be presented under the heading of “Other Assets”. As the Bank Companies Act 1991 is the law, the Bank must comply, therefore investment in Agrani Exchange House (Pvt) Ltd & Agrani Remittance House SDN,BHD are presented in the Financial Statements in compliance with the Bank Companies Act. We have however for the purpose of full transparency enclosed the audited Financial Statements of Agrani Exchange House (Pvt) Ltd, Singapore and Agrani Remittance House, SDN, BHD, Malaysia and Agrani Equity and Investment Limited for the year 2010 as annex–J,K & L respectively. Agrani SME Financing Limited started from but shares are not transfere yet.

	December 31, 2010	December 31, 2009
	Taka	Taka
9.2 Suspense a/c		
Sundry debtors –staff (Note–9.2 (i))	12,483,378	4,956,571
Sundry debtors –other (Note 9.2 (i))	267,332,896	198,043,149
Legal charges	302,777	9,882
Clearing adjustment	6,528,858	6,804,888
Advance against petty cash	4,000	11,000
Army pension (Note –9.2(ii))	2,949,524,807	2,386,534,005
Purchase of WES Bond	77,589,169	52,115,349
Loan application form	1,295,403	1,287,194
Civil pension	35,355,363	15,331,785
Payment against sanchaya patra	1,186,134,674	949,391,727
Premium paid XBP	1	71,846
Defective/mutilated/burnt notes	4,538,920	4,953,505
	4,541,090,246	3,619,510,901

9.2 (i) Sundry debtors– staff & others and clearing adjustment

An amount of Taka 24,687,632 remain un–recovered/unadjusted over one year and that amount has been provided in the accounts .

9.2 (ii) Army Pension

This represents pension paid to Army personnel by the Bank of Tk. 2,949,524,807 as per Government decision which is reimbursable and against the amount, an amount of Tk.1,061,695,200 has been kept in sundry deposit. Moreover an amount of Tk.269,319,393 has been provided in the accounts against long outstanding.

9.3 Accrued income:

Accrued interest on Loans & Advances	117,167,938	121,387,475
Accrued interest on Investment	897,017,421	683,545,588
Accrued interest on Balance with Other Banks & Financial Institutions	102,965,939	89,033,763
Accrued commission, Exchange & Brokerage	141,011,484	80,603,223
Accrued Other Operating Income	65,765,207	68,197,855
	1,323,927,989	1,042,767,904

9.4 Net balance with Pakistani Bank:

Pakistan a/c	1	1
Exchange Transaction a/c.	1	1
	2	2
Less:– CBL General (Pak) a/c (Cr.)	2	2
	–	–

Net balance with Pakistani bank was Tk. 33,842,386. This amount was written off in the year 2005 keeping 1.00 taka balance to maintain the record.



9.5 Net Balance with Indian Bank:

	December 31, 2010 Taka	December 31, 2009 Taka
<u>Br. Code</u> <u>Br. Name</u>		
254 Sadarghat, Dhaka	1	1
298 J.N. College, Dhaka	1	1
341 Sadarghat, Chittagong	1	1
472 Mirjumlam, N.Gonj	1	1
	<u>4</u>	<u>4</u>
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
	<u>4</u>	<u>4</u>

Net balance with Indian bank was Tk. 4,824,561. These amount was written off in the year 2005 .

9.6 Deferred Tax :

Deferred tax has been computed in accordance with provision of IAS –12 based on taxable temporary differences in the carrying amount of the assets/liabilities and their tax base as follows:

i) Written down value of fixed assets		
a. Carrying amount (excluding land in 2010)	783,481,186	2,878,697,343
b. Tax base	<u>772,275,267</u>	<u>2,376,164,107</u>
Taxable/(deductible) temporary difference (a–b)	<u>11,205,919</u>	<u>502,533,236</u>
ii) Superannuation and Gratuity provision		
c. Carrying amount	(4,549,352,822)	(5,754,761,084)
d. Tax base	<u>–</u>	<u>–</u>
Taxable/(deductible) temporary difference (c–d)	<u>(4,549,352,822)</u>	<u>(5,754,761,084)</u>
iii) Provision for Bad & Loss Loans and Advances *		
e. Carrying amount	(4,130,192,137)	(5,349,933,626)
f. Tax base	<u>–</u>	<u>–</u>
Taxable/(deductible) temporary difference (e–f)	<u>(4,130,192,137)</u>	<u>(5,349,933,626)</u>
iv) Temporary difference (Taxable)		
g. Carrying amount at balance sheet date (i.a+ii.a+iii.a)	<u>(7,896,063,773)</u>	<u>(8,225,997,367)</u>
h. Tax base (i.b+ii.b+iii.b)	<u>772,275,267</u>	<u>2,376,164,107</u>
Taxable/(deductible) temporary difference (g–h)	<u>(8,668,339,040)</u>	<u>(10,602,161,474)</u>
v) Applicable tax rate	42.50%	42.50%
vi) Deferred tax assets	<u>(3,684,044,092)</u>	<u>(4,505,918,626)</u>
Less: Adjustment for Deferred Tax Liability for revaluation of Land and Building		
Land (2% of total revalued amount: Tk. 4,492,046,050)	89,840,921	–
Building (42.5% of total revaluation reserve of building: Tk. 114,848,549)	48,810,633	–
	<u>138,651,554</u>	<u>–</u>
Deferred tax assets at the end of the period	<u>(3,545,392,538)</u>	<u>(4,505,918,626)</u>



Fixed assets, provision for superannuation and gratuity funds and provision for bad and loss loan and advances have been considered during calculation of deferred tax due to having considerable taxable temporary differences. As per calculation of Deferred Tax Assets balance for the year ended December 31, 2010 has decreased by the amount of Tk 821,874,534 and this has been debited to the profit and loss account.

* The carrying amount has been arrived at by estimating temporary differences (based on analysis of prior years' relevant figures) on account of bad/loss debts that are likely to be written off in future years out of the year-end total amount of provision for bad and loss loans and advances Tk.7,961,179,212. Provision for loans and advances (bad & loss) was not considered in deferred tax calculation in previous years. In this year the Bank has changed its accounting policy and considered provision for loans and advances (bad & loss) in deferred tax calculation and financial statements of previous year have restated accordingly.

9.7 Branch adjustment:

	<u>December 31, 2010</u> Taka	<u>December 31, 2009</u> Taka
<u>Debit balance</u>		
Main Office Account (M.O)	912,736,046,479	865,964,343,748
New General Account (N.G)	920,980,454,691	812,061,810,444
Instant Financial Messaging System (IFMS)	21,261,823,740	21,261,823,740
	<u>1,854,978,324,910</u>	<u>1,699,287,977,932</u>
<u>Less:– Credit balance</u>		
Main Office Account (M.O)	915,054,122,002	842,496,944,194
New General Account (N.G)	911,962,103,702	830,538,161,966
Instant Financial Messaging System (IFMS)	21,283,390,089	21,283,390,089
	<u>1,848,299,615,793</u>	<u>1,694,318,496,249</u>
	<u>6,678,709,118</u>	<u>4,969,481,683</u>

Out of 07 debit entries (NG) of 2006, 3 debit entries are related with fraudulent activities involving TK. 18.90 lacs and 3 debit entries involving Tk. 1.35 lacs of Al-Rajhi Bank have not reconciled and rest 1 debit entry has already been reconciled on 07-04-11 for Tk. 0.05 lac. Out of 8 credit entries 7 credit entries reconciled on or before 07-04-11 and rest 1 credit entry is still unreconciled for Tk. 7.88 lacs. Provision has been kept for the entire amount of Tk. 28.19 lacs against the debit entries of 2006. On the other hand Bangladesh Bank (DOS(S)/1155/53/2011-65 Dated: 28-02-2011) allowed a period upto 30th June, 2011 for reconciliation of outstanding entries of 2007 & 2008 and 30th December, 2011 for reconciliation of outstanding entries of 2009. However bank has taken a crash program for immediate reconciliation of outstanding entries. It may be mentioned that as per MO & NG provision of 31.01.2011 based on 31.12.2010 the total no of 42,896 entries and total amount (Dr. and Cr. amount) of Tk. 1130.51

During the year net balance of branch adjustment arrived as debit, therefore the balance has been shown under head "Other Assets". The Net Debit balance of Branch Adjustment account arrived due to transit in responding entries.

9.8

Agrani Bank Limited has taken over the entire assets and liabilities of former Agrani bank through a Vendors Agreement executed between the Government of the People's Republic of Bangladesh and the Agrani Bank Limited on November 15, 2007 with retrospective effect from July 01, 2007. As per clause 7(2) of the said agreement assets & liabilities of Agrani Bank as on 30 June 2007 has been revalued by a professional Chartered Accountant firm to determine final value of assets & liabilities of the Bank. In determining the final value, the valuation adjustment of the Bank has been calculated at Tk.13,295,881,639 (fair value of total assets Tk.162,699,217,872 less fair value of total liabilities Tk.173,510,899,511 minus paid up share capital as purchase consideration Tk.2,484,200,000). A decision arrived at unanimously in a meeting of representative from the Ministry of Finance, The Government of the Peoples Republic of Bangladesh, Bangladesh Bank, Security & Exchange Commission (SEC) and three state-owned commercial banks that the valuation adjustment be shown under "Other Assets" and be gradually written off within the next 10 (ten) years at the maximum.

The amortization process has been commenced from 2008. During the year 2010 Profit & Loss Account is debited by Tk.1,329,500,000 and credited the same as valuation adjustment which is disclosed in Note 18.



	December 31, 2010 Taka	December 31, 2009 Taka
10 BORROWING FROM OTHER BANKS INCLUDING FINANCIAL INSTITUTIONS & AGENTS		
10.1 Classification into the following broad categories:		
In Bangladesh	4,956,288,670	741,819,480
Outside Bangladesh	1,260,527,386	450,883,826
	6,216,816,056	1,192,703,306
10.2 Segregated as		
Secured (Secured by D.P Notes and agreements)	4,956,288,670	741,819,480
Unsecured borrowing	1,260,527,386	450,883,826
	6,216,816,056	1,192,703,306
10.3 Maturity-wise grouping:		
On Demand	6,194,367,250	578,855,482
On Maturity	22,448,806	613,847,824
	6,216,816,056	1,192,703,306
10.4 Term grouping:		
10.4.1 Short Term Borrowing		
T.T sold (With Sonali Bank Limited)	755,600,000	114,000,000
Balance with Bangladesh Bank Foreign Currency(Note-10.4.1.a)	2,268,239,864	13,971,656
Borrowings from Local Bank (Note 10.4.1.b)	1,910,000,000	-
Nostro Accounts: Credit balance (Annex E)	1,260,527,386	450,883,826
	6,194,367,250	578,855,482
10.4.1.a Balance with Bangladesh Bank Foreign Currency:		
This represents temporary overdraft from Bangladesh Bank in Foreign Currency for payment against importer with interest at rate of LIBOR plus 1%.		
10.4.1.b Borrowings from Local Bank		
Primier Bank Limited	350,000,000	-
HSBC	120,000,000	-
Rupali Bank Limited	250,000,000	-
Sonali Bank Limited	850,000,000	-
Bangladesh Commerce Bank Limited	140,000,000	-
One Bank Limited	200,000,000	-
	1,910,000,000	-
10.4.2 Long Term Borrowing		
a) From Bangladesh Bank Counter Finance		
Rural Housing Scheme	5,909,898	7,335,183
IFAD Loan -194	2,134,338	4,128,504
ADB Credit-821,773	3,025,953	18,846,804
	11,070,189	30,310,491
b) 5 & 7 Years Agrani bank Shilpa Unnayan Bond	11,378,617	583,537,333
	22,448,806	613,847,824
	6,216,816,056	1,192,703,306



	December 31, 2010 Taka	December 31, 2009 Taka
11 DEPOSITS AND OTHER ACCOUNTS		
11.a Deposits and Other Accounts (Category wise)		
Current & Other contingency accounts (Note–11.a.1)	36,982,051,462	28,028,439,819
Bills payable (Note–11.a.2)	4,000,219,277	2,935,711,346
Saving Bank Deposits	80,130,887,928	69,655,900,644
Fixed Deposits (Note–11.a.3)	85,212,852,675	65,663,572,383
	206,326,011,342	166,283,624,192
11.a.1 Current & Other contingency account		
Current Deposits	28,271,401,847	21,782,459,427
Balance with ATM	10,197,305	15,575,625
Sundry Deposits (Note–11.a.1.1)	8,453,220,539	5,831,519,339
Call Deposits	247,231,771	398,885,428
	36,982,051,462	28,028,439,819
11.a.1.1 Sundry Deposits		
General Provident Fund	1,944,818,298	2,130,964,964
Margin on Bills purchased	55,373,187	20,671,188
Margin on Letters of Credit	3,115,114,915	1,483,250,147
Margin on Letters of Guarantee	459,305,829	129,021,495
Miscellaneous Margin	2,954,502	1,237,880
Foreign Currency	12,145,222	7,955,402
Key Deposit	2,819,987	3,317,469
Staff Cash Security	4,056,532	1,581,903
Foreign correspondence charges	25,819,951	19,742,997
F. C Exp. Proceeds	1,148,162,715	63,925,517
Com. Payable to Govt.	20,478,563	20,276,824
Clearing Adjustment (subsequently adjusted)	4,616,459	1,315,659
Self Employment Promotion	–	134,975
Teachers Payment	270,728,725	291,101,113
Boisko Bhata	4,538,913	3,310,620
FSSAP	26,523,492	63,362,388
Freedom Fighter Allowance	18,909,208	15,188,774
Army Pension	1,061,695,200	1,261,713,205
Small Enterprise Development	155,084,223	146,404,219
G.C.B.R against Loan	39,927,835	39,927,835
Security Receipt	–	415,505
Rural Finance Programme	11,037,215	2,244,048
Hajj Deposit	11,500	233,000
Others	69,098,068	124,222,212
	8,453,220,539	5,831,519,339



	December 31, 2010 Taka	December 31, 2009 Taka
11.a.2 Bills payable		
Draft payable	872,074,010	613,176,322
TT's payable	3,485,178	10,213,029
MT's payable	19,933	19,933
Pay slip issued	148,727,444	93,801,994
Pay order issued	1,219,436,501	1,159,311,060
Inland Bill proceeds Awaiting for Remittance	62,967,724	4,467,121
Foreign Bill proceeds Awaiting for Remittance	1,503,522,926	896,329,084
Overdue DD payable	18,960,665	18,514,088
Upahar cheque sold A/C	66,704	71,029
Foreign D.D, T.T, & TC payable	170,958,192	139,807,686
	<u>4,000,219,277</u>	<u>2,935,711,346</u>
11.a.3 Fixed Deposits		
Fixed Deposits	61,434,414,557	42,937,107,528
Special (Notice) Time Deposits	18,859,856,485	18,813,573,301
Deposit Pension Scheme	1,305,409,916	1,246,893,847
Agrani Bank Pension Scheme	662,494,471	1,364,826,131
Month wise Fixed Deposits	2,168,330	2,502,880
Non Resident Spl. Deposits	2,629,749	2,373,783
Agrani Bank Bishesh Shanchay	2,945,879,167	1,296,294,913
	<u>85,212,852,675</u>	<u>65,663,572,383</u>
11.b Maturity Grouping of Deposits and Other Accounts		
Repayable on demand;	23,503,866,370	15,649,742,354
Repayable within 1 month;	4,530,500,824	3,218,120,040
Over 1 month but within 3 months;	21,680,361,417	3,602,163,579
Over 3 months but within 1 year;	52,609,833,909	17,000,488,478
Over 1 year but within 5 years;	62,487,647,789	50,725,243,896
Over 5 years but within 10 years;	41,513,801,033	76,087,865,845
	<u>206,326,011,342</u>	<u>166,283,624,192</u>
11.c Geographical Location – wise Deposits		
Dhaka Region	114,789,381,598	89,427,824,503
Chittagong Region	36,921,246,704	33,425,047,097
Khulna Region	14,376,230,541	11,651,021,220
Rajshahi Region	12,963,190,721	11,328,211,462
Barisal Region	9,849,701,994	5,023,584,139
Sylhet Region	11,403,181,342	10,164,516,625
Rangpur Region	6,023,078,442	5,263,419,146
	<u>206,326,011,342</u>	<u>166,283,624,192</u>
11.d Sector– wise Deposits		
Government Sector		
Presidency, PM's Office Ministry & Judiciary	789,873,000	7,169,354,098
Autonomous & Semi Autonomous Bodies	14,339,216,912	13,238,443,050
	<u>15,129,089,912</u>	<u>20,407,797,148</u>
Deposit money bank	89,005,736	2,541,362,084
Other public sector	29,613,568,466	23,547,266,479
Private sector	161,494,347,228	119,787,198,481
	<u>206,326,011,342</u>	<u>166,283,624,192</u>



12

OTHER LIABILITIES

	December 31, 2010 Taka	December 31, 2009 Taka
Interest suspense(Note–12.1)	5,784,977,460	6,909,428,817
Penal interest	2,004,065	2,728,809
Provision for expenses(Note–12.2)	2,571,754,648	2,233,681,236
Provision for Auditors Fee(Note–12.3)	1,235,000	1,290,575
Sundry creditors	1,956,734,373	1,203,269,854
Tax deducted at source	162,554,749	137,600,020
VAT on services	107,798,421	47,858,680
Excise duty	231,144,867	206,054,737
Levy on interest payment	32,529,059	28,297,723
Levy & Surcharge on interest payment (SP Bonds)	410,520	690,377
Provision for Taxation(Note–12.4 & annex–F)	4,744,933,042	3,128,995,961
Provision for Bad debts(Note–12.5)	8,345,139,597	10,560,586,999
General provision maintained against UC loan (Note–12.6)	1,916,329,433	1,140,884,000
General provision for special mention account (Note–12.7)	112,067,000	72,299,000
3 % General reserve for consumer financing (Note–12.8)	268,830,000	98,962,000
Provision for off balance sheet exposures (Note–12–10)	869,305,241	529,735,773
Provision for investment – (Note – 12.11)	1,280,024,694	6,988,820
Provision for Other Assets (Note– 12.12)	1,484,224,295	1,658,097,066
Provision for Ex–Gratia	29,818,619	30,041,108
Provision for Incentive Bonus (Note – 12.13)	718,312,316	468,262,145
Exchange Equalization	72,341,228	72,341,228
Exchange adjustment	33,231,752	36,759,252
Employees super annuation fund (Note–12.14.a)	4,297,656,759	5,474,331,854
Employees gratuity fund (Note–12.14.b)	251,696,062	280,429,230
Death relief grant scheme (Note–12.15)	80,659,771	75,254,693
Employees Benevolent Fund	69,290,411	49,208,903
Reserve for unforeseen losses	7,278,112	7,278,112
Duty draw back impress fund	3,649,092	519,598
Doctors self employment program	1,600,000	1,600,000
Collection accounts	12,129,429	13,483,621
Cash incentive to garments exporters	416,092	772,396
10% cash subsidy to exporting spinning mills	13,625,544	891,891
Cash incentive to leather goods exporters	4,994,494	807,612
Cash incentive to frozen foods exporters	6,827,238	1,093,367
Agriculture to Agri–Product Funds	79	–
SPL account OPEC fund	70,508,242	70,508,242
SPL account MEDU fund	528,419,373	548,964,231
Export development fund	447,028,344	7,751,312
Govt. bond for land mortgage loan	979,897	4,118,732
Special block account	187	187
SPL block account (DD,TT, MT & PO)	9,730,947	9,730,956
Unclaimed deposit 10 years & above (Note–12.16)	9,321,028	6,049,224
Service charge on CIB report	951,470	865,350
Provision for balance of bilateral trade	2	2
Vostro Account	19,033,639	2,478,115
SIDR	389,114	385,458
ADIP Project Fund	22,282,754	–
Interest waived on staff house building loan	7,746,293	14,239,901
	36,591,914,752	35,145,617,167



	<u>December 31, 2010</u> Taka	<u>December 31, 2009</u> Taka
12.1 Interest Suspense Account:		
Balance at the beginning of the year	6,909,428,817	6,721,325,922
Transferred to "Interest Suspense" A/c during the year	1,120,007,138	2,092,715,550
Transferred to Income during the year	(1,323,719,837)	(743,934,739)
Amount waived/written off during the year	(920,738,658)	(1,160,677,916)
Balance at the end of the year	<u>5,784,977,460</u>	<u>6,909,428,817</u>
12.2 Provision for expenses:		
Provision for Interest on DPS	97,192,656	107,150,348
Provision for Interest on STD(SNTD)	4,530,552	5,285,829
Provision for Interest on FDR	1,832,750,242	1,479,756,627
Provision for Interest on ABPS	86,618,032	153,745,745
Provision for Interest on Borrowings	3,222,731	19,784,970
Provision for ABS	113,533,758	48,806,753
Un-disbursed Salary and Other staff benefit	1,462,964	1,403,472
Unearned discount	358,676,135	358,676,135
Provision for other expenses	73,767,578	59,071,357
Total provision of expenses	<u>2,571,754,648</u>	<u>2,233,681,236</u>
12.3 Provision for Auditors Fee		
Balance at the beginning of the year	1,290,575	841,000
Paid during the year	(1,235,000)	(841,000)
Add back during the year	(55,575)	-
Provision made during the year	1,235,000	1,290,575
Balance at the end of the year	<u>1,235,000</u>	<u>1,290,575</u>
12.4 Provision for taxation :		
Balance at the beginning of the year	3,128,995,961	1,428,995,961
Transferred to "Provision for Income Tax during the year	2,068,600,000	1,700,000,000
Prior Years Adjustment of Provision for Taxation up to 2004	247,661,767	-
Adjustment of Finalization of Tax Assessment up to 2004	(700,324,686)	-
Balance at the end of the year	<u>4,744,933,042</u>	<u>3,128,995,961</u>
Income Tax assessment has been finalized up to 2004 (except 2002) and appeal pending for the year 2002, 2005, 2006 and 2007. The return has been submitted for the year 2008 and 2009. The tax assessment for the year 2010 is under process.		
12.5 Provision for Classified loans and advances:		
Balance at the beginning of the year	10,560,586,999	10,369,669,594
Recoveries of amount previously written off	1,663,973	30,127
Specific provision for the year	(92,864,939)	753,894,935
Less. Written off/waived	(2,124,246,436)	(563,007,657)
Provision held at the end of the year	<u>8,345,139,597</u>	<u>10,560,586,999</u>

* This amount includes Taka 45.84 crore of SEDP loan which will be transferred to Agrani SME Financing Limited. The said loan includes some stuck up loans and advances which are doubtful of recovery against which no provision has been made in the Financial Statements as these loans of Tk.45.84 crore are to be taken over by Agrani SME Financing Limited a newly formed subsidiary company of Agrani Bank Limited.



	December 31, 2010 Taka	December 31, 2009 Taka
12.6 General Provision maintained against UC loans:		
Balance at the beginning of the year	1,140,884,000	986,573,000
Provision made during the year	775,445,433	154,311,000
Provision held at the end of the year	1,916,329,433	1,140,884,000
12.7 General Provision for Special Mention Account:		
Balance at the beginning of the year	72,299,000	107,338,000
Provision made during the year	82,934,000	–
Provision add back for the year	(43,166,000)	(35,039,000)
Provision held at the end of the year	112,067,000	72,299,000
12.8 3% General reserve for consumer financing:		
Reserve held at the beginning of the year	98,962,000	62,656,580
Additional reserve for the year	169,868,000	36,305,420
Reserve held at the end of the year	268,830,000	98,962,000
12.9 Provision for Loans & Advances		
A) General provision		
i) Standard (including staff Loan) *	1,916,329,433	1,140,884,000
ii) Special Mention Accounts (SMA)	112,067,000	72,299,000
Sub total (A)	2,028,396,433	1,213,183,000
B) Specific provision		
i) Substandard	239,985,385	102,808,999
ii) Doubtful	143,975,000	145,495,000
iii) Bad/Loss	7,961,179,212	10,312,283,000
Sub total (B)	8,345,139,597	10,560,586,999
Grand Total	10,373,536,030	11,773,769,999
* General provision is kept @ 1% on general loans and advances and 2% on house finance & loan for professionals under consumer financing and 5% on consumer financing.		
12.10 Provision for off balance sheet exposure:		
Balance at the beginning of the year	529,735,773	64,262,000
Provision made during the year	339,569,468	465,473,773
Balance at the end of the year	869,305,241	529,735,773
12.11 Provision for Investment:		
Balance at the beginning of the year	6,988,820	1,172,900
Provision made during the Year	1,273,035,874	5,815,920
Balance at the end of the year	1,280,024,694	6,988,820

This amount includes Tk.934.40 million for Unique Hotel and Bex Tex Limited for which additional shares have been taken subsequently.



	December 31, 2010 Taka	December 31, 2009 Taka
12.12 Provision for Other Assets		
Protested bill (Note– 12.12.a)	47,519,306	37,685,866
Sundry Debtors Staff & Others	23,285,606	11,575,886
Clearing Adjustment	1,402,026	1,333,494
Suspense Accounts Army Pension Paid	269,319,393	193,014,225
CBL Pak a/c	2	2
BCCI Bank–London (Note–12.12.b)	15,382,983	15,382,983
Bank of Cylon	500,000	–
Rafidan Bank–Bagdad	–	8,996,917
Balance with Al–Raji com. ForEx	347,892,609	347,892,609
Fixed Assets	21,913,328	21,913,328
Branch Adjustment (Note 12.12.c)	5,889,000	3,070,000
Agri credit exemption on river erosion	1,176,472	1,176,472
Exempted Loans & Interest on Exempted Loans	749,943,570	1,016,055,284
	<u>1,484,224,295</u>	<u>1,658,097,066</u>
12.12.a Provision for protested bills:		
Balance at the beginning of the year	37,685,866	20,086,341
Addition during the Year	9,833,440	17,599,525
Balance at the end of the year	<u>47,519,306</u>	<u>37,685,866</u>
Protested Bills arises due to accidental loss of fraud, robbery, theft etc.		
12.12.b Provision for balance with BCCI Bank– London		
Balance at the beginning of the year	15,382,983	17,447,666
Amount debited during the Year	–	(2,064,683)
Balance at the end of the year	<u>15,382,983</u>	<u>15,382,983</u>
12.12.c Provision for Branch Adjustment		
Balance at the beginning of the year	3,070,000	3,070,000
Provision made during the year	2,819,000	–
Balance at the end of the year	<u>5,889,000</u>	<u>3,070,000</u>
12.13 Incentive Bonus		
Balance at the beginning of the year	468,262,145	316,578,188
Amount debited during the Year	(380,236,693)	(298,893,906)
Amount Credited during the Year	286,864	577,863
Add back from provision for incentive bonus 2009	(70,000,000)	–
Provision for the Year	700,000,000	450,000,000
Balance at the end of the year	<u>718,312,316</u>	<u>468,262,145</u>
12.14.a Employees super annuation fund		
Balance at the beginning of the year	5,474,331,854	5,828,977,447
Amount credited during the year	565,224,905	338,354,407
Amount paid to Super Annuation Trustee Account	(1,741,900,000)	(693,000,000)
Balance at the end of the year	<u>4,297,656,759</u>	<u>5,474,331,854</u>
12.14.b Employees gratuity fund		
Balance at the beginning of the year	280,429,230	292,342,091
Amount credited during the year	17,902,392	4,786,783
Amount of Gratuity paid during the year	(46,635,560)	(16,699,644)
Balance at the end of the year	<u>251,696,062</u>	<u>280,429,230</u>



	December 31, 2010 Taka	December 31, 2009 Taka
12.15 Death relief grant scheme:		
Balance at the beginning of the year	75,254,693	89,929,693
Transferred to the A/c during the year	12,500,000	12,500,000
Amount paid during the year	(7,094,922)	(27,175,000)
Balance at the end of the year	80,659,771	75,254,693
12.16 As per section 35 of Bank Companies Act.1991 this amount should be transferred to Bangladesh bank on completion of formalities mentioned in the section.		
13 Share Capital:		
13.1 Authorized Capital :		
The authorized capital of the Bank is Tk 800 crore divided into 80,000,000 ordinary shares of Tk. 100.00 each.		
13.2 Issued, subscribed and fully paid up capital :	5,465,240,000	4,968,400,000
The paid up capital of the Bank is Tk. 5,465,240,000 divided into 54,652,400 ordinary shares of Tk. 100.00 each of which 54,652,388 fully paid up ordinary shares of Tk. 100 each issued to the Government of the People's Republic of Bangladesh represented by Secretary, Finance Division, Ministry of Finance of the Government of the People's Republic of Bangladesh and other 12 (Twelve) fully paid up ordinary shares of Tk. 100 each issued to other 12 (Twelve) shareholders of the Bank who are nominated by the Government of the People's Republic of Bangladesh. The paid up Capital of the Bank was increased to Tk.5,465,240,000 by issuing 4,968,400 bonus shares as approved in the third annual general meeting of the Bank in 2010.		
13.3 Basic Earnings Per Share :		
Basic earnings per share has been calculated in accordance with BAS –33 " Earnings per Share". This has been calculated by dividing the net profit for the year attributable to ordinary shares by the number of ordinary shares outstanding during the year.		
13.4 Minimum Capital Requirement (MCR) under Risk Based Capital (Basel-II)		
A. Eligible Capital :		
1. Tier-1 (Core Capital)	1,162.72	710.24
2 .Tier-2 (Supplementary Capital)	615.67	281.21
3. Tier-3 (eligible for market risk only)	-	-
4. Total Eligible Capital (1+2+3) :	1,778.39	991.45
B.Total Risk Weighted Assets (RWA):	19,325.57	12,052.44
C.Capital Adequacy Ratio (CAR) (A4 / B)*100	9.20%	8.22%
D.Core Capital to RWA (A1 / B)*100	6.02%	5.89%
E.Supplementary Capital to RWA (A2 / B)*100	3.19%	2.33%
F.Minimum Capital Requirement (9% of RWA)	1,739.30	964.20
G.Capital Surplus / (Shortfall)	39.09	27.25
13.5 Eligible Capital		
Tier-1 (Core Capital)		
Fully Paid-up Capital / Capital lien with BB	546.52	496.84
Statutory Reserve	267.08	138.94
General Reserve	0.50	0.50
Retained Earnings	449.39	73.96
Sub-Total:	1,263.49	710.24
Deductions from Tier-1 (Core Capital)		
Investments in Subsidiaries which are not consolidated	100.77	-
Sub Total	100.77	-
Total Eligible Tier-1 Capital	1,162.72	710.24



	December 31, 2010 Taka	December 31, 2009 Taka
Tier-2 (Supplementary Capital)		
General Provision (UC + SMA + Off B/S exposure+ Consumer Finance)	316.66	167.06
Assets Revaluation Reserves up to 50%	108.99	103.24
Revaluation Reserve for Approved Securities (ICB Shares) up to 50% *	278.86	-
Revaluation Reserve for Equity Instrument up to 10% **	1.37	-
Other(Balance of Exchange Equalization A/C)	10.56	10.91
Sub-Total	716.44	281.21
Deductions (Investments in Subsidiaries which are not consolidated)	100.77	-
Total Eligible Tier-2 Capital	615.67	281.21
Tier-3 (eligible for market risk only)		
Short-term subordinated debt	-	-
Total Supplementary Capital	615.67	281.21
Total Eligible Capital	1,778.39	991.45

*Note: Revaluation Reserve for Approved Securities(ICB Shares) up to 50% is Tk. 259.71 crore out of which deferred tax liability (10%) Tk. 25.97 has been deducted as such the net revaluation reserve for ICB shares is TK. 233.74 crore.

**Revaluation Reserve for Equity Instrument upto 10% is Tk. 1.52 crore out of which deferred tax liability (10%) Tk. 0.15 crore has been deducted as such the net revaluation reserve for Equity Instrument is TK. 1.37 crore.

13.6 Risk Weighted Assets (RWA)
Risk Weighted Assets (RWA) for

(figure in crore)

A. Credit Risk

On – Balance sheet	12,489.64	9,074.20
Off – Balance sheet	883.51	269.52
	<u>13,373.15</u>	<u>9,343.72</u>

B. Market Risk

C. Operational Risk

Total: RWA (A+B+C)

	3,889.18	1,325.62
	2,063.24	1,383.10
	<u>19,325.57</u>	<u>12,052.44</u>

14 Statutory Reserve

Balance at the beginning of the year	1,389,372,030	737,835,981
Transferred during the year from profit & Loss A/C	1,281,449,360	651,536,049
Closing balance	<u>2,670,821,390</u>	<u>1,389,372,030</u>

This has been made in accordance with Section 24 of the Bank Companies Act. 1991 and shall be maintained until it equals to Paid-up Capital.

15 General Reserve

	<u>5,000,000</u>	<u>5,000,000</u>
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16 Asset Revaluation Reserve

Less: Deferred Tax Liability (Note: 9.6)

	<u>2,318,482,524</u>	-
	138,651,554	-
	<u>2,179,830,970</u>	<u>-</u>



	December 31, 2010 Taka	December 31, 2009 Taka
17 Revaluation & Amortization Reserve		
Balance at the beginning of the year	2,064,827,476	425,278,208
Changes in accounting policy	(2,064,827,476)	(425,278,208)
Surplus of Amortization of Securities (HTM)	118,117,307	86,045,685
Revaluation reserve on investment in Govt. Securities(HFT)	784,385,494	1,978,781,791
Closing Balance	902,502,801	2,064,827,476
18 RETAINED SURPLUS FROM PROFIT & LOSS ACCOUNT		
Operating profit before provision	10,862,027,192	6,444,444,270
Less : Amortization of Valuation Adjustment (Note –9.8)	1,329,500,000	1,329,500,000
Profit /(loss) Before Provision & Tax	9,532,527,192	5,114,944,270
<u>Less:</u>		
General Provision for UC loans during the year (Note – 36)	775,445,433	154,311,000
Provision for SMA during the year (Note 36)	39,768,000	(35,039,000)
Provision for Bad and Doubtful loans (Note 36)	(92,864,939)	753,894,935
3% General reserve for Consumer Financing (Note 36)	169,868,000	36,305,420
Other Provision (Note – 37)	2,233,063,896	947,791,669
	3,125,280,390	1,857,264,024
Net Profit /(loss) Before Tax	6,407,246,802	3,257,680,246
Less : Provision for Income Tax		
Current tax (Note– 12.4)	2,068,600,000	1,700,000,000
Deferred tax(Note – 9.6)	821,874,534	202,163,281
Net profit/(loss) after tax	3,516,772,268	1,355,516,965
Add : Retained Profit/(Loss) for the previous period	2,755,406,699	4,793,546,590
Less : Amount transferred to Statutory reserve fund	1,281,449,360	651,536,049
Less : Bonus Share Issue	496,840,000	2,484,200,000
Retained Profit/(Loss) for the year	4,493,889,607	3,013,327,506
18.1 Retained Earnings restated Balance:		
Opening Balance	3,013,327,506	2,766,898,923
Add: Adjustment of Deferred Tax	–	2,026,647,667
Less: Prior Years Adjustment of Provision for Taxation	247,661,767	–
Less: Adjustment of Advance Tax	10,259,040	–
Restated Balance	2,755,406,699	4,793,546,590
19 ACCEPTANCES AND ENDORSEMENTS (CONTINGENT LIABILITIES)		
Letters of Guarantee (Note 19.1)	5,273,265,283	1,608,124,704
Letters of Credit	53,376,426,099	28,071,298,976
Bills for Collection (Note 19.2)	20,585,539,551	9,157,827,344
Other Contingent Liabilities (Note 19.3)	3,606,579,857	2,759,426,240
Claims against the bank not acknowledged as debt	7,663,134,000	11,376,900,000
	90,504,944,790	52,973,577,264



	<u>December 31, 2010</u> Taka	<u>December 31, 2009</u> Taka
19.1 Contingent Liabilities are explained in the following manner:		
Claims lodged against the bank company, which is not recognized as debt	7,663,134,000	11,376,900,000
Money for which the Bank is contingently liable in respect of guarantee given favoring:	–	–
Directors	30,979,274	–
Government	20,431,316	42,517,518
Banks and other financial institutions	16,849,018	10,649,750
Foreign Banks against government counter guarantee	1,541,180,009	868,134,035
Others	3,663,825,666	686,823,401
	<u>5,273,265,283</u>	<u>1,608,124,704</u>
19.2 Bills for collection:		
Payable in Bangladesh	1,390,322,548	761,076,011
Payable outside Bangladesh	19,195,217,003	8,396,751,333
	<u>20,585,539,551</u>	<u>9,157,827,344</u>
19.3 Other Contingent Liabilities:		
Inland Travelers Cheque	43,897,152	43,526,152
Upahar Cheque	2,407,900	3,087,600
Shanchay Patra	2,872,024,804	1,999,512,488
Agrani Bank Shilpa Unnayan Bond	688,250,001	713,300,000
	<u>3,606,579,857</u>	<u>2,759,426,240</u>

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.

19.4 Geographical Location – wise Contingent Liabilities		
Dhaka Region	78,049,077,721	44,190,157,570
Chittagong Region	9,116,471,416	5,044,779,031
Khulna Region	1,238,215,676	1,114,728,436
Rajshahi Region	910,838,315	830,655,503
Barisal Region	203,891,820	51,641,453
Sylhet Region	896,575,147	1,025,523,271
Rangpur Region	89,874,695	–
	<u>90,504,944,790</u>	<u>52,257,485,264</u>

19.5 Derivatives :

The objectives of using derivatives instruments are to meet customers risk management needs, to manage the banks exposure to risk and generates revenues through trading activities. There are two types of financial instrument remaining in operation in the bank under derivatives. This two financial instruments are Forward Contract and SWAP.

19.5.1 Forward Contract :

Under Forward contract buy and sale in Euro the bank had outstanding five deals amounting Tk. 25,124,350 as on 31st December 2010. The contract were generated in October 2010 whose maturity were in January 2011.

19.5.2 SWAP :

Under SWAP transaction the Bank had five outstanding deals amounting Tk. 814,912,100 as on 31st December 2010. The amount has been considered as contingent liability and the bank earned profit Tk. 822.100 which has been accounted for in the month of January 2011.



20 THE DISCLOSURES IN THE PROFIT AND LOSS ACCOUNT

Income:

Interest, discount and similar income
Dividend income
Fee, commission and brokerage
Gains less Losses arising from dealing securities
Gains less Losses arising from investment securities
Gains less Losses arising from dealing in FC
Income from non-banking assets
Other operating income
Profit less Losses on interest rate changes:
Profit for changing interest rates on Loans & Adv.
Loss for changing interest rates on deposit

Expenses

Interest, fees and commission
Losses on loans and advances
Administrative expenses
Other operating expenses
Depreciation on banking assets

	For the year ended December 31, 2010 Taka	For the year ended December 31, 2009 Taka
Income:		
Interest, discount and similar income	19,988,530,439	13,804,937,481
Dividend income	487,064,391	7,647,272
Fee, commission and brokerage	2,755,639,008	2,128,283,992
Gains less Losses arising from dealing securities	—	—
Gains less Losses arising from investment securities	—	—
Gains less Losses arising from dealing in FC	—	—
Income from non-banking assets	—	—
Other operating income	785,659,475	426,163,469
Profit less Losses on interest rate changes:	—	—
Profit for changing interest rates on Loans & Adv.	—	—
Loss for changing interest rates on deposit	—	—
	24,016,893,313	16,367,032,214
Expenses		
Interest, fees and commission	7,086,680,562	6,083,558,757
Losses on loans and advances	3,125,280,390	1,857,264,024
Administrative expenses	5,219,104,635	3,586,591,196
Other operating expenses	752,167,208	183,024,557
Depreciation on banking assets	96,913,716	69,413,434
	16,280,146,511	11,779,851,968

21 INTEREST INCOME

Interest on Loans and Advances :

Interest on Rural Credit	448,872,069	371,093,306
Interest on Weavers Credit	1,563,154	1,391,378
Interest on Industrial Credit	2,421,041,888	1,725,456,540
Interest on Jute Advance	576,926,695	424,914,441
Interest on Leather Credit	229,143,929	225,206,357
Interest on Staff Loans	540,124,170	449,009,666
Interest on Loans—Others	2,541,164,065	1,369,115,693
Interest on Small and Micro Credit	194,382,271	230,323,275
Interest on Overdrafts	793,640,906	507,472,627
Interest on Cash Credit	2,633,932,817	2,300,732,097
Interest on Packing Credit	55,971,903	34,941,829
Interest on Loan against Imported Merchandise	49,174,228	55,718,103
Interest on Payment Against Document	2,302,937,547	1,869,512,614
Interest on Foreign Bills Purchased	75,325,015	86,689,977
Interest on Inland Bills Purchased	1,428,898	143,025
Interest on Foreign Currency Loan	—	—
Sub-total	12,865,629,555	9,651,720,928

Interest on Balance with other Banks and Fin.Institution :

Interest on call loans to Banks	87,199,319	51,448,551
Interest received from local banks	454,419,187	185,393,564
Interest received from foreign banks	3,189,653	2,767,016
Sub-total	544,808,159	239,609,131

Income from write off Loans and advances

587,182,446	231,076,551
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13,997,620,160	10,122,406,610
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	For the year ended December 31, 2010	For the year ended December 31, 2009
	Taka	Taka
21.1 Geographical Location – wise Interest income ;		
Dhaka Region	9,231,009,026	6,925,943,897
Chittagong Region	2,515,785,664	1,455,085,217
Khulna Region	939,670,718	685,298,212
Rajshahi Region	444,402,171	396,222,676
Barisal Region	252,040,785	191,065,630
Sylhet Region	206,662,020	103,196,409
Rangpur Region	408,049,776	365,594,569
	<u>13,997,620,160</u>	<u>10,122,406,610</u>
22 INTEREST PAID ON DEPOSITS & BORROWINGS	-	
a) Interest paid on Deposits		
Interest on Saving Deposits	1,787,458,603	1,660,616,634
Interest on SPL. notice time Deposits	569,589,678	473,716,895
Interest on Fixed Deposits	3,812,815,989	3,061,355,137
Interest on Deposit Pension Scheme	199,826,553	179,736,726
Interest on staff provident fund	232,788,528	234,084,449
Interest paid on NFGD	-	273,018
Interest paid on ABPS	66,967,269	279,347,085
Interest paid on Non Resident Saving Deposits	-	1,148,459
Interest paid on Call Deposit	4,885,341	-
Interest on ABS	150,076,967	60,859,090
Sub Total	<u>6,824,408,928</u>	<u>5,951,137,493</u>
b) Interest paid to Banks		
Interest paid to foreign banks	35,345,799	36,679,647
Interest on call loans	70,290,403	13,787,222
Interest paid to Bangladesh Bank	2,581,135	2,610,863
Interest paid to Bangladesh Bank(REPO)	52,029,442	-
Sub Total	<u>160,246,779</u>	<u>53,077,732</u>
c) Interest paid on Borrowings		
Interest Paid on Agrani bank shilpa unnayan bond	50,656,680	66,776,468
Discount on TT Sold	5,762,465	4,504,896
Interest Paid on Other Borrowings	45,605,710	8,062,168
Sub Total	<u>102,024,855</u>	<u>79,343,532</u>
	<u>7,086,680,562</u>	<u>6,083,558,757</u>
23 INVESTMENT INCOME		
Interest on reverse Repo	45,891,187	83,175,026
Interest on Debenture	73,249,523	91,717,049
Dividend warrant	487,064,391	7,647,272
Mark-up Income	52,958,905	-
Dividend warrant (Merchant Banking Unit)	-	1,047,453
Interest on 15 years Gov.SPL treasury bond	-	51,542,500
Discount on 5 & 10 years Bond & 3 years T&T bond	-	535,806
Interest on 25 years Govt. jute bond	28,257,767	31,773,146
Interest on Ansar VDP bond	904,110	9,854,794
Interest on 5, 10, 15 & 20 years govt. treasury bond	2,591,662,517	1,886,428,267
Discount on treasury bills	192,744,223	668,405,392
5 Years sick Bond	503	9,711,416
5 Years SPL Treasury Bond (kohinoor)	5,058,000	4,753,137
Prime Bank Limited Bond	18,601,643	-
Mutual Trust Bank Limited Bond	9,863,013	-
National Bank Limited Subordinated Bond	1,638,356	-
Orascom Telecom BD Bond	45,681,885	-
Profit on Sale of Shares	2,004,888,948	39,873,264
Profit on Sale of Shares (Merchant Banking Unit)	-	33,764,889
Profit on Sale of Securities	919,509,699	769,948,732
	<u>6,477,974,670</u>	<u>3,690,178,143</u>

The above investment income were earned from Dhaka region only.



	For the year ended December 31, 2010	For the year ended December 31, 2009
	<u>Taka</u>	<u>Taka</u>
24 COMMISSION, EXCHANGE EARNINGS & BROKERAGE		
Commission on bills	51,166,363	42,216,905
Commission DD, TT, MT (Local)	189,607,931	168,350,067
Commission on DD, TT, MT (Foreign)	25,939,924	7,891,282
Commission on Letters of Guarantee (Local)	84,900,890	8,995,285
Commission on Letters of Guarantee (Foreign)	4,551,342	15,181,796
Commission on Letter of Credit	643,361,805	439,948,003
Commission on Underwriting	14,597,288	13,615,813
Commission on Export bill	131,193,586	80,847,725
Commission on service charge on LIM	5,760,483	4,964,547
Commission on Army Pension	1,693,323	111,883
Commission on Food procurement Bills	51,518,556	78,696,774
Foreign correspondence charges	3,629,926	2,027,496
Exchange account foreign currency	1,351,672,111	1,161,863,520
Commission on Sanchay patra	24,607,732	19,080,307
Consortium/Syndication Fee	18,156,534	11,119,932
Loan processing fee	73,920,399	27,405,524
Discount on bills	2,960	-
Miscellaneous Commission	79,357,855	45,967,133
	<u>2,755,639,008</u>	<u>2,128,283,992</u>
24.1 Geographical Location – wise Commission, Exchange and brokerage		
Dhaka Region	2,193,066,399	1,767,078,432
Chittagong Region	341,778,485	148,070,769
Khulna Region	70,564,696	63,780,339
Rajshahi Region	42,894,417	47,265,884
Barisal Region	25,198,032	15,647,846
Sylhet Region	22,182,890	20,376,577
Rangpur Region	59,954,089	66,064,145
	<u>2,755,639,008</u>	<u>2,128,283,992</u>
25 OTHER OPERATING INCOME		
Rent on Properties & Godown	1,877,524	2,149,794
Rent on SD Lockers	4,165,543	4,217,687
Profit on sale of other assets	2,954,352	1,126,896
Postage Recoveries	93,611,864	87,315,083
Telegram Recoveries	15,219,298	12,605,757
Trunk-call Recoveries	5,207,620	2,766,122
Account Maintenance Fee	309,758,599	18,182,308
Remittance	5,545,562	262,908
Insurance Recoveries	14,550	117,101
Service charge on rural credit	142,514	49,425
Service charge on Industrial credit	94,257	305,649
Service charge on other credit	41,398,613	41,975,471
Sales proceeds on loan application form	2,706,569	2,042,675
Closing Charges on deposit A/C	132,720,238	120,416,982
Closing Charges on Loan A/C	9,039,308	6,343,414
Service Charges on FSSAP	45,785,315	32,008,364
Service Charges on Sanchaya Patra	6,775,572	4,558,635
Sales proceeds of Export Enlistment forms & Tender schedule	5,102,474	4,374,991
Telephone, Telex & Swift charges	33,601,113	25,453,107
Account Closing Charge	10,674,795	5,685,372
Rebate received from Foreign bank	18,429,529	17,057,239
Proceeds realization certificate charges	4,411,191	3,362,327
Service Charge on Pension paid	822,078	990,360
Service Charge on Deposit A/C	35,600,997	32,795,802
	<u>785,659,475</u>	<u>426,163,469</u>



	For the year ended December 31, 2010	For the year ended December 31, 2009
	Taka	Taka
26 SALARY AND ALLOWANCE		
Salaries—officers	1,696,165,807	919,557,225
Salaries—staff	507,128,756	329,047,372
Dearness allowance (Officers & Staff)	(53,724,026)	240,582,905
Fringe Benefit (Officer & staff)	(308,915)	(278,251)
Bonus (officer & Staff)	316,144,175	202,081,656
Banks contribution to provident fund	23,189,275	5,899,859
Banks contribution to employees pension fund	565,224,905	338,354,407
Banks contribution to gratuity fund	17,902,392	4,786,783
Conveyance allowance	2,786,072	2,593,934
Entertainment allowance	623,528	404,286
Children education allowance	12,765,265	488,998
Hill Allowance	1,819,807	1,593,104
Honorarium & Fees	5,434,001	2,715,511
Medical Expenses	2,050,447	536,143
Medical Expenses consultation	998,283	761,618
Medical allowance	82,304,039	70,003,946
Uniform and other apparels	15,901,270	9,832,513
Overtime expenses	9,241,291	8,318,658
Staff income tax	61,883,977	10,380,000
Lunch subsidy	410,416,614	278,963,740
Sports and culture activities	8,486,260	4,290,000
House rent allowance (officers)	519,021,991	390,123,491
House rent allowance (staff)	183,598,261	151,112,144
Wages paid to temporary employees	16,096,700	12,008,285
Death relief grant scheme	12,500,000	12,500,000
Staff transport	16,582,750	16,986,357
Police & Ansar Expenses	61,539,553	16,307,175
Ex Gratia	1,660,274	907,500
DMD Allowance	387,520	342,930
Other allowance	12,190,891	12,680,859
	<u>4,510,011,163</u>	<u>3,043,883,148</u>
27 RENT, TAXES, INSURANCE, LIGHTING ETC.		
Rent on Premises	196,367,159	162,883,571
Rent on Godown	2,523,508	2,022,009
Lighting Charge	32,451,372	27,401,178
Insurance Charges on vehicles	3,423,203	1,720,491
Insurance Charges on property	1,189,124	10,350
Rates and Taxes	13,944,861	6,193,158
Insurance Charges on Deposits	85,134,422	68,693,808
	<u>335,033,649</u>	<u>268,924,565</u>
28 LEGAL EXPENSES		
Court fee	1,001,580	1,054,353
Lawyer's fee	3,864,543	4,181,757
Other legal expenses	3,389,692	9,714,879
	<u>8,255,815</u>	<u>14,950,989</u>



	For the year ended December 31, 2010	For the year ended December 31, 2009
	Taka	Taka
29 POSTAGE, STAMP, TELEGRAM & TELEPHONE		
Postages	48,482,286	39,681,974
Telegram Charges	353,995	429,857
Telex & Teleprinter charges	29,534,691	29,742,690
Stamps	71,845	18,035
Telephone Charges (Office)	15,165,267	17,248,464
Telephone Charges (Residence)	1,230,593	2,054,501
Trunk-call charges	134,040	73,748
	<u>94,972,717</u>	<u>89,249,269</u>
30 STATIONERY, PRINTING, ADVERTISEMENT ETC.		
Security Stationery	17,843,189	15,070,944
Printing Stationery	71,020,036	54,311,733
Paper & Table Stationery	16,588,156	14,563,027
Advertisement publicity charge (Tender)	913,324	1,266,226
Advertisement publicity charge (Development)	30,453,683	9,514,516
	<u>136,818,388</u>	<u>94,726,446</u>
31 CHIEF EXECUTIVE'S SALARY AND FEES		
Remuneration	4,277,395	7,200,000
Allowances	-	-
	<u>4,277,395</u>	<u>7,200,000</u>
32 DIRECTORS' FEES & MEETING EXPENSES		
Directors' fees for attending board meetings	4,397,350	1,786,797
Directors' Allowances	573,132	173,395
	<u>4,970,482</u>	<u>1,960,192</u>
33 Audit Fees:		
Audit Fee (Statutory Audit)	1,235,000	1,235,000
Vat on Audit Fee @ 15%	185,250	55,575
Audit Fee (Others)	30,000	30,000
	<u>1,450,250</u>	<u>1,320,575</u>
34 DEPRECIATION & REPAIRS OF BANK'S ASSETS		
a) Depreciation of Banks Assets:		
Bank Buildings	5,787,648	5,637,958
Furniture & fixtures	18,007,697	15,182,167
Motor Vehicles	13,788,576	4,362,568
Office Equipment	7,550,244	7,019,344
Electric material	10,571,098	7,144,642
Computers	41,092,677	29,959,647
Library & Others	115,776	107,108
	<u>96,913,716</u>	<u>69,413,434</u>
b) Repairs & Maintenance of Banks Assets:		
Bank Buildings	17,601,688	17,718,464
Furniture & fixtures	3,326,254	2,885,686
Motor Vehicle	53,477,170	14,526,608
Office Equipment	1,732,756	2,646,430
Computers	21,728,011	16,667,066
Repairs/Maintenance Elect. Equip & Lighting Materials	11,148,552	8,952,932
Renovation & Maintenance of Branch Premises	14,300,345	978,826
	<u>123,314,776</u>	<u>64,376,012</u>
	<u>220,228,492</u>	<u>133,789,446</u>



	For the year ended December 31, 2010	For the year ended December 31, 2009
	Taka	Taka
35 OTHER EXPENSES		
Conveyance/Transportation Charges	18,687,847	14,399,480
Petrol, Oil and Lubricants for vehicles	14,192,297	13,499,260
Petrol, Oil and Lubricants for generator	15,823,862	6,773,238
Entertainment: canteen & other	7,617,555	7,200,882
Entertainment: Out ceiling	9,429,556	6,584,645
Traveling and Conveyance	25,467,423	22,702,065
Remittance (Through Bank)	3,190,518	4,372,597
Remittance (Cash)	39,615,513	33,343,470
Registration Charges	837,932	932,804
Mortgages expenses under house building	6,440,863	10,452,590
Bankers Clearing House charges	373,968	353,387
Loss on Sale of Shares and Securities	101,149,503	-
Loss on Sale of Other Assets	114,538	21,390
Newspapers & Periodicals	6,708,655	6,560,182
Upkeep of office premises	16,884,218	15,866,903
Business Development & Promotion	68,718,733	6,279,788
Training Expenses	10,423,118	10,210,349
Washing Charges	1,707,388	1,438,748
Closing expenses	12,510,824	10,283,771
Micro Enterprise Development Unit	-	18,555
Subscription	5,854,030	5,163,208
Donation	601,000	3,926,600
Funeral expenses	1,200,000	1,170,000
Fees and commission	6,212,484	1,449,667
Loss on Revaluation of Security	378,405,383	20,978
	<u>752,167,208</u>	<u>183,024,557</u>
36 PROVISION FOR LOANS & ADVANCES		
Provision for Bad & Doubtful Loans & Advances (Note-12.5)	(92,864,939)	753,894,935
Unclassified loans & advances (Note-12.6)	775,445,433	154,311,000
Special Mentioned Account (Note-12.7)	39,768,000	(35,039,000)
3% General reserve for consumer financing (Note-12.8)	169,868,000	36,305,420
	<u>892,216,494</u>	<u>909,472,355</u>
37 OTHER PROVISION		
Provision for off balance sheet exposures (Note12.15)	339,569,468	465,473,773
Provision for investment(Note 12.11)	1,273,035,874	5,815,920
Incentive Bonus	630,000,000	450,000,000
Staff Benevolent Fund	50,000,000	30,000,000
Add back Auditors Fee(2009)	(55,575)	-
Add back Provision for Expenses	(1,312,000)	-
Provision for Other Assets :		
Sundry Debtors Staff & Others	11,709,720	4,801,268
Clearing Adjustment	68,532	1,299,160
Army Pension Paid	76,305,168	73,614,225
Protested Bills (Note:12.12.a)	9,833,440	17,599,525
Bank of Cylon	500,000	-
Branch Adjustment	2,819,000	-
Exempted Loans & Interest on Exempted Loans	(159,409,731)	(100,812,202)
Sub Total	<u>(58,173,871)</u>	<u>(3,498,024)</u>
Grand Total	<u>2,233,063,896</u>	<u>947,791,669</u>



	For the year ended December 31, 2010	For the year ended December 31, 2009
	<u>Taka</u>	<u>Taka</u>
38 Interest Receipts in Cash		
Loans & Advances	12,329,724,922	9,711,934,825
Investment (Excluding Dividend)	5,777,438,446	3,638,381,406
Balance with Other Banks & Financial Institutions	530,875,983	217,995,906
	<u>18,638,039,351</u>	<u>13,568,312,137</u>
39 Interest Payments in Cash		
Agrani Bank Pension Scheme (ABPS)	134,094,982	479,955,984
Agrani Bank Special Deposit Scheme (ABS)	85,349,962	18,609,841
Borrowings	278,833,873	213,707,886
Call Deposit	4,885,341	-
Deposit Pension Scheme	209,784,245	179,948,768
Fixed Deposit Receipts	3,459,822,374	2,486,215,958
Non Resident Foreign Currency Deposit	-	273,018
Non Resident Saving Deposit	-	1,148,459
Savings Deposit	1,787,458,603	1,660,616,634
Special Notice Deposit	570,344,955	479,167,873
Staff Provident Fund	232,788,528	234,084,449
	<u>6,763,362,863</u>	<u>5,753,728,870</u>
40 CASH RECEIPTS FROM OTHER OPERATING ACTIVITIES		
Account Closing Charge	10,643,211	5,685,372
Account Maintenance Charge	306,986,781	18,042,189
Closing Charges on deposit A/C	132,237,113	120,416,982
Closing Charges on Loan A/C	9,015,539	6,343,414
Insurance	14,550	117,101
Miscellaneous Earnings	13,253,899	-
Postage	93,673,232	86,999,815
Proceeds realization certificate charges	4,412,082	3,362,327
Profit on sale of other assets	2,926,604	1,126,896
Rebate received from Foreign bank	18,429,529	17,057,239
Remittance	5,590,922	262,908
Rent on Properties & Godown	1,877,524	2,149,794
Rent on SD Lockers	4,165,543	4,217,687
Sales proceeds of Export Enlistment forms & Tender schedule	5,102,474	4,374,991
Sales proceeds on loan application form	2,706,569	2,049,635
Service Charge on Pension paid	908,266	990,360
Service Charge on Deposit A/C	35,600,997	42,962,846
Service charge on Industrial credit	94,257	305,649
Service charge on other credit	41,398,088	41,975,471
Service charge on rural credit	409,725	49,425
Service Charges on FSSAP	38,259,156	30,159,750
Service Charges on Sanchaya Patra	6,430,997	6,067,970
Telegram	15,223,892	12,571,121
Telephone, Telex & Swift charges	33,595,103	25,453,107
Trunk-call	5,136,070	2,730,155
	<u>788,092,123</u>	<u>435,472,204</u>



	For the year ended December 31, 2010	For the year ended December 31, 2009
	Taka	Taka
41 CASH PAYMENT FOR OTHER OPERATING ACTIVITIES		
Auditors Fee	1,505,825	1,320,575
Directors' fees and allowances	4,970,482	1,960,192
Legal charges	8,144,468	14,936,579
Other expenses	739,764,135	173,864,139
Postage, stamps, telegrams and telephone	96,233,824	88,608,428
Rent, taxes, insurance lighting etc.	338,737,775	268,627,422
Repairs to fixed assets	124,199,275	63,516,527
	<u>1,313,555,784</u>	<u>612,833,862</u>
42 OPERATING PROFIT BEFORE CHANGES IN OPERATING ASSETS & LIABILITIES		
Profit before Income Tax	6,407,246,802	3,257,680,246
Add: Depreciation	96,913,716	69,413,434
Less : Effect of exchange rate changes	(1,351,672,111)	(1,161,863,520)
	<u>5,152,488,407</u>	<u>2,165,230,160</u>
Income receivable	(281,160,085)	11,644,284
	<u>4,871,328,322</u>	<u>2,176,874,444</u>
Expenses payable	342,295,232	340,725,582
Add: Provision & Amortization	4,454,780,390	3,186,764,024
	<u>9,668,403,944</u>	<u>5,704,364,050</u>
43 CASH & CASH EQUIVALENT AT THE END OF THE PERIOD		
Cash in hand & with Bangladesh Bank & Sonali Bank Ltd	13,016,651,219	9,536,303,168
Balance with Other Banks	3,004,978,834	2,985,379,481
Money at Call & Short Notice	-	1,700,000,000
Prize Bonds	14,388,900	13,063,700
	<u>16,036,018,953</u>	<u>14,234,746,349</u>
44 OWNERS' EQUITY		
Paid up Capital	5,465,240,000	4,968,400,000
Statutory Reserve	2,670,821,390	1,389,372,030
General Reserve	5,000,000	5,000,000
Asset Revaluation Reserve	2,179,830,970	-
Revaluation & Amortization Reserve in Govt. Securities	902,502,801	2,064,827,476
Retained profit/(Loss) from profit and loss account	4,493,889,607	3,013,327,506
	<u>15,717,284,768</u>	<u>11,440,927,012</u>
45 CURRENT RATIO		
The Bank had the following current assets and current liabilities as on 31 December 2010 & 2009 as per liquidity statement.		
Current Assets:		
Cash	13,016,651,219	9,536,303,168
Balance with other banks and financial institutions	2,921,833,257	2,900,915,404
Money at call and short notice	-	1,700,000,000
Investment	16,152,842,917	15,451,795,559
Loans and advances	70,483,633,195	53,326,322,399
Other assets	15,716,752,510	8,049,784,841
Total current assets	<u>118,291,713,098</u>	<u>90,965,121,371</u>



	For the year ended December 31, 2010	For the year ended December 31, 2009
	Taka	Taka
Current liabilities:		
Borrowing from other banks, FI and agents	6,194,367,250	812,270,416
Deposits	49,714,728,611	39,470,514,451
Provisions and other liabilities	2,785,025,083	2,698,707,420
Total Current liabilities	58,694,120,944	42,981,492,287
Current Assets exceeding Current Liabilities	59,597,592,154	47,983,629,084
Ratio = $\frac{\text{Current assets}}{\text{Current liabilities}}$	$\frac{118,291,713,098}{58,694,120,944}$	$\frac{90,965,121,371}{42,981,492,287}$
	2.02	2.12

46 SALIENT FEATURES OF SUBSIDIARY COMPANIES

Agrani Exchange House Pvt. Ltd. Singapore

Total Assets	83,986,508	144,055,158
Total Liabilities	22,014,443	42,315,987
Capital and Reserve	61,972,065	101,739,170
Total Revenue	37,143,842	59,344,079

Agrani Remittance House SDN.BHD Malaysia

Total Assets	56,328,688	35,206,780
Total Liabilities	26,489,023	16,152,784
Capital and Reserve	29,839,665	19,053,996
Total Revenue	23,955,847	9,977,944

The conversion rate of SGD 1 = USD 1.292 and 1 USD = RM 30835 at 31st Dec 2010 1 USD = 70.500 BDT.

Agrani Equity and Investment Limited

Total Assets	2,600,078,773	-
Total Liabilities	532,150,468	-
Capital and Reserve	2,067,928,305	-
Total Revenue	709,569,534	-



47 Categories of financial assets and financial liabilities in accordance with International Financial Reporting Standard–7 (IFRS–7)

(figure in million Taka)

Particular	2010		2009	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Loans and receivable	194,833	194,833	152,954	152,954
Held to maturity	4,120	4,239	3,791	3,877
Held for trading	30,481	30,968	32,989	35,118
Available for sale	6,760	11,133	1,902	4,391
Non–Financial Assets	27,457	29,764	18,001	18,001
Total Assets	263,651	270,937	209,637	214,342

Financial Liabilities

Financial Liabilities at fair value through profit or loss	–	–	–	–
Financial liabilities measured at amortised cost	215,114	215,114	169,103	169,103
Non–Financial Liabilities–provision	33,225	33,225	33,519	33,519
Total liabilities	248,339	248,339	202,622	202,622

Details Classifications of Financial Instrument in Annexure–H.

48 Reconciliation between presentation of Assets & Liabilities in fair value as mentioned in note 47 and balance sheet:

Assets presented at fair value as per note 47	270,937
Less:Market price of assets not considered as fair value as mentioned in note 2.3.5 of this report	6,085
Value of assets as per balance sheet	264,852



49 CURRENCY ANALYSIS

The table below summarises the exposure to foreign exchange rate risk as of December 31, 2010. The Bank's assets and liabilities are included in their carrying amounts in million Bangladeshi Taka, broken down by currency.

(Figure in million)

Particulars	December 31, 2010					
	Taka	Equivalent Taka of USD	Equivalent Taka of GBP	Equivalent Taka of EURO	Equivalent Taka of Other Currency	Total Taka
ASSETS						
Cash in Hand	2,522.46	38.95	5.62	14.39	20.94	2,602.36
Balance with Bangladesh Bank and its agent bank	10,372.49	–	8.03	30.98	2.78	10,414.28
Balance with other bank and financial institutions	2,431.54	347.95	4.65	22.85	197.99	3,004.98
Money at call and short notice	–	–	–	–	–	–
Investments	43,916.30	–	–	–	–	43,916.30
Loans and advances	163,256.18	–	–	–	–	163,256.18
Fixed assets	5,435.90	–	–	–	–	5,435.90
Other assets	36,222.02	–	–	–	–	36,222.02
Non-banking assets	–	–	–	–	–	–
Total assets	264,156.89	386.90	18.30	68.22	221.71	264,852.02
LIABILITIES						
Borrowings from other banks, financial institutions and agents	2,676.98	1,182.66	3.72	59.23	14.92	3,937.51
Balance with Bangladesh Bank	11.07	2,268.24	–	–	–	2,279.31
Deposit	201,468.80	793.07	25.66	5.31	32.94	202,325.78
Bills Payable	3,829.28	170.95	–	–	–	4,000.23
Other liabilities	36,591.91	–	–	–	–	36,591.91
Total liabilities	244,578.04	4,414.92	29.38	64.54	47.86	249,134.74
Net position	19,578.85	(4,028.02)	(11.08)	3.68	173.85	15,717.28



50 PERFORMANCE EVALUATION

	2010		2009	
a) Average Cost of Deposits	$= \frac{682.44}{18,547.81}$	x100= 3.68%	$= \frac{595.11}{15,343.14}$	x100= 3.88%
b) Average Cost of Borrowing	$= \frac{10.20}{293.52}$	x100= 3.48%	$= \frac{5.76}{200.67}$	x100= 2.87%
c) Average Cost of Agrani Bank Shilpa Unnayan Bond	$= \frac{5.07}{32.54}$	x100= 15.58%	$= \frac{6.68}{59.30}$	x100= 11.26%
d) Average Yield on Loans & Advances (performing loan)	$= \frac{1,286.56}{11,502.34}$	x100= 11.19%	$= \frac{988.28}{8,951.64}$	x100= 11.04%
e) Average Yield on Investments	$= \frac{647.80}{3,880.06}$	x100= 16.70%	$= \frac{369.02}{3,193.83}$	x100= 11.55%
f) Average Yield on Call loans to Bank	$= \frac{7.03}{197.75}$	x100= 3.55%	$= \frac{5.14}{114.50}$	x100= 4.49%
g) Average Yield on Balance with other Banks	$= \frac{54.48}{440.85}$	x100= 12.36%	$= \frac{18.54}{200.67}$	x100= 9.24%
h) Net Spread		4.96%		4.23%
i) Net Interest Margin		6.25%		4.61%
j) Contribution of non-interest bearing liabilities (i-h)		1.29%		0.38%


51 Workers Participation Fund


SRO-336-AIN/2010 dated 5-10-2010 issued by Ministry of Labor and Employment and published in Bangladesh gazette on 07-10-2010 declaring the status of business of certain institutions and companies (like mobile operating companies, mobile network service providing company , all Govt. and Non-govt. money lending companies etc.) as Industrial Undertakings” for the purpose of Chapter-XV of the Bangladesh Labor Act,2006 which deals with the workers participation in company’s profit by the way of Worker’s Participation Fund and Welfare Fund (WPFWP). The Bangladesh Labor Act,2006 requires the “ Industrial Undertakings” to maintain provision for worker’s profit participation fund @5% on net profit. However, we have obtained legal opinion from Legal advisor in this regard where it has been started that Agrani Bank Limited does not fall under this category. Therefore, no provision has been made in the financial statements during the year under audit.

52 Other Commitment

Agrani Bank Limited has a commitment to pay Tk. 11,530,650 for purchase of aircooler and Tk. 13,761,100 for purchase of software.


(MD. NAZRUL ISLAM FARAZI)
General Manager (Accounts)


(MD. ABDUS SALAM)
Deputy Managing Director


(SYED ABDUL HAMID)
Managing Director & CEO



Annex –A

Detail Information of Advances More than 10% of Bank's Paid-up Capital (funded & non-funded)

(Amount in Crore Tk)

Sl. No.	Name of Borrower	Outstanding as on December 31,2010				
		Funded	Non-funded	Total (3+4)	C.L	Recovery
1	2	3	4	5	6	7
State Owned Enterprises						
1	M/s. Bangladesh Petroleum Corporation	2,372.59	2,135.25	4,507.84	UC	–
2	Star Jute Mills Limited	109.37	22.74	132.11	BL	19.54
3	Power Development Board	–	195.73	195.73	UC	–
	Sub Total	2,481.96	2,353.72	4,835.68	–	19.54
Private Sector						
4	M/s. Bashundhara Paper Mills Limited	57.96	28.84	86.80	STD	–
5	BSRM Steels	35.60	24.73	60.33	UC	0.76
6	M/s. Diamond Cement Limited (unit 1+ 2)	64.90	3.83	68.73	UC	19.98
7	S.D.S International Limited.	144.20	–	144.20	STD	–
8	M/s Jasmir Vegetables Oil Limited	107.16	52.77	159.93	UC	–
9	Prime Composite Mills Limited.	147.18	53.87	201.05	STD	5.47
10	M/s Mizan Traders	76.55	65.32	141.87	UC	–
11	Dhaka Hide & Skins Limited.	160.06	3.27	163.33	UC	19.37
12	Bay Tannery Limited.	113.85	0.49	114.34	UC	15.87
13	M/s Siddique Traders	57.29	193.97	251.26	UC	–
14	Mohammad Elias Brothers (Pvt) Limited	254.03	–	254.03	UC	36.50
15	Sad Musa Fabrics Limited. (Unit –1+2+3)	116.59	16.99	133.58	UC	0.87
	Sub Total	1,335.37	444.08	1,779.45	–	98.82
	Grand Total	3,817.33	2,797.80	6,615.13	–	118.36



Annexure – B.1

Particulars	No. of Quantity	Face Value	Rate of Interest	Cost Value/ Previous Value	Market value on 31.12.10 (Taka)	Amount Booked	
						Amortization	Rev. Reserve A/C
Treasury Bills in HTM							
Approved:							
91 Days	2	539,000,000	3.64–4.43	537,061,502	538,151,869	1,090,367	
182 Days	2	396,000,000	4.25–4.71	390,137,026	390,736,103	599,077	
364 Days	2	382,000,000	4.67–5.26	366,855,233	367,828,676	973,443	
Total		1,317,000,000		1,294,053,761	1,296,716,648	2,662,887	
Treasury Bills in HFT							
Approved:							
182 Days	3	446,000,000	3.52–3.55	438,239,328	444,909,771		–
364 Days	10	1,554,000,000	4.25–4.64	1,489,424,085	1,531,948,747		–
Total		2,000,000,000		1,927,663,413	1,976,858,518		–
Grand Total Treasury Bills in HTM & HFT		3,317,000,000		3,221,717,174	3,273,575,166	2,662,887	–

Annexure – B.2

Particulars	No. of Quantity	Face Value	Rate of Interest	Cost Value/ Previous Value	Market value on 31.12.10 (Taka)	Amount Booked	
						Amortization	Rev. Reserve A/C
Treasury Bond in HTM :							
Approved:							
Govt. Treasury Bond (5 years)	2	800,000,000	7.50	710,906,000	767,781,738	56,875,738	
Govt. Treasury Bond (10 years)	5	1,421,800,000	8.50	1,127,475,000	1,186,053,682	58,578,682	
Total Treasury Bond in HTM		2,221,800,000		1,838,381,000	1,953,835,420	115,454,420	
Other Bonds in HTM							
Approved:							
Jute Sector (25 Years)	2	519,963,000	5.00	519,963,000	519,963,000		
Special Treasury Bond (Kohinoor)(15 Years)	1	101,160,000	5.00	101,160,000	101,160,000		
Treasury Bond (Froozen Food) (03 Years)	1	366,900,000	Interest Free	366,900,000	366,900,000		
Total Other Bonds in HTM		988,023,000		988,023,000	988,023,000		–
Total Treasury Bond & Other Bonds in HTM (A)		3,209,823,000		2,826,404,000	2,941,858,420	115,454,420	–
Treasury Bond (HFT) :							
Approved:							
Govt. Treasury Bond (5 years)	20	5,738,300,000	7.80–10.80	5,987,322,100	5,948,147,124		116,180,608
Govt. Treasury Bond (10 years)	18	6,068,400,000	8.75–12.15	6,380,975,798	6,396,339,819		109,961,534
Govt. Treasury Bond (15 years)	26	3,546,400,000	8.69–14.00	3,754,310,050	4,063,810,352		335,473,362
Govt. Treasury Bond (20 years)	19	2,818,800,000	9.10–13.14	2,885,432,832	3,070,456,430		220,761,985
Total Treasury Bond in HFT (B)		18,171,900,000		19,008,040,780	19,478,753,725		782,377,489
Treasury Bond (Lien at BB under OD facilities) :							
Un-approved:							
Govt. Treasury Bond (5 years)	2	1,132,500,000	7.80–10.60	1,187,860,550	1,181,658,884		2,008,005
Govt. Treasury Bond (10 years)	2	1,242,700,000	11.72	1,462,272,882	1,441,181,037		–
Total Treasury Bond in HFT (C)		2,375,200,000		2,650,133,432	2,622,839,921		2,008,005
Un Approved Other Bond :							
Prime Bank Ltd Subordinated Bond	1	180,000,000	11.50	180,000,000	180,000,000		
Orascom Telecom Bond	2	500,000,000	13.50	500,000,000	500,000,000		
Mutual Trust Bank Ltd Subordinated Bond	1	300,000,000	12.00	300,000,000	300,000,000		
National Bank Ltd Subordinated Bond	1	200,000,000	11.50	200,000,000	200,000,000		
Brac Bank Ltd Bond	1	750,000,000	11.50	750,000,000	750,000,000		
Total Unapproved Other Bond (D)		1,930,000,000		1,930,000,000	1,930,000,000		–
Total (A+B+C+D) (Note-6)		25,686,923,000		26,414,578,212	26,973,452,066	115,454,420	784,385,494
Grand Total (Annexure–B & Annexure–B.1) (Note-6)		29,003,923,000		29,636,295,386	30,247,027,232	118,117,307	784,385,494



Annexure–B.3

a.(i) Disclosure regarding outstanding Repo as on 31 December:

Sl. no.	Counter party name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
01.	Bangladesh Bank	12/30/2010	1/2/2011	6,431,765,195
02.	Standard Chartered Bank	12/30/2010	1/2/2011	1,861,568,173
Total				8,293,333,368

(ii) Disclosure regarding outstanding Reverse Repo as on 31 December:

Sl. no.	Counter party name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
	Nil			
Total				

b. Disclosure regarding overall transaction of Repo and Reverse Repo:

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under repo:			
i) with Bangladesh Bank	528,248,661	8,712,486,869	6,112,133,950
ii) with other banks & FIs	997,120,614	1,964,850,082	1,878,150,214
Securities purchased under reverse repo:			
	Nil		
i) with Bangladesh Bank			
ii) with other banks & FIs			

	minimum	maximum	avg
Normal Repo	260,532,827	3,980,528,988	1,972,677,094
Repo (L/S)	267,715,834	4,731,957,881	4,139,456,856
Total Repo	528,248,661	8,712,486,869	6,112,133,950



A Share Quoted

Annexure – C–1

Particulars / Name of Companies	No. of share	Par Value	Average Cost Per Share	Total Book Value*	Market Value Per Share	Market value as on 31.12.10 (Taka)	Unrealised Capital Gain/(Loss)	Provision Kept
		Tk	Tk	Tk	Tk	Tk	Tk	Tk
AB Bank Limited	122,740	100	1,560.30	191,510,700	1,580.50	193,990,570	2,479,870	–
Atlas Bangla	4,650	10	460.24	2,140,137	394.10	1,832,565	(307,572)	307,572
ARAMIT CEMENT	7,200	100	1,720.24	12,385,750	1,591.00	11,455,200	(930,550)	930,550
BANK ASIA	46,250	100	881.47	40,767,974	857.50	39,659,375	(1,108,599)	1,108,599
BECON PHARMA	5,000	10	82.81	414,033	68.70	343,500	(70,533)	70,533
Beximco Ltd.	1,340,100	10	326.89	438,065,257	311.50	417,441,150	(20,624,107)	20,624,107
Beximco Pharma Ltd	555,808	10	121.09	67,302,807	135.10	75,089,661	7,786,853	–
BEXTEX	23,600	10	81.01	1,911,748	76.30	1,800,680	(111,068)	111,068
BSRM Steel	20,500	100	2,397.10	49,140,608	2,118.50	43,429,250	(5,711,358)	5,711,358
City Bank	70,000	100	1,069.55	74,868,686	1,000.25	70,017,500	(4,851,186)	4,851,186
DBH	15,925	100	2,414.21	38,446,281	2,498.25	39,784,631	1,338,350	–
DBH 1st M.F.	131,500	10	17.50	2,301,289	16.10	2,117,150	(184,139)	184,139
Delta Life Ins. co Ltd	160	100	30,069.52	4,811,122	38,899.25	6,223,880	1,412,758	–
DESCO	6,400	100	2,147.83	13,746,130	2,031.50	13,001,600	(744,530)	744,530
DHAKA BANK	40,000	10	76.60	3,064,141	76.30	3,052,000	(12,141)	12,141
Eastern Ins. co Ltd	792	100	91.74	72,657	1,471.50	1,165,428	1,092,771	–
Exim Bank Ltd.	52,440	10	52.62	2,759,331	60.70	3,183,108	423,777	–
IDLC	420	100	4,782.93	2,008,830	4,647.50	1,951,950	(56,880)	56,880
IFIC Bank Ltd.	479,891	100	1,429.67	686,087,656	1,420.75	681,805,138	(4,282,518)	4,282,518
Jamuna Bank Ltd.	301,269	10	46.94	14,142,664	55.00	16,569,795	2,427,131	–
Jute Spinnings Ltd	2,945	100	330.00	971,850	2,080.00	6,125,600	5,153,750	–
KPCL	32,100	10	161.11	5,171,497	112.60	3,614,460	(1,557,037)	1,557,037
Meghna Petroleum	75,300	10	255.62	19,248,130	237.10	17,853,630	(1,394,500)	1,394,500
Metro Spinning Ltd.	6,000	10	114.21	685,259	87.00	522,000	(163,259)	163,259
Monnoo Ceramic Ltd	550	100	212.00	116,598	1,138.25	626,038	509,440	–
MTBL	65,400	100	793.22	51,876,818	708.25	46,319,550	(5,557,268)	5,557,268
National Life Insurance	2,460	100	7,802.49	19,194,128	7,532.00	18,528,720	(665,408)	665,408
National Tea co. Ltd	2,427	100	857.50	2,081,153	5,787.00	14,045,049	11,963,897	–
NBL	570,600	100	193.45	110,380,312	191.60	109,326,960	(1,053,352)	1,053,352
One Bank Ltd.	288,050	100	974.40	280,675,072	1,153.75	332,337,688	51,662,616	–
Padma Oil	144,600	10	1,327.76	191,993,477	828.10	119,743,260	(72,250,217)	72,250,217
Power Grid Ltd	373,040	100	1,042.47	388,881,885	915.75	341,611,380	(47,270,505)	47,270,505
Pragati Insurance Ltd.	32,830	100	1,646.57	54,056,950	1,557.00	51,116,310	(2,940,640)	2,940,640
Prime Bank Ltd	88,700	100	949.39	84,211,261	944.75	83,799,325	(411,936)	411,936
Pubali Bank Ltd	175	10	103.12	18,046	107.40	18,795	749	–
RAK Ceramic	8,200	10	210.33	1,724,743	171.60	1,407,120	(317,623)	317,623
RENATA	535	100	12,903.71	6,903,487	12,942.75	6,924,371	20,884	–
RN SPINNING	45,000	10	127.32	5,729,288	119.70	5,386,500	(342,788)	342,788
Shahjalal Islami Bank Ltd.	27,633,730	10	74.49	2,058,446,227	79.30	2,191,354,789	132,908,562	–
Singer BD	4,545	100	7,282.86	33,100,586	7,169.50	32,585,378	(515,209)	515,209
Southeast Bank Ltd.	850,562	100	571.87	486,410,448	600.25	510,549,841	24,139,393	–
Square Pharma Ltd	147,925	100	3,452.76	510,749,305	3,522.00	520,991,850	10,242,545	–
Square Textile Mills Ltd	183,633	10	234.18	43,002,736	209.80	38,526,203	(4,476,532)	4,476,532
Standered Bank Ltd.	31,762	100	706.62	22,443,627	646.00	20,518,252	(1,925,375)	1,925,375
Sumit Power Ltd	3,810,802	10	155.68	593,275,401	140.10	533,893,360	(59,382,041)	59,382,041
Titas Gas Ltd	254,510	100	1,077.28	274,178,908	999.00	254,255,490	(19,923,418)	19,923,418
ULC	1,940	100	1,897.98	3,682,087	1,732.00	3,360,080	(322,007)	322,007
Investt.Corp.of Bangladesh	1,254,950	100	80.60	101,148,970	4,219.50	5,295,261,525	5,194,112,555	–
Aftab Auto Mobiles Ltd.	315,543	10	158.46	50,000,000	451.60	142,499,219	92,499,219	–
Anwar Galvanizing Ltd	450	100	71.75	32,288	465.50	209,475	177,188	–
B.D.Luggage Ltd	600	100	8.00	4,800	28.25	16,950	12,150	–
B.C.I Ltd	1,230	100	15.25	18,756	53.00	65,190	46,434	–
Bangladesh Shipping Corp.	1,077	100	1,714.25	1,846,247	3,220.50	3,468,479	1,622,232	–
Bengal Biscuits Ltd	420	100	33.00	13,860	85.00	35,700	21,840	–
Dacca Dying & Manf.Co.	55,860	10	8.93	498,750	98.30	5,491,038	4,992,288	–
Padma Printers & Colors	28,484	10	3.40	96,846	5.00	142,420	45,574	–
Phoenix leather Complex Ltd	599	100	100.00	59,900	361.50	216,539	156,639	–
PLFSL	75,982	10	131.61	9,999,991	291.10	22,118,360	12,118,369	–
Green Delta Mutual Fund	500,000	10	10.00	5,000,000	13.60	6,800,000	1,800,000	–
PAPULAR LIFE MF	500,000	10	10.00	5,000,000	11.90	5,950,000	950,000	–
Total Quoted Share (A)	40,618,161			7,068,877,487		12,371,531,023	5,302,653,536	259,464,294

* Book value of the Shares are inclusive of brokerage commission
Market value of Shares was Tk. 4,726,375,965 on the basis of price of March 30, 2011.


B Share (Un-Quoted)
Annexure – C–2

Particulars / Name of Companies	No. of share	Face Value per share Tk	Average Cost Per Share Tk	Book Value Tk	Rate 31–12–2010	Market value on 31.12.10 (Taka)	Unrealised Capital Gain/(Loss)	Provision Kept
Belhasa Accom & Associates Ltd (Pref. Share)	150,000,000	10	10.00	1,500,000,000	10.00	1,500,000,000	–	–
FIRST AGRANI MF	50,000,000	10	10.00	500,000,000	10.00	500,000,000	–	–
UNIQUEHOTEL & RESORT (Buy Back Share of Cricent Limited) *	6,250,000	10	200.00	1,250,000,000	58.49	365,562,500	(884,437,500)	884,437,500
ORION LABORATORIES PLACEMENT	5,000,000	10	100.00	500,000,000	83.00	415,000,000	(85,000,000)	85,000,000
BEXTEX (BUY BACK SHARE OF NEW DHK IND LTD) *	13,500,000	10	80.00	1,080,000,000	76.30	1,030,050,000	(49,950,000)	49,950,000
SUMMIT Power UTTARANCHAL (Pref. Share)	1,316,251	100	90.14	118,642,600	90.14	118,642,600	–	–
SUMMIT POWER PURBANCHAL (Pref. Share)	865,501	100	77.19	66,806,400	77.19	66,806,400	–	–
Eastern Mercantile Bank Ltd	10,000	10	10.00	100,000	–	–	(100,000)	100,000
Adamjee Jute Mills Ltd	30,000	10	8.16	244,800	–	–	(244,800)	244,800
Karnafuly Rayan Chemicals	600	10	10.00	6,000	–	–	(6,000)	6,000
Paper Coverting & Pacg .	1,478	100	100.00	147,800	–	–	(147,800)	147,800
A.B.Biscuit Co Ltd	378	100	100.00	37,800	–	–	(37,800)	37,800
Spicalised Jute Manf. Co ltd	33,790	10	10.00	337,900	–	–	(337,900)	337,900
Swan Textile Mills Ltd	1,000	100	100.00	100,000	–	–	(100,000)	100,000
National Oxyzen Ltd	1,986	100	100.00	198,600	–	–	(198,600)	198,600
Karma Sangthan Bank	300,000	100	100.00	30,000,000	100.00	30,000,000	–	–
Bangladesh Commerce Bank Limited	450,000	100	100.00	45,000,000	110.69	49,810,339	4,810,339	–
CDBL	3,854,164	10	17.19	66,249,840	30.77	118,574,896	52,325,056	–
Swift share	9	181,069	181,069.46	1,629,625	181,069.46	1,629,625	–	–
Financial Excellence Ltd.	15,000	100	100.00	1,500,000	100.00	1,500,000	–	–
Total Unquoted Share (B)	231,630,157			5,161,001,365		4,197,576,359	(963,425,006)	1,020,560,400
Total Share [Quoted & Un-Quoted] (A+B)	272,248,318			12,229,878,852		16,569,107,382	4,339,228,531	1,280,024,694

* Advance given for Shares not yet transferred to Agrani Bank Limited.



Annex – D

Debenture:

Name of organisation	No.Quantity	Amount (Tk)
Debenture (Unapproved)		
M/S Bawa Jute mills Ltd.	1	1
M/S hotel ilisium	1	1
Pioneer Pharmaceuticals 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 Mills Ltd	1	1
Karnafuly Paper Mills Ltd.	1	1
Karnafuly Rayon & Chamicsals Ltd.	1	1
Total (Unapproved)		11
Debenture (Approved)		
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
Other debentiure:		
Bangladesh House building finance Corp.	1	200,000,000
–do–	1	155,000,000
–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	75,000,000
–do–	1	75,000,000
Debenture (Approved)		1,425,000,008
Total debenture (Approved+Unapproved)		1,425,000,019



Outside Bangladesh (Nostro Accounts):

SN	Name of the Bank	Currency Name	Amount in FC	Conversion rate per unit FC	Amount in USD	Weighted Average Rate	Amount in BDT
Nostro Account Debit							
1	Sonali Bank Kolkata	ACUD	38,233	1.0000	38,233	70.7497	2,704,991
2	Sonali Bank UK London	EURO	155,826	1.3223	206,049	70.7497	14,577,925
3	Sonali Bank UK London	GBP	3,523	1.5500	5,460	70.7497	386,291
Sub Total					249,743		17,669,207
4	Bank of Ceylon, Male	ACUD	5,000	1.0000	5,000	70.7497	353,749
5	City Bank NA Mumbai	ACUD	221,402	1.0000	221,402	70.7497	15,664,096
6	HSBC Ltd. India	ACUD	543,812	1.0000	543,812	70.7497	38,474,559
7	ICICI India	ACUD	266,998	1.0000	266,998	70.7497	18,890,026
8	Metropolitan Bank India	ACUD	421,209	1.0000	421,209	70.7497	29,800,434
9	SCB India	ACUD	472,588	1.0000	472,588	70.7497	33,435,447
10	SCB Nepal	ACUD	33,749	1.0000	33,749	70.7497	2,387,723
11	SCB Mumbai, India	ACUEUR	46,124	1.3223	60,989	70.7497	4,314,975
12	City Bank NA, Australia	AUD	65,138	1.0172	64,037	70.7497	4,530,600
13	Royal bank of Canada, Toronto	CAD	101,539	1.0003	101,508	70.7497	7,181,669
14	Union Bank of Swiss, AG Zurich	CHF	86,766	0.9422	81,751	70.7497	5,783,859
15	Unicredito Italiano SPA, Milan	EURO	88,385	1.3223	116,872	70.7497	8,268,633
21	BCCI London	GBP	25,275	.54=\$1	46,806	63.2949	2,962,608
16	SCB London	GBP	38,849	1.5500	60,216	70.7497	4,260,265
17	The Bank of Tokyo–Mitsubishi UFJ Ltd	JPY	5,654,589	81.6600	69,246	70.7497	4,899,100
18	Al–Rajhi Banking	SAR	42,696	3.7502	11,385	70.7497	805,480
19	Svenska Handles Banken	SEK	25,433	6.8081	3,736	70.7497	264,303
20	SCB Singapore	SGD	3,478	1.2928	2,690	70.7497	190,339
21	United Overseas Bank, Singapore	SGD	236,460	1.2928	182,905	70.7497	12,940,470
28	BCCI London	USD	175,943	1.0000	175,943	70.5932	12,420,376
22	Kookmin Bank, Seol	USD	126,506	1.0000	126,506	70.7497	8,950,282
23	Public Bank Berhad, Kualalampur	USD	162,340	1.0000	162,340	70.7497	11,485,496
24	SCB NY	USD	4,352,987	1.0000	4,352,987	70.7497	307,972,533
25	The Bank of Tokyo–Mitsubishi UFJ Ltd	USD	276,141	1.0000	276,141	70.7497	19,536,886
Sub Total					7,860,816		555,773,905
Total Debit Balance					8,110,558		573,443,112
Nostro Account Credit							
26	AB Bank Limited, India	ACUD	122,526	1.0000	122,526	70.7497	8,668,695
27	Bank of Ceylon, Colombo	ACUD	30,211	1.0000	30,211	70.7497	2,137,418
28	City Bank London	EURO	161,190	1.3223	213,141	70.7497	15,079,661
29	Commerz Bank AG, Frankfrut	EURO	468,095	1.3223	618,962	70.7497	43,791,366
30	SCB Germany	EURO	3,814	1.3223	5,043	70.7497	356,774
31	HSBC London	GBP	33,965	1.5500	52,646	70.7497	3,724,661
32	SCB Tokyo	JPY	4,752,442	81.6600	58,198	70.7497	4,117,485
33	City Bank NY	USD	6,422,140	1.0000	6,422,140	70.7497	454,364,459
34	HSBC NY	USD	664,793	1.0000	664,793	70.7497	47,033,927
35	J P Morgan	USD	1,071,641	1.0000	1,071,641	70.7497	75,818,301
36	Mashreqe Bank	USD	4,171,886	1.0000	4,171,886	70.7497	295,159,715
37	Sonali Bank UK London	USD	886,907	1.0000	886,907	70.7497	62,748,388
38	Wachovia Bank	USD	3,498,623	1.0000	3,498,623	70.7497	247,526,535
Total Credit Balance					17,816,717		1,260,527,386



Annexure–F

Details of Advance tax and Provision of Taxation

Income Year	Assessment Year	Tax Provision as per account	Assessment status	Assessed Tax liabilities	Excess/(short) Provision after Tax Assessed	Taka
						Payment of Advance Tax (TDS)
1	2	3	4	5	6=(3-5)	7
Refundable from Govt. for finalized assessments up to 2004 (except 2002)						3,101,735,796
2002	2003–04	10,000,000	2nd appeal pending	75,088,642	(65,088,642)	510,581,907
2005	2006–07	35,517,654	High Court Ref. Pending	–	35,517,654	224,697,050
2006	2007–08	930,815,389	High Court Ref. Pending	1,550,205,298	(619,389,909)	239,419,933
2007	2008–09	–	Appeal pending	2,069,296,117	(2,069,296,117)	1,020,571,233
2008	2009–10	–	Return Submitted	–	–	125,729,702
2009	2010–11	1,700,000,000	Return Submitted	–	–	84,148,956
2010	2011–12	2,068,600,000	Under process	–	–	177,840,291
Sub total		4,744,933,042	–	3,694,590,057	(2,718,257,015)	5,484,724,868

Note: In 2005, assessed tax loss was Tk. 159,54,13,077 and assessed tax liability was nil.

Annexure–G.1

FIXED ASSETS INCLUDING LAND, BUILDINGS, FURNITURE AND FIXTURES

(Amount in Taka)

Particulars	Land & Building	Furniture & Fixture	Motor Vehicles	Office Equipment	Electric Materials	Computers	Others (Library Books)	Total
Cost								
Balance at January 01, 2010	2,483,615,064	320,919,340	245,607,186	111,091,826	161,492,791	544,058,392	2,634,749	3,869,419,348
Addition during the year	37,090,749	100,869,979	2,571,661	17,062,393	37,787,698	140,117,996	132,731	335,633,207
Revaluation during the year	2,318,482,524	–	–	–	–	–	–	2,318,482,524
Disposal / Transfer during the year	–	(3,531,469)	(58,834)	(1,016,436)	(912,806)	121,018	1,626	(5,396,901)
December 31, 2010	4,839,188,337	418,257,850	248,120,013	127,137,783	198,367,683	684,297,406	2,769,106	6,518,138,178
Less: Accumulated Depreciation								
Balance at January 01, 2010	99,540,864	226,166,734	185,716,769	91,315,324	128,237,286	257,830,066	1,914,962	990,722,005
Charge for the year	5,787,648	18,007,697	13,788,576	7,550,244	10,571,098	41,092,677	115,776	96,913,716
Adjustment for disposal / transfer	–	(3,531,469)	(58,834)	(1,016,436)	(912,806)	121,018	1,626	(5,396,901)
December 31, 2010	105,328,512	240,642,962	199,446,511	97,849,132	137,895,578	299,043,761	2,032,364	1,082,238,820
Net Book Value At:								
December 31, 2010	4,733,859,825	177,614,888	48,673,502	29,288,651	60,472,105	385,253,645	736,742	5,435,899,358
December 31, 2009	2,384,074,200	94,752,606	59,890,417	19,776,502	33,255,505	286,228,326	719,787	2,878,697,343



REVALUATION OF LAND AND BUILDING

Sl. No.	Item & Location	Area in Decimals	Book Value before revaluation As on 31-12-2010			Revaluation Value As on 31-12-2010			Revaluation Reserve As on 31-12-2010		
			Land 4(a)	Bulding 4(b)	Total 4(c)	Land 5(a)	Bulding 5(b)	Total 5(c)	Land 6(a)	Bulding 6(b)	Total 6(c)
A.	Dhaka Division										
1	9-D, Dilkusha C/A, Dhaka	41.39	827,800,000	51,524,746	879,324,746	1,138,225,000	125,739,000	1,263,964,000	310,425,000	74,214,254	384,639,254
2	72, Motijheel C/A, Dhaka	12.40	247,920,000	6,773,402	254,693,402	340,890,000	11,587,200	352,477,200	92,970,000	4,813,798	97,783,798
3	19, Shabagh Avenue, Dhaka	50.00	750,000,000	1,859,290	751,859,290	1,150,000,000	1,204,420	1,151,204,420	400,000,000	(654,870)	399,345,130
4	Sadarghat, Dhaka	-	-	-	-	-	-	-	-	-	-
5	Shaistakhan Road, Narayanganj	6.35	7,620,000	4,333,797	11,953,797	50,800,000	8,937,720	59,737,720	43,180,000	4,603,923	47,783,923
6	Mirjhumla, Narayanganj	226.25	226,250,000	13,304,944	239,554,944	1,131,250,000	18,107,436	1,149,357,436	905,000,000	4,802,492	909,802,492
7	Chotto Bazar, Mymensingh	6.70	13,400,000	6,081,901	19,481,901	33,500,000	13,168,800	46,668,800	20,100,000	7,086,899	27,186,899
8	Garkanda, Nalitabari, Sherpur	6.72	2,016,000	1,158,342	3,174,342	6,720,000	1,823,325	8,543,325	4,704,000	664,983	5,368,983
9	Satpai, Netrokona	15.00	4,500,000	2,921,316	7,421,316	15,000,000	4,464,000	19,464,000	10,500,000	1,542,684	12,042,684
10	Chakbazar, Thana Road, Faridpur	8.32	8,320,000	5,281,303	13,601,303	24,960,000	10,032,000	34,992,000	16,640,000	4,750,697	21,390,697
11	Rajbarimore, Faraidpur	26.00	5,200,000	1,849,113	7,049,113	13,000,000	2,072,700	15,072,700	7,800,000	223,587	8,023,587
12	Bangabandhu Road, Launchghat, Gopalganj	7.00	2,100,000	2,798,573	4,898,573	5,600,000	4,569,600	10,169,600	3,500,000	1,771,027	5,271,027
13	Bherarhat, Haridaspur, Gopalganj	30.75	615,000	-	615,000	1,537,500	-	1,537,500	922,500	-	922,500
	Sub Total	436.88	2,095,741,000	97,886,727	2,193,627,727	3,911,482,500	201,706,201	4,113,188,701	1,815,741,500	103,819,474	1,919,560,974
B.	Chittagong Division										
1	New Rangamati Bazar, Rangamati, Chittagong	52.00	15,600,000	809,358	16,409,358	78,000,000	1,236,814	79,236,814	62,400,000	427,456	62,827,456
	Sub Total	52.00	15,600,000	809,358	16,409,358	78,000,000	1,236,814	79,236,814	62,400,000	427,456	62,827,456
C.	Khulna Division										
1	KDA Mazgunni R/A, Boyara, Khalispur, Khulna	145.93	21,889,500	-	21,889,500	87,558,000	-	87,558,000	65,668,500	-	65,668,500
2	Baniakhamar, Khulna	16.50	9,900,000	-	9,900,000	24,750,000	-	24,750,000	14,850,000	-	14,850,000
3	Maheswarpara, Daulatpur, Khulna	72.28	1,445,600	-	1,445,600	5,421,000	-	5,421,000	3,975,400	-	3,975,400
4	Maheswarpara, Daulatpur, Khulna	64.58	1,291,600	-	1,291,600	4,843,500	-	4,843,500	3,551,900	-	3,551,900
5	Deara, Debnagar, Dighalia, Khulna	79.50	2,385,000	-	2,385,000	7,950,000	-	7,950,000	5,565,000	-	5,565,000
6	Goalpara, Daulatpur, Khulna	29.00	4,350,000	-	4,350,000	17,400,000	-	17,400,000	13,050,000	-	13,050,000
7	Khulna University, Khulna	16.50	5,167,000	-	5,167,000	9,900,000	-	9,900,000	4,733,000	-	4,733,000
8	Jhum Jhumur, Khulna	9.62	1,443,000	4,707,017	6,150,017	6,734,000	10,644,160	17,378,160	5,291,000	5,937,143	11,228,143
	Sub Total	433.91	47,871,700	4,707,017	52,578,717	164,556,500	10,644,160	175,200,660	116,684,800	5,937,143	122,621,943
D.	Rajshahi Division										
1	Banalata Commercial Area, Rajshahi	30.97	7,742,625	-	7,742,625	18,582,300	-	18,582,300	10,839,675	-	10,839,675
2	Padma Residential Area, Rajshahi	101.41	20,282,400	-	20,282,400	50,706,000	-	50,706,000	30,423,600	-	30,423,600
3	Betgari, Bogra	288.00	17,280,000	-	17,280,000	57,600,000	-	57,600,000	40,320,000	-	40,320,000
4	3, Central Road, Rangpur	13.44	8,064,000	3,260,345	11,324,345	33,600,000	2,970,000	36,570,000	25,536,000	(290,345)	25,245,655
5	Dinajpur	8.25	412,500	174,668	587,168	618,750	175,000	793,750	206,250	332	206,582
	Sub Total	442.07	53,781,525	3,435,013	57,216,538	161,107,050	3,145,000	164,252,050	107,325,525	(290,013)	107,035,512
E.	Barisal Division										
1	Barisal	22.00	29,685,850	6,351,042	36,036,892	33,000,000	6,888,600	39,888,600	3,314,150	537,558	3,851,708
	Sub Total	22.00	29,685,850	6,351,042	36,036,892	33,000,000	6,888,600	39,888,600	3,314,150	537,558	3,851,708
F.	Sylhet Division										
1	BSCIC Industrial Area, Kuchai, Sylhet	6.88	2,752,000	279,777	3,031,777	5,160,000	239,200	5,399,200	2,408,000	(40,577)	2,367,423
2	Jaintapur, Sylhet	49.00	4,900,000	1,057,942	5,957,942	24,500,000	1,633,800	26,133,800	19,600,000	575,858	20,175,858
3	Moulvibazar	76.16	38,080,000	12,438,350	50,518,350	114,240,000	16,320,000	130,560,000	76,160,000	3,881,650	80,041,650
	Sub Total	132.04	45,732,000	13,776,069	59,508,069	143,900,000	18,193,000	162,093,000	98,166,000	4,416,931	102,584,931
	Grand Total (A to F)	1,518.90	2,288,412,075	126,965,226	2,415,377,301	4,492,046,050	241,813,775	4,733,859,825	2,203,633,975	114,848,549	2,318,482,524


Classification of financial instruments as per International Financial Reporting Standard-7 (IFRS-7)

(Tk.in million)

Items	Loans & Receivable		Held to maturity		Held to trading		Available for sale		Non-financial asset		Financial liabilities at fair value 15 months profit or loss		Financial liabilities measure at amortised cost		Non-financial liabilities	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash	2,602	2,602	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance with Bangladesh Bank and agent Bank	10,414	10,414	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance with other bank and financial institution	3,005	3,005	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	1,944	1,944	4,120	4,239	30,481	30,968	6,760	11,133	-	-	-	-	-	-	-	-
Loans and advance	163,256	163,256	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fixed assets	-	-	-	-	-	-	-	-	3,129	5,436	-	-	-	-	-	-
Other assets	13,612	13,612	-	-	-	-	-	-	24,328	24,328	-	-	-	-	-	-
Borrowing from other banks, Financial institution and agents	-	-	-	-	-	-	-	-	-	-	-	-	6,217	6,217	-	-
Deposit and other accounts	-	-	-	-	-	-	-	-	-	-	-	-	206,362	206,362	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	2,535	2,535	33,225	33,225
Total	194,833	194,833	4,120	4,239	30,481	30,968	6,760	11,133	27,457	29,764	-	-	215,114	215,114	33,225	33,225





Annexure-I

FINANCIAL STATEMENT OF ISLAMIC BANKING UNIT



Agrani Bank Limited
committed to serve the nation & its people





Islamic Banking Unit
Balance Sheet
As at December 31, 2010

(Taka)

PROPERTY AND ASSETS

Cash in hand

Cash in hand (including foreign currencies)
Balance with Bangladesh Bank and its agent
(including foreign currencies)

	2,485,032
	11,500,000
	13,985,032

Balance with other banks and financial institutions

In Bangladesh
Outside Bangladesh

	49,538,150
	—
	49,538,150

Placement with other banks and financial institutions

Investments in Share & Securities

Governments
Others

	—
	—
	—

Investments

General Investment etc
Bills purchased and discounted

	27,603,759
	—
	27,603,759

Fixed assets including premises

Other assets

Non-banking assets

Total assets

	—
	236,188
	—
	91,363,128

LIABILITIES AND CAPITAL

LIABILITIES

Placement from other banks, financial institutions and agents

Deposits and other accounts

Mudaraba savings deposits
Mudaraba term deposits
Other Mudaraba deposits
Al-wadeeah currents deposits and other deposits accounts
Bills payable

	43,693,991
	25,362,941
	9,248,461
	8,005,670
	1,547,132
	87,858,195

Other Liabilities

Deferred tax liabilities/(Assets)

Total liabilities

	3,504,933
	—
	91,363,128

Capital/Shareholders' equity

Paid up capital
Statutory reserve
Revaluation gain/(loss) on investments
Other reserve
Surplus in profit and loss account/retained earning

	—
	—
	—
	—
	—

Total shareholders equity

Total liabilities and shareholders equity

	91,363,128
--	-------------------

Off Balance Sheet Items
As at December 31, 2010

Contingent Liabilities

Acceptances and endorsements
Letters of guarantee
Irrevocable letters of credit
Bills for collection
Other Contingent Liabilities

	—
	438,650
	—
	15,521
	—
	454,171

Other Commitments

Documentary credits and short term trade related transactions
Forward assets purchased and forward deposits placed
Undrawn note issuance and revolving underwriting facilities
Other Commitments

	—
	—
	—
	—

Total off-balance sheet exposures including contingent liabilities

	454,171
--	----------------



Islamic Banking Unit
Profit and Loss Account
For the year ended December 31, 2010

(Taka)

Operating Income:

Investment Income	662,240
Profit paid on deposits	(1,115,640)
Net Investment Income	(453,400)
Income from investment in shares/securities	-
Commission, exchange and brokerage	118,998
Other operating income	396,231
Total operating income (A)	61,829

Operating Expenses:

Salaries and allowances	-
Rent, taxes, insurance, electricity, ect.	-
Legal Expenses	-
Postage, stamp, telecommunication etc.	-
Stationery, printing, advertisements. Etc.	-
Chief Ececutive's slalary & fees	-
Directors' fees & expenses	-
Shariah supervisory committees's fees & expenses	-
Auditors' fees	-
Charges on investment losses	-
Depreciation and repair of Bank's assets	-
Zakat expenses	-
Other expenses	-
Total operating expenses(B)	-
Profit/(loss) before provision (C=A-B)	61,829

Provision for investments	-
Specific Provision	-
General provision	-
Provision for off-balance sheet exposures	-
Provision for diminution in value of investments	-
Other provisions	-
Total Provision (D)	-
Total profit before taxes (C-D)	61,829



Highlights on the overall activities of the Bank
as at and for the year ended at 31 December, 2010 and 2009

SL No	Particulars	2010	2009 (Restated)
1	Paid up capital	5,465,240,000	4,968,400,000
2	Total capital/equity	15,717,284,768	11,440,927,012
3	Capital surplus/(deficit)	390,887,000	272,500,000
4	Total assets	264,852,026,918	214,062,871,677
5	Total deposits	206,326,011,342	166,283,624,192
6	Total loans and advances	163,256,184,445	122,236,085,269
7	Total contingent liabilities and commitments	90,504,944,790	52,973,577,264
8	Total classified loan to total loans (%)	12.88%	19.42%
9	Net classified loan to net loans	3.13%	4.79%
10	Amount of classified loans	21,020,627,061	23,739,273,000
11	Provisions kept against classified loans	8,345,139,597	10,560,586,999
12	Provision surplus/(deficit)	–	–
13	Credit deposit ratio (%)	79.13%	73.51%
14	Profit after tax and provision *	3,516,772,268	1,355,516,965
15	Cost of fund (%)	7.42%	6.86%
16	Average interest earning assets	161,007,225,736	149,080,435,554
17	Non–interest earning assets	103,844,801,182	64,982,436,123
18	Income from investments	6,477,974,670	3,690,178,143
19	Return on investment (ROI)	14.75%	9.02%
20	Return on Assets (ROA)	1.33%	0.63%
21	Earnings per Share	64.35	24.80
22	Return on Equity	39.91%	53.75%
23	Credit Rating		
	As Govt. Entity		
	Short Term	ST–1	ST–1
	Long Term	AAA	AAA
	As Commercial Bank Entity		
	Short Term	ST–2	ST–2
	Long Term	A	A–
	Date of Rating Declaration	September 06,2010	November 08,2009

