

AUDITOR'S REPORT  
&  
AUDITED FINANCIAL STATEMENTS

OF

THE CITY BANK LIMITED  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2004

SUBMITTED BY

ZOHA ZAMAN KABIR RASHID & CO.

Chartered Accountants  
Dhaka Chamber Building  
65-66 Motijheel C/A Dhaka

### Highlights on the overall activities of the bank for the year 2004 and 2003

| SL# | Particulars   | ( 2004)<br>Taka | (2003)<br>Taka |
|-----|---|-----------------|----------------|
| 1   | Paid-up Capital   | 480,000,000     | 240,000,000    |
| 2   | Total Capital   | 1,469,400,000   | 824,100,000    |
| 3   | Capital Surplus / ( Deficit )                           | 117,400,000     | (305,400,000)  |
| 4   | Total Assets  | 26,375,555,589  | 23,698,557,294 |
| 5   | Total Deposits  | 22,236,956,587  | 20,046,311,058 |
| 6   | Total Loans & Advances                                  | 17,027,836,839  | 14,778,548,110 |
| 7   | Total Contingent Liabilities                            | 6,773,807,689   | 5,656,293,429  |
| 8   | Total loan Deposit Ratio ( % )                          | 76.57           | 73.72          |
| 9   | Ratio of Classified Loan to Total Loans& Advances ( % ) | 10.57           | 14.16          |
| 10  | Profit after tax & Provision                            | 380,262,522     | 13,459,259     |
| 11  | Amount of Classified Loan during the current year       | 197,826,000     | 433,531,000    |
| 12  | Provision kept against classified Loans                 | 74,000,000      | 444,247,877    |
| 13  | Provision surplus / ( Deficit )                         | 105,967,662     | -              |
| 14  | Cost of Fund ( % )                                      | 5.63            | 6.37           |
| 15  | Interest Earning Assets                                 | 22,914,447,297  | 20,352,806,664 |
| 16  | Non-Interest-earning Assets                             | 3,461,108,292   | 3,345,750,630  |
| 17  | Return on Investment ( ROI ) ( % )                      | 8.98            | 7.24           |
| 18  | Return on Assets ( ROA ) ( % )                          | 1.52            | 2.85           |
| 19  | Income from Investment                                  | 293,513,029     | 244,896,465    |
| 20  | Earning per Share ( Taka )                              | 79.22           | 5.61           |
| 21  | Net Income per Share ( Taka )                           | 79.22           | 5.61           |
| 22  | Price Earning Ratio ( Times )                           | 11.08           | 40.55          |

**AUDITORS' REPORT TO THE SHAREHOLDERS**  
**OF**  
**THE CITY BANK LIMITED**

We have audited the accompanying Balance Sheet of The City Bank Limited as at December 31, 2004 and the related Profit and Loss Account, Statement of Cash Flow and Changes in Equity together with Notes to the Financial Statements for the year then ended. The preparation of these Financial Statements is the responsibility of the Banks management. Our responsibility is to express an independent opinion on these Financial Statements based on our audit.

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

Our audit revealed that:

- i. The difference of Inter Branch Accounts Tk. 297,320,940 has been included under other assets headed City General Adjustment Account in the financial statement.

In our opinion, except for the effect on the financial statement of the matters referred to in the preceding paragraphs, the Financial Statements have been prepared in accordance with Bangladesh Accounting Standards (BAS) as adopted by the Institute of Chartered Accountants of Bangladesh give a true and fair view of the state of the Bank's affairs as on December 31,2004 and of the results of its operations and its Cash flows for the year then ended and comply with the Bank Companies Act 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

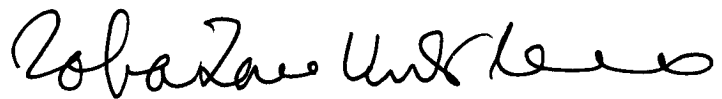
Subject to the above, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books and (where applicable) proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- (iii) the Balance sheet and Profit and Loss Account of the company dealt with by the report are in agreement with the books of account and returns;



- (iv) the expenditure was incurred for the purpose of the business of the company;
- (v) the financial position of the Bank as at December 31, 2004 and the profit for the year then ended have been properly reflected in the Financial Statements and the Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles.
- (vi) 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 the Bangladesh Bank.
- (vii) the financial statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (viii) adequate provision have been made by the Bank as at December 31, 2004, for advances which are, in our opinion, doubtful of recovery ;
- (ix) the records and statements submitted by the branches have been properly maintained and consolidated in the Financial Statements; and
- (x) the information and explanations required by us have been received and found satisfactory;

Dated, Dhaka  
April 30, 2005



ZOHA ZAMAN KABIR RASHID & CO.  
Chartered Accountants



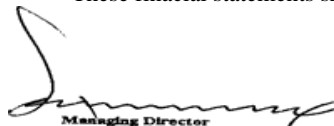
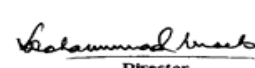


**THE CITY BANK LIMITED**  
**BALANCE SHEET**  
**AS AT 31st DECEMBER , 2004**

| <b><u>PROPERTY AND ASSETS</u></b>  | Notes        | <b>Amount in Taka</b> |                       |
|--|--------------|-----------------------|-----------------------|
|  |              | <b>2004</b>           | <b>2003</b>           |
|  |              | <b><u>Taka</u></b>    | <b><u>Taka</u></b>    |
| <b><u>CASH</u></b>   | <b>4.00</b>  | <b>1,477,386,687</b>  | <b>1,431,723,120</b>  |
| Cash in hand ( Including Foreign Currencies )                                |              | 475,002,705           | 409,420,610           |
| Balance With Bangladesh Bank & Sonali Bank<br>( Including Foreign Currency ) |              | 1,002,383,982         | 1,022,302,510         |
| <b>BALANCE WITH OTHER BANKS &amp; FINANCIAL INSTITUTIONS</b>                 | <b>5.00</b>  | <b>214,861,460</b>    | <b>425,857,255</b>    |
| In Bangladesh  |              | 164,611,490           | 300,963,787           |
| Outside Bangladesh   |              | 50,249,970            | 124,893,468           |
| <b>MONEY AT CALL AND SHORT NOTICE:</b>                                       | <b>6.00</b>  | <b>2,725,225,000</b>  | <b>2,195,000,000</b>  |
| <b>INVESTMENTS:</b>  | <b>7.00</b>  | <b>3,161,375,458</b>  | <b>3,379,258,554</b>  |
| Government   |              | 2,941,146,530         | 3,148,305,780         |
| Others   |              | 220,228,928           | 230,952,774           |
| <b>LOANS AND ADVANCES:</b>   | <b>8.00</b>  | <b>17,027,836,839</b> | <b>14,778,548,110</b> |
| Loans, Cash Credit & Overdrafts etc.   |              | 15,214,378,550        | 13,606,256,099        |
| Bills Purchased & Discounted   |              | 1,813,458,289         | 1,172,292,011         |
| <b>FIXED ASSETS</b>  | <b>9.00</b>  | <b>682,367,906</b>    | <b>686,694,568</b>    |
| <b>OTHER ASSETS</b>  | <b>10.00</b> | <b>1,086,502,239</b>  | <b>801,475,687</b>    |
| <b>NON-BANKING ASSETS</b>  |              | -                     | -                     |
| <b>TOTAL ASSETS</b>  |              | <b>26,375,555,589</b> | <b>23,698,557,294</b> |
| <b><u>LIABILITIES AND CAPITAL</u></b>  |              |                       |                       |
| <b>LIABILITIES :</b>   |              |                       |                       |
| Borrowings from other Bank, Financial Institutions and Agents                |              | <b>40,000,000</b>     | -                     |
| <b>DEPOSITS &amp; OTHER ACCOUNTS:</b>  | <b>11.00</b> | <b>22,236,956,587</b> | <b>20,046,311,058</b> |
| Current Deposits and other Accounts  |              | 2,710,976,718         | 2,303,026,299         |
| Bills Payable  |              | 341,640,899           | 235,560,348           |
| Savings Bank Deposits  |              | 5,371,144,695         | 4,598,541,303         |
| Bearer Certificate of Deposits   |              | -                     | 3,900,000             |
| Term Deposits  |              | 12,531,197,484        | 11,734,802,154        |
| Other Deposits   |              | 1,281,996,791         | 1,170,480,954         |
| <b>OTHER LIABILITIES</b>   | <b>12.00</b> | <b>2,681,126,266</b>  | <b>2,855,036,022</b>  |
| <b>TOTAL LIABILITIES</b>   |              | <b>24,958,082,853</b> | <b>22,901,347,080</b> |
| <b>CAPITAL / SHAREHOLDERS' EQUITY:</b>                                       |              |                       |                       |
| <b>Paid-up Capital</b>   | <b>13.00</b> | 480,000,000           | 240,000,000           |
| <b>Statutory Reserve</b>   | <b>14.00</b> | 378,420,483           | 213,809,643           |
| <b>Other Reserve</b>   | <b>15.00</b> | 240,619,365           | 240,619,365           |
| <b>Retained Earnings</b>   | <b>16.00</b> | 78,432,888            | 102,781,206           |
| <b>Proposed Bonus Share</b>  |              | 240,000,000           | -                     |
| <b>TOTAL SHAREHOLDERS' EQUITY:</b>   |              | <b>1,417,472,736</b>  | <b>797,210,214</b>    |
| <b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>                          |              | <b>26,375,555,589</b> | <b>23,698,557,294</b> |

**OFF - BALANCE SHEET ITEMS**  
**AS AT 31st DECEMBER , 2004**

| OFF - BALANCE SHEET ITEMS                                    |       | Amount in Taka       |                      |
|--|-------|----------------------|----------------------|
|  | NOTES | 2004                 | 2003                 |
|  |       | <u>Taka</u>          | <u>Taka</u>          |
| <b><u>CONTINGENT LIABILITIES:</u></b>                        |       |                      |                      |
| Acceptances and Endorsements                                 |       | 1,096,355,031        | 767,602,935          |
| Letters of Gurantee  | 17.00 | 995,369,728          | 705,879,315          |
| Letters of credit  |       | 2,743,088,539        | 2,622,104,717        |
| Bills for Collection   |       | 1,938,994,390        | 1,560,706,462        |
| Other Contingent Liabilities                                 |       | -                    | -                    |
| <b>TOTAL:</b>  |       | <b>6,773,807,689</b> | <b>5,656,293,429</b> |
| <br><b><u>OTHER COMMITMENTS:</u></b>                         |       |                      |                      |
| Documentary credit and short term trade-related transactions |       | -                    | -                    |
| Forward assets purchased and forward deposits placed         |       | -                    | -                    |
| Undrawn note issuance and revolving underwriting facilities  |       | -                    | -                    |
| Undrawn formal standby facilities, credit lines and other    |       | -                    | -                    |
| <b>TOTAL:</b>  |       | <b>-</b>             | <b>-</b>             |
| <br><b>TOTAL OFF - BALANCE SHEET ITEMS</b>                   |       | <b>6,773,807,689</b> | <b>5,656,293,429</b> |

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

|  |   |   |   |
|--|---|---|---|
| <br>Managing Director | <br>Director | <br>Vice Chairman | <br>Chairman |
|--|---|---|---|

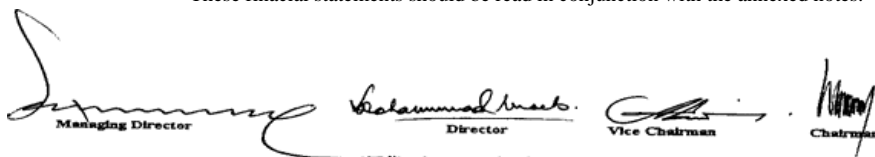
Auditors' report to the Shareholders  
See annexed report of date

  
Zoha Zaman Kabir Rashid & Co.  
Chartered Accountants

**THE CITY BANK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2004**

|   | Notes | Amount in Taka       |                      |
|---|-------|----------------------|----------------------|
|   |       | 2004<br>Taka         | 2003<br>Taka         |
| <b><u>OPERATING INCOME</u></b>                          |       |                      |                      |
| Interest Income   | 18.00 | 1,809,652,568        | 1,752,126,913        |
| Less : Interest paid on Deposits & Borrowings           | 19.00 | 1,109,963,353        | 1,172,280,961        |
| <b>Net Interest Income</b>                              |       | <b>699,689,215</b>   | <b>579,845,952</b>   |
| Income from Investment                                  | 20.00 | 293,513,029          | 244,896,465          |
| Commission, Exchange Earnings & Brokerage               | 21.00 | 444,468,744          | 365,623,378          |
| Other Operating Income                                  | 22.00 | 160,212,931          | 112,389,904          |
|   |       | <b>898,194,704</b>   | <b>722,909,747</b>   |
| <b>TOTAL OPERATING INCOME (A)</b>                       |       | <b>1,597,883,919</b> | <b>1,302,755,699</b> |
| <b><u>OPERATING EXPENSES</u></b>                        |       |                      |                      |
| Salary & Allowances                                     | 23.00 | 424,831,090          | 407,780,444          |
| Managing Director's Salary & Allowances                 | 24.00 | 3,795,000            | 3,600,000            |
| Rent, Taxes, Insurance, Lighting etc.                   | 25.00 | 83,798,741           | 78,971,262           |
| Legal Expenses / Law Charges                            |       | 5,653,157            | 5,512,761            |
| Postage, Stamp, Telecommunication etc.                  | 26.00 | 23,258,489           | 21,829,299           |
| Stationery, Printing, Advertisement etc.                | 27.00 | 19,157,124           | 18,201,017           |
| Director's Fee  | 28.00 | 677,500              | 832,500              |
| Audit Fee   | 29.00 | 291,220              | 170,000              |
| Depreciation and Repair to Bank's Assets :              | 30.00 | 45,043,684           | 46,650,321           |
| Other Expenses  | 31.00 | 69,323,714           | 43,337,759           |
| <b>TOTAL OPERATING EXPENSES (B)</b>                     |       | <b>675,829,719</b>   | <b>626,885,363</b>   |
| <b>Profit / (Loss) before Provision ( C ) = ( A-B )</b> |       | <b>922,054,200</b>   | <b>675,870,336</b>   |
| Provision for Loans & Advances                          | 32.00 | 99,000,000           | 472,411,077          |
| Other Provisions  | 12.04 | -                    | -                    |
| <b>Total Provision (D)</b>                              |       | <b>99,000,000</b>    | <b>472,411,077</b>   |
| <b>Total Profit Before Tax (C-D)</b>                    |       | <b>823,054,200</b>   | <b>203,459,259</b>   |
| Provision for Taxation                                  |       | 442,791,678          | 190,000,000          |
| <b>Net Profit / (Loss) After Tax</b>                    |       | <b>380,262,522</b>   | <b>13,459,259</b>    |
| Retained Earning Brought Forward                        |       | 102,781,206          | 130,013,799          |
| <b>Retained Profit Before Distribution</b>              |       | <b>483,043,728</b>   | <b>143,473,058</b>   |
| <b>Appropriation :</b>                                  |       |                      |                      |
| Statutory Reserve                                       |       | 164,610,840          | 40,691,852           |
| Proposed Bonus Shares                                   |       | 240,000,000          |                      |
|   |       | <b>404,610,840</b>   | <b>40,691,852</b>    |
| <b>Retained Surplus</b>                                 | 16.00 | <b>78,432,888</b>    | <b>102,781,206</b>   |
| <b>Earning Per Share (EPS)</b>                          | 16.01 | <b>79.22</b>         | <b>5.61</b>          |

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

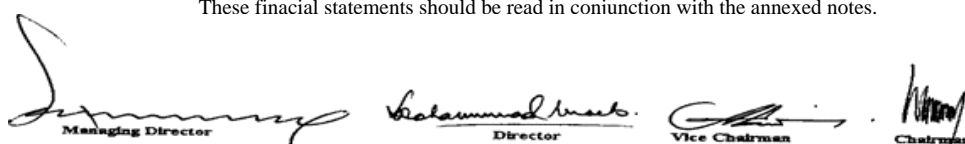
  
 Managing Director      Director      Vice Chairman      Chairman  
 Auditors' report to the Shareholders  
 See annexed report of date

  
 Zoha Zaman Kabir Rashid & Co.  
 Chartered Accountants

**THE CITY BANK LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2004**

|   |       | <b>Amount in Taka</b> |                        |
|---|-------|-----------------------|------------------------|
|   |       | <b>2004</b>           | <b>2003</b>            |
|   |       | <b><u>TAKA</u></b>    | <b><u>TAKA</u></b>     |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                             |       |                       |                        |
|   |       | 1,786,734,519         | 1,772,967,285          |
|   |       | (1,127,469,666)       | (1,154,866,065)        |
|   |       | 7,859,814             | 5,773,035              |
|   |       | 200,930,411           | 199,866,261            |
|   |       | 49,034,865            | 5,642,360              |
|   |       | (424,831,090)         | (407,780,444)          |
|   |       | (12,014,374)          | (8,698,619)            |
|   |       | (110,251,384)         | (118,787,374)          |
|   | 33.00 | 406,451,874           | 332,672,100            |
|   | 34.00 | (202,301,331)         | (172,503,850)          |
|   |       | <b>574,143,638</b>    | <b>454,284,689</b>     |
| <b>Changes in Operating Assets:</b>                                       |       |                       |                        |
|   |       | 466,789,000           | (214,989,000)          |
|   |       | -                     | -                      |
|   |       | (2,249,288,729)       | (893,628,064)          |
|   |       | -                     | -                      |
|   | 35.00 | (345,727,074)         | 43,065,230             |
|   |       | (147,268,076)         | (2,246,186,142)        |
|   |       | 1,871,124,605         | 2,824,206,790          |
|   |       | 40,000,000            | -                      |
|   |       | -                     | -                      |
|   | 36.00 | (553,360,030)         | (1,805,020,990)        |
|   |       | <b>(343,586,666)</b>  | <b>(1,838,267,487)</b> |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                             |       |                       |                        |
|   |       | 10,723,846            | -                      |
|   |       | -                     | (126,514,759)          |
|   |       | (32,356,263)          | (114,836,296)          |
|   |       | -                     | -                      |
|   |       | 39,414,272            | 18,841,234             |
|   |       | <b>17,781,855</b>     | <b>(222,509,821)</b>   |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>                            |       |                       |                        |
|   |       | -                     | -                      |
|   |       | -                     | -                      |
|   |       | -                     | -                      |
|   |       | 240,000,000           | -                      |
|   |       | -                     | -                      |
|   |       | 240,000,000           | -                      |
| <b>D. Net Increase/ Decrease of Cash and Cash equivalent (A+B+C)</b>      |       | <b>(85,804,811)</b>   | <b>(2,060,777,308)</b> |
| <b>E. Effects of Exchange Rate Changes on Cash &amp; Cash Equivalents</b> |       | <b>243,538,333</b>    | <b>165,757,116</b>     |
| <b>F. Opening Cash and Cash equivalent</b>                                |       | <b>7,200,886,155</b>  | <b>9,095,906,347</b>   |
| <b>G. Closing Cash and Cash equivalent (D+E+F)</b>                        | 37.00 | <b>7,358,619,677</b>  | <b>7,200,886,155</b>   |

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

  
 Managing Director      Director      Vice Chairman      Chairman  
**Auditors' report to the Shareholders**  
 See annexed report of date


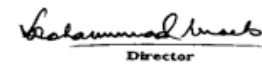

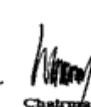
  
**Zoha Zaman Kabir Razvid & Co.**  
 Chartered Accountants



**THE CITY BANK LTD.**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31st DECEMBER , 2004**

| Particulars  | Paid up Capital | Right Share | Bonus Share | Statutory Reserve | Other Reserves | Surplus Profit/(Loss) | Total         |
|--|-----------------|-------------|-------------|-------------------|----------------|-----------------------|---------------|
| Balance as at 01 January' 2004                                     | 240,000,000     | -           |             | 213,809,643       | 240,619,365    | 102,781,206           | 797,210,214   |
| Changes in accounting Policy<br>Restated Balance                   | -               | -           |             | -                 | -              | -                     | -             |
| Surplus/ Deficite on Account of<br>Revaluation of Properties       | -               | -           |             | -                 | -              | -                     | -             |
| Surplus/ Deficite on account of<br>Revaluation of Investment       | -               | -           |             | -                 | -              | -                     | -             |
| Currency Transaction Differences                                   | -               | -           |             | -                 | -              | -                     | -             |
| Net Income or Losses not Recognized<br>in The Income Statement     | -               | -           |             | -                 | -              | -                     | -             |
| Net Profit After Tax for the Period<br>FROM 1.1.2004 TO 31.12.2004 | -               | -           |             | -                 | -              | 380,262,522           | 380,262,522   |
| Transfer to Statutory Reserve                                      | -               | -           |             | 164,610,840       | -              | (164,610,840)         | -             |
| Proposed Bonus Share   | -               | -           | 240,000,000 | -                 | -              | (240,000,000)         | -             |
| Issue of Share Capital   | -               | 240,000,000 |             | -                 | -              | -                     | 240,000,000   |
| Adjustment of Shortfall in Provision<br>for Loans and Advances     | -               | -           |             | -                 | -              | -                     | -             |
| Balance as at 31st Dec. 2004                                       | 240,000,000     | 240,000,000 | 240,000,000 | 378,420,483       | 240,619,365    | 78,432,888            | 1,417,472,736 |

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

 **Managing Director**
 **Director**
 **Vice Chairman**
 **Chairman**





Auditors' report to the Shareholders  
See annexed report of date

  
**Zoha Zaman Kabir Rashid & Co.**  
 Chartered Accountants

**THE CITY BANK LIMITED**  
**LIQUIDITY STATEMENT**  
**(Asset and Liability Maturity Analysis)**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2004**

| Particulars   | Upto 01 month          | 1 - 3 month          | 3 - 12 month         | 1 - 5 years          | more than 5 years    | Total                 |
|---|------------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| <b>Assets:</b>  |                        |                      |                      |                      |                      |                       |
| Cash in hand  | 1,477,386,687          | -                    | -                    | -                    | -                    | 1,477,386,687         |
| Balance with other banks and financial institutions     | 101,834,478            | 113,026,982          | -                    | -                    | -                    | 214,861,460           |
| Money at call on short notice                           | 1,227,500,000          | 1,340,000,000        | 151,500,000          | 6,225,000            | -                    | 2,725,225,000         |
| Investment  | 2,622,900              | -                    | 342,926,700          | 2,556,911,670        | 258,914,188          | 3,161,375,458         |
| Loans and Advances                                      | 1,617,836,000          | 4,001,000,839        | 7,001,300,000        | 2,885,900,000        | 1,450,471,660        | 17,027,836,839        |
| Fixed assets including premises, furniture and fixtures | -                      | -                    | -                    | 74,974,464           | 607,393,442          | 682,367,906           |
| Other assets  | -                      | 553,538              | 526,066,488          | 437,426,436          | 122,455,777          | 1,086,502,239         |
| Non-banking assets                                      | -                      | -                    | -                    | -                    | -                    | -                     |
| <b>Total Assets</b>                                     | <b>4,427,180,065</b>   | <b>5,454,581,359</b> | <b>8,021,793,188</b> | <b>5,961,437,570</b> | <b>2,439,235,067</b> | <b>26,375,555,589</b> |
| <b>Liabilities:</b>                                     |                        |                      |                      |                      |                      |                       |
| Borrowing from Bangladesh Bank, Other banks, financial  | 40,000,000             | -                    | -                    | -                    | -                    | 40,000,000            |
| Deposits & Other Accounts                               | 8,821,768,000          | 2,828,851,587        | 3,001,114,000        | 4,700,510,000        | 2,884,713,000        | 22,236,956,587        |
| Provision and other liabilities                         | -                      | 599,111,591          | 413,555,224          | 1,668,459,451        | -                    | 2,681,126,266         |
| <b>Total Liabilities</b>                                | <b>8,861,768,000</b>   | <b>3,427,963,178</b> | <b>3,414,669,224</b> | <b>6,368,969,451</b> | <b>2,884,713,000</b> | <b>24,958,082,853</b> |
| <b>Net Liquidity Gap</b>                                | <b>(4,434,587,935)</b> | <b>2,026,618,181</b> | <b>4,607,123,964</b> | <b>(407,531,881)</b> | <b>(445,477,933)</b> | <b>1,417,472,736</b>  |

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




  
 Managing Director      Director      Vice Chairman      Chairman  
 Auditors' report to the Shareholders  
 See annexed report of date

  
 Zoha Zaman Kabir Rashid & Co.  
 Chartered Accountants

**THE CITY BANK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2004**

**1.0 Legal Status and Nature of the Company:**

The City Bank Limited was incorporated in Bangladesh as a Public Limited Company with limited liability as on the 14<sup>th</sup> March of 1983 under Companies Act 1913 in Bangladesh with the primary objective to carry on all kinds of banking business in Bangladesh. The principal place of business is the registered office at Jiban Bima Tower, 10 Dilkusha Commercial Area, Dhaka, 1000. It has 77 branches all over Bangladesh.

1.1 The Bank is listed with Dhaka Stock Exchange and Chittagong Stock Exchange limited.

**2.0 Significant Accounting Policies:**

Basis of preparation of the Financial Statements

The Financial Statements of the Company are made up to 31<sup>st</sup> December each year, and prepared under the Historical cost convention, and in accordance with “first schedule” of Banking Companies Act (BCA) of 1991 as amended under subsection 38(4) of the act, Bangladesh Bank circulars, Bangladesh Accounting Standards, the Companies Act 1994, the Securities and Exchange Rule 1987 and other laws and rules applicable in Bangladesh on a going concern basis.

**2.1 Islamic Banking**

The Bank operates Islamic Banking in one branch designated for the purpose in complying with the rules of Islamic shariah. The Financial Statements of the branch have also been prepared as per Bank Companies Act. 1991, Bangladesh Accounting Standards (BAS), Financial Accounting Standard issued by the Accountancy & Auditing organization for Islamic Financial Institutions for which a separate set of books and records are being maintained.

**2.2 Revenue Recognition**

The revenue during the year are recognized as following which satisfy all conditions of revenue recognition as prescribed by BAS 18 “ Revenue Recognition”.

- (i) Interest is calculated on daily product on unclassified loan and advances but charged on quarterly basis.
- (ii) Interest is charged on classified loans and advances as per BRPD circular No. 16 of 1989 and BRPD circular no. 09 dated 14 May 2001 and such interest was not taken into income.
- (iii) Dividend income is recognized at the time when it is realized.

(iv) Commission and Discounts on Bills purchased and discounted are recognized at the time of realization.

### 2.3 Recognition of interest on Deposit

(i) Interest expenses on savings Bank A/c. are generally recognised on accrual basis taking into account of daily balances outstanding at the rate applicable for respective deposit and credited to depositors accounts half yearly basis. No interest is applicable on balance lying in current deposit account. Interest on FDR accrued but not due to clients account was credited to "Adjusting Account Credit"

(ii) Other expenses are also recognised and recorded on accrual basis.

### 2.4 Fixed Assets and Depreciation

(i) Depreciation of Assets are stated at cost less accumulated depreciation.

(ii) Depreciation has been charged on Straight-line method at the following rates on cost of assets for the full year irrespective of their date of purchase. But no depreciation has been charged on land.

| <u>Name of the Assets</u>      | <u>Rate of Depreciation</u> |
|--------------------------------|-----------------------------|
| Building                       | 2.50 %                      |
| Furniture & Fixtures           | 10 %                        |
| Office Appliances & Equipments | 20 %                        |
| Computer                       | 20 %                        |
| Vehicles                       | 20 %                        |

### 2.5 Earning per shares (EPS)

Earning per Share (EPS) has been computed by divided the basic earnings by the number of Ordinary Share outstanding as on 31 December 2004 as per IAS-33 'Earning per Share'. Diluted earning per Share was not required to calculate as there were no dilution possibilities occurred during the year.

### 2.6 Cash Flow Statement

Cash Flow Statement is prepared principally in accordance with BAS 7 "Cash Flow Statement" and the cash flow from the Operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules 1987 and considering the provisions of Paragraph 18 (b) of BAS-7 which provides that "Enterprises are Encouraged to Report Cash Flow from Operating Activities using the Direct Method".

### 2.7 Foreign Currency Transactions

Foreign currencies transactions related to depositors are converted into taka and recorded at the ruling exchange rates applicable on the date of transaction and in accordance with BAS 21 "The Effects of Changes in Foreign Exchange Rates."

## 2.8 Taxation

Provision for income tax has been made @ 45% as prescribed in Finance Act, 2004 of the profit made by the bank without considering taxable add-backs of income and disallowances of expenditures.

## 2.9 Investments

Value of Investment have been shown as under:

| <b>Items</b>              | <b>Application of Accounting</b>        |
|---------------------------|---|
| Government Treasury Bills | Present Value                           |
| Prize Bond                | Cost Price                              |
| ICB Debenture             | Cost Price                              |
| Shares & Debenture        | Cost or Market value whichever is lower |

## 2.10 Retirement benefit of the employees

No provision for the liabilities for staff gratuity has been made in these financial statements as consistent with past practice of The City Bank Limited. The payments for gratuity are charged in the Accounts for the year in which these are disbursed.

## 2.11 Advance

- a. Interest is calculated on a daily product basis but charged and accounted for quarterly on accrual basis.
- b. Provision for loans and advances is made on the basis of year end review by the management and of instructions contained in Bangladesh Bank BCD circular no. 34 dated November 16, 1989, BCD circular no. 20 dated December 27, 1994, BCD circular no. 12 dated September 04, 1995, BRPD circular no. 16 dated December 06, 1998 and BRPD circular no. 09 dated May 14, 2001.

## 2.12 Statement of Liquidity

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

## 2.13 Post Balance Sheet Events

There are no material events which could affect the values stated in the financial statement.

## 2.14 Reconciliation of books of Accounts

Books of accounts in regard to inter-bank ( in Bangladesh and outside Bangladesh) are reconciled and no material difference was found which may affect the financial statements significantly.

Un-reconciled entries in case of inter-branch transactions as on the reporting date are not mentionable, which are, due to the time-gap before finalizing the same.

### 3.0 General

- a. Figures appearing in these Financial Statements have been rounded off to the nearest Taka.
- b. The expenses, irrespective of capital or revenue, accrued but not paid have been provided for in the books of the Bank.
- c. Previous year's figures have been rearranged in order to conform to current year's presentation.

### 3.1 Auditors' Work-hour

The external auditor of the Zoha Zaman Kabir Rashid & Co. Chartered Accountants worked out in excess of 3,200 man-hour at the Bank's head office and difference branches. During their audit, they audited above 80% of the Bank's risk weighted assets as on the reporting date.

### 3.2 Audit Committee

An Audit Committee was constituted by the Board of Directors of the bank in its 296<sup>th</sup> meeting held on 29 November 2004 The Audit Committee is as under:

| SL# | Name                    | Status with the Bank | Status with the Committee | Educational Qualification                               |
|-----|-------------------------|----------------------|---------------------------|---|
| 01  | Mr. Aziz-Al-Kaisar      | Vice-Chairman        | Convener                  | BBA, UK   |
| 02  | Mr. Mohammad Shoeb      | Director             | Member                    | BBA, UK   |
| 03  | Mr.Ahmed Rajeeb Samdani | Director             | Member                    | Associate Degree in Business Administration, Singapore. |

During the year 2004, the Audit Committee of the Board conducted 3 (three) meetings in which among others, the discussed issues were as follows:

- Reviewing the comprehensive inspection report of Bangladesh Bank for the year 2003 and status of compliance thereof.
- Reviewing the internal inspection report of different branches of The City Bank Limited conducted by Bank's audit & inspection team from time to time.
- Reviewing the HR policy, share portfolio, budget, internal control, staff performance etc.

|             |   | <b>Amount in Taka</b> |                      |
|-------------|---|-----------------------|----------------------|
|             |   | <b>2004</b>           | <b>2003</b>          |
|             |   | <b><u>Taka</u></b>    | <b><u>Taka</u></b>   |
| <b>4.00</b> | <b><u>CASH :</u></b>  |                       |                      |
| <b>A</b>    | <b>In Hand</b>  |                       |                      |
|             | Local Currencies ( Bank Note & Govt . Note )  | 463,476,722           | 404,658,812          |
|             | Foreign Currencies  | 11,525,983            | 4,109,098            |
|             | Q-Cash ATM  | -                     | 652,700              |
|             | <b>Total</b>  | <b>475,002,705</b>    | <b>409,420,610</b>   |
| <b>B</b>    | <b>Balance with Bangladesh Bank and Sonali Bank ( Including Foreign Currencies )</b>  |                       |                      |
|             | <b>Bangladesh Bank :</b>  |                       |                      |
|             | Local Currencies  | 773,606,120           | 766,373,228          |
|             | Foreign Currencies  | 24,469,101            | 28,013,684           |
|             |   | <b>798,075,221</b>    | <b>794,386,912</b>   |
|             | <b>Balance with Sonali Bank</b>   |                       |                      |
|             | As Agent  | 198,997,416           | 187,364,149          |
|             | Other than Agent  | 5,311,345             | 40,551,449           |
|             |   | <b>204,308,761</b>    | <b>227,915,598</b>   |
|             | <b>Total</b>  | <b>1,002,383,982</b>  | <b>1,022,302,510</b> |
|             | <b>Total (A+B)</b>  | <b>1,477,386,687</b>  | <b>1,431,723,120</b> |
| <b>4.01</b> | <b><u>Cash Reserve Requirement ( CRR ) and Statutory Liquidity Requirement ( SLR ) :</u></b>  |                       |                      |
|             | Cash Reserve Requirement ( CRR ) and Statutory Liquidity Requirement ( SLR ) have been calculated and maintained in accordance with the section 33 of the Bank Companies Act, 1991 and subsequent BCD Circular No. 13, dated May 24, 1992; BRPD Circular no 12 dated September 06,1998 and BRPD Circular No. 22, dated November 06, 2003. |                       |                      |
| <b>4.02</b> | <b><u>Cash Reserve Requirement ( CRR ) :</u></b>  |                       |                      |
|             | Required Reserve ( 4% of Average Demand and Time Liabilities as per BRPD. Circular no. 12 dated 06/09/1998 )  | <b>809,840,000</b>    | <b>719,722,000</b>   |
|             | Actual Reserve held with Bangladesh Bank  | <b>792,473,000</b>    | <b>781,013,000</b>   |
|             | <b>Surplus / (Shortfall)*</b>   | <b>(17,367,000)</b>   | <b>61,291,000</b>    |
|             | *Cash Reserve Requirement ( CRR ) has been maintaining @ 4.00% on the average balance of two weeks. Minimum balance required  |                       |                      |
| <b>4.03</b> | <b><u>Statutory Liquidity Requirement ( SLR ) :</u></b>   |                       |                      |
|             | Required Reserve ( 16% of Average Demand and Time Liabilities )   | <b>3,248,359,000</b>  | <b>2,871,688,000</b> |
|             | Actual Reserve held   | <b>4,368,548,722</b>  | <b>4,502,918,661</b> |
|             | 1. Investment / Govt. Approved Securities   | 2,926,867,000         | 3,129,230,000        |
|             | 2. Balance With Sonali Bank   | 185,732,000           | 187,364,149          |
|             | 3. Balance With Bangladesh Bank (Local Currencies)  | 792,473,000           | 781,013,000          |
|             | 4 Cash in hand  | 463,476,722           | 405,311,512          |
|             | <b>Surplus</b>  | <b>1,120,189,722</b>  | <b>1,631,230,661</b> |
|             | <b>Total Surplus / (Shortfall) (4.02+4.03)</b>  | <b>1,102,822,722</b>  | <b>1,692,521,661</b> |
| <b>5.00</b> | <b><u>BALANCE WITH OTHER BANKS &amp; FINANCIAL INSTITUTIONS :</u></b>   |                       |                      |
|             | (a) Inside Bangladesh   | 164,611,490           | 300,963,787          |
|             | (b) Outside Bangladesh ( Nostro Account )   | 50,249,970            | 124,893,468          |
|             |   | <b>214,861,460</b>    | <b>425,857,255</b>   |



|             |   | <b>Amount in Taka</b>       |                             |
|-------------|---|-----------------------------|-----------------------------|
|             |   | <b>2004</b>                 | <b>2003</b>                 |
|             |   | <b><u>Taka</u></b>          | <b><u>Taka</u></b>          |
| <b>5.01</b> | <b><u>(a) Inside Bangladesh :</u></b>                                     |                             |                             |
|             | <b><u>Current Account :</u></b>   |                             |                             |
|             | Janata Bank   | 2,856                       | 3,406                       |
|             | Agrani Bank   | 15,507,824                  | 5,001,146                   |
|             | Standard Bank Limited   | 4,655                       | 4,532                       |
|             | Sonali Bank   | 36,037,526                  | 29,503,322                  |
|             | <b><u>STD Account :</u></b>   | -                           |                             |
|             | Social Investment Bank Limited  | 13,659                      | 13,370                      |
|             | Dutch Bangla Bank Limited   | -                           | 150,000,000                 |
|             | Sonali Bank   | 101,756,580                 | 1,708,433                   |
|             | Dhaka Bank Limited  | 1,116,093                   | 1,070,693                   |
|             | Standard Chartered Bank   | 9,489,992                   | -                           |
|             | Arab Bangladesh Bank Limited  | 365,832                     | 533,982                     |
|             | <b><u>Savings Deposit :</u></b>   |                             |                             |
|             | Social Investment Bank Limited  | 316,473                     | 113,124,904                 |
|             | <b>Total</b>  | <b><u>164,611,490</u></b>   | <b><u>300,963,787</u></b>   |
| <b>5.02</b> | <b>(b) Outside Bangladesh ( Details in Annexure - A / 1 )</b>             | <b><u>50,249,970</u></b>    | <b><u>124,893,468</u></b>   |
| <b>5.03</b> | <b><u>Maturity Grouping of Balances with Other Banks as Follows :</u></b> |                             |                             |
|             | On demand   | 101,834,478                 | 170,718,363                 |
|             | Less than three months  | 113,026,982                 | 255,138,892                 |
|             | More than three months but less than six months                           | -                           | -                           |
|             | More than six months but less than one year                               | -                           | -                           |
|             | More than one year but less than five years                               | -                           | -                           |
|             | Above five years  | -                           | -                           |
|             | <b>Total</b>  | <b><u>214,861,460</u></b>   | <b><u>425,857,255</u></b>   |
| <b>6.00</b> | <b><u>MONEY AT CALL &amp; SHORT NOTICE :</u></b>                          |                             |                             |
|             | Banking Sector ( Note-6.01 )  | 2,500,000,000               | 2,025,000,000               |
|             | Non-Banking Sector ( Note-6.02 )  | 225,225,000                 | 170,000,000                 |
|             | <b>Total</b>  | <b><u>2,725,225,000</u></b> | <b><u>2,195,000,000</u></b> |
| <b>6.01</b> | <b><u>Banking Sector :</u></b>  |                             |                             |
|             | BRAC Bank Limited   | -                           | 50,000,000                  |
|             | The Oriental Bank Limited   | 80,000,000                  | 135,000,000                 |
|             | Mercantile Bank Limited   | 150,000,000                 | 200,000,000                 |
|             | Standard Bank Limited   | 90,000,000                  | -                           |
|             | The Trust Bank Limited  | 180,000,000                 | 230,000,000                 |
|             | One Bank Limited  | 200,000,000                 | -                           |
|             | Southeast Bank Limited  | 300,000,000                 | 50,000,000                  |
|             | Jamuna Bank Limited   | 130,000,000                 | 260,000,000                 |
|             | National Bank of Pakistan   | 100,000,000                 | -                           |
|             | Dhaka Bank Limited  | 350,000,000                 | 50,000,000                  |
|             | Social Investment Bank Limited  | 230,000,000                 | 100,000,000                 |
|             | First Security Bank Limited   | 150,000,000                 | 100,000,000                 |
|             | Dutch Bangla Bank Limited   | 500,000,000                 | -                           |
|             | Eastern Bank Limited  | -                           | 370,000,000                 |
|             | Habib Bank Ltd  | 40,000,000                  | -                           |
|             | EXIM Bank Limited   | -                           | 80,000,000                  |
|             | Bangladesh Krishi Bank  | -                           | 150,000,000                 |
|             | Rupali Bank Limited   | -                           | 250,000,000                 |
|             |   | <b><u>2,500,000,000</u></b> | <b><u>2,025,000,000</u></b> |
| <b>6.02</b> | <b><u>Non-Banking Sector :</u></b>  |                             |                             |
|             | IDLC*   | 6,500,000                   | -                           |
|             | Peoples Leasing Company Limited*  | 20,000,000                  | -                           |
|             | Phoenix Leasing Company Limited   | 131,225,000                 | 125,000,000                 |
|             | Bangladesh Finance & Investment Limited                                   | 10,000,000                  | 10,000,000                  |
|             | Bangladesh Ind. Finance Limited   | 20,000,000                  | 20,000,000                  |
|             | Fareast Finance & Investment Limited                                      | 37,500,000                  | 15,000,000                  |
|             |   | <b><u>225,225,000</u></b>   | <b><u>170,000,000</u></b>   |

\*FDR of Tk.0.65 crore and 0.6225 crore are lien as security against lease assets with IDLC and PLCL respectively.

|             |   | <b>Amount in Taka</b>       |                             |
|-------------|---|-----------------------------|-----------------------------|
|             |   | <b>2004</b>                 | <b>2003</b>                 |
|             |   | <b><u>Taka</u></b>          | <b><u>Taka</u></b>          |
| <b>6.03</b> | <b><u>Maturity Grouping of Call and Placement :</u></b> |                             |                             |
|             | On demand   | 1,227,500,000               | 1,740,000,000               |
|             | Less than three months                                  | 1,340,000,000               | 300,000,000                 |
|             | More than three months but less than one year           | 151,500,000                 | 155,000,000                 |
|             | More than one year but less than Five years             | 6,225,000                   | -                           |
|             | More than five years                                    | -                           | -                           |
|             | <b>Total</b>  | <b><u>2,725,225,000</u></b> | <b><u>2,195,000,000</u></b> |

**7.00** **INVESTMENT :**

**A. Government Securities**

|   |                             |                             |
|---|-----------------------------|-----------------------------|
| Treasury Bills (net of unearned interest)**             | 2,058,974,630               | 2,850,000,000               |
| Prize Bonds   | 2,622,900                   | 3,305,780                   |
| Govt. Treasury Bond (5 & 10 Years)                      | 444,549,000                 | -                           |
| 3 Years T&T Treasury Bonds                              | 350,000,000                 | 200,000,000                 |
| ICB Debenture   | 30,000,000                  | 35,000,000                  |
| Bangladesh House Building Finance Corporation Debenture | 55,000,000                  | 60,000,000                  |
|   | <b><u>2,941,146,530</u></b> | <b><u>3,148,305,780</u></b> |

**B. Other Investments :**

**Debenture ,Bond And Share :**

|   |                             |                             |
|---|-----------------------------|-----------------------------|
| Bangladesh Welding Electrodes Limited                             | 368,000                     | 368,000                     |
| Industrial Development Leasing Company Ltd.                       | 100,000,000                 | 100,000,000                 |
| Shares ( Note-7.02 )  | 74,669,188                  | 78,584,774                  |
| Q.C Container Line Bond   | -                           | 2,000,000                   |
| Industrial & Infrastructure Development Fin. Co. Zero Coupon Bond | 45,191,740                  | 50,000,000                  |
|   | <b><u>220,228,928</u></b>   | <b><u>230,952,774</u></b>   |
| <b>Total (A+B)</b>  | <b><u>3,161,375,458</u></b> | <b><u>3,379,258,554</u></b> |

\*Treasury Bill of Tk.1.50 crore is lien with Standard Chartered Bank as security for issuing VISA card.

**7.01** **Maturity Grouping of Investments as follows :**

|   |                             |                             |
|---|-----------------------------|-----------------------------|
| On demand                                     | 2,622,900                   | 81,890,554                  |
| Less than three months                        | -                           | -                           |
| More than three months but less than one year | 342,926,700                 | 290,000,000                 |
| More than one year but less than five years   | 2,556,911,670               | 2,912,368,000               |
| Above five years                              | 258,914,188                 | 95,000,000                  |
|   | <b><u>3,161,375,458</u></b> | <b><u>3,379,258,554</u></b> |

**7.02** **Comparative Cost and market price of Investment as on 31.12.2004 are as follows :**

| <b><u>Investment in Quoted Shares</u></b>   | <b>No of Shares</b> | <b>Market price per share</b> | <b>Cost Price</b> | <b>Market Value as on 31.12.2004</b> |
|---|---------------------|-------------------------------|-------------------|--------------------------------------|
| Industrial Development Leasing Company Ltd. | 145,400             | 1,245.00                      | 14,540,000        | 181,023,000                          |
| Heidelberg Cement (BD) Ltd.                 | 6,550               | 1,136.25                      | 10,568,484        | 7,442,438                            |
| Shine Pukur Holdings Limited                | 22,150              | 44.75                         | 2,211,634         | 991,213                              |
| United Leasing Limited                      | 16                  | 1,971.25                      | 2,400             | 31,540                               |
| Federal Insurance Co. Limited               | 1,219               | 201.50                        | 188,945           | 255,629                              |
| BEXIMCO Pharmaceuticals Limited             | 57,513              | 92.10                         | 4,084,295         | 5,278,527                            |
| Excelsior Shoes Limited                     | 7,865               | 6.25                          | 786,500           | 49,156                               |
| Meghna Cement Limited                       | 6,050               | 347.75                        | 3,033,433         | 2,103,888                            |
| Perfume Chemical Ind. Limited               | 7,378               | 32.25                         | 922,250           | 237,941                              |
| Samorita Hospital Limited                   | 49                  | 285.00                        | 4,900             | 13,965                               |
| Fu-wang Ceramic Ind. Limited                | 300                 | 104.00                        | 47,665            | 31,200                               |
| Fu- wang Foods Limited                      | 4,000               | 15.40                         | 40,000            | 61,600                               |
| Raspit Inc (bd) Limited                     | 366,000             | 1.20                          | 6,153,414         | 439,200                              |
| Aramit Cement Limited                       | 250                 | 65.00                         | 90,099            | 16,250                               |

|  |         | <b>Amount in Taka</b> |                          |                           |
|--|---------|-----------------------|--------------------------|---------------------------|
|  |         | <b>2004</b>           | <b>2003</b>              |                           |
|  |         | <b><u>Taka</u></b>    | <b><u>Taka</u></b>       |                           |
| Olympic Ind. Limited                           | 600     | 231.50                | 110,391                  | 138,900                   |
| Meghna PET Industries Limited                  | 188,000 | 2.00                  | 1,880,000                | 376,000                   |
| Rangamati Food Products Ltd.                   | 64,500  | 1.40                  | 645,000                  | 90,300                    |
| Meghna Condense Milk Limited                   | 59,000  | 1.90                  | 590,000                  | 135,700                   |
| Beach Hatchery Limited                         | 57,000  | 6.30                  | 570,000                  | 359,100                   |
| Meghna Shrimp Limited                          | 860     | 17.25                 | 107,994                  | 14,835                    |
| Square Textile Mills Limited                   | 650     | 138.30                | 6,500                    | 89,895                    |
| Bangladesh welding Electrode Limited           | 9,200   | 5.50                  | 92,000                   | 50,600                    |
| German Bangla JV Foods                         | 21,000  | 0.90                  | 210,000                  | 18,900                    |
| Investment Corporation of Bangladesh ( ICB )   | 9,860   | 204.75                | 986,000                  | 2,018,835                 |
| Marcantile Bank Ltd.                           | 150     | 540.50                | 15,000                   | 81,075                    |
| EXIM Bank Ltd.                                 | 1,750   | 776.00                | 1,282,284                | 1,358,000                 |
| <b><u>Investment in un Quoted Shares</u></b>   |         |                       |                          |                           |
| Central Depository BD Limited                  | 4       | -                     | 4,000,000                | 4,000,000                 |
| KARMA Sangsthan Bank Limited                   | 1       | -                     | 10,000,000               | 10,000,000                |
| Industrial & Infrastructure Development Fin.Cc | 115,000 | -                     | 11,500,000               | 11,500,000                |
| <b>Total</b>                                   |         |                       | <b><u>74,669,188</u></b> | <b><u>228,207,685</u></b> |

## 8.00 LOANS & ADVANCES :

### A) Loan, Cash Credit and Overdraft

#### Inside Bangladesh

|                                  |                              |                              |
|----------------------------------|------------------------------|------------------------------|
| Loans general                    | 69,858,786                   | 65,301,892                   |
| Loans against Transport          | 145,490,528                  | 164,157,488                  |
| Loans against Import Merchandise | 438,500,803                  | 326,958,807                  |
| Loans against Trust Receipts     | 2,141,323,422                | 2,437,951,969                |
| Loans against PC                 | 275,705,527                  | 207,643,771                  |
| House Building Loan              | 181,881,064                  | 289,517,970                  |
| Term Industrial Credit           | 3,642,570,269                | 3,220,842,500                |
| Lease Finance                    | 88,701,923                   | 54,530,242                   |
| Secured Overdraft                | 1,222,680,210                | 1,194,039,235                |
| Cash Credit                      | 5,006,452,620                | 3,912,294,251                |
| PAD                              | 902,193,200                  | 850,514,670                  |
| Consumers Credit Scheme          | 38,927,576                   | 17,463,411                   |
| Demand Loan                      | 533,171,418                  | 570,741,542                  |
| Staff Loan                       | 301,563,414                  | 218,780,201                  |
| Money Multiplier                 | 7,230,209                    | 10,133,290                   |
| Mudaraba Import Bill             | 608,470                      | -                            |
| Quards                           | 3,058,637                    | -                            |
| Bai-Muazzaal(other)              | 48,216,079                   | -                            |
| Hire-Purchase                    | 2,141,950                    | -                            |
| Export Development Fund (EDF)    | 37,572,657                   | -                            |
| City Card Loan                   | 62,979,894                   | -                            |
| Multi purpose Loan Scheme        | 1,494                        | 78,536                       |
| Advanced against Cash incentives | 47,018,929                   | 38,695,274                   |
| City Bank Limited Quick Cash     | 15,170,395                   | 26,611,050                   |
| MPI                              | 1,325,506                    | -                            |
| Murabaha Pledge                  | 33,570                       | -                            |
|                                  | <b><u>15,214,378,550</u></b> | <b><u>13,606,256,099</u></b> |

#### Outside Bangladesh

### B) Bills purchased & Discounted \*

( Excluding Treasury bills )

|                            |                              |                              |
|----------------------------|------------------------------|------------------------------|
| Payable in Bangladesh      | <b>1,144,900,800</b>         | <b>911,447,439</b>           |
| Payable outside Bangladesh | <b>668,557,489</b>           | <b>260,844,572</b>           |
| <b>Total(A+B)</b>          | <b><u>1,813,458,289</u></b>  | <b><u>1,172,292,011</u></b>  |
|                            | <b><u>17,027,836,839</u></b> | <b><u>14,778,548,110</u></b> |

**Amount in Taka**

8.01

**Maturity grouping of Loans and Advances including bills discounted and purchased:**

Maturity of loans and advances are as follows:

|  | <b>2004</b>           | <b>2003</b>           |
|--|-----------------------|-----------------------|
|  | <b>Taka</b>           | <b>Taka</b>           |
| Repayable on demand                    | 1,617,836,000         | 995,103,000           |
| Not more than 3 months                 | 4,001,000,839         | 2,720,357,110         |
| Over 3 months but not more than 1 year | 7,001,300,000         | 6,495,627,000         |
| Over 1 year but not more than 5 years  | 2,885,900,000         | 3,247,446,000         |
| Over 5 years                           | 1,521,800,000         | 1,320,015,000         |
| <b>Total</b>                           | <b>17,027,836,839</b> | <b>14,778,548,110</b> |

8.02

**Concentration of Loans & Advances :**

Loans & Advances to Director's Concern  
Advance to Chief Executive and other High Officials  
Group Wise Clients  
Industry Loan's  
Others Loan

|               |                       |
|---------------|-----------------------|
| 1,718,000     | -                     |
| 21,700,000    | 8,878,000             |
| 7,755,600,000 | 7,468,400,000         |
| 4,900,200,000 | 4,902,300,000         |
| 4,348,618,839 | 2,398,970,110         |
| <b>Total</b>  | <b>14,778,548,110</b> |

**\* Number of Clients With Amount of Outstanding and Classified Loan to whom Loans and Advances Sanctioned morethan 15% of total Capital of the Bank .**

|   |               |               |
|---|---------------|---------------|
| Number of the clients                         | 42            | 41            |
| Amount of the outstanding Advances ( Funded ) | 7,755,600,000 | 7,427,000,000 |
| Amount of classified advances                 | 1,223,400,000 | 1,222,700,000 |

\* Details of Large Loan are Stated In Annexure - A / 2

8.03

**Nature wise Loans & Advances :**

Continuous  
Demand loan  
Term loans up to 5 years  
Term loans over 5 years  
Short Term Agricultural and Micro credit  
Staff loan

|                       |                       |
|-----------------------|-----------------------|
| 9,214,137,425         | 5,439,696,110         |
| 1,617,836,000         | 5,266,447,000         |
| 4,535,100,000         | 2,389,766,000         |
| 1,359,200,000         | 1,463,863,000         |
| -                     | -                     |
| 301,563,414           | 218,776,000           |
| <b>17,027,836,839</b> | <b>14,778,548,110</b> |

8.04

**Sector Wise Loans & Advances :**

Term Loan ( Industrial Loan )  
Working Capital ( Industrial Loan )  
Export Credit  
Commercial Credit  
Small and Cottage Industry  
Others

|                       |                       |
|-----------------------|-----------------------|
| 2,422,300,000         | 2,892,500,110         |
| 2,477,900,000         | 2,009,800,000         |
| 981,800,000           | 1,379,800,000         |
| 6,031,200,000         | 6,486,500,000         |
| -                     | 38,300,000            |
| 5,114,636,839         | 1,971,648,000         |
| <b>17,027,836,839</b> | <b>14,778,548,110</b> |

8.05

**Classification of Loan & Advance as per Bangladesh Bank**

Un Classified  
Sub-Standard  
Doubtful  
Bad / Loss

|                |                       |
|----------------|-----------------------|
| 15,228,139,839 | 12,684,810,110        |
| 15,323,000     | 28,861,000            |
| 51,525,000     | 5,169,000             |
| 1,732,849,000  | 2,059,708,000         |
| <b>Total</b>   | <b>14,778,548,110</b> |

**Amount in Taka**

**2004**                      **2003**  
**Taka**                              **Taka**

**8.06**                      **Geographical Location- Wise Loans and Advances :**

| Geographical Location | Urban                 | Rural              | Total                 | Total                 |
|-----------------------|-----------------------|--------------------|-----------------------|-----------------------|
| Dhaka                 | 11,646,600,000        | 144,036,839        | 11,790,636,839        | 11,027,447,215        |
| Chittagong            | 3,374,800,000         | 91,600,000         | 3,466,400,000         | 2,459,498,132         |
| Sylhet                | 138,200,000           | 10,800,000         | 149,000,000           | 133,826,481           |
| Bogra                 | 709,000,000           | 23,000,000         | 732,000,000           | 476,036,676           |
| Khulna                | 889,800,000           |                    | 889,800,000           | 681,739,606           |
| <b>Total</b>          | <b>16,758,400,000</b> | <b>269,436,839</b> | <b>17,027,836,839</b> | <b>14,778,548,110</b> |

**8.07**                      **Particulars of Advances :**

|        |   |                       |                       |
|--------|---|-----------------------|-----------------------|
| (I)    | Debts considered good in respect of which the Banking company is fully secured  | 14,886,536,839        | 12,340,596,110        |
| (ii)   | Debts considered good in respect of which the Banking company holds no security other than the debtors personal Guarantee.  | 2,141,300,000         | 2,437,952,000         |
| (iii)  | Debts considered good and secured by personal undertakings of one or more parties in addition to the personal guarantee of the debtor.  | -                     | -                     |
| (iv)   | Loans adversely classified ; Provision not maintained there against   | -                     | -                     |
|        |   | <b>17,027,836,839</b> | <b>14,778,548,110</b> |
| (v)    | Debts due by Directors or officers of the Banking company or any of these either separately or jointly with any other persons   | 309,600,000           | 218,780,000           |
| (vi)   | Debts due by 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   | -                     | -                     |
| (vii)  | Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or officers of the Banking companies or any of them either separately or jointly with any other persons  | 336,100,000           | 218,780,000           |
| (viii) | 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. | -                     | -                     |
| (ix)   | Due from Banking companies.   | -                     | -                     |
| (x)    | Amount of classified loans against which no interest is charged   | 1,732,800,000         | 2,059,708,000         |

|      |   | <b>Amount in Taka</b> |                      |
|------|---|-----------------------|----------------------|
|      |   | <b>2004</b>           | <b>2003</b>          |
|      |   | <b><u>Taka</u></b>    | <b><u>Taka</u></b>   |
| (xi) | <b>Cumulative amount of the written off loan :</b>        |                       |                      |
|      | Cumulative written off loan as on January 01              | 2,042,205,000         | 25,791,000           |
|      | Add. Written off During the year (Up to Dec' 04)          | 162,885,000           | 2,029,668,000        |
|      |   | <u>2,205,090,000</u>  | <u>2,055,459,000</u> |
|      | Less recovered against written off loan during the year   | 95,505,000            | 13,254,000           |
|      | Amount of written off loan for which suit has been filled | <u>2,109,585,000</u>  | <u>2,042,205,000</u> |

**9.00 FIXED ASSETS : ( Ref. - Annexure - A / 4 )**

|                     |                           |                           |
|---------------------|---------------------------|---------------------------|
| Vehicles            | 8,454,239                 | 15,797,335                |
| Furniture & Fixture | 109,059,862               | 106,559,650               |
| Office Equipments   | 87,561,006                | 93,164,171                |
| Land                | 452,190,574               | 452,190,574               |
| Building            | 25,102,225                | 18,982,838                |
| <b>Total</b>        | <b><u>682,367,906</u></b> | <b><u>686,694,568</u></b> |

**10.00 OTHER ASSETS :**

|  |                             |                           |
|--|-----------------------------|---------------------------|
| Stamps in hand                         | 553,538                     | 640,995                   |
| Stock of Stationery                    | 12,005,759                  | 13,286,013                |
| Advance Deposit                        | 2,379,000                   | 2,319,500                 |
| Advance Rent                           | 22,757,880                  | 27,087,626                |
| Advance Payment of Tax                 | 412,289,556                 | 495,908,128               |
| Adjusting Account Debit ( Note-10.01 ) | 112,687,341                 | 89,769,292                |
| City General Adjustment A/c (10.a)     | 297,320,940                 | -                         |
| Suspense Account ( Note 10.02 )        | 104,052,448                 | 49,293,924                |
| Receivable from NBR                    | 117,922,861                 | 117,922,861               |
| Protested Bill                         | 4,430,076                   | 5,144,509                 |
| Books                                  | 102,840                     | 102,839                   |
| <b>Total</b>                           | <b><u>1,086,502,239</u></b> | <b><u>801,475,687</u></b> |

**10.a** City General Adjustment Account are operated for inter-branch transactions.

**10.01** Adjusting Account debit includes Interest receivable from Call loans, Debentures, Shares and STD Accounts

**10.02 Suspense Account :**

|                                       |                           |                          |
|---------------------------------------|---------------------------|--------------------------|
| Sundry Debtors                        | 25,321,467                | 25,898,966               |
| Advance Against TA/DA                 | 95,925                    | 91,625                   |
| Advance Against Petty Cash            | 500                       | 2,000                    |
| Advance Against Postage               | 28,883                    | 35,581                   |
| Encashment of PSP/BSP                 | 11,541,988                | 12,037,008               |
| Encashment of WEDB                    | 14,558,562                | 5,416,774                |
| Cash Remittance                       | 7,200,000                 | 1,500,000                |
| DD Cancelled                          | 1,499,900                 | 222,100                  |
| Q cash ATM                            | -                         | 753,600                  |
| DD Paid Without Advice                | 21,136,616                | 3,090,220                |
| Advance Against Export Cash Incentive | 131,000                   | -                        |
| Clearing Adjustment Account           | 113,447                   | 190,000                  |
| City Card (Local)                     | 2,972                     | -                        |
| City Card (International)             | 22,357,089                | -                        |
| Others                                | 64,100                    | 56,050                   |
| <b>Total</b>                          | <b><u>104,052,448</u></b> | <b><u>49,293,924</u></b> |

**11.00 DEPOSITS & OTHER ACCOUNTS :**

|                                      | <b>Inter Bank<br/>Deposit</b> | <b>Other Deposit</b>         | <b>Total<br/>Deposit</b>     | <b>Total<br/>Deposit</b>     |
|--------------------------------------|-------------------------------|------------------------------|------------------------------|------------------------------|
| Repayable on Demand                  | 28,495,000                    | 4,796,110,000                | 4,824,605,000                | 4,170,519,050                |
| Repayable within One Month           | 342,015,000                   | 3,655,147,587                | 3,997,162,587                | 4,315,489,008                |
| Over One Month but within Six Months | 130,000,000                   | 3,313,971,000                | 3,443,971,000                | 3,414,147,000                |
| Over Six Month but within One year   |                               | 3,199,024,000                | 3,199,024,000                | 4,704,418,000                |
| Over One Year but within Five Years  |                               | 4,193,268,000                | 4,193,268,000                | 2,694,673,000                |
| Over Five Years but within Ten Years |                               | 2,578,926,000                | 2,578,926,000                | 747,065,000                  |
| <b>Total</b>                         | <b><u>500,510,000</u></b>     | <b><u>21,736,446,587</u></b> | <b><u>22,236,956,587</u></b> | <b><u>20,046,311,058</u></b> |

|                |  | <b>Amount in Taka</b> |                       |
|----------------|--|-----------------------|-----------------------|
|                |  | <b>2004</b>           | <b>2003</b>           |
|                |  | <b><u>Taka</u></b>    | <b><u>Taka</u></b>    |
| <b>11.01</b>   | <b><u>Current Deposits and Other Accounts :</u></b>          |                       |                       |
|                | Current Deposit  | 2,586,255,108         | 2,238,269,017         |
|                | Foreign Currency Deposit                                     | 72,409,314            | 47,063,808            |
|                | AI Wada Current Deposit                                      | 23,815,509            | 3,091,864             |
|                | Bank Deposit   | 28,496,787            | 14,601,610            |
|                |  | <b>2,710,976,718</b>  | <b>2,303,026,299</b>  |
| <b>11.02</b>   | <b><u>Bills Payable :</u></b>                                |                       |                       |
|                | Pay Order Issued   | 270,766,588           | 162,631,248           |
|                | Pay Slip Issued  | 16,071,941            | 11,536,192            |
|                | DD Payable   | 46,889,718            | 60,336,579            |
|                | TT Payable   | 7,912,652             | 1,056,329             |
|                | <b>Total</b>   | <b>341,640,899</b>    | <b>235,560,348</b>    |
| <b>11.03</b>   | <b><u>Saving Deposits :</u></b>                              |                       |                       |
|                | Bank Deposits  | 21,315,547            | 10,000,000            |
|                | Other Savings Deposits                                       | 5,319,534,994         | 4,581,583,717         |
|                | Mudaraba Savings   | 30,294,154            | 6,957,586             |
|                |  | <b>5,371,144,695</b>  | <b>4,598,541,303</b>  |
| <b>11.04</b>   | <b><u>Bearer Certificates of Deposit</u></b>                 | -                     | <b>3,900,000</b>      |
| <b>11.05</b>   | <b><u>Term Deposits :</u></b>                                |                       |                       |
|                | Fixed Deposits   | 5,826,404,498         | 5,247,987,447         |
|                | Short Term Deposits  | 2,193,046,261         | 2,147,772,307         |
|                | Scheme Deposits ( Note- 11.05-a )                            | 3,954,433,998         | 3,714,393,012         |
|                | Modaraba Term Deposit  | 51,825,664            | 1,260,000             |
|                | Modaraba Short Notice  | 54,789,114            | 212,639               |
|                | Bank Deposit   | 450,697,949           | 623,176,749           |
|                |  | <b>12,531,197,484</b> | <b>11,734,802,154</b> |
| <b>11.06</b>   | <b><u>Other Deposit</u></b>                                  |                       |                       |
|                | Sundry Deposit ( 11.08 )                                     | 1,281,996,791         | 1,170,480,954         |
|                |  | <b>1,281,996,791</b>  | <b>1,170,480,954</b>  |
|                | <b>Grand Total = ( 11.01+11.02+11.03+11.04+11.05+11.06 )</b> | <b>22,236,956,587</b> | <b>20,046,311,058</b> |
| <b>11.05-a</b> | <b><u>Scheme Deposits :</u></b>                              |                       |                       |
|                | City Bank Sanchaya Scheme                                    | 889,125,217           | 844,492,286           |
|                | Bonus Deposit Scheme   | 161,807,500           | 142,899,550           |
|                | Deposit Pension Scheme - Note 11.05-a(a)                     | 63,430,767            | 147,365,938           |
|                | 3 Stage Scheme Deposit                                       | 962,077,249           | 616,335,245           |
|                | Monthly Benefit Scheme                                       | 1,867,520,000         | 1,961,270,000         |
|                | Education Savings Scheme                                     | 6,395,719             | 1,427,457             |
|                | Marriage Savings Scheme                                      | 4,077,546             | 602,536               |
|                | <b>Total</b>   | <b>3,954,433,998</b>  | <b>3,714,393,012</b>  |

**Note 11.05-a(a) :** Deposit Pension Scheme was closed in 1995 & its rate was 15% p.a.

| <b>11.07</b> | <b>Deposits from Banks :</b>   | <b>STD</b>           | <b>CD</b>         | <b>FDR</b>         | <b>Total</b>       |
|--------------|--------------------------------|----------------------|-------------------|--------------------|--------------------|
|              | Dutch Bangla Bank Limited      | 17,101,710           | -                 | 300,000,000        | 317,101,710        |
|              | Southeast Bank Limited         | 29,318               | -                 | 50,000,000         | 50,029,318         |
|              | Islami Bank Bangladesh Limited | -                    | 27,544,052        | -                  | 27,544,052         |
|              | Social Investment Bank Limited | -                    | -                 | 80,000,000         | 80,000,000         |
|              | Eastern Bank Limited           | 42,523               | -                 | -                  | 42,523             |
|              | Oriental Bank Limited          | -                    | 952,735           | -                  | 952,735            |
|              | BRAC Bank Limited              | 3,524,398            | -                 | -                  | 3,524,398          |
|              | <b>Subtotal</b>                | <b>20,697,949.00</b> | <b>28,496,787</b> | <b>430,000,000</b> | <b>479,194,736</b> |

Shamil Bank of Bahrain EC ( Mudaraba Savings Account )

**Grand Total**

21,315,547

**500,510,283**

## Amount in Taka

|  | <b>2004</b>                 | <b>2003</b>                 |
|--|-----------------------------|-----------------------------|
|  | <b><u>Taka</u></b>          | <b><u>Taka</u></b>          |
| <b>11.08 Other Deposits :</b>              |                             |                             |
| Sundry Creditors                           | 116,671,645                 | 64,459,127                  |
| Security Deposit Receipt                   | 126,837,477                 | 120,345,281                 |
| Foreign Currency                           | 4,061,086                   | 140,410                     |
| Margin on L / C                            | 294,860,006                 | 360,244,642                 |
| Margin on L / G                            | 103,916,789                 | 73,987,527                  |
| VAT on L / C Commission                    | 2,107                       | -                           |
| Foreign Correspondent Charges              | 3,714,080                   | 526,957                     |
| Sanchayapatra                              | 22,133,600                  | 54,549,861                  |
| Unclaimed Balances                         | 335,738                     | 665,896                     |
| Hajj Deposit                               | 4,609,368                   | 4,776,309                   |
| Imprest Fund Duty Draw Back                | -                           | 470                         |
| Imprest Fund Cash Incentive                | 192,812                     | 1,818,908                   |
| Key Deposit                                | 310,300                     | 242,900                     |
| Risk Fund                                  | 183,729                     | 347,951                     |
| Intt. Payable on 3 Stage Deposit           | 134,120,360                 | 57,921,335                  |
| Q -Cash ATM                                | 82,961                      | 67,480                      |
| Merchant Commission                        | 652                         | 652                         |
| Card Replacement                           | 200                         | 200                         |
| Card Processing Charge                     | 535,300                     | 722,637                     |
| Risk Fund on Lease Finance                 | 972,708                     | 91,979                      |
| Lease Deposit on Lease Finance             | 6,735,330                   | 6,641,240                   |
| Agent Commission on CCS                    | 161,855                     | -                           |
| City Card (Local)                          | 18,174,962                  | -                           |
| Auto Debit Receipt / Payment               | 379,882                     | -                           |
| City Card (International)                  | 30,931                      | -                           |
| Foreign Bill Purchased Awaiting Remittance | 442,263,829                 | 417,137,866                 |
| Margin on Inland Bill Purchase             | 709,084                     | 5,791,326                   |
| <b>Total</b>                               | <b><u>1,281,996,791</u></b> | <b><u>1,170,480,954</u></b> |

|  |                             |                             |
|--|-----------------------------|-----------------------------|
| <b>12.00 OTHER LIABILITIES :</b>                             |                             |                             |
| Provision for Classified Loans and Advances ( Note 12.01 )   | 943,907,322                 | 926,180,660                 |
| Provision for Unclassified Loans and Advances ( Note 12.02 ) | 149,660,340                 | 124,660,340                 |
| Interest Suspense Account ( Note 12.03 )                     | 354,650,028                 | 398,098,948                 |
| Other Provisions ( Note 12.04 )                              | 14,064,000                  | 14,064,000                  |
| Exchange Equalization Fund                                   | 16,862,379                  | 16,862,378                  |
| Provision for Income Tax ( Note 12.05 )                      | 543,965,410                 | 295,043,688                 |
| Adjusting Account Credit ( Note-12.a )                       | 213,684,599                 | 231,190,912                 |
| Non-Resident Taka Account                                    | 353,815,360                 | 20,038,528                  |
| Unearned Interest on Investment                              | -                           | 709,100,770                 |
| SEM fund   | -                           | 10,000                      |
| Export Development Fund ( EDF )                              | 31,611,632                  | -                           |
| CITY General Adjustment Account ( Note-12.b )                | -                           | 51,866,685                  |
| Providend Fund   | -                           | 1,134                       |
| Others   | 58,905,196                  | 67,917,979                  |
| <b>Total</b>   | <b><u>2,681,126,266</u></b> | <b><u>2,855,036,022</u></b> |

**12.a** Adjusting Account Credit includes Interest accrued but not due for FDR , STD Rates & Taxes , Telephone Bill accounts etc.

**12.b** City General Adjustment Account are operated for inter-branch transactions.

|  |                           |                           |
|--|---------------------------|---------------------------|
| <b>12.01 Provision for Classified Loans and Advance ( Annexure A / 3 )</b> |                           |                           |
| Balance at the beginning of the year                                       | 926,180,660               | 1,648,146,423             |
| Fully provided debts written off   | 95,502,299                | 1,166,260,000             |
|  | 830,678,361               | 481,886,423               |
| Fully waived during the year   | 9,805,904                 | 5,596,000                 |
|  | 820,872,457               | 476,290,423               |
| Recoveries of amounts previously written off                               | 49,034,865                | 5,642,360                 |
|  | 869,907,322               | 481,932,783               |
| Provisions on Classified Loans & Advances during the year                  | 74,000,000                | 444,247,877               |
| <b>Total Provision</b>   | <b><u>943,907,322</u></b> | <b><u>926,180,660</u></b> |



|                 |  | <b>Amount in Taka</b>     |                             |
|-----------------|--|---------------------------|-----------------------------|
|                 |  | <b>2004</b>               | <b>2003</b>                 |
|                 |  | <b><u>Taka</u></b>        | <b><u>Taka</u></b>          |
| <b>12.02</b>    | <b><u>Provision for Unclassified Loans &amp; Advance :</u></b>                       |                           |                             |
|                 | Balance at the beginning of the year   | 124,660,340               | 96,497,140                  |
|                 | Additional Provision for the year  | 25,000,000                | 28,163,200                  |
|                 | <b>Provision held at the end of the year</b>   | <b><u>149,660,340</u></b> | <b><u>124,660,340</u></b>   |
| <b>12.02(1)</b> | Provision required   | 987,600,000               | 1,050,841,000               |
|                 | Less: Provision made by the Bank (Note-12.01+12.02)                                  | 1,093,567,662             | 1,050,841,000               |
|                 | <b>Excess / (Short) Provision</b>  | <b><u>105,967,662</u></b> | <b><u>NIL</u></b>           |
| <b>12.03</b>    | <b><u>Interest Suspense Account :</u></b>  |                           |                             |
|                 | Opening Balance  | 398,098,948               | 1,349,348,870               |
|                 | Amount transferred to Interest Suspense account during the year                      | 68,236,080                | 46,186,078                  |
|                 |  | 466,335,028               | 1,395,534,948               |
|                 | Less: Interest taken into Income Account during the year                             | 12,791,000                | 44,075,000                  |
|                 |  | 453,544,028               | 1,351,459,948               |
|                 | Less: Amount waived during the year  | 31,739,000                | 89,953,000                  |
|                 |  | 421,805,028               | 1,261,506,948               |
|                 | Interest reversed during the year  | -                         | -                           |
|                 |  | 421,805,028               | 1,261,506,948               |
|                 | Less: Written off during the year  | 67,155,000                | 863,408,000                 |
|                 | <b>Balance at the end of the year</b>  | <b><u>354,650,028</u></b> | <b><u>398,098,948</u></b>   |
| <b>12.04</b>    | <b><u>Other Provisions :</u></b>   |                           |                             |
|                 | Opening Balance  | 14,064,000                | 14,064,000                  |
|                 | Add : Provision for the year   |                           |                             |
|                 | Provision for Other Assets   | -                         | -                           |
|                 | Provision for Unforeseen losses  | -                         | -                           |
|                 | Less : Adjustment During the Year  |                           |                             |
|                 | Provision for Other Assets   | -                         | -                           |
|                 | Provision for unforeseen losses  | -                         | -                           |
|                 | <b>Balance at the end of the year</b>  | <b><u>14,064,000</u></b>  | <b><u>14,064,000</u></b>    |
| <b>12.05</b>    | <b><u>Provision for Income Tax :</u></b>   |                           |                             |
|                 | Balance as on 01-01-2004   | <b>295,043,688</b>        | <b>145,043,688</b>          |
|                 | Provision for the year   | 280,000,000               | 190,000,000                 |
|                 | Provision for short fall**   | 162,791,678               | -                           |
|                 |  | <b>737,835,366</b>        | <b>335,043,688</b>          |
|                 | Adjustment for the year 2001-2003  | 163,390,332               |                             |
|                 | AIT paid through Provision Account   | 30,479,624                | 40,000,000                  |
|                 | <b>Balance as on 31.12.2004</b>  | <b>543,965,410</b>        | <b>295,043,688</b>          |
|                 | Total Provision for tax provided in the P/L Appropriation Accounts from 1983 to 2000 |                           | 330,338,152                 |
|                 | Total Demand for Income tax - which are fully settled from 1983 to 2000              |                           | (493,129,830)               |
|                 | <b>**Provision shortfall from 1983 to 2000</b>                                       |                           | <b><u>(162,791,678)</u></b> |

A mistake detected in the calculation of tax liability for the year 1997. Tax liability has been reduced by Tk. 31,168,817 considering the above possible correction in the assessment order of 1997.

| <b>13.00</b> | <b><u>CAPITAL :</u></b>                        | <b>No. Of Shares</b>      |                           |
|--------------|--|---------------------------|---------------------------|
|              | <b>Authorized Capital</b>                      |                           |                           |
|              | 4000000 Ordinary shares of Tk. 100 each        |                           | 400,000,000               |
|              | 17500000 Ordinary shares of Tk. 100 each       | 1,750,000,000             | -                         |
|              | <b>Issued,Subscribed &amp; Paid up Capital</b> |                           |                           |
|              | Sponsors / Promoters                           | 2,400,000                 | 240,000,000               |
|              | General Public                                 | 2,400,000                 | 240,000,000               |
|              | Government of Bangladesh                       | -                         | -                         |
|              | <b>Total</b>                                   | <b><u>4,800,000</u></b>   | <b><u>480,000,000</u></b> |
|              |  | <b><u>480,000,000</u></b> | <b><u>240,000,000</u></b> |

**Amount in Taka**

| 2004        | 2003        |
|-------------|-------------|
| <u>Taka</u> | <u>Taka</u> |

**Classification of Shareholders by holding**

**Holdings**

|                          | Number of Share holders | Value of Shares Taka | % of Holdings |
|--------------------------|-------------------------|----------------------|---------------|
| Less than 500 shares     | 3251                    | 88,985               | 1.85          |
| 501 to 5000 shares       | 117                     | 255,120              | 5.32          |
| 5001 to 10000 shares     | 27                      | 216,795              | 4.52          |
| 10001 to 20000 shares    | 34                      | 518,685              | 10.81         |
| 20001 to 30000 shares    | 15                      | 404,734              | 8.43          |
| 30001 to 40000 shares    | 6                       | 201,700              | 4.20          |
| 40001 to 50000 shares    | 5                       | 237,010              | 4.94          |
| 50001 to 100000 shares   | 24                      | 1,788,085            | 37.25         |
| 100001 to 1000000 shares | 7                       | 1,088,886            | 22.69         |
| Over 1000000 Shares      | -                       | -                    | -             |
| <b>Total</b>             | <b>3486</b>             | <b>4,800,000</b>     | <b>100</b>    |

**13.01 Capital Adequacy Ratio :**

It is prepared as per requirement of section 13 ( 2 ) of Banking Companies Act,1991 and BRPD Circular No. 01, 14, 05 ,10 & 3 dated 8th January,1996, 16th November, 1996 and 23th December, 1997, 25th November,2002 & 9th May,2004 respectively.

Total Regulatory Capital of the Bank as on 31-12-2004 stood at Taka 146.94 crore which is 9.78 % of the risk weighted assets as against requirement of 9 % as per provision of the Bank Company Act,1991 detail of which are given below :

|  | Percentage  | ( Figures in Crore ) |                |
|--|-------------|----------------------|----------------|
| <b>Total Assets</b>                            |             | <b>2637.56</b>       | <b>2369.85</b> |
| <b>Total Risk Weighted Assets</b>              |             | <b>1502.16</b>       | <b>1255.05</b> |
| <b>Core Capital:</b>                           | <b>7.91</b> |                      |                |
| <b>Required Capital ( 4.50 % of R.W.A. )</b>   |             | <b>67.60</b>         | <b>56.48</b>   |
| <b>Core Capital (TIER -I)</b>                  |             | <b>118.82</b>        | <b>56.80</b>   |
| Paid up Capital                                |             | 48.00                | 24.00          |
| Proposed Bonus Shares                          |             | -                    | -              |
| Statutory Reserve                              |             | 37.84                | 21.38          |
| General Reserve                                |             | 1.14                 | 1.14           |
| Non-repayable Share Premium accounts           |             | -                    | -              |
| Retained Earning                               |             | 31.84                | 10.28          |
| <b>Surplus in Core Capital</b>                 | <b>3.41</b> | <b>51.22</b>         | <b>0.32</b>    |
| <b>Supplimentary Capital(TIER-II)</b>          |             | <b>28.12</b>         | <b>25.61</b>   |
| General Provision ( 1% of Unclassified loans ) |             | 14.97                | 12.46          |
| Assets Revaluation Reserve                     |             | 11.46                | 11.46          |
| Exchange Equalization account                  |             | 1.69                 | 1.69           |
| <b>Total Required Capital ( 9 % of R.W.A )</b> |             | <b>135.20</b>        | <b>112.95</b>  |
| <b>Total Actual Capital(TIER I+TIER II)</b>    |             | <b>146.94</b>        | <b>82.41</b>   |
| <b>Total Surplus / (Shortfall)</b>             | <b>0.78</b> | <b>11.74</b>         | <b>(30.54)</b> |

**13.02 Break up of Share holding as at 31st December**

|                          |                  |                  |
|--------------------------|------------------|------------------|
| Sponsors                 | 2,400,000        | 1,200,000        |
| Financial Institution    | 271,320          | 59,760           |
| Foreign Investors        | -                | -                |
| Non-Resident Bangladeshi | -                | -                |
| General Public           | 2,128,680        | 1,140,240        |
|                          | <b>4,800,000</b> | <b>2,400,000</b> |

|              |   | <b>Amount in Taka</b>         |                               |
|--------------|---|-------------------------------|-------------------------------|
|              |   | <b>2004</b>                   | <b>2003</b>                   |
|              |   | <b><u>Taka</u></b>            | <b><u>Taka</u></b>            |
| <b>13.03</b> | <b><u>Names of Directors and Their Shareholdings at 31st . 2004 :</u></b>   | <b>Amount of Shareholding</b> | <b>Amount of Shareholding</b> |
|              | Mr. Deen Mohammad ( Chairman )  | 23,874,000                    | 11,937,000                    |
|              | Mr. Aziz Al-Kaiser ( Vice Chairman )  | 21,979,000                    | 7,389,500                     |
|              | Mr. Rubel Aziz ( Director )   | 22,203,000                    | 7,501,500                     |
|              | Mrs. Evana Fahmida Samdani ( Director )   | 3,227,600                     | 1,613,800                     |
|              | Mr. Hossain Khaled Saifullah ( Director )   | 6,051,000                     | 3,277,000                     |
|              | Mr. Mohammad Shoeb ( Director )   | 11,978,000                    | 6,999,400                     |
|              | Mr. Rajibul Huq Chowdhury ( Director )  | 1,742,000                     | 871,000                       |
|              | Mr. Ahmed Rajeeb Samdani ( Director )   | 3,614,000                     | 1,807,000                     |
|              | Mr. Hossain Mehmood ( Director )  | 3,000,000                     | 1,500,000                     |
|              | (Representative of City General Ins. Company Ltd.)  |                               |                               |
|              | Mrs. Tabassum Kaiser ( Director )   | 1,600,000                     | 800,000                       |
|              | Mr. Rafiqul Islam Khan ( Director )   | 4,939,000                     | 2,469,500                     |
|              | Mrs. Meherun Haque ( Director )   | 1,400,400                     | 1,800,200                     |
|              | Mr. Mobarak Ali ( Director )  | 3,040,000                     | 1,520,000                     |
|              | <b>Total</b>  | <b><u>108,648,000</u></b>     | <b><u>49,485,900</u></b>      |
| <b>14.00</b> | <b><u>STATUTORY RESERVE :</u></b>   |                               |                               |
|              | Opening balance   | 213,809,643                   | 173,117,791                   |
|              | Addition during the year  | 164,610,840                   | 40,691,852                    |
|              |   | <b><u>378,420,483</u></b>     | <b><u>213,809,643</u></b>     |
| <b>15.00</b> | <b><u>OTHER RESERVE :</u></b>   |                               |                               |
|              | <b><u>General Reserve</u></b>   |                               |                               |
|              | Opening Balance   | 11,394,928                    | 11,394,928                    |
|              | Add : Addition During the Year  | -                             | -                             |
|              |   | 11,394,928                    | 11,394,928                    |
|              | Less : Adjustment During the Year   | -                             | -                             |
|              | Closing Balance   | <b><u>11,394,928</u></b>      | <b><u>11,394,928</u></b>      |
|              | <b><u>Assets Revaluation Reserve</u></b>  |                               |                               |
|              | Opening Balance   | 229,224,437                   | 229,224,437                   |
|              | Add : Addition During the Year  | -                             | -                             |
|              |   | 229,224,437                   | 229,224,437                   |
|              | Less : Adjustment During the Year   | -                             | -                             |
|              | Closing Balance   | <b><u>229,224,437</u></b>     | <b><u>229,224,437</u></b>     |
|              |   | <b><u>240,619,365</u></b>     | <b><u>240,619,365</u></b>     |
| <b>16.00</b> | <b><u>RETAINED EARNINGS :</u></b>   |                               |                               |
|              | Opening balance   | 102,781,206                   | 130,013,799                   |
|              | Add: Net Profit After Tax   | 380,262,522                   | 13,459,259                    |
|              |   | 483,043,728                   | 143,473,058                   |
|              | Less : Statutory Reserve  | (164,610,840)                 | (40,691,852)                  |
|              | Less : Proposed Bonus Share   | (240,000,000)                 |                               |
|              | <b>Total</b>  | <b><u>78,432,888</u></b>      | <b><u>102,781,206</u></b>     |
| <b>16.01</b> | <b><u>Earning Per Share :</u></b>   |                               |                               |
|              | Basic Earning per Share of the Bank is Calculated by Dividing the Net Profit after Tax for the Year by the Number of Ordinary Shares During the Year. |                               |                               |
|              | Net Profit After Taxation   | 380,262,522                   | 13,459,259                    |
|              | Number of Ordinary Shares Issue   | 4,800,000                     | 2,400,000                     |
|              | Basic Earning per Share   | <b>79.22</b>                  | <b>5.61</b>                   |

|              |   | <b>Amount in Taka</b>       |                             |
|--------------|---|-----------------------------|-----------------------------|
|              |   | <b>2004</b>                 | <b>2003</b>                 |
|              |   | <b><u>Taka</u></b>          | <b><u>Taka</u></b>          |
| <b>17.00</b> | <b><u>CONTINGENT LIABILITIES :</u></b>                                |                             |                             |
| ( a )        | i ) Claim against the bank not acknowledged as debts                  |                             | <b>1,500,076,742</b>        |
|              | ii) Money for which the bank is contingently                          |                             |                             |
|              | Directors   | 2,615,000                   | 2,615,000                   |
|              | Governments   | -                           | -                           |
|              | Bank and Other Financial Institution                                  | 17,100,000                  | -                           |
|              | Others  | 975,654,728                 | 703,264,315                 |
|              |   | <b><u>995,369,728</u></b>   | <b><u>705,879,315</u></b>   |
| <b>18.00</b> | <b><u>INTEREST INCOME :</u></b>                                       |                             |                             |
|              | Interest received from Customers                                      | 1,804,968,692               | 1,749,866,861               |
|              | Interest received from Foreign Banks                                  | 2,059,304                   | 2,144,201                   |
|              | Interest received from Banks and other Financial Institution          | 2,624,572                   | 115,851                     |
|              | <b>Total</b>  | <b><u>1,809,652,568</u></b> | <b><u>1,752,126,913</u></b> |
| <b>19.00</b> | <b><u>INTEREST PAID ON DEPOSITS &amp; BORROWINGS :</u></b>            |                             |                             |
|              | Interest Paid on Deposits   | 1,109,438,257               | 1,171,333,265               |
|              | Interest paid on borrowings   | 371,578                     | 947,696                     |
|              | Interest on Overseas Accounts   | 153,518                     | -                           |
|              | <b>Total</b>  | <b><u>1,109,963,353</u></b> | <b><u>1,172,280,961</u></b> |
| <b>20.00</b> | <b><u>INCOME FROM INVESTMENT :</u></b>                                |                             |                             |
|              | Dividend on Shares  | 7,859,814                   | 5,773,035                   |
|              | Gain on sale of Shares / Securities( Note-20.01)                      | 39,414,272                  | 18,841,234                  |
|              | Interest on Bonds, Debentures, & Treasury bills                       | 246,238,943                 | 220,282,196                 |
|              | <b>Total</b>  | <b><u>293,513,029</u></b>   | <b><u>244,896,465</u></b>   |
| <b>20.01</b> | There are no loss incurred against sale of securities and investment. |                             |                             |
| <b>21.00</b> | <b><u>COMMISSION , EXCHANGE EARNINGS &amp; BROKERAGE :</u></b>        |                             |                             |
|              | Commission  | 198,516,123                 | 186,523,714                 |
|              | Exchange & Brokerage (Note-21.01)                                     | 245,952,621                 | 179,099,664                 |
|              | <b>Total</b>  | <b><u>444,468,744</u></b>   | <b><u>365,623,378</u></b>   |
| <b>21.01</b> | <b><u>Exchange &amp; Brokerage</u></b>                                |                             |                             |
|              | Exchange Gain   | 243,538,333                 | 165,757,117                 |
|              | Export Bill Discounted  | 1,172,620                   | 12,975,025                  |
|              | Any other Exchange  | 1,241,668                   | 367,522                     |
|              |   | <b><u>245,952,621</u></b>   | <b><u>179,099,664</u></b>   |
| <b>22.00</b> | <b><u>OTHER OPERATING INCOME :</u></b>                                |                             |                             |
|              | Rent ( locker )   | 794,600                     | 569,350                     |
|              | Godown Rent   | 4,149,423                   | 5,048,032                   |
|              | Rent of Property  | 134,664                     | 222,660                     |
|              | Postage recoveries  | 11,437,321                  | 9,279,578                   |
|              | Telex / Telegram / SWIFT recoveries                                   | 16,411,244                  | 13,738,259                  |
|              | Incidental Charge on CD   | 23,451,616                  | 18,061,955                  |
|              | Service charge on SB/STD  | 29,266,355                  | -                           |
|              | Service charge & other receipts                                       | 4,860,283                   | 4,384,256                   |
|              | Income from non-banking Assets  | 108,181                     | 110,814                     |
|              | Legal charges recoveries  | 1,563,750                   | 1,255,891                   |
|              | City Card Fees & charges  | 20,281,883                  | -                           |
|              | Underwriting Commission / banker to the issue                         | 194,727                     | -                           |
|              | Miscellaneous Income  | 47,558,884                  | 59,719,109                  |
|              | <b>Total</b>  | <b><u>160,212,931</u></b>   | <b><u>112,389,904</u></b>   |

|              |  | <b>Amount in Taka</b>     |                           |
|--------------|--|---------------------------|---------------------------|
|              |  | <b>2004</b>               | <b>2003</b>               |
|              |  | <b><u>Taka</u></b>        | <b><u>Taka</u></b>        |
| <b>23.00</b> | <b><u>SALARY &amp; ALLOWANCES :</u></b>  |                           |                           |
|              | Basic Salary   | 176,065,703               | 173,942,311               |
|              | Casual (Note-23.01)  | 9,081,539                 | 9,625,562                 |
|              | Honorarium   | 21,000                    | 226,000                   |
|              | Allowances   | 91,818,796                | 91,853,298                |
|              | Provident fund   | 17,053,971                | 16,712,419                |
|              | Bonus  | 58,722,913                | 43,269,353                |
|              | Pension & gratuity   | 6,304,236                 | 13,223,330                |
|              | Benefit  | 65,762,932                | 58,928,171                |
|              | <b>Total</b>   | <b><u>424,831,090</u></b> | <b><u>407,780,444</u></b> |
| <b>23.01</b> | <b><u>CASUAL</u></b>   |                           |                           |
|              | Wages  | 8,904,339                 | 9,490,562                 |
|              | Security Guard   | 141,200                   | 99,000                    |
|              | Gardener   | 36,000                    | 36,000                    |
|              | <b>Total</b>   | <b><u>9,081,539</u></b>   | <b><u>9,625,562</u></b>   |
| <b>24.00</b> | <b><u>MANAGING DIRECTOR'S SALARY &amp; ALLOWANCES :</u></b>  |                           |                           |
|              | Basic Salary   | 1,234,667                 | 1,200,000                 |
|              | Allowances   | 2,560,333                 | 2,400,000                 |
|              | <b>Total</b>   | <b><u>3,795,000</u></b>   | <b><u>3,600,000</u></b>   |
| <b>25.00</b> | <b><u>RENT, TAXES, INSURANCE, LIGHTING ETC. :</u></b>  |                           |                           |
|              | Rent , Rates & Taxes   | 52,477,017                | 47,581,467                |
|              | Insurance  | 16,619,602                | 15,343,345                |
|              | Electricity & lighting   | 14,702,122                | 16,046,450                |
|              | <b>Total</b>   | <b><u>83,798,741</u></b>  | <b><u>78,971,262</u></b>  |
| <b>26.00</b> | <b><u>POSTAGE, STAMP, TELECOMMUNICATIONS ETC. :</u></b>  |                           |                           |
|              | Stamp  | 20,500                    | 112,927                   |
|              | Postage  | 5,326,385                 | 4,368,773                 |
|              | Telephone / Trunk call   | 13,124,358                | 12,159,739                |
|              | Telegram / Telex / SWIFT   | 4,593,464                 | 5,122,529                 |
|              | E-mail / Fax charge  | 193,782                   | 65,331                    |
|              | <b>Total</b>   | <b><u>23,258,489</u></b>  | <b><u>21,829,299</u></b>  |
| <b>27.00</b> | <b><u>STATIONERY, PRINTING, ADVERTISEMENT ETC. :</u></b>   |                           |                           |
|              | Office Stationery  | 5,948,452                 | 3,773,655                 |
|              | Security Stationery  | 1,248,324                 | 903,127                   |
|              | Petty Stationery   | 860                       | 3,063                     |
|              | Printing Stationery  | 4,078,975                 | 3,319,692                 |
|              | Table Stationery   | 737,763                   | 699,082                   |
|              | Publicity and Advertisement  | 7,142,750                 | 9,502,398                 |
|              | <b>Total</b>   | <b><u>19,157,124</u></b>  | <b><u>18,201,017</u></b>  |
| <b>28.00</b> | <b><u>DIRECTOR'S FEES &amp; MEETING EXPENCES :</u></b>   |                           |                           |
|              | Director's fee consists of only meeting expenses of directors @ Taka 2,500 per director for each meeting . |                           |                           |
| <b>29.00</b> | <b><u>Auditor Fee</u></b>  |                           |                           |
|              | Providend Fund Audit   | 16,720                    | -                         |
|              | Right Share Audit  | 104,500                   | -                         |
|              | Statutory Audit  | 170,000                   | 170,000                   |
|              | <b>Total</b>   | <b><u>291,220</u></b>     | <b><u>170,000</u></b>     |
| <b>30.00</b> | <b><u>Depreciation and Repair to the Bank's Assets :</u></b>   |                           |                           |
|              | Depreciation ( Ref. - Annexure - A / 4 )   | 36,682,924                | 37,902,450                |
|              | Repairs, Renovation & Maintenance  | 8,360,760                 | 8,747,871                 |
|              | <b>Total</b>   | <b><u>45,043,684</u></b>  | <b><u>46,650,321</u></b>  |

|              |  | <b>Amount in Taka</b>     |                           |
|--------------|--|---------------------------|---------------------------|
|              |  | <b>2004</b>               | <b>2003</b>               |
|              |  | <b><u>Taka</u></b>        | <b><u>Taka</u></b>        |
| <b>31.00</b> | <b><u>OTHER EXPENSES :</u></b>                           |                           |                           |
|              | Entertainment  | 3,836,039                 | 3,776,504                 |
|              | Donation   | 6,942,900                 | 2,478,079                 |
|              | Subscription   | 4,944,814                 | 4,253,584                 |
|              | Car Expenses   | 16,609,293                | 14,997,060                |
|              | Traveling, Conveyance & Freight                          | 6,903,831                 | 6,235,627                 |
|              | Business Development Expenses                            | 410,339                   | 120,511                   |
|              | Annual General Meeting                                   | 599,944                   | 162,155                   |
|              | Washing and Clearance                                    | 1,053,472                 | 863,860                   |
|              | Medical Expenses   | 636,162                   | 185,374                   |
|              | Training and Seminar                                     | 815,191                   | 742,562                   |
|              | Leverage and Uniform                                     | 904,490                   | 535,451                   |
|              | Board Meeting Expenses                                   | 164,889                   | 149,360                   |
|              | Cash Carrying Charges                                    | 1,441,106                 | 1,373,402                 |
|              | Computer Expenses  | 2,394,091                 | 991,326                   |
|              | Branch Up-keep   | 2,130,503                 | 1,906,514                 |
|              | Consultancy Expenses                                     | 5,675,000                 | 100,000                   |
|              | Sundry Expenses  | 4,766,918                 | 3,609,977                 |
|              | Loss on Sale of Properties                               | 1,314,694                 | 828,113                   |
|              | Com. Paid to Recovery Agent                              | -                         | 28,300                    |
|              | City Card (Local)  | 3,265,396                 | -                         |
|              | City Card (International)                                | 4,514,642                 | -                         |
|              | <b>Total</b>   | <b><u>69,323,714</u></b>  | <b><u>43,337,759</u></b>  |
| <b>32.00</b> | <b><u>PROVISION FOR LOANS &amp; ADVANCES :</u></b>       |                           |                           |
|              | Provision on Classified Loans & Advances                 | 74,000,000                | 444,247,877               |
|              | Provision on Unclassified Loans & Advances               | 25,000,000                | 28,163,200                |
|              | <b>Total</b>   | <b><u>99,000,000</u></b>  | <b><u>472,411,077</u></b> |
| <b>33.00</b> | <b><u>RECEIVED FROM OTHER OPERATING ACTIVITIES :</u></b> |                           |                           |
|              | Interest on Bonds, Debentures, & Treasury bills          | 246,238,943               | 220,282,196               |
|              | Rent ( locker )  | 794,600                   | 569,350                   |
|              | Godown Rent  | 4,149,423                 | 5,048,032                 |
|              | Rent of Property   | 134,664                   | 222,660                   |
|              | Postage recoveries                                       | 11,437,321                | 9,279,578                 |
|              | Telex / Telegram recoveries                              | 15,340,542                | 13,738,259                |
|              | Incidental Charge recoveries                             | 23,451,616                | 18,061,955                |
|              | Service charge on SB/STD                                 | 29,266,355                | -                         |
|              | Service charge & other receipts                          | 4,860,283                 | 4,384,256                 |
|              | Income from non-banking Assets                           | 108,181                   | 110,814                   |
|              | Legal charges recoveries                                 | 1,563,750                 | 1,255,891                 |
|              | City Card Fees & Charges                                 | 20,281,883                | -                         |
|              | Underwriting Commission /Banker to the Issue             | 194,727                   | -                         |
|              | Miscellaneous Income                                     | 48,629,586                | 59,719,109                |
|              | <b>Total</b>   | <b><u>406,451,874</u></b> | <b><u>332,672,100</u></b> |
| <b>34.00</b> | <b><u>PAYMENT FOR OTHER OPERATING ACTIVITIES :</u></b>   |                           |                           |
|              | Managing Director's Salary & Allowances                  | 3,795,000                 | 3,600,000                 |
|              | Rent , Taxes , Insurance , Lighting etc.                 | 83,798,741                | 78,971,262                |
|              | Legal Expenses / Law Charges                             | 5,653,157                 | 5,512,761                 |
|              | Postage , Stamp , Telegram & Telephone                   | 23,258,489                | 21,829,299                |
|              | Audit Fee  | 291,220                   | 170,000                   |
|              | Advertisement etc.                                       | 7,142,750                 | 9,502,398                 |
|              | Director's Fees & Meeting Expenses                       | 677,500                   | 832,500                   |
|              | Depreciation and Repair to Fixed assets                  | 8,360,760                 | 8,747,871                 |
|              | Other Expenses   | 69,323,714                | 43,337,759                |

| Amount in Taka     |                    |
|--------------------|--------------------|
| 2004               | 2003               |
| <u>Taka</u>        | <u>Taka</u>        |
| <b>Total</b>       |                    |
| <b>202,301,331</b> | <b>172,503,850</b> |

**35.00 CHANGES IN OTHER CURRENT ASSETS :**

|                             |                      |                   |
|-----------------------------|----------------------|-------------------|
| CBL City Card               |                      | 4,889,319         |
| Stamps in hand              | 87,457               | (176,491)         |
| Stock of Stationery         | 1,280,254            | (3,184,526)       |
| Advance Deposit             | (59,500)             | (24,350)          |
| Advance Rent                | 4,329,746            | 9,157,526         |
| Suspense account            | (54,758,524)         | 32,405,479        |
| Protested Bill              | 714,433              | -                 |
| Books                       | -                    | (1,727)           |
| City General A/c Adjustment | (297,320,940)        |                   |
| <b>Total</b>                | <b>(345,727,074)</b> | <b>43,065,230</b> |

**36.00 CHANGES IN OTHER LIABILITIES :**

|                                 |                      |                      |
|---------------------------------|----------------------|----------------------|
| Loans Written Off and Waived    | (105,308,203)        | (1,171,856,000)      |
| Interest Suspense Account       | (43,448,920)         | -                    |
| Non-Resident Taka Account       | 333,776,832          | (10,899,992)         |
| Unearned Interest on Investment | (709,100,770)        | 358,682,470          |
| Exchange Equilisation Fund      | 1                    | -                    |
| L / C Cover Under SEM.          | -                    | -                    |
| SEM fund                        | (10,000)             | 10,000               |
| Export Development Fund ( EDF ) | 31,611,632           | (33,358,080)         |
| CITY General Adjustment Account | (51,866,685)         | (8,982,267)          |
| Providend Fund                  | (1,134)              | 1,134                |
| Others                          | (9,012,783)          | 12,631,667           |
| <b>Total</b>                    | <b>(553,360,030)</b> | <b>(853,771,068)</b> |

**37.00 CASH & CASH EQUIVALENT :**

|  |                      |                      |
|--|----------------------|----------------------|
| Cash in Hand                                       | 475,002,705          | 409,420,610          |
| Balance with Bangladesh bank                       | 1,002,383,982        | 1,022,302,510        |
| Balance with other bank and financial institutions | 214,861,460          | 425,857,255          |
| Money at call and short Notice                     | 2,725,225,000        | 2,195,000,000        |
| Government Securities                              | 2,941,146,530        | 3,148,305,780        |
| <b>Total</b>                                       | <b>7,358,619,677</b> | <b>7,200,886,155</b> |

**38.00 Statement of Director's outstanding loan amount exceeding 50% of the value of the shares held by as on 31.12.04 ( Ref # BRPD 651/9/2000, Dated : 04/04/2000 )**

| Name of the Director's of the company | outstanding amount<br>(Non - funded ) | Face value of shares | Excess of Loan over<br>50% of the face<br>value of share |
|---------------------------------------|---------------------------------------|----------------------|--|
| <b>NIL</b>                            |                                       |                      |  |

**Balance With Other Banks ( Outside Bangladesh)**

**Annexure A/1**

| SL.          | Name of the Nostro A/c's              | Currency Name | 2004                       |                              |                   | 2003                       |                              |                    |
|--------------|---------------------------------------|---------------|----------------------------|------------------------------|-------------------|----------------------------|------------------------------|--------------------|
|              |                                       |               | Amount in Foreign Currency | Conversion Rate Per Unit FC. | Amount in BDT     | Amount in Foreign Currency | Conversion Rate Per Unit FC. | Amount in BDT      |
| 1            | AMEX, NY                              | USD           | 27,100.51                  | 60.7423                      | 1,646,147         | (159,557.68)               | 58.0000                      | (9,254,345)        |
| 2            | JP Morgan Chase, NY                   | USD           | 52,601.61                  | 60.7423                      | 3,195,143         | 884,585.98                 | 58.6491                      | 51,880,172         |
| 3            | BOTM, NY                              | USD           | -                          | -                            | -                 | 22,075.78                  | 58.8500                      | 1,299,160          |
| 4            | Mashreq Bank PSC, NY                  | USD           | 146,818.08                 | 60.7423                      | 8,918,068         | 703,855.41                 | 58.8500                      | 41,421,890         |
| 5            | Habib American Bank ,NY               | USD           | 35,575.33                  | 60.7423                      | 2,160,927         | 7,140.28                   | 58.8500                      | 420,205            |
| 6            | HSBC Bank PLC, London                 | GBP           | 20,854.01                  | 116.5523                     | 2,430,583         | 31,116.88                  | 100.0000                     | 3,111,688          |
| 7            | National Westminsterbank, PLC, London | GBP           | 29,131.84                  | 116.5523                     | 3,395,383         | 27,390.95                  | 100.0000                     | 2,739,095          |
| 8            | HSBC, NY                              | USD           | (257,144.43)               | 60.7423                      | (15,619,544)      | 150,650.09                 | 58.8500                      | 8,865,758          |
| 9            | SCB, NY                               | USD           | (192,405.00)               | 60.7423                      | (11,687,122)      | 171,855.42                 | 58.8500                      | 10,113,691         |
| 10           | Deutschebank Frankfurt                | EUR           | 13,251.21                  | 82.6459                      | 1,095,158         | 11,875.58                  | 70.0000                      | 831,291            |
| 11           | UBS, AG Zurich                        | CHF           | 31,760.63                  | 53.5882                      | 1,701,995         | 133,082.96                 | 45.0000                      | 5,988,733          |
| 12           | ANB, Riyadh                           | SAR           | 35,439.63                  | 16.1975                      | 574,033           | 35,439.63                  | 15.5000                      | 549,314            |
| 13           | BOTM, Tokyo                           | JPY           | 692,074.00                 | 0.5853                       | 405,071           | 1,037,358.00               | 0.5150                       | 534,239            |
| 14           | JP Morgan AG Frankfurt, Frankfurt     | EUR           | 4,348.19                   | 82.6459                      | 359,360           | 7,875.29                   | 70.0000                      | 551,270            |
| 15           | Bankgesellschaft Berlin               | EUR           | (32,223.44)                | 82.6459                      | (2,663,135)       | 81,841.05                  | 70.0000                      | 5,728,874          |
| 16           | SCB, Kolkata                          | ACUD          | 57,864.07                  | 60.7423                      | 3,514,797         | 21,031.13                  | 58.8500                      | 1,237,682          |
| 17           | BOTM, Kolkata                         | ACUD          | 224,650.00                 | 60.7423                      | 13,645,758        | 224,650.00                 | 58.8500                      | 13,220,653         |
| 18           | HSBC, Mumbai                          | ACUD          | 97,695.25                  | 60.7423                      | 5,934,234         | (850,295.86)               | 58.0000                      | (49,317,160)       |
| 19           | AB Bank, Mumbai                       | ACUD          | 3,822.57                   | 60.7423                      | 232,191           | 90,521.90                  | 58.8500                      | 5,327,214          |
| 20           | Sonali Bank, Kolkata                  | ACUD          | 19,211.49                  | 60.7423                      | 1,166,950         | 76,749.24                  | 58.8500                      | 4,516,693          |
| 21           | NDLC -IFIC (NIB) Karachi              | ACUD          | 122,571.34                 | 60.7423                      | 7,445,265         | 63,675.25                  | 58.8500                      | 3,747,288          |
| 22           | Nation Trust Bank Ltd, Colombo        | ACUD          | 6,569.46                   | 60.7423                      | 399,044           | 6,569.46                   | 58.8500                      | 386,613            |
| 23           | SCGB, Nepal                           | ACUD          | 88,269.64                  | 60.7423                      | 5,361,701         | 97,469.64                  | 58.8500                      | 5,736,088          |
| 24           | Com. Bank of ceylon, Colombo          | ACUD          | 24,887.95                  | 60.7423                      | 1,511,751         | 111,653.31                 | 58.8500                      | 6,570,797          |
| 25           | AMEX, Kolkata                         | ACUD          | 66,302.57                  | 60.7423                      | 4,027,370         | 33,890.13                  | 58.8500                      | 1,994,434          |
| 26           | Bank of Bhutan                        | ACUD          | 232,625.15                 | 60.7423                      | 14,130,186        | 113,715.05                 | 58.8500                      | 6,692,131          |
| 27           | ICICI Bank, Mumbai                    | ACUD          | (63,708.74)                | 60.7423                      | (3,869,815)       | -                          | -                            | -                  |
| 28           | Union Bank of California Int, NY      | USD           | 13,803.75                  | 60.7423                      | 838,472           | -                          | -                            | -                  |
| <b>Total</b> |                                       |               |                            |                              | <b>50,249,970</b> |                            |                              | <b>124,893,468</b> |



## SUMMARY OF LOAN CLASSIFICATION AND PROVISION AS ON 31st DECEMBER , 2004

Figure in ' 000'

| SL No. | Sector                               | Total Advance     | Balance Outstanding |                  |               |                  | Base for Provision |               |                | Amount of Provision required |
|--------|--------------------------------------|-------------------|---------------------|------------------|---------------|------------------|--------------------|---------------|----------------|------------------------------|
|        |                                      |                   | Unclassified (UC)   | Substandard (SS) | Doubtful (DF) | Bad / Loss (BL)  | Substandard (SS)   | Doubtful (DF) | Bad/Loss (BL)  |                              |
| 1      | Continous (CC, Hypo, Pledge)         | 6,418,899         | 5,491,158           | 8,399            | 9,754         | 909,588          | 7,847              | 636           | 397,759        | 454,558                      |
| 2      | Demand Loans                         | 6,099,573         | 5,618,726           | -                | 841           | 480,006          | -                  | 689           | 244,773        | 301,305                      |
| 3      | Term Loan( up to 5 years)            | 2,468,247         | 2,314,493           | 2,051            | 7,554         | 144,149          | 2,048              | -             | 35,231         | 58,786                       |
| 4      | Term Loan (over 5 years)             | 1,739,560         | 1,502,205           | 4,873            | 33,376        | 199,106          | -                  | -             | 157,866        | 172,888                      |
| 5      | Short Term Agriculture & Microcredit | -                 | -                   | -                | -             | -                | -                  | -             | -              | -                            |
|        | <b>Sub Total</b>                     | <b>16,726,279</b> | <b>14,926,582</b>   | <b>15,323</b>    | <b>51,525</b> | <b>1,732,849</b> | <b>9,895</b>       | <b>1,325</b>  | <b>835,629</b> | <b>987,537</b>               |
| 6      | Staff Loan                           | 301,558           | 301,558             | -                | -             | -                | -                  | -             | -              | -                            |
|        | <b>Total</b>                         | <b>17,027,837</b> | <b>15,228,140</b>   | <b>15,323</b>    | <b>51,525</b> | <b>1,732,849</b> | <b>9,895</b>       | <b>1,325</b>  | <b>835,629</b> | <b>987,537</b>               |

Required provision as per CL as on 31-12-04 Tk.987537000 this amount rounded as

987,600,000

Less: Provision made by the bank

1,093,567,662

Provision (Shortfall)/Excess

105,967,662

## STATEMENT OF FIXED ASSETS AS AT 31st DECEMBER , 2004

| Particulars    | Balance as on 01-  | Addition During   | Total Value as on  | Sale/transfer    | Book Value as on   | Dep    | Depreciation      | Written down value |          |
|----------------|--------------------|-------------------|--------------------|------------------|--------------------|--------|-------------------|--------------------|----------|
|                | 01-04              | the year          | 31-12-04           | during the year  | 31-12-04           | Rate % | for the year      | as on              | 31-12-04 |
| Land           | 403,452,645        |                   | 403,452,645        | -                | 403,452,645        | -      | -                 | 403,452,645        |          |
| Building       | 67,720,766         | 7,731,300         | 75,452,066         | -                | 75,452,066         | 2.5%   | 1,611,912         | 73,840,154         |          |
| Furniture      | 106,559,650        | 17,797,549        | 124,357,199        | 4,278,494        | 120,078,705        | 10%    | 11,018,843        | 109,059,862        |          |
| Office Equipt. | 93,164,171         | 12,489,145        | 105,653,316        | 776,236          | 104,877,080        | 20%    | 17,316,074        | 87,561,006         |          |
| Motor Car      | 15,797,335         | 725,000           | 16,522,335         | 1,332,001        | 15,190,334         | 20%    | 6,736,095         | 8,454,239          |          |
| <b>Total</b>   | <b>686,694,567</b> | <b>38,742,994</b> | <b>725,437,561</b> | <b>6,386,731</b> | <b>719,050,830</b> |        | <b>36,682,924</b> | <b>682,367,906</b> |          |

## Sale of Fixed Assets ( Motor Car)

| Vehical description                                      | Purchases value  | Depreciation up to 2003 | Retain down Value | Sale             | profit / (loss) | Purchaser   | Remarks                                  |
|--|------------------|-------------------------|-------------------|------------------|-----------------|---|--|
| Toyota Corolla M-1999 CC-1300<br>Dhaka Metro KHA-0078    | 1,725,000        | 1,380,000               | 345,000           | 345000           | -               | Mr. Habibur Rahman<br>Consultant                            | No Auction Made<br>through the Newspaper |
| Toyota Corolla M-1999 CC-1531<br>Dhaka Metro KHA-0084    | 1,725,000        | 1,380,000               | 345,000           | 345000           | -               | Mr. Maniruzzaman Khandaker<br>Tax Consultant, The City Bank | No Auction Made<br>through the Newspaper |
| Honda Civic M-1998 CC-1531<br>Dhaka Metro KHA-1500       | 1,475,000        | 1,474,999               | 1                 | 100000           | 99,999          | Mr. M. Shafiqul Alam<br>EVP, The City Bank Ltd.             | No Auction Made<br>through the Newspaper |
| Toyota Corolla LX M-1997 CC-1531<br>Dhaka Metro KHA-0084 | 535,000          | 321,000                 | 214,000           | 214000           | -               | Md. A. Satter Patwary<br>EVP, The City Bank Ltd.            | No Auction Made<br>through the Newspaper |
| Toyota Corolla LX M-1997 CC-1531<br>Dhaka Metro KHA-0084 | 535,000          | 321,000                 | 214,000           | 214000           | -               | Md. Shamsul Alam<br>SVP, The City Bank Ltd.                 | No Auction Made<br>through the Newspaper |
| Toyota Corolla LX M-1997 CC-1531<br>Dhaka Metro KHA-0084 | 535,000          | 321,000                 | 214,000           | 214000           | -               | Mr. Kazi Manuor Rashid<br>FVP, The City Bank Ltd.           | No Auction Made<br>through the Newspaper |
| <b>Total</b>   | <b>6,530,000</b> | <b>5,197,999</b>        | <b>1,332,001</b>  | <b>1,432,000</b> | <b>99,999</b>   |   |  |

Profit is treated as Miscellaneous Income