

Consolidated Balance Sheet

as at 31 December

(Figures in BDT)

	2012	2011	Notes
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)	45,000	45,000	
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	204,147,495	59,523,740	
Total cash	204,192,495	59,568,740	4.a Page 162
Balance with other banks and financial institutions			
In Bangladesh	781,230,612	544,717,347	
Outside Bangladesh	-	-	
Total balance with other banks and financial institutions	781,230,612	544,717,347	5.a Page 164
Money at call and on short notice	-	-	
Investments			
Government	-	-	
Others	1,193,609,479	1,300,164,193	
Total investments	1,193,609,479	1,300,164,193	6.a Page 165
Loans, advances and leases			
Loans, advances and leases	11,433,699,033	10,396,598,999	
Bills purchased and discounted	-	-	
Total loans, advances and leases	11,433,699,033	10,396,598,999	7.a Page 171
Fixed assets including premises, furniture and fixtures	327,619,010	327,674,192	8.a Page 172
Other assets	2,079,301,138	2,487,518,286	9.a Page 174
Non - business assets	-	-	
Total assets	16,019,651,768	15,116,241,756	
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	2,795,522,546	4,019,152,726	10.a Page 175
Deposits and other accounts			
Current and other accounts	-	-	
Bills payable	-	-	
Savings accounts	-	-	
Term deposits	5,614,795,490	4,315,609,590	11.a Page 176
Bearer certificates of deposit	-	-	
Other deposits	-	-	
Total deposits and other accounts	5,614,795,490	4,315,609,590	
Other liabilities	2,502,746,513	2,097,082,449	12.a Page 180
Total liabilities	10,913,064,549	10,431,844,765	

Consolidated Balance Sheet - *continued*

(Figures in BDT)	2012	2011	Notes
Capital/shareholders' equity			
Paid up capital	2,274,304,030	1,624,502,880	13 Page 180
Statutory reserve	813,352,812	755,711,970	
Share money deposit	-	18,000,000	
Other reserves	-	-	
Retained earnings	1,089,800,363	1,561,846,535	
Minority interest	707,186,264	502,391,856	
Revaluation reserve	221,943,750	221,943,750	
Total shareholders' equity	5,106,587,219	4,684,396,992	
Total liabilities and shareholders' equity	16,019,651,768	15,116,241,756	

OFF-BALANCE SHEET ITEMS

Contingent liabilities

Acceptances and endorsements	-	-
Letters of guarantee	-	-
Irrevocable letters of credit	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
Total contingent liabilities	-	-

Other commitments

Documentary credits 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 commitments	-	-
Total other commitments	-	-

Total off-balance sheet items including contingent liabilities	-	-
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Notes:

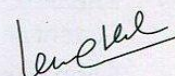
The annexed notes 01 to 56 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 23 February 2013 and were signed on its behalf by:



Company Secretary



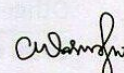
Managing Director



Chairman

Signed in terms of our separate report of even date annexed

Dated: Dhaka
23 February, 2013



A. Qasem & Co.
Chartered Accountants

Consolidated Profit and Loss Account

for the year ended 31 December

(Figures in BDT)	2012	2011	Notes
Interest income	1,452,480,283	1,313,236,929	17.a Page 183
Interest paid on deposits and borrowings etc.	(1,327,489,669)	(1,006,608,135)	18.a Page 183
Net interest income	124,990,614	306,628,795	
Investment income	170,315,422	491,119,530	19.a Page 184
Fees, commission, exchange and brokerage	110,334,181	190,966,083	20.a Page 184
Other operating income	235,982,836	249,442,571	21.a Page 184
	516,632,439	931,528,184	
Total operating income (A)	641,623,053	1,238,156,979	
Salaries and other employee benefits	108,448,962	117,684,531	22.a Page 185
Rent, taxes, insurance, electricity etc.	11,864,981	10,818,754	23.a Page 185
Legal expenses	609,476	1,683,197	
Postage, stamp, telecommunication etc.	2,222,448	15,160,917	24.a Page 185
Stationery, printing, advertisements etc.	8,478,578	10,147,248	25.a Page 186
Managing director's salary and fees	9,600,000	8,825,954	
Directors' fees	1,010,000	1,315,000	26.a Page 186
Auditors' fees	287,500	235,125	27.a Page 186
Depreciation and repair of assets	8,367,482	7,222,030	28.a Page 187
Other expenses	19,879,496	17,852,861	29.a Page 187
Total operating expenses (B)	170,768,923	190,945,617	
Profit before provision (C=A-B)	470,854,130	1,047,211,362	
Provision for loans and advances and leases			
General provision	38,529,899	(61,100,149)	12.1 Page 177
Specific provision	62,825,574	121,385,203	12.1 Page 177
Provision for diminution in value of investment	(43,582,153)	32,725,435	12.2.a Page 178
Total provision (D)	57,773,320	93,010,489	
Total profit before tax (C-D)	413,080,810	954,200,873	
Provision for taxation			
Current	112,931,394	181,364,264	12.4.a Page 179
Deferred	(40,811)	24,066	
	112,890,583	181,388,330	
Net profit after tax	300,190,227	772,812,543	

Consolidated Profit and Loss Account - continued

(Figures in BDT)	2012	2011	Notes
Attributable to			
Shareholders of the company	235,395,819	672,516,582	
Minority interest	64,794,408	100,295,961	
Appropriations			
Statutory reserve	57,640,842	104,414,528	
General reserve	-	-	
Proposed cash dividend	227,430,403	-	
Proposed stock dividend	454,860,806	649,801,150	
Retained surplus	(439,741,824)	18,596,862	
Weighted average no. of outstanding share	227,430,403	162,450,288	
Earnings per share (restated)	1.04	2.96	33.a Page 189

Notes:

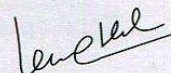
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Company Secretary

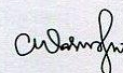


Managing Director



Chairman

Signed in terms of our separate report of even date annexed



A. Qasem & Co.
Chartered Accountants

Dated: Dhaka
23 February, 2013

Consolidated Cash Flow Statement

for the year ended 31 December

(Figures in BDT)

	2012	2011
A. OPERATING ACTIVITIES		
Interest receipts	1,290,624,479	1,273,080,700
Interest payments	(1,035,081,223)	(3,188,280,904)
Fee and commission receipts	15,328,078	3,225,317,438
Dividend receipts	169,853,565	10,969,908
Capital gains from sale of listed shares	93,254,230	480,152,322
Cash payments to employees	(48,580,224)	(73,434,787)
Cash payments to suppliers and management expenses	(153,438,912)	(89,634,964)
Income taxes paid	(191,999,598)	(124,577,121)
Receipts from other operating activities	552,041,256	596,002,423
Payments for other operating activities	(1,601,250)	(936,931,864)
Cash generated before changes in operating assets and liabilities	690,400,401	1,172,663,151
Increase/decrease in operating assets and liabilities:		
Net loans and advances to customers	(856,166,743)	(891,547,082)
Loans and deposits from banks and other customers	347,247,970	(266,048,186)
Cash generated from operating assets and liabilities	(508,918,773)	(1,157,595,268)
Net cash generated from operating activities	181,481,628	15,067,883
B. INVESTMENT ACTIVITIES		
Acquisition of property, plant and equipment	(8,332,580)	(11,347,715)
Disposal of fixed assets	-	40,000
Payments of employee home loan	(21,650,000)	-
Sale of securities	1,035,675,084	1,153,221,949
Investment in securities	(884,988,957)	(1,323,867,438)
Investment in PFI Securities Ltd.	10,000,000	-
Investment in Prime Finance Capital Management Ltd.	(19,393,947)	18,000,000
Net cash used in investing activities	111,309,600	(163,953,204)
C. FINANCING ACTIVITIES:		
Dividend paid	(250,000,000)	-
Share money deposit receipts	222,000,000	-
Payment for financial expense	(33,654,208)	-
Short term loan	150,000,000	-
Net cash used in financing activities	88,345,792	-
D. Net (decrease)/increase in cash and cash equivalents (A+B+C)	381,137,020	(148,885,321)
E. Effects of exchange rate changes on cash and cash equivalents	-	-
F. Cash and cash equivalents at beginning of the year	604,286,087	753,171,408
G. Cash and cash equivalents at end of the year (D+E+F)	985,423,107	604,286,087
Cash and cash equivalents at end of the year represents		
Cash in hand (including foreign currencies)	45,000	45,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	204,147,495	59,523,740
Balance with other banks and financial institutions	781,230,612	544,717,347
Total	985,423,107	604,286,087
Supplemental schedule for non-cash financing activities		
Bonus share issued	649,801,150	722,001,280

Consolidated Statement of Changes in Equity

for the year ended 31 December

(Figures in BDT)

Particulars	Paid up capital	Statutory reserve	Other reserve	Retained earnings	Minority interest	Total
Balance as at 1 January 2012	1,624,502,880	755,711,970	221,943,750	1,561,846,535	502,391,856	4,666,396,992
Net profit for the year 2012	-	-	-	235,395,819	64,794,408	300,190,227
Transfer to statutory reserve	-	57,640,842	-	(57,640,842)	-	-
Issue of right share	-	-	-	-	240,000,000	-
Issue of bonus share (2011)	649,801,150	-	-	(649,801,150)	-	-
Payment of dividend	-	-	-	-	(100,000,000)	-
Balance as at 31 December 2012	2,274,304,030	813,352,812	221,943,750	1,089,800,363	707,186,264	4,966,587,219
Balance as at 1 January 2011	902,501,600	651,297,442	221,943,750	1,715,745,762	402,095,895	3,893,584,449
Net profit for the year 2011	-	-	-	672,516,581	100,295,961	772,812,543
Transfer to statutory reserve	-	104,414,528	-	(104,414,528)	-	-
Issue of bonus share (2010)	722,001,280	-	-	(722,001,280)	-	-
Balance as at 31 December 2011	1,624,502,880	755,711,970	221,943,750	1,561,846,535	502,391,856	4,666,396,992

Balance Sheet

as at 31 December

(Figures in BDT)	2012	2011	Notes
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)	40,000	40,000	
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	204,147,495	59,523,740	
Total cash	204,187,495	59,563,740	4 Page 162
Balance with other banks and financial institutions			
In Bangladesh	743,337,530	523,511,653	
Outside Bangladesh	-	-	
Total balance with other banks and financial institutions	743,337,530	523,511,653	5 Page 163
Money at call and on short notice	-	-	
Investments			
Government	-	-	
Others	819,270,974	1,007,221,310	
Total investments	819,270,974	1,007,221,310	6 Page 164
Loans, advances and leases			
Loans, advances and leases	9,751,352,472	8,705,279,178	
Bills purchased and discounted	-	-	
Total loans, advances and leases	9,751,352,472	8,705,279,178	7 Page 165
Fixed assets including premises, furniture and fixtures	324,157,058	323,776,965	8 Page 172
Other assets	2,779,745,191	3,336,698,993	9 Page 172
Non - business assets	-	-	
Total assets	14,622,050,721	13,956,051,839	
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	2,795,522,546	4,019,152,724	10 Page 174
Deposits and other accounts			
Current and other accounts	-	-	
Bills payable	-	-	
Savings accounts	-	-	
Term deposits	5,614,795,490	4,315,609,590	11 Page 176
Bearer certificates of deposit	-	-	
Other deposits	-	-	
Total deposits and other accounts	5,614,795,490	4,315,609,590	
Other liabilities	1,913,111,126	1,610,872,174	12 Page 177
Total liabilities	10,323,429,162	9,945,634,488	

Balance Sheet - continued

(Figures in BDT)	2012	2011	Notes
Capital/shareholders' equity			
Paid up capital	2,274,304,030	1,624,502,880	13 Page 180
Statutory reserve	813,352,812	755,711,969	14 Page 182
Other reserves	-	-	
Retained earnings	989,020,968	1,408,258,753	15 Page 182
Revaluation reserve	221,943,750	221,943,750	
Total shareholders' equity	4,298,621,559	4,010,417,352	
Total liabilities and shareholders' equity	14,622,050,721	13,956,051,839	

OFF-BALANCE SHEET ITEMS

Contingent liabilities

Acceptances and endorsements	-	-	34 Page 189
Letters of guarantee	-	-	
Irrevocable letters of credit	-	-	
Bills for collection	-	-	
Other contingent liabilities	-	-	
Total contingent liabilities	-	-	

Other commitments

Documentary credits 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 commitments	-	-	
Total other commitments	-	-	

Total off-balance sheet items including contingent liabilities	-	-	
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Notes:

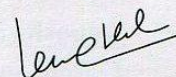
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Company Secretary



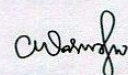
Managing Director



Chairman

Signed in terms of our separate report of even date annexed

Dated: Dhaka
23 February, 2013



A. Qasem & Co.
Chartered Accountants

Profit and Loss Account

for the year ended 31 December

(Figures in BDT)	2012	2011	Notes
Interest income	1,320,827,593	1,091,970,361	17 Page 183
Interest paid on deposits and borrowings etc.	(1,294,122,447)	(1,012,721,767)	18 Page 183
Net interest income	26,705,146	79,248,594	
Investment income	260,702,413	491,119,530	19 Page 184
Fees, commission, exchange and brokerage	1,475,779	1,521,398	20 Page 184
Other operating income	231,976,984	231,970,807	21 Page 184
	494,155,176	724,611,735	
Total operating income (A)	520,860,322	803,860,330	
Salaries and other employee benefits	88,008,807	103,690,944	22 Page 185
Rent, taxes, insurance, electricity etc.	7,618,990	7,472,711	23 Page 185
Legal expenses	557,226	343,372	
Postage, stamp, telecommunication etc.	2,027,666	13,243,679	24 Page 185
Stationery, printing, advertisements etc.	8,237,675	9,161,160	25 Page 186
Managing Director's salary and fees	5,400,000	3,922,621	
Directors' fees	565,000	820,000	26 Page 186
Auditors' fees	230,000	209,000	27 Page 186
Depreciation and repair of assets	7,311,511	6,335,343	28 Page 187
Other expenses	18,249,239	16,032,584	29 Page 187
Total operating expenses (B)	138,206,114	161,231,414	
Profit before provision (C=A-B)	382,654,208	642,628,916	
Provision for loans and advances and leases			
General provision	38,529,899	(61,100,149)	12.1 Page 177
Specific provision	62,825,574	121,385,203	12.1 Page 177
Provision for diminution in value of investment	(46,905,473)	28,271,220	12.2.1 Page 177
Total provision (D)	54,450,000	88,556,274	
Total profit before tax (C-D)	328,204,208	554,072,642	
Provision for taxation			
Current	40,000,000	32,000,000	12.4 Page 178
Deferred	-	-	
	40,000,000	32,000,000	
Net profit after tax	288,204,208	522,072,642	

Profit and Loss Account - continued

(Figures in BDT)	2012	2011	Notes
Appropriations			
Statutory reserve	57,640,842	104,414,528	14 Page 182
General reserve	-	-	
Proposed cash dividend	227,430,403	-	
Proposed stock dividend	454,860,806	649,801,150	
Retained surplus	(451,727,843)	(232,143,039)	
Weighted average no. of outstanding share	227,430,403	162,450,288	
Earnings per share (restated)	1.27	2.30	33 Page 188

Notes:

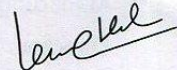
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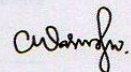
Managing Director



Chairman

Signed in terms of our separate report of even date annexed

Dated: Dhaka
23 February, 2013



A. Qasem & Co.
Chartered Accountants

Cash Flow Statement

for the year ended 31 December

(Figures in BDT)

	2012	2011	Notes
A. OPERATING ACTIVITIES			
Interest receipts	1,288,855,163	1,271,141,041	
Interest payments	(1,035,081,223)	(936,884,051)	
Fee and commission receipts	1,475,778	1,521,398	
Dividend receipts	167,448,183	10,967,208	
Capital gains from sale of listed shares	93,254,230	480,152,322	
Cash payments to employees	(48,580,224)	(73,434,787)	
Cash payments to suppliers and management expenses	(122,734,011)	(68,183,531)	
Income taxes paid	(190,869,887)	(124,542,780)	
Receipts from other operating activities	411,396,045	152,218,583	31 Page 188
Payments for other operating activities	(1,534,100)	(10,668,442)	32 Page 188
Cash generated before changes in operating assets and liabilities	563,629,954	702,286,961	
Increase/(decrease) in operating assets and liabilities			
Net loans and advances to customers	(856,166,743)	(1,035,332,820)	
Loans and deposits from banks and other customers	347,247,970	589,752,566	
Cash generated from operating assets and liabilities	(508,918,773)	(445,580,254)	
Net cash generated from operating activities	54,711,181	256,706,707	
B. INVESTMENT ACTIVITIES			
Acquisition of property, plant and equipment	(7,711,885)	(6,563,801)	
Disposal of fixed assets	-	40,000	
Sale of securities	1,035,675,084	1,293,221,949	
Investment in securities	(847,724,748)	(1,043,313,228)	
Investment in PFI Securities Ltd.	10,000,000	-	
Investment in Prime Finance Capital Management Ltd.	119,500,000	(360,000,000)	
Net cash used in investing activities	309,738,451	(116,615,080)	
C. FINANCING ACTIVITIES			
Dividend paid	-	-	
Issuance of shares	-	-	
Net cash used in financing activities	-	-	
D. Net (decrease)/increase in cash and cash equivalents (A+B+C)	364,449,632	140,091,627	
E. Effects of exchange rate changes on cash and cash equivalents	-	-	
F. Cash and cash equivalents at beginning of the year	583,075,393	442,983,766	
G. Cash and cash equivalents at end of the year (D+E+F)	947,525,025	583,075,393	
Cash and cash equivalents at end of the year represents			
Cash in hand (including foreign currencies)	40,000	40,000	
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	204,147,495	59,523,740	
Balance with other banks and financial institutions	743,337,530	523,511,653	
Total	947,525,025	583,075,393	
Supplemental schedule for non-cash financing activities			
Bonus share issued	649,801,150	722,001,280	

Statement of Changes in Equity

for the year ended 31 December

(Figures in BDT)

Particulars	Paid up capital	Statutory reserve	Other reserve	Retained earnings	Total
Balance as at 1 January 2012	1,624,502,880	755,711,970	221,943,750	1,408,258,752	4,010,417,352
Net profit for the year 2012	-	-	-	288,204,208	288,204,208
Transfer to statutory reserve	-	57,640,842	-	(57,640,842)	-
Issue of bonus share (2011)	649,801,150	-	-	(649,801,150)	-
Balance as at 31 December 2012	2,274,304,030	813,352,812	221,943,750	989,020,968	4,298,621,560
Balance as at 1 January 2011	902,501,600	651,297,442	221,943,750	1,712,601,919	3,488,344,711
Net profit for the year 2011	-	-	-	522,072,641	522,072,641
Transfer to statutory reserve	-	104,414,528	-	(104,414,528)	-
Issue of bonus share (2010)	722,001,280	-	-	(722,001,280)	-
Balance as at 31 December 2011	1,624,502,880	755,711,970	221,943,750	1,408,258,752	4,010,417,352

Liquidity Statement (Assets and Liabilities maturity analysis)

as at 31 December 2012

(Figures in BDT)

Particulars	Up to 1 month	1-3 month	3-12 month	1-5 years	Above 5 years	Total
Assets						
Cash	204,187,495	-	-	-	-	204,187,495
Balance with other banks and financial institutions	153,337,530	10,000,000	580,000,000	-	-	743,337,530
Money at call and on short notice	-	-	-	-	-	-
Investments	41,537,038	57,758,604	77,724,663	505,608,582	136,642,087	819,270,974
Loans, advances and leases	587,031,419	2,544,127,860	2,637,740,844	3,515,362,568	467,089,781	9,751,352,472
Fixed assets including premises, furniture and fixtures	-	-	-	-	324,157,058	324,157,058
Other assets	670,926,593	-	119,518,561	-	1,989,300,038	2,779,745,192
Non banking assets	-	-	-	-	-	-
Total assets (A)	1,657,020,075	2,611,886,464	3,414,984,068	4,020,971,150	2,917,188,964	14,622,050,721
Liabilities						
Borrowings from other banks, financial institutions and agents	68,278,924	827,490,834	846,442,558	1,000,379,426	52,930,804	2,795,522,546
Deposits	695,641,885	1,041,295,149	1,989,550,878	1,871,794,082	16,513,496	5,614,795,490
Provision and other liabilities	769,070,673	669,588,984	344,360,003	95,655,556	34,435,910	1,913,811,126
Total liabilities (B)	1,532,991,482	2,538,374,967	3,180,353,439	2,967,829,064	103,880,210	10,323,429,162
Net liquidity gap (A - B)	124,028,593	73,511,497	234,630,629	1,053,142,086	2,813,308,754	4,298,621,559