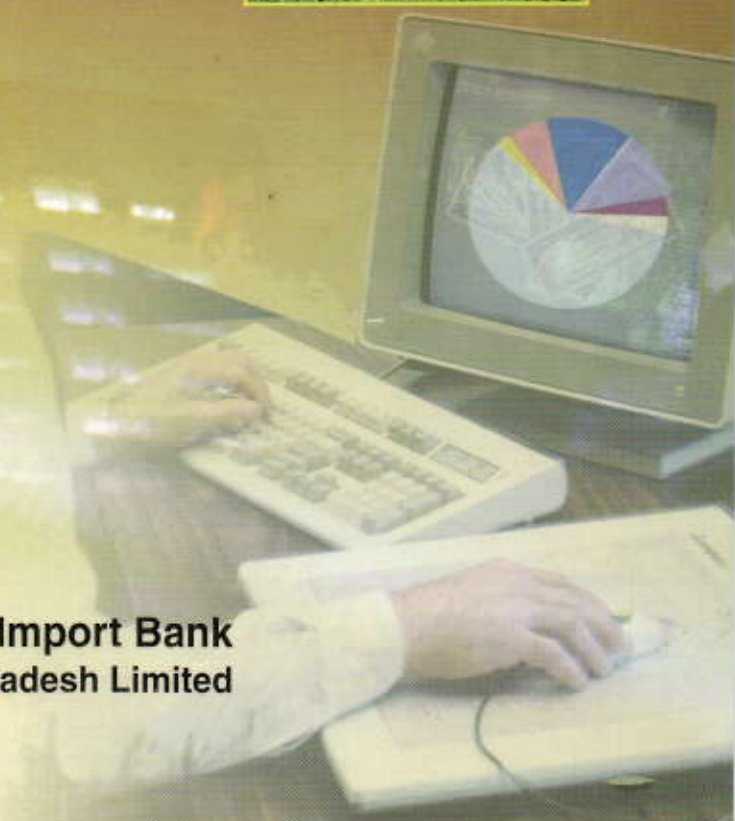


Annual Report 2001



**Export Import Bank
Of Bangladesh Limited**



Annual Report-2001



Export Import Bank Of Bangladesh Limited

Printers Building, 5 Rajuk Avenue
Dhaka-1000, Bangladesh

Phone : 9566418, 9566764, 9553872, 9553925, 9561604

Fax : 880-2-9556988, Telex : 642527 EXIMHO BJ

E-mail : eximho@bdonline.com, website : www.eximbd.com

SWIFT address : EXBKBD0H

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Board of Directors

CHAIRMAN

Md. Nazrul Islam Mazumder

DIRECTORS

Enamul Haque Chowdhury

Md. Nazrul Islam Swapan

Mohammad Abdullah

Md. Altaf Hossain

Md. Faiz Ullah

Md. Mazakat Harun

Abdullah Al-Mamun

Md. Fahim Zaman Pathan

Nasima Akhter

Engr. Aminur Rahman Khan

A.K.M. Nurul Fazal Bulbul

Ifat Akhter Alin

Zubayer Kabir

Rizwana K. Riza

Md. Habibullah

Md. Nur Hussain

Anjan Kumar Saha

Md. Abdul Mannan

Farjana Islam

ADVISOR

Alamgir Kabir FCA

MANAGING DIRECTOR

Mohammed Lakiotullah

Executives

SENIOR EXECUTIVE VICE PRESIDENT

Muhd. Mubarak Hussein
Md. Sirajul Islam Bhuiyan
Ekramul Hoque

EXECUTIVE DIRECTOR

M.R. Chowdhury

SENIOR VICE PRESIDENT

Mohammed Haider Ali Miah
Md. Karimuzzaman

VICE PRESIDENT

Md. Akhtar Hossain
Kh. Romy Ehsanul Huq
Sirajul Haque Miah
Fazal Akhter
Md. Fazlur Rahman
Md. Shahjahan Shiraj
Md. Zakaria Faruq
Borhan Uddin Ahmed Chowdhury
Mohd. Alamgir

SENIOR ASSISTANT VICE PRESIDENT

Khondoker Nayeemul Kabir
Mohammad Feroz Hossain
Md. Humayun Kabir
Md. Shahidur Rahman
Nur Hossain Chowdhury
Md. Muhibbul Abrar Choudhury
Md. Muniruzzaman
Md. Shahid Ullah
Shah Md. Abdul Bari
Mohd. Ismail
Sheikh Moyeen Uddin
Shaikh Bashirul Islam
Muniruzzaman Chowdhury

ASSISTANT VICE PRESIDENT

Khorshed Alam Chowdhury
Md. Zoshim Uddin Bhuiyan
Engr. Shamsur Rahman Chowdhury

Corporate Information

COMPANY SECRETARY

Muhd. Mubarak Hussein

AUDITOR

M/s. Pinaki & Co.
Room No. 82-83 (2nd floor)
Aziz Super Market
Shahbag, Dhaka

Date of Incorporation	: 2nd June, 1999
Inauguration of First Branch	: 3rd August, 1999
Authorised Capital	: Tk. 100.00 Crore
Paid-up Capital	: Tk. 22.50 Crore
Number of Branches	: 10

REGISTERED OFFICE

Printers Building, (5th, 6th & 10th floor)
5 Rajuk Avenue, Dhaka-1000, Bangladesh
Phone : 9566418, 9566764, 9553872, 9553925, 9561604
Fax : 880-2-9556988, Telex : 642527 EXIMHO BJ
E-mail : eximho@bdonline.com, website : www.eximbd.com
SWIFT address : EXBKBDH

Notice of the Third Annual General Meeting

The 3rd Annual General Meeting of the Shareholders of Export Import Bank of Bangladesh Limited will be held on Thursday the 18th April, 2002 at 5:00 p.m. at Head Office of the Bank

The following agenda will be transacted in the meeting

01. To confirm the minutes of Second Annual General Meeting held on 12.05.2001.
02. To receive, consider and adopt the Directors' Report and the Audited Statement of Accounts alongwith the Auditors' Report thereon for the year ended 31st December, 2001.
03. To declare dividend for the year 2001.
04. To elect the Directors in place of the retiring Directors in terms of Articles of Association of the Bank.
05. To appoint Auditors for the year 2002 and fix their remuneration.
06. To transact any other business with the permission of the Chair.

All the Honourable Shareholders of the Company are earnestly requested to make it convenient to attend the meeting accordingly.

Dated : Dhaka 3rd April, 2002

By order of the Board of Directors



Muhd. Mubarak Hussein
Company Secretary
&
Sr. Executive Vice President



On the occasion of 2nd Annual General Meeting held on May 12, 2001



On the occasion of opening of Nawabpur Branch, Dhaka on June 10, 2001

Directors' Report

Dear Shareholders,

The Board of Directors of EXIM Bank Limited is pleased to present to the Shareholders the 3rd Annual Report and Audited Financial Statements of the Bank for the year ended 31st December, 2001.

1. Global Economy :

In the wake of September 11, 2001 incident in U.S.A. the world economic scenario has turned to a gloomy shape. America declared war on terrorism. Argentina's financial system has collapsed. The world's second biggest economy, Japan, is facing an economic slide, which began in 1990 with the crash in its stock and property markets. The world's biggest economies and many emerging countries have stalled at the same time. The volume of global trade was virtually stagnant in 2001. Foreign Direct Investment (FDI) flows also slumped. Moreover, the war on terrorism could clog the arteries of the global economy. The global recession has hit the prices of commodities. Many countries rely heavily on tourism - an industry hit hard especially since September 11. Amidst all this gloom, one of the most remarkable events in the world economy and financial market was the introduction of the Euro currency, which was launched on January 01, 2002.

In the context of globalization, liberal international migration could be very helpful for the poor countries. But free movement of people is not encouraged by the rich countries although it is always pressed for free movement of goods and services. The impact of September 11 has made the prospect of free movement of people even more elusive.

2. Bangladesh Economy :

Poverty alleviation and achieving self-dependency are the prime objective of Bangladesh economy. A good number of steps were taken by the Government to alleviate poverty and generate faster growth during the year 2001. But due to sluggish global economy and depressed investment climate, reactivating the manufacturing sector and restoring the macro-economic stability have become the challenging tasks for the Government. The export earnings, specially from readymade garments and knitwear, during the year do not appear to be promising as most of the developed economies like USA, EU and Japan are experiencing a slowdown. The September 11, 2001 incident in the USA and its subsequent shocks spreading all over the world have added further risk to the already faltering global economy.

The country's economy is expected to grow by about 4.8% in the current fiscal year (2001-2002) as against 5.2% in the last fiscal year (2000-2001). The Agricultural growth is about 3% as against 5.5%, manufacturing growth is 5% as against 6.3% and growth of services sector is about 5% as against 5.4% in the last fiscal year.

3. Performance of the Bank :

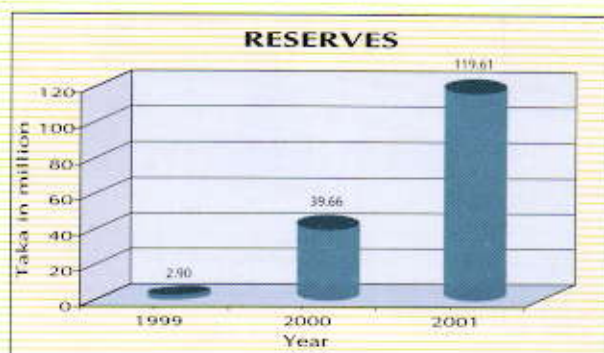
EXIM Bank Ltd. has been able to achieve satisfactory progress in all areas of its operations during 2001 and earned an operating profit of Tk. 273.85 million, which is 175% higher than that of the preceding year.

4. Capital :

The authorized capital of the Bank is Tk.1000.00 million and the paid-up capital of the Bank is Tk.225.00 million.

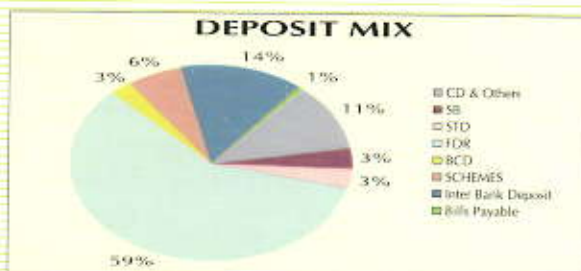
5. Reserve Fund and other Reserve :

The Bank raised its reserve from Tk.39.66 million to Tk.119.61 million, which is quite significant, compared to the position of the previous year.



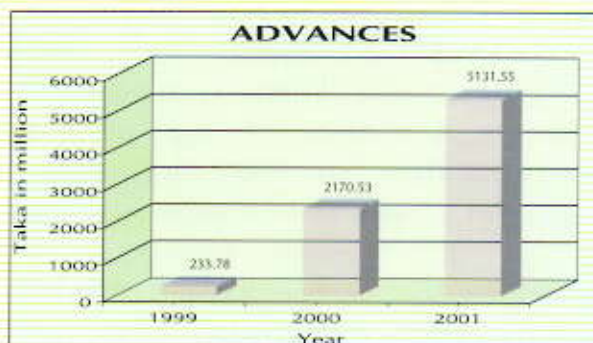
6. Deposit :

The Bank mobilized total deposit of Tk.7389.54 million as of December 31, 2001 as against total deposit of Tk.3934.47 million of preceding year. The rate of increase is 85%. Competitive interest rates, concerted efforts of the Bank officials and confidence reposed by the customers in the Bank contributed to a notable growth in deposit. The deposit schemes of the Bank attracted a large number of small and medium savers. By the year 2001 deposit under the schemes stood at Tk.457.10 million. Efforts are being made to broaden the deposit base while reducing the average cost of funds.



7. Loan and Advances :

The advance portfolio of the Bank is well diversified and broad based covering various sectors of the economy. Credit facilities were extended to the private sector for trade, project financing as well as to meet working capital requirements. During the year under review the Bank also extended credit facilities under lease financing as well as syndication arrangements with other Banks and financial institutions. The total loans and advances of the Bank stood at Tk.5131.55 million as at December 31, 2001 compared to Tk.2170.53 million as of December, 2000 registering an increase of 136%.



The Management attaches topmost importance to maintain a very high quality of assets as a result of which the ratio of classified loans to total loans is nil. The Bank has retained 1% provision against unclassified loans, as per Bangladesh Bank norm, which is reflected in the Balance Sheet.

8. Investment Portfolio :

In an effort to secure more stable and predictable earning from its investments, the Bank focused its attention on investment in Govt. securities, shares and call money market. The quantum of investment of the Bank as on 31st December, 2001 stood at Tk.829.06 million against Tk.321.59 million in 2000 showing an increase of 158%. Investment in shares stood Tk.79.05 million as on 31st December 2001 which helped in reaping substantial amount of cash realised profit during the year.



9. Treasury :

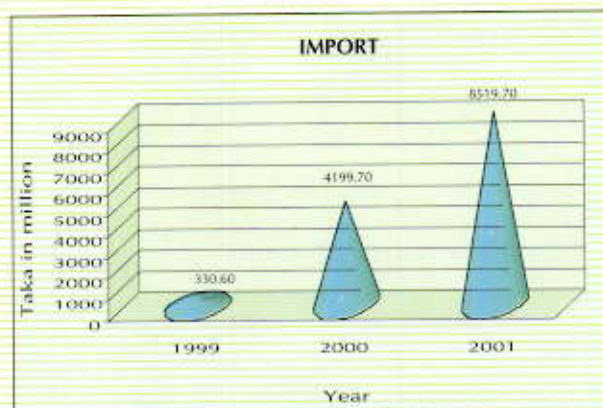
EXIM Bank Ltd. is one of the leading third generation local Banks in Bangladesh involved in treasury dealings in local money market. The Bank has handled significant volume of treasury transactions during 2001. Foreign money market dealing room with automated REUTER terminals will be started soon.

10. Foreign Exchange Business :

Import Business

From the very beginning the Bank has embarked on extensive Foreign Exchange Business with a view to facilitating international trade transactions of the country.

The Bank has established 5535 letters of credit amounting to Tk.8519.70 million as of December 31, 2001 as against 2603 letters of credit amounting to Tk.4199.70 million during the preceding year. The growth rate is 103% in this sector. The main items of import were Industrial raw materials, consumer goods, machinery, fabrics and accessories etc.



Export Business :

The Bank handled 5454 no. of Export Bills amounting to Tk.7442.20 million as of December 31, 2001 as against Export Bills amounting to Tk.2797.30 million during the preceding year. The growth rate is 166% in this sector. Export items handled by the Bank included Jute, Jute goods, readymade garments, leather and leather goods, etc.



Foreign Remittance :

Foreign remittances handled by the Bank stood at Tk.402.80 million as of December 31, 2001. Countries from which inward foreign remittances were received included USA, UK, Canada, Japan, Taiwan, KSA etc.

11. SWIFT :

The Bank has become a member of SWIFT (Society For Worldwide Inter Bank Financial Telecommunication) in 2001, which provides a fast, secured and accurate communication network for financial transactions such as letter of credit, fund transfer etc.

12. Branch Expansion :

The number of Branches of the Bank stood at 10(ten) as on 31st December, 2001. Meanwhile, the Bank opened 1(one) Branch at Narayanganj on 3rd January, 2002 and 1(one) Rural Branch at Shimrail on March 11, 2002. The Bank hopes to open 8 (eight) more Branches in different parts of the country by December, 2002.

13. Communications :

Effective Communications is sine qua non for utilization of human resources at its maximum. In this regard Management Committee meetings and frequent meetings of the Executives and Officers were convened at Head Office and Branch level where Business and Management issues were discussed in a cordial atmosphere. Management by

participation has always been of immense value to inspire a sense of belonging and a sense of pride among the employees.

14. Dividend :

The Board of Directors of the Bank has been pleased to recommend for payment of 37.50% dividend to the shareholders based on the profit of the year 2001 (25% cash dividend and 12.50% in the form of Bonus Share).

15. Correspondent Relationship :

To cover important financial centers of the world, EXIM Bank's network of correspondents further expanded to 175 during 2001 as against 154 in 2000. This correspondent relationship accrued substantial benefit to the Bank by way of expansion in its service related to foreign trade and Foreign Exchange Business. EXIM Bank endeavors to increase its banking relationship further with prime international Banks in order to cater to the global needs of its customers.

16. Office Automation :

EXIM Bank Limited adopted automation in banking operation from the first day of its operation. The main objective of this automation is to provide efficient and prompt services to valued clients. At present, all the Branches of the Bank are computerized under UNIX environment which provides better security. The strategy is to maintain competitive edge through the application of information technology.

17. Human Resources :

The Bank recognizes that intellectual capital is the most important asset for a financial institution. Therefore, human resources development has been given its due importance in an environment that values performance, teamwork, fairness and integrity. The Bank believes that the professional competence of bank personnel and its commitment for accomplishing assigned responsibilities are a first line of defense to prevent irregularities.

To enhance and update the professional skills and knowledge of the employees, regular training and orientation courses are being organized at BIBM and other professional institutions at home and abroad.

18. Management :

The strength of a Bank depends on the strength of its management team. EXIM Bank is proud to have a team of highly motivated, well-educated and experienced executives who have been contributing substantially to the continued progress of the Bank. The Management is ably supported and assisted by well-motivated and experienced officers to run the day to day affairs of the Bank smoothly.

19. Financial Products and Services :

The Bank has launched a number of financial products and services since its inception. Among them Monthly Savings Scheme -Money Grower, Monthly

Income Scheme -Steady Money, Super Savings Scheme, Multiplus Savings Scheme, Smart Saver Scheme, Education Savings Scheme have achieved wide acceptance among the people.

20. Board Meeting :

11 (eleven) Board Meetings were held during the year 2001. In addition 39 (thirty nine) Executive Committee meetings were also held during 2001.

21. Directors :

The following Directors of the Company retired from the Board of Directors by rotations as per Articles of the Company and being eligible, have offered themselves for re-election:

1. Mr. Engr. Aminur Rahman Khan
2. Mr. A.K.M. Nurul Fazal Bulbul
3. Mrs. Ifat Akhter Alin
4. Mr. Zubayer Kabir
5. Mrs. Rizwana K. Riza
6. Mr. Md. Habibullah
7. Mr. Md. Nur Hussain

22. Auditors :

Pinaki & Company Chartered Accountants were the Auditors for the year 2001. They conducted audit of the Bank's accounts for the year ending on 31st December, 2001. Since they are not eligible to be appointed for further term, a renowned company of Chartered Accountants may be appointed for auditing the accounts for the year 2002.

23. Conclusion :

Despite stiff competition among Bank's operating in Bangladesh, both local and International, our Bank has made remarkable progress practically in every sphere of its activities during the year under review. At the end of the third year's of operation, the Bank maintained its position as one of the leading new generation private sector Banks in the country in terms of capital base and good governance.

I, on behalf of the Board of Directors, take this opportunity once again to express our gratitude to the valued clients and patrons for their continuous

support and co-operation. We are also grateful to the Government of Bangladesh and Bangladesh Bank for their guidance and co-operation. We also wish to place on record our sincere appreciation and thanks for the faithful and dedicated services extended by the executives, officers and employees towards the overall growth and performance of the Bank.

On behalf of the Board of Directors,



Md. Nazrul Islam Mazumder
Chairman

Projects Financed by EXIM Bank



Auditors' Report to the Shareholders

We have audited the accompanying Balance Sheet of EXPORT IMPORT BANK OF BANGLADESH LIMITED as on December 31, 2001 along with the related Profit & Loss Account and the Statement of Cash Flows for the year then ended. These Financial Statements are the responsibility of the Bank-Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material mis-statement. 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.

In our opinion, the Financial Statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the Company's affairs as of December 31, 2001 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 and other applicable laws and regulations.

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-Company so far as it appeared from our examination of those books and returns adequate for the purposes of our audit have been received from the branches visited by us;
- iii) The Bank-Company's Balance Sheet and Profit & Loss Account dealt with by the report are in agreement with the books of account and returns ;
- iv) The expenditure incurred was for the purposes of the Bank-Company's Business.
- v) The financial position of the Bank-Company at December 31, 2001 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-Company Act'1991 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank.
- vii) Adequate provisions have been made for advances during the year under audit ;
- viii) 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;
- 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
16 April, 2002


Pinaki & Company
Chartered Accountants

Balance Sheet as at 31st December, 2001


Items	Notes	2001 Taka	2000 Taka
PROPERTY AND ASSETS			
CASH	3	406,105,565	179,728,573
In hand (including Foreign Currency)		111,753,063	71,741,287
Balance with Bangladesh Bank & Sonali Bank (including Foreign Currency)		294,352,502	107,987,286
BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS	4	772,889,426	921,526,120
In Bangladesh		624,854,261	887,596,592
Outside Bangladesh		148,035,165	33,929,528
MONEY AT CALL AND SHORT NOTICE	5	495,000,000	200,000,000
INVESTMENTS	6	829,056,699	321,596,700
Government		750,000,000	320,000,000
Others		79,056,699	1,596,700
LOAN AND ADVANCES		5,131,547,403	2,170,534,855
Loans, Cash Credit, Overdraft etc.	7	4,687,785,472	1,859,284,787
Bills discounted and purchased	8	443,761,931	311,250,068
FIXED ASSETS - at cost less depreciation	9	94,290,213	49,617,061
OTHER ASSETS	10	306,438,534	458,229,849
NON-BANKING ASSETS		-	-
TOTAL ASSETS		8,035,327,840	4,301,233,158

Balance Sheet as at 31st December, 2001

Items	Notes	2001	2000
CAPITAL & LIABILITIES		Taka	Taka
LIABILITIES			
Borrowing from other Banking Companies, Agents etc.		-	-
DEPOSIT & OTHER ACCOUNTS	11		
Current Accounts, contingency accounts etc.		661,881,645	265,120,902
Bills payable		45,118,528	30,240,359
Savings bank deposits		243,189,572	122,291,245
Bearer certificate of deposit		198,199,391	174,155,006
Fixed deposits		4,332,410,492	2,250,393,985
Other deposit under schemes		457,098,405	90,103,246
Short-term deposits		240,105,113	372,998,080
Call deposit		1,050,000,000	580,000,000
Interest payable		125,872,561	41,141,361
Foreign currency deposits		35,667,595	8,028,903
		7,389,543,302	3,934,473,087
Other liabilities	12	183,819,081	70,012,284
TOTAL LIABILITIES		7,573,362,383	4,004,485,371
CAPITAL/SHAREHOLDERS EQUITY			
Issued, Subscribed and Paid-up Capital	13	225,000,000	225,000,000
Statutory reserve	14	64,896,183	16,045,186
Other reserve	15	54,717,649	23,612,228
Proposed dividend		100,125,000	31,500,000
Cash dividend-@25%		56,250,000	31,500,000
Bonus shares-@12.5%		28,125,000	-
Share premium account		15,750,000	-
Profit & loss account balance	16	17,226,625	590,373
TOTAL SHAREHOLDERS EQUITY		461,965,457	296,747,787
TOTAL LIABILITIES & SHAREHOLDERS EQUITY		8,035,327,840	4,301,233,158

Annexed notes form an integral part of these financial statements

Signed in terms of our separate report of even date


Managing Director


Director


Chairman


PINAKI & COMPANY
Chartered Accountants

Contra Items as at 31st December, 2001

Off Balance Sheet Items	Notes	2001 Taka	2000 Taka
CONTINGENT LIABILITIES			
Acceptance and Endorsement			
Letter of guarantee		145,981,048	50,611,872
Irrevocable letter of credits		911,504,043	795,094,000
Bill for collection		135,143,108	117,076,000
Other contingent liabilities		1,689,894,975	1,081,991,000
Total		2,882,523,174	2,044,772,872
OTHER COMMITMENTS			
Documentary credit and short-term trade related transaction		-	-
Forward assets purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Advance facilities and other commitments		-	-
Total commitments		-	-
Total of Off Balance Sheet Items		2,882,523,174	2,044,772,872

Profit and Loss Account for the year ended 31st December, 2001

Items	Notes	2001 Taka	2000 Taka
Interest Income	17	621,331,681	250,134,948
Less: Interest paid on deposits, borrowings etc.	18	521,318,709	191,350,182
Net Interest income		100,012,972	58,784,766
Income on Investment	19	54,282,759	17,459,358
Commission, exchange and brokerage	20	211,864,118	84,929,981
Gain on sale of shares		28,761,610	18,886,539
Other operational income	21	24,626,157	7,320,335
Total Operational Income		419,547,616	187,380,979
Salaries and allowances (including Tk.17,10,000 paid to MD)		68,940,971	37,092,646
Rent, taxes, insurance, lighting etc.		18,117,596	12,241,805
Law Charges		40,430	99,379
Postage, Stamps, Telegram, Telephones		9,349,125	4,121,427
Auditors Fees		100,000	75,000
Stationery, Printing, Advertisement etc.		9,186,632	5,515,467
Managing Director or Chief Executives Fees		212,500	175,000
Directors Fees		1,640,000	1,387,500
Amortization of Preliminary expenses		-	5,285,696
Depreciation on and repairs to Bank's property		10,779,523	4,872,162
Other Expenditures	22	27,327,006	16,847,609
Total Operational Expenses		145,693,783	87,713,691
Net Profit before provisions		273,853,833	99,667,288
Provisions:			
For Unclassified advances	23	29,598,850	19,441,356
Total Provisions		29,598,850	19,441,356
Net profit before tax		244,254,983	80,225,932
Tax Provision	24	86,197,350	32,090,373
Net profit after tax		158,057,633	48,135,559
Appropriations			
Statutory Reserve		48,850,997	16,045,186
Proposed dividend		100,125,000	31,500,000
Cash dividend-@25%		56,250,000	31,500,000
Bonus shares-@12.5%		28,125,000	-
Share premium account		15,750,000	-
Total appropriations		148,975,997	47,545,186
Profit and loss account balance		9,081,636	590,373
Earning per share (after tax)		70.25	21.39

Annexed notes form an integral part of these financial statements

Examined and found correct


Managing Director


Director


Chairman


PINAKI & COMPANY
Chartered Accountants

Cash Flow Statement for the year ended 31st December, 2001

Items	Notes	2001	2000
Cash Flows from Operating Activities		Taka	Taka
Interest and commission received		833,195,799	335,064,929
Interest paid		(521,318,709)	(191,350,182)
Received from other operational activities		24,626,157	7,320,335
Gain on sale of shares		28,761,610	18,886,539
Payment of salary and allowances		(68,940,971)	(37,092,646)
Other payment		(65,973,289)	(45,748,883)
Operating profit before changes of operating assets and liabilities	25	230,350,597	87,080,092
(Increase)/Decrease in operating assets			
Treasury bill		(430,000,000)	(250,000,000)
Exchange equalization reserve		1,506,571	1,271,358
Funds advances to customer		(2,961,012,548)	(1,936,750,394)
Other short term assets		227,406,896	(384,421,160)
Increase/(Decrease) in operating liabilities			
Deposits from customer		3,431,025,830	2,527,406,183
Certificates of deposit		24,044,385	62,823,476
Other liabilities		35,164,063	21,655,058
Net cash from operating activities before income tax		558,485,794	129,064,613
Income taxes paid		(75,615,581)	(8,775,481)
Net cash from operating activities		482,870,213	120,289,132
Cash flows from investing activities			
Dividend received		14,811,887	4,324,750
Interest received		39,470,872	13,134,608
Proceeds from sale of securities		-	-
Purchase of securities		-	-
Purchase of property, plant and equipment		(55,452,675)	(51,856,027)
Proceeds from sale of property, plant and equipment		-	-
Net cash from investing activities		(1,169,916)	(34,396,669)
Cash from financing activities			
Increase/(decrease) of long term borrowings		-	-
Net increase in other borrowings		-	-
Dividend paid		(31,500,000)	-
Others (Share capital)		-	-
Net cash from financing activities		(31,500,000)	-
Increase/(decrease) in cash and cash equivalents		450,200,297	85,892,463
Cash and cash equivalents at opening		1,302,851,393	1,216,958,930
Cash and cash equivalents at closing	26	1,753,051,690	1,302,851,393

Statement of changes in equity for the year ended 31st December, 2001

Items	Paid-up Capital	Statutory Reserve	General Reserve	Profit & Loss Account	Total Taka
Balance as at 01 January 2001	225,000,000	-	-	-	225,000,000
Changes in accounting policy	-	-	-	-	-
Restated balance	-	-	-	-	-
Surplus/Deficit on revaluation of properties	-	-	-	-	-
Deficit/Surplus on revaluation of investment	-	-	-	-	-
Currency translation differences	-	-	-	-	-
Net gains and losses not recognised in the income	-	-	-	-	-
Net profit for the period/year	-	48,850,997	-	19,206,636	68,057,633
Dividend (Proposed)	-	-	-	100,125,000	100,125,000
Issue of share capital	-	-	-	-	-
Balance as at 31st December, 2001	225,000,000	48,850,997	-	119,331,636	393,182,633

Notes to the Accounts for the year ended 31st December, 2001

1.0 Legal form

Export Import Bank of Bangladesh Limited was incorporated on June 2, 1999 as a Banking Company under Companies Act, 1994. The Bank started its operation on August 3, 1999. Now it has 10 (ten) branches. It carries out all the banking activities through its branches.

1.1 Nature of business

The Principal activities of the Bank are providing all kind of Commercial Banking services to its customers.

2.0 Significant accounting policies

2.1 Basis of accounting

Accounts of the Bank are prepared on a going concern basis under historical cost convention and in accordance with international accounting standards, including the ones so far adopted by the Institute of Chartered Accountants of Bangladesh. The Balance Sheet, Profit and Loss Account, Cash Flow Statement and Statement of changes in equity have been drawn as per proformas prescribed by Bangladesh Bank.

2.2 Consolidation

A separate set of records for consolidating the statement of affairs and income and expenditure statements of the branches were maintained at the Corporate Head Office of the Bank in Dhaka based on which these financial statements have been prepared.

2.3 Exchange of foreign currency

Foreign currency transactions are converted into equivalent local currency using the ruling exchange rate on the date of such transaction.

2.4 Investments and income thereon

Investments are stated at cost. Interest is taken as income on accrual basis and shown in Profit and Loss Account.

2.5 Loans and advances

Interest on advances is accounted for on accrual basis.

2.6 Fixed assets and depreciation

- a) Fixed assets are stated at cost less depreciation for the period ;
- b) Depreciation has charged at the following rates on reducing balance from the date of acquisition.

Particulars	Rate
Books of Banker's Almanac	20%
Furniture and Fixtures	10%
Interior decoration	10%
Office equipment	15%
Vehicles	20%

2.7 Provision for loans and advances

Provision for loans and advances are made as per instructions contained in the Bangladesh Bank Circulars.

2.8 Provision for taxation

Provision for taxation has been made for the year at the rate of 40% on taxable profit.

2.9 General

- a) Wherever considered necessary figures of previous year have been re-arranged for comparison purposes.
- b) Last year presentation of two items namely cash and cash equivalent and other short term assets of Cash Flow Statement have been re-arranged.
- c) The Bank obtained license for Merchant Banking on October 8, 2001. Preliminary initiative for Merchant Bank operation is under progress and as such no separate account to that effect was maintained.
- d) Consequent upon the observation of Bangladesh Bank and conditions of Securities and Exchange Commission regarding calculation of Bonus Share and Share Premium Account we submitted this Balance Sheet as supplementary to the previous one incorporating the imposed conditions therein.
- e) Figures have been rounded off to the nearest Taka.

Particulars	2001	2000
	Taka	Taka
3 Cash		
a) (i) Cash in hand	111,456,749	71,735,902
(ii) Foreign currency in hand	296,314	5,385
Sub-total	111,753,063	71,741,287
b) (i) Balance with Bangladesh Bank	215,481,354	38,075,064
(ii) Balance with Sonali Bank	1,721,276	1,117,904
(iii) Foreign currency clearing account	77,149,872	68,794,318
Sub-total	294,352,502	107,987,286
Total	406,105,565	179,728,573
4 Balance with others Banks and Financial Institutions		
In Bangladesh		
Prime Bank Ltd.	10,000,996	5,726,876
Al-Baraka Bank (BD) Ltd.	627,598	579,059
Social Investment Bank Ltd. (FDR)	100,000,000	100,000,000
NCC Bank Ltd.	255,542	251,798
National Bank Ltd. (FDR)	1,549,821	-
Faisal Islamic Bank, EC	-	1,038,859
Premier Bank Ltd.	-	-
ICB (FDR)	450,000,000	550,000,000
City Bank N.A.	62,300,000	60,000,000
Sonali Bank	120,304	-
The City Bank Ltd.	-	150,000,000
Bay Leasing and Investment Ltd.	-	20,000,000
Total in Bangladesh	624,854,261	887,596,592
Outside Bangladesh		
American Express Bank, N.Y.	2,753,478	1,898,744
Standard Chartered Bank, N.Y.	34,591,470	1,319,325
Mashreq Bank, PSC, N.Y.	24,885,644	(67,834,746)
Amex Bank, Frankfurt, Germany	5,399	(5,875)
Amex Bank Ltd, Tokyo	5,395,497	2,753,226
Standard Chartered Bank, London	1,313,707	434,666
Amex Bank Ltd, Kolkata	(2,587,028)	3,572,184
BOT, Mitsubishi Ltd, Kolkata	2,909,623	5,573,359
IFIC Bank Ltd, Karachi, Pakistan	1,341,267	61,594
AB Bank Ltd, Mumbai, India	581,975	83,233
City Bank, N.A. N.Y.	14,428,414	770,763
Standard Chartered Bank, EPZ, Dhaka	-	81,966,885
Commerz Bank, AG, Frankfurt, Germany	3,446,446	2,667,638
Mashreq Bank, PSC, Colombo, Srilanka	948,128	364,323
Lloyds TSB Bank PLC, London	-	191,223
Nepal Bangladesh Bank, Nepal	243,115	112,986
Habib Bank, AG, Zurich	310,315	-
Standard Chartered Bank, Dhaka	57,062,500	-
Standard Chartered Bank, Kolkata	(100,961)	-
Hypo Vereinsbank, Germany	506,176	-
Total outside Bangladesh	148,035,165	33,929,528
Total	772,889,426	921,526,120

Particulars		2001	2000
5	Money at call and short notice	Taka	Taka
	Investment Corporation of Bangladesh	400,000,000	200,000,000
	Union Capital	20,000,000	-
	Vanik Bangladesh Ltd.	20,000,000	-
	Bay Leasing and Investment Ltd.	20,000,000	-
	Bangladesh Industrial Finance Ltd.	5,000,000	-
	Phoenix Leasing Company Ltd.	30,000,000	-
	Total	495,000,000	200,000,000
6	Investments		
	Government		
	Treasury bill	750,000,000	320,000,000
	Others		
	Shares and debentures	78,473,999	1,360,000
	Prize bond	582,700	236,700
		79,056,699	1,596,700
	Total	829,056,699	321,596,700
7	Loans, cash credit, overdraft etc.		
	Loans (general)	954,002,294	315,588,178
	Loan against Alt. Cash Assistance	23,690,735	2,603,672
	LIM	223,069,212	138,402,514
	LTR	634,825,956	47,684,687
	Packing credits	227,429,741	114,454,730
	House Building Loan	98,503,036	13,557,375
	Lease Finance	57,411,906	34,277,830
	Hire Purchase	203,086,371	100,468,786
	PAD	185,028,902	204,387,926
	Cash Credit (Export)	74,456,629	44,962,881
	Cash Credit (Import)	-	153,801,177
	Cash Credit (Hypothecation)	1,090,497,010	460,982,887
	Overdrafts	679,407,705	207,315,944
	Staff Loans	21,923,751	20,796,200
	Cash Credit (Pledge)	214,094,891	-
	Consumer Credit Scheme	357,333	-
	Total	4,687,785,472	1,859,284,787
8	Bills discounted and purchased		
	Local Documents bill purchased	338,715,235	250,845,960
	Foreign Documents bill purchased	105,046,696	60,404,108
	Total	443,761,931	311,250,068
8.1	Schedule of loan & advances according to maturity grouping		
	Demand Note	1,634,870,808	701,724,855
	On Maturity		
	Up to 3 months	1,042,924,068	114,455,000
	Over 3 months but not more than 1 year	1,118,785,121	867,063,000
	Over 1 year but not more than 5 years	1,047,658,040	450,567,000
	Over 5 years	287,309,366	36,725,000
	Total	5,131,547,403	2,170,534,855

Particulars	2001	2000
	Taka	Taka
8.2 Loans and advances including bill discounted and purchased	5,131,547,403	2,170,534,855
8.2a Particulars of advances		
(i) Debts considered good in respect of which the bank is fully secured	4,832,047,403	2,127,034,855
(ii) Debts considered good in respect of which the bank holds no other security then the debtors personal security	299,500,000	43,500,000
(iii) Debts considered good and secured by the personal liabilities of one or more parties in addition to the personal securities of the debtors	-	-
(iv) Debts considered doubtful or bad not provided for or which no provision kept	-	-
	5,131,547,403	2,170,534,855
(v) Debts due by Directors or Officers of the Bank or any of them either severally or jointly with any other persons	21,923,750	20,796,000
(vi) Debts due by Companies or Firms in which the Directors of the Bank have interest as Director, Partner or Managing Agents or in the case of Private Companies as referred to Section 27 of Bank Companies Act, 1991	11,697,000	32,512,000
(vii) Maximum total amount of advances including temporary advance made at any time during the period of the Directors or Managers of Officers of the Bank or any of them either severally or jointly with any other persons	24,408,917	24,925,000
(viii) Maximum total amount of advances including temporary advance guaranteed during the period to the Companies or Firms in which the Directors of the Bank are interested as Directors, Partners or Managing Agents or in the case of Private Companies as Member	13,675,000	37,500,000
(ix) Due from Banking Companies	-	-
(x) Amount of classified loan against which no interest charged	-	-

Particulars	2001	2000
8.3 Particulars of loan and advances	Taka	Taka
In Bangladesh		
(i) Loan	3,073,091,168	877,934,855
(ii) Cash credit	1,379,048,530	1,085,300,000
(iii) Overdraft	679,407,705	207,300,000
Outside Bangladesh		
(i) Loan	-	-
(ii) Cash credit	-	-
(iii) Overdraft	-	-
8.4 Other particulars of loans and advances		
(i) Directors' loan	11,697,000	32,512,000
(ii) Managing Director/Chief Executive Officers loan	2,503,000	1,635,000
(iii) Clients group basis		
KDS Group	122,700,000	152,300,000
Abul Khair Group	254,300,000	154,400,000
Legend Group	91,500,000	-
Imam Group	99,400,000	-
Shamsul Alamin Group	119,800,000	221,300,000
Shah Sharif Group	209,100,000	-
SMAH Group	159,200,000	-
S. Alam Group	176,100,000	-
Nurul Alam Master Group	48,900,000	-
PHP Group	96,100,000	-
Ehsan Group	46,800,000	83,000,000
(iv) Industry-wise		
Garments	580,041,000	193,200,000
Embroidery	52,859,000	4,400,000
Other Industries	82,000,000	7,000,000
Working capital to Industries	1,055,600,000	423,100,000
8.5 Classification of loans and advances		
(i) Unclassified	5,131,547,403	2,149,738,655
(ii) Sub-standard	-	-
(iii) Doubtful	-	-
(iv) Bad	-	-

9. Schedule of consolidated fixed assets

Particulars	Cost			Rate	Depreciation			W.D.V. as on 31-12-01
	as on 01-01-01	Addition during the year	Balance as on 31-12-01		as on 01-01-01	during the year	Total as on 31-12-01	
Furniture and fixtures	10,184,555	5,751,240	15,935,795	10%	1,156,345	1,475,918	2,632,263	13,303,532
Interior decoration and civil works	18,471,956	31,119,338	49,591,294	10%	995,649	3,573,894	4,569,543	45,021,751
Office equipment	16,419,340	17,841,973	34,261,313	15%	1,152,372	3,672,524	4,824,896	29,436,417
Books of banker's almanac	85,633	147,437	233,070	20%	11,389	27,154	38,543	194,527
Vehicles	9,411,355	592,687	10,004,042	20%	1,640,023	2,030,033	3,670,056	6,333,986
Total	54,572,839	55,452,675	110,025,514		4,955,778	10,779,523	15,735,301	94,290,213

Particulars	2001	2000
10 Other assets	Taka	Taka
Sundry assets	39,438,584	20,694,494
Suspense account	14,094,075	54,271,513
Advance deposit	1,457,425	1,161,729
Stationery account	4,497,148	2,894,412
Advance income tax	85,496,197	9,880,616
Stamp in hand	78,738	32,905
Adjusting account debit	106,598,406	56,783,914
Inter branch transaction account	54,777,961	312,510,266
Total	306,438,534	458,229,849
11 Deposit and other accounts		
Deposit payable on demand	1,816,986,726	895,621,000
Deposit from Banks (Call Deposit)	1,050,000,000	580,000,000
Deposit outside from Bank	766,986,726	315,621,000
Other Deposit	5,446,684,015	2,997,710,726
From Banks	700,315,000	500,306,000
Outside from Banks	4,746,369,015	2,497,404,726
Interest payable	125,872,561	41,141,361
Total	7,389,543,302	3,934,473,087
12 Other liabilities		
Other receipt in advance	60,137,100	33,916,973
Adjusting account credit	11,848,874	3,929,938
Audit fees	100,000	75,000
For employees social securities-superannuation fund	1,000,000	-
Provision for tax Note-12.1	110,733,107	32,090,373
Total	183,819,081	70,012,284
12.1 Provision for tax		
As per last account	32,090,373	-
Less adjustment of tax which was charged on capital gain in the last year's account	7,554,616	-
	24,535,757	-
Add. Provision during the year	86,197,350	32,090,373
Total	110,733,107	32,090,373

Particulars	2001	2000
	Taka	Taka
13 Authorised Capital		
1,00,00,000 Ordinary shares of Tk. 100/- each	1,000,000,000	1,000,000,000
Issued, Subscribed and Paid-up Capital		
Sponsors (2,250,000 Shares)	225,000,000	225,000,000
General public	-	-
Total	225,000,000	225,000,000
14 Statutory reserve		
As per last Account	16,045,186	-
Reserve during the year @ 20% on pre-tax profit	48,850,997	16,045,186
Total	64,896,183	16,045,186
15 Other reserve		
Exchange equalization reserve	3,621,412	2,114,841
Provision for unclassified advance	51,096,237	21,497,387
Total	54,717,649	23,612,228
16 Profit and loss account		
As per last account	590,373	-
Add. Adjustment of tax which was charged on capital gain in the last year's account	7,554,616	-
Profit and loss account after adjustment	8,144,989	-
Add. Net Profit for the year (transferred from P/L account)	9,081,636	590,373
Profit and loss account balance transferred to Balance Sheet	17,226,625	590,373
17 Interest Income		
Loan and Advances	497,171,927	149,980,082
Call Loan	41,748,083	5,898,335
Other Bank Deposit	68,370,195	82,261,284
FC Account	14,041,476	11,995,247
Total	621,331,681	250,134,948
18 Interest Paid on Deposits, Borrowings etc.		
Interest paid	440,587,580	142,771,246
Interest paid on Call Loan	80,731,129	48,578,936
Total	521,318,709	191,350,182
19 Income on Investment		
Dividend on Share	14,811,887	4,324,750
Interest on Treasury Bill	39,470,872	13,134,608
Total	54,282,759	17,459,358

Particulars		2001	2000
20	Commission Exchange and Brokerage	Taka	Taka
	Commission	88,244,074	34,716,040
	Exchange gain	123,620,044	50,213,941
	Total	211,864,118	84,929,981
21	Other Operational Income		
	Other Receipts	24,626,157	7,320,335
	Total	24,626,157	7,320,335
22	Other Expenditures		
	Exchange Loss	7,173,827	3,907,250
	Discount and Commission Paid	978,499	25,140
	Charges of Banks	492,990	506,875
	Security Services	2,688,145	1,227,926
	Entertainment	2,223,182	1,767,266
	Car Expenses	4,502,872	2,673,620
	Subscription	1,177,762	1,215,947
	Expenses for ESSS fund	1,000,000	-
	Donation	23,000	815,500
	Travelling Expenses	978,241	811,555
	Directors Haltage and travel	441,148	178,494
	Conveyance, Cartage, Freight and Labour	590,544	286,210
	Business Development/Incentive to Staff	119,258	370,685
	Training & Internship Expenses	358,590	61,600
	Liveries and Uniform	142,178	29,905
	Medical Expenses	28,931	37,146
	Office Utility Expenses	-	10,830
	Miscellaneous Expenses	1,156,627	846,870
	Meeting Expenses	838,200	711,549
	Other Professional Charges	85,000	286,500
	Repairs, Renovation and Maintenance	1,440,154	688,066
	Computer Consumable Stationery	685,603	265,985
	Books and Periodicals	202,255	122,690
	Total	27,327,006	16,847,609
23	Provision for Unclassified Advances		
	Total unclassified advance	5,131,547,403	2,170,534,855
	Less: Staff Loan	21,923,751	20,796,200
		5,109,623,652	2,149,738,655
	1% Provision	51,096,237	21,497,387
	Less: Last year provision	21,497,387	2,056,031
	Total (Charged in the Profit and Loss Account)	29,598,850	19,441,356



Export Import Bank
Of Bangladesh Limited