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# *A* N N U A L *Report*

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Export Import Bank of Bangladesh Limited  
Shariah Based Islami Bank

# *Annual Report 2004*

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## *Export Import Bank of Bangladesh Limited*

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### **Head Office, Dhaka**

Printers Building, (5th, 6th, 10th & 13th floor)

5, Rajuk Avenue, Dhaka-1000, Bangladesh

Tel : 9561604, Fax : 880-2-9556988

E-mail : [eximho@bdonline.com](mailto:eximho@bdonline.com)

Website : [www.eximbankbd.com](http://www.eximbankbd.com)

SWIFT : EXBKBDDH.



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# *Board of Directors*

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## **Chairman**

Mr. Md. Nazrul Islam Mazumder

## **Director**

Mr. Md. Nazrul Islam Swapan

Mr. Md. Altaf Hossain

Mr. Md. Faiz Ullah

Mrs. Nasima Akhter

Engr. Aminur Rahman Khan

Mr. A.K.M. Nurul Fazal Bulbul

Mr. Zubayer Kabir

Mrs. Rizwana K. Riza

Mr. Md. Habibullah

Mr. Md. Nur Hussain

Mr. Anjan Kumar Saha

Mr. Md. Abdul Mannan

## **Managing Director**

Mohammed Lakiotullah

## **Company Secretary**

Md. Golam Mahbub



## *Executive Committee*

Mr. Md. Nazrul Islam Mazumder Chairman

Mr. Md. Nazrul Islam Swapan

Mr. Md. Altaf Hossain

Mrs. Nasima Akhter

Mr. A. K. M. Nurul Fazal Bulbul

Mr. Zubayer Kabir

Mr. Md. Abdul Mannan

Mr. Anjan Kumar Saha

Engr. Aminur Rahman Khan

Mr. Md. Nur Hussain

Mohammed Lakiotullah

## *Board Audit Committee*

Mr. A. K. M. Nurul Fazal Bulbul Chairman

Mr. Md. Altaf Hossain Member

Mr. Zubayer Kabir Member

Mr. Md. Golam Mahbub Secretary

## *List Of Sponsors*

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Mr. Md. Nazrul Islam Mazumder

Mr. Md. Nazrul Islam Swapan

Mr. Md. Altaf Hossain

Mr. Md. Faiz Ullah

Mrs. Nasima Akhter

Engr. Aminur Rahman Khan

Mr. A.K.M. Nurul Fazal Bulbul

Mr. Zubayer Kabir

Mrs. Rizwana K. Riza

Mr. Md. Habibullah

Mr. Md. Nur Hussain

Mr. Anjan Kumar Saha

Mr. Md. Abdul Mannan

Mr. Mohammed Abdullah

Mr. Md. Mazakat Harun

Mr. Md. Fahim Zaman Pathan

Mrs. Nasreen Islam

Mrs. Asma Begum

Mrs. Hasina Akhter

Mrs. Rabeya Khattoon

Mrs. Mahmuda Begum

Mrs. Sabira Sultana

Mrs. Mamtaj Begum

Mr. Md. Shaiful Alam

Mrs. Hamida Rahman

Meer Joynal Abedin

Mr. Md. Nurul Amin

Mrs. Nahida Akhter

Mr. Abdullah Al-Mamun

Mr. Mohammed Shahidullah

Mrs. Rubina Shahid

Al-haj Md. Nurul Amin

Mr. Abdullah Al-Zahir Shapan



## *Shariah Council*

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Professor Maulana Mohammad Salah Uddin	Chairman
Professor Maulana Abul Qasem Muhammad Sefatullah	Member
Maulana Mahammad Sadequl Islam	Member
Professor H. M. Shahidul Islam Barakaty	Member
Mr. A.S.M. Fakhru'l Ahsan	Member
Hafiz Maulana Mufti Mohammad Khairullah	Member
Hafiz Quari Maulana Mufti Mohammad Nuruddin	Member
Mr. Md. Nazrul Islam Mazumder	Member
Mr. Md. Altaf Hossain	Member
Engr. Aminur Rahman Khan	Member
Mr. A.K.M Nurul Fazal Bulbul	Member
Mr. Md. Abdul Mannan	Member
Mr. Md. Fahim Zaman Pathan	Member
Mr. Zubayer Kabir	Member
Mr. Mohammed Lakiotullah	Member
Mr. Muhd. Mubarak Hussein	Member Secretary

# Management Team

## **Managing Director**

Mr. Mohammed Lakiotullah

## **Deputy Managing Director**

Mr. Muhd. Mubarak Hussein

Mr. Ekramul Hoque

Mr. Md. Sirajul Islam Bhuiyan

## **Executive Vice president**

Mr. Mohammed Haider Ali Miah, MBA

Mr. Md. Karimuzzaman

## **Senior Vice President**

Mr. Sirajul Haque Miah

Mr. Fazal Akhter

Mr. Md. Fazlur Rahman

Mr. Md. Akhtar Hossain

Mr. Khondoker Romy Ehsanul Huq

Mr. Mohd. Alamgir

Mr. Md. Zakaria Faruq

## **Vice President**

Mr. Md. Shahjahan Shiraj

Mr. Md. Golam Mahbub

Mr. Khondoker Nayeemul Kabir

Mr. Mohammad Feroz Hossain

Mr. Md. Humayun Kabir

Mr. Md. Shahidur Rahman

Mr. Md. Muhibbul Abrar Choudhury

Mr. Shah Md. Abdul Bari

Mr. Sheikh Moyeen Uddin

Mr. Shaikh Bashirul Islam

Mr. Md. Muniruzzaman

Mr. Moniruzzaman Chowdhury

Mr. Md. Shahidullah

Mr. Md. Shahjahan

## **Senior Assistant Vice President**

Mr. Md. Anisul Alam

Mr. Mohammad Hanif

Mr. Md. Khorshed Alam Chowdhury

Mr. Md. Zoshim Uddin Bhuiyan

Mr. Md. Shamsur Rahman Chowdhury

Mr. Md. Mosharraf Hossain Mazumder

Mr. Nasir Uddin Ahmad

## **Assistant Vice President**

Mr. Md. Abdus Zaher

Mr. S. M. Abu Zaker

Mr. Abu Hena Md. Mohsin

Mr. Md. Moidul Islam

Mr. Md. Mozaffor Hossain

Mr. M. Sakhawat Hossain

Mr. Md. Abdul Jobbar Chowdhury

Mr. Tariqul Islam Chowdhury



# Corporate Information

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## COMPANY SECRETARY

Md. Golam Mahbub

## Auditor

M/s. Rahman Rahman Huq  
9, Mohakhali C/A (11th floor)  
Dhaka-1212

Date of Incorporation	:	2nd June, 1999
Inauguration of First Branch	:	3rd August, 1999
Authorised Capital	:	Tk. 100.00 Crore
Paid-up Capital	:	Tk. 62.775 Crore
Number of Branches	:	24
Proposed Branches	:	05

## Registered Office

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Printers Building, (5th, 6th, 10th & 13th floor)  
5, Rajuk Avenue, Dhaka-1000, Bangladesh  
Tel : 9561604, Fax : 880-2-9556988  
E-mail : [eximho@bdonline.com](mailto:eximho@bdonline.com)  
Website : [www.eximbankbd.com](http://www.eximbankbd.com)  
SWIFT : EXBKBDH.

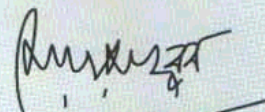
## **NOTICE OF THE SIXTH ANNUAL GENERAL MEETING**

Notice is hereby given that the **SIXTH ANNUAL GENERAL MEETING** of Export Import Bank of Bangladesh Limited (the "Company") will be held on Sunday, August 14, 2005 at 10:00 A.M. at Bangladesh-China Friendship Conference Centre, Sher-E-Banglanagor, Agargaon, Dhaka to transact the following business:

### **AGENDA**

1. To receive, consider and adopt the audited financial statements including balance sheet, profit & loss accounts for the year ended December 31, 2004 together with report of the Directors and Auditors thereon.
2. To declare Dividend for the year ended December 31, 2004.
3. To elect Directors in accordance with the provisions of the Articles of Association of the Company.
4. To appoint Auditors for the term until the next Annual General Meeting and fix their remuneration.
5. To transact any other business with the permission of the Chair.

**By Order of the Board**



**(Md. Golam Mahbub)**  
Company Secretary

Dated, Dhaka.  
July 20, 2005.

### **Notes:**

- 1) The Record Date of the Company is Sunday, July 24, 2005. Trading of the Company's shares in the stock exchanges will remain suspended on the Record Date. Members, whose names will appear in the Register of Members at the close of business on the Record Date, will be eligible to entitle Dividend, attend the Annual General Meeting and vote thereat.
- 2) Any Member of the Company entitled to attend and vote at the Annual General Meeting may appoint any person, as his/her Proxy or Attorney to attend and vote on his/her behalf. A Member being a corporation or company may appoint its representative, duly appointed and authorized, to attend and vote on its behalf. The proxy form or power of attorney or letter of authority, as the case may be, duly signed and stamped must be submitted at the Registered Office of the Company at least 48 hours before the Meeting.
- 3) Admission into the Meeting will be allowed on production of the attendance slip duly signed by the Shareholder/Proxy/Attorney/Representative, as the case may be.



## From the desk of Chairman



**My dear fellow members,**

Assalamualaikum.

I take the opportunity to extend my best wishes to you and through you to other members of your family. I also feel proud and it gives me immense pleasure to welcome you all to the sixth annual general meeting of the bank.

**Dear Shareholders,**

This is our sixth Annual General Meeting since inception of the Bank but for the second time after conversion of our bank into full-fledged Islami Bank and for the first time after having been undergone a successful initial public offering (IPO) accommodating 56755 investors as our honorable shareholders, the ever highest IPO in the history of capital market of Bangladesh. These were all possible at the grace of Almighty Allah, the most Gracious & most Merciful, and your continuous support which you have been extending to us. I am grateful to Almighty Allah and at the same time thanking you all for your sincere co-operation and active participation in this respect which is a milestone of the Bank.

**Dear shareholders,**

As you know, our Bank, though started its operation in the year of 1999 as one the third generation bank, but within a short span of time it has become one of the leading and most successful bank not only among the third generation banks but also it superseded many other banks and financial institutions belonging to second and even first generation banks from the point of view of its excellent business performance, extraordinary corporate culture and strong team work under the dynamic leadership of its Management. Our Board of Directors has always been very much conscious as to the policy making and framing of strategy of the bank which is being implemented by the Management through its strong workforce comprising skilled human resources having great zeal and excellent team spirit. Transparency, accountability and integrity accompanied by honesty and utmost sincerity are the key factors behind our success. Both the Board and our Management are transparent like crystal clear. It's our clear instruction to all concerned executives &



officers of the bank to perform the functions and discharge their duties in accordance with law and only in accordance with law. All the directives issued by the regulatory bodies from time to time must have to be adhered to. We believe that there is no short cut way to achieve the success and, as such, we have to work hard for achieving our goal.

**Dear shareholders,**

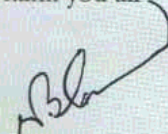
This year we have earned a pre-tax profit of Tk.645.64 million at an annual growth of 34.93% than that of the previous year. No doubt, this is a remarkable performance but still I believe that there had been further scope of doing more. However, in future all out efforts would be taken to gain the maximum. Out of the profit made in the year, our Board has been pleased to recommend stock dividend @ 40% to its shareholders appearing in the register of members as on record date fixed on 24th July 2005. In this annual general meeting you, the honorable shareholders, would take the decision in this respect.

**Dear Shareholders,**

Before I conclude, I would like to draw your kind attention to the fact, that we are firmly committed to uphold the doctrine of 'Minority Protection'. We are very much concerned as to the protection of our minority shareholders. On behalf of me as well as my companions of the Board, I can assure you that your investment is safe-guarded here, rights of each and every shareholder is guaranteed and your interest is fully protected. It is our ongoing practice to take all our decisions on the basis of consensus. Your opinion and views will be taken into consideration in policy making as well as running the company in the interest of our honorable shareholders, valued customers and for the greater interest of the economy of Bangladesh. We must see that your investment shall, in no way and under no circumstances, be exploited towards ruinous fashion.

In fine, I would like to express my profound gratitude once again to your good-selves, our patrons, valued customers, well-wishers, business partners, external auditors, regulatory bodies including Bangladesh Bank, Securities & Exchange Commission, Stock exchanges and Registrar of Joint Stock Companies & Firms and the employees of the Bank for their contribution to another successful year of the bank in its long way of journey.

Thank you all



Md. Nazrul Islam Mazumder  
Chairman





## Managing Director's Report

It is with much pleasure to bring to the notice of the honorable Shareholders, Customers, Well wishers & Patrons that the year 2004 also continued to be a very successful year for EXIM Bank. During the year under review the Bank made a substantial stride in achieving all out business and revenue growth. Gross revenue growth was Tk. 2644.59 million which is 34.80% higher than the corresponding year of 2003. Gross Profit income increased by 30.39% to Tk. 1820.28 million and profit expenses paid to the depositors also increased to 27.13% to reach Tk. 1425.51 million during the year. As such net profit income stood Tk. 394.77 million in 2004 which is 43.67% higher over the previous year.

Bank's real strength lies in robust fee income growth which grew by 45.68% in 2004 over the previous year. In fact fee income of the Bank constitutes 31.17% of the total income of the Bank.

In mobilizing deposits Bank always adopts a very judicious policy of hunting deposits considering the proper and prudential investment scope so that maximum fund can be invested as per investment policy. There should not be any surplus of fund as well as no liquidity crisis.

During the year under report the deposit of the Bank increased by Tk. 3835.21 million to Tk. 19078.18 million which is 25.16% higher of the year 2003. The investment policy of the bank is always prudent allthrough since the starting of the bank. As on 31st December, 2004 the total investment of the Bank was Tk. 193332.44 million as against Tk. 12289.12 million of 2003 registering a growth of 57.31%.

In justification of the name of our Bank strength of Export Import Bank of Bangladesh Ltd. lies in handling export-import business of the country. Though we are a new and small bank but we have handled total export import business of Tk. 49200.20 million in the year 2004 and transacted 16339 number of Import L/Cs and handled 17099 number of Export documents. The export import business of the Bank posted 43.09% higher than that of the year 2003.

The operating profit of the Bank posted at Tk. 835.81 million as against Tk. 562.66 million in the year 2003. The net profit margin was 2.22% in 2004 as against 2.12% in 2003. The net profit margin increased.

Return on asset was 3.44% in 2004 as against 3.15% in 2003. Return on equity stood 27.65% in 2004 as against 29.31% of 2003. The earning per share was Tk. 60.82 in 2004 which is lower than the position of 2003 because of increase in paid up capital. The capital adequacy ratio stood at 9.49% in 2004.

As we all know a Bank has only two resources-Human Resources and Financial Resources. The inherent strength of Exim Bank lies in its human resources. Bank always attaches utmost importance in recruitment of quality manpower. There is a well-set recruitment policy in the bank. Fresh university graduates/post-graduates are taken as M.T.O. (Management Trainee Officers) through open competition. Examination being conducted by IBA of Dhaka University. Lateral entries are also recruited from other banks purely on the basis of past performance. As a result bank has a good combination of young and experienced brand of workforce thereby the bank has become a very dynamic quality services oriented Financial institution. Due to quality manpower and services the asset quality of the bank is also top class. Quality manpower and quality asset resulted in outstanding performance of the bank.



The year 2004 was a very eventful year for the bank. The bank was transformed from a conventional bank to Shariah Based Islami Bank as on 1st July, 2004 which is only singular instance in the whole world that a total conventional bank has become a full Shariah bank. The conversion was done seamlessly without any sort of hiccup.

In the same year the bank has gone into IPO - the 1st Financial Institution under CDBL. The IPO of the bank was a record in Bangladesh's Capital Market history. Some 1,16,442 valid applicants applied for bank's share and 56755 got shares. The entire operation was conducted as per norms and guidance of SEC and the same being appreciated by all concerned and members of the public.

Bank also introduced co-branded Master Card Credit card in collaboration with Prime Bank Ltd. Bank is considering issuance of visa credit and debit card in future.

Social welfare activities vis-a-vis commercial activities is also one of the motto of the bank. The bank has established a foundation known as Exim Bank Foundation. Every year a percentage of operating profit is contributed towards the foundation for humanitarian services and nation building activities.

As a very performing bank and as the operating profit of the bank being high the bank has become one of the large tax payers to Govt. and so far contributed close to Tk.100.00 crore to the Govt. Exchequer for the last 5 years.

In a globalized world of to day "it is the survival of the fittest". Being aware of this, Exim bank is fully prepared to face the same well prepared well ahead. The economic scenario of the country is predictably going to be brighter in the days to come. We are determined and confident to continue our positive growth in coping with the situation. The year 2005 is also going to be a very successful year for the bank.

Banking industry in Bangladesh is now on right track. The banks are gradually contributing their mite for the growth and development of the country. The credit for this squarely goes to Bangladesh Bank. Bangladesh Bank initiated various reform measures and closely monitored the same for proper implementation. This has brought discipline in the industry. On behalf of Exim Bank, I would like to thank the Governor and other officials of Bangladesh Bank for their pioneering role. I would also like to thank the Chairman and the Board of Directors of the Bank for their valuable guidance and policy. I also express my sincere thanks and gratitude to the sponsors, shareholders/stakeholders, patrons and well-wishers, customers and employees of the bank.

Considering the last few years achievements and performance, I can assure all concerned with confidence that by the grace of Almighty Allah our steady growth and progress shall continue in the days to come.



Mohammed Lakiotullah  
Managing Director





On the occasion of 5th Annual General Meeting  
held on 17th August-2004



Partial View of Managers' Conference-2004 held on  
February 18th-2004





Inauguration Ceremony of Mawna Chowrasta Branch



Partial View of Board Audit Committee



Partial View of Shariah Council Meeting



# DIRECTORS' REPORT

Dear Shareholders,

Assalamu Alaikum,

On behalf of the Board of Directors of the Bank, I have the pleasure to present before you the Directors' Report and audited financial statements together with Auditors' Report for the year ended December 31, 2004 and a brief description of the performance and affairs of the Bank for the year under review.

## Global Economy:

The growth of gross world product (GWP) increased by 4 per cent in 2004, compared to 2.8 per cent in 2003. Growth in the developing countries was the fastest for more than two decades, while output in the remaining economies in transition continued to increase more rapidly than in the other major country groups.

The higher oil price has already slowed global growth somewhat and policy measures intended to avert overheating will reduce it further, including in the United States and China, the principle engines for the global economy at present.

The high aggregate rate of growth in 2004 in part reflected the fact that the improvement was almost universal: every region except South Asia and the Commonwealth of Independent States (CIS) grew more rapidly in 2004 than in 2003. In these two exceptional cases, growth slipped from its previous high levels but remained above 6 per cent and 7 percent, respectively. All the groups of countries with special development challenges, the least developed and landlocked countries and the small island developing States (SIDS) grew by more than 5 percent in 2004.

Among the developed countries, performance was more varied. Growth was strong in North America, moderate in Japan but weak in Europe. In 2004, there were signs of an improving employment situation in Latin America; this increased employment should translate into increased domestic demand and thereby be sustained. More generally, domestic demand gained strength in many developing countries in 2004, pointing to the possibility of more general gains in employment if growth can be sustained. In the developed countries, employment is recovering slowly in the United States but continues to be weak in Europe and Japan so that the term "jobless growth" remains largely applicable.

The United States is increasingly being complemented in its role as the main engine of growth for the world economy by China. The combined strong demand from these two countries has provided a wide-ranging boost to global growth because China has acted as a catalyst in several areas of economic activity where the United States provides less stimulus.

The index of non-oil commodity prices in dollars rose by a further 10 per cent in 2004, following gains of over 11 percent in 2003. Oil prices rose by over 50 per cent in the first part of 2004, mainly because of the persistent increase in demand. Following the latest surge, prices fell back towards the end of 2004 and are expected to ease further the moderation in the growth of the world economy.

In contrast with commodity markets, international capital markets remained calm in 2004 having to address only the remnants of former financial crises rather than new ones. Flows of foreign direct investment (FDI) to developing countries reversed their three-year downward trend.

Increases in foreign exchange reserves were a partial reflection of the global external imbalances, which not only persisted but also increased in 2004. Apart from the depreciation of the dollar, the global imbalances failed to have significant repercussions in 2004, but the possibility of an abrupt and globally damaging correction persists since a depreciation of the dollar alone seems unlikely to be sufficient to reduce the global imbalances to sustainable levels in an orderly fashion.

## Bangladesh Economy

Amidst a range of constraints including, political uncertainties, flood, oil & commodity price hike, Bangladesh has made remarkable progress in macroeconomic management and human development in FY 2003-04. Bangladesh economy maintained its upward strides in economic growth duly manifested by positive developments of the major macroeconomic indicators. The GDP posted a growth of 5.52 percent in FY2003-04 as against 5.26 percent in FY2002-03. Per capita GDP



and GNI would simultaneously cross US\$ 400 mark for the first time in Bangladesh and stand at US\$ 421 and US\$ 444 respectively. It is to be noted that the projected GDP has registered a phenomenal increase of US\$ 5 billion over that of FY2002-03.

The estimated growth in manufacturing sector, which includes small, medium and large industries, would stand at 7.41 percent compared to 6.75 percent in FY 2002-03. The service sector would also register 5.38 percent growth in the current fiscal year. In addition to the contributions of the manufacturing, external trade and service sectors, the increasing domestic demand propelled this overall high rate of growth.

Side by side with these current trends of growth, Bangladesh has already achieved two targets under UN Millennium Development Goals that include ensuring access to pure drinking water and removing gender inequality in enrolment in primary and secondary levels. Besides, Bangladesh has also made significant progress in reducing infant and maternal mortality rates and in ensuring food security. Given that the current trends of growth sustained, Bangladesh will achieve the desired level of economic development including faster poverty reduction and human development.

The national savings and investment reached 24.49 and 23.58 percent of GDP respectively in FY 2003-04; growth in investment, however, is the ever highest in Bangladesh. The contributions of public sector and private sector towards national investment are estimated to be 6.12 percent and 17.47 percent respectively.

The prudent fiscal policy prevailing at the time restored discipline in fiscal sector. As a result, the budget deficit in FY2003-04 has been estimated at 4.2 percent of GDP. The recurrent expenditure during FY2003-04 is well within the target. Up to June-2004 of current fiscal year, the ADP expenditure stood at Tk.16976 crore (88 percent). While in FY 2002-03 the total domestic borrowing by the Government accounted for 1.2 percent of GDP, it has been estimated at 1.8 percent of GDP in FY 2003-04. In FY 2002-03, revenue-GDP ratio rose to 10.4 percent, which would be enhanced to 12 percent by increasing at the rate of 0.5 percent annually during the medium term. To achieve this target, current reforms in tax structure has to be maintained. Side by side with this, the government has also a plan to enhance expenditure-GDP ratio. It may be mentioned that both revenue-GDP and expenditure-GDP ratio of Bangladesh are low even by the standard of developing countries.

Through the process of structural adjustment, losses of State Owned Enterprises (SOEs) have been reduced to 0.4 percent of GDP in FY2003-04. Subsidies to agricultural and agro-based industries have been raised to Tk.300.00 crore in FY2003-04, which was Tk. 200.00 crore in FY2002-03. At the same time, in order to encourage agriculture and agro-based industries, interest rates on term loan in this sector has been reduced to 8-9 percent. However, Bangladesh Krishi Bank, Rajshahi Krishi Unnayan Bank and the NCBs have reduced the interest rates of all types of agricultural loans to 8 percent with effect from 14 April 2004.

To ensure pro-poor growth, total allocation for poverty reducing spending was raised to 42 percent (6.3 percent of GDP) of total budgetary allocation. It has been further raised to 47.4 percent (7.5 percent of GDP) in FY 2003-04.

### **Conversion into Islami Banking**

As you know, following the decision taken unanimously in the Extra Ordinary General Meeting held on December 28, 2003 and obtaining confirmation from the honourable High Court Division of Bangladesh Supreme Court, our Bank had been converted into a full-fledged Islami Bank based on Shariah from traditional interest based banking and at the grace of Almighty Allah we started functioning as an Islami Bank with effect from 1st July 2004 with the approval of Bangladesh Bank. Before conversion we put option to all of our valued customers through news media in addition to personal contact with them to accept the decision taken by us. It's our great pleasure that every body gladly accepted the conversion with appreciation. It is something new in the history of Islami Banking. Because, in so far our knowledge goes, we find establishment of some Islami Banks since inception i.e. at the time of their incorporation. We are also experienced to see some traditional Banks having a few branches based on Shariah. But total conversion of a conventional Bank into a full fledged Islami Bank is, perhaps, for the first time is introduced by us in the World.

### **Initial Public Offering (IPO)**

Alhamdulillah, It is a really great pleasure that the IPO of shares of the Bank has received spontaneous public support and had been over subscribed almost 16 times than that of IPO subscription amount. The initial public offering (IPO) of the Bank was responded by the highest number of applicants in the capital market history of Bangladesh. The Bank made distribution of allotment letters among 56,755 applicants out of 1,16,442 valid applicants through a free, fair, impartial and open lottery in presence of applicants as well as representatives of the regulatory bodies/authorities. The Board of Directors and



Management once again take the opportunity to express their heartiest felicitation and profound thanks to all of you for overwhelming support and confidence reposed on the Bank and also acknowledge with gratitude for cooperation extended by the concerned bodies/authorities.

### An overview on the performance of the Bank:

The year 2004 was remarkable year simultaneously for development and achievements of continuous growth rate in all the areas of banking operations. The Bank has successfully been marching ahead with its prime business objective by earning a pre-tax profit of Tk645.64 Million registering an annual growth of 34.93% than that of the previous year. It has successfully mobilized Tk19078.18 million deposit from depositors and arranged disbursement of Tk19332.44 million as Investment to 10091 accounts as on 31st December 2004 through its 24 Branches. The total Income and expenditure of the Bank were Tk.2644.59 million and Tk.1808.78 million respectively during the period under review. The return on assets (ROA) was 3.44% well above the industry average. The achievements were possible because of the service excellence of management team with support from a very resourceful and skilled workforce who are rendering efficient and specialized services.

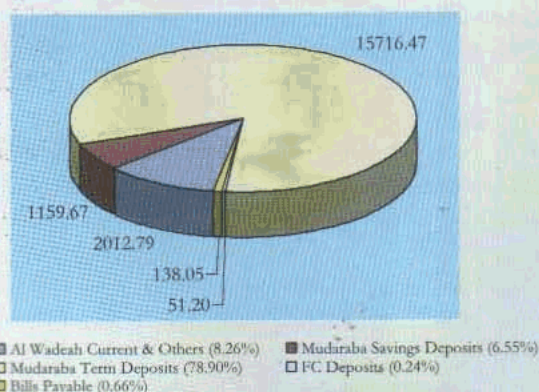
### Capital and Reserve Fund

The authorized and Paid up Capital of the Bank was Tk.1000 million and Tk225.00 million while it started its Banking operation in 1999. The Capital and reserve of the Bank as on 31st December 2004 stood at Tk.1400.00 million. The Bank also made a 1% general provision on unclassified investments of the Bank, which amounted to Tk.188.22 Million.

### Deposit

The deposit is the lifeblood for the commercial Banks. The core business of commercial banks is accepting deposits and investing fund and it's the main stream of revenue of commercial banking. The total deposit of the Bank stood at Tk.19078.18 million as on December 2004 as against Tk.15242.97 million of the previous year which is an increase of 25.16%. This growth rate may be termed as a remarkable achievement for the Bank. The present strategy is to increase the deposit base through maintaining competitive rates of Profit and having low cost of funds.

### DEPOSIT MIX



### Asset and Liability

In order to ensure better management of Asset and Liability, an Asset Liability Committee (ALCO) has been formed at Head Office. The Committee designed the strategy for liquidity management, reduction of Profit rate risk, market risk and maturity gap. Moreover, ALCO provides the Bank continued access to different funds including inter bank fund so that liquidity risk is low. The pricing policy for different kinds of liability and asset is also determined by this committee. The bank ensures its available funds to meet obligation of maintaining Statutory Liquidity Requirement (SLR) and investment of liquid asset in a profitable manner.



## Investment

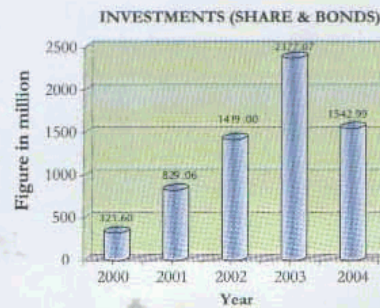
Total amount of Investment of the Bank stood at Tk.19332.44 million as on December 31, 2004 as against Tk.12289.12 million as on December 31, 2003 showing an increase of Tk.7043.32 million with growth rate of 57.31%.

Investments are the core asset of a Bank. The Bank gives emphasis to acquire quality assets and does appropriate Investment risk analysis while approving commercial and trade facilities to clients.



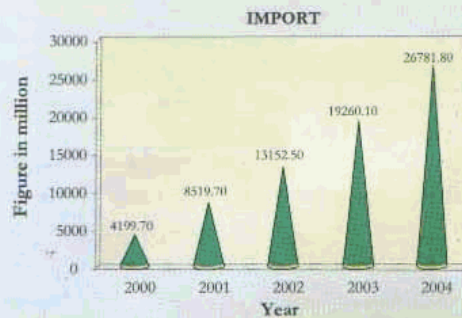
## Investments (Share & Bonds)

The size of the investment portfolio in 2004 is Tk.1542.99 million. The portfolio comprises Islamic Investment Bond, Shares and Prize Bonds.



## Import Business

Import Business is considered as an important segment of Foreign exchange business. During the year, the Bank opened 16339 import letter of credit and the import volume stood at Tk.26781.80 million with a growth of 39.05% comparison with previous year.



## Export Business

The growth of the export business has significantly been increased by 48.22%. It stood at Tk.22418.40 million as of December 31, 2004 against Tk.15124.60 million of the previous year.



## Foreign Remittance

Foreign Remittance of the Bank stood at Tk.113.79 million as of December 31, 2004 as against Tk.235.00 million in 2003.



## Automation in Exim Bank

In order to provide customer friendly and low cost efficient services, there is no other alternative of computer aided banking services. The present global business house scenario depends on technology. As such a bank cannot provide optimum service to its clients without modern technology. Keeping this in view, the bank has computerized all of its Branches from day one of its opening. The Bank has already computerized almost all the banking business processes including deposit, investment, remittance, import, export etc for each branch and maintaining nostro accounts, reconciliation of inter branch transactions, maintaining consolidated accounts etc in Head Office. The online banking has already been introduced within 6 branches of Dhaka City, rest of the branches will come into this facilities very soon.

The Bank is equipped with the facilities of SWIFT, Reuter and connectivity with CDBL for better service to our clients. In order to provide round the clock and current information on the Bank to the business community world wide, we have a web page which can be accessed under the domain name [www.eximbd.com](http://www.eximbd.com).

## Branch Expansion

The number of branches of Bank now stand at 24 including 5 new Branches opened during the year 2004 while it was 19 in the previous year. Out of 24 branches, 18 are located at main business centers of urban areas across the country and remaining 06 branches are at rural areas of the country. The Bank plans to gradually open more branches covering important commercial places both in urban and rural areas.

The Branches were opened during the period in the under noted places:

Sl.	No. Name of the Branch	Date of Opening
01.	Mawna Chawrasta Branch	August 18, 2004
02.	Bogra Branch	September 29, 2004
03.	Jessore Branch	December 02, 2004
04.	Malibagh Branch	December 27, 2004
05.	Ashulia Branch	December 29, 2004

## Internal Control & Compliance

Internal Control & Compliance division are responsible to supervise the functions of the Branches/divisions, Head Office and including its officials in order to ensure compliance of rules & regulations and taking corrective measures, which are being carried out under the yearly program. Internal Control & Compliance division has completed the inspection of all the Branches of the Bank in the year 2004. Pursuant to Bangladesh Bank circular, the Board has also formed a Board Audit Committee to undertake examination of various inspection reports at regular interval. The committee also reviews audit objections and its compliance with the rules and regulations of Bangladesh Bank.

## Correspondent Banking

Correspondent banks are the trade partners of international trade. EXIM Bank has already achieved tremendous success in foreign exchange business. The Bank has established correspondent relationship with 200 banks. The Bank has also made BKE arrangement with 190 Banks covering 118 countries across the World.

## Financial Products and Services

The Bank has introduced a number of financial products and services since its banking operation. Among them Mudaraba Monthly Income Scheme, Mudaraba Monthly Saving Scheme, Mudaraba Multiplus Savings Scheme, Mudaraba Super Savings Scheme, Mudaraba Hajj Scheme have widely been accepted among the people.



### **Mudaraba Monthly Income Scheme**

It is a monthly income scheme that really makes good sense as well as a sure investment of steady return. Under this Scheme, customer has to deposit a fixed amount of money for five years and in return he will receive benefits on monthly basis. Benefits start right from the first month of opening an account under the Scheme and will continue up to five years when the depositor will get refund of his deposit. This scheme is a sure investment for a steady return.

### **Mudaraba Monthly Saving Scheme**

The prime objective of this Scheme is to encourage people to build up a habit of saving. In this scheme one can save a fixed amount of money every month and receive substantial lump sum of money after five, eight, ten or twelve years.

### **Mudaraba Multiplus Savings Scheme**

Under this scheme, depositor's money will be almost tripled in 13 (Thirteen) years period. Any individual, Company, Educational Institution, Government Organization, NGO, Trust, Society etc. may invest their savings under this scheme.

### **Mudaraba Super Savings Scheme**

It helps to build up capital. Super Saving Scheme offers a small depositor to invest his fund (minimum 1,00,000/-) and the fund will be almost double in 8 (Eight) years period. This scheme will secure the future of the investment with ease.

### **Mudaraba Hajj Scheme**

In order to smooth arrangement of fund for performing Hajj, the bank has introduced this scheme for 5, 8, 10, 15 & 20 years period.

### **Credit Card**

The Bank has launched Master card among its customers in joint collaboration with Prime Bank Ltd.

### **Training and Human Resources Development**

In order to meet the global competitive business demand, the necessity of quality human resources and its development through training is vital for any organization particularly for service oriented industry like a bank. The bank has already established a training center of its own to train the officers in order to equip the human resources to face the challenges of 21st century. During the year bank has provided training as many as 114 participants at home and abroad. Our recruitment process is very rigid and policy oriented but fully transparent. We aimed at recruitment of only competent work force.

As on 31-12-2004 the total manpower of the bank in different grades was as under:

(a) Executives	42	5.47%
(b) Officers	556	72.40%
(c) Staff/ Casual and Others	170	22.14%
<b>Total</b>	<b>768</b>	<b>100.00%</b>

### **EXIM Bank Foundation**

The Board of Directors of EXIM Bank Ltd. has unanimously decided to establish a foundation under the name and style "EXIM Bank Foundation" to undertake social welfare activities and charitable purpose. The name clearance of the foundation has already been obtained from Registrar of Joint Stock Companies & Firms and the draft constitution of the foundation has been finalized. Now it is under process of registration with the permission of the Government. A certain portion of the operating profit of the Bank is usually provided in the foundation.



## **Social Contribution**

At the aim of social contribution activities, we have already initiated formation of foundation as indicated above. Meanwhile in the current year, as part of the activity the Bank made a donation of Tk.40 lacs to the Prime Ministers Relief Fund, Tk.20 lacs to the relief fund of the opposition leader. We have also disbursed Tk.20 lac directly among the flood affected victims. Besides, Bank has undertaken a series of sponsorship towards promotion of sports, culture & education. Bank participated in the beautification program in Dhaka City and is firmly committed to establish hospital, educational & cultural institutions in future.

## **Board Meeting**

There were 12(Twelve) meetings of the Board of Directors and 106(One hundred and six) meetings of Executive Committee during the year. The audit committee of the Board also held 06(Six) meetings in the year 2004.

## **Appointment of Auditors**

Pursuant to the condition under Clause (b) of the Order NO. SEC/SRMID/2000-953/Admin/02-04 dated 10.10.2001 of Securities and Exchange Commission and in terms of BRPD Circular letter # 12 dated July 11, 2001 of Bangladesh Bank, existing auditors M/s. Rahman Rahman Huq, Chartered Accountants, being the auditors of the Company for the last 3 (Three) consecutive years, is to retire this year. As such, new auditors will have to be appointed in this Annual General Meeting.

## **Dividend**

The Board of Directors of EXIM Bank Ltd. recommends 40% stock dividend for the year ended December 31, 2004 subject to the approval of Annual General Meeting.

## **Appreciation**

The Board of Directors expresses its gratitude to the Almighty Allah for enabling the bank to achieve remarkable progress in all respect during the year 2004. The Board of directors takes the opportunity to convey its sincere gratitude and profound thanks to the Government of the People's Republic of Bangladesh, Bangladesh Bank, Securities and Exchange Commission (SEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) And Registrar of Joint Stock Companies & Firms for their cordial help and assistance, valuable guidance and advices as extended to the Bank from time to time.

The Board of Directors also expresses its appreciation to the sponsors, the shareholders, valued customers, patrons and well-wishers for the invaluable continuous support, cooperation and confidence reposed in the Bank and also to the management and all members of staff for their meritorious and relentless services with utmost sincerity and dedication for attainment as well as arrival at the level of today's achievement and believes that it will be continued in the years coming ahead.

**On behalf of the Board of Directors,**



Md. Nazrul Islam Mazumder  
Chairman



## Auditors' report to the shareholders of Export Import Bank of Bangladesh Limited

We have audited the accompanying balance sheet of Export Import Bank of Bangladesh Limited as of 31 December 2004 and the related profit and loss account, statement of cash flow, statement of changes in equity and statement of liquidity for the year then ended. These financial statements are the responsibility of the Bank'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 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.

- 1) On the basis of qualitative judgement, we have identified a number of investments which we consider to be non-performing. According to our calculations, provision for at least Tk 137 million is required against such investments. The Bank currently has no specific provision against these investments.
- 2) Appropriations out of opening retained earnings for cash dividend for the year 2003, distribution tax thereon and transfer to dividend equalisation account have been shown in the profit and loss account for the year ended 31 December 2004. At the end of the year 2003 capital adequacy could not be maintained by the Bank, as such no dividend was proposed by the Directors and the audited accounts of the bank for the year 2003 was finalised on 31 May 2004 without any appropriation for cash dividend. The Bank management subsequently on 5 August 2004 sought clearance of the Bangladesh Bank for payment of 40% cash dividend for the year 2003 stating that at 30 June 2004, the Bank had made up the capital adequacy shortfall at 31 December 2003. It may be mentioned here that at 30 June 2004 the Bank maintained capital at 7.71% of the risk weighted assets as against required 9%.

Clearance from Bangladesh Bank was obtained on 14 August 2004. The annual general meeting of the Bank was held on 17 August 2004 where the shareholders of the Bank approved the audited accounts for the year 2003 in which the 40% cash dividend for 2003 was not shown and the shareholders in the same meeting also approved 40% cash dividend declared for 2003.

As per Articles of Association of the Bank no dividend declared in the general meeting shall exceed the amount recommended by the directors. As mentioned earlier the audited accounts as approved in the general meeting no such cash dividend for 2003 was recommended by the directors.

In the situation the actions taken for declaration and payment of cash dividend for 2003 and appropriations for the same shown in 2004 are, in our opinion, not consistent with the legal requirements and generally accepted accounting principles.

- 3) Provision has been made for Tk 264 million as corporate tax based on computation done by the management of the Bank but as per our computation such provision should be at least for Tk 295 million. Thus there is an apparent underprovision of Tk 31 million for tax which represents tax on 1% general provision on unclassified investments. In addition, disputed tax of Tk 48.20 million under appeals mainly represents tax on 1% general provision on unclassified investments and tax on excess perquisites.



- 4) The Bank has not provided for deferred tax in these financial statements. Provision for deferred tax is required by Bangladesh Accounting Standards-12: Income Taxes. No estimate of the deferred tax liability or asset has been made by the Bank.
- 5) The Bank has not accounted for the liabilities for its employees gratuity scheme as is required under Bangladesh Accounting Standard-19: Employee Benefits. Payments for gratuity are expensed. On the basis of the employees who are eligible for gratuity, the accrued liability of the Bank, based on latest salary of such employees, is estimated at Tk 18.5 million as at 31 December 2004 which has not been provided for.

In our opinion, except for the effect on the financial statements of the matters referred to in the preceding paragraphs, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS) give a true and fair view of the state of the Bank's affairs as of 31 December 2004 and of the results of its operations and its cash flow for the year then ended and comply with the Bank Company 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.

We also report that subject to the observations noted in paragraphs 1 to 5 above:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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;
- iii) the Bank's balance sheet and profit and 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's business;
- v) the financial position of the Bank at 31 December 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 Company Act 1991 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank;
- vii) adequate provisions have been made for investment which are, in our opinion, doubtful of recovery;
- 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.





# Balance Sheet at 31 December 2004

		Amount in Taka	
	Notes	2004	2003
<b>PROPERTY AND ASSETS</b>			
<b>Cash:</b>	3		
In hand (including foreign currencies)		190,152,334	129,871,767
With Bangladesh Bank and Sonali Bank (including foreign currencies)		1,019,146,505	563,793,875
		1,209,298,839	693,665,642
<b>Balance with other banks and financial institutions</b>	4		
In Bangladesh		748,832,964	805,135,395
Outside Bangladesh		461,948,589	319,241,380
		1,210,781,553	1,124,376,775
<b>Money at call and short notice</b>	5	-	605,000,000
<b>Investments (shares and bonds):</b>	6		
Government securities		1,500,689,600	2,200,360,200
Others		42,295,814	176,713,581
		1,542,985,414	2,377,073,781
<b>Investments:</b>	7		
General investments		18,005,716,816	11,324,591,109
Bills discounted and purchased		1,326,719,256	964,529,067
		19,332,436,072	12,289,120,176
<b>Fixed assets</b>	8	150,822,688	127,724,487
<b>Other assets</b>	9	909,426,885	671,696,525
<b>Non-banking assets</b>		-	-
<b>Total assets</b>		24,355,751,451	17,888,657,386



# Balance Sheet at 31 December 2004

<u>LIABILITIES AND CAPITAL</u>	Notes	Amount in Taka	
		2004	2003
<b>Liabilities:</b>			
Borrowing from other banks, financial institutions and agents		-	-
<b>Deposits and other accounts:</b>	10		
Al wadeah current deposits and other accounts		2,012,789,637	1,258,920,268
Bills payable		138,047,759	101,050,630
Mudaraba savings bank deposits		1,159,670,831	998,239,535
Mudaraba term deposits		15,716,470,619	12,027,460,890
Call deposits		-	820,000,000
Foreign currency deposits		51,196,943	37,297,082
		19,078,175,789	15,242,968,405
<b>Other liabilities</b>	11	3,877,570,922	1,897,414,904
<b>Total liabilities</b>		22,955,746,711	17,140,383,309
<b>Capital/shareholders' equity:</b>			
Paid up capital	12	627,750,000	313,875,000
Proposed issue of bonus shares	13	251,100,000	-
Share premium	14	94,162,500	82,575,000
Dividend equalisation account	15	62,775,000	-
Statutory reserve	16	357,329,881	228,202,241
Retained earnings	17	6,887,359	123,621,836
<b>Total shareholders' equity</b>		1,400,004,740	748,274,077
<b>Total liabilities and shareholders' equity</b>		24,355,751,451	17,888,657,386
<b>OFF BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities:</b>			
Acceptance and endorsements -	18		
Letters of guarantee		859,399,747	521,386,572
Irrevocable letters of credit		5,009,355,187	2,383,041,275
Bills for collection		451,115,577	536,126,303
Other contingent liabilities		2,679,607,500	4,457,007,820
<b>Total contingent liabilities</b>		8,999,478,011	7,897,561,970
Other commitments		-	-
<b>Total off balance sheet items</b>		8,999,478,011	7,897,561,970

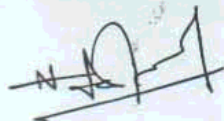
The annexed notes 1 to 35 form an integral part of these financial statements.



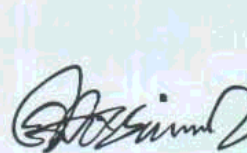
Managing Director



Director



Director



Director



Chairman

As per our annexed report of same date.



Auditors

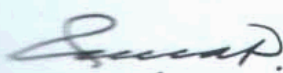
Dhaka, 10 July 2005

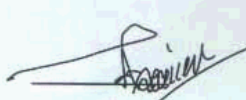


# Profit and Loss Account for the year ended 31 December 2004

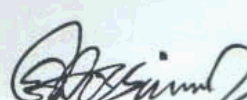
	Notes	Amount in Taka	
		2004	2003
Investment income	20	1,820,283,897	1,396,081,422
Profit paid on deposits, borrowings, etc.	21	(1,425,511,622)	(1,121,309,068)
<b>Net investment income</b>		394,772,275	274,772,354
Income from investment in shares/securities	22	78,639,501	121,535,735
Commission, exchange and brokerage	23	597,695,893	379,929,474
Gain on sale of investment in shares		73,643,453	9,669,915
Other operating income	24	74,325,865	54,696,256
<b>Total operating income</b>		1,219,076,987	840,603,734
Salaries and allowances	25	183,089,157	134,004,574
Rent, taxes, insurance, lighting, etc.	26	50,456,074	41,076,938
Legal expenses	27	1,090,982	522,184
Postage, stamp, telegram and telephone	28	20,740,411	14,677,332
Audit fees		181,750	156,750
Stationery, printing, advertisement, etc.	29	18,993,547	13,299,014
Managing Director's remuneration		2,400,000	2,184,000
Managing Director's fees		317,500	292,500
Directors' fees	30	3,130,000	2,613,672
Depreciation on and repairs to Bank's property	31	26,127,561	19,733,147
Other expenses	32	76,742,592	49,381,699
<b>Total operating expense</b>		383,269,574	277,941,810
<b>Profit before provisions</b>		835,807,413	562,661,924
Provision for investment	33	190,169,211	84,154,418
<b>Profit before tax</b>		645,638,202	478,507,506
Provision for tax		263,840,039	223,715,350
<b>Profit after tax</b>		381,798,163	254,792,156
Retained earnings brought forward		123,621,836	2,131,181
Transfer from share premium		82,575,000	-
40% cash dividend for 2003		(125,550,000)	-
10% dividend distribution tax		(12,555,000)	-
Transfer to dividend equalisation account		(62,775,000)	-
Adjustment for (under)/over provision for tax made in earlier years		-	(37,600,000)
		5,316,836	(35,468,819)
<b>Profit available for appropriation</b>		387,114,999	219,323,337
<b>Appropriations:</b>			
Statutory reserve		129,127,640	95,701,501
Proposed issue of bonus shares @ 10 shares per 25 shares held	13	251,100,000	-
		380,227,640	95,701,501
<b>Retained earnings carried forward</b>		6,887,359	123,621,836
<b>Earnings per ordinary share</b>		60.82	81.18

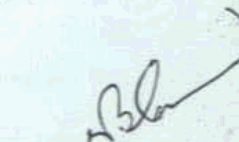
The annexed notes 1 to 35 form an integral part of these financial statements.

  
Managing Director

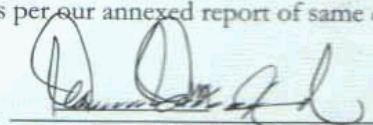
  
Director

  
Director

  
Director

  
Chairman

As per our annexed report of same date.

  
Auditors



# Statement of Cash Flow for the year ended 31 December 2004

	Amount in Taka	
	2004	2003
<b>A) Cash flows from operating activities:</b>		
Investment income receipts	1,836,674,087	1,505,117,977
Profit paid on deposits, borrowings, etc.	(1,341,909,520)	(1,121,309,068)
Dividend receipts	2,002,721	12,499,180
Fees and commission receipts	597,995,893	379,929,474
Cash payment to employees	(168,596,566)	(136,188,574)
Cash payment to suppliers	(19,168,031)	399,052
Income tax payments	(301,252,013)	(212,463,399)
Receipts from other operating activities	147,969,318	64,366,171
Payments for other operating activities	(158,853,717)	(124,374,642)
<i>Cash flows before changes in operating assets and liabilities</i>	<i>594,862,172</i>	<i>367,976,171</i>
Changes in operating assets and liabilities:		
(Increase)/decrease in operating assets:		
Statutory deposit	-	-
Trading security - shares	134,417,767	11,646,610
Investments to other banks	-	-
Investments to customers	(5,414,860,530)	(4,334,558,140)
Other assets	47,062,947	(85,025,075)
Increase/(decrease) in operating liabilities:		
Deposits from other banks	(1,721,396,615)	1,412,198,000
Deposits from customers	5,556,603,999	3,885,543,873
Liabilities on account of customers	-	-
Trading liabilities (borrowing)	-	-
Other liabilities	455,408,539	673,801,174
<i>Net cash from operating activities</i>	<i>(347,901,721)</i>	<i>1,931,582,613</i>
<b>B) Cash flows from investing activities:</b>		
Receipts from sale of securities - Treasury bill	1,622,082,514	780,000,000
Payment for purchase of securities	(1,500,000,000)	(1,750,000,000)
Purchase of fixed assets	(47,892,244)	(35,232,540)
Sale proceeds of fixed assets	1,146,326	1,112,500
<i>Net cash from investing activities</i>	<i>75,336,596</i>	<i>(1,004,120,040)</i>
<b>C) Cash flows from financing activities:</b>		
Share premium	94,162,500	-
Issue of ordinary share	313,875,000	-
Dividend paid in cash including dividend distribution tax	(138,105,000)	(20,250,000)
<i>Net cash from financing activities</i>	<i>269,932,500</i>	<i>(20,250,000)</i>
<b>D) Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(2,632,625)</b>	<b>907,212,573</b>
<b>E) Cash and cash equivalents at beginning of the year</b>	<b>2,423,402,617</b>	<b>1,516,190,044</b>
<b>F) Cash and cash equivalents at end of the year (D+E)</b>	<b>2,420,769,992</b>	<b>2,423,402,617</b>
<b>Cash and cash equivalents:</b>		
Cash	1,209,298,839	693,665,642
Balance with other banks and financial institutions	1,210,781,553	1,124,376,775
Money at call and short notice	-	605,000,000
Prize bonds	689,600	360,200
	<b>2,420,769,992</b>	<b>2,423,402,617</b>



## Statement of Changes in Equity for the year ended 31 December 2004

	<u>Paid up capital Taka</u>	<u>Share premium Taka</u>	<u>Statutory reserve Taka</u>	<u>Dividend equalisation account Taka</u>	<u>Proposed issue of bonus shares Taka</u>	<u>Retained earnings Taka</u>	<u>Total Taka</u>
Balance at 1 January 2004	313,875,000	82,575,000	228,202,241	-	-	123,621,836	748,274,077
Profit for the year	-	-	-	-	-	381,798,163	381,798,163
Dividend paid during the year	-	-	-	-	-	(125,550,000)	(125,550,000)
Dividend distribution tax	-	-	-	-	-	(12,555,000)	(12,555,000)
Transferred to retained earnings	-	(82,575,000)	-	-	-	82,575,000	-
Transferred to dividend equalisation account	-	-	-	62,775,000	-	(62,775,000)	-
Proposed bonus shares for 2004	-	-	-	-	251,100,000	(251,100,000)	-
Capital received from IPO placement	313,875,000	94,162,500	-	-	-	-	408,037,500
Transferred to statutory reserve	-	-	129,127,640	-	-	(129,127,640)	-
Balance at 31 December 2004	<u>627,750,000</u>	<u>94,162,500</u>	<u>357,329,881</u>	<u>62,775,000</u>	<u>251,100,000</u>	<u>6,887,359</u>	<u>1,400,004,740</u>



# Statement of Liquidity (maturity analysis of assets and liabilities) for the year ended 31 December 2004

	<u>Within one month Taka</u>	<u>Within one to three months Taka</u>	<u>Within three to twelve months Taka</u>	<u>Within one to five years Taka</u>	<u>More than five years Taka</u>	<u>Total Taka</u>
<b>ASSETS:</b>						
Cash	1,209,298,839	-	-	-	-	1,209,298,839
Balance with other banks and financial institutions	1,175,781,553	35,000,000	-	-	-	1,210,781,553
Money at call and short notice	-	-	-	-	-	-
Investment (shares and bonds)	689,600	-	39,295,814	1,500,000,000	3,000,000	1,542,985,414
Investments	736,137,278	5,717,038,722	7,650,779,471	2,865,040,000	2,363,440,601	19,332,436,072
Fixed assets	-	-	-	4,937,466	145,885,222	150,822,688
Other assets	17,946,355	94,223,353	6,785,788	753,135,694	37,335,695	909,426,885
Non-banking assets	-	-	-	-	-	-
<b>Total assets</b>	<u>3,139,853,625</u>	<u>5,846,262,075</u>	<u>7,696,861,073</u>	<u>5,123,113,160</u>	<u>2,549,661,518</u>	<u>24,355,751,451</u>
<b>LIABILITIES:</b>						
Borrowing from other banks, financial institutions and agents	-	-	-	-	-	-
Deposits and other accounts	4,167,421,337	4,641,397,000	5,553,500,000	1,463,061,452	3,252,796,000	19,078,175,789
Provisions and other liabilities	-	17,545,405	3,478,342,211	381,683,306	-	3,877,570,922
<b>Total liabilities</b>	<u>4,167,421,337</u>	<u>4,658,942,405</u>	<u>9,031,842,211</u>	<u>1,844,744,758</u>	<u>3,252,796,000</u>	<u>22,955,746,711</u>
<b>Net liquidity difference</b>	<u>(1,027,567,712)</u>	<u>1,187,319,670</u>	<u>(1,334,981,138)</u>	<u>3,278,368,402</u>	<u>(703,134,482)</u>	<u>1,400,004,740</u>



## Highlights on the overall activities at 31 December 2004

		Amount in Taka	
		2004	2003
1	Paid up capital	627,750,000	313,875,000
2	Total capital	1,400,004,740	748,274,077
3	Surplus/(shortage) of capital	82,179,484	(210,651,066)
4	Total assets	24,355,751,451	17,888,657,386
5	Total deposits	19,078,175,789	15,242,968,405
6	Total investment	17,682,176,630*	12,289,120,176
7	Total contingent liabilities and commitments	8,999,478,011	7,897,561,970
8	Ratio on investments and deposits	92.68%	80.62%
9	Ratio on classified investments and total investments	2.40%	2.43%
10	Profit after tax and provisions	381,798,163	254,792,156
11	Classified investments for the year	424,793,369	298,030,853
12	Provision held against classified investments	121,237,758	45,040,317
13	Surplus/(shortage) of provision	-	-
14	Cost of fund	8.40%	9.26%
15	Profit earning assets	19,746,510,153	15,879,601,428
16	Non-profit bearing assets	4,641,741,298	2,009,055,958
17	Return on investment (shares and bonds)	9.87%	5.52%
18	Return on assets	3.44%	3.15%
19	Income on investment (shares and bonds)	152,282,954	131,205,650
20	Earnings per share	60.82	81.18
21	Profit per share	60.82	81.18
22	Price earning ratio (times)	12.80	N/A

\* Represents net of Tk 1,650,259,442 as unearned profit on investments.



## 1. The Bank and its activities

Export Import Bank of Bangladesh Limited is a scheduled commercial bank in the private sector established under the Bank Company Act 1991 and incorporated in Bangladesh as a public limited company under the Companies Act 1994 to carry out banking business in Bangladesh.

From 1 July 2004 the bank converted its banking operation into Islamic Banking based on Islamic Shariah from traditional banking operation after obtaining approval from Bangladesh Bank. During the year 2004, the bank issued 3,138,750 ordinary shares through IPO placement.

The Bank carries its banking activities through twenty four branches operating as per Islamic Shariah in the country.

## 2. Significant accounting policies

### 2.1 Basis of preparation of the financial statements

Accounts of the Bank are prepared on a going concern basis under historical cost convention. Although the operation of the Bank are in strict compliance with the rules of Islamic Shariah, the financial statements have been prepared as per Bank Company Act 1991 and following most of the Bangladesh Accounting Standards. Wherever appropriate, such principles are explained in succeeding notes. The Balance Sheet, Profit and Loss Account, Statement of Cash Flow 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 Office of the Bank in Dhaka based on which these financial statements have been prepared.

### 2.3 Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is charged at the following rates on reducing balance method on all fixed assets other than motor vehicles which are depreciated on a straight line basis:

<u>Assets category</u>	<u>Rate of depreciation</u>
	<u>%</u>
Furniture and fixtures	10
Office equipment	15
Interior decoration	10
Vehicles	20
Books	20



### 2.4 Investments and revenue recognition

Income from investments is accounted for on accrual basis. Fees and commission income are recognised when earned.

### 2.5 Profit/rent/compensation suspense account and irregular income

Profit/rent/compensation accrued on classified investments are suspended and accounted for as per Circulars issued by the Bangladesh Bank. Moreover incomes which are irregular (doubtful) as per Shariah are also not included in the distributable income of the Bank.

Compensation on unclassified overdue Bai-Murabaha and Bai-Muazzal investments is charged. As per Islamic Shariah such compensation is not shown as income of the Bank.

Profit received from the balances held with foreign banks abroad and from foreign currency clearing account with Bangladesh Bank are also not credited to regular income since it is not permissible as per Shariah.

### 2.6 Retirement benefits

- a) Employee benefit for gratuity is expensed on payment of the benefit.
- b) The Bank operates a Superannuation Fund scheme, provision in respect of which is made annually covering all its eligible employees. It is operated by a separate Board of Trustees of the Bank.
- c) The Bank operates a contributory provident fund.

### 2.7 Earning per share

Earning per share (EPS) has been computed by dividing the basic earnings by the number of Ordinary Shares outstanding as on 31 December 2004 as per Bangladesh Accounting Standard (BAS)-33: 'Earning Per Share'. Diluted earning per share was not required to be calculated as there were no dilution possibilities during the year.

### 2.8 Statement of liquidity

The liquidity statement of assets & liabilities as on the reporting date has been prepared on residual maturity term as per the following bases:

- a) Balance with other banks and financial institutions are on the basis of their maturity term.
- b) Investments (shares and bonds) are on the basis of their maturity.
- c) Investments are on the basis of their repayment / maturity schedule.
- d) Fixed assets are on the basis of their useful life.
- e) Other assets are on the basis of their adjustment.
- f) Deposits and other accounts are on the basis of their maturity term and behavioural past trend.
- g) Provisions and other liabilities are on the basis of their adjustment.



## 2.9 Conversion of transactions in foreign currencies and gains or losses thereon

Transactions in foreign currencies are translated into Bangladeshi Taka at the exchange rates (mid rates) prevailing on the respective dates of transaction.

In conformity with instructions of Bangladesh Bank, all gains or losses on conversion of foreign currencies to local currency upon refixation of rate(s) are kept in equivalent Taka in a separate fund account called 'Exchange Equalisation Account' and presented in the Balance Sheet under the head 'Other liabilities'.

## 2.10 Provision for investments in shares and bonds

Provision for investments is made on the basis of year-end review by the management and in compliance with instructions contained in Bangladesh Bank Circulars.

## 2.11 Provision for corporate tax

Provision for corporate tax has been made in the accounts @ 45% as per Finance Act 2004.

## 3. Cash

	Amount in Taka	
	2004	2003
In hand:		
Local currency	189,511,040	129,176,446
Foreign currencies	641,294	695,321
	190,152,334	129,871,767
Balance with Bangladesh Bank and Sonali Bank:		
Local currency	890,859,300	530,996,034
Foreign currencies	128,287,205	32,797,841
	1,019,146,505	563,793,875
	1,209,298,839	693,665,642

3.1 The Cash Reserve Requirement (CRR) and the Statutory Liquidity Requirement (SLR) and deposits thereagainst with Bangladesh Bank at 31 December 2004 are as follows:

### 3.1.1 Cash Reserve Requirement (CRR): 4% of Average Demand and Time Liabilities:

Required reserve	740,593,000	496,107,000
Actual reserve held with Bangladesh Bank	843,557,000	522,184,000
Surplus/(deficit)	102,964,000	26,077,000

### 3.1.2 Statutory Liquidity Requirement (SLR): 6% and 12% for 2004 and 2003 respectively of Average Demand and Time Liabilities:

Required reserve	1,110,889,000	1,488,320,000
Actual reserve held with Bangladesh Bank	1,738,835,000	2,372,135,000
Surplus/(deficit)	627,946,000	883,815,000
Total surplus/(deficit)	730,910,000	909,892,000



4. Balance with other banks and financial institutions	Amount in Taka	
	2004	2003
In Bangladesh (Note 4.1)	748,832,964	805,135,395
Outside Bangladesh (Note 4.2)	461,948,589	319,241,380
	<u>1,210,781,553</u>	<u>1,124,376,775</u>
<b>4.1 In Bangladesh</b>		
Sonali Bank, Local Office (STD)	17,905,633	21,043,340
Prime Bank Ltd., Sylhet Branch (MSTD)	10,056,159	62,944,193
Social Investment Bank Ltd. (MSND)	156,981	-
The Oriental Bank Ltd., Principal Branch (MSTD)	726,260	692,146
Social Investment Bank Ltd. (FDR)	-	100,000,000
National Credit & Commerce Bank Ltd. (STD)	-	275,593
National Bank Ltd., Dilkusha Branch (STD)	22,344,855	94,815,165
Prime Bank Ltd., Motijheel Branch (MSTD)	81,276	-
Citibank, N.A. (MTDR)	35,000,000	-
Social Investment Bank Ltd., Principal Branch (MSD)	72,323,433	118,550,638
Shahjalal Islami Bank Ltd., Dhaka Main Branch (MSD)	51,686,898	-
Al-Arafah Islami Bank Ltd., Motijheel Branch (MSB)	7,360,670	-
Social Investment Bank Ltd., Principal Branch (MSND)	12,320,800	-
Southeast Bank Ltd., Chagalnaiya Branch (MSND)	2,154,500	-
Dhaka Bank Ltd., Motijheel Branch (MSB)	29,273,449	-
Dhaka Bank Ltd., Motijheel Branch (MSND)	160,714,900	-
Southeast Bank Ltd., Bondor Bazar Branch (MSND)	989,000	-
Southeast Bank Ltd., Motijheel Branch (MSND)	100,057,499	-
Shahjalal Islami Bank Ltd., Dhaka Main Branch (MSND)	55,260,125	1,297,079
Prime Bank Ltd., Dilkusha Branch (MSTD)	27,370,063	-
Al-Arafah Islami Bank Ltd. (MSB)	1,318,944	-
Jamuna Bank Ltd., Nayabazar Branch (MSD)	133,770,353	-
Jamuna Bank Ltd., Jubilee Road Branch (MSD)	352,500	-
Sonali Bank, Laksham Branch (CD)	6,896,210	2,817,241
Janata Bank, Laksham Branch (CD)	712,456	2,700,000
Bay Leasing and Investment Ltd. (FDR)	-	30,000,000
VANIK Bangladesh Ltd. (FDR)	-	20,000,000
Jamuna Bank Ltd. (FDR)	-	100,000,000
Investment Corporation of Bangladesh (FDR)	-	250,000,000
	<u>748,832,964</u>	<u>805,135,395</u>



# Notes to the Financial Statements for the year ended 31 December 2004

## 4.2 Outside Bangladesh

		2004			2003		
	Currency	Amount in foreign currency	Conversion rate per unit F.C.	Amount Taka	Amount in foreign currency	Conversion rate per unit F.C.	Amount Taka
In demand deposit accounts (profit bearing) with:							
Standard Chartered Bank, N.Y.	USD	649,649.53	60.7423	39,461,207	697,556.22	58.4375	40,763,442
Mashreq Bank, PSC, N.Y.	USD	219,095.98	60.7423	13,308,394	544,399.56	58.4375	31,813,349
Citibank, N.A., N.Y.	USD	776,829.07	60.7423	47,186,384	406,702.92	58.4375	23,766,702
BOT Mitsubishi Ltd, N.Y.	USD	2,567,817.28	60.7423	155,975,128	2,631,027.35	58.4375	153,750,661
UBAF Bank, Tokyo	JPY	108,794.00	0.5845	63,590	17,510.00	0.5515	9,657
				<u>255,994,703</u>			<u>250,103,811</u>
In demand deposit accounts (non-profit bearing) with:							
American Express Bank, N.Y.	USD	2,707,208.89	60.7423	164,442,095	637,499.35	58.4375	37,253,868
American Express Bank, Tokyo	JPY	17,134.00	0.5845	10,015	31,680.00	0.5515	17,472
Habib Bank, AG, Zurich	CHF	46,796.90	53.5552	2,506,217	7,545.15	46.7106	352,438
Standard Chartered Bank, London	GBP	3,200.25	116.6070	373,172	785.13	104.0651	81,705
American Express Bank Ltd, Kolkata	ACU	23,807.78	60.7423	1,446,139	23,281.67	58.4375	1,360,523
NIB Limited, Pakistan	ACU	191,694.76	60.7423	11,643,981	7,711.90	58.4375	450,664
AB Bank Ltd, Mumbai, India	ACU	4,861.70	60.7423	295,311	9,973.50	58.4375	582,826
Commerzbank, AG, Frankfurt, Germany	EURO	38,895.58	82.6520	3,214,797	240,167.28	72.7609	17,474,787
Union Bank Ltd., Sri Lanka	ACU	15,027.88	60.7423	912,828	5,511.88	58.4375	322,100
Nepal Bangladesh Bank, Nepal	ACU	7,856.50	60.7423	477,222	336.50	58.4375	19,664
Standard Chartered Bank, Kolkata	ACU	123,582.89	60.7423	7,506,709	25,379.60	58.4375	1,483,120
Hypo Vereinsbank, Germany	EURO	3,457.65	82.6520	285,782	48,020.74	72.7609	3,494,032
Citibank, N.A., Mumbai	ACU	1,972.28	60.7423	119,801	67,730.46	58.4375	3,957,999
Union Bank of Switzerland, AG	CHF	32,507.92	53.5552	1,740,968	33,955.00	46.7106	1,586,058
HSBC, Mumbai, India	ACU	53,657.96	60.7423	3,259,308	11,984.00	58.4375	700,313
UBAF, Hong Kong	USD	11,808.08	60.7423	717,250	-	-	-
American Express Bank, Frankfurt, Germany	EURO	4,685.45	82.6520	387,262	-	-	-
The Bank of Nova Scotia, Canada	CAD	9,570.00	50.1671	480,099	-	-	-
HSBC, Karachi, Pakistan	ACU	71,664.94	60.7423	4,353,093	-	-	-
ICICI Bank, Mumbai, India	ACU	28,000.91	60.7423	1,700,840	-	-	-
Askari Commercial Bank, Karachi, Pakistan	ACU	1,333.48	60.7423	80,999	-	-	-
				<u>205,953,886</u>			<u>69,137,569</u>
				<u>461,948,589</u>			<u>319,241,380</u>



# Notes to the Financial Statements for the year ended 31 December 2004

4.3 Balance with other banks and financial institutions (according to maturity grouping)	Amount in Taka	
	2004	2003
On demand	1,175,781,553	337,941,870
Not more than three months	35,000,000	736,434,905
More than three months but not more than one year	-	50,000,000
	<u>1,210,781,553</u>	<u>1,124,376,775</u>
<b>5 Money at call and short notice</b>		
Investment Corporation of Bangladesh	-	370,000,000
Union Capital Limited	-	20,000,000
Jamuna Bank Limited	-	115,000,000
GSP Finance Company (Bangladesh) Limited	-	30,000,000
Bangladesh Industrial Finance Co. Ltd.	-	20,000,000
National Housing Finance and Investment Limited	-	50,000,000
	<u>-</u>	<u>605,000,000</u>
<b>6 Investments (shares and bonds)</b>		
Government securities:		
Islamic investment bonds/Treasury bills	1,500,000,000	2,200,000,000
Prize bonds	689,600	360,200
	<u>1,500,689,600</u>	<u>2,200,360,200</u>
Others:		
Shares (Note 6.1)	42,295,814	176,713,581
	<u>1,542,985,414</u>	<u>2,377,073,781</u>



# Notes to the Financial Statements for the year ended 31 December 2004

## 6.1 Shares

Name of company	Face value per share Taka	2004		2003	
		No. of shares	Acquisition cost Taka	No. of shares	Acquisition cost Taka
Quoted companies:					
Southeast Bank Ltd.	100	-	-	383,875	93,766,799
Heidelberg Cement Ltd.	100	587	58,700	-	-
NCC Bank Ltd.	100	365	36,500	254,445	57,915,763
Apex Tannery Ltd.	100	-	-	30,000	6,730,682
Keya Cosmetics Ltd.	10	-	-	80,000	1,323,500
Eastern Cables Ltd.	100	-	-	27,840	6,051,837
Dhaka Bank Ltd.	100	-	-	50	5,000
Standard Bank Ltd.	100	-	-	400	40,000
One Bank Ltd.	100	-	-	400	40,000
Lafarge Surma Cement Ltd.	100	74,300	29,188,388	-	-
Mercantile Bank Ltd.	100	12	1,200	6,100	6,100,000
Beximco Pharmaceuticals Ltd.	10	100,000	9,497,090	-	-
Prime Bank Ltd.	100	1,500	513,936	-	-
Bank Asia Ltd.	100	-	-	17,400	1,740,000
			39,295,814		173,713,581
Unquoted companies:					
Central Depository Bangladesh Ltd.	1,000,000	3	3,000,000	3	3,000,000
			3,000,000		3,000,000
			42,295,814		176,713,581



## 6.2 Valuation of investment (shares and bonds)

	<u>Cost</u> <u>Taka</u>	<u>Market value</u> <u>at 31 Dec. 2004</u> <u>Taka</u>
Government securities:		
Islamic investment bond	1,500,000,000	1,500,000,000
Prize bonds	689,600	689,600
Others:		
Quoted shares in -		
Heidelberg Cement Ltd.	58,700	670,102
NCC Bank Ltd.	36,500	198,794
Lafarge Surma Cement Ltd.	29,188,388	32,417,090
Mercantile Bank Ltd.	1,200	6,527
Beximco Pharmaceuticals Ltd.	9,497,090	9,323,000
Prime Bank Ltd.	513,936	1,320,855
Unquoted shares in -		
Central Depository Bangladesh Ltd.	3,000,000	3,000,000
	<u>1,542,985,414</u>	<u>1,547,625,968</u>

## 6.3 Maturity grouping of investment (shares and bonds)

	<u>Amount in Taka</u>	
	<u>2004</u>	<u>2003</u>
On demand	689,600	360,200
More than three months but less than one year	39,295,814	50,000,000
More than one year but less than five years	1,500,000,000	2,150,000,000
More than five years	3,000,000	176,713,581
	<u>1,542,985,414</u>	<u>2,377,073,781</u>



# Notes to the Financial Statements for the year ended 31 December 2004

		Amount in Taka	
7.	Investments	2004	2003
	<b>General investments:</b>		
	In Bangladesh:		
	Murabaha Post Import (MPI)	1,259,075,807	341,929,182
	Murabaha Import Bill (MIB)	736,137,278	680,109,953
	Bai Mubaraha	692,338,284	515,234,506
	Bai Muazzal	5,016,606,179	4,170,886,864
	Bai Muazzal (Work Order)	208,793,585	203,731,509
	Bai Muazzal (PC)	297,119,349	234,504,132
	Wazirat Bil Wakala (ECC)	1,683,635,584	285,265,124
	Izara Bil Baia (LG/HP)	4,558,458,650	2,812,497,705
	Izara Bil Baia (HB)	359,913,400	192,984,410
	Izara (LF)	10,707,100	18,677,545
	Izara Bil Baia (Staff HB)	76,225,922	52,944,191
	Wazirat Bil Wakala (CA)	30,076,793	48,814,772
	Quard against SS	59,789,846	12,253,900
	Quard against MTDR	347,657,039	867,302
	Wazirat Bil Wakala (SSD)	10,711,502	8,904,216
	Quard General (Staff car)	9,140,679	9,014,350
	TR (MIB/MURA/MPI)	2,649,329,819	1,735,971,448
		<u>18,005,716,816</u>	<u>11,324,591,109</u>
	Outside Bangladesh		
		<u>18,005,716,816</u>	<u>11,324,591,109</u>
	<b>Wazirat bil wakala (bills discounted and purchased) - Note 7.7:</b>		
	In Bangladesh	1,024,379,066	766,614,884
	Outside Bangladesh	302,340,190	197,914,183
		<u>1,326,719,256</u>	<u>964,529,067</u>
		<u>19,332,436,072</u>	<u>12,289,120,176</u>
<b>7.1</b>	<b>Maturity grouping of investments</b>		
	On demand	736,137,278	680,109,953
	Less than three months	5,717,038,722	3,038,487,047
	More than three months but less than one year	7,650,779,471	5,474,845,211
	More than one year but less than five years	2,865,040,000	2,155,853,212
	More than five years	2,363,440,601	939,824,753
		<u>19,332,436,072</u>	<u>12,289,120,176</u>



# Notes to the Financial Statements for the year ended 31 December 2004

## 7.2 Concentration of investments

	Amount in Taka	
	2004	2003
Investments to directors and others	-	-
Investments to Managing Director	2,848,872	3,024,415
Investments to other senior executives	57,895,257	41,610,545
Investments favouring various client groups (Note 7.2.1)	2,352,371,001	2,117,859,213
Others	16,919,320,942	10,126,626,003
	<u>19,332,436,072</u>	<u>12,289,120,176</u>

### 7.2.1 Investments favouring various client groups

Abul Khair Group	144,600,000	262,700,000
Nitol Group	329,935,514	293,125,462
S. Alam Group	255,096,529	356,244,999
Shamsul Alamin Group	204,363,000	326,128,000
Shah Sharif Group	153,988,000	152,586,000
Imam Group	172,100,000	145,228,000
KDS Group	133,900,000	126,385,000
Nurul Alam Master Group	116,943,919	63,793,054
PHP Group	409,115,341	131,711,443
SMAH Group	102,434,000	103,145,000
Amtranet Group	14,731,000	25,576,219
Wills Group	62,709,698	68,515,163
AKH Group	252,454,000	62,720,873
	<u>2,352,371,001</u>	<u>2,117,859,213</u>

### 7.2.2 Investments above 15% of total capital of the bank

Number of clients	24	45
Amount of outstanding investments:		
Funded	3,997,361,703	5,290,399,977
Non-funded	2,081,620,621	2,750,536,787
	6,078,982,324	8,040,936,764
Amount of classified investments	6,078,982,324	8,040,936,764

### 7.3 Sector-wise allocation of investments

Agriculture, fishing, forestry and dairy firm	133,025,000	45,652,000
Industry (jute, textiles, garments, chemicals, cement etc.)	2,696,454,000	1,703,016,000
Working capital financing	3,074,664,000	2,080,454,000
Construction	165,444,000	192,433,970
Transport and communication	400,471,000	378,149,660
Trade	10,949,229,000	6,006,318,000
Housing	526,965,000	245,992,200
Miscellaneous	1,386,184,072	1,637,104,346
	<u>19,332,436,072</u>	<u>12,289,120,176</u>



## 7.4 Allocation of investments according to administrative zones

	Amount in Taka	
	2004	2003
Dhaka division	14,408,679,888	8,655,823,378
Chittagong division	4,865,566,116	3,597,530,114
Sylhet division	52,429,844	35,766,684
Rajshahi division	5,760,224	-
	<u>19,332,436,072</u>	<u>12,289,120,176</u>

## 7.5 Classification of investments

Unclassified	18,907,642,703	11,991,089,323
Substandard	102,356,016	271,057,379
Doubtful	67,414,917	5,756,527
Bad/loss	255,022,436	21,216,947
	<u>19,332,436,072</u>	<u>12,289,120,176</u>

## 7.6 Particulars of investments

i)	Investments considered good in respect of which the bank is fully secured	18,136,151,374	11,820,966,770
ii)	Investments considered good for which the bank holds no other security than the investors' personal security	1,196,284,698	468,153,406
iii)	Investments considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the investors	-	-
iv)	Investments considered doubtful or bad, not provided for	19,332,436,072	12,289,120,176
v)	Investments due by directors or officers of the bank or any of them either severally or jointly with any other persons	85,366,601	61,958,541
vi)	Investments due by companies or firms in which the directors or officers of the bank are interested as directors, partners or managing agents or, in case of private companies, as members	-	-
vii)	Maximum total amount of investments, including temporary investments, made at any time during the year to directors or managers or officers of the bank or any of them either severally or jointly with any other persons	85,366,601	59,179,711



# Notes to the Financial Statements for the year ended 31 December 2004

		Amount in Taka	
		2004	2003
viii)	Maximum total amount of investments, including temporary investments, granted during the year to companies or firms in which the directors of the bank are interested as directors, partners or managing agents or, in case of private companies, as members	-	-
ix)	Due from other banking companies	-	-
x)	Classified investments against which profit not charged:	255,022,436	21,216,947
a)	Increase/(decrease) of provision (specific)	134,603,250	84,154,418
	Amount of written off investments	-	-
	Recovery against the investment which was previously written off	-	-
b)	Provision against the investment classified as bad/loss at the date of balance sheet	151,752,764	17,149,514
c)	Amount of profit charged in suspense account	27,182,470	10,816,475
xi)	Investments written off:		
	Current year	-	-
	Cumulative to date	2,016,649	2,016,649
	Suit filed to recover written off investment	2,016,649	2,016,649
<b>Maturity grouping of bills discounted and purchased</b>			
Within one month		433,178,964	425,155,179
More than one month but less than three months		397,662,824	423,801,888
More than three months but less than six months		409,181,257	114,468,681
More than six months		86,696,211	1,103,319
		1,326,719,256	964,529,067
<b>Listing of assets pledged as security/collaterals</b>			
<u>Nature of the secured assets</u>			
Fixed assets		20,805,105,424	11,454,291,880
Cash and quasi cash		1,619,875,670	2,599,609,040
Others		3,748,790,298	2,180,252,717
		26,173,771,392	16,234,153,637



# Notes to the Financial Statements for the year ended 31 December 2004

## 8. Fixed assets

Category of assets	Cost				Rate of dep.	Depreciation				Written down value at 31 December 2004
	Balance at 1 January 2004	Additions during the year	Disposals during the year	Balance at 31 December 2004		Balance at 1 January 2004	Charged for the year	Adjustments for disposals	Balance at 31 December 2004	
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka	Taka
Furniture and fixtures	25,134,667	4,489,160	(116,479)	29,507,348	10	6,260,551	2,842,349	(134,469)	8,968,431	20,538,917
Office equipment	62,375,878	25,736,056	(4,673,944)	83,437,990	15	16,751,657	8,280,583	(52,412)	24,979,828	58,458,162
Interior decoration	76,325,437	13,768,634	-	90,094,071	10	16,361,594	6,844,334	-	23,205,928	66,888,143
Vehicles	6,941,932	3,825,000	(736,824)	10,030,108	20	3,793,661	1,679,194	(221,048)	5,251,807	4,778,301
Books	190,774	73,394	-	264,168	20	76,738	28,265	-	105,003	159,165
Total 2004	<u>170,968,688</u>	<u>47,892,244</u>	<u>(5,527,247)</u>	<u>213,333,685</u>		<u>43,244,201</u>	<u>19,674,725</u>	<u>(407,929)</u>	<u>62,510,997</u>	<u>150,822,688</u>
Total 2003	<u>138,389,856</u>	<u>35,232,540</u>	<u>(2,653,708)</u>	<u>170,968,688</u>		<u>27,406,815</u>	<u>17,053,433</u>	<u>(1,216,047)</u>	<u>43,244,201</u>	<u>127,724,487</u>



		Amount in Taka	
		2004	2003
<b>9. Other assets</b>			
Stationery and stamps		5,224,122	5,049,638
Advances and deposits (note 9.1)		792,022,305	490,972,266
Suspense account (note 9.2)		93,146,151	123,777,069
Profit receivable		1,077,202	17,647,392
Prepaid expenses		10,750	344,810
Other receivables		17,946,355	33,905,350
		<u>909,426,885</u>	<u>671,696,525</u>
<b>9.1 Advances and deposits</b>			
Advances:			
Office rent		27,443,460	32,101,843
Godown rent		8,116,720	3,842,992
Insurance premium		1,550,916	1,287,770
Corporate tax		753,135,694	451,883,681
		<u>790,246,790</u>	<u>489,116,286</u>
Deposits:			
Telephone deposit		1,775,515	1,855,980
		<u>792,022,305</u>	<u>490,972,266</u>
<b>9.2 Suspense account</b>			
EDF loan receivable from Bangladesh Bank		81,274,256	113,053,884
Advance against new branches		2,617,940	3,157,505
Advance against salary		248,000	11,000
Non-performing assets:			
Preliminary expense		-	127,602
Suspense account ID (Note 9.2.1)		1,028,930	2,590,561
		<u>1,028,930</u>	<u>2,718,163</u>
Others		7,977,025	4,836,517
		<u>93,146,151</u>	<u>123,777,069</u>

## 9.2.1 Suspense account ID

Tk 1,028,930 represents outstanding unreconciled balances of Nostro Accounts.



# Notes to the Financial Statements for the year ended 31 December 2004

		Amount in Taka	
		2004	2003
<b>10. Deposits and other accounts</b>			
Deposits from banks		206,726,385	1,928,123,000
Deposits from other than banks		18,871,449,404	13,314,845,405
		<u>19,078,175,789</u>	<u>15,242,968,405</u>
<b>10.1 Maturity grouping of deposits</b>			
a) From banks:			
Payable on demand		8,612,227	840,802,870
Not more than one month		198,114,158	287,320,130
More than one month but not more than six months		-	800,000,000
More than six months but not more than one year		-	-
More than one year but not more than five years		-	-
More than five years but not more than ten years		-	-
		<u>206,726,385</u>	<u>1,928,123,000</u>
b) From other than banks:			
Payable on demand		2,263,310,903	1,486,271,460
Not more than one month		1,697,384,049	1,292,341,371
More than one month but not more than six months		4,641,397,000	2,084,146,000
More than six months but not more than one year		5,553,500,000	1,358,675,574
More than one year but not more than five years		1,463,061,452	3,248,652,000
More than five years but not more than ten years		3,252,796,000	3,844,759,000
		<u>18,871,449,404</u>	<u>13,314,845,405</u>
		<u>19,078,175,789</u>	<u>15,242,968,405</u>
<b>11. Other liabilities</b>			
Provision for classified investments (note 11.1)		166,278,075	45,040,317
Provision for unclassified investments (note 11.2)		188,222,761	119,291,308
Profit suspense account (note 11.3)		27,182,470	10,816,475
Provision for employees social securities-superannuation fund		1,000,000	1,000,000
Expenses for EXIM Bank Foundation		12,081,077	12,127,640
Provision for incentive bonus		36,106,045	18,659,454
Provision for corporate tax (note 11.4)		773,577,168	509,737,129
Provision for audit fees		175,000	150,000
Provision for diminution in value of shares		-	11,121,560
Profit payable		303,861,918	220,259,816
Profit payable on investment		1,650,259,442	21,804,076
Advance Profit on treasury bills		-	517,610,145
Accrued expenses payable		1,293,200	1,377,272
Exchange equalisation account		4,209,449	4,209,449
Tax/VAT deducted at source		11,272,867	13,242,845
Interbranch adjustment account (Note 11.5)		694,081,438	383,868,455
Excise duty		6,272,538	6,829,825
Compensation realisable account		369,786	-
Compensation realisation account		1,327,688	269,138
		<u>3,877,570,922</u>	<u>1,897,414,904</u>



## Notes to the Financial Statements for the year ended 31 December 2004

	Amount in Taka	
	2004	2003
<b>11.1 Provision for classified investments</b>		
Balance at 1 January	45,040,317	1,070,000
Fully provided investments written off during the year	-	-
Realisation of investments previously written off	-	-
Specific provision for the year	121,237,758	43,970,317
Provision no more required for investments realised	-	-
Net charge in profit and loss account	-	-
Balance at 31 December	166,278,075	45,040,317
<b>11.2 Provision for unclassified investments</b>		
Balance at 1 January	119,291,308	79,107,207
1% General provision for the year	68,931,453	40,184,101
Balance at 31 December	188,222,761	119,291,308
<b>11.3 Profit suspense account</b>		
Balance at 1 January	10,816,475	429,182
Profit credited during the year to suspense account	16,365,995	10,387,293
Balance at 31 December	27,182,470	10,816,475
<b>11.4 Provision for corporate tax</b>		
Balance at 1 January	509,737,129	248,421,779
Provision made for the year	263,840,039	223,715,350
Adjustment for short/(excess) provisions made in earlier years	-	37,600,000
Balance at 31 December	773,577,168	509,737,129

Assessment for the year 2003 (assessment year 2004-2005) has been completed by the assessing officer. Assessed tax exceeded the provision made in the accounts by Tk 13.18 million. The assessment is under appeal with the Commissioner of Taxes (Appeals).

Assessment for the year 2002 (assessment year 2003-2004) has been completed by the assessing officer. First appeal for the assessment year has been disposed of in October 2004 upholding the assessment made by the assessing officer. Assessed tax exceeded the provision by Tk 14.58 million.

Assessments for the years 2000 (assessment year 2001-2002) and 2001 (assessment year 2002-2003) are under appeal with the High Court preferred by the bank. The disputed tax aggregating to Tk 20.44 million in respect of the years 2000 and 2001 represents tax on 1% general provision on unclassified investments which was claimed as allowable expenses by the bank.

### 11.5 Interbranch adjustment account

The amount of Tk 694,081,438 represents net balance outstanding against 952 interbranch and head office transactions originated but not responded by the balance sheet date. However the unrespondent entries at 31 December 2004 has subsequently been responded. Most of the unresponded entries were originated between November-December 2004.



# Notes to the Financial Statements for the year ended 31 December 2004

		Amount in Taka		
		2004	2003	
12.	Share capital			
12.1	Authorised:			
	<u>10,000,000</u> ordinary shares of Tk 100 each	1,000,000,000	1,000,000,000	
12.2	Issued, subscribed and paid up:			
	3,138,750 ordinary shares of Tk 100 each issued for cash	313,875,000	313,875,000	
	<u>3,138,750</u> ordinary shares issued through IPO of Tk 100 each	313,875,000		
	<u>6,277,500</u>	627,750,000	313,875,000	
12.3	Capital adequacy			
	Total assets of the bank	24,355,751,451	17,888,657,386	
	Total risk weighted assets	16,780,638,500	12,026,945,000	
	Required capital @ 9% of risk weighted assets	1,510,257,466	1,082,426,000	
	Capital held:			
	Core capital	1,400,004,740	748,274,177	
	Supplementary capital	192,432,210	123,500,757	
		1,592,436,950	871,774,934	
	Surplus/(deficit)	82,179,484	(210,651,066)	
	Percentage of capital held against risk weighted assets	9.49%	7.25%	
12.4	Percentage of shareholdings at 31 December 2004			
		No. of shares	% of holdings	
	Sponsors	3,138,750	50%	
	General public	3,138,750	50%	
		6,277,500	100%	
12.5	Range-wise shareholdings as on 31 December 2004 are as follows:			
	Range of holding of shares	No. of share holders	% of holding of shares	No. of shares
	Less than 500	17,068	16.25	1,019,885
	500 to 5,000	467	9.56	600,390
	5,001 to 10,000	20	2.44	152,900
	10,001 to 20,000	14	2.88	180,950
	20,001 to 30,000	7	2.52	158,000
	30,001 to 40,000	11	6.05	380,010
	40,001 to 50,000	3	2.08	130,705
	50,001 to 100,000	10	10.60	665,320
	100,001 to 1,000,000	17	47.62	2,989,340
	Over 1,000,000	-	-	-
		17,617	100.00	6,277,500



# Notes to the Financial Statements for the year ended 31 December 2004

		Amount in Taka	
		2004	2003
<b>13. Proposed issue of bonus shares</b>			
Balance at 1 January	-	60,750,000	
Issue of bonus shares proposed during the year	251,100,000	-	
Bonus shares issued during the year	-	(60,750,000)	
Balance at 31 December	251,100,000	-	
<b>14. Share premium</b>			
Balance at 1 January	82,575,000	82,575,000	
Transferred to retained earnings for distribution of 40% cash dividend	(82,575,000)	-	
Through IPO 3,138,750 shares @ Tk 30 each	94,162,500	-	
Balance at 31 December	94,162,500	82,575,000	
<b>15. Dividend equalisation account</b>			
Balance at 1 January	-	-	
Addition during the year	62,775,000	-	
Balance at 31 December	62,775,000	-	
<b>Statutory reserve</b>			
Balance at 1 January	228,202,241	132,500,740	
Addition during the year	129,127,640	95,701,501	
Balance at 31 December	357,329,881	228,202,241	
This reserve is being created by transferring 20% of pre-tax profit.			
<b>Retained earnings</b>			
Balance brought forward	123,621,836	2,131,181	
Transfer from share premium	82,575,000	-	
40% cash dividend paid to the shareholders	(125,550,000)	-	
10% dividend distribution tax	(12,555,000)	-	
Transfer to dividend equalisation account	(62,775,000)	-	
Adjustment for (under)/over provision for tax made in earlier years	-	(37,600,000)	
Profit for the year	381,798,163	254,792,156	
Transfer to statutory reserve	(129,127,640)	(95,701,501)	
Proposed bonus shares	(251,100,000)	-	
Balance carried forward	6,887,359	123,621,836	



# Notes to the Financial Statements for the year ended 31 December 2004

		Amount in Taka	
		2004	2003
<b>18. Contingent liabilities and commitments</b>			
<b>a) Claims against the bank not acknowledged as debts</b>			
Money for which the Bank is contingently liable in respect of guarantee given favouring			
Directors		-	-
Government		-	-
Bank and other financial institutions		-	-
Others		859,399,747	521,386,572
		<u>859,399,747</u>	<u>521,386,572</u>
<b>b) Commitments</b>			
i) Documentary credit and short term business transactions		5,009,355,187	2,383,041,275
ii) Forward assets purchased and forward deposits		-	-
iii) Existing facilities, investment facilities and other commitments not accounted for:			
Less than one year		-	-
One or more than one year		-	-
iv) Spot and forward foreign exchange contract		-	-
v) Contract for other exchange		-	-
		<u>5,009,355,187</u>	<u>2,383,041,275</u>
<b>19. Income statement</b>			
<b>Profit:</b>			
Profit, discount and similar income		1,895,621,877	1,505,117,977
Dividend income		3,301,521	12,499,180
Fee, commission and brokerage		260,620,886	185,631,210
Gains less losses arising from dealing securities		-	-
Gains less losses arising from investment securities		68,447,677	9,510,404
Gains less losses arising from dealing in foreign currencies		331,869,173	184,470,321
Income from non-banking assets		-	-
Other operating income		74,325,865	54,696,256
Profit less losses on interest rate changes		-	-
		<u>2,634,186,999</u>	<u>1,951,925,348</u>
<b>Expenses:</b>			
Profit, fee and commission		1,426,769,064	1,121,475,865
Losses on investments		-	-
Administrative expenses		280,399,421	208,826,964
Other operating expenses		65,083,540	39,227,448
Depreciation on banking assets		26,127,561	19,733,147
		<u>1,798,379,586</u>	<u>1,389,263,424</u>
		<u>835,807,413</u>	<u>562,661,924</u>



# Notes to the Financial Statements for the year ended 31 December 2004

		Amount in Taka	
		2004	2003
<b>20. Investment income</b>			
Profit on investments		1,707,770,556	1,309,309,272
Profit on placement with other banks		109,980,897	81,610,102
Profit on foreign currency balances		2,532,444	5,162,048
		<u>1,820,283,897</u>	<u>1,396,081,422</u>
<b>21. Profit paid on deposits, borrowings, etc.</b>			
Profit on deposits		1,414,439,625	1,047,241,571
Profit on call borrowings		10,509,399	72,196,171
Profit paid on repo		559,697	1,871,326
Penal profit paid to Bangladesh Bank		2,901	-
		<u>1,425,511,622</u>	<u>1,121,309,068</u>
<b>22. Income from investment in shares/securities</b>			
Profit on treasury bills		75,337,980	108,978,863
Dividend on shares		2,002,721	6,379,680
Nominal value of bonus shares received		1,298,800	6,119,500
Profit on reverse repo		-	57,692
		<u>78,639,501</u>	<u>121,535,735</u>
<b>23. Commission, exchange and brokerage</b>			
Commission		260,620,886	185,631,210
Exchange		337,075,007	194,298,264
		<u>597,695,893</u>	<u>379,929,474</u>
<b>24. Other operating income</b>			
Service and other charges		74,325,865	54,678,753
Non-operating income		-	17,503
		<u>74,325,865</u>	<u>54,696,256</u>
<b>25. Salaries and allowances</b>			
Basic salary		67,280,850	57,035,343
Allowances		59,038,026	45,947,231
Provident fund		5,167,299	3,698,396
Bonus and exgratia		51,602,982	27,323,604
		<u>183,089,157</u>	<u>134,004,574</u>



# Notes to the Financial Statements for the year ended 31 December 2004

		Amount in Taka	
		2004	2003
<b>26.</b>	<b>Rent, taxes, insurance, lighting, etc.</b>		
	Rent and taxes	31,069,198	27,281,301
	Insurance	11,234,166	7,471,741
	Utilities	8,152,710	6,323,896
		<u>50,456,074</u>	<u>41,076,938</u>
<b>27.</b>	<b>Legal expenses</b>		
	Legal expenses	871,932	305,429
	Other professional fees	219,050	216,755
		<u>1,090,982</u>	<u>522,184</u>
<b>28.</b>	<b>Postage, stamp, telegram and telephone</b>		
	Telephone bill - Office	4,197,111	3,700,805
	Telephone bill - Residence	471,572	402,936
	Courier charge	9,473,500	7,305,986
	Telex bill	452,984	620,906
	SWIFT charge	4,383,078	2,538,264
	Fax charge	5,390	6,361
	Internet charge	46,850	26,248
	Postage charge	132,136	75,826
	Reuter charges	1,577,790	-
		<u>20,740,411</u>	<u>14,677,332</u>
<b>29.</b>	<b>Stationery, printing, advertisement, etc.</b>		
	Stationery and printing	9,928,276	5,528,160
	Computer consumable stationery	1,978,515	1,407,348
	Books and periodicals	246,762	264,820
	Advertisement	6,839,994	6,098,686
		<u>18,993,547</u>	<u>13,299,014</u>
<b>30.</b>	<b>Directors' fees</b>		
	Directors' fees (@ Tk 2,500 per meeting)	3,130,000	2,347,500
	Directors' travelling expenses	-	266,172
		<u>3,130,000</u>	<u>2,613,672</u>



		Amount in Taka	
		2004	2003
<b>31. Depreciation on and repairs to Bank's property</b>			
Depreciation:			
Furniture and fixtures	2,842,349	1,937,140	
Office equipment	8,280,583	6,676,146	
Interior decoration	6,844,334	6,609,382	
Vehicles	1,679,194	1,809,865	
Books	28,265	20,900	
	19,674,725	17,053,433	
Repairs and maintenance	6,452,836	2,679,714	
	26,127,561	19,733,147	
<b>32. Other expenses</b>			
Exchange loss	7,705,834	9,827,943	
Discount and commission paid	1,257,442	166,797	
Charges of banks	757,333	352,281	
Security services	5,571,811	4,751,839	
Entertainment	6,742,220	4,403,046	
Car expenses	5,565,054	5,132,477	
Subscription	914,433	1,154,815	
Expenses for ESSS fund	1,000,000	1,000,000	
Expenses for EXIM Bank Foundation	8,831,215	12,127,640	
Donation	1,313,500	176,000	
Travelling expenses	2,820,388	1,767,366	
Conveyance, cartage, freight and labour	1,063,865	886,539	
Business development	1,517,031	2,300,302	
Welfare and recreation	205,359	247,977	
Training and internship expenses	961,711	1,130,589	
Liveries and uniform	298,785	184,690	
Medical expenses	67,384	90,779	
Miscellaneous expenses	2,324,976	2,193,292	
Meeting expenses	1,478,869	1,162,166	
Loss from sale of assets	3,381,300	325,161	
CDBL charges	308,249	-	
IPO expenses (note 32.1)	22,655,833	-	
	76,742,592	49,381,699	

## 32.1 IPO expenses

As per Bank Companies Act 1991, section 19 relating to public issue, IPO expenses must not exceed 2.5% of the total public issue (Tk 313,875,000). But due to overwhelming public support subscription collected through different bankers to the issue was almost 16 times (Tk 5,012 million) more than the offering. Therefore, only legislative bankers to the issue (0.25% of the amount received by each bank) commission exceeds 2.5% amount of the total public issue. However, public subscription generated more income than expenditure before finally refunded to the unsuccessful and partially successful applicants. As such the income was higher than the IPO expenses.



# Notes to the Financial Statements for the year ended 31 December 2004

		Amount in Taka	
		2004	2003
<b>33. Provision for investments</b>			
Provision for classified investments (Note 33.1)		121,237,758	43,970,317
Provision for unclassified investments (Note 33.2)		68,931,453	40,184,101
		<u>190,169,211</u>	<u>84,154,418</u>
<b>33.1 Provision for classified investments</b>			
Bad/loss		255,022,436	21,216,947
Doubtful		67,414,917	5,756,527
Substandard		102,356,016	271,057,379
		<u>424,793,369</u>	<u>298,030,853</u>
Provision required		166,278,075	45,040,317
Less: Provision made earlier		45,040,317	1,070,000
Provision made during the year		<u>121,237,758</u>	<u>43,970,317</u>
<b>33.2 Provision for unclassified investments</b>			
Total investments		19,332,436,073	12,289,120,176
Less: Classified		424,793,369	298,030,853
		<u>18,907,642,704</u>	<u>11,991,089,323</u>
Less: Staff loan		85,366,601	61,958,541
Base for provision for unclassified investments		<u>18,822,276,103</u>	<u>11,929,130,782</u>
1% provision required		188,222,761	119,291,308
Less: Provision made earlier		119,291,308	79,107,207
Provision made during the year		<u>68,931,453</u>	<u>40,184,101</u>



## 34. Audit Committee

In pursuance of the directives of the Bangladesh Bank vide BRPD Circular no.12 dated 23 December 2002, the Audit Committee was formed by the Board of Directors of the Bank consisting of the Board members w.e.f. 3 March 2003. As on 31 December 2004 following are the members of the Audit Committee:

Sl. no.	Name	Status with the committee	Educational qualification
i)	Mr. A.K.M. Nurul Fazal	Chairman	B. Com. (Hons), M. Com. (MG), LLB (DU)
ii)	Mr. Md. Altaf Hossain	Member	B.S.S. (Hons), M.S.S.
iii)	Mr. Zubayer Kabir	Member	BBA

During the year 2004, the Audit Committee of the Board conducted 6 (six) meetings in which among others, the following issues were discussed:

- Review of the comprehensive inspection report of Bangladesh Bank as on 30 June 2004.
- Review of internal audit report on different branches.
- Minimization of expenditure in all operational activities where possible.

## 34.1 Names of the directors and the entities in which they had interest as at 31 December 2004

Sl. no.	Name	Status with the bank	Name of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner etc.
1	Mr. Md. Nazrul Islam Mazumder	Chairman	Star Light Knitwear Ltd. Nassa Apparels Ltd. Sun Seeds Apparels Ltd. Kemiya Garments Industries Ltd. Nassa Apparels Ltd. Unit-2 Star Light Knitwear Ltd. Unit-2 Kemiya Apparels Ltd. Kemiya Washing Industries Ltd. Western Dresses Ltd. Western Dresses Ltd. Unit-2 Mum Garments Limited Nassa Wash Limited Nassa Embroidery Ltd.



## Notes to the Financial Statements for the year ended 31 December 2004

Sl. no.	Name	Status with the bank	Name of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner etc.
			Native Packages Ltd. Toy Woods (BD) Company Ltd. MNC Apparels Ltd. New World Apparels Ltd. Nassa Fashions Ltd. Nassa Taipei Textiles Mills Ltd. Feroza Garments Ltd. Bay Pacific Enterprise Ltd. Nassa Knit Ltd.
2	Mr. Md. Nazrul Islam Swapan	Director	Star Light Knitwear Ltd. Sun Seeds Apparels Ltd. Star Light Knitwear Ltd. Unit-2 Nassa Apparels Ltd. Nassa Apparels Ltd. Unit-2 Kemiya Garments Industries Ltd. Kemiya Apparels Industries Ltd. Kemiya Washing Industries Ltd. Western Dress Limited, Unit-1 Western Dresses Limited, Unit-2 Mum Garments Limited Nassa Wash Limited Nassa Embroidery Ltd. Native Packages Ltd. Toy Woods (BD) Company Ltd. MNC Apparels Ltd. New World Apparels Ltd. Nassa Fashions Ltd. Nassa Taipei Textile Mills Ltd. Feroza Garments Ltd. Bay Pacific Enterprise Ltd. Nassa Knit Ltd.
3	Mr. Md. Altaf Hossain	Director	Nassa Apparels Ltd. Nassa Apparels Ltd. Unit-2 Kemiya Apparels Ltd. Kemiya Washing Industries Ltd. Western Dresses Ltd. Unit-1 Western Dresses Ltd. Unit-2 Mum Garments Limited Nassa Wash Limited Nassa Embroidery Ltd. Native Packages Ltd. Toy Woods (BD) Company Ltd. MNC Apparels Ltd. New World Apparels Ltd. Nassa Fashions Ltd. Nassa Taipei Textiles Mills Ltd. Feroza Garments Ltd. Bay Pacific Enterprise Ltd. Nassa Knit Ltd.



## Notes to the Financial Statements for the year ended 31 December 2004

Sl. no.	Name	Status with the bank	Name of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner etc.
4	Mr. Md. Faiz Ullah	Director	Not Applicable
5	Mrs. Nasima Akhter	Director	MNC Apparels Ltd.
6	Engr. Aminur Rahman Khan	Director	Melody Garments Ltd. RM. Fashions Ltd. New World Apparels Ltd.
7	Mr. A.K.M. Nurul Fazal	Director	Al-Noor Corporation
8	Mr. Zubayer Kabir	Director	M/s Erebus Properties Ltd.
9	Mrs. Rizwana K. Riza	Director	Not Applicable
10	Mr. Md. Habibullah	Director	Auto Museum Ltd.
11	Mr. Md. Nur Hussain	Director	New Star Electronics
12	Mr. Anjan Kumar Saha	Director	G.A. Enterprise
13	Mr. Md. Abdul Mannan	Director	Bengal Bay Bangladesh Ltd.
14	Mr. Mohammed Lakiotullah	Managing Director	Not applicable

### 34.2 Related party transactions

Significant contracts where bank is a party and wherein directors have interest:

<u>Nature of contract</u>	<u>Purpose</u>	<u>Name of director and related by</u>	<u>Remarks</u>
Lease agreement with Engr. Aminur Rahman Khan	New Eskaton Branch	Mrs. Mamtaj Begum - Sponsor shareholder (Wife of Engr. Aminur Rahman Khan one of the directors of Bank)	The monthly rent is Tk 80,000 per month

As of the date of these financial statements the bank had no other transactions with the related party/(ies) as defined in the BRPD Circular no. 14 issued by Bangladesh Bank on 25 June 2003.

### 35. General

#### 35.1 Post balance sheet events

No material events had occurred after the balance sheet date to the date of issue of these financial statements, which could affect the values stated in the financial statements.

#### 35.2 Reconciliation of books of accounts

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

#### 35.3 Auditors work hour

The external auditor of the bank, Rahman Rahman Huq, Chartered Accountants worked about in excess of 1,100 man-hours at the bank's head office and different branches. During their audit, they have audited above 80% of the bank's risk weighted assets as on reporting date.



**35.4 Change of banking operation**

During the year the bank has changed its operation from conventional banking to Islamic banking based on Islamic Shariah. Due to changes in operating systems in the middle of the year, the amount shown under different account heads consists of both conventional banking for the first six months and Islamic banking for the second six months. The comparative figures shown for last year is as per conventional banking.

**35.5** Figures have been rounded off to the nearest taka.

**35.6** Previous year's figures have been rearranged, where necessary, to conform to current year's presentation.



# List Of Branches

## **Motijheel Branch**

Sharif Mansion  
56-57 Motijheel C/A, Dhaka-1000  
Tel. 9568093, 9568534, 9552800, 9554988  
Fax : 880-2-9569983

## **Panthapath Branch**

19/2 West Panthapath  
North Dhanmondi, Dhaka  
Tel. 8124261, 9145911  
Fax : 880-2-8126191

## **Agrabad Branch**

Mowla Chamber  
6 Agrabad C/A, Chittagong  
Tel. 031-715796, 031-715795  
Fax : 031-715796

## **Khatungonj Branch**

Union Square Building  
1078 Ramjoy Mohajan Lane  
Khatungonj, Chittagong  
Tel. 031-610711, 615544  
Fax: 031-615544

## **Gazipur Chowrashta Branch**

Nasir Super Market, Chandon, Gazipur  
1st floor, Gazipur  
Tel. 9256492-3  
Fax: 9256493

## **Imamgonj Branch**

Haji Abdul Kader Mansion  
1st & 2nd floor  
139 Chawak Mugaltoli  
Imamgonj, Dhaka  
Tel. 7315527-30  
Fax: 7315530

## **Gulshan Branch**

15 Gulshan Avenue  
Gulshan-10, Gulshan, Dhaka  
Tel. 9886296, 9862262  
Mobile : 0173-001542  
Fax: 880-2-8818703

## **Sonamuri Branch**

Sonamuria Super Market  
Sonamuri Bazar, Noakhali  
Mobile: 0171-885754, 0171-750610

## **Sylhet Branch**

Shilpa Shopping City  
Sylhet  
Tel. 880-722457-8, 724413  
Fax: 880-725070

## **Nawabpur Branch**

198/1, Nawabpur Road, Dhaka-1100  
Tel : 7125306-7  
Fax : 880-2-7125308

## **Narayangonj Branch**

14/1, S. M. Maleh Road  
Tan Bazar, Narayangonj  
Tel : 7610213-4, 7610215  
Fax : 7610215

## **Shimrail Branch**

Al-Haj A Rahman Super Market &  
Shopping Tower  
Chittagong Road Chowrasta  
Shimrail, Shiddirgonj, Narayangonj  
Tel : 7609672, 7609268, 7609673  
Mobile : 018-253283

## **Rajuk Avenue**

9, DIT Avenue  
Dhaka-1000  
Tel : PABX 9565397, 9556884  
9567115, 9555132  
Fax : 9555132

## **New Eskaton Branch**

27/1, New Eskaton Road, Dhaka.  
Tel : PABX 8314435, 8314159  
Fax : 9349196

## **Uttara Branch**

House # 61/A, Road # 7, Sector # 4  
Uttara Model Town, Dhaka  
Tel : PABX 8919785, 895237, 8952847  
Fax : 8952838

## **Laksham Branch**

Daulatgonj Bazar  
Laksham, Comilla  
Tel : 08032-333  
Mobile : 0171-726302, 0171-340109

## **Mirpur Branch**

Shreyasi Tower, 10 No. Crossing, Mirpur,  
Dhaka-1212  
Phone : 8056776, 8054226  
Fax: 8054226

## **Jubilee Road Branch**

63-64, Jubilee Road  
Enayet Bazar, Chittagong  
Phone : 611170  
Mobile : 0189-316868  
Fax: 031 611170

## **Elephant Road Branch**

218, Elephant Road  
Bata Signal, Dhaka-1205  
Phone : 9667097-8, 9667275  
Mobile : 0189-244534  
Fax : 880-2-9667267

## **Mawna Chowrasta Branch**

Kitab Ali Plaza, Mawna Chowrasta  
Sreepur, Gazipur  
Phone : 06825-52359  
Mobile : 011-883390, 011883408  
Fax : 52359

## **Bogra Branch**

Sheikh Mansion, Baragola, Bogra  
Phone : 051-60702-5  
Mobile : 0173-210313  
Fax : 051-60704

## **Jessore Branch**

37, M.K. Road, Jessore  
Phone : 0421-67980-3  
Mobile : 011-887537  
Fax : 67983

## **Malibagh Branch**

484, D.I.T Road, Dhaka-1217  
Phone : 9340444, 8319076  
Mobile : 0189-214681, 011-883853  
Fax : 9357057

## **Ashulia Branch**

Rifat Square Plaza  
Jamgara, Savar  
Mobile : 0173-040588

## **Proposed Branch -2005**

### **Ashugonj Branch**

Haji Jahirul Hoque Munshi  
Shopping complex  
Main Road, charchartalla  
Ashugonj, Brahmanbaria  
Phone : 0173-063433

### **Sat-masjid Road Branch**

47, Sat-masjid Road  
Dhanmondi, Dhaka

### **O.R. Nizam Road Branch**

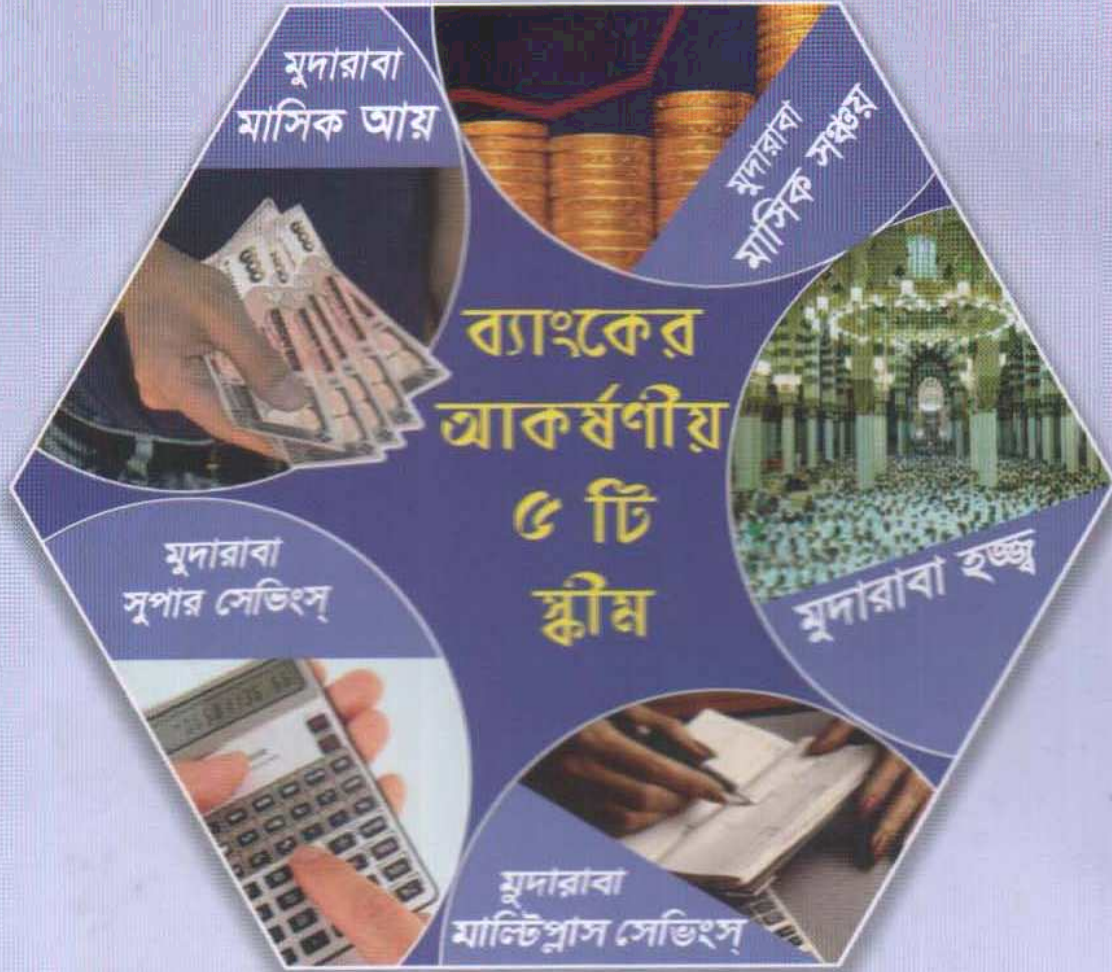
191 CDA Avenue, East Nasirabad  
Chittagong

### **Chowmohoni Branch**

60/231 D.B Road  
Chowmohoni, Noakhali

### **Comilla Branch**





কিছুটি তথ্যের জন্য এক্সিম ব্যাংকের যে কোন শাখায় যোগাযোগ করুন।



### Export Import Bank of Bangladesh Limited

Head Office : 5 Rajuk Avenue, Printers Building 5th, 6th, 10th & 13th Floor, Dhaka.

Tel : PABX : 9561604, Fax : 880-2-9556988

E-mail : [eximho@bdonline.com](mailto:eximho@bdonline.com)

SWIFT : EXBKBDH, Web : [www.eximbankbd.com](http://www.eximbankbd.com)



## PROXY FORM

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member of **EXPORT IMPORT BANK OF BANGLADESH LIMITED** (the "Company") do hereby appoint  
Mr./Mrs./Miss./Ms. \_\_\_\_\_  
of \_\_\_\_\_  
or failing him/her Mr./Mrs./Miss. /Ms. \_\_\_\_\_  
of \_\_\_\_\_  
as my/our proxy to attend and vote for me/us and on my/our behalf, at the **SIXTH ANNUAL GENERAL MEETING** of  
the Company to be held on Sunday, August 14, 2005 at 10:00 A.M. at Bangladesh-China Friendship Conference Centre, Sher-E-  
Banglanagor, Agargaon, Dhaka and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2005.

(Signature of the Proxy)

Affix  
Revenue  
Stamp of  
Tk.8.00

(Signature of the Shareholder)

BO ID/ AL No. \_\_\_\_\_

Dated \_\_\_\_\_

Dated \_\_\_\_\_

**Note:** Signature must be in accordance with specimen signature registered with Depository Participant(s)/ Company and must be deposited at the Registered Office of the Company at least 48 hours before the time fixed for the meeting.

**Signature Verified**

Authorized Signatory  
**Export Import Bank of Bangladesh**

Limited

## ATTENDANCE SLIP

I hereby record my attendance at the **SIXTH ANNUAL GENERAL MEETING** of the Company being held on Sunday,  
August 14, 2005 at 10:00 A.M. at Bangladesh-China Friendship Conference Centre, Sher-E-Banglanagor, Agargaon, Dhaka.

Name of Member/Proxy \_\_\_\_\_

Register Folio No./BO ID/ AL No. \_\_\_\_\_ holding of \_\_\_\_\_ ordinary

Shares of Export Import Bank of Bangladesh Limited.

**Signature**

1. Please present this Slip at the Reception Desk.
2. Please note that AGM can only be attended by the honourable shareholders or properly constituted Proxy/Attorney/Representative thereof. Therefore, any friend or children accompanying with honourable shareholder or Proxy/Attorney/Representative will not be allowed to the meeting.