



Trust Bank Limited

Corporate Head Office: Peoples Insurance Bhaban
36, Dilkusha C/A, Dhaka-1000, Phone: 02-9572012-13
Website: www.trustbank.com.bd



ANNUAL REPORT
2009



Contents



Mission, Vision and Values	2
Notice of AGM	4
Corporate information	6
Financial Highlights	7
Last Five Years	8
Board of Directors	10
Committees	12
Chairman's Report	14
Managing Director's Message	16
Economic Value Addition Report	18
External Environment Report	22
Directors' Reports	26
Risk Management Report	47
Corporate Governance Report	54
Report of Shariah Council	65
Aouditors' Reports & Financial Statements	66
Branch Network	118



Stepping towards vision

Vision

We aim to provide financial services to meet customer expectations so that customers feel we are always there when they need us, and can refer us to their friends with confidence. We want to be a preferred bank of choice with a distinctive identity.

Mission

Our mission is to make banking easy for our customers by implementing one-stop service concept and provide innovative and attractive products & services through our skilled and qualified human resources. We always look forward to benefit the local community through supporting entrepreneurship, social responsibility and economic development the country.



Values



This is
how we **grow**



ট্রাস্ট ব্যাংক লিমিটেড

রেজিস্টার্ড অফিস
৩৬ দিলকুশা বা/এ, ঢাকা-১০০০।

১১শ বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এতদ্বারা বিজ্ঞপ্তি প্রদান করা যাচ্ছে যে, ট্রাস্ট ব্যাংক লিমিটেড এর ১১শ বার্ষিক সাধারণ সভা নিম্নোক্ত বিষয়াবলী সম্পাদনকল্পে ২১শে জুন ২০১০, সোমবার সকাল ১০টায় বসুন্ধরা কনভেনশন সেন্টার, পুষ্পাঞ্জলি, উম্মে কুলসুম রোড, বারিধারা, ঢাকায় অনুষ্ঠিত হবে।

আলোচ্যসূচী

১. ৩১ ডিসেম্বর ২০০৯ তারিখে সমাপ্ত বছরের পরিচালকবৃন্দের প্রতিবেদন এবং কোম্পানীর নিরীক্ষিত আর্থিক বিবরণী ও নিরীক্ষকের প্রতিবেদন বিবেচনা ও গ্রহণ।
২. পরিচালনা পর্ষদের সুপারিশক্রমে ৩১ ডিসেম্বর ২০০৯ তারিখে সমাপ্ত বছরের জন্য লভ্যাংশ ঘোষণা।
৩. পরিচালকবৃন্দের নির্বাচন/পুনঃনির্বাচন।
৪. নিরীক্ষক নিয়োগ এবং তাঁদের পারিশ্রমিক নির্ধারণ।
৫. ১৯৮৪ সনের আয়কর অধ্যাদেশের ধারা ২৯ এর উপধারা(৫) এর বিধান অনুসারে ২০১০ সনে ব্যাংকের মুনাফা হতে অনধিক ৫% স্পেশাল রিজার্ভ ফান্ডে স্থানান্তর।

পরিচালনা পর্ষদের আদেশক্রমে

স্বাঃ/

কোম্পানী সচিব

১৫ মে ২০১০

দ্রষ্টব্যঃ

- সদস্যবহি/ডিপজিটরি রেজিস্টারে “রেকর্ড ডেট” অর্থাৎ ১৯ এপ্রিল ২০১০ তারিখে যে সকল সদস্যের নাম অন্তর্ভুক্ত ছিল, তাঁরা বার্ষিক সাধারণ সভায় যোগদানের ও লভ্যাংশ প্রাপ্তির যোগ্য হবেন।
- সাধারণ সভায় যোগদান ও ভোটদানের যোগ্য একজন সদস্য তাঁর পরিবর্তে যোগদান ও ভোটদানের জন্য একজন প্রক্সি নিয়োগ দিতে পারবেন।
- সঠিকভাবে পূরণকৃত ও ১০(দশ) টাকা ডাকমাসুলযুক্ত “প্রক্সি ফরম” কোম্পানীর রেজিস্টার্ড অফিসে বার্ষিক সাধারণ সভার ন্যূনতম ৪৮ ঘণ্টা পূর্বে জমা দিতে হবে।
- কোম্পানীর একজন কর্পোরেট শেয়ারহোল্ডার তার পরিচালনা পর্ষদের সিদ্ধান্তক্রমে যেকোন ব্যক্তিকে প্রতিনিধি হিসেবে বার্ষিক সাধারণ সভায় যোগদান ও ভোটদানের ক্ষমতা প্রদান করতে পারবেন। উক্ত সিদ্ধান্তের অনুলিপি বার্ষিক সাধারণ সভার ন্যূনতম ৭২ ঘণ্টা পূর্বে কোম্পানীর রেজিস্টার্ড অফিসে জমা দিতে হবে।
- বার্ষিক সাধারণ সভায় যোগদানের জন্য সদস্যগণ/প্রক্সিগণকে বার্ষিক প্রতিবেদনের সঙ্গে প্রেরিত “উপস্থিতি পত্র” সঠিকভাবে পূরণ করে সাথে আনতে হবে।
- সদস্যগণ/প্রক্সিগণকে ২১শে জুন ২০১০ তারিখে সময়মত তাঁদের উপস্থিতি লিপিবদ্ধ করার জন্য অনুরোধ করা যাচ্ছে। বেলা ১০টার পর কোন উপস্থিতি লিপিবদ্ধ করা হবে না।
- যদি কোন সদস্য ডাকযোগে প্রেরিত বার্ষিক প্রতিবেদন না পেয়ে থাকেন, তবে উক্ত বার্ষিক প্রতিবেদন ১৭ জুন ২০১০ তারিখের মধ্যে কোম্পানীর রেজিস্টার্ড অফিস থেকে সংগ্রহ করতে পারবেন। বার্ষিক সাধারণ সভাস্থলে কোন বার্ষিক প্রতিবেদন বিতরণ করা হবে না।
- সদস্যগণকে তাঁদের ব্যাংক একাউন্ট এবং ঠিকানার যেকোনো পরিবর্তন তাঁদের নিজ নিজ ডিপজিটরি পার্টিসিপেন্ট (ডিপি) এর মাধ্যমে হালনাগাদ করার জন্য অনুরোধ করা যাচ্ছে।



Registered Office : Peoples Insurance Bhaban
36, Dilkusha C/A, Dhaka-1000, Bangladesh

NOTICE OF THE 11TH ANNUAL GENERAL MEETING

Notice is hereby given that the 11th annual general meeting of the Members of Trust Bank Limited will be held on Monday, 21 June 2010 at 1000 hours at Bashundhara Convention Center, "Pushpanjali" Block-G, Umme Kulsum Road, Bashundhara Residential Area, Baridhara, Dhaka to transact the following businesses and adopt necessary resolutions.

AGENDA

1. To receive, consider and adopt the profit & Loss Account of the Company for the year ended on 31 December 2009 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon;
2. To declare dividend as recommended by the Board of directors;
3. To elect /re-elect Directors in accordance with the provisions of the Articles of Association of the Company.
4. To appoint Auditors of the Company for the term until conclusion of the next annual general meeting and to fix their remuneration.
5. To transfer an amount not exceeding 5% of total income (as defined in Income Tax Ordinance, 1984) of financial year 2010 to Special Reserve Fund in accordance with Sub-section (v) of Section 29 of Income Tax Ordinance, 1984.

By the order of the Board of Directors

Sd/-

Company Secretary

Dated: 15 May 2010

Notes:

- a) Members, whose names appeared in the Register of Members of the Company or in the Depository on the Record Date (19 April 2010) will be eligible to attend AGM and receive bonus shares.
- b) Any Member of the Company entitled to attend and vote at the general meeting may appoint a proxy to attend and vote on his/her behalf.
- c) The instrument appointing a proxy duly signed by the Member and stamped (of Tk.10/-) must be submitted at the Registered Office of the Company at least 48 (forty-eight) hours before the meeting.
- d) A corporate member of the Company may nominate, by virtue of a decision of its Board of Directors, any person to attend and vote at the AGM. Such decision must be submitted at the registered office of the Company at least 72 hours before the AGM;
- e) Admission into the venue of the meeting will be allowed on production of attendance slip attached with the proxy form.
- f) Members are requested to register themselves for attending the meeting in time and the registration counters will close at 10.00 a.m.
- g) In case of non-receipt of annual report sent via courier service, members may collect the same from the Company's registered office within 17 June. No annual report will be distributed at the AGM venue.
- h) Members are advised to update change of address and bank account (if any) through their respective Depository Participants.



Corporate Information

Registered Name of the Company Trust Bank limited

Legal Form

The company was incorporated on 17 June 1999 under the Companies Act 1994 as a public company limited by shares for carrying out all kinds of banking activities.

Registration Number & Date	C-37960 (2260)/99, 17 June 1999
Sponsor Shareholders	Army Welfare Trust
Certificate of Incorporation Received on	17 June 1999
Certificate of Commencement of Business Received on	17 June 1999
Banking Licenses Received on	15 July 1999
First Branch Licenses Received on	9 August 1999
Formal Inauguration on	29 November 1999
Corporate Web Site	www.trustbank.com.bd
Email	info@trustbanklimited.com

Initial Public Offering

Publication of Prospectus	17 May 2007
Subscription Opening	15 July 2007
Subscription Closing	19 July 2007
Listed With Dhaka Stock Exchange (DSE) on	25 September 2007
Listed with Chittagong Stock Exchange (CSE) on	24 September 2007
Commencement of Trading of Shares at DSE	01 October 2007
Commencement of Trading at CSE	01 October 2007

Company Secretary

Mr. Farhad Uddin

Auditors

Howlader Yunus & Co., Chartered Accountants
67 Dilkusha C/A, Dhaka-1000









Tax Consultant

M/S ADN Associates
Kaizuddin Tower (8th floor), 47 Bijoy Nagar, Dhaka-1000

Registered Office & Head Office

Peoples Insurance Bhaban, 36 Dilkusha C/A, Dhaka-1000
Tel: 9570261, 9570263, 9572012-3, Fax: 880-2-9572315

Financial Highlights-2009

+47% 		+18.65% 	
Total Deposits		Loans & Advances	
2008	2009	2008	2009
32,919.76 Million	48,464.64 Million	27,528.08 Million	32,663.11 Million
+10.80% 		86.32% 	
Interest Income		Non-interest Income	
2008	2009	2008	2009
3,634.65 Million	4,027.20 Million	833.69 Million	1,553.67 Million
8.46% 		+32% 	
Operating Profit		Net Profit	
2008	2009	2008	2009
1,252.44 Million	1,358.35 Million	463.05 Million	610.91 Million
40.67% 		30.36% 	
Total Assets		Shareholders' Equity	
2008	2009	2008	2009
54,206.65 Million	38,534.72 Million	3,754.87 Million	3,119.65 Million

Other Information

Particulars	2009	2008
Number of Branches	42	37
Number of SME/AGRI Branches	4	-
Number of Employees	1041	979
Return on Average Assets	1.13%	1.20%
Return on Average Shareholders' Fund	17.59%	17.56%
Credit Deposit Ratio	67.40%	83.62%
Cost of Fund	7.88%	7.84%
Cost Income Ratio	75.66%	71.97%
Non Performing Loan	2.64%	2.52%
Earning Per Share	33.06	31.96
Dividend Payout Ratio	60.50%	62.57%
Price Earning Ratio	7.62%	7.18%



Last **Five Years**



Balancing **growth** with priority

Particulars	2009	2008	2007	2006	2005
Operating Results (Taka in million)					
Total Operating Income	2,767.67	2,006.11	1,328.66	844.19	511.46
Total Operating Expense	1,109.31	753.67	474.95	297.29	215.19
Operating Profit	1,358.35	1,252.44	853.71	546.90	296.27
Provision For Loans, Investment and Other	207.78	262.97	273.94	39.20	69.98
Profit Before Tax	1,150.57	989.47	579.77	507.70	226.29
Profit After Tax	610.91	463.05	239.03	263.16	121.29
Financial Position					
Authorized Capital	5,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Paid-Up Capital	1,848.00	1,540.00	1,166.67	500.00	500.00
Total Shareholders' Equity	3,754.87	3,119.65	2,154.29	1,155.00	991.97
Deposits	48,464.64	32,919.76	27,101.59	18,985.95	12,704.90
Loans And Advances	32,663.11	27,528.08	18,682.16	13,188.09	9,738.32
Total Liabilities	50,451.78	35,355.99	28,227.93	19,905.77	13,790.18
Investments	8,705.61	4,962.66	3,785.45	3,122.81	2,447.95
Fixed Assets	381.92	342.39	194.22	146.05	110.62
Earning Assets	49,000.50	34,475.64	27,636.29	18,608.06	13,708.73
Total Assets	54,206.65	38,475.64	30,382.22	21,060.77	14,782.15
Other Business					
Import	23,680.00	16,660.98	13,816.16	11,483.00	9,746.00
Export	12,770.00	6,078.79	3,980.87	2,884.00	2,911.00
Foreign Remittance	8,669.00	5,788.87	2,532.98	765.00	535.20
Guarantee Issued	1,527.64	847.70	1,114.84	726.51	1,627.29
Capital Measures					
Total Risk Weighted Assets	33,297.68	27,362.42	19,573.21	14,075.99	8,925.76
Core Capital (Tier-I)	3,632.30	3,045.37	2,092.89	1,155.00	991.97
Supplementary Capital (Tier-II)	583.68	459.07	297.73	155.95	123.10
Total Capital	4,215.98	3,504.44	2,390.62	1,310.95	1,115.07
Tier-I Capital Ratio	10.91%	11.13%	10.69%	8.21%	11.11%
Tier-II Capital Ratio	1.75%	1.68%	1.52%	1.11%	1.38%
Total Capital Ratio	12.66%	12.81%	12.21%	9.32%	12.49%
Credit Quality					
Non-Performing Loans	860.72	693.28	506.65	174.37	128.97
% Non-Performing Loans	2.65%	2.52%	2.71%	1.32%	1.32%
Share Information					
Market Price Per Share	434.00	445.00	929.25	-	-
Earning Per Share	33.06	31.96	28.37	52.63	24.26
Price Earning Ratio	13.13	13.92	32.75	-	-
Net Asset Per Share	203.19	202.57	184.60	231.00	198.39
Other Information					
Cost Income Ratio	75.66%	71.97%	73.93%	75.32%	79.49%
Return on Average Equity	17.59%	17.56%	14.45%	24.51%	13.02%
Return on Average Assets	1.13	1.20	0.79	1.24	0.82
No of Branches	42	37	31	26	18
No of SME/AGRI Branches/Centers	4	-	-	-	-



Board of **Directors**



Leading
all the way



Chairman

General Md Abdul Mubeen, ndc, psc



Vice Chairman

Maj Gen A T M Shahidul Islam, ndu, psc



Director

Brig Gen Md Nazrul Hasan



Director

Brig Gen K A R M Mostafa Kamal, ndc, psc



Director

Brig Gen Tushar Kanti Chakma, ndc, psc



Director

Begum Rokeya Din



Director

Mr. Helal Uddin Ahmed



Managing Director

Mr. M Shah Alam Sarwar



Committees



Busy to **boost up**
stakeholders' interest



Executive Committee

Maj Gen A T M Shahidul Islam, ndu, psc	Chairman
Brig Gen KARM Mostafa Kamal, ndc, psc	Member
Brig Gen Tushar Kanti Chakma, ndc, psc	Member
Begum Rokeya Din	Member
Mr. M Shah Alam Sarwar, Managing Director	Member



Audit Committee

Brig Gen Md Nazrul Hasan	Convener
Brig Gen K A R M Mostafa Kamal, ndc, psc	Member
Begum Rokeya Din	Member



Management Committee

Mr. M Shah Alam Sarwar	Managing Director
Mr. Ishtiaque Ahmed Chowdhury	Deputy Managing Director
Mr. Saaduddin Ahmed	Executive Vice President
Mr. Abu Zafar Hedaytul Islam	Executive Vice President
Mr. Shahud Ahmed	Senior Vice President
Mr. Md. Ahsan Ullah	Senior Vice President
Mr. Goutam Prosad Das	Senior Vice President
Mr. S M Akram Sayeed	Senior Vice President
Mr. Farhad Uddin	VP & Company Secretary
Mr. Khaled Mahbub Morshed	Vice President



Chairman's Report



Dear Shareholders,

I am pleased to welcome you all to the eleventh Annual General Meeting of the Bank. I would like to express my thanks and profound gratitude to you all for your continued support and trust that you have reposed in us.

The year 2009 was challenging for all of us due to global economic crisis. In the early part of the year, the global economy was in a severe recession inflicted by a massive financial crisis and an acute loss of confidence. However, although we are not insulated, Bangladesh economy was able to manage to ward off the global impact and maintained a commendable resilience by registering 5.9 percent GDP Growth in FY 2008-09. FY2009-10 started its journey at a time when lagged impact of the crisis, as apprehended, was becoming evident. Hence, a lower growth target of 5.5-6.0 percent was fixed for FY 2009-10 in view of the emerging challenge.

Despite the challenges from crisis in the global economy and the shock of crisis on domestic economy, Trust Bank recorded a solid year of performance in 2009. The Bank, with untiring efforts and dedication of Board of Directors, Management and Employees, recorded deposits of Taka 48,464.64 million and loans and advances of Taka 32,663.11 million in 2009, registering growth of 47 percent and 18.65 percent respectively over preceding year. The operating performance of the Bank was also noteworthy showing net profit after tax of Taka 610.91 million recording a growth of 32 percent over preceding year. With opening of 5 new branches and 4 SME/Agri branches in 2009, our Bank's network has widened to 42 branches and 4 SME/Agri branches, spreading to both urban and rural business strategic areas.

Our achievement in retail banking, merchant banking, Islamic banking, SME financing in terms of growth and diversification was commendable in the year 2009. We have achieved very impressive growth in foreign remittance. Total foreign remittance during the year was Taka 8,669 million against Taka 5,789 million in 2008 registering a growth of 50 percent. Our endeavor to boost up foreign remittance includes signing contract with many world-renowned money transfer companies including Western Union, one of the largest of its kinds. We also have made strategic alliance with Shakti Foundation for Disadvantaged Women, one of the largest MFIs for distribution of foreign remittance remitted through Western Union.

You are aware that in 2009, the Bank entered into a new regime of banking reform, i.e. Basel Capital Accord II. In line with the stipulations of Basel Capital Accord, Bangladesh Bank has fixed up minimum paid up capital plus statutory reserve for scheduled banks at Taka 4000 million, which must be attained by 11 August 2011. Bangladesh Bank imposed a restriction on payment on cash dividend until the required minimum capital is attained. The Board of Directors has drawn up road map to reach Taka 4000 million within stipulated time. As part of the road map, the Board of Directors has recommended a moderate 20% bonus shares out of share premium, and balance if any, out of retained earnings for the year 2009. Under the Basel II requirement, minimum paid up capital should be Taka 2000 million. We intend to maintain the paid-up capital at this level or marginally over the minimum requirement. This will help us give good dividend to the shareholders in future.

The Board of Directors, above many aspects, puts its emphasis on the Bank to be a compliant organization in all its actions. You will agree with me that a compliant organization is less susceptible to various risks emanating from internal and external shocks. We do not encourage making quick profit at the cost of compliance, integrity, and transparency in management. We encourage earning a sustainable profit that will ensure strong position of the Bank in the long run. To ensure compliance of applicable laws, rules, and regulations, risk based audits are conducted depending on risk analysis of branches or divisions of Head Office. Moreover, Board Audit Committee has an Auditor who reviews the internal audit report and conducts audit in branches, if it is felt necessary.

As you know, good corporate governance system is vital for efficient and effective utilization of business resources, business operation, long-term stability and sustainable growth for any organization. The corporate governance system of the Bank has been designed to ensure transparency and accountability at all levels in doing business. The Board provides leadership and direction for the management, approves strategic and major policy decisions and oversees management to attain goals and objectives of the Bank.

Dear partners in progress,

I would like to assure you that the Bank is well positioned to meet the challenges of the coming years and will continue to strive to innovate and capture greater market share to retain existing growth momentum. Bank's wide spectrum of products and services will support us in this endeavor. The Bank will continue to harness these potentials in retail banking, merchant banking, SME financing, and remittance market.

In this opportunity, I would like to express my gratitude to the Government of Bangladesh, Bangladesh Bank, Securities and Exchange Commission, office of the Registrar of Joint Stock Companies and Firms, the Stock Exchange for their continued support and guidance in our quest for excellence. I would also like to express my thanks to all valued clients, patrons, well wishers, shareholders and all employees for their continued support and cooperation, without which the Bank would not be able to achieve its present position. I am also thankful to our Auditors and Tax Consultants for their valued service. My appreciation also goes to my fellow members in the Board of Directors of the Bank for their generous assistance, guidance and thoughtful leadership in bringing every success for the Bank.

With best regards,



Gen Md Abdul Mubeen, ndc, psc
Chairman



From the Desk of the **Managing Director**



I take the opportunity to present a round up of the business and financial results we achieved during the year 2009 before our respected shareholders. The Bank celebrated its 10th anniversary in the year 2009 with consistent growth in all business indicators. The growth is a reflection of customer-focused strategy adopted by the Board of Directors as well as your unwavering support and cooperation for implementation of those.

Financial statements of 2009 bear testimony to the Bank's continuing performance and sound health. Operating results showed that, total deposits of the Bank grew by 47 percent to Taka 48,464.64 million in 2009 from Taka 32,919.76 million in 2008. Loans and advances stood at Taka 32,663.11 million at the end of 2009 as against Taka 27,528.08 million in the year 2008, posting a growth of 18.65 percent. The Bank earned operating profit of Taka 1,358.35 million in 2009 compared to Taka 1,252.44 million in the preceding year. Net income rose by 32 percent to Taka 610.90 million from Taka 463.05 million in 2008. Our income from investment and other fee-based income increased significantly by 86.32% from Taka 833.69 million in 2008 to Taka 1,553.29 million in 2009.

In 2009, total assets reached Taka 54,206.65 million from Taka 38,534.72 million in 2008 showing a growth of 40.67 percent. In the year, total capital stood at Taka 4,215.98 million maintaining capital adequacy ratio at 12.66 percent of total risk weighted assets against minimum requirement of 10 percent. Earning per share and return on equity stood Taka 33.06 and 17.59 percent respectively in 2009 compared to Taka 31.96 and 17.56 percent respectively in 2008.

The Bank achieved significant growth in merchant banking operation where net income before taxes of this segment stood at Taka 323.58 million in 2009 from net loss of Taka 22.99 million in 2008. As a part of developing our business in merchant banking operation, we have a plan to expand merchant banking services at various locations of the country. While expanding this business we also are building risk management processes to give it sustainability over adverse business cycles. To support the growth of SME financing, four SME/Agri branches dedicated to full-fledged SME business were opened in 2009. Our network is expected to reach 59 locations through branches and SME/Agri branches at the end of 2010.

High quality and competent human resource base is crucial to continued growth and success. The Bank focuses on attracting, developing and engaging best talents. Our commitment is to build on environment of meritocracy through fair recruitment and engagement policies. The recruitment process of the Bank is devised to ensure that the best talents of the country get career opportunity in this Bank. The Bank started recruiting Management Trainee Officers (MTOs) from 2008 and second batch of MTOs was also recruited in 2009. A number of experienced hands were also recruited to fill up vacancies during the year 2009. Besides, the executives and officers were imparted training at regular intervals home and abroad to build a team of skilled work forces.

Our key objective in 2010 is to retain sustainable and solid growth in all the areas of core banking businesses comprising deposits, loans and advances, import and export ensuring customer satisfaction through faster and better services. To increase the profitability of the Bank, emphasis will be on attracting low cost deposit

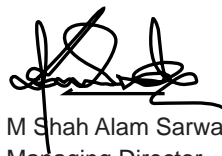
and making change in current FDR driven deposit portfolio. Our special focus will be given on expanding business in merchant banking and SME financing. We have already signed an outsourcing agreement in 2010 with Enterprise Development Company Ltd. for financing alternative energy sources such as bio-gas plant and to delivery other SME business to the rural sector. We will lay foundation for robust IT system, alternative delivery channel and a robust risk management process of engaging meritocracy driven human resource management system.

We are committed as ever to enhance our service quality and bond relationship with our clients. On behalf of Management, I am expressing my sincere thanks and gratitude to the members of the Board of Directors for their policy guidelines and adequate support to the management to implement those. An optimum mixture of Board's support and management's diligent discharge of responsibility made Trust Bank a unique institution in the country. We pledge our commitment to build on this further and take Trust Bank to its new heights of success while complying strictly with all regulatory and internal requirements.

On the occasion of 11th Annual General Meeting, I would like to extend my heartfelt thanks to the respected shareholders and all other stakeholders for the trust and confidence that you have reposed in the Management of the Bank.

Last but not the least, I would conclude by expressing my special thanks and wholehearted gratitude to clients, Government Agencies, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, and my beloved colleagues of Trust Bank Limited.

With best regards,



M Shah Alam Sarwar
Managing Director



Economic **Value Addition Report**



Deducting opportunity cost
Predicting fruitful value

Trust Bank Limited, at its core, works to enhance the interest of all stakeholders and meet their expectation. A shareholder must get his/her wealth increased via increasing cash flow from dividends and capital gain through price appreciation of shares held by him/her; a depositor must get risk free custody of deposits simultaneously a competitive return on funds; and an employee must get a justified share of income earned by the Bank. Thus, the Bank's overall mission is to deliver optimum value to our customers, employees, shareholders and the nation. Our business strategy is geared towards achieving all of these. The Bank's policy is to deliver optimum value in a manner that is consistent with the highest level of fairness and transparency. Interest of one stakeholder has not been sacrificed on the altar of maximizing interest of another.

For the Bank, it has been a case of building financial value and enhancing the bottom line through fair and ethical means. Building sustainable value of all stakeholders is an important corporate goal.

Capital Management

As part of risk management system, it is the policy of TBL to maintain strong capital adequacy ratio to have sufficient cushion to absorb any unforeseen shocks arising from any potential risk, to ensure long term solvency of the Bank and to help sustainable profit growth of the Bank that maximize value for stakeholders.

At the end of 2009, Bank's regulatory capital stood at Tk.4,215.98 million as against Tk.3,504.44 million as at 31 December 2008.

Summary of Total Capital and Capital Adequacy Ratio

(Taka in million)

Particulars	2009	2008	Growth
Computation of capital:			
Tier I capital	3,632.30	3,045.37	19.27%
Tier II capital	583.68	459.07	27.14%
Total capital (Tier I & II)	4,215.98	3,504.44	20.03%
Risk weighted assets (RWA)	33,297.68	27,362.42	21.69%
Tier I capital (against minimum requirement of 5%)	10.91%	11.13%	
Tier II capital	1.75%	1.68%	
Total capital (against minimum requirement of 10% of RWA)	12.66%	12.81%	

Maintenance of Net Income Growth

The Bank increased its net profit by 32 percent or Tk.147.86 million, i.e. to Tk.610.91 million in 2009 from Tk.463.05 million in 2008. The net profit is analyzed in the following table:

(Taka in Million)

Source of Income	2009	2008	Growth
Interest Income	4027.20	3634.65	11%
Income from Investment	785.03	394.05	99%
Commission, exchange brokerage	355.61	306.16	16%
Other Operating Income	412.65	133.48	209%
Total Income	5580.49	4468.34	25%
Distribution of Income			
Interest paid on deposits and borrowings	3112.82	2462.23	26%
Operating expenses	1045.11	694.59	50%
Contribution to Special Reserve Fund	64.20	59.08	9%
Total provision	207.78	262.97	-21%
Provision for taxes	539.67	526.72	03%
Total Distribution	4969.58	3650.64	36%
Net profit	610.91	463.05	32%

Contribution to National Exchequer

TBL made significant contribution to the government in boosting its revenue collection. As per the prevailing law of the country, the Bank being corporate citizen pays tax and VAT on its own income. Besides, the Bank deducts income tax, VAT and excise duty at source from employees, clients, depositors and suppliers, and deposits the same to the national exchequer. In addition to the Bank's own income tax, the Bank contributed Taka 577.29 million to national exchequer as tax, vat, income tax and excise duty deducted at source from employees, clients, and suppliers in the reporting year.

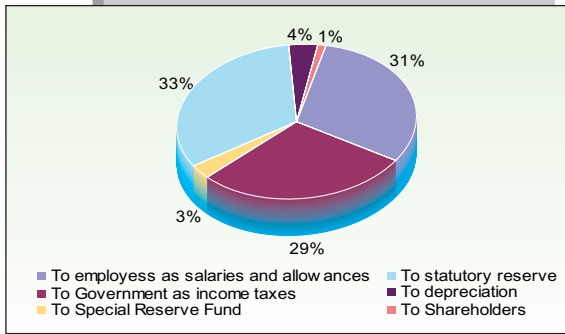
Value Added Statement

The value added statement of the Bank shows how the value was created and distributed to the different stakeholder of the Bank. It is worthwhile to mention that this year 53% of income of before taxes was transferred to the statutory reserve account, while legal requirement is 20%. This caused to decrease the value distribution to stockholders to 1.10 million from 265.16 million in 2008. As statutory reserve is one of the components of shareholders' equity, distribution to statutory reserve fund constitutes value distribution to shareholders.

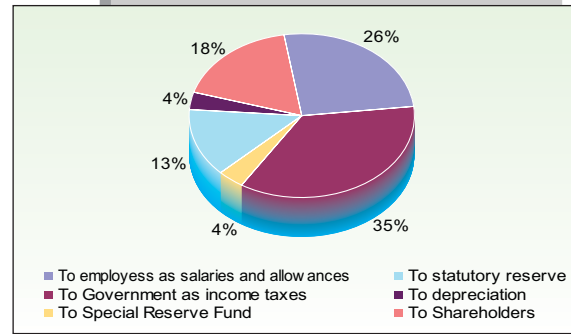
(Taka in million)

Particulars	2009		2008		Growth %
	Taka	%	Taka	%	
Income from Banking Services	5,580.49		4,468.34		25%
Less: Cost of Services and Supplies	3,490.68		2,715.72		29%
Provision for Deferred Tax	2.83		3.58		-21%
Value added by banking services	2,092.64		1,756.20		19%
Less: Provision for Loan Loss and other Provisions	207.78		262.97		-21%
Total Value Added	1,884.86		1,493.23		26%
Distribution of added value					
To Employees as Salaries and Allowances	590.76	31%	385.03	26%	53%
To Government as Income Taxes	542.50	29%	530.00	35%	2%
To Special Reserve Fund	64.20	3%	59.08	4%	9%
To Statutory Reserve	609.80	32%	197.89	13%	208%
To Depreciation	76.50	4%	56.07	4%	36%
To Shareholders	1.10	1%	265.16	18%	-100%
	1,884.86	100%	1,493.23	100%	26%

Distribution of added value 2009



Distribution of added value 2008



Economic Value Added (EVA) Statement

Economic Value Added (EVA) is used world-wide to measure the performance of an organization. It indicates how much absolute value has been created by the Bank for its shareholders after deducting the minimum rate of return required by the shareholders i.e. cost of equity. The Bank has been consistently able to depict high EVA to its shareholders:

(Taka in Million)

Particulars	2009	2008	2007
Shareholders' Equity	3754.87	3119.65	2154.29
Add: Provision for loan loss and other provisions	961.32	753.54	490.57
Total invested fund by Shareholders	4716.19	3873.19	2644.86
Average Shareholders' Equity	4294.69	3259.03	2008.57
Net Profit after taxation	610.91	463.05	239.03
Add: Provision for loan loss and other provisions	207.78	262.97	273.94
Less: Loan written off	0	0	0
Earning for the year	818.69	726.02	512.97
Cost of Equity (Based on weighted average rate of Sanchaya Patra issued by Bangladesh Govt. plus 2% risk premium)	12.26%	12.26%	13.50%
Cost of Average Equity	526.53	399.56	271.16
Economic Value Added	292.16	326.46	241.81

Market Value Added Statement

Market value added is the difference between the total market value (based on the price quoted in the main bourse of the country) of equity and the total book value of equity of the Bank at the 31 December of the year. The quoted market price of shares of the Bank was Tk.445 and Tk.434 on 31 December 2008 and 2009 respectively in Dhaka Stock Exchange.

(Taka in Million)

Particulars	2009	2008
Total market value of the equity	8,020.34	6,853.02
Less: Total book value of the equity	1,848.00	1,540.00
Market Value added	6,172.34	5,313.02



External **Environment Report**

Securing
progress
fighting **threats**



World Economy

The world economy witnessed the sharpest international slowdown together with an unprecedented contraction in world trade during the period starting from August 2007 to mid 2009. Global GDP went down by 6 percent, at an annual rate, in the last quarter of 2008 and in the first quarter of 2009. In the early part of 2009, the global economy was in a severe recession inflicted by a financial crisis and sky rocketing unemployment rate which peaked 10 percent in advanced economies.

The October 2009 issue of the IMF World Economic Outlook (WEO) projected global GDP to be negative, with an apprehended contraction by 2.9 percent and output growth to contract by 1.1 percent in 2009. In the latest issue of WEO, the IMF made an upward revision of growth forecasts both in advanced economies, emerging and developing economies, compared to the projections made in July 2009. The growth of world trade volume in 2009 was projected to decline sharply by 11.9 percent compared with 3 percent increase in 2008. The growth of import was projected to depict a high fall by 13.7 percent in advanced economies and 7.2 percent in emerging and developing in 2009. The growth of exports from both the advanced economies and other emerging and developing economies was also projected to decline by 13.6 percent in advanced economies and 7.2 percent in emerging and developing economies in 2009. Moreover, the world economy declined by 1.3 percent in 2009, marking its worst performance after World War II.

Bangladesh Economy

GDP Growth

Bangladesh economy has sustained growth momentum in FY2009 amid current global economic downturn and financial crisis. A good domestic crop harvest together with moderate export growth and sustained high level of remittance flow helped the economy to attain a near-six percent growth rate during the year. The real GDP grew by 5.9 percent in FY09, slightly lower than 6.2 percent growth recorded in FY08. At current market price, GDP of Bangladesh in FY 2009 was estimated at Tk.6,149 billion (Tk.5,458 billion in FY2008).

Industry Sector

The industry sector growth rate slowed down from 6.8 percent in FY08 to 5.9 percent in FY09. The deceleration of growth of the sector was mainly due to slower growth in manufacturing sector caused in turn by export decline in most items other than apparels and textiles following global financial crisis. Manufacturing sub-sector registered a lower growth of 5.9 percent in FY09 compared to 7.2 percent in FY08. Growth was down in both the large and medium, and the small-scale manufacturing sub-sectors, which grew by 5.7 percent and 6.6 percent in FY09 compared to 7.3 percent and 7.1 percent respectively in FY08. The share of industry sector in GDP remained unchanged at 29.7 percent in 2009.

Service and Other Sub-Sectors

Overall, the service sector grew by 6.3 percent in FY09, marginally lower than 6.5 percent recorded in FY08. The share of service sector in GDP increased from 49.5 percent to 49.7 percent in FY09. The growth appears to be broad based across sub-sectors. In FY09, the wholesale and retail trade, transport, storage and communication, financial intermediations sub-sectors experienced somewhat lower growth; and public administration and defense, education, health and social work, social and personal services sub-sectors recorded higher growth.

Agriculture Sector

Overcoming the adversities of the preceding year, the agriculture sector exhibited a robust growth of 4.6 percent in FY09 which was much higher than 3.2 percent growth recorded in FY08. The acceleration of the growth in the sector was due to higher growth in crops and horticulture sub-sector and animal farming sub-sector. The long term trend

showing a shift of sectoral composition of GDP away from agriculture sector towards industry sector and services continued in FY09 while the share of the agriculture sector came down from 20.8 percent to 20.6 percent.

Export

Despite global financial recession for last couple of years Bangladesh achieved a total export earnings during the FY09 amounting to USD 15.57 billion (17.73 % of GDP) compared to USD 14.11 billion (17.80% of GDP) in FY08, indicating an increase of 10.3 percent as against that of 15.9 percent in FY 2008. Most of the major items posted positive growth rate in the exporting sector. Readymade Garments (RMG) contributed 79.33 percent of total export earnings. Knitwear exports held the major share 41.30 percent, followed by woven garments 38.02 percent, frozen foods 2.92 percent, jute goods 1.73 percent, leather 1.14 percent, home textile 2.01 percent, and raw jute 0.95 percent.

Import

Bangladesh made payment of USD 22.51 billion for import, registering a growth of 4.06 percent as compared to the corresponding year 2008. In 2009, volume of import in most of the major importing items increased. Raw cotton contributed 5.73 percent of total import payments. Capital goods imports held the major share 14.54 percent, capital machinery 6.31 percent, textiles and articles thereof 9.33 percent, food items 8.13 percent, food grains 3.92 percent, fertilizer 4.24 percent, and chemicals 4.27 percent.

Remittance

Bangladesh witnessed some robust measures pursued by the central bank to boost up foreign remittance channeled through legal channel. Bangladesh Bank simplified the approval policy of drawing arrangements between foreign exchange houses and domestic banks. For enhancing distribution network, and accelerating and simplifying delivery process, some Microfinance Institutions (MFIs) have been involved for smooth delivery of remittance. Due to these measures, remittance rose by 22.4 percent to USD 9,689.3 million during FY09 from USD 7,914.8 in FY08.

Savings and Investments

Domestic savings-GDP ratio decreased from 20.3 percent in FY08 to 20 percent in FY09 while investment-GDP ratio remained at the same 24.2 percent level of FY08. The savings-investment gap as a percentage of GDP, correspondingly increased from 3.9 percent in FY08 to 4.2 percent in FY09, financed by net factor income from abroad.

Banking Sector in 2009

Cash Reserve Ratio (CRR)

Cash reserve ratio (CRR) for the scheduled Banks with Bangladesh Bank remained same at 5 percent of their total demand and time liabilities since October 1, 2005. That is, banks are required to maintain CRR daily at the rate of 5 percent on average on bi-weekly basis, provided that CRR would not be less than 4.5 percent in any day with effect from March 01, 2009.

Statutory Liquidity Requirement (SLR)

Statutory liquidity requirement (SLR) for the scheduled banks, except banks operating under Islamic Shariah and the specialized banks, remained same at 18 percent for their total demand and time liabilities, excluding inter-bank items, since October 01, 2005. SLR for the Islamic banks remained unchanged at 10 percent.

Non-Performing Loan (NPL)

The ratio of gross NPL to total loans of the banking sector decreased from 11.1 percent during end Q3FY09 to 10.5 percent in end Q4FY09. During the period, gross NPL ratio for state-owned commercial banks (SCBs) decreased

from 26.50 percent to 24.1 percent which contributed significantly to decreasing overall ratio. The ratios for private commercial banks (PCBs) and foreign Commercial banks (FCBs) increased marginally to 4.9 percent and 2.4 percent respectively, during end of Q4FY09 from 4.7 percent and 1.9 percent respectively at the end of Q3FY09. For the state-owned banks (SBs), a proportionately similar rate of decrease occurred, from 25.9 percent to 25.5 percent during the period. On the other hand, the net NPL ratio for all banks decreased from 3.0 percent in Q3FY09 to 2.5 percent in Q4FY09 contributed by sharp decline in the ratio for SCBs from 7.2 percent to 3 percent.

Interest Rate Spread

During end Q4FY09, the interest rate spread (IRS) stood at 4.86 percent for all banks marginally higher than 4.81 in end Q3FY09. During Q4FY09, both deposit and lending interest rates decreased from 7.52 percent and 12.33 percent in Q3FY09 to 7.01 percent and 11.87 percent respectively. However, IRS decreased from 9.48 percent to 9.14 percent for FCBs and from 3.63 percent to 3.40 percent for SCBs while the same increased from 4.58 percent to 4.81 percent for PCBs; and marginally from 2.99 percent to 3.01 percent for SBs. The IRS in the banking sector of major South Asian countries shows that Pakistan has the highest spread rate followed by Bangladesh, India and Sri Lanka.

Liquidity Position of the Scheduled Banks

Excess liquidity of scheduled banks stood at Tk.35 billion as of end June 2009 as against Tk.13 billion as of end June 2008. Total liquid assets of banks stood higher at Tk.78 billion as of end June 2009 against at Tk.48 billion as of end June 2008.

Concluding Remarks

From aforementioned domestic and international factors, it may be concluded that FY 2009 was not much business friendly especially for financial institutions like a commercial bank. Entrepreneurs have been shaken by international crisis and less confidence on market barred them to make rigorous investment. However, Bangladesh Bank pursued growth supportive and prudent monetary policy stance during FY09 to support credit growth for creation and expansion of production capacity of real sector.



Directors' Report

**Strategy
& plan**
to take the
right decision



Dear Shareholders

The Board of Directors is pleased to present the 11th Annual Report of the Bank, Directors' Report and the Auditors' Report for the year ended on 31 December 2009. In the report, Bank's operational performance of 2009 as compared to 2008 has been evaluated and analyzed within prevailing business environment. The information and analysis may be read in conjunction with the audited financial statements presented herewith.

The financial year under review was another successful year for our Bank. All the business indicators registered significant growth during the year.

REVIEW OF BUSINESS OPERATIONS AND STRATEGY

Our Business

The principal activities of the Bank are banking and related businesses under the Bank Companies Act-1991. The core banking businesses include accepting deposits and granting loans and advances out of those deposits and earning profit through creating value from gap between interest paid on deposits and interest earned on loans and advances. The depositors supply funds for loans and advances. The Bank collects deposits through deposit mobilization strategy comprising various deposit products under conventional banking and Islamic banking. The Bank's central revenue producing activities include all kinds of commercial banking products and services to the customers including project finance, working capital finance and trade finance for corporate customers, SME loans to small traders & businesses; house building loan, car loan as well as wide range of life style and need based loans for retail customers. The Bank has been able to develop state-of-the-art IT platform and online banking systems facilitating any branch banking, phone banking, SMS banking, internet banking, any time banking for 24 hours a day and 7 days a week through ATM.

Client as Development Partner

We look after our every client to make him/her a development partner through addressing needs and wants by providing best services at affordable prices. We put a client in the ladder where he/she climbs customer-supporter-advocate phases and finally becomes development partner of the Bank. Our mission is customer focused and we consider it as the customers' right to get modern, online and full range of banking services at an affordable price at anytime and anywhere. We are promise-bound through our mission to make the banking easy for our customers and support entrepreneurship, social responsibility and economic development of the country.

Brand Image

Our clients are the principal torchbearers of our brand and we believe a delighted client is the best medium of our advertisement to enhance the brand image of the Bank. Employees are also well trained and motivated to provide efficient services, thereby upholding the brand image further. Moreover, image of the bank would be harnessed through participating and/or sponsoring various programs and/or festivals like debate competitions, fair and exhibition related to banking products.

Regulatory and Compliance Culture

The Bank's dealings with clients are guided by principles of fair dealing, honesty and integrity. The Bank's objective is to observe all standards of market integrity, good practice and conduct expected by participants in the markets in which it conducts. The personal conduct of the staff is driven by high ethical standards. The Bank furthermore places great emphasis on safeguarding the confidentiality of client information. Internal Auditors are entrusted with responsibility to ensure that rules and policies relating to above mentioned issues are in place. Above all, the Bank is committed to prompt and spontaneous compliance of all rules, regulations and guidelines issued by regulators from time to time.

Emphasis on Socially Desirable Products

The Bank continually tries to contribute to social value addition through financing socially important projects via structured finance, SME and corporate credit. Bank's exposure is thus well diversified to different sectors viz. power loom, Handloom, light engineering, handicrafts, garments accessories, agri-business etc. Included examples are financing renewable energy production project under SME financing and contribution to agriculture through establishment of agriculture branch which are of paramount importance to the society.

Branch Expansion Program

In 2009, five (5) branches were opened in different strategic locations of the country. New branches include two urban branches at Kafrul of Dhaka and Sonadanga of Khulna and three rural branches at Amirabad Lohagara of Chittagong, Tongi of Gazipur, and Chowhuhuni of Noakhali. With these new branches, number of branches of the Bank stood at forty-two (42) at the end of the year, out of which twenty-four (24) branches are located at urban growth centers and remaining eighteen (18) are at the rural areas of the country, which also reflect our commitment for the improvement of rural economy of the country. The expansion of computerized branches and technology-based services are solid indications of our inherent strength and potentiality. Through a countrywide network of branches, linked by state-of-the-art technology, the Bank provides a portfolio of services catering to all tiers of trade and commerce. As part of our expansion program, we have a plan to open ten (10) more branches in 2010 (one branch has already started operation). With this growth pattern, our network is expected to be extended to 59 locations including SME/Agri branches at the end of year 2010.



Maj Gen A T M Shahidul Islam, ndu, psc, Vice-Chairman, inaugurating Bank's Progati Sarani Branch, Dhaka. Other Directors and Managing Director are also seen in the photograph.

Alternative Delivery Channels

In addition to usual branches, the Bank will develop alternative delivery channels such as ATMs, Card based POS, E-banking, etc.

Corporate Banking & Syndicated Loans

Trust Bank aims to facilitate corporate customers by providing customer focused products to its valued corporate clients to meet up the individual corporate requirement. Corporate clients include sole proprietors, partnerships, incorporated businesses and publicly listed companies. So, corporate credit is the central focus of all lending operations of the Bank. The Bank has been providing comprehensive services to corporate and institutional clients by way of commercial lending in the form of working capital and/or industrial loans (both large and medium scale industries). The Bank's facilities for corporate houses include both funded and non-funded facilities which are provided only after considering client's business / industry environment, historical & projected financials, sponsors and management background as well as after taking sufficient risk mitigating measures to protect the interest of the Bank. While extending corporate facilities, Bank's credit policy and regulatory guidelines are followed meticulously.

Moreover, the Bank provides syndicated loan facilities to the corporate customers to encourage the industrialization of the country. Syndicated financing helps in better due diligence of projects and risk mitigation. Besides, to serve its corporate clients and to expand the base of its corporate clients, TBL has arranged syndication deal and participated in syndication deal arranged by other Banks and financial institutions. The sectors of financing through syndication now include power, steel, glass, textile, spinning, ceramic, telecommunication, poultry, hotel etc. The Bank participated in 08 syndications during the year 2009 and financed Tk.770.09 million in different segments of the economy.

The Bank also financed large credit to readymade garments industries (RMG) which is an important sector in Bangladesh and generating substantial employment opportunity in our country. At the end of the year 2009, our loan outstanding in the sector was Tk.5700.94 million. We also financed the Non-Bank Financial Institutions and different NGO's to meet their growing financing needs extended in the form of term loan and overdraft facility. Corporate finance showed steady growth during the year and it is expected that the progress will continue during 2010.

SME Business

Despite multidimensional constraints, SME is universally recognized as the thrust sector and driving force of the economy which has injected the appetite for bringing consistency in the banks credit portfolio by striking balance between SME and corporate lending. The issue of fostering SME growth in Bangladesh can in no way be ignored as these industries have huge prospects for creating large scale employment opportunities and potentialities of huge income generation especially in semi-urban and rural areas. As such, the Bank is moving forward to SME customer segment, considering the business potentials and return on investment. The business expansion and monitoring is carried out throughout its 42 country wide branches and 4 SME/Agri branches service centers dedicated to full-fledged SME business. The Bank has launched different products, and is marketing these products matching with the customer needs. Its especial emphasis is on:

- Loan for shopkeepers,
- Loan for light engineering,
- Loan for power loom and handloom industries,
- Agri-business loan
- Loan for Women Entrepreneurship
- Peak seasons loan
- Bio –gas and alternative energy

During 2009, Trust Bank's strategy was focused on marketing the products to a wide range of customers and providing working capital and term loan to different manufacturers, traders and service providers. Bank's exposure is thus well diversified to different sectors, viz. power loom, handloom, light engineering, handicrafts, garments



Dr. Atiur Rahman, Governor, Bangladesh Bank, along with the Managing Director and other local elites, visiting a bio-gas plant financed by the Bank at Manikgonj.

accessories, agri-business etc. Through SME financing, the Bank has created the employment opportunity for about ten thousand people directly or indirectly throughout the country. In view of diversification of portfolio, it is imperative to say that the substantial increase of SME lending would lead the Bank to a positive growth. In fact, TBL has undertaken a comprehensive and competitive strategy to have a meaningful contribution in this sector.

Establishment of SME/Agri branches

The Bank also opened four (4) SME/Agri branches to reach and fulfill the unmet demands of the small and medium business entrepreneurs. We positioned these SME/Agri branches at four different significant locations, such as Dholaikhal under Sutrapur Thana of Dhaka City Corporation, Mirer Bazar of Gazipur, Madhabdi of Narshingdi, and Tamai under Belkuchi of Sirajgonj. We have also plan to open three (3) more SME/Agri branches in 2010.

Delivery of SME through Third Party

TBL came in contract with Enterprise Development Company Limited to reach out SME services and products across the country.

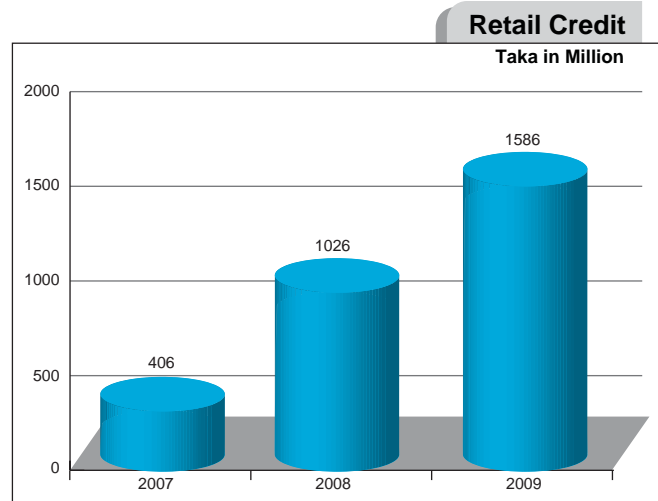
Retail Banking

Consumer credit program is an important development scheme in the banking sector. In Bangladesh, people of limited monthly income are faced with the problem of improving their standard of living. Considering customer's need and enormous potential of this sector, we have introduced consumer credit program under Retail Banking Unit from 2006. The core objectives of this scheme are: first, to provide consumer credit facility to service holders as well as businessmen at affordable rate of interest; second, to give them opportunity to improve their standard of living and; finally to play a significant role in the socio economic development of the country. As at 31 December 2009, total approval of Retail Banking Unit is Tk.1,589 million.

We currently offer 11 retail products. They are home loan (Apon Nibash), car loan, any purpose loan (APL), household durables loan (HHD), doctors' loan, marriage loan, travel loan, CNG conversion loan, advance against

salary, education loan and hospitalization loan. Eyeing a bright prospect, Bank successfully launched five types of VISA Credit Cards under Retail Banking Unit in the year 2007 to serve its existing and potential customers. The aforesaid products are available from all branches of TBL.

After the successful completion of year 2009, we now have 5217 valued clients enjoying the retail products of the Bank. A remarkable growth in terms of total disbursement registered by Retail Unit and a graphical comparison of last 3 years is given below:



Merchant Banking

The overall increase of activities of Merchant Banking operation plays an important role in the improvement of capital market of the country and enhances earning capability of the Bank. Trust Bank Limited started its Merchant Banking operation from 10 May 2008 under appropriate risk management policies and guidelines approved by the Board.

Merchant Banking Division launched BDA, IDA and NIDA products under the title “Portfolio Management Services” for investors to invest in the secondary market having the option to operate under both margin and non-margin accounts. The scheme has diversified products with different category of investment ceiling and other value added services for more than 5,000 customers. The customers were also assisted with service facilities on the basis of published information and accounts. The Division also organizes “Investors Awareness Program” on regular basis. The Division manages portfolio values more than Tk.731 crore under margin and non-margin accounts. Apart from this activity, the Division also provides different depository services to its BO account holders as a custodian DP (Depository Participant) of CDBL. Besides, the Division also actively carries out Underwriting and Banker to the Issue operation in a number of Initial Public Offering (IPO) as well as Right Share Offering (RSO). MBD is also managing Bank’s own portfolio through investing in listed shares for boosting up the profitability of the Bank and also for enhancing shareholders’ value. As a result, MBD’s contribution to the profitability of the Bank was significant in the year 2009. The bank has established a well decorated and high technology based trading facilities for the convenience of the customers in its premises through enlisted brokerage firms. MBD has already extended its branch network at Karwan Bazar, Gulshan and Sylhet Uposhahor Branch and has a plan to extend its portfolio management services to different areas in and outside of Dhaka using designated branch of the bank. Central Bank issued a guideline for separation of merchant banking operation of the Bank by forming a subsidiary company. We are in the process of forming a subsidiary company in accordance with Central Bank guideline.

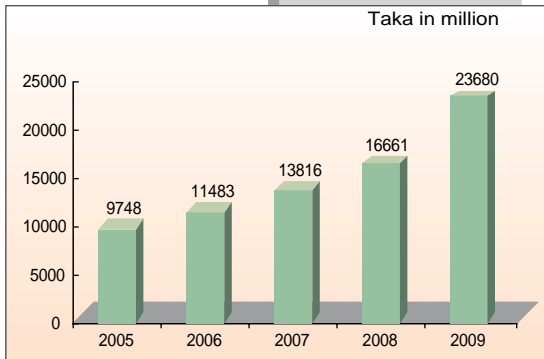
International Operations

Since inception, Trust Bank has been highly active in facilitating international trade related services to its customers. The Bank offers various types of trade products to its customers such as Import and Export Letter of Credit, Foreign Guarantees, Standby Letters of Credit, Discounting etc. Despite the global financial turmoil that seriously affected the import and export trade business world wide, the Bank has achieved a sizeable growth in both import and export sector in 2009.

The total import of the Bank stood at Tk.23,680 million (USD 340 million) which is 42% higher from import of 2008. The Bank registered a sound growth in export in 2009 from



Import Growth



2008. The total export was Tk.12,770 million (equivalent to USD 182 million) million in 2009 which is 110% higher than that of FY 2008.

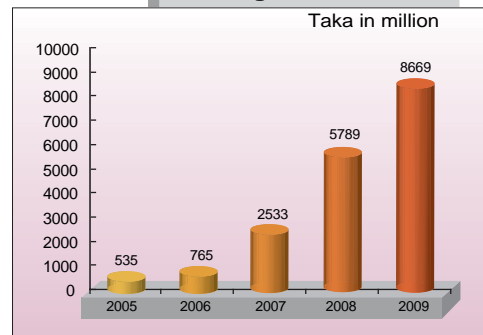
Foreign Remittance

Remittance service in 2009 has turned out to be one of the core businesses as rewarding and successful one in terms of receiving Remittance Award, new tie-ups with renowned and the largest overseas Money Transfer Companies around the globe including Western Union with a view to channeling inward foreign remittance and association with country's one of the largest Microfinance Institutions (MFIs), "Shakti Foundation for disadvantaged women", eventually with a goal to provide faster and

expeditious service to deliver the proceeds of inward foreign remittance even in the most remote corner of Bangladesh.

For secure remittance service, Trust Bank had made strategic alliances with 5 other local private banks as its associates for processing and payment of Zenj Exchange Turbo Cash Remittance. As a result, flow of inward foreign remittance has substantially increased. In the year 2009 the flow of remittance was TK.8,669 Million as against TK.5,789 Million in 2008 registering a notable growth of 50% over the preceding year.

Foreign Remittance



Islamic Banking

Islamic Banking operation of Trust Bank Ltd. primarily started its function through 02 (two) windows in Principal Branch and CDA Branch. Subsequently, with the permission of Bangladesh Bank we have opened 03 (three) more windows. As per instruction of the Board of Directors, the prime emphasis has been given on the Shariah Compliance of our products & operations. Trust Islamic Banking (TIB) operations, guidelines and different types of products are duly approved by the Shariah Council of the Bank. In the year 2009, TIB mainly concentrated on the introduction and development of different products. The total deposit and investment of TIB was Tk.816.13 million and Tk.490.77 million respectively in 2009.

Initiatives have been taken to run Islamic Banking Operations of Bank according to the "Guidelines for Islamic Banking" issued by Bangladesh Bank. Appropriate measures have been taken to open Islamic Banking Branch of the Bank as early as possible. Through investment in different retail, corporate and agriculture sectors under investment modes such as Murabaha, Bai-Salam, Bai-Muajjal, HPSM and Istisna, TIB is actively working for the development of both depositors and investors.

Asset Quality

Appropriate due diligence is made and structured approval processes are followed at the branches and the Head Office level in approving credit facilities. We manage, limit and control concentration of credit risk wherever it is identified. Despite the facts, Non-performing loan increased from 2.52% to 2.65% during the year. However, the ratio is below the market average of 3.92 % of the outstanding loans of private commercial banks as in December 2009. As such, the asset quality may be termed as strong. Our endeavor in identifying, measuring, managing and mitigating credit risk for each borrower as well as at the portfolio level will continue to improve quality of loans and to reduce potential and actual losses.

Recovery of Classified Loans and Advances

We have taken up different measures for recovery of classified loans and advances. We have initiated 32(thirty-two) legal cases against defaulters for realization of classified loans. In most of the cases, we got decree in our favor

and filed execution cases for recovery of loans. In 2009, we recovered Tk.69.60 million in cash against classified loans and rescheduled Tk.105.80 million for regularization of classified loans. Besides, we prioritize for compromise settlement with the defaulted borrowers through constant negotiation and close follow up for recovery of classified loans.

Capital Management Plan

The amount of minimum capital that should be maintained by the Bank against its risk-weighted assets is measured by the capital adequacy ratio laid down by Basel Capital Accord. Capital adequacy is measured by the ratio of Bank's capital to risk weighted assets, both on balance sheet and off balance sheet transactions. All assets have been assigned weights ranging from 0% - 100%. Off-balance sheet items are included in the computation by converting them into balance sheet equivalents before being allocated a risk weight. Bank's capital has two components, Tier-I (Core Capital) and Tier-II (Supplementary Capital).

Core Capital (Tier I)

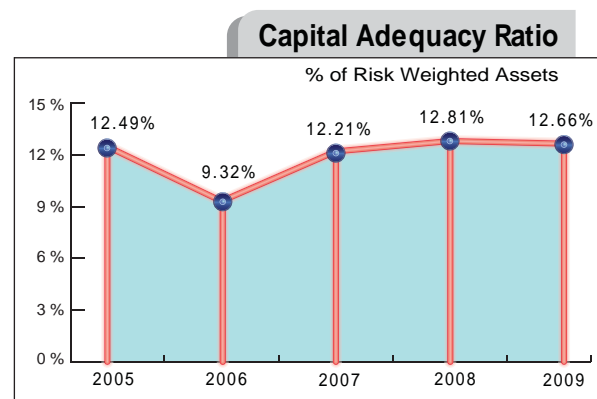
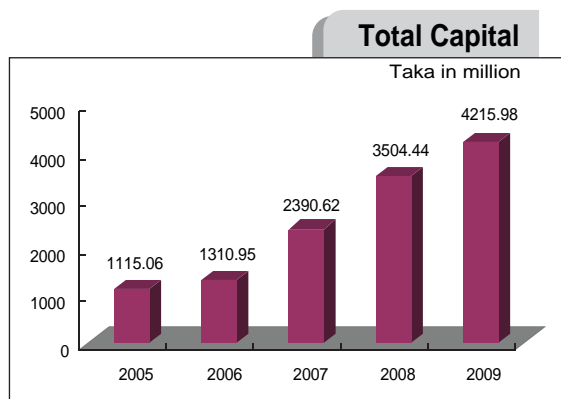
The core capital ratio (Tier I) was 10.91% of total risk weighted assets against the required 5%. Core capital represents the paid up ordinary share capital, share premium, statutory reserve and retained earnings. As on 31 December 2009, our Core Capital stood at Tk.3,632.30 million against Tk.3045.37 million in 2008. The core capital constituted 86% of total capital while paid-up capital constituted almost 50% of total shareholders' equity.

Supplementary Capital (Tier II)

Supplementary capital of the Bank represents general provision, exchange equalization fund, and revaluation reserve of held-to-maturity securities (50% of such reserve). At the close of business on 31 December 2009, our supplementary capital stood at Tk.583.68 million as against Tk.459.07 million in 2008.

Total Capital

At the end of 2009, total capital stood at Tk.4215.98 million against Tk.3,504.44 in 2008 registering a growth of 20.30 percent over preceding year. And capital adequacy ratios were 12.66% and 12.81% of total risk weighted assets in 2009 and 2008 respectively against the regulatory requirement of 10%.



Credit Rating

Credit Rating Information and Services Limited (CRISL) upgraded long-term credit rating of the Bank to AA- in 2009 from A+ in 2008 and reaffirmed short term rating to ST-2. These ratings imply the strong fundamentals of the Bank in the areas of stability of fund, profitability, business growth, diversified-portfolio and loan loss coverage etc. The Bank getting long term rating of AA- is adjudged to be of high quality, offer higher safety and have high credit quality. The short term rating indicates certainty of timely payment of financial obligations. Liquidity factors are strong and supported by good fundamental protections factors. Risk factors are very small.

Information Technology

In January 2007, Trust Bank successfully launched online banking services which facilitate any branch banking, ATM banking, phone banking, SMS banking, & internet banking. All the branches of the Bank are currently using centralized banking software for their daily transaction processing and routine reporting. The Bank has subscribed to ATM, VISA Debit and Credit cards, which are important milestones in automation of banking services. With the introduction of modern technology, the Bank has been able to render better and efficient services to its customers, resulting in Bank's image enhancement. We are exploring all alternatives to upgrade the bank's technology into more robust state of the art domain.

Any Branch Banking

Any branch banking is a facility for our customers to operate their accounts from any of our network branches. Any branch banking facility is available at all branches of Trust Bank. At present, following online banking services can be made with the system:

- a. Cash deposits i.e. accountholder of one branch can deposit cash in his/her account at another branch.
- b. Cash withdrawals i.e. accountholder of one branch can withdraw cash from another branch.
- c. TBL Cheque deposits i.e. accountholder of one branch can deposit TBL Cheque in his/her account at another branch.
- d. Fund transfer between Customer Accounts of different TBL Branches i.e. accountholder of one branch can transfer fund to another account maintained with any branch of TBL.

Phone Banking

TBL customers can access to their accounts' information using any phone even after regular banking hours. A customer can have the following information through the phone banking services:

- about bank products
- balances on accounts, turnover and performed operations
- currency rates
- existing deposit terms, accrued interests and amounts
- loan repayment schedule
- account statements
- blocking/unblocking Visa cards
- accessing the bank's hot line

SMS Banking

SMS Banking is a mobile technology that allows customer to request and receive banking information from bank on customer mobile phone via Short Message Service (SMS). Individuals or corporate bodies can manage their bank accounts, check their account balances, transfers money, pay some bills and perform other banking transactions using their mobile phones.

Internet Banking

Internet banking facilitates banking operations carried out between banks and their clients through Internet. The customer can log on to the bank's website with the user name and password to access his/ her bank account. Internet banking greatly facilitates defense personnel, one of the major groups of our valued clients serving UN Mission, through giving access to their accounts and informing them about their transactions such as status of their remittance to their near and dear ones.

Very soon, Trust Bank is going to implement the internet based fund transfer facility for its customers. Along with this Bank will be connected with National Payment Gateway to provide the best service to its customers.

Automated Teller Machine (ATM)

At present, we have ten ATM booths to facilitate our valued clients to withdraw cash round the clock and 7 days a week. The Bank's clients can also use ATM network of Q Cash, one of the largest network of the country with free of cost if it is owned by the Bank and for a very nominal fees if the booth is owned by other banks of the network.

Moreover, we signed contract with the DBBL and BRAC Bank to allow our customers to use their booths with a fee of Tk.20 per withdrawal. Furthermore, to cater the needs of the customers, the Bank plans to establish 15 more ATM booths in 2010.

Local and International Prepaid Card

In order to fulfill customer needs, Trust Bank has launched international prepaid cards against travel quota entitlement. In addition, a local prepaid card has been launched to bring the non-accountholders of the Bank under the service of plastic card. Moreover, the prepaid card has given an alternative collection method of remittance channeled through Western Union.

Human Resource Development

In spite of all technological and intellectual developments – human resources remain the single most influential factor behind the success of any organization. We at TBL believe that a competent, committed and fully motivated team of human resources is the main driving force for performing at the highest level in a fiercely competitive financial market like Bangladesh. Accordingly, the Bank's strategy is to attract, retain and motivate the most talented and success driving people. The Bank has developed a detailed HR manual and service rules covering the recruitment guidelines, promotion criteria, training and other related issues. HR manual and service rules are reviewed and updated so as to keep it time befitting and upholding employees' stake at the Bank's success. The core strength of HRD at TBL is its transparency and continuous endeavors for achieving the excellence.

Existing Human Resources and Recruitment

Trust Bank is expanding its branch network as well as business activities very fast. As a result, the need for human resources has also increased constituting the following existing human resources as at 31 December 2009 and that of 2008:

SI #	Designation/Position	31-12-2009	31-12-2008
1	Executive	89	79
2	Officer (Mid Level)	338	252
3	Officer (Junior Level)	586	592
4	MTO	28	56
	Total	1041	979

To meet the manpower requirements of the expanding business and network of the Bank, TBL recruited the required human resources through fresh recruitments of MTOs and Junior Officers. A number of experienced hands were also recruited to fill up vacancies during the year 2009.

Strengthening Efficiency of Human Resources through Training and Workshops

"TBL Training Academy" is committed to develop the human resources, the main driving force of the Bank, through structured modular training programs. With a view to achieve professional excellence in Banking, it conducts various training courses, workshops etc. for officers and executives of the Bank. In 2009, Training academy imparted training to 1021 employees through 13 training programs covering areas of General Banking, Credit Risk Management, Foreign Exchange Risk Management, Anti Money Laundering, Financial Control & Accounts, Internal Control and Compliance etc. Training Academy has also conducted various workshops on prevention of money laundering & combating terrorism financing, Western Union money transfer, Wage Earners Development Bond, Schedule Bank Statistics (SBS-1) etc.

Further, some 254 executives and officers were imparted training at various prestigious and eminent institutions. Out of 254 employees, 11 executives & officers took training from BBTA and 182 officers from BIBM during this period. The Bank also sent its executives and officers to various foreign trainings that were arranged by our correspondent banks like Wachovia Bank, Citi Bank NA, ICICI Bank and many other foreign banks. Moreover, Bank's IT Division & Islamic Banking Division routinely organized in-house training courses for the TBL employees of different levels.

▶ Number of employees attending training/ workshop/ seminar during 2009:

Institutions	Number of employees
Bank Training Academy	1021
BIBM	182
BBTA	11
Others-abroad	20
Others-local	41
Total	1275



Participants of a training program held at the Bank's Training Academy, pose for photograph with the Managing Director and other senior executives.

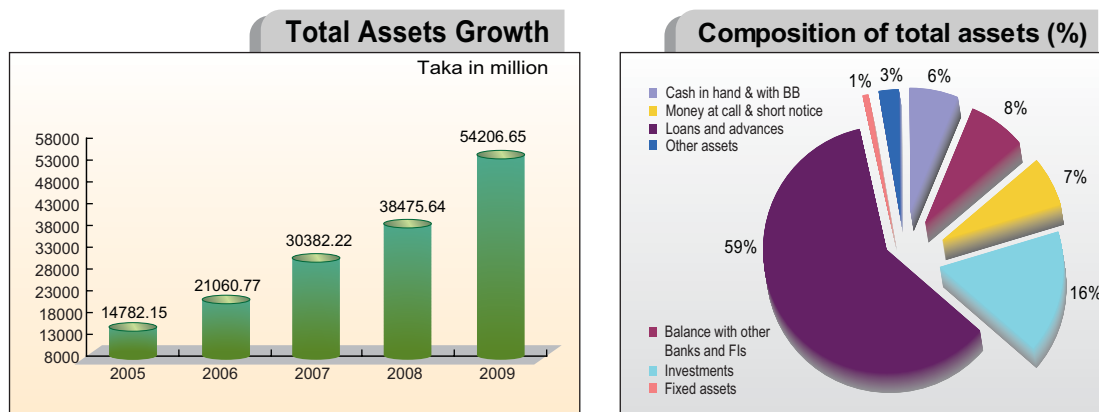
REVIEW OF FINANCIAL POSITION

Summary

Despite various external challenges, Bank's overall businesses grew significantly in 2009 over that of 2008. Deposits of the Bank increased by 47% and stood at Tk.48,464.64 million at the end of 2009. Loans and advances increased by 18.65% and stood at Tk.32,663.11 million at the end of the year. Import business increased by 42%, while export shot up by 110%. Both local and foreign remittance grew significantly and the latter registered a growth of 50% over last year. Increases in all business parameters resulted in higher net profit, which increased by 32% over that of preceding year.

Total Assets

Total assets of the Bank stood at Tk.54,206.65 million in 2009 as against Tk.38,534.72 million in 2008 registering a growth of 40.67%. Increase in assets was mainly driven by significant growth of customers' deposits. The growth of deposits was used for funding growth in credit and investment. Loans and advances constituted 60% of total assets while investment in government and other instruments held 16% of the assets. Percent 6.54 of assets were invested in money at call and short notice and almost same percentage lied in cash in hand and balance with Bangladesh Bank and its agents, whereas balance with other banks and financial institutions held 7.53% of total assets. Moreover, other assets which are very current in nature made up almost 2.56% of assets leaving only 0.70% of assets, tied up in fixed assets including premises, furniture and fixtures. The above common size analysis showed that almost 93% of total assets of the Bank are utilized in different earning assets leaving 6.30% in liquid form for meeting cash withdrawal demand of customers and maintaining Cash Reserve Ratio (CRR) requirement of Bangladesh Bank.



Summary of Property & Assets

Particulars	Taka in million		Growth (%)	Mix	
	2009	2008		2009	2008
Cash in hand & Balance with BB and its Agents (including foreign currencies)	3,433.83	2,137.48	61%	6.33%	5.55%
Balance with other Banks and FIs	4,086.48	2,568.93	59%	7.54%	6.67%
Money at Call & Short notice	3,550.00	320.00	1009%	6.55%	0.83%
Investments	8,705.61	4,962.66	75%	16.06%	12.88%
Loans and Advances	32,663.11	27,528.08	19%	60.26%	71.44%
Fixed Assets	381.92	342.39	12%	0.70%	0.89%
Other Assets	1,385.70	675.17	105%	2.56%	1.75%
Total Assets	54,206.65	38,534.71	41%	100%	100%

Cash in Hand & Balances with Bangladesh Bank & Its Agent Banks Including Foreign Currencies

As at 31 December 2009, cash in hand and balances with Bangladesh Bank and its agent banks (including foreign currency) stood at Tk.3,433.83 million as against Tk.2,137.48 million of 2008 registering a growth by Tk.1,296.35 million or 61%. This increase in cash attributed to maintaining cash reserve ratio (CRR) with Bangladesh Bank and to providing uninterrupted cash services to our growing customers. However, this asset remains 6% of the total assets in both the years 2009 and 2008.

Balance with Other Banks and Financial Institutions

The International Banking Division of the Bank has to maintain some short-term deposit (STD) accounts and current deposit (CD) accounts with other banks in and outside the country for smooth functioning of the treasury operations and international trade finance. The Bank also places excess fund with other banks and financial institutions as term deposits for optimizing the profit of the Bank. As at 31 December 2009, balance outstanding with other banks and financial institutions significantly rose by 59% to Tk.4,086.48 million from Tk.2,568.93 million at the end of 2008 due to lower utilization of funds in loan portfolio.

Money at Call & Short Notice

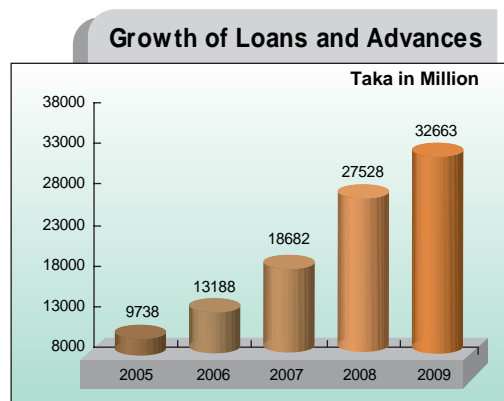
Treasury Division of the Bank manages surplus fund of the Bank through inter-bank money market on daily basis repayable at short notice. At 31 December 2009 the balance of Money at call and short notice shot up by 1009% to Tk.3,550 million from 320 million at the end 2008. The composition of this asset to the total assets of the Bank also showed a growth of almost 6% over preceding year. The high rise of this asset is attributed to high rise of deposits during the year 2009.

Investments

The Bank's investments grew by Tk.3,742.95 million during the year and stood at Tk.8,705.61 million at the end of 2009 as against Tk.4,962.66 million in 2008. The investment showed a sizable growth rate of 75% over last year. The Bank purchased government treasury bills and treasury bonds to cover-up the increased requirement of Statutory Liquidity Requirement (SLR). Out of the total investments, Tk.8,032.95 million was invested in government securities and the rest amount i.e. Tk.672.66 million was invested in ordinary and preference shares of different listed and unlisted companies.

Loans & Advances

Total loans & advances of the Bank as on 31 December 2009 was Tk.32,663.11 million as against Tk.27,528.08 million in the year 2008, showing an increase by 18.65% over the preceding year. The Loans and advances cover up the areas of corporate (based on both conventional and Islamic Shariah mode), SME, retail and credit Card. The credit portfolio of the Bank also included mix of scheme loans, namely- Renovation and Reconstruction of Dwelling House Loan (RRDH), Consumers Durable Scheme Loan (CDS), Marriage Loan, Car Loan, HBF Loan and Commercial Loan. Corporate lending is still the core business of the Bank and continues to remain the major segment of the business. While providing loans to our customers the policy of Bangladesh Bank is strictly followed. The portfolio has been further diversified to avoid risk of single industry concentration and remains in line with the Bank's credit norms relating to risk quality. The Customer Relationship has been strengthened and frequent visits to the clients have been ensured for further cementing existing relationship.



Liabilities and Capital - Claims on Total Assets

Total Liabilities

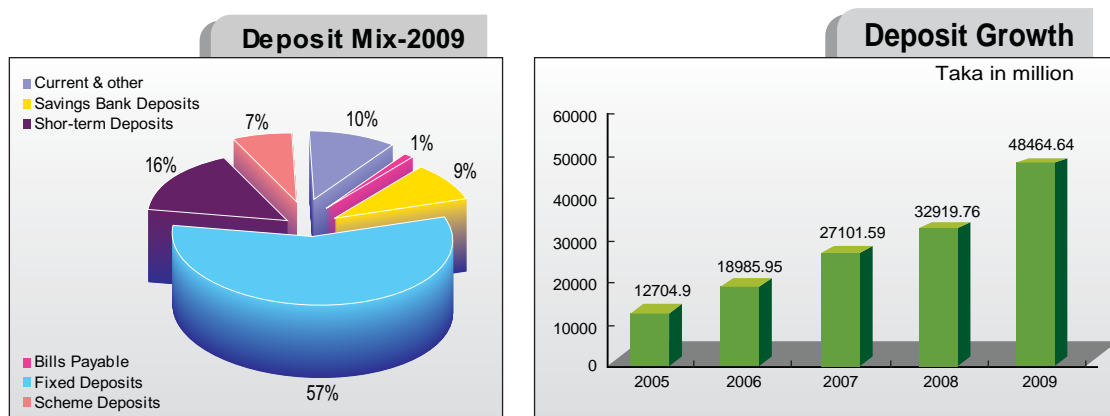
Total liabilities of the Bank comprise broad three items, such as borrowing from other banks, financial institutions and agents, deposits and other liabilities. Total balance of liabilities of the Bank stood at Tk.50,451.78 million at the end of 2009 as against Tk.35,415.07 million in 2008, representing a rise of 42.46%. The rise in total liabilities mainly resulted from 47% growth of deposits. Deposits constituted 96% of total liabilities of the Bank.

Summary of Liabilities and Capital

Particulars	Taka in million		Growth (%)	Mix	
	2009	2008		2009	2008
Liabilities					
Borrowing from other Banks & Financial Institutions	153.40	1,131.04	-86.44%	0.28%	2.94%
Deposits & other accounts	48,464.64	32,919.76	47.22%	89.41%	85.43%
Other Liabilities	1,833.74	1,364.27	34.41%	3.38%	3.54%
Total Liabilities/ Non-Owners' Claims on Total Assets of the Bank	50,451.78	35,415.07	42.46%	93.07%	91.90%
Capital/Shareholders' Equity					
Paid up Capital	1,848.00	1,540.00	20.00%	3.41%	4.00%
Statutory Reserve	1,138.33	528.53	115.38%	2.10%	1.37%
Other Reserve & Share premium	304.58	564.29	-46.02%	0.56%	1.46%
Retained Earnings	463.96	486.83	-4.70%	0.86%	1.26%
Total Shareholders' Equity/ Owners' Claim on the total Assets of the Bank	3,754.87	3,119.65	20.36%	6.93%	8.10%
Total Liabilities & Shareholders' Equity	54,206.65	38,534.72	40.67%	100.00%	100.00%

Deposit Portfolio

In spite of sharp decline in market interest rates resulting from fixation of ceiling of interest rate of bank deposits by the Association of Bankers Bangladesh (ABB), in the year 2009, the deposits of the Bank shot up by 47% to Tk.48,464.64 million from Tk.32,919.76 million as recorded in the year 2008. The combination of competitive interest rates, depositors' trust in the Bank and mobilization efforts of the Bank Management resulted in this rapid



growth of deposits. Mix of deposits showed that fixed deposits and short-term deposits contributed 57% and 16% respectively, i.e. 73% of total deposits of 2009 resulted in higher cost of fund. The share of cost free or low cost deposits decreased slightly by 2% , i.e. from 29% to 27% of the total deposits at the end of year 2009. We have plan to increase low cost deposits, especially scheme deposits because the effective cost of scheme deposits is lower than that of fixed deposits. The Bank's deposits include the deposits from both conventional and Islamic banking deposit vehicles.

Deposit Portfolio

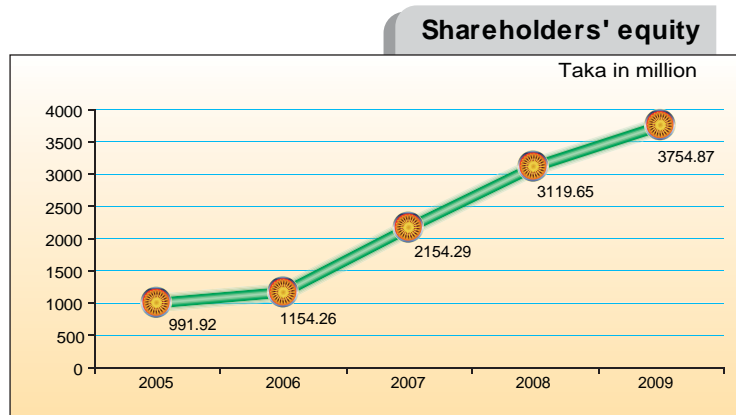
Types of Deposits	Taka in Million		Growth %	Mix	
	2009	2008		2009	2008
Current and Other Deposits	4,856.81	3,793.75	28%	10%	12%
Bills Payable	602.88	514.88	17%	1%	2%
Savings Bank Deposits	4,230.05	2,662.67	59%	9%	8%
Fixed Deposits	27,726.56	22,126.9	25%	57%	67%
Short Term Deposits	77,94.81	1,400.26	457%	16%	4%
Special Deposits Scheme	3253.53	2,421.30	34%	7%	7%
Total	48,464.64	32,919.76	47%	100%	100%

Borrowing from Other Banks, Financial Institutions and Agents

Borrowing represents the Bank's borrowing against refinance from Bangladesh Bank. The balance stood at Tk.153.40 million at the end of the year as against Tk.1,131.03 million in 2008. The Bank repaid all its call loans laid outstanding at the end of the preceding year, being strengthened by its sharp rise in deposits.

Shareholders' Equity

Total shareholders' equity increased by 20.36% and stood at Tk.3,754.87 million at the end of 2009 as against Tk.3,119.65 million in 2008. The increase was mainly attributed to the issue of bonus shares of Tk.308 million, increase of Tk.609.80 million in statutory reserve and other reserve also increased by Tk.48.28 million in 2009. However, share premium and retained earnings dropped by Tk.308 million and Tk.22.85 million respectively due to issuing bonus shares out of premium in the year 2009.



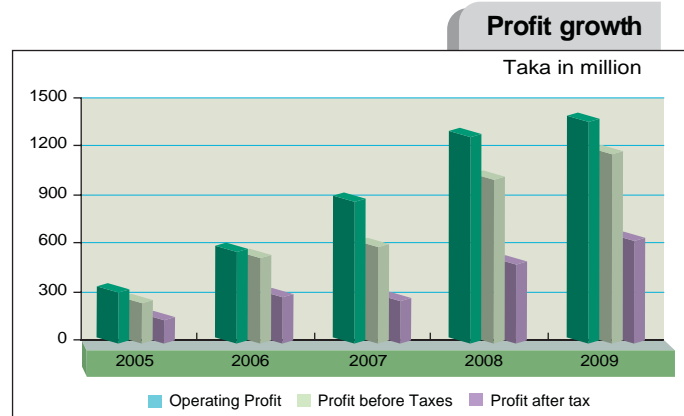
Statutory Reserve

In accordance with the provision of the Bank Companies Act, 1991, minimum 20% of operating profit before tax is required to be transferred to Statutory Reserve. In 2009, 53% of profit before tax amounting to Tk.609.80 million was transferred to Statutory Reserve and thus balance of statutory reserve stood at Tk.1,138.33 million at the end of 2009. The larger amount was transferred in order to meet regulatory capital requirement within the deadline set by Bangladesh Bank.

REVIEW OF OPERATING RESULTS

Summary

The Bank earned operating profit of Tk.1,358.35 million during 2009 as compared to 1,252.44 million in the immediate preceding year, registering a growth of 8.46%. After keeping Tk.207.78 million as provision against classified and unclassified loans & advances, diminution in value of investment, off-balance sheet exposure and other assets, pre-tax profit stood at Tk.1,150.57 million. After keeping Tk.539.67 million as provision for income tax, net profit stood at Tk.610.90 million as against Tk.463.05 million in 2008, posting a growth of 32%.



Net Interest Income

Net interest income of the Bank refers to the difference between total interest income and total interest paid on deposits and borrowings. TBL's total interest income stood at Tk.4,027.20 million as against Tk.3,634.65 in 2008 registering a growth of 10.80% or Tk.592.55 million. On the other hand, total interest paid on deposits and borrowing measured at Tk.3,112.82 million as against Tk.2,462.23 million in 2008, showing a rise by 26.42%. The net interest income showed Tk.914.37 million as against Tk.1,172.42 million in the preceding year. The net interest income decreased by Tk.258.04 million mainly due to reduction of lending interest rate for regulatory compliance. Moreover, our investment in capital market increased substantially, increasing our income from investment sharply by 99%. During the year, non-interest income increased by 75% over that of 2008. Thus, the negative growth of net interest income is well offset by rapid growth in income other than net interest income.

Income from Investment

In 2009, income from investment of the Bank turned out to be almost double of that of 2008 contributing Tk.785.03 million to the total income compared to Tk.394.04 million in 2008. Investment income contributed almost 32% to total operating income of the Bank. Investment income represents interest earned on treasury bills, Bangladesh Bank bills & treasury bonds, interest on reverse repo, dividend income and capital gain from sale of listed securities. Thus, the principal contribution came from interest earned on treasury bills. However, the high rise of this income can be attributed to the sizeable growth of our merchant banking operation.

Non-Interest Income

The non-interest income consists of the commission, exchange and other operating income of the Bank. Total non-interest income of the Bank increased by Tk.328.62 million or 74.75% from Tk.439.64 million in 2008 to Tk.768.26 million in 2009. Commission, exchange and brokerage fees increased by Tk.49.45 million showing a growth of 16% during the year 2009. Notable growth was achieved in other operating income that grew by Tk.279.17 million to Tk.412.65 million in 2009 from 133.48 million in 2008 marking a rise by 209%. Other operating income increased substantially due to revised schedule of charges and increase in ancillary services of the Bank.

Total Operating Expenses

Total operating expenses excluding contribution to special reserve fund increased by 50% during the year mainly due to increase in number of branches and salary & allowances which was triggered by promotion and recruitment. Total operating expenses shown in profit and loss account included contribution to Special Reserve Fund amounting to Tk.64.20 million in 2009 compared to Tk.59.08 million in the previous year. Salary & allowances constituted 52.50% of total of operating expenses in 2009 as against 50% in 2008. Increase in number of branches resulted in increase in business volume which not only contributed to growth in profit, but also drove total operating expenses to rise. Additional human resources were recruited to support business growth. Moreover, to keep salary package competitive in the industry, there was an upward revision of the packages in the second half of 2009, which

resulted in further increase in personnel expenses. However, the enhancement of the package will motivate our employees to do even better in future. TBL also focused on developing brand image and increased promotional and advertisement expenses. This strategy has added value to the business. The Bank's cost-income ratio slightly deteriorated to 75.66 percent in 2009 from 71.97 percent in 2008 due to increased investment in branch and SME expansion. Considering these factors, the ratio indicates the satisfactory operating efficiency of the Bank.

Summary of Operating Results

Particulars	Taka in million		Growth (%)
	2009	2008	
Interest Income	4,027.20	3,634.65	11%
Interest Expense	3,112.82	2,462.23	26%
Net Interest Income	914.38	1,172.42	-22%
Investment Income	785.03	394.05	99%
Non Interest Income	768.26	439.64	75%
Total Operating Income	2,467.67	2,006.11	23%
Total Operating Expenses (Excluding Contribution To Special Reserve Fund)	1,045.11	694.59	50%
Profit before provision	1,422.56	1,311.52	8%
Provision For Loans And Advances (including off-balance sheet exposures and other assets) and diminution in value of investment	207.78	262.97	-21%
Contribution to Special Reserve fund	64.20	59.08	9%
Profit before taxes	1,150.58	989.47	16%
Provision for taxation (Current & Deferred)	539.67	526.42	3%
Net profit after taxation	610.91	463.05	32%

Profit before Provision

Operating profit increased to Tk.1,422.56 million in 2009 from Tk.1,311.52 million in 2008 before considering contribution to special reserve fund. After accounting for contribution to special reserve fund of Tk.64.20 million in 2009 and 59.08 million in 2008, operating profit stood at Tk.1,358.35 million in 2009 compared to Tk.1,252.44 million in 2008, registering a growth of 8.46%.

Provisions for Loans and Off-Balance Sheet Exposure

Total provision for loans and off-balance sheet exposure decreased by Tk.55.19 million or 20.99% during the year 2009. The total provision decreased due to recovery of provision for diminution in value of investment amounting to Tk.42.18 million during the year. The specific provisions against classified loans substantially increased by Tk.41.22 million during the year. That is, the Bank kept provisions against classified loans and advances Tk.127.19 million in 2009 as compared to Tk.85.97 million in 2008. In 2009, provision against un-classified loans and advances amounted to Tk.82.08 million against Tk.110.44 million in 2008.

Profit before Taxes

After making above provision, net profit before tax of the Bank stood at Tk.1150.57 million compared to Tk.989.47 million in 2008, registering a growth of 16.27 percent. The growth is supported by robust growth in income from investment and other income of the bank.

Provision for Income Taxes

Provision for current year income tax stood Tk.542.50 million against Tk.530 million in 2008. However, net provision for income tax was Tk.539.67 million after accounting for deferred tax of Tk.2.83 million in 2009.

Net Profit after Tax

Net profit after tax stood at Tk.610.90 million from 463.05 million in 2008 registering growth of almost 32 percent. Earning per share grew to Tk.33.06 from Tk.31.96.

Contribution to Special Reserve Fund

TBL established a special reserve fund in 2007 for carrying out CSR activities aimed at social causes. The Bank contributes 5% of its pre-tax profit to this fund which increased to Tk.64.20 million in 2009 compared to Tk.59.08 million in the previous year.

REVIEW OF OTHER POLICIES

Risk Management

The policy of Board of Directors is to constantly monitor and manage various risks the Bank faces in its business. It is the prime stewardship responsibility of the Board to develop and effect an internal control system which ensures that: (i) all existing and potential risks are identified and measured; (ii) risks are accepted or rejected based on tradeoff between risk and reward; (iii) controls are designed and evaluated timely. Thus, the four things are ensured:

1. The reliability and integrity of financial and operational information;
2. The effectiveness and efficiency of operations;
3. The safeguarding of assets;
4. Compliance with laws, regulations, and contracts.

The Board Audit Committee is directly responsible for effecting the above control system. Moreover, the Bank operates different risk management division. Internal control and compliance (IC & C) Division regularly assesses significant risk exposures and evaluates the controls in place for appropriateness and adequacy. Internal auditors oversee operations through various comprehensive audits in order to ensure that the risk management rules are implemented in accordance with the policies made by regulatory authorities and the Board of Directors. This report contains an elaborate report on Bank's risk management.

Corporate Social Responsibility

We at TBL believe that our revenue that leads to earning profit and increasing wealth of the stakeholders comes from our society. We acknowledge our responsibility to all of stakeholders including our society. Our commitment to socially responsible business is reflected in our business policy, pricing products, rewarding employees, discharging duties to government, and direct participation in CSR activities. As part of CSR through direct participation program, we have established a special reserve fund named Trust Bank Limited Special Reserve Fund, with 5 percent contribution from Bank's total income every year, which is run by a Board of Trustees that includes a Chairman and six members from Board of Directors and management. We transferred Tk.59.08 million from net income of the bank during 2008 to materialize our aforementioned objects. During 2009, we proudly contributed to various benevolent and philanthropic activities and in this regard, we disbursed Tk.55.10 million from the fund. Moreover, we also transferred Taka 64.20 million from the profit of 2009 to the fund for discharging CSR activities in 2010.

Notable Donation

Some of our notable contributions for social causes include: (i) Tk.25 million for construction of School Building of Sena Sahayak School, (ii) Tk.21 million to Trust Technical Training Institute, (iii) Tk.2.5 million to Prime Minister's Relief fund for Cyclone "Aila" stricken people, and (iv) Tk.5 million to Bangladesh Olympic Association for organizing the South Asian Games. Apart from above, as part of CSR activity, we have been contributing Tk.1 million lac to promote Taekwondo game every year since 2008.



As part of Bank's CSR program, Maj Gen A T M Shahidul Islam, ndu, psc, Vice-Chairman, accompanied by other Directors and Managing Director, handing over a cheque for Taka one crore to the students of Sena Sahayak School, a school for mentally handicapped children.

Promoting Sports and Games

Bank has been contributing Tk.1 million every year to promote Taekwondo game since 2008. Moreover, The Bank spontaneously donated Tk.5 million to Bangladesh Olympic Association for organizing the South Asian Games. The Bank also awarded two sports men for wining gold medal in 5th Korea Open Taekwondo Championship. Thus, the Bank is committed itself to promote sports and game of the country.



As part of Bank's CSR program Mr. M Shah Alam Sarwar, Managing Director of the Bank, handing over Taka five lac to Mr. Md. Moazzem Hossain, a former sports organizer of the country, who was suffering from lung cancer.

Medical Treatment

The Bank extended its helping hand to many unwell people and assisted in bearing their medical expenses. The donation in this regard stood Tk.13.50 lac in 2009.

Dividend Policy

In the line with the stipulations of Basel II Capital Accord, Bangladesh Bank has fixed up minimum paid up capital plus statutory reserve for scheduled banks at Taka 4,000 million, which must be attained by 11 August 2011. Bangladesh Bank imposed a restriction on payment on cash dividend until the new minimum capital is attained. The Board of Directors has drawn up road map to reach Taka 4,000 million within stipulated time. As part of the road map, Board of Directors has recommended a moderate 20% bonus shares out of share premium, and balance if any, out of retained earnings for the year 2009. Under the Basel II requirement, minimum paid up capital should be Taka 2,000 million. We intend to maintain the paid-up capital at this level or marginally over the minimum requirement. This will help us give good dividend to the shareholders in future.

Election and Re-Election of Directors

According to Article 107 of the Articles of Association of the Bank, one-third of the directors for the time being, or if their number is not three or multiple of three, then the number nearest to one-third shall retire from office. At present we have seven Directors on the Board and hence, two of them namely Big Gen KARM Mostafa Kamal and Brig Gen Tusher Kanti Chakma will retire (in order of date of becoming Director). Both Directors are eligible for re-election and they have expressed their desire for re election. In addition a new Director will be elected in a vacant post in the AGM.

Appointment of Auditors

Present auditors of the Bank M/S Howladar Yunus & Co, Chartered Accountants will retire at this 11th Annual General Meeting. Since they have audited the books of accounts of the Bank for consecutive two years, so they are eligible for re-appointment as auditors for the year 2010 as per Bangladesh Bank's Circular No. BCD (P) 748/3/546 dated 31.03.1991. They have expressed their desire for re-appointment with a request to increase their fees.

Directors' Responsibility for Financial Reporting

The Board of Directors of TBL is responsible to cause preparation and true and fair presentation of the annual financial statements of year 2009 and other information and reports contained in this annual report by the management. The Directors also report that:

- a) The financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- b) Proper books of account of the Bank have been maintained;
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and in cases where amounts are stated based on estimate those are based on informed judgment and estimate made by the management and agreed by the Board of Directors;
- d) The financial statements have been prepared in accordance with Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards as adopted by Institute of Chartered Accountants of Bangladesh and Companies Act 1994, Banking Companies Act 1991 and Securities and Exchange Rules 1987 as considered relevant and appropriate under the circumstances;
- e) An adequate internal control system is in place and sound in design and it is consistently reviewed and monitored to provide reasonable assurance that financial records are reliable for preparation of financial statements; that quality of financial reporting is maintained; that assets of the Bank are safeguarded against unauthorized use or disposition; and that accountability for assets and business transactions are maintained;
- f) There are no significant doubts upon the Bank's ability to continue as a going concern;
- g) There is no significant deviation in the operating results from the result of the last year except normal business growth;
- h) Key operating and financial data of 5 preceding years have been presented in summarized form;

- i) The number of Board meetings and executive Committee meetings and the attendance of Directors during the year 2009 presented in Annexure I & II respectively;
- j) The pattern of share holding along with name wise details are shown in Annexure III.

The Board of Directors understands that despite taking all cares, any internal control system may have limitations in its effectiveness. However, the Board believes that effective control was maintained over preparation of financial statements for the year ended 31 December 2009.

Acknowledgement

The Board expresses gratitude to the Almighty Allah for the success of the Bank in 2009. The performance of the Bank in the year 2009 provides testimony to the dedication of the Board of Directors, commitment of top management, perseverance of all employees and continuous support of the shareholders and our valuable clients. The Board of Directors would like to express its gratitude and sincere thanks to all of our shareholders, valued clients, patrons, all employees and well-wishers for their continued support and cooperation. We are also indebted to Bangladesh Bank, Securities and Exchange Commission and other regulatory authorities for their continued support to the Bank. We renew our promise to remain disciplined, compliant and result oriented in all our endeavors dedicated to the Bank.

On behalf of the Board of Directors



General Md Abdul Mubeen, ndc, psc

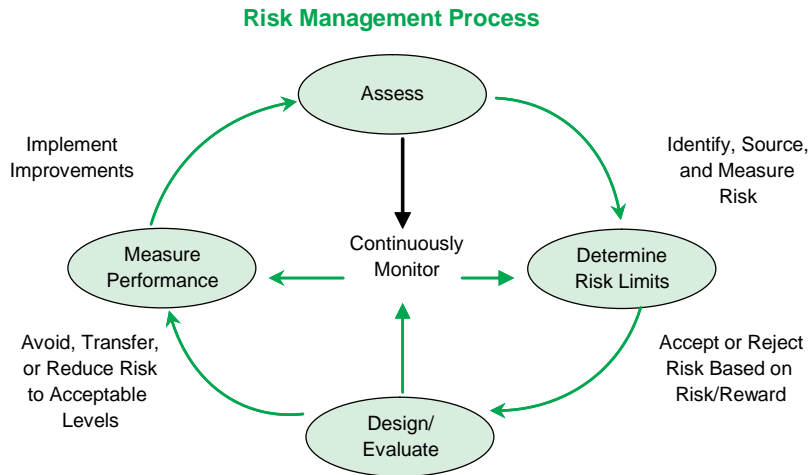
Chairman



Risk Management Report

Applying
contingency plan
to protect failure

The Bank is in the activity of managing risks while still adhering to the main principles of building a profitable business. The ultimate goal of risk management is not to eliminate risk but to control risk in such a way that long-term profitability is sustained. Intelligent risk taking is the core principle of risk management at TBL. The assessment of risk is one of the major tasks of banks and other financial institutions. Many risk factors can affect the Bank. The policy of Board of Directors is to constantly monitor and manage various risks the Bank faces in its business. For these purposes, the Bank operates different risk management divisions. In addition, internal auditors oversee operations in order to ensure that the risk management rules are implemented in accordance with the policy made by the Board of Directors.



The Bank's risk management operates by classifying risks into core risks such as credit risk, asset-liability/ balance sheet risk, foreign exchange risk, internal control & compliance risk, money laundering and ICT risk. The risk management policy of the Bank are designed under the following broad principals:

- Oversight by the Board / Executive Committee. Board approves policies and processes of risk management recommended by the management.
- Audit committee of the Board reviews the internal audit reports of the Bank and risk management covering credit risk, operational risk including money laundering risk, market risk and liquidity risk;
- Independent risk management units viz. Credit Risk Management (CRM) Unit, Credit Administration Department (CAD), Credit Monitoring and Recovery Department, Treasury Department, Internal Control & Compliance Division, IT Division and Anti-Money Laundering Department and compliance officers of the branches are engaged in managing various risks.
- Dedicated committees at management level have been set up to monitor risk viz. credit risk through Credit Committee, operational risk through Management Committee (MANCOM) and IC&C Division, market and liquidity risk through Asset Liability Committee (ALCO).

Risk Management Unit

For effective management of various types of risks, Risk Management Unit (RMU) is working dedicatedly at the Bank. Unit comprises of the following Divisions:

- i. Credit Risk Management (CRM) Division
- ii. Internal Control & Compliance (IC & C) Division
- iii. International Division
- iv. Operation Division
- v. Anti Money Laundering Department and
- vi. IT Division

Other than above –mentioned departments, Credit Administration Department (CAD) plays a vital role in managing risk through ensuring proper compliance of documentation procedures before disbursement of loans and advances. Moreover, Board Audit Committee plays a pivotal role to risk management process of the Bank through evaluating effectiveness and adequacy of risk management unit and giving suggestions for further improvements thereto.

Credit Risk Management

Credit risk is the current and prospective risk to earnings and capital arising from the failure of an obligor of the Bank to repay principal or interest at the stipulated time or failure otherwise to perform as agreed. The Bank's main asset is its loan portfolio. Carefully monitored credit risk serves as a basis for stable profits. To maintain and further improve a healthy loan portfolio it is imperative to scrutinize all applications and weed potential problem loans out during the application phase, as well as constantly monitor the current loan portfolio. While it is not the Bank's policy to extend credit only for cases of very low risk, it is of utmost importance that the price of issued credit reflects both the risk and the cost incurred. This means that a detailed assessment of individual customers, their financial positions, and the collaterals in question are prerequisites for granting credit.

Therefore, Credit risk management is at the heart of the overall risk management system of the Bank. It is designed and continuously updated to identify, measure, manage and mitigate credit risk to maintain and improve quality of loan portfolio and reduce actual loan losses and to ensure that approved policies and procedures are followed and appropriate due diligence is made in approving credit facilities.

In the evaluation process the Bank takes into account all the relevant information and financials reflecting the borrower's personal credibility, business status and prospect. Besides, the Bank always endeavors to diversify the loan portfolio across borrowers, entrepreneurs, groups to avert credit concentration risk. Risk grading is another tool for mitigating credit risk. All the new commercial loan proposals are graded according to stipulated criteria.

Credit risks are managed within our devised system. The Bank has an exhaustive credit policy which is periodically reviewed and updated under which all the functions of credit operations and management are carried out. Moreover, regulatory agencies' guidelines are complied with in managing risks.

▶ The Bank's credit risk management encompasses the following strategies:

- The Board of Directors approves major policy guidelines, growth strategy, exposure limit for particular sector, product, individual company or group, keeping in view regulatory compliance, risk management strategy and industry best practice;
- The Board of Directors as the supreme authority only can approve maximum lendable exposure allowed by Bangladesh Bank.
- The Executive Committee of the Board of Directors can approve lendable exposure as approval authority has been delegated by the Board of Directors for speedy disposal of credit proposal;
- Some members of the Management Committee were also carefully delegated some approval authorities to strike a balance between adequate control and flexibility in credit operations;
- There is an independent risk management division called credit risk management (CRM) to assess credit risks and suggest mitigations before recommendation of every credit proposal;
- There is a separate credit administration department (CAD) which confirms that perfected security documents are in place before disbursement;
- There is a credit recovery unit to review loans and advances and strengthen the recovery process;
- Interest accrued on classified loan is suspended and adequate provision is maintained thereagainst as per Bangladesh Bank's Guidelines;
- Internal Control & Compliance Division (IC&C) verifies and ensures, at least once in a year, compliance with approved lending guidelines, Bangladesh Bank's guidelines, operational procedures, and adequacy of internal control and administration;
- Status of classified loan is reported to the Board of Directors at the end of each quarter for its evaluation and review;
- Operations and performance of loans are regularly monitored at different levels to trigger the early alert system to address the loans whose performance show deteriorating trend;

Liquidity and Funding Risk Management

Liquidity and funding risk is an unavoidable source of risk in Bank's operations. Liquidity risk is the current and / or prospective risk that the Bank, though solvent, either does not have sufficient resources available to meet its liabilities when they fall due, or can secure them only at excessive cost. Liquidity risk arises from the inability to manage unplanned decreases or changes in funding sources. Liquidity risk management of any financial institution

focuses on the following three factors: first, sufficient liquidity; second, asset liability management; third, contingent funding. TBL's liquidity risk management include the following strategies:

Maintaining sufficient liquidity- it is the Bank's policy to always maintain sufficient liquidity by maintaining a sufficient ratio of liquid assets and available funding to near term liabilities and possible payment outflows in a stressed environment.

Asset and liability management- the Bank is managing its assets and liabilities in order to ensure sustained profitability so that the Bank can maintain a balanced and sustainable growth. As per Bangladesh Bank guidelines and considering the most practical aspects of the Bank, an approved policy manual on ALM has been prepared so that it could be followed consistently every sphere of the management. To support the ALM process, the Bank has established a committee called "Asset Liability Committee (ALCO)" headed by Managing Director, which holds meeting at least once in every month. ALM Desk, an executive functional and operational desk of the asset liability management, is embodied herewith the ALCO function under the direct control of Head of Treasury. The most important strategy of the ALM of the Bank is to ensure long-term funding and pre-fund what the Bank estimates will be the likely cash need during liquidity crisis. In order to manage asset-liability risk, the Bank:

- Reviews the interest rate structure and compares the same to the interest/product pricing of both assets and liabilities;
- Examines the loan and investment portfolios in light of the foreign exchange risk and liquidity risk that might arise;
- Examines the credit risk and contingency risk that may originate either due to rate fluctuations or otherwise and assess the quality of assets; and
- Reviews the actual performance against the projections made and analyzes the reasons for any effect on the spreads.

Contingency funding- the Bank always maintains adequate liquidity to ward off liquidity crisis.

The principal responsibility of liquidity risk management of the Bank rests with Treasury Division. Treasury Division maintains liquidity based on historical requirements, current liquidity positions, anticipated future funding requirement, sources of fund, options for reducing funding needs, present and anticipated asset quality, present and future earning capacity, and present and planned capital position. ALCO monitors the liquidity management of Treasury by i) setting tolerance limit for cumulative cash flow mismatches, ii) setting limit on loan to deposit ratio, and iii) setting limits on dependence on institutional deposits which are volatile in nature.

Market Risk Management

Market risk is the current or prospective risk to earnings and capital arising from adverse movements in market prices and rates. Broadly speaking, the Bank concerns itself with three main components under market risk:

Interest rate risk is the risk that the value of an interest rate sensitive instruments will change as a result of a change in market interest rates.

Foreign exchange risk is the risk of loss due to adverse changes in foreign exchange rates.

Equity price risk is the risk of loss due to adverse changes in equity markets.

Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect a bank's financial condition. In the year 2009, we observed how a bank is prone to interest rate risk caused from market interest rate movements especially when Bangladesh Bank fixed interest on certain loans and spread between interest on loans and deposits. Changes in interest rates affect a bank's both the current earnings (earnings perspective) as well as the net worth of the bank (economic value perspective). Re-pricing risk is often the most apparent source of interest rate risk for a bank and is often gauged by comparing the volume of a bank's assets that mature or re-price within a given time period with the volume of liabilities that do so.

The short-term impact of changes in interest rates is on the Bank's Net Interest Income (NII). On a longer term, changes in interest rates impact the cash flows on the assets, liabilities and off-balance sheet items, giving rise to a risk to the net worth of the Bank arising out of all re-pricing mismatches and other interest rate sensitive position. Moreover, market competition, cost of fund, market volatility and regulatory compliance are key issues that are usually taken into account to manage any adverse movement of interest rate.

Foreign Exchange Risk Management

Foreign exchange risk arises from potential changes in the rate of foreign exchange which may affect the profit of the Bank. It involves prudently managing the foreign currency position in order to control within set parameters of the Bank. The frequency and direction of rate changes, the extent of the foreign currency exposure and the ability of counterparts to honor their obligations to the Bank are significant factors in foreign exchange risk management. In addition, the Bank is also exposed in interest rate risk and settlement risk on account of its foreign exchange business.

Foreign exchange risks are measured and monitored by Treasury Division of the Bank. To address the issue, all foreign exchange activities have been segregated between front office and back office which are responsible for currency transactions, deal verification, limit monitoring and settlement of transactions separately. Trust Bank follows all the prudential guidelines of foreign exchange risk management set by Bangladesh Bank. Treasury Division always monitors the market scenario of risks and manages the foreign exchange operations in such a way that earnings are not hampered against any adverse movement in market prices. All NOSTRO accounts are reconciled on monthly basis and outstanding entries beyond 30 days are appraised by the Management for settlement. The NOSTRO accounts are verified by the external auditor and reports are submitted to Bangladesh Bank.

Equity Price Risk

Equity risk is defined as losses due to change in market price of the equity held. To measure and identify the risk, mark-to-market valuation of the share investment portfolios is done. Provision for equity price risk is made when market value of shares held for trading is lower than the cost price of shares at the reporting date. As at 31 December 2009 equity risk on bank's investment was nil as the market value of shares were higher than the cost price. Investment account (Margin Account) where margin loan is allowed is monitored very closely against predetermined margin requirement and margin ratio. Moreover, at the time of providing margin loan factors such as, fundamentals of securities, liquidity of securities, capital appreciation, and risk factors are taken into consideration.

Operation Risk Management

Operational risk is the risk of direct or indirect loss or damage to the Bank's reputation resulting from inadequate or failed internal processes or systems, or from human error or external events that affect the Bank's image. It may arise from the risk of loss arising from fraud; unauthorized activities, error, omissions, inefficiency, and system failure from an external event. In TBL, operational risks are identified and measured in the following manner:

- Risks are identified with reference to the relevant policy manuals, processes, procedures and practices;
- Manuals and standard operating procedures are in place and implementation of these are regularly monitored;
- Review of system and network by Management Committee (MANCOM)
- Risk based and/or comprehensive audit by Internal Control & Compliance Division
- Audit by Board Auditor.

Internal Control and Compliance Risk Management

Internal Control refers to the mechanism in place on a permanent basis to control the activities in an organization. In absence of it risks result in unexpected losses caused by faulty internal processes, human errors, frauds & forgery, technology failure and documentary lapses may surface. The primary objectives of internal control system are to help the Bank performs better through the use of its resources, identify its weaknesses, take appropriate measures to overcome the same and ensure compliance with applicable laws and regulations.

The Bank has set up Internal Control & Compliance (IC & C) Division at Head Office to ensure that the internal control processes are in place through establishment of Audit Committee as per the instructions of Bangladesh Bank, which reviews the internal and external audit reports without any intervention of the Bank Management and ensures that Management takes effective measures in case any deficiency/ lapse is found in the internal control system. The Bank has introduced 'Risk Based Internal Audit (RBIA)' to assess the business risk as well as control risk associated with the branches and determine how much care, monitoring & periodicity of comprehensive internal audit would be required to reposition the branches. In addition, the Bank has also introduced 'Spot Inspection' in the branches in order to help avoid any fraudulent activities. In setting out a strong internal control framework within the organization the Bank has already brought out its Internal Control Manual, which focuses on monitoring the

functions of various departments/divisions of Head Office and branches of the bank periodically on regular basis. IC & C Division of the Bank ensures its Internal Control Process through review of Departmental Control Function Checklist (DCFCL), Loan Documentation Checklist and Quarterly Operations Report of the branches and other mechanisms.

In 2009 IC & C Division conducted comprehensive audit in 37 branches and 06 divisions at Head Office of the Bank. In the same year, the internal audit team of IC & C division carried out 08 spot audits in different branches. Also 20 special audits on different issues were conducted in the year 2009. In addition, audit was also conducted in the Merchant Banking Division of the Bank in 2009.

Each year the IC & C Division sets out an audit plan (internal) for the year which is approved by the Managing Director. At the end of the year a summary report on audit findings and corrective action taken, is placed in a meeting of the Audit Committee of the Board for information and necessary advice/suggestions. To comply with the directives of Bangladesh Bank a special meeting of the Board of Directors was convened in 2009 to review the compliance/ implementation status on the observations of Bangladesh Bank's comprehensive inspection report, where the representatives of Bangladesh Bank were also present.

Money Laundering Risk Management

In accordance with Money Laundering Prevention Act, 2009 money laundering means transfer, conversion, remitting abroad or remit or bring from abroad to Bangladesh the proceeds or properties acquired through commission of a predicate offence for the purpose of concealing or disguising the illicit origin of the property or illegal transfer of properties acquired or earned through legal or illegal means. The enactment of Anti-Terror Act, 2009 in the same year has given 'terrorist financing' a deserved area of specialization for the financial institutions. Like other banks and FSI across the globe TBL reckons that prevention of Money Laundering & combating Terrorist Financing are the two challenges that confront the financial sector today. The Board of Directors, as such, has approved policy guidelines for anti-money laundering and countering of financing for terrorism (CFT) of the Bank. One of the main objectives of the Bank's policy on CFT & AML is to portray the procedures and measures to be taken for combating financing of terrorism & money laundering and develop a workable system within the Bank for safeguards so that the institution can not be abused in any way as a conduit for ill practices, for the sake of disciplined financial management and social stability.

To implement the Bank's policy effectively the Central Compliance Unit (CCU) of AML Department at Head Office of the bank has been strengthened by delegating more power and authority to the Chief Anti-Money Laundering Compliance Officer (CAMLCO) to comply with the provisions of the legislation as well as the directives of Bangladesh Bank and other regulatory bodies. The CCU functions under the direct supervision of the Managing Director of the Bank. In the branch level there is a designated anti-money laundering compliance officer, called Branch Anti-Money Laundering Compliance Officer (BAMLCO). All officers & executives of the Bank are well conversant with the process of 'Know Your Customer' (KYC) through the exercise of due diligence. Bank has also introduced uniform account opening forms as Bangladesh Bank has prescribed for all banks, to have adequate information about the account holders and account operators. Bank shall continue to deploy considerable resources to establish and maintain employees' awareness of the risk of money laundering & terrorist financing through proper training and to enhance their competence to identify and report suspicious account transactions.

IT Risk Management

Information technology risk refers to the possibility of facing a calamity in business due to technological glitches. In order to protect the interest of the financial institutions and the clients, the prevention of undue access to IT information, modification, physical destruction of IT systems and IT information are of paramount importance. There are mainly two types of IT risks one is loss of information permanently or temporarily and another is unauthorized use of information for alteration, modification, theft of information. There are also three types of inappropriate computer activity or computer fraud:

- Theft of information, such as customer lists, market research information, cost and pricing data, and launching plan of new products;
- Theft of assets by means, such as unauthorized electronic funds transfer or improper transfer of money from one account to another;
- Malicious destruction of information or programs by disgruntled employees or former employees, competitors, or hackers.

The Bank's IT risk management mainly focuses on safeguarding the financial and organizational information and our IT risk management is fully complied with the rules and regulations of central bank. For risk of losing information, the Bank has established a Disaster Recovery System along with Data Protection facility which includes a Disaster Recovery site for restoring and retrieval of the Bank's data with utmost security measures. And for risk of unauthorized use of information and computer fraud, proper security measures are in place at the Bank. For example, authorized employees are given ID number and password to access the information system of the Bank. However, power of user to access and manipulate data fully depends on authorization by senior management. Moreover, IT division of the Bank arranges training programs for the employees on a regular basis on banking software operation, hardware maintenance and network security in a wide area networking as well as local area networking environment. These training sessions help participants understand the risks involved IT operation and how to minimize those risks. By taking all other appropriate measures, the Bank has designed its overall IT risk management process aiming to contain the risks in this field.

Reputation Risk Management

Reputation risk refers to the risk of losses, falling business volume or income as well as reduced value of the company arising from business events that may reduce confidence of the customers, shareholders, investors, counterparties, business partners, credit rating agencies, regulators, public at large.

TBL ensures adequate awareness amongst all employees, the branches and operational divisions of any changes in the market perception. With this end in view, business policies are framed and transactions are made exercising careful consideration. Any allegation by any aggrieved party against any employee of the Bank is taken with utmost significance, investigation is carried out, and if allegation is found correct, appropriate actions are taken against the person(s) liable. Necessary precautions are in place to watch and guard significant tax, legal or environmental risks.

Basel-II accord & its implementation

In 2004, the Basel Committee on Banking Supervision endorsed the publication of the 'International Convergence of Capital Measurement and Capital Standards: a Revised Framework', commonly referred to as Basel II. Bangladesh Bank adopted Basel-II accord for implementation in Bangladesh from 1 January 2009.

Basel II provides three approaches of increasing sophistication to the calculation of credit risk capital: the Standardized Approach, the Internal Ratings Based Foundation Approach, and the Internal Ratings Based Advanced Approach. Basel II also introduces capital requirements for operational risk for the first time. Basel II is structured around three mutually enforcing 'pillars': Pillar 1 sets out minimum regulatory capital requirements, that is, the minimum amount of capital banks must hold against credit, operational and market risks. Pillar 2 sets out the key principles for supervisory review of an institution's risk management framework and, ultimately, its capital adequacy. It sets out specific oversight responsibilities for the Board and senior management, thus reinforcing principles of internal control and other corporate governance practices. Pillar 2, in the new regulation, requires that the institutions conduct an internal capital adequacy assessment process (ICAAP). Pillar 3 aims to bolster market discipline through enhanced disclosure by banks.

TBL is strongly committed to compliance with Basel II capital accord. As such, TBL has set up Basel Committee comprising top management of the Bank and Basel-II Implementation cell to comply with and implement the guidelines provided by BB with a view to strengthen capital structure against Bank's exposure towards credit, market and operational risk. During the year TBL computed and reported capital on the basis of Basel II regime in parallel to Basel-I. In accordance with this, revised minimum requirements have been set for the Tier 1 and total capital ratios, including the requirement to treat capital deductions in the same manner, as required under Basel II.

As dynamic growth of financial markets and the increased use of complex bank products have brought about substantial changes and challenges in the banks' business environment, TBL has established several functioning systems for being limitation of and targeted control over each risk situations/center. Besides these, the new regulatory capital regime (Basel-II) has also placed the bank in an increased emphasis on risk management and an integrated intra-branch-wide management

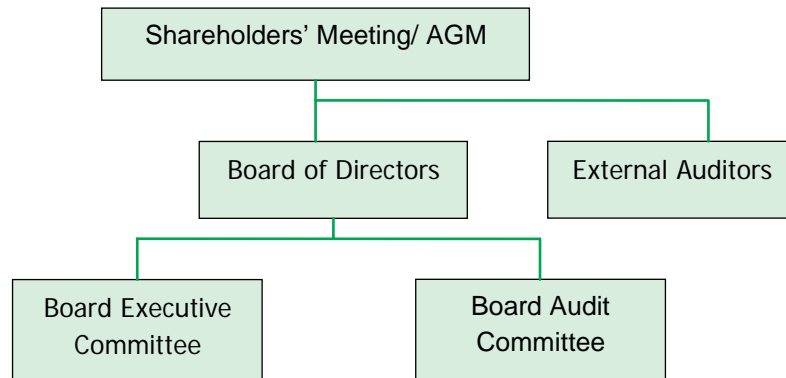


Corporate Governance Report



Compliance with rules & regulations
protects all

Corporate Governance has been defined as a hybrid of internal and external control mechanism, which is a blend of law, regulation, enforcement and appropriate voluntary practices by the companies to attract capital, perform efficiently and generate long-term economic value for its shareholders, while respecting the interests of its other stakeholders and society as a whole. It is a framework by which the Bank is directed and controlled and the relationship is strengthened between the management, the Board of Directors, shareholders and other stakeholders, such as employees, clients and lenders. The principal purpose of corporate governance is the widest control mechanism used for efficient utilization of corporate resources.



The aim of the Corporate Governance framework is to ensure disclosure and transparency, to define the responsibilities of the Board and the management, to define the rights and role of shareholders and stakeholders, to ensure the equitable treatment of shareholders and to avoid conflicts of interests.

Shareholders' Meetings

The supreme authority in the Bank's affairs, within the limits established by the Articles of Association and statutory law, rests with legitimate shareholders' meetings. The Bank's Annual General Meeting is held within statutorily allowed time every year. At shareholders' meeting, each share carries one vote. Decisions at shareholders' meetings are taken by majority vote unless there are contrary provisions in the Bank's Articles of Association or statutory law.

The Board of Directors

The Board of Directors is the highest authority in the Bank's affairs after shareholders' meetings. The Board at TBL is committed to the Bank seeking to achieve superior financial performance and long-term prosperity, while meeting stakeholders' expectations of sound corporate governance.

It handles the Bank's affairs and ensures that its organization and operation are at all times in correct and appropriate order. The Board is, among other things, responsible for setting business objectives, strategies and business plans, formulating risk policies, confirming key aspects of the Bank's internal organization and making decisions on the establishment of branches. As a mechanism of budgetary control, the Board approves budget and reviews the business plan on quarterly basis so as to give directions as per changing economic and market environment. The Board also reviews the policies and guidelines issued by Bangladesh Bank and gives directions for their due compliance. Furthermore, Board of Directors develops and reviews corporate governance framework as well as recommends to shareholders to appoint an external auditor.

Composition

The Board of Trust Bank Limited consists of eight members including the Managing Director as executive director and ex-officio member of the Board. In compliance with Bangladesh Bank's and SEC's notification, the Board consists one Depositor Director who is also an Independent Director.

Board Meetings

During year 2009, the Board met 21 times. The attendance by directors at the Board meeting held during the year 2009 is provided at annexure-I.

Executive Committee

The Board of Directors has an Executive Committee. The committee comprises five members from the Board including the Vice-Chairman as chairman of the committee. The Executive Committee mainly scrutinizes the proposals sent to Board of Directors for decision. However, in order to have functioning and quick disposal of credit proposals, Board has delegated authority to Executive Committee of the Board to approve proposal within certain limit and it is observed to be effective to accelerate the various decisions which otherwise had to wait for Board meeting. The committee met 12 times during the year and played instrumental role for the Board in approving strategic plans and policy guidelines. Attendance in EC meeting is provided in annexure-II.

Audit Committee

The Audit committee is headed by a senior Director and comprises two other Directors. Company secretary is the member secretary of Audit Committee. The committee has unrestricted access to all accounts, books and records to ensure the job is conducted properly. The committee had 5 meetings during the year, based on which the Committee submitted its report to the Board regarding different aspects of the Bank.

Directors' Remuneration

The non-executive directors (directors other than Managing Director) of the Board representing shareholders do not take any remuneration or reimbursement of any expenses for attending Board meeting or for any other purpose. The Board members receive only Tk.5000/- for attending the Board/Committee meetings. The fees given to directors are disclosed in note 28 to the financial statements.

Management

Managing Director is the CEO of the Bank. The CEO and Board of Directors are jointly responsible for the management of the Bank. The Managing Director is responsible for day-to-day operations and in this respect observes the policy and directions of the Board of Directors. The day-to-day operations do not include measures which are unusual or extraordinary. Such measures are only taken by the Managing Director pursuant to special authorization from the Board of Directors unless waiting for a decision from the Board of Directors would seriously disadvantage the operation of the Bank. In such cases, the Board of Directors is promptly notified of the measures. The Managing Director also ensures that Bank's accounts and finances conform to applicable laws and accepted standards. Therefore, being empowered by the Board, Managing Director leads Management consisting executives of the Bank. Management functions through several committees headed by Managing Director comprising a number of executives of the Bank. The committees are MANCOM, ALCO, HR Committee, and Basel Committee etc. Management enjoys absolute power in respect of recruitment, posting and promotion of manpower in accordance with Bangladesh Bank's guidelines and policies approved by the Board. In addition, Board has delegated adequate administrative, business and financial power to Management for quick and efficient discharge of Bank's activities.

Internal Control

The Board of Director acknowledges their overall responsibility for the Bank's system of internal control and for reviewing its effectiveness. Internal control is an ongoing process for identifying, evaluating and managing the significant risks faced by the Bank. The Bank has taken all-out efforts to mitigate all sorts of risk as per guidelines issued by Bangladesh Bank. Internal Control & Compliance Division and Board Audit Cell are working towards mitigation of operational and compliance risk of the Bank.

External Audit

M/S Howlader Yunus & Co. chartered accountants is the statutory auditors of the Bank. They do not provide

any other accounting, taxation or advisory services to the Bank except certification of cash incentives payable to exporters.

Audit and Inspection by Bangladesh Bank

Bangladesh Bank also undertakes audit & inspection at the Bank at their determined intervals. Compliance with observations and recommendations made by Bangladesh Bank help the Bank to improve internal control, risk management, corporate governance and regulatory compliance maximizing benefit for all stakeholders.

Going Concern Assumption

The Directors confirm that they are satisfied that the Bank has adequate resources to continue to operate for the foreseeable future and are financially sound. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Relations and communication with shareholders

The Bank acknowledges and takes necessary steps to provide shareholders with all relevant and reliable information to allow them to make informed judgment and decisions. All relevant information is placed in the website of the Bank for convenience of the shareholders. Moreover, as per SEC guidelines all the price sensitive information having possible impact on share prices of the Bank are communicated to the shareholders by publication in the national dailies and to the DSE, CSE, and SEC through official letters for appearance in their respective websites. Quarterly Financial Statements are communicated to all the shareholders through publication in newspapers. Half-yearly Financial Statements are directly communicated to all shareholders. Audited yearly financial statements are published in two national dailies. Finally, we arrange Annual General Meeting as our statutory duty to give our shareholders parliamentary session to communicate their assertions about the Bank. All the suggestions or recommendations made by the shareholders in AGM or any time during the year are taken very seriously for compliance and better corporate governance of the Bank.



Board of Directors are seen at the 10th annual general meeting of the Bank.

Compliance of Regulatory Guidelines

Securities and Exchange Commission (SEC) issued corporate governance guidelines (Notification dated 20 February 2006) for the companies listed with stock exchanges. Through the said notification, SEC has asked the listed companies to report the compliance status of the said notification in the annual report. Compliance report on the said corporate governance guidelines is given in annexure III & IV.



Partial view of the shareholders attending 10th annual general meeting of the Bank.

Annexure-I

21 meetings of the Board of Directors were held in the year 2009; the attendance of the directors is furnished below:

SL	Name of Director	Position	Date of appointment	Meeting held	Attended	Status
1	General Moeen U Ahmed, ndc, psc	Chairman	03/07/05	9	9	Resigned on 15/06/09
2	General Md Abdul Mubeen, ndc, psc	Chairman	28/06/09	12	12	Continuing as Director & Chairman
3	Maj Gen Md Matiur Rahman, ndu, psc	Vice-Chairman	09/05/07	3	3	Resigned on 25/03/09
4	Maj Gen A K M Muzahid Uddin, ndu, afwc, psc	Vice-Chairman	06/04/09	13	13	Resigned on 29/10/09
5	Maj Gen A T M Shahidul Islam, ndu, psc	Vice Chairman	02/11/09	4	4	Continuing as Director & Vice-Chairman
6	Brig Gen Md Zillur Rahman, MCPS, MSC	Director	09/05/07	3	3	Resigned on 25/03/09
7	Brig Gen S M Mahbubul Karim	Director	03/09/05	2	2	Resigned on 11/02/09
8	Brig Gen Md Rafiqul Islam, ndc, psc	Director	03/09/05	8	8	Retired on 31/05/09
9	Brig Gen Mohd Mahbubul Hasan, ndc, psc	Director	01/06/09	4	1	Resigned on 25/03/09
10	Professor Md. Abdullah	Director	03/06/08	5	2	Expired on 08/04/09
11	Brig Gen Md Nazrul Hasan	Director	22/09/08	21	21	Continuing as Director
12	Md. Al Haroon	Director	01/06/09	7	7	Resigned on 01/06/09
13	Dr. M. M. Amzad Hussain	Director	15/01/09	3	3	Resigned on 09/04/09
14	Brig Gen K A R M Mostafa Kamal, ndc, psc	Director	11/02/09	19	18	Continuing as Director
15	Brig Gen Tushar Kanti Chakma, ndc, psc	Director	06/04/09	16	14	Continuing as Director
16	Mrs. Begum Rokeya Din	Director	28/04/09	16	14	Continuing as Director
17	Mr. Helal Uddin Ahmed	Director	28/04/09	16	15	Continuing as Director
18	Managing Director	Ex-officio		21	21	

Leave of absence was granted to directors who could not attend some of the Board meetings.

Annexure-II

12 meetings of the Executive committee were held in the year 2009; the attendance of the directors is furnished below:

SL	Name of Directors	Position	Date of appointment	Meeting held	Attended	Status
1	Maj Gen Md Matiur Rahman, ndu, psc	Chairman	09/05/07	3	3	Resigned on 25/03/09
2	Maj Gen A K M Muzahid Uddin, ndu, afwc, psc	Chairman	06/04/09	7	7	Resigned on 29/10/09
3	Maj Gen A T M Shahidul Islam, ndu, psc	Chairman	02/11/09	2	2	Continuing
4	Brig Gen Md Rafiqul Islam, ndc, psc	Director	03/09/05	5	5	Retired on 31/05/09
5	Brig Gen Md Nazrul Hasan	Director	22/09/08	1	1	Continuing
6	Brig Gen K A R M Mostafa Kamal, ndc, psc	Director	11/02/09	11	11	Continuing
7	Brig Gen Tushar Kanti Chakma, ndc, psc	Director	06/04/09	8	7	Continuing
9	Managing Director	Ex-officio		12	12	

Leave of absence was granted to directors who could not attend some of the EC meetings.

Annexure-III

The pattern of shareholding of Trust Bank Limited as of 31 December 2009

- i) Shareholding by Parent/Subsidiary/Associated Companies and other related parties: Nil
- ii) Shareholding by Directors:

Name of Director	Position	No. of Share
General Md Abdul Mubeen, ndc, psc	Chairman	Nil
Maj Gen A T M Shahidul Islam, ndu, psc	Vice-Chairman	10
Brig Gen Md Nazrul Hasan	Director	12
Brig Gen K A R M Mostafa Kamal, ndc, psc	Director	12
Brig Gen Tushar Kanti Chakma, ndc, psc	Director	10
Begum Rokeya Din	Director	60
Mr. Helal Uddin Ahmed	Independent Director	1,156
Mr. M Shah Alam Sarwar	Managing Director	Nil

- iii. Shareholding by Executives

Chief Executive Officer	Nil
Company Secretary	Nil
Chief Financial Officer	Nil
Head of Internal Audit	Nil
Spouses and minor children of above executives	Nil

- iii) Shareholding by other Senior Executives Nil

- iv) Shareholders holding ten percent (10%) or more voting interest in the company as at 31 December 2009: Army Welfare Trust

Annexure-IV

Status of compliance with the conditions imposed by the Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006 issued under Section 2CC of the Securities and Exchange Ordinance, 1969.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Explanation for non-compliance with the condition
		Complied	Non-complied	

1.00: Board of Directors

1.1 Board's size	The number of the Board members of the company should not be less than 5 (five) and more than 20 (twenty)	✓		
1.2 Independent Directors	(i) At least one tenth (1/10) of the total number of the company's Board of directors, subject to a minimum of one, should be independent directors.	✓		
	(ii) The independent director(s) should be appointed by the elected directors	✓		
1.3 Chairman & CEO	The positions of the Chairman of the Board and the Chief Executive Officer of the company should preferably be filled by different individuals. The Chairman of the company should be elected from among the directors of the company. The Board of Directors should clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	✓		

1.4: Directors' Report to Shareholders

	a) The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	✓		
	b) Proper books of account of the issuer company have been maintained.	✓		
	c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		
	d) International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.	✓		
	e) The system of internal control is sound in design and has been effectively implemented and monitored.	✓		

	f) There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	✓		No doubt exists
	(g) Significant deviations from last year in operating results of the issuer company should be highlighted and reasons thereof should be explained.			Not Applicable; Operating result is improving
	(h) Key operating and financial data of at least preceding three years should be summarized	✓		
	(i) If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof should be given.			Not Applicable
	(j) The number of Board meetings held during the year and attendance by each director should be disclosed. (See at Annexure-A)	✓		
	(k) The pattern of shareholding should be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:- (i) Parent/Subsidiary/ Associated companies and other related parties (name wise details); (ii) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details); (iii) Executives; and (iv) Shareholders holding ten percent (10%) or more voting interest in the company (name wise details). (See at Annexure-B)	✓		

2.00: Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary

2.1 Appointment	The company should appoint a Chief Financial Officer (CFO), a Head of Internal Audit and a Company Secretary. The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the Company Secretary.	✓		
2.2 Requirement to Attend Board Meeting	The CFO and the Company Secretary of the companies should attend meetings of the Board of Directors, provided that the CFO and/or the Company Secretary should not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to the CFO and/or the Company Secretary.	✓		Company Secretary attends meetings regularly; CFO attends meetings as and when required.

3.00 Audit Committee	The company should have an Audit Committee as a sub-committee of the Board of Directors. The audit committee should assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee should be clearly set forth in writing.	✓		Audit Committee constituted as per Bangladesh Bank's circular
----------------------------	--	---	--	---

3.1 Constitution of Audit Committee

	(i) The Audit Committee should be composed of at least 3 (three) members	✓		
	(ii) The Board of Directors should appoint members of the Audit Committee who should be directors of the company and should include at least one independent director.	✓		
	(iii) When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors should appoint the new Committee member(s) to fill up the vacancy (ies) immediately or not later than 1 (one) month from the date of vacancy (ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.			Not applicable

3.2 Chairman of Audit Committee

	(i) The Board of Directors should select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee.	✓		
	(ii) The Chairman of the audit committee should have a professional qualification or knowledge, understanding and experience in accounting or finance.	✓		

3.3 Reporting of the Audit Committee**3.3.1 Reporting to the Board of Directors**

	(i) The audit Committee should report on its activities to the Board of Directors	✓		
	(ii) The Audit Committee should immediately report to the Board of Directors on the following findings, if any:-	✓		

	(a) Report on conflicts of interests			Not applicable
	(b) Suspected or presumed fraud or irregularity or material defect in the internal control system;	}		Audit Committee submits a report to the Board of Directors annually.
	(c) Suspected infringement of laws, including securities related laws, rules and regulations; and			
	(d) Any other matter which should be disclosed to the Board of Directors immediately.			
3.3.2 Reporting to the Authorities	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee should report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times of completion of a period of 9 (nine) months from the date of first reporting to the Board of Directors, whichever is earlier.			Not applicable

3.4. Reporting to the Shareholders and General Investors

	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.3.1 (ii) above during the year, should be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.			Audit Committee Report contains regular affairs of the Bank which do not deserve reporting to shareholders.
--	--	--	--	---

4.00. External/Statutory Auditors

The issuer Company should not engage its external/statutory Auditors to perform the following services of the Company namely:

	(i) Appraisal or valuation services or fairness opinions;	✓		
	(ii) Financial information systems design and implementation:	✓		
	(iii) Book-keeping or other services related to the accounting records or financial statements;	✓		
	(iv) Broker-dealer services;	✓		
	(v) Actuarial services:	✓		
	(vi) Internal audit services; and	✓		
	(vii) Any other service that the Audit Committee determines.			Not applicable

Bismillahir Rahmanir Raheem

Annual Report of Shariah Council, 2009

All praise is for Allah subhanahu-wa-tayala Who is the One and Second to none, Beneficent, the Merciful. Durud and Salam is for our Prophet (SM) who is Rahmat for the creatures of the World.

We take the opportunity to express our appreciation to the Board of Directors, the Managing Director and all members of the Management Team for their continuous support for the development of Islamic Banking in TBL.

In the Year 2009, Trust Bank Limited increased its Islamic Banking Operations through 03 (three) more designated branches with the existing 02 (two) branches.

We report the following to the Shareholders:

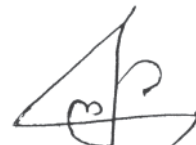
- i) During the Year 2009, Shariah Council of Trust Bank Limited held 04 (four) meetings.
- ii) The account of Islamic Banking operations of Trust Bank Limited were being kept separately from Conventional Banking accounts. All the products of Trust Islamic Banking are marketed after approval of Shariah Council.
- iii) The Council gave considered decision and guidelines on issues of Islamic Banking operations referred by the Management of the Bank and reviewed the operational issues in respect of Islamic Banking of the Bank.
- iv) The Shariah Council was satisfied on the performance of Trust Islamic Banking during the year 2009 earning operating profit of BDT. 5.32 crore.

We pray to Almighty Allah to give us enough strength and fortitude to implement Shariah Principles in every sphere of our life. We evoke His unbound blessings on TBL and its stakeholders.

Ameen.



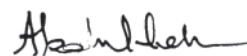
Mowlana Abu Daud Muhammad Zakaria
Member, Shariah Council



Prof. Mowlana Md. Shahidul Islam Barakaty
Member, Shariah Council



Mufti Muhammad Mujibur Rahman
Member, Shariah Council



Mufti Muhammad Abdullah
Chairman, Shariah Council



Auditors' Report & **Financial** Statements

No depression can stop
robust growth

AUDITOR'S REPORT

TO THE SHAREHOLDERS OF TRUST BANK LIMITED


We have audited the accompanying Balance Sheet of Trust Bank Limited as of December 31, 2009 and the related Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement and notes to the financial statements for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of affairs of the Bank as of December 31, 2009 and of the results of its operations and its cash flows for the year then ended and comply with the applicable sections of 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:

- 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 and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- 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 operations;
- v) the financial position of the Bank as of December 31, 2009 and the profit for the year then ended have been properly reflected in the financial statements, the financial statements have been prepared in accordance with the generally accepted accounting principles;
- vi) the financial statements have been drawn up in conformity with the Bank Company Act, 1991 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank;
- vii) adequate provisions have been made for advances 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;
- x) the information and explanations required by us have been received and found satisfactory;


HOWLADAR YUNUS & CO.
 Chartered Accountants

Dated : Dhaka
 March 29, 2010

TRUST BANK LIMITED
Balance Sheet
As at 31 December 2009

	Notes	31.12.2009 Taka	31.12.2008 Taka
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)		437,348,059	303,301,936
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		2,996,480,710	1,834,181,954
		3,433,828,769	2,137,483,890
Balance with other banks and financial institutions	4		
In Bangladesh		3,931,914,972	2,397,355,231
Outside Bangladesh		154,568,464	171,576,567
		4,086,483,436	2,568,931,798
Money at call and short notice	5	3,550,000,000	320,000,000
Investments:	6		
Government		8,032,947,669	4,203,627,193
Others		672,661,338	759,032,624
		8,705,609,007	4,962,659,817
Loans and Advances/Islami Banking Investments	7		
Loans, Cash Credit, Overdrafts etc.		31,524,930,342	26,525,518,709
Bills purchased and discounted		1,138,177,441	1,002,565,678
		32,663,107,783	27,528,084,387
Fixed assets including premises, furniture and fixtures	8	381,919,144	342,392,560
Other assets	9	1,385,700,468	675,169,124
Non-banking assets		-	-
Total Assets:		54,206,648,607	38,534,721,576
LIABILITIES AND CAPITAL			
Liabilities:			
Borrowings from other banks, financial institutions and agents	10	153,403,792	1,131,035,000
Deposits and other accounts:	11		
Current / Al-wadeeah Current Accounts and other Accounts		4,856,810,829	3,793,749,145
Bills Payable		602,883,159	514,875,597
Savings Bank / Mudaraba Savings Deposits		4,230,046,723	2,662,673,386
Fixed Deposits / Mudaraba Term Deposits		38,774,898,962	25,948,466,570
Bearer Certificates of Deposit		-	-
Other Deposits		-	-
		48,464,639,673	32,919,764,698
Other liabilities	12	1,833,739,086	1,364,268,891
Total Liabilities:		50,451,782,551	35,415,068,589
Capital/Shareholders' Equity			
Paid up Capital	13.2	1,848,005,200	1,540,004,400
Share Premium Account		182,001,600	490,002,400
Statutory Reserve	14	1,138,330,330	528,525,946
Other Reserve	15	122,565,154	74,287,123
Retained Earnings	16	463,963,772	486,833,118
Total Shareholders' Equity		3,754,866,056	3,119,652,987
Total Liabilities and Shareholders' Equity		54,206,648,607	38,534,721,576

	Notes	31.12.2009 Taka	31.12.2008 Taka
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities:	17		
Acceptances and endorsements		2,189,338,630	1,886,474,416
Letter of Guarantees		1,527,643,816	1,399,007,585
Irrevocable Letter of Credits		4,592,263,738	3,777,544,509
Bills for collection		1,331,102,185	1,713,750,718
		9,640,348,369	8,776,777,228
Other Contingent Liabilities			
Value of travelers' cheques in hand		-	3,526,740
Total:		9,640,348,369	8,780,303,968
Other commitments:			
Documentary Credit and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
Total Off-Balance Sheet items including contingent liabilities:		9,640,348,369	8,780,303,968

The annexed notes form an integral part of the Balance Sheet.


Vice Chairman


Director


Director


Managing Director

Signed as per annexed report on even date


Howladar Yunus & Co.
Chartered Accountants

Dated : Dhaka
March 29, 2010

TRUST BANK LIMITED

Profit and Loss Account

For the year ended as at 31 December 2009

	Notes	2009 Taka	2008 Taka
Interest income / Profit on Investment	19	4,027,199,131	3,634,651,908
Interest / Profit paid on deposits and borrowings etc.	20	3,112,822,489	2,462,230,880
Net interest income		914,376,642	1,172,421,028
Income from investments	21	785,031,424	394,047,235
Commission, exchange and brokerage	22	355,614,342	306,162,733
Other operating income	23	412,645,488	133,480,091
		1,553,291,254	833,690,059
Total operating income		2,467,667,896	2,006,111,087
Salaries and allowances	24	582,320,570	377,496,634
Rent, taxes, insurance, electricity, etc.	25	127,534,124	83,606,413
Legal expenses		1,197,648	956,835
Postage, stamps, telecommunications, etc.	26	33,434,691	32,042,077
Stationery, printing, advertisement etc.	27	48,097,074	23,836,251
Managing Director's salary and benefits		8,444,780	8,146,667
Directors' fees	28	709,200	663,000
Auditors' fee		209,000	188,100
Charges on loan losses		-	-
Depreciation and repair of bank's assets	29	91,781,299	67,275,945
Other expenses	30	215,585,389	159,456,098
Total operating expenses		1,109,313,775	753,668,020
Profit before provision		1,358,354,121	1,252,443,067
Provision for loans & advances / Investments	31	212,426,000	196,900,064
Provision for Diminution in value of Investment	32	(20,692,205)	21,490,218
Other provision	33	16,046,017	44,583,452
		207,779,812	262,973,734
Total Profit before Taxes		1,150,574,309	989,469,333
Provision for Taxation			
Current tax	12.5.1	542,500,000	530,000,000
Deferred tax	9.3.1	(2,831,529)	(3,580,213)
		539,668,471	526,419,787
Net Profit after Taxation		610,905,838	463,049,546
Appropriations:			
Statutory Reserve	14.1	609,804,384	197,893,867
General reserve		-	-
		609,804,384	197,893,867
Retained surplus		1,101,454	265,155,679
Earning per share (EPS)	35	33.06	31.96

The annexed notes form an integral part of the Profit & Loss Account.


Vice Chairman


Director


Director


Managing Director

Signed as per annexed report on even date


Howladar Yunus & Co.
Chartered Accountants

Dated : Dhaka
March 29, 2010

TRUST BANK LIMITED
Cash Flow Statements
For the year ended as at 31 December 2009

	Notes	2009 Taka	2008 Taka
A. Cash flow from operating activities			
Interest received in cash		4,075,793,904	3,737,621,966
Interest payments		(2,875,519,267)	(2,364,917,530)
Dividend receipts		24,331,156	12,177,144
Fees and commission receipts in cash		347,300,768	330,456,925
Recoveries of loans previously writtenoff		-	-
Cash paid to employees		(499,650,084)	(365,661,233)
Cash paid to suppliers		(36,119,833)	(20,880,652)
Income Taxes paid		(510,425,434)	(462,063,306)
Received from other operating activities (item-wise)	36	967,362,994	495,777,925
Payments for other operating activities (item-wise)	37	(382,019,026)	(228,715,095)
Operating profit before changes in operating Assets and Liabilities		1,111,055,178	1,133,796,144
Increase/(Decrease) in operating assets & liabilities			
Statutory Deposits		-	-
Net Investment in trading securities		86,371,286	(449,921,819)
Loan & advance to other banks		-	-
Loan & advance to customers		(5,054,925,936)	(8,822,700,773)
Other assets (item-wise)	38	(537,570,300)	8,621,762
Deposits from other banks		66,587,000	31,316,075
Deposits from customers		15,240,286,456	5,691,370,473
Other liabilities account of customers		-	-
Trading liabilities		-	-
Other liabilities (item-wise)	39	6,577,323	22,247,630
Net cash from operating activities (A)		10,918,381,007	(2,385,270,508)
B. Cash flow from investing activities			
Proceeds from sale of securities		-	-
Payments for purchase of government securities		(3,782,123,845)	(712,590,824)
Purchase of property, plant & equipment		(119,589,279)	(204,462,252)
Purchase of intangible assets		(5,408,714)	(2,009,266)
Sale of property, plant & equipment		4,102,927	1,105,950
Net cash from investing activities (B)		(3,903,018,911)	(917,956,392)
C. Cash flow from financing activities			
Increase/(Decrease) in Borrowing:			
Call loan		(1,010,000,000)	780,000,000
Other borrowings		32,368,792	106,735,000
Share Capital A/c		-	256,667,400
Share Premium A/c		-	256,667,400
Net cash from financing activities (C)		(977,631,208)	1,400,069,800
D. Net increase in Cash and Cash Equivalent (A+B+C)		6,037,730,888	(1,903,157,100)
E. Effects of exchange rate changes on cash and cash equivalents		5,084,229	(25,185,213)
F. Opening Cash and Cash Equivalent		5,029,395,988	6,957,738,301
G. Cash and cash equivalents at end of year (D+E+F)		11,072,211,105	5,029,395,988

TRUST BANK LIMITED
Statement of changes in Equity
For the year ended as at 31 December 2009

	Paid up Capital <u>Taka</u>	Share Premium Account <u>Taka</u>	Statutory Reserve <u>Taka</u>	Other Reserve <u>Taka</u>	Retained Earnings <u>Taka</u>	Total <u>Taka</u>
Balance as at 01 January	1,540,004,400	490,002,400	528,525,946	74,287,123	486,833,118	3,119,652,987
Changes in accounting policy	-	-	-	-	-	-
Restated Balance	-	-	-	-	-	-
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-
Surplus/Deficit on revaluation of investment	-	-	-	48,278,031	-	48,278,031
Currency transaction difference	-	-	-	-	-	-
Net gain and losses not recognized in the income statement	-	-	-	-	-	-
Net profit/(loss) for the year after tax	-	-	-	-	610,905,838	610,905,838
Statutory reserve	-	-	609,804,384	-	(609,804,384)	-
Dividends (Bonus Share)	308,000,800	(308,000,800)	-	-	-	-
Issue of Share Capital (Right Share)	-	-	-	-	-	-
Income Tax Provision	-	-	-	-	(23,970,800)	(23,970,800)
Balance as at 31 December	1,848,005,200	182,001,600	1,138,330,330	122,565,154	463,963,772	3,754,866,056

TRUST BANK LIMITED
Liquidity Statement
(Asset and Liability Maturity Analysis)
As at 31 December 2009

Amount in Taka

Particulars	Up to 01 Month	1- 3 Months	3-12 Months	1- 5 Years	More than 5 Years	Total
Assets:						
Cash in Hand	437,348,059	-	-	-	-	437,348,059
Balance with Bangladesh Bank and Sonali Bank	2,996,480,710	-	-	-	-	2,996,480,710
Balance with other banks and financial institutions	2,477,003,436	1,069,480,000	540,000,000	-	-	4,086,483,436
Money at call and short notice	3,550,000,000	-	-	-	-	3,550,000,000
Investments	824,291,138	192,982,664	385,629,678	4,387,575,232	2,915,130,295	8,705,609,007
Loans and Advances	9,373,712,718	3,217,024,353	7,149,219,383	9,783,526,909	3,139,624,420	32,663,107,783
Fixed Assets including premises, furniture and fixtures	6,375,303	12,750,606	57,377,727	225,129,649	80,285,859	381,919,144
Other assets	512,821,992	126,867,025	723,609,739	22,401,712	-	1,385,700,468
Non-banking assets	-	-	-	-	-	-
Total Assets	20,178,033,356	4,619,104,648	8,855,836,527	14,418,633,502	6,135,040,574	54,206,648,607
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	-	5,247,000	40,225,791	74,422,584	33,508,417	153,403,792
Deposits	10,057,018,410	12,585,629,986	17,937,500,074	3,755,309,967	1,491,876,105	45,827,334,542
Other accounts	2,637,305,131	-	-	-	-	2,637,305,131
Provision and other liabilities	436,321,810	129,282,029	804,271,019	351,674,268	112,189,960	1,833,739,086
Total Liabilities	13,130,645,351	12,720,159,015	18,781,996,884	4,181,406,819	1,637,574,482	50,451,782,551
Net Liquidity Gap	7,047,388,005	(8,101,054,367)	(9,926,160,357)	10,237,226,683	4,497,466,092	3,754,866,056

Net result of the Liquidity Statement represents the "Shareholders' Equity" of the Bank

TRUST BANK LIMITED
Notes to the Financial Statements
Profit and Loss Account

1 STATUS OF THE BANK

Trust Bank Limited is a scheduled commercial bank established under the Bank Companies Act, 1991 and incorporated as a Public Limited Company under the Companies Act, 1994 in Bangladesh on 17 September 1999 with the primary objective to carry on all kinds of banking business in and outside Bangladesh. The Bank had Forty Two (42) branches and Four (4) SME Service Centers are operating in Bangladesh as of 31 December 2009. The Bank had no overseas branches as of 31 December 2009. The bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company for its general class of shares.

The registered office of the Bank is located at 36, Dilkusha Commercial Area, Dhaka – 1000

Initially the bank has started its operation in the name of "The Trust Bank Limited" but on 12 November 2006 it was renamed as "Trust Bank Limited" by the Registrar of Joint Stock Companies. The new name of the bank was approved by Bangladesh Bank on 03 December 2006.

1.1 Nature of business

Trust Bank Limited offers full range of banking services that include deposit banking, loans & advances, export, import and financing national and international remittance facilities etc.

1.2 Merchant Banking Activities

The Bank also carries out merchant banking activities under the license issued by the Securities & Exchange Commission (SEC), Dhaka, Bangladesh.

The overall increase of activities of Merchant Banking Operations plays an important role in the improvement of capital market of the country and enhances earning capability of the Banks. Trust Bank Limited carries out Merchant Banking Operations under the license issued by the Securities and Exchange Commission (SEC), Bangladesh. Merchant Banking Division (MBD) is actively managed the portfolio of the customers by selling and buying of shares for them through different brokerage houses. It also allows margin loan facility to the customers against their equity for investment in the listed companies. MBD is also managing Bank's own portfolio through investing in listed shares for boosting up the profitability of the Bank and also enhancing shareholders' value. MBD's contribution to total operating profit of the Bank was significant in the year 2009. We have a plan to form a wholly owned subsidiary company for running the Merchant Banking Activities very soon. A Separate set of balance sheet and income statement of our Merchant Banking Division are shown in Annexure D & E respectively.

1.3 Islami Banking Activities

Islamic Banking refers to a system of banking or banking activity that is consistent with Islamic law (Shariah) stated in the Holy Qur'an and Sunnah of the Prophet Muhammad, pbuh. The most important feature of Shariah is the prohibition of Riba, the collection and payment of interest. Shariah also prohibits trading in financial risks which are gambling in nature and investing in Businesses that are considered unlawful, or haram in Islam (e.g. alcohol or pork or businesses that produce pornography). Islamic banking is a trade based operation while the conventional banking is lending based. All banking activities of Islamic banking stand & structured on the underlying contract between the bank and the client.

Trust Islamic Banking (TIB) started its operation from later part of 2008 and strictly adheres to these principles of Islamic banking deposits. Mingling of fund with the conventional Bank fund is strictly avoided. Profits earned from the investments for the year ended on 2009 are shared with the mudaraba depositors @ 90:10 in favor of the deposits and ultimately credited to individual accounts as per weightage. Profits on the deposits are initially paid at a provisional rate and any excess/shortfall is adjusted after the year end calculation of actual profit.

All products developed under TIB is thoroughly reviewed and approved by the 4 (four) member Sharia council of the bank who ensures the sharia compliance of such product & calculation.

Operations of TBL Islamic banking are booked at 5 TIB wings of TBL-Principal Branch, TBL-CDA Branch, TBL-Gulshan Branch, TBL-Dilkusha Branch, TBL- Sylhet Corporate Branch. All investment under TIB is made from the Islamic banking deposits.

TIB has wide range of retail and corporate investment products and expecting a robust growth of business during the current year.

1.4 Retail Banking Activities

Consumer credit program is an important development scheme in the banking sector in most of the developing economics. Retail banking through its consumer finance products facilitates the consumers by enhancing their purchasing power which in terms contributes in creating demand in market.

TBL retail banking has diversified products covering consumer durables to education. In addition to the financing sector TBL, RBU has also introduced different deposit products to encouraging savings behavior of the society.

Before allowing any facility to an individual, bank obtains some up to date documents like gas bill, electricity bill and telephone bill to evaluate the consumer repayment behavior, TIN certificate to focus individual income, Insurance coverage and registration of the vehicles to justify the genuineness of the ownership which assist a lot to earn sizable revenue for the government. It also edifies the mass people to be punctual and honest citizen of the land.

1.5 Pilot Project of Passport

The Bilateral agreement of pilot project Passport processing services was signed between Trust Bank Limited and Department of Immigration and Passport on October 07, 2007 which ensured a six month long pilot project started with 04 (four) Dhaka based Branches. Thereafter, on April 06, 2008 further an Agreement was signed and accordingly, Passport Processing Services was extended for another 01(one) year with additional 13 (thirteen) branches.

The Government of the People's Republic of Bangladesh vide its Gazette Notification published on November 4, 2007, has empowered Trust Bank to introduce Passport Application Processing Service at its 04 (four) branches in Dhaka covering 14 police stations primarily. Accordingly, Trust Bank has started the activities of receiving Application Forms from the applicants for issuance of different categories of Passports and Deliveries of the Ready Passports w.e.f November 08, 2007, informally while formally started on November 20, 2007.

In order to ensure better and quick services to the applicants of Passport, Recently, Trust Bank has allocated Dhaka-based 08 (Eight) branches which cover 24 police stations of Dhaka city and 09 (Nine) branches of outside Dhaka that includes 36 police stations.

1.6 SME Financing

Needless to say, SME is universally recognized as the thrust sector and driving force of the economy which has injected the appetite for bringing consistency in the banks credit portfolio by striking balance between SME and corporate lending. The issue of fostering SME growth in Bangladesh can in no way be ignored as these industries have huge prospects for creating large scale employment opportunities and potentialities of innumerable income generation especially in semi-urban and rural areas. As such, the Bank is moving forward to SME customer segment with market approach to meet the credit & considering the business potentials and return on investment. The business expansion and monitoring is carried out throughout its 42 nos. country wide branches and 4 SME service centers dedicated to full-fledged SME business.

Trust Bank has launched different products and marketing these products matching with the customer need. Its especial emphasis is on Loan for shopkeepers, Loan for light engineering, Loan for power loom and handloom industries, Agri-business loan and Loan for Women Entrepreneurship. It is going for financing Bio-gas plant to meet the requirement of rural energy and ensure the supply of organic fertilizer in the farmland for the expansion of SME portfolio.

In view of diversification of portfolio it is imperative to say that the substantial increase of SME lending would lead the bank to its positive growth. As a matter of fact Trust Bank Ltd. has undertaken a comprehensive and competitive strategy to have a meaningful contribution in this sector.

1.7 Automated Clearing House

In line with the Bangladesh Bank's guideline toward implementation of Automated clearing house we have undertaken the following actions:

- 1) MICR encoded cheque books have already been introduced for the clients of Dhaka city area by phasing out non standard cheques.
- 2) All required hardware for processing of MICR cheques have already been procured.
- 3) One reputed vendor has been selected to supply software and Scanner machine s have already been procured.
- 4) We have also selected two vendors for establishing connectivity where they have already established connectivity between Bangladesh bank and Trust Bank. Connectivity security has also been installed as per Bangladesh Bank guidelines.
- 5) PBM software is already installed and SIT (System Integration Testing) is going on.

2 SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS**2.1 Basis of preparation of the financial statements**

These financial statements have been prepared under the historical cost convention on a going concern basis in accordance with International Accounting Standards and International Financial Reporting Standards adopted by the Institute of Chartered Accountants of Bangladesh, Companies Act, 1994, the Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchange's listing regulations and other laws and rules applicable in Bangladesh and in the format prescribed by Bangladesh Bank vide BRPD circular # 14 dated 25 June 2003 in accordance with the "First Schedule" (Sec-38) of the Bank Companies Act, 1991.

2.2 Consolidation

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

2.3 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.4 Foreign currencies

Transactions in foreign currencies are translated into taka currency at the rates of exchange prevailing on the date of such transactions and resulting gains or losses are credited or charged to profit & loss account as per BAS-21 "The Effects of Changes in Foreign Exchange Rates".

Assets and liabilities as on 31 December 2009 in foreign currencies under regular accounts are converted into equivalent taka currency at the average rates prevailing at the Balance Sheet date.

2.5 Taxation**2.5.1 Provision for taxation**

In compliance with BAS-12 "Income Taxes", provision for current income tax has been made @ 42.50% on business income and @20% on dividend income, after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance 1984 and time to time amendment to issue different S.R.O and circular issued by the N.B.R.

2.5.2 Deferred taxation

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities has also been recognised in the profit and loss account as per BAS-12 "Income Taxes".

2.6 Assets and basis of their valuation**2.6.1 Cash and cash equivalents**

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Bank management for its short-term commitments.

2.6.2 Loans and advances / Investments

Loans and advances are stated at gross amount. Provision and interest suspense against loans and advances are shown separately as liability. Interest income is accounted for on accrual basis until the loans and advances are defined as Special Mention Account (SMA) or classified accounts as per Bangladesh Bank guidelines.

Interest on Special Mention Account and classified loans (other than bad/loss loans) are credited to interest suspense account instead of income account. Such interest kept in suspense account is reversed to income account only when respective loan accounts become regular and /or realized in cash.

As per Bangladesh Bank directives, interest on loans and advances classified as bad/loss is not accounted for. A separate memorandum record is maintained for such interest on bad/loss loans.

2.6.3 Provision for loans And advances

Provision for loans and advances is made on the basis of the quarter-end review by the management of the Bank and in line with the instructions contained in BCD Circular No. 34 dated 16 November 1989 and subsequently circulars issued vide BCD Circular No. 20 dated 27 December 1994, BCD Circular No. 12 dated 4 September 1995, BRPD Circular No. 16 dated 6 December 1998, BRPD Circular No. 9 dated 14 May 2001, BRPD Circular No. 2 dated 15 February 2005, BRPD Circular No. 9 dated 20 August 2005, BRPD Circular No. 17 dated 6 December 2005, BRPD Circular No.18 and 19 dated 20 December 2005, BRPD Circular No. 8 dated 8 February 2006, BRPD Circular No. 05 dated 05 June 2006 and BRPD Circular no. 05 dated 29 April 2008 issued by Bangladesh Bank. Provision rate are given below and details calculation are shown in Note # 12.1:

General provision on	Provision Rate
a. Consumer Financing (House Financing)	2%
b. Consumer Financing (Loans to Professional)	2%
c. Consumer Financing (Other than a & b)	5%
d. Small and Medium Enterprise Financing	1%
e. Short Term Agriculture & Micro Credit	5%
f. All other Credit	1%
g. Special Mention Account	5%
Specific provision on	
a. Substandard Loans and Advances	20%
b. Doubtful Loans and Advances	50%
c. Bad/Loss Loans and Advances	100%

2.6.4 Provision for off balance sheet exposures

General provision for off balance sheet exposures has been made @ 1% on year end balance of total off balance sheet exposures as per BRPD circular No. 8 and 10 dated August 07, 2007 and September 18, 2007 respectively issued by Bangladesh Bank.

2.6.5 Initiatives against recovery of classified loans and advances:

We have taken up different measures for recovery of classified loans and advances. We have initiated 32(thirty two) legal cases against defaulters for realization of classified loans. In most of the cases we got decree in our favor and filed execution cases for recovery of loans.

We are very much optimistic that total loans to be adjusted from the settlement claim of compensation against the mortgaged properties to be acquired by Chittagong Cantonment of top 2(two) loan defaulters of our Bank, M/s Nabi Steel Industries and M/s Zardhi Steel, who have overdue loan liabilities of Tk 30.14 crore.

In 2009, we have recovered Tk 6.96 crore in cash against classified loans and rescheduled Tk 10.58 crore for regularization of classified loans. We have realized Tk 5.90 crore classified loans in February 2010.

Besides, we prioritize for compromise settlement with the defaulted borrowers through constant negotiation and close follow up for recovery of classified loans. We are very much hopeful that sizable amount of classified loans to be recovered in the year 2010.

2.7 Investments

All investment securities are initially recognised at cost, being fair value of the consideration given, including acquisition charges associated with the investment. Premiums are amortised and discounts accreted, using the effective yield method and are taken to discount income. In accordance with BRPD Circular No. 15 dated 31 October 2005 issued by Bangladesh Bank, Government Securities purchased for maintaining Statutory Liquidity Reserve (SLR) i.e., Government Security - held to maturity (HTM) are revalued at their maturity yield at least once in a year and Government Securities - held for trading (HFT) are revalued at the market price at least once a week. Further to BRPD circular letter 15, 2005 the investments in government securities are strictly revalued as per instructions & guidelines given in DOS Circular letter no. 05 dated January 28, 2009 whereby Treasury Bills held for trading are also amortized at least once in every week and the gain in amortization received due to proceed to the date of maturity is taken in income.

As the Treasury bonds held for trading receives coupon interest semiannually, income is taken into account in each month as accrual basis.

2.7.1 Held to maturity

Investments which have 'fixed or determinable payments', and are intended to be 'held to maturity' other than those which are floating and/or free to trade in the market at prevailing prices are classified as held to maturity. The securities in HTM are to be held up till maturity. These securities in HTM must be amortized at the end of the year before maturity and the increase/decrease is to be accounted in the 'statement of

changes in equity' (as Revaluation Reserve-HTM). According to Bangladesh Bank DOS Circular Letter No. 05 dated May 26, 2008, a bank can only hold 50% of its total value of securities in HTM as on January 01, 2010. These investment securities can be transferred to and/or reclassified as HFT any time after getting approval from the Board of Directors of the Bank.

2.7.2 Held for trading

Investments classified in this category are held indeed selling or purchasing –in short- trading as decided by the management of the bank or treasury. After initial recognition, investments of such categories are measured at their fair value once in a week and any change in the fair value is recognized in the statement of capital (as Revaluation Reserve-HFT) for the period before next appreciation. According to Bangladesh Bank DOS Circular Letter No. 05 dated May 26, 2008, no dividend will be allowed to pay to its shareholders on the amount of increase and/or decrease in income generated out of revaluation of securities held for trading. Transaction cost, if any, are not added to the fair value measurement at initial recognition of investments as per IAS-39 "Financial Instruments: Recognition and Measurement". According to Bangladesh Bank DOS Circular Letter No. 05 dated May 26, 2008, a bank must hold atleast 50% of its total value of securities in HFT as on January 01, 2010. These investment securities can be transferred to and/or reclassified as HTM any time after getting approval from the Board of Directors of the Bank.

Value of investments has been enumerated as follows :

Items	Applicable accounting value
Government treasury bills	At Present Value
T & T bonds and Bangladesh treasury bonds	At Present Value
Prize bond	At cost
Investments in shares	At cost or market value whichever is lower at the balance sheet date

2.8 Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation as per BAS -16 " Property, Plant and Equipment". Depreciation is charged at the following rates per annum using reducing balance method on all fixed assets other than motor vehicles and office equipment, which are depreciated on straightline method and no depreciation on land is charged.

Category of fixed assets	Rate
Land	Nil
Building	5% p.a.
Furniture & Fixtures	10% p.a.
Office Equipment	20% p.a.
Motor Vehicles	20% p.a.
Office Decoration	12% p.a.

Depreciation at the applicable rates is charged proportionately on additions made during the year from the date of their acquisition and in case of sale upto the date of sale.

2.9 Liabilities and Provisions

2.9.1 Retirement benefits to the employees

i) Provident fund

Provident fund benefits are given to the confirmed staffs of the Bank in accordance with the locally registered Provident Fund Rules. The Commissioner of Income Tax, Taxes Zone - 6, Dhaka has approved the Provident Fund as a recognized provident fund within the meaning of sub-section 1 of section 2 read with the provisions of part - B of the First Schedule of Income Tax Ordinance 1984 w.e.f. 27 February 2003. The Fund is operated by a Board of Trustees consisting seven members from the employees of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription to the Fund. The Bank also contributes equal amount. Interest earned from the investments is credited to the members' account on yearly basis.

ii) Gratuity fund

The Bank has started making provision for liabilities of its employees' gratuity as per gratuity scheme of the Bank from the year 2004. Subsequently National Board of Revenue has approved the fund as recognized within the meaning of sections 2 and 3 read with the provision of part - C of the First Schedule of Income Tax Ordinance 1984 w.e.f. 20 November 2006. The Bank contributes to the Fund as per Gratuity Fund Rules as well as Service Rule of the bank.

iii) Super annuation fund

The Bank has also introduced a "Superannuation Fund" instead of group life insurance policy for the employees. Those employees, who will be able to fulfill the specific criteria mentioned in the policy of the fund, will be entitled to get the benefit of "Superannuation Fund". National Board of Revenue has approved the fund as

recognized within the meaning of section 3 read with the provision of part - A of the First Schedule of Income Tax Ordinance 1984 w.e.f. 22 December 2004. The Bank pays Tk. 1,600,000 annually as bank's contribution to the Fund.

2.10 Revenue recognition

i) Interest income/Profit on TIB Investment

In terms of the provisions of the BAS-18 "Revenue", the interest income is recognized on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified. It is then kept in interest suspense in a memorandum account. Interest on classified advances is accounted for on a cash receipt basis.

ii) Investment income/TIB Investment Income

Income on investments is recognized on accrual basis except from Government Securities which are recognized on the basis of BRPD Circular 15 Dated 31 October 2005 issued by Bangladesh Bank.

iii) Fees and commission income

Fees and commission income arises on services provided by the Bank are recognized on a cash receipt basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

iv) Dividend income on shares

Dividend income from shares is recognized during the year in which they are received as per section 19(7) of Income Tax Ordinance, 1984 and Finance Ordinance 2007.

v) Interest paid and other expenses

In terms of the provisions of the BAS - 1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

2.11 Reconciliation of inter-bank and inter-branch account

Accounts with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled regularly and there are no material differences which may affect the financial statements significantly. Un-reconciled entries / balances in case of inter-branch transactions as on the reporting date are not material.

2.12 Risk Management

Risk management policy or process of Trust Bank encompasses risk appreciation basing on the risk appetite for the particular sector/segment of the customers and subsequent risk identification, measurement and controlling of risk components to safeguard the interest of the bank and to keep the business portfolio performing to the maximum extent.

We always prioritize to ensure risk-return tradeoff on all business transactions. The focus group as constituted by Bangladesh Bank has selected 06 core risks namely (a) Credit Risk (b) Asset liability/Balance sheet Risk (c) Foreign Exchange Risk (d) Internal control and compliance Risk (e) Money laundering Risk and (f) IT risk management in order to impart internationally accepted best practices in the Banking and Financial system. Banks as a financial intermediary (ies) are exposed to multidimensional risks but those risks are to be examined and quantified for acceptance in line with the risk appetite and credit policy of our bank.

2.12.1 Credit risk management

Credit risk is the counter party risk because of the nonperformance of the borrowers/ debtors in repayment of banks loan and dues within the specified time. In other words credit risk may be defined as the possibility that the counter party will not meet its obligations in line with the agreed upon terms and conditions. In the banking parlance loans and advances are the conspicuous sources of credit risk. So, credit risk is the predominant risk in the banking business operation and it deserves to be addressed with all due diligence.

Different branches of the bank are the growth/ profit centers and at the same time risks are originated from the operation of the branches in their normal course of business. We in our bank always prioritize to secure the interest of the bank by way of ensuring performing business portfolio. We also make financial analysis based on the given financial statement of the borrower/ ensure the application of the maximum possible due diligence on all credit matters in the process of appraisal of the credit proposal by taking into consideration business, industry analysis, borrower's past track record of business performance, present state of condition as well as future business plan and other contingency factors in the total process of appraisal. Bank is the custodian of the depositor's money as well as they utilize the fund given by the sponsors/ share holders as their equity/ capital so it is the predominant obligation on our part to safe guard the interest of all the stake holders.

Active portfolio management requires to keep up the dynamics of the economy and which of imperative need for credit risk controlling and monitoring. We in our bank are alive to the requirement of comprehensive and detailed MIS (Management Information System) and CIS (Credit Information System) as they provide the backbone support for an effective credit risk management.

We also prioritize to ensure diversification of portfolio across industries, borrowers and market segments with a view to minimizing the risk to an acceptable level. Credit risk is associated with the economy and if the economy as a whole doesn't perform well that will have corollary effect on the business portfolio of the bank.

At the same time, credit portfolio having concentration in any particular segment would be affected if the segment does not perform well.

2.12.2 Asset liability risk management

Asset liability Management (ALM) has been defined as a planned, structured and systematic process of managing the asset and liability with a view to lead the bank to a balanced and sustainable growth through minimizing various business risk factors – market risk and liquidity risk. Asset Liability Management (ALM) has become an almost universally accepted approach to risk management. Successful banking requires efficient and effective management of its assets and liabilities. Trust Bank Limited is managing its assets and liabilities in order to ensure sustained profitability so that the bank can maintain and augment its capital resources.

As per Bangladesh Bank guidelines and considering the most practical aspects of the Bank, an approved policy manual on ALM has been prepared so that it could be followed consistently every sphere of the management. To support the ALM process, the Bank has established a committee called "Asset Liability Committee (ALCO)" headed by the Managing Director and holds meeting at least one in every month. ALM Desk, an executive functional and operational desk for the asset liability management, is embodied herewith the ALCO to function under direct control of Head of Treasury. ALCO reviews the liquidity requirement of the Bank, the maturity of assets and liabilities, deposit and lending, pricing strategy and the liquidity contingency plan at the threshold of stress liquidity situation.

2.12.3 Foreign exchange risk management

Foreign Exchange risk is defined as the potential change in earnings arising due to change in market prices. Foreign exchange rate risk arises when the bank is involved in foreign currency transactions, which may result in deficits or surpluses in the Bank's foreign currency position. These transactions include for instance foreign currency exchanges, investments, loans, borrowings and contractual commitments etc.

International Division independently conducts the transactions relating to foreign exchange and is responsible for verification of deals and passing of their entries in the books of account. All Foreign Exchange transactions are revalued at mark-to-market rate as determined by Bangladesh Bank at the month end. All Nostro Accounts are reconciled on monthly basis and the management for its settlement reviews outstanding entry beyond 30 days.

2.12.4 Internal control and compliance risk management

Internal Control refers to the mechanism in place on a permanent basis to control the activities in an organization. In absence of it risks resulting in unexpected losses caused by faulty internal processes, human errors, frauds & forgery, technology failure and documentary lapses may surface. The primary objectives of internal control system are to help the bank perform better through the use of its resources, identify its weaknesses, take appropriate measures to overcome the same and ensure compliance with applicable laws and regulations.

The bank has set up Internal Control & Compliance (IC & C) Division at Head Office to ensure that the internal control processes are in place through establishment of Audit Committee as per the instructions of Bangladesh Bank, which reviews the internal and external audit reports without any intervention of the bank management and ensures that the management takes effective measures in case any deficiency/ lapse is found in the internal control system. The bank has introduced 'Risk Based Internal Audit (RBIA)' to assess the business risk as well as control risk associated with the branches and determine how much care, monitoring & periodicity of comprehensive internal audit would be required to reposition the branches.

2.12.5 Money laundering risk management

In accordance with Money Laundering Prevention Act, 2009 money laundering means transfer, conversion, remitting abroad or remit or bring from abroad to Bangladesh the proceeds or properties acquired through commission of a predicate offence for the purpose of concealing or disguising the illicit origin of the property or illegal transfer of properties acquired or earned through legal or illegal means. The enactment of Anti-Terror Act, 2009 in the same year has given 'terrorist financing' a deserved area of specialization for the financial institutions. It is held that effective efforts to combat money laundering and counter the financing for terrorism (CFT) can not be carried out without the co-operation of financial intermediaries.

With this end in view the Central Compliance Unit (CCU) of AML Department at Head Office of the bank has been strengthened by delegating more power and authority to the Chief Anti-Money Laundering Compliance Officer (CAMLCO) to comply with the provisions of the legislation as well as the directives of Bangladesh Bank and other regulatory bodies. The CCU functions under the direct supervision of the CEO of the bank. In branch level there is a designated anti-money laundering compliance officer, called 'Branch Anti-Money Laundering Compliance Officer (BAMNCO)'. All officers & executives of the bank are well conversant with the process of 'Know Your Customer (KYC)' through the exercise of due diligence. Bank shall continue to deploy considerable resources to establish and maintain employees' awareness of the risk of money laundering & terrorist financing and to enhance their competence to identify and report suspicious account transactions.

2.12.6 IT risk management

The prime focus of IT risk management is to safeguard the financial and organizational information fully complied with the rules and regulations of central bank. With the continued efforts of being fully automated Trust Bank established a Disaster Recovery System along with Data Protection facility which includes a Disaster Recovery site for the restoring and retrieval of bank data with utmost security measures. The IT risk management also enables the management to initiate effective management decision to justify the expenditure and also assist the management in authorizing and accrediting the IT system on the basis of the supporting documentation resulting from the performance of risk management.

2.13 Liquidity risk management

Liquidity risk is more important area to think by the banking company to match with the financing and investment. Liquidity risk is the risk that the Bank may not be able to meet cash flow obligations within a stipulated timeframe. The object of liquidity risk management is to maintain suitable and sufficient funds to meet present and future liquidity obligations whilst utilizing the funds appropriately to take advantage of market opportunity as they arise. The bank has several sources of liquidity and manages its liquidity mainly through domestic money and capital markets including repurchase market. The bank seeks to minimize its liquidity costs in line with the market situation try closely managing the liquidity position on a daily basis and restricting the holding of cash held above an appropriate level at any given time. As a part of liquidity management, the bank adheres to its funding plan, and exercises due care in using medium-term borrowings.

2.14 Interest rate risk management

Basically Interest rate risk is the risk that may arise from movements in market prices i.e. favorable and unfavorable. In the year 2009, we observed a frequent change in the Interest rate in banking industry following global economic meltdown. We also adjusted interest in line with Bangladesh banks directive and market scenario. So considering various internal and external factors interest rates were revised as such to maintain long term profitability. Moreover, market competition; cost of fund, market volatility and regulatory compliance are key issues that have been considered to ward off any adverse movement of interest rate.

- 1) Strong internal control and monitoring mechanism as well as cross checking system to find any internal and external fraudulent and untoward events.
- 2) Modification and up gradation of IT system and software solution have been undertaken to avoid business disruption and system failure.
- 3) Stringent set of rules and procedures are in place to ensure smooth execution, process and delivery system.

2.15 Operation risk management

Operations risks, relatively difficult to predict, may arise due to failure of internal systems, processes or employment practice. Operation risks also include damage to physical assets, internal and external fraud, malfunctioning of reporting system/ monitoring rules etc.

- 1) MICR encoded cheque books have already been introduced for the clients of Dhaka city area by phasing out non standard cheques.
- 2) All required hardware for processing of MICR cheques have already been procured.
- 3) One reputed vendor has been selected to supply software and Scanner machines have already been procured.
- 4) We have also selected two vendors for establishing connectivity where they have already established connectivity between Bangladesh bank and Trust Bank. Connectivity security has also been installed as per Bangladesh Bank guidelines.
- 5) PBM software is already installed and SIT (System Integration Testing) is going on.

2.16 Preparation of Basel II Accord

In 2004, the Basel Committee on Banking Supervision endorsed the publication of the 'International Convergence of Capital Measurement and Capital Standards: a Revised Framework', commonly referred to as Basel II. The Capital Requirements Directive, representing the translation of Basel II to Bangladesh Bank regulation and Parallel to the Capital Adequacy Directive (Basel-I), was approved by Bangladesh Bank in 2007. This acceptance by the Bangladesh Bank cleared the way in Bangladesh for the implementation of the Capital Requirements Directive, with a published compliance date of 1 January 2009.

Basel II provides three approaches of increasing sophistication to the calculation of credit risk capital: the Standardized Approach, the Internal Ratings Based Foundation Approach, and the Internal Ratings Based Advanced Approach. Basel II also introduces capital requirements for operational risk for the first time. Basel II is structured around three mutually enforcing 'pillars': Pillar 1 sets out minimum regulatory capital requirements, that is, the minimum amount of capital banks must hold against credit, operational and market risks. Pillar 2 sets out the key principles for supervisory review of an institution's risk management framework and, ultimately, its capital adequacy. It sets out specific oversight responsibilities for the Board and senior management, thus reinforcing principles of internal control and other corporate governance practices. Pillar 2, in the new regulation, requires that the institutions conduct an internal capital adequacy assessment process (ICAAP). Pillar 3 aims to bolster market discipline through enhanced disclosure by banks.

TBL is strongly committed to compliance with Basel II capital accord. As such, TBL has set up Basel Committee comprising top management of the Bank and Basel-II Implementation cell to comply with and implement the guidelines provided by BB with a view to strengthen capital structure against Bank's exposure towards Credit, Market and operational risk. During the year TBL computed and reported capital on the basis of Basel II regime in parallel to Basel-I. In accordance with this, revised minimum requirements have been set for the Tier 1 and total capital ratios, including the requirement to treat capital deductions in the same manner, as required under Basel II.

As dynamic growth of financial markets and the increased use of complex bank products have brought about substantial changes and challenges in the banks' business environment, TBL has established several functioning systems for being limitation of and targeted control over each risk situations/center. Besides these, the new regulatory capital regime (Basel-II) has also placed the bank in an increased emphasis on risk management and an integrated intra-branch-wide management.

2.17 Earning per share (EPS)

The Company Calculates Earning per Share (EPS) in accordance with BAS-33: Earning per Share, which has been shown on the face of Profit & loss Account and the computation of EPS is stated in Note 35.

2.18 Cash flow statement

Cash Flow Statement is prepared in accordance with BAS – 7: 'Statements of Cash Flow ' and Bangladesh Bank BRPD Circular No. 14 dated 25 June 2003 issued by Bangladesh Bank.

2.19 Statement of liquidity

The liquidity statement of assets and 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, money at call and short notice etc. are on the basis of their maturity term.
- b) Investments are on the basis of their maturity.
- c) Loans and advances and lease receivables 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 realization/adjustment.
- f) Borrowing from other banks, financial institutions and agents as per their maturity /repayment term.
- g) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors.
- h) Other long term liabilities on the basis of their maturity term.
- i) Provisions and other liabilities are on the basis of their payment /adjustment schedule.

2.20 Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) in context of Bangladesh from the standards adopted by International Federation of Accountants Committee (IFAC) as International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). While preparing the financial statements, Trust Bank Limited applied most of the BAS and BFRS, details of which are given below:

Name of BAS	BAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Segment Reporting	14	Applied
Property, Plant and Equipment	16	Applied
Lease	17	N/A
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The effects of Changes in Foreign Exchange Rate	21	Applied
Borrowing Cost	23	Applied

Name of BAS	BAS No.	Status
Related Party Disclosures	24	Applied
Accounting for Investments	25	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	Applied
Investment in Associates	28	N/A
Disclosures in the Financial Statements of Banks and similar Financial Institutions	30	Applied
Interest in Joint Ventures	31	N/A
Earnings per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied
Investment Property	40	Applied
Agriculture	41	N/A
Name of BFRS	BFRS No.	Status
Share-based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-current assets Held for sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	N/A
Operating Segments	8	N/A

2.21 Auditors' work-hour

The external auditors, M/s Howladar Yunus & Co., Chartered Accountants, one of the oldest and largest auditing and accounting firm of the country in associated with BDO International BV Accounts & Consultants, one of the leading accounting conglomerates of the World, of the Bank worked about in excess 3,150 work-hours at the Bank's Head Office and different branches. During their audit, they audited above 80% of the Bank's risk weighted assets as of the reporting date.

2.22 General

- i) Figures have been rounded off to the nearest taka;
- ii) Prior year's figures shown for comparison purpose, have been rearranged, whenever necessary, to confirm to current year's presentation.

3 CASH

3.1 Cash in hand

In local currency

In foreign currencies

3.2 Balance with Bangladesh Bank and its agent bank(s)

Balance with Bangladesh Bank

In local currency

In foreign currencies

Balance with Sonali Bank in local currency (as agent of Bangladesh Bank)

	31.12.2009 Taka	31.12.2008 Taka
In local currency	394,552,978	256,349,800
In foreign currencies	42,795,081	46,952,136
3.2 Balance with Bangladesh Bank and its agent bank(s)	437,348,059	303,301,936
Balance with Bangladesh Bank		
In local currency	2,226,970,981	1,327,256,458
In foreign currencies	721,640,797	460,214,715
	2,948,611,778	1,787,471,173
Balance with Sonali Bank in local currency (as agent of Bangladesh Bank)	47,868,932	46,710,781
	2,996,480,710	1,834,181,954

3.3 Cash Reserve Ratio (CRR) and Statutory Liquidity Requirement (SLR)

Cash Reserve Ratio (CRR) and Statutory Liquidity Requirement (SLR) have been calculated and maintained in accordance with the Section 33 of the Bank Companies Act 1991 and BRPD Circular Nos. 11 and 12 dated 25 August 2005 issued by Bangladesh Bank.

The cash Reserve Ratio (CRR) has been calculated @ 5% on the Bank's time & demand liabilities of the month earlier of the previous month and maintained with Bangladesh Bank in current account and 18% Statutory Liquidity Requirement (SLR) on the same liabilities has also been maintained in the form of Treasury Bills, Bonds and Debentures including FC balance with Bangladesh bank and the components of CRR. Both reserves have been maintained during the year by the Bank are in excess of the statutory requirements. The position of CRR and SLR as on 31 December 2009 is shown below:

	31.12.2009 Taka	31.12.2008 Taka
3.3.1 Cash Reserve Ratio (CRR)		
Average Demand and Time Liabilities of the month earlier of the previous month	42,845,937,000	32,181,088,000
3.3.1.1 Average Required Reserve(5% of Average Demand and Time Liabilities)		
Average Reserve held with Bangladesh Bank	2,142,296,850	1,609,054,400
Surplus	129,295,795	2,464,116
3.3.1.2 Minimum Required Reserve(4% of Average Demand and Time Liabilities)		
Actual Reserve held with B. Bank as on year end	1,713,837,480	1,287,243,520
Surplus	513,133,501	40,012,938
3.3.2 Statutory Liquidity Requirement(SLR)		
Required Reserve (18% of Average Demand and Time Liabilities)	7,712,268,660	5,792,595,840
Actual Reserve held with B. Bank as on year end	10,743,236,741	5,957,916,068
Surplus	3,030,968,081	165,320,228
3.3.3 Held for Statutory Liquidity Requirement		
Cash in Hand	437,348,059	303,301,936
Balance with B. Bank and its agent Bank(s)	2,274,839,913	1,373,967,239
Government Bills	728,343,242	2,641,763,903
Government Bonds	7,302,705,527	1,558,882,990
TT in Transit	-	80,000,000
	10,743,236,741	5,957,916,068
4 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS		
4.1 In Bangladesh		
4.1.1 Current Deposits		
Sonali Bank Ltd.	18,848,591	33,483,073
Rupali Bank Ltd.	8,330,965	2,944,974
The City Bank Ltd.	3,777,496	4,309,765
Janata Bank Ltd.	8,474,284	4,072,271
Agrani Bank Ltd.	4,195,709	4,196,824
BRAC Bank Ltd.	8,616,782	-
Pubali Bank Ltd.	-	4,466,875
	52,243,827	53,473,782
4.1.2 Short Term Deposits		
Sonali Bank Ltd.	14,388,102	25,672,332
AB Bank Ltd.	1,392,137	1,401,770
CITI Bank NA	17,267,032	41,152,344
Rupali Bank Ltd.	1,395,718	24,048,630
Janata Bank Ltd.	459,138	6,238,539
Prime Bank Ltd.	7,573,068	3,218,130
Standard Chartered Bank	1,350,839	3,098,538
Jamuna Bank Ltd.	-	953
Dutch Bangla Bank Ltd.	20,632,902	5,656,306
Bank Asia Limited	5,257,709	-
Standard Bank Ltd.	474,500	-
	70,191,145	110,487,542

4.1.3 Fixed DepositsFDR with Banks -Local Currency

	31.12.2009 Taka	31.12.2008 Taka
AB Bank Ltd	-	200,000,000
BRAC Bank Ltd.	100,000,000	-
Bank Asia	400,000,000	-
Bank Alfalah Ltd	-	50,000,000
EXIM Bank Ltd.	250,000,000	-
Jamuna Bank Ltd.	200,000,000	-
National Bank Ltd.	500,000,000	-
Pubali Bank Ltd.	400,000,000	-
The Premier Bank Ltd.	250,000,000	-
United Commercial Bank Ltd.	100,000,000	-
Standard Bank Ltd.	-	100,000,000

FDR with Bank - Foreign Currency

Commercial Bank of Ceylon	389,480,000	43,393,907
---------------------------	-------------	------------

FDR with Investment and Leasing Co.- Local Currency

Bangladesh Industrial Finance Co. Ltd.	100,000,000	200,000,000
Bay Leasing & Investment Ltd.	150,000,000	100,000,000
Delta-Brac Housing Finance Company Ltd.	-	150,000,000
Fareast Finance & Investment Company Ltd.	30,000,000	20,000,000
GSP Finance Company (Bangladesh) Ltd.	100,000,000	-
Industrial & Infrastructural Development Finance Co. Ltd.	-	200,000,000
International Leasing & Financial Services Ltd.	300,000,000	250,000,000
IPDC of Bangladesh Ltd.	-	100,000,000
Islamic Finance & Investment Ltd.	-	50,000,000
Lanka Bangla Finance Co. Ltd.	100,000,000	-
MIDAS Financing Ltd.	-	150,000,000
Peoples Leasing & Financial Services Ltd.	90,000,000	70,000,000
Balance C/F	3,459,480,000	1,683,393,907
Balance B/F	3,459,480,000	1,683,393,907
Phoenix Leasing Company Ltd.	50,000,000	150,000,000
Premier Leasing & finance Ltd.	50,000,000	-
Prime Finance & Investment Ltd.	150,000,000	300,000,000
Union Capital Ltd.	50,000,000	-
Uttara Finance & Investment Ltd.	-	100,000,000

3,759,480,000	2,233,393,907
----------------------	----------------------

4.1.4 Mudaraba Term Deposits

MTDR with Ahsania-Malaysia Hajj Investment	50,000,000	-
--	------------	---

3,931,914,972	2,397,355,231
----------------------	----------------------

4.2 Outside BangladeshCurrent AccountDollar Account

Citibank N.A., USA	19,291,732	2,852,403
Union De Banques, HKG	1,688,026	78,110
Mashreqbank psc, USA	11,281,376	3,274,724
Standard Chartered Bank, USA	2,387,651	15,125,958
HSBC Bank, USA	4,687,564	57,930,453
ICICI Bank Ltd., Hongkong	13,318,013	1,251,019
Wachovia Bank, NY USA	7,675,186	896,707

GBP Account

Standard Chartered Bank, UK	15,532,170	9,645,745
Citibank N.A., UK	18,829,703	3,670,784
HSBC, PLC, UK	28,257,659	58,148,245

	31.12.2009 Taka	31.12.2008 Taka
<u>Japanese Yen Account</u>		
Standard Chartered Bank, Japan	845,783	100,574
Wachovia Bank, NY USA	794,736	-
<u>EURO Account</u>		
HSBC, PLC, UK	1,251,004	1,726,607
Standard Chartered Bank, UK	1,029,220	1,364,496
ICICI Bank Ltd., Mumbai, India	830,855	
Citibank N.A., UK	2,684,799	4,134,000
<u>ACUD Account</u>		
Citibank N.A., Mumbai, India	4,445,098	4,082,140
ICICI Bank Ltd., Mumbai, India	815,566	1,957,100
HSBC Bank, Pakistan	1,295,216	1,444,895
HSBC Bank, Mumbai, India	512,014	518,421
AB Bank, Mumbai, India	8,464,355	1,895,004
Mashreqbank, Mumbai, India	3,736,544	326,179
Standard Chartered Bank, Mumbai, India	4,398,274	587,173
<u>CHF Account</u>		
Habib Bank, Zurich	515,920	565,830
	154,568,464	171,576,567
	4,086,483,436	2,568,931,798

For details please refer to Annexure - A

4.3 Remaining maturity grouping of balance with other banks and financial institutions

On demand	206,812,291	225,050,349
Upto 1 month	2,270,191,145	1,272,157,542
Over 1 month but not more than 3 months	1,069,480,000	151,723,907
Over 3 months but not more than 1 Year	540,000,000	920,000,000
Over 1 Year but not more than 5 Years	-	-
Over 5 Years	-	-
	4,086,483,436	2,568,931,798

5 MONEY AT CALL AND SHORT NOTICE

Banking company

AB Bank Ltd.	300,000,000	-
Bank Asia Ltd.	300,000,000	-
Citi Bank NA	150,000,000	-
Dhaka Bank Ltd.	170,000,000	100,000,000
Dutch Bangla Bank Ltd.	200,000,000	-
IFIC Bank Ltd.	250,000,000	-
Janata Bank Ltd.	200,000,000	-
Mercantile Bank	250,000,000	-
Mutual Trust Bank Ltd	300,000,000	-
National Bank Ltd.	200,000,000	-
One Bank Ltd.	200,000,000	-
The Premier Bank Ltd.	250,000,000	-
	2,770,000,000	100,000,000

Non-Banking Financial Institutions

Bay Leasing & Investment Ltd.	120,000,000	80,000,000
Bangladesh Industrial Finance Co. Ltd.	-	90,000,000
Delta-Brac Housing Finance Company Ltd.	70,000,000	-
GSP Finance Company (Bangladesh) Ltd.	60,000,000	-
International Leasing & Financial Services Ltd.	130,000,000	-

	31.12.2009 Taka	31.12.2008 Taka
Industrial & Infrastructural Development Finance Co. Ltd.	-	10,000,000
Lanka Bangla Finance Co. Ltd.	100,000,000	-
MIDAS Financing Ltd.	100,000,000	-
Peoples Leasing & Financial Services Ltd.	50,000,000	20,000,000
Phoenix Leasing Company Ltd.	40,000,000	-
Premier Leasing & finance Ltd.	50,000,000	-
Union Capital Ltd.	60,000,000	20,000,000
	780,000,000	220,000,000
	3,550,000,000	320,000,000
6 INVESTMENTS		
Government Securities		
Treasury Bills	Note -6.1	
Treasury Bills -HTM	-	303,387,070
Treasury Bills-HFT	728,343,242	2,338,376,833
	728,343,242	2,641,763,903
Treasury Bonds	Note -6.2	
Treasury Bond - HFT	7,142,705,527	701,076,034
Treasury Bond - HTM	160,000,000	857,806,956
	7,302,705,527	1,558,882,990
National Investment Bond	-	-
Bangladesh Bank Bill	-	-
Prize Bond	1,898,900	2,980,300
	8,032,947,669	4,203,627,193
Other Investment		
Preference Share		
1,000,000 Shares of BRAC Bank Ltd. @ Tk. 100 each	100,000,000	100,000,000
1,000,000 Shares of Khulna Power Company Ltd. @ Tk. 100 each	100,000,000	100,000,000
Ordinary Shares		
Quoted	Note -6.3	
Unquoted - 3 Shares of CDBL @ Tk. 1,000,000 each	469,661,338	556,032,624
	3,000,000	3,000,000
	672,661,338	759,032,624
	8,705,609,007	4,962,659,817

This represents investment made by the company both in listed and unlisted securities. The investment is made up as under:

Particulars	2009			2008		
	No. of Securities	At Cost	Market Value	No. of Securities	At Cost	Market Value
Listed Securities	18	469,661,303	583,649,824	15	556,032,624	541,272,506
Unlisted Securities :						
Ordinary Share	1	3,000,000	3,000,000	1	3,000,000	3,000,000
Preference Share	2	200,000,000	200,000,000	2	200,000,000	200,000,000
Balance at 31 December	21	672,661,303	786,649,824	18	759,032,624	744,272,506

Listed Securities

Investment has been recorded at cost and adequate provision for probable future losses as per Bangladesh Bank guideline has been made. Market value of securities has been determined on the basis of the value of securities at the last trading date of the year (Last trading date for the year was 30 December).

Sector wise investment in listed securities at cost

Banking Companies	41,279,941	292,564,757
Investment Companies	192,487,540	2,158,853
Manufacturing Companies and others	235,893,821	261,309,014
Non Banking Financial Institution	-	-
	469,661,303	556,032,624

Unrealized gain on investment in listed securities

At 31 December 2009, there was Tk. 113,988,521 of gross unrealized gain on investment in listed security.

Unlisted Securities

Ordinary Share

Investment in ordinary share includes Tk 3.00 million in Central Depository Bangladesh Limited (CDBL). The unlisted investments are shown at cost because the fair value cannot be measured reliably.

Preference Share

Trust Bank Limited invested in the preference shares of Khulna Power Company Limited and BRAC Bank Limited for Tk. 100.00 million and Tk. 100.00 million respectively, representing 2.33% and 5.88% of their total capital (ordinary and preference) respectively.

As at 31 December 2009, Tk. 750,000, Tk. 10,312,500 and Tk. 9,562,500 were received from CDBL, Khulna Power Company Ltd. & BRAC Bank Ltd. respectively as dividend.

Since the holding of Trust Bank Limited is less than 20% in both the cases and having no voting right, the investment in preference share does not fall with in the principle of Bangladesh Accounting Standard 28: Accounting for Investment in Associate.

	31.12.2009 Taka	31.12.2008 Taka
6.1 Treasury Bills-at Present Value		
91 days Treasury Bills	-	69,822,550
182 days Treasury Bills	-	1,431,038,275
364 days Treasury Bills	728,343,242	1,140,903,078
	728,343,242	2,641,763,903
6.2 Treasury Bonds-at Present Value		
05 years Treasury Bonds	4,320,342,110	-
10 years Treasury Bonds	1,991,078,880	-
15 years Treasury Bonds	991,284,537	1,558,882,990
	7,302,705,527	1,558,882,990
6.3 Investment in Ordinary Share - Quoted		
Under Conventional Banking	258,257,468	484,954,935
Under Islamic Banking	211,403,870	71,077,689
	469,661,338	556,032,624
6.4 Remaining maturity grouping of Investments		
On demand	674,560,238	762,012,924
Upto 1 month	149,730,900	947,563,262
Over 1 month but not more than 3 months	192,982,664	176,852,520
Over 3 months but not more than 1 Year	385,629,678	2,215,155,077
Over 1 Year but not more than 5 Years	4,387,575,232	861,076,034
Over 5 Years	2,915,130,295	-
	8,705,609,007	4,962,659,817
7 LOANS AND ADVANCES/ISLAMIC BANKING INVESTMENTS		
Loans and Advances		
Repair & Recon. of Dwelling House (RRDH)	344,293,207	263,526,278
Consumer Durable Scheme Loans (CDS)	5,138,785	331,754,078
Marriage Loans (ML)	42,672,900	45,473,823
Car Loans (CL)	75,262,373	50,645,621
House Building Loans (HBL)	1,385,592,853	1,216,979,182
Term Loans	9,418,775,979	9,401,113,852
Loan under Retail Banking	1,491,839,546	967,067,760
Time Loan	1,762,527,544	1,904,283,039
Other Loans	276,793,471	70,895,683
Staff Loans	169,381,943	59,907,804
Loans against Credit Card	23,634,994	21,545,086
Loans against Trust Receipts (LTR)	5,141,631,263	4,380,449,094
Payment Against Documents (PAD)	234,719,263	212,691,529
Packing Credit (Loan agt. Packing Credit)	3,080,637	11,301,144
	20,375,344,758	18,937,633,973

	31.12.2009 Taka	31.12.2008 Taka
Islamic Investment		
Murabaha	5,733,092	-
Bai-Muajjal	38,976,149	-
Hire Purchase under Shirkatul Melk	144,381,150	-
IHSAN Apartment Purchase Scheme	4,740,498	-
BARAKAT Home Construction Scheme	3,045,046	-
BARAKAT Car Scheme	13,730,223	-
HPSM-Real Estate	32,417,918	-
Murabaha TR	13,905,442	-
Bai-Salam	3,914,200	-
Cash Credit	260,843,718	-
Cash Credit	795,539,793	442,171,821
Cash Collateral	181,941,798	130,180,940
	977,481,591	572,352,761
Overdraft		
Overdrafts	4,811,705,456	1,323,999,385
Secured Overdrafts	5,099,554,819	5,691,532,590
	9,911,260,275	7,015,531,975
Total Loans, Cash Credits and Overdrafts	31,524,930,342	26,525,518,709
Bills Purchased and Discounted		
Under Conventional banking	1,119,658,374	997,338,898
Under Islamic banking (Musharaka agt. IBP)	18,519,067	5,226,780
	1,138,177,441	1,002,565,678
	32,663,107,783	27,528,084,387
7.1 Residual maturity grouping of Loans and Advances including Bills Purchased and Discounted		
Repayable on demand	7,184,931,825	4,197,373,536
Upto 1 month	2,188,780,893	2,147,239,740
Over 1 month but not more than 3 months	3,217,024,353	2,904,952,575
Over 3 months but not more than 1 Year	7,149,219,383	6,491,256,260
Over 1 Year but not more than 5 Years	9,783,526,909	8,244,835,220
Over 5 Years	3,139,624,420	3,542,427,056
	32,663,107,783	27,528,084,387
7.2 Loans and Advances including Bills Purchased and Discounted Inside Bangladesh		
Loans	20,636,188,476	18,937,633,973
Cash Credit	977,481,591	572,352,761
Overdraft	9,911,260,275	7,015,531,975
Bills purchased and discounted	1,138,177,441	1,002,565,678
	32,663,107,783	27,528,084,387
Outside Bangladesh	-	-
	32,663,107,783	27,528,084,387
7.3 Loans and Advances on the basis of significant concentration		
7.3.1 Advances to Directors and Others		
Advance to Directors and their allied concerns	5,251,262	8,000,358
Advances to CEO and Senior Executives	31,561,801	8,313,208
Advances to Customers (Group wise)	7,616,760,000	6,408,440,000
Industrial Advances (Project finance)	5,132,631,000	5,274,805,000
Other Staff Loan	137,820,142	51,594,596
Other Customers	19,739,083,578	15,776,931,225
	32,663,107,783	27,528,084,387

Financial Statement

7.3.2 Disclosure of Large Loan

As per BRPD Circular No. 5 dated 9 April 2005 issued by Bangladesh Bank, disclosure on large loan i.e. loan sanctioned to any individual or enterprise or any organization of a group amounting to 10% or more of the Bank's total capital and classified amount therein and measures taken for recovery of such loan have been furnished as under:

Total Loans and Advances	10,333,389,000	9,924,271,000
No. of Customers	21	21
Classified amount thereon	Nil	Nil
Measures taken for recovery of classified loans:	N/A	N/A

Details of Large Loans

S L	Name of the Client	CL Status	Outstanding Loan		Total 31.12.2009	Total 31.12.2008
			Funded	Non- Funded		
1	M/S. Masud & Brothers	UC	443,349,000	215,840,000	659,189,000	639,249,000
2	Badar Spinning Mills Ltd.	UC	515,208,000	128,528,000	643,736,000	597,539,000
3	Bangladesh Steel Re-Rolling Mills Limited	UC	535,800,000	79,900,000	615,700,000	453,000,000
4	Radiant Business Consortium Ltd.	UC	164,487,000	446,011,000	610,498,000	380,419,000
5	S Q Quantum Group	UC	453,650,000	134,384,000	588,034,000	391,248,000
6	Hamid Weaving Mills Ltd.	UC	316,448,000	209,448,000	525,896,000	415,414,000
7	Marrine Vegetable Oil Ltd.	UC	323,494,000	201,348,000	524,842,000	404,939,000
8	T K Group of Industries	UC	253,269,000	261,756,000	515,025,000	500,634,000
9	Nasir Group of Industries	UC	442,270,000	51,824,000	494,094,000	-
10	Paradise Spinning Mills Ltd.	UC	407,692,000	84,312,000	492,004,000	426,632,000
11	Abul Khair Group	UC	329,353,000	150,431,000	479,784,000	467,469,000
12	BRAC	UC	473,071,000	2,679,000	475,750,000	1,014,766,000
13	Anwar Group	UC	352,583,000	119,516,000	472,099,000	-
14	Rising Group	UC	245,300,000	195,000,000	440,300,000	-
15	S. A. Group	UC	196,434,000	241,961,000	438,395,000	-
16	Bangladesh Foundry & Engineering Works Ltd.	UC	343,553,000	81,120,000	424,673,000	-
17	M/S. MA Salam & Co.	UC	419,845,000	-	419,845,000	-
18	Radiant Pharmaceuticals Ltd.	UC	278,177,000	121,615,000	399,792,000	411,892,000
19	GPH Ispat Limited	UC	320,400,000	62,800,000	383,200,000	398,200,000
20	Pacific Motors Limited	UC	361,685,000	13,195,000	374,880,000	311,043,000
21	M/S. Abir Fashions	UC	130,216,000	225,437,000	355,653,000	-
22	Bangladesh Police Officers Bohumukhi Somobai Somithi	UC	-	-	-	587,038,000
23	Bengal Indigo Group	UC	-	-	-	337,795,000
24	Bengal Plastics Ind. Ltd.	UC	-	-	-	311,306,000
25	Grameenphone Limited	UC	-	-	-	277,080,000
26	La-Belle Group	UC	-	-	-	528,072,000
27	Lafarge Surma Cement Ltd.	UC	-	-	-	572,100,000
28	Meghna Group	UC	-	-	-	498,436,000
			7,306,284,000	3,027,105,000	10,333,389,000	9,924,271,000

	31.12.2009 Taka	31.12.2008 Taka
7.3.3 Industry-wise concentration of Loans and Advances		
Agro-sector	553,590,132	1,059,692,092
Automobiles	210,150,050	454,025,039
Cement & Building Materials	579,780,138	599,777,052
Chemical & Pharmaceuticals	988,550,236	1,023,030,089
Edible Oil	432,880,103	371,578,032
Energy & Power	256,480,061	201,261,017
Fisheries	37,720,009	60,400,005
Steel & Engineering	1,970,910,470	2,339,939,203
Textile & Garments	5,700,941,358	5,076,089,440
Food & Allied	1,070,400,255	604,336,052
Construction	687,860,164	595,397,052
Trading	7,817,771,863	5,788,846,502
Telecom & Transport	298,860,071	346,780,030
Others	12,057,212,873	9,006,932,782
	32,663,107,783	27,528,084,387
7.3.4 Geographical location-wise concentration of Loans and Advances		
Inside Bangladesh		
Dhaka Division	22,828,147,335	19,392,978,824
Chittagong Division	8,384,250,473	7,200,010,903
Khulna Division	234,448,638	113,937,012
Sylhet Division	873,923,242	614,961,962
Barisal Division	-	-
Rajshahi Division	342,338,095	206,195,686
	32,663,107,783	27,528,084,387
Outside Bangladesh	-	-
	32,663,107,783	27,528,084,387
7.3.5 Nature wise Loans and Advances		
Continuous	10,995,455,545	13,834,809,895
Demand Loan	8,292,082,802	1,546,093,125
Term Loans up to 5 Years	8,365,630,233	7,835,872,127
Term Loans above 5 Years	4,831,474,523	4,244,265,599
Short Term Agri. Credit & Micro Credit	9,082,737	7,135,837
Staff Loan	169,381,943	59,907,804
	32,663,107,783	27,528,084,387
7.4 Classification of Loans and Advances including Bills Purchased and Discounted		
a Unclassified Loans and Advances (including staff loan)		
1 Consumer Financing (House Financing, HF)	2,002,002,413	1,526,267,671
2 Consumer Financing (Loans for Professional, LP)	37,226,461	35,850,892
3 Consumer Financing (Other than HF & LP)	1,474,687,211	832,607,491
4 Small & Medium Enterprise Financing (SMEF)	1,259,425,025	482,115,566
5 All Other Credit	26,499,787,322	23,588,831,024
6 Short Term Agri Credit	9,082,737	7,135,837
7 Staff Loans	169,261,307	59,907,804
	31,451,472,476	26,532,716,285
b Special Mentioned Accounts	350,917,619	302,089,099
c Classified Loans and Advances		
1 Sub-Standard Loans and Advances	52,845,922	43,971,829
2 Doubtful Loans and Advances	24,082,176	98,785,336
3 Bad /Loss Loans and Advances	783,789,590	550,521,838
	860,717,688	693,279,003
	32,663,107,783	27,528,084,387

7.5 Particulars of Loans and Advances

(I) Debts considered good in respect of which the bank is fully secured.

(ii) Debts considered good for which the bank holds no other security than the debtor's personal security.

(iii) Debts considered good and secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtors.

(iv) Debts considered doubtful or bad not provided for

(v) Debts due by directors or officers of the bank or any of them either severally or jointly with any other person.

(vi) Debts due by companies or firms in which the directors of the bank are interested as directors, partners or managing agents or, in the case of private companies as members.

(vii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons.

(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private company.

(ix) Due from Banking Companies.

(x) Amount of classified loan on which no interest has been charged:

a) Increase/(Decrease) in provision

Amount of loan written off

Amount realized against loan previously written off

b) Provision kept against loans classified as bad debts

c) Interest credited to interest Suspense Account

(xi) Cumulative amount of written off loans

Opening Balance

Amount written off during the year

The amount of written off loans for which law suit has been filed

7.6 Bills purchased and discounted

Payable in Bangladesh

Payable out side Bangladesh

7.7 Remaining maturity grouping of bills purchased and discounted

Payable with in one month

Over one month but less than three months

Over three months but less than 01 year

More than 01 year

	31.12.2009 Taka	31.12.2008 Taka
	19,734,906,360	19,261,662,195
	1,960,273,288	1,223,752,987
	9,756,292,828	6,047,301,103
	-	-
	174,633,205	67,908,162
	-	-
	174,633,205	67,908,162
	-	-
	-	-
	127,193,000	85,969,752
	-	-
	-	-
	405,261,000	280,428,000
	189,080,502	108,983,042
	2,700	2,700
	-	-
	2,700	2,700
	-	-
	1,024,525,538	893,080,378
	95,132,836	104,258,520
	1,119,658,374	997,338,898
	484,745,309	547,516,837
	494,005,826	291,833,856
	140,907,239	157,853,447
	-	134,758
	1,119,658,374	997,338,898

7.8 Litigation filed by the Bank

As of the responding date, the Bank filed lawsuit against recovery of its defaulted loans and advances as under:

Name of the Branch

	31.12.2009 Taka	31.12.2008 Taka
Principal Branch	105,374,798	40,369,249
Sena Kalyan Bhaban Branch	5,156,417	4,929,543
Bogra Cantonment Branch	1,538,043	2,646,013
Agrabad Branch	650,506,726	411,868,565
Dhanmondi Branch	1,941,000	1,941,000
Dilkusha Corporate Branch	4,804,054	2,250,000
	769,321,038	464,004,370

8 FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES**Cost**

Office Building	12,680,000	12,680,000
Furniture and fixtures	106,205,359	87,076,565
Office equipment	230,307,789	170,882,258
Motor vehicles	122,840,866	105,003,519
Office renovation	145,708,204	129,562,640
Leasehold Land	160,469	160,469
	617,902,687	505,365,451
Less: Accumulated depreciation	235,983,543	162,972,891
For details please refer to Annexure - B	381,919,144	342,392,560

9 OTHER ASSETS

i) Investment in shares of subsidiary companies (In Bangladesh and outside)		
In Bangladesh	-	-
Outside Bangladesh	-	-
ii) Stationery, stamps, printing materials in stock etc.;	18,811,698	10,974,661
iii) Advance Rent and Advertisement	56,702,254	58,566,968
iv) Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable;	Note - 9.1 282,418,761	116,215,746
v) Security Deposits	7,324,385	2,152,050
vi) Preliminary, formation and organization expenses, renovation/ development expenses and prepaid expenses;	Note - 9.2 9,081,511	7,698,314
vii) Branch Adjusting (net)	188,013,702	117,662,986
viii) Suspense Account	474,525,338	95,719,211
ix) Silver	Note - 9.3 -	-
x) Others	348,822,819	266,179,188
	1,385,700,468	675,169,124

9.1 Interest/Profit accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable;

Interest accrued on investments and deposits	Note - 9.1.1 273,006,000	111,240,308
Commission Receivable on SP & WEDB	9,412,761	4,975,438
	282,418,761	116,215,746

9.1.1 Interest accrued on investments and deposits

Interest accrued on Fixed Deposits	Note - 9.1.1.1 40,179,933	91,707,345
Interest accrued on Money at Call	3,200,000	267,361
Interest accrued on Government Treasury Bond	229,626,067	19,265,602
	273,006,000	111,240,308

9.1.1.1 Interest/Profit accrued on Fixed Deposits/MTDR

	31.12.2009 Taka	31.12.2008 Taka
Interest accrued on Fixed Deposits	39,205,627	91,707,345
Profit accrued on MTDR	974,306	-
	40,179,933	91,707,345

9.2 Preliminary, formation and organization expenses, renovation / development expenses and prepaid expenses;

Pre-opening Expenses	227,726	530,340
Prepaid Expenses	8,853,785	7,167,974
	9,081,511	7,698,314

9.3 Others

	Note - 9.3.1	
Deferred Tax Asset	6,907,377	4,075,848
Intangible Assets	6,182,822	8,403,864
Fees Receivable on Qcash ATM	-	1,207,978
Encashment of Sanchaya patra awaiting reimbursement-Principal	91,773,023	72,728,259
Encashment of Sanchaya patra awaiting reimbursement-Interest	137,997,801	13,038,237
Encashment of WEDB awaiting reimbursement-Principal	21,741,000	68,506,000
Encashment of WEDB awaiting reimbursement-Interest	25,180,218	52,501,745
US\$ Premium Bond - Principal	-	2,429,000
US\$ Premium Bond - Interest	-	564,403
US\$ Investment Bond - Principal	1,043,250	4,204,764
US\$ Investment Bond - Interest	46,338	946,170
Advance against Capital Expenditure	57,947,611	37,569,541
Clearing Adjustment	3,379	3,379
	348,822,819	266,179,188

9.3.1 Deferred tax Asset

Balance as on 1 January	4,075,848	495,635
Addition during the year	2,831,529	3,580,213
Closing Balance	6,907,377	4,075,848

9.3.1.1 To maintain the deferred tax Asset of Tk.6,907,377 as at 31 December 2009, a deferred tax Income of Tk. 2,831,529 has been made during the year ended 31 December 2009 as per BAS -12 -Income Taxes.

9.4 Break-up of Other Assets

Income generating other assets	-	-
Non income generating other asset	1,385,700,468	675,169,124
	1,385,700,468	675,169,124

9.5 Inter Branch Adjusting Account represents outstanding inter branch and head office transactions (net) originated but yet to be responded by Balance Sheet date. However, the status of unresponded entries of 31.12.2009 as of 31.01.2010 (subsequent position) are given below:

	No. of unrespondent entries		Unrespondent entries (Taka)	
	Debit	Credit	Debit	Credit
Upto 3 months	32	83	13,487,169	8,177,556
Over 3 months but within 6 months	11	3	3,028,694	2,781
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	43	86	16,515,863	8,180,337

9.6 Provision for other asset has been made @ 50% for prepaid legal expenses against unsettled suit of Tk. 2,126,573 as on reporting date as per BRPD Circular No. 14 dated 25 June 2001 issued by Bangladesh Bank and shown in Note # 12.2 under Other Liability.

		31.12.2009 Taka	31.12.2008 Taka
10	BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AGENTS		
	<u>In Bangladesh</u>		
	<u>Call loans</u>		
	Call Loan from Banks		
	BRAC Bank Limited	-	90,000,000
	National Bank Ltd.	-	300,000,000
	Citibank NA	-	70,000,000
	Bank Al Falah Ltd.	-	150,000,000
	Agrani Bank Ltd.	-	50,000,000
	Dutch-Bangla Bank Ltd.	-	200,000,000
	BASIC Bank Ltd.	-	150,000,000
		-	1,010,000,000
	Call Loan from Leasing Co.	-	-
	Call Loan from Insurance Co.	-	-
	Call Loan from Other Institutions	-	-
	<u>Other Borrowings</u>		
	Bangladesh Bank: Re-finance	153,403,792	121,035,000
		153,403,792	1,131,035,000
	<u>Outside Bangladesh</u>	-	-
		153,403,792	1,131,035,000
10.1	Security wise borrowings		
	Secured Borrowings	-	-
	Unsecured Borrowings	153,403,792	1,131,035,000
		153,403,792	1,131,035,000
10.2	Repayment nature wise borrowings		
	Repayment on Demand	-	1,010,000,000
	Others	153,403,792	121,035,000
		153,403,792	1,131,035,000
10.3	Remaining maturity grouping of Borrowings from other banks, financial institutions and agents		
	<u>Payable</u>		
	On demand	-	1,010,000,000
	Upto 1 month	-	-
	Over 1 month but within 3 months	5,247,000	8,746,000
	Over 3 months but within 1 Year	40,225,791	33,636,875
	Over 1 Year but within 5 Years	74,422,584	61,386,000
	Over 5 Years	33,508,417	17,266,125
		153,403,792	1,131,035,000
11	DEPOSITS AND OTHER ACCOUNTS		
	Current / Al-wadeeah Current Accounts and other Accounts	Note - 11.2 4,856,810,829	3,793,749,145
	Bills Payable	602,883,159	514,875,597
	Savings Bank Deposits/Mudaraba Savings Deposits	Note - 11.4 4,230,046,723	2,662,673,386
	Fixed Deposits/Mudaraba Term Deposits	Note - 11.5 38,774,898,962	25,948,466,570
		48,464,639,673	32,919,764,698

11.1 Remaining maturity grouping of Deposits and other accounts

Inside Bangladesh	Banks	Other than Banks	31.12.2009 Taka	31.12.2008 Taka
Payable				
On demand	-	4,529,532,531	4,529,532,531	3,282,989,446
Upto 1 month	66,587,000	8,098,204,010	8,164,791,010	9,965,095,951
Over 1 month but within 3 months	-	12,585,629,986	12,585,629,986	4,400,865,460
Over 3 months but within 1 Year	-	17,937,500,074	17,937,500,074	11,718,598,652
Over 1 Year but within 5 Years	-	3,755,309,967	3,755,309,967	2,124,965,634
Over 5 Years	-	1,491,876,105	1,491,876,105	1,427,249,555
	66,587,000	48,398,052,673	48,464,639,673	32,919,764,698
Outside Bangladesh				
	-	-	-	-
	66,587,000	48,398,052,673	48,464,639,673	32,919,764,698

11.2 Current / Al-wadeeah Current Accounts and other Accounts

Under Conventional Banking	Note - 11.2.1	4,827,365,036	3,787,565,498
Under Islamic Banking	Note - 11.2.2	29,445,793	6,183,647
		4,856,810,829	3,793,749,145
11.2.1 Under Conventional Banking			
Current Account		2,202,202,211	1,651,339,664
Other Accounts	Note - 11.2.3	2,625,162,825	2,136,225,834
		4,827,365,036	3,787,565,498
11.2.2 Under Islamic Banking			
Al-wadeeah Current Accounts		17,303,487	3,226,748
Other Accounts - profit payable		12,142,306	2,956,899
		29,445,793	6,183,647
11.2.3 Other Accounts			
Foreign Currency Deposits		1,188,749,260	1,053,425,133
Interest Payable on Deposits		924,036,555	695,220,443
Sundry Deposits		512,377,010	387,580,258
		2,625,162,825	2,136,225,834
11.3 Bills Payable			
Demand Draft payable		32,464,146	38,901,112
Pay Order payable		570,419,013	475,974,485
		602,883,159	514,875,597
11.4 Savings Bank Deposits/Mudaraba Savings Deposits			
Savings Bank Deposits		4,091,453,490	2,640,856,844
Mudaraba Savings Deposits		138,593,233	21,816,542
		4,230,046,723	2,662,673,386
11.5 Fixed Deposits/Mudaraba Term Deposits			
11.5.1 Under Conventional Banking			
Fixed Deposits		27,090,607,045	21,955,723,706
Short Term Deposits		7,791,697,417	1,400,261,876
Scheme Deposits		3,244,506,691	2,421,303,504
		38,126,811,153	25,777,289,086
11.5.2 Under Islamic Banking			
Mudaraba Term Deposits		635,947,353	171,177,484
Mudaraba Short Term Deposits		3,102,112	-
Mudaraba Scheme Deposits		9,038,344	-
		648,087,809	171,177,484
		38,774,898,962	25,948,466,570

		31.12.2009 Taka	31.12.2008 Taka
11.5.3	Fixed Deposits/Mudaraba Term Deposits		
	<u>Banks</u>		
	<u>Other than Banks</u>		
	One month	- 1,657,421,345	1,657,421,345 3,718,052,759
	Three months	- 8,717,850,434	8,717,850,434 3,312,121,079
	Six months	- 3,583,447,423	3,583,447,423 1,303,759,905
	One year	- 12,570,801,567	12,570,801,567 12,577,885,665
	Two years	- 298,129,508	298,129,508 285,485,178
	Three years	- 795,467,842	795,467,842 843,134,739
	Five Years	- 85,814,378	83,247,249 73,057,763
	More than five years	- 20,189,030	20,189,030 13,404,102
		- 27,729,121,527	27,726,554,398 22,126,901,190
11.6	Geographical location-wise concentration of Deposits & Other Accounts		
	Inside Bangladesh		
	Dhaka Division	39,191,011,399	26,080,981,642
	Chittagong Division	5,013,568,819	3,911,933,163
	Khulna Division	912,523,090	497,497,929
	Sylhet Division	1,932,238,330	1,198,827,006
	Barisal Division	-	-
	Rajshahi Division	1,415,311,761	1,230,524,958
		48,464,653,399	32,919,764,698
	Outside Bangladesh	-	-
		8,464,653,399	32,919,764,698
11.7	Sector-wise deposits		
	Government	1,329,940,850	505,601,005
	Deposit money banks	66,586,738	31,316,075
	Other public	4,122,149,206	4,006,548,039
	Private	40,821,048,484	26,624,697,104
	Foreign Currency Deposits	1,188,749,260	1,053,425,133
	Interest Payable on Deposits	936,178,861	698,177,342
		48,464,653,399	32,919,764,698
12	OTHER LIABILITIES		
	Provision for Loans and Advances	Note - 12.1 958,400,000	730,742,000
	Provision for Investment	798,013	21,490,218
	Provision for other asset	Note - 12.2 2,126,573	1,312,556
	Provision for CSR Fund	64,200,000	59,080,000
	Provision for Gratuity	62,645,000	-
	Unearned profit on TIB Investment	4,853,664	-
	Interest Suspense Account	Note - 12.3 189,080,502	108,983,042
	Exchange Equalization Fund	Note - 12.4 2,996,337	2,996,337
	Interest Payable on Borrowings	-	772,778
	Provision for Income Tax Less Advance Income Tax	Note - 12.5 378,427,134	322,381,768
	Accrued Expenses	108,710,507	61,669,759
	Audit Fees Payable	209,000	125,400
	Sundry Creditors	60,996,465	54,575,546
	Others	295,891	139,487
		1,833,739,086	1,364,268,891

	31.12.2009 Taka	31.12.2008 Taka
12.1 Provision for Loans and Advances/Islami Banking Investments		
Specific Provision		
Against Classified Loans & Advances	439,000,000	311,807,000
General Provision		
Against Unclassified Loans & Advances	398,900,000	316,814,000
Against Special Mention Accounts	17,500,000	14,353,000
Against Off Balance Sheet Exposures	103,000,000	87,768,000
	519,400,000	418,935,000
	958,400,000	730,742,000
12.1.1 Against Classified Loans & Advances		
Provision held on 1 January	311,807,000	225,837,248
Fully provided debts written off	-	-
Recoveries from previously written off debts	-	-
Provisions made during the year	127,193,000	85,969,752
Net Charge to the Profit Loss Account	127,193,000	85,969,752
Provision held at end of year	439,000,000	311,807,000
12.1.2 Against Unclassified Loans & Advances		
Provision held on 1 January	316,814,000	206,371,000
Provisions made during the year	82,086,000	110,443,000
Provision held at end of year	398,900,000	316,814,000
12.1.3 Against Special Mention Accounts		
Provision held on 1 January	14,353,000	13,865,688
Provisions made during the year	3,147,000	487,312
Provision held at end of year	17,500,000	14,353,000
12.1.4 Required Provision against Loans and Advances		

Particulars	Base for Provision	Rate		
Unclassified				
a. Consumer Financing (House Financing)	2,002,005,299	2%	40,040,000	30,525,000
b. Consumer Financing (Loans to Professional)	37,226,461	2%	744,000	717,000
c. Consumer Financing (Other than a & b)	1,474,679,225	5%	73,734,000	41,630,000
d. Small & Medium Enterprise Financing	1,259,425,025	1%	12,594,000	4,821,000
e. Short Term Agriculture & Micro Credit	9,082,737	5%	454,000	357,000
f. All other Credit	26,447,417,625	1%	264,474,000	235,867,000
	31,229,836,372		392,040,000	313,917,000
Special Mention Accounts	328,225,770	5%	16,411,000	14,353,000
Classified				
a. Substandard	30,361,831	20%	6,073,000	4,710,000
b. Doubtful	10,815,670	50%	5,409,000	26,669,000
c. Bad/Loss	405,259,998	100%	405,261,000	280,428,000
	446,437,499		416,743,000	311,807,000
	32,004,499,641		825,194,000	640,077,000

12.1.5 General Provision for Off Balance Sheet Exposures		
Provision held on 1 January	87,768,000	43,798,000
Provisions made during the year	15,232,000	43,970,000
Provision held at end of year	103,000,000	87,768,000
12.2 Provision for other asset		
Balance on 1 January	1,312,556	699,104
Amount transferred during the year	814,017	613,452
Closing Balance	2,126,573	1,312,556

	31.12.2009 Taka	31.12.2008 Taka
12.3 Interest Suspense Account		
Balance on 1 January	108,983,042	85,764,082
Amount transferred during the year	198,259,681	125,588,419
Amount recovered during the year	(118,162,221)	(102,369,459)
Amount written off / waived during the year	-	-
Closing Balance	189,080,502	108,983,042
12.4 Exchange Equalization Fund		
Balance on 1 January	2,996,337	2,996,337
Add: Net exchange gains on open exchange position arising on reification of value of Taka currency in relation to foreign currencies during the year	-	-
Closing Balance	2,996,337	2,996,337
12.5 Provision for Income Tax Less Advance Income Tax		
Provision for Income Tax		
Balance on 1 January	894,410,124	340,500,000
Provisions made during the year	542,500,000	530,000,000
Provision made for previous year(s)	23,970,800	23,910,124
Settlement for previous year(s)	(364,410,124)	-
	1,096,470,800	894,410,124
Less: Advance Income Tax		
Balance on 1 January	572,028,356	109,965,050
Paid during the year	510,425,434	462,063,306
Settlement for previous year(s)	(364,410,124)	-
	718,043,666	572,028,356
Net Closing Balance	378,427,134	322,381,768
12.5.1	Provision for current tax of Tk. 542,500,000 has been made @ 42.5% on Business Income and 20% on Dividend Income of the accounting profit made by the Bank during the year after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance and Rules, 1984.	
13 CAPITAL		
13.1 Authorized Capital		
50,000,000 Ordinary shares of Tk. 100 each	5,000,000,000	2,000,000,000
13.2 Issued, Subscribed and Paid Up Capital		
11,666,700 Ordinary shares of Tk. 100 each issued for cash	1,166,670,000	1,166,670,000
1,166,670 Ordinary shares of Tk. 100 each issued bonus shares	116,667,000	116,667,000
2,566,674 Ordinary shares of Tk. 100 each issued for cash	256,667,400	256,667,400
3,080,008 Ordinary shares of Tk. 100 each issued bonus shares	308,000,800	-
18,480,052	1,848,005,200	1,540,004,400
13.3 Capital Adequacy Ratio		
In terms of section 13 (2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD circulars no. 1, 14, 10, 7, 5 and 3 dated January 08, 1996, November 16, 1996, November 25, 2002, August 28, 2006, May 14, 2007 and March 12, 2008 respectively, required capital, available core capital and supplementary capital of the Bank for the period ended on December 31, 2009 is shown below:		
Tier – I (Core Capital)		
Paid up Capital	1,848,005,200	1,540,004,400
Share Premium Account	182,001,600	490,002,400
Statutory Reserve	1,138,330,330	528,525,946
Retained Earnings	463,963,772	486,833,118
	3,632,300,902	3,045,365,864
Tier –II (Supplementary Capital)		
General Provision	519,400,000	418,935,000
Exchange Equalization	2,996,337	2,996,337
Revaluation reserves (50% of such reserve)	61,282,577	37,143,562
	583,678,914	459,074,899

	31.12.2009 Taka	31.12.2008 Taka
A. Total Capital (Tier-I + Tier-II)	4,215,979,816	3,504,440,763
B. Total Risk Weighted Assets (RWA)	33,297,681,000	27,362,423,000
C. Required Capital based on RWA @ 10% on B	3,329,768,100	2,736,242,300
D. Surplus Capital as per Bank weighted Assets(A - C)	886,211,716	768,198,463
Capital Adequacy Ratio		
Tier - I: Required @ 5% of RWA	10.91%	11.13%
Tier -II : Required (10% of RWA - Tier - I), if any	1.75%	1.68%
Total : Required@ 10% of RWA	12.66%	12.81%

13.4 Computation of risk-weighted assets

Amount in Thousand

SL	Items	31.12.2009		31.12.2008	
		Assets	RWA	Assets	RWA
1	Cash in hand and with banks (except banks abroad)	6,601,308	234,000	4,027,672	368,000
2	Money at call and short notice	3,550,000	152,000	320,000	44,000
3	Foreign currency balances held	919,004	-	678,744	-
4	Export and Other Foreign Bills	95,133	47,567	104,259	52,130
5	Foreign Investment	-	-	-	-
6	Import and Inland Bills	1,024,526	1,024,526	898,307	898,307
7	Advances	27,638,006	26,655,592	22,711,889	22,013,776
8	Investment (as per book value)	8,705,610	896,318	3,120,681	444,981
9	Head Office and Inter Branches Adjustments	123,794	-	58,583	-
10	Other Assets	7,377,660	4,287,678	6,524,951	3,541,229
	TOTAL RISK WEIGHTED ASSETS (TRWA)	56,035,041	33,297,681	38,445,086	27,362,423

13.5 Percentage of shareholdings at the closing date

	Amount (in Taka)		Percentage (%)	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Sponsors	1,108,941,900	924,020,600	60.01%	60.00%
Financial Institutions	353,084,200	185,330,200	19.11%	12.03%
Foreign Investors	-	-	-	-
Non-Resident Bangladeshi	8,204,000	8,540,900	0.44%	0.55%
General Public	377,775,100	422,112,700	20.44%	27.41%
Total	1,848,005,200	1,540,004,400	100.00%	100.00%

13.6 Shareholding Range on the basis of shareholdings as on 31 December 2009

Shareholding Range			No. of Sh. Holders	Number of Shares	%
1	to	500	27365	2,293,618	12.41%
501	to	5,000	1184	1,474,861	7.98%
5,001	to	10,000	51	388,447	2.10%
10,001	to	20,000	19	272,662	1.48%
20,001	to	30,000	12	292,400	1.58%
30,001	to	40,000	7	238,024	1.29%
40,001	to	50,000	7	328,783	1.78%
50,001	to	100,000	8	551,835	2.99%
100,001	to	1,000,000	7	1,551,550	8.40%
1,000,001	and More		1	11,087,872	60.00%
Total			28,662	18,480,052	100.00%

14 STATUTORY RESERVE

Balance on 1 January	528,525,946	330,632,079
Reserve made during the year	609,804,384	197,893,867
Closing Balance	1,138,330,330	528,525,946

	31.12.2009 Taka	31.12.2008 Taka
14.1 Reserve for current period was made @ 53% on the net profit before tax under section 24 of the Bank Companies Act 1991.		
15 OTHER RESERVE		
Revaluation Reserve		
Balance on 1 January	74,287,123	61,400,074
Reserve made during the year	48,278,031	12,887,049
Closing Balance	122,565,154	74,287,123
<p>Investments which have 'fixed or determinable payments', and are intended to be 'held to maturity' other than those which are floating and/or free to trade in the market at prevailing prices are classified as held to maturity and must be amortized at the end of the year before maturity. Investments classified in the category of 'Held for Trading' are held in order to sell or purchasing-in short trading as decided by the management of the bank or treasury. After initial recognition, investments of such categories are measured at their fair value once in a week. The increase/decrease in case of amortization of Investment under 'Held to maturity' and any change in the fair value in case of Investment under 'held for Trading' is to be accounted for in the 'Statement of changes in Equity' under the head Other Reserve as Surplus/Deficit on revaluation of investment.</p>		
16 RETAINED EARNINGS		
Balance on 1 January	486,833,118	362,254,563
Income Tax Provision for the year	(23,970,800)	(23,910,124)
	462,862,318	338,344,439
Net Profit for the year transferred from Profit and Loss Account	610,905,838	463,049,546
Less: Issue of Bonus Share @ 10%	-	116,667,000
Less: Transferred to Statutory Reserve	609,804,384	197,893,867
	1,101,454	148,488,679
Closing Balance	463,963,772	486,833,118
17 CONTINGENT LIABILITIES		
17.1 OFF-BALANCE SHEET ITEMS		
Acceptance Bills - Local	969,038,594	809,865,662
Acceptance Bills - Foreign	1,106,959,697	953,485,545
Acceptance Bills - Cash L/C	-	6,547,000
Acceptance Liabilities - Back to Back L/C	113,340,339	116,576,209
	2,189,338,630	1,886,474,416
17.2 Letters of Guarantee		
Letters of Guarantee - Local	1,527,643,816	1,399,007,585
Letters of Guarantee - Foreign	-	-
	1,527,643,816	1,399,007,585
17.2.1 Money for which the bank is contingently liable in respect of guarantees given favoring :		
Directors or Officers	-	-
Government	322,099,314	208,171,515
Banks and other financial institutions	27,534,942	1,245,144
Others	1,150,913,430	1,189,590,926
	1,500,547,686	1,399,007,585
17.3 Irrevocable letter of Credits		
Letter of Credit - Local	349,273,856	192,701,076
Letter of Credit - Foreign	3,307,744,862	3,083,201,995
Letter of Credit - Back to Back L/C	455,607,846	316,298,944
Letter of Credit - Usance (Foreign)	479,637,174	185,342,494
	4,592,263,738	3,777,544,509
17.4 Bills for Collection		
Outward Bills for Collection	48,269,236	85,148,052
Foreign Bills for Collection	1,116,000	-
Local Documentary Bill for Collection	770,901,444	765,898,736
Inward Foreign Documentary Bills for Collection	200,985,000	452,871,000
Foreign Documentary Bills for Collection	309,830,505	409,832,930
	1,331,102,185	1,713,750,718

18 INCOME STATEMENTS

Income:

Interest/Profit, discount and similar income	4,695,260,334	3,932,463,302
Dividend income	24,331,156	12,177,144
Fees, commission and brokerage	355,614,342	306,162,733
Gains less losses arising from dealing in securities	92,639,065	84,058,697
Gains less losses arising from investment securities	-	-
Gains less losses arising from dealing in foreign currencies	-	-
Income from non-banking assets	-	-
Other operating income	412,665,392	133,480,091
Profit less losses on interest rate changes	-	-

**31.12.2009
Taka**

**31.12.2008
Taka**

5,580,510,289

4,468,341,967

Expenses:

Interest / profit paid on deposits, borrowings etc,	3,112,822,489	2,462,230,880
Losses on loans and advances	-	-
Administrative expenses	799,210,992	526,318,402
Other operating expenses	218,478,382	160,073,673
Depreciation on banking assets	91,644,305	67,275,945

4,222,156,168

3,215,898,900

1,358,354,121

1,252,443,067

19 INTEREST INCOME

19.1 Interest Income under Conventional banking

Interest from Loans and Advances

Interest on Repair & Recon. of Dwelling House (RRDH)	24,678,275	29,089,157
Interest on Consumer Durable Scheme	418,472	1,182,737
Interest on Marriage Loans	4,958,015	5,921,519
Interest on Car Loans	47,311,865	31,655,561
Interest on House Building Loans	131,381,064	127,002,015
Interest on Term Loans	1,266,184,485	1,065,340,966
Interest on Other Loans	433,455,043	331,812,775
Interest on SME Loan	4,876,504	-
Interest on PAD - EDF	6,231,473	-
Interest on Staff Loan	8,780,978	4,683,540
Interest on LTR	528,013,313	547,434,434
Interest on Payment Against Documents (PAD)	48,494,059	64,977,098
Interest on Cash Credit	83,544,282	73,021,663
Interest on Cash Collateral	19,301,370	15,426,042
Interest on Overdraft	80,260,561	41,300,853
Interest on SOD	932,252,240	620,365,615
Interest on Inland Bills Purchased and Discounted	142,176,801	134,440,768
Interest on Foreign Bills Purchased and Discounted	2,269,587	1,797,715

3,764,588,387

3,095,452,458

Interest from Banks and Other Financial Institutions

Interest on Fixed Deposits	201,209,709	449,825,003
Interest on Bangladesh Bank Foreign Currency Accounts	1,783,991	11,130,817
Interest received from Local Banks	12,655,526	7,514,708
Interest on Foreign Exchange Deals	-	-
Interest on Call Deposits	34,435,125	64,278,778

250,084,351

532,749,306

Interest received from Foreign Banks

385,219

4,015,057,957

6,450,144

3,634,651,908

	31.12.2009 Taka	31.12.2008 Taka
19.2 Interest Income under Islamic banking		
Profit on Investment		
Profit on BARAKAT Car Scheme	1,000,934	-
Profit on IHSAN Apartment Purchase Scheme	315,986	-
Profit on BARAKAT Home Construction Scheme	43,696	-
Profit on HPSM-Capital Machinery	4,824,277	-
Profit on HPSM- Real Estate	2,412,918	-
Profit on Murabaha (RM)	631,015	-
Profit on Bai-Muajjal	861,606	-
Profit on Bai-Salam	47,258	-
Profit on Murabaha TR	570,964	-
Profit on Musharaka agt. IBP	458,214	-
Profit from Banks and Other Financial Institutions	11,166,868	-
Profit on Mudarab Term Deposits	974,306	-
	12,141,174	-
	4,027,199,131	3,634,651,908
20 INTEREST PAID ON DEPOSITS AND BORROWINGS		
20.1 Interest paid on deposits		
Interest on STD Account	106,681,793	87,294,284
Interest on FDR Account	2,458,861,165	1,997,533,682
Interest on Foreign Currency Deposit	8,960,956	9,062,752
Interest on Savings Account	155,683,578	129,805,111
Interest on Scheme Deposits	313,569,684	209,250,120
	3,043,757,176	2,432,945,949
20.2 Profit paid on Islamic Banking Deposits		
Profit Paid on Mudaraba Savings Account	2,869,702	211,517
Profit Paid on Mudaraba STD	42,667	-
Interest Paid on Mudaraba TDR	37,789,193	4,360,692
Profit Paid on Mudaraba MTDR - 1 Month	507,809	-
Profit Paid on Mudaraba Monthly Savings Scheme	376,358	-
	41,585,729	4,572,209
20.3 Interest paid on borrowings		
Interest on Call Deposits.	20,763,569	23,776,472
Interest on Other Borrowings	6,716,015	936,250
	27,479,584	24,712,722
20.4 Other interest		
Interest paid on Borrowings from Bangladesh Bank	-	-
	-	-
	3,112,822,489	2,462,230,880
21 INCOME FROM INVESTMENTS		
21.1 Income from Conventional Banking		
Interest on Treasury bills	23,965,208	231,573,092
Interest on Bangladesh Bank Bill	-	1,502,450
Interest on Treasury bonds	616,650,555	64,434,067
Interest on Reverse REPO	-	301,785
Interest on Debentures & Bond	10,151,280	-
Dividend Income	23,334,605	12,113,000
Gain from sales of shares	72,349,818	83,254,581
	746,451,466	393,178,975
21.2 Income from Islamic Banking Investments		
Dividend Income	996,551	64,144
Profit on Investment in Islamic Bank Bond	17,294,160	-
Profit on Sale of Shares	20,289,247	804,116
	38,579,958	868,260
	785,031,424	394,047,235

22

COMMISSION ON

Demand Draft, Money Transfer, Telegraphic Transfer, Pay Order
Travelers Cheque
Bills
Letter of Guarantees
Letter of Credits
Foreign Remittances
Commission on Sale of Government Securities
Fund Transfer Commission
Commission on Sale & Purchase of Shares
Under writing Commission
Comm. On Commitment fees on FCL
Acceptance Commission
Foreign Correspondence Charges
Miscellaneous Commission

Foreign Currency Exchange Gain

23

OTHER OPERATING INCOME

Locker Rent
Swift Charge (Net)
Postage Charge (Net)
Incidental Charges
Sale Proceeds of Forms
Service Charges
Service Compensation
Front End Fees
Notice Pay
Closing Charge
Sale Proceeds of Cheque books
BO Account Opening Fee
BO Account Transfer Fee
Introductory Commission
Service Charges on Ombinis Transaction
Recovery of Custodian Charges
Syndication Fees
Income through Credit & ATM Card
Profit on sale of Fixed Assets
Port Folio Management Fees
Port Folio Transaction Fees
Service Charge on Passport
Miscellaneous Earnings

24

SALARIES AND ALLOWANCES

Basic Salary
House Rent Allowances
Conveyance Allowances
Medical Allowances
Leave Fare Assistances
Leave Encashment
Utility Allowances
Manger's Charge Allowance
Key Holding Allowance
Commission to Sales Promotion Officers
Festival Bonus
Incentive Bonus
Bank's Contribution to Provident Fund
Bank's Contribution to Superannuation Fund
Bank's Contribution to Employees' Gratuity Fund

	31.12.2009 Taka	31.12.2008 Taka
	3,891,278	3,896,687
	19,632	123,445
	12,571,947	9,625,773
	19,413,672	17,491,298
	93,704,012	100,616,897
	732,719	490,028
	9,691,460	5,912,668
	64,087	1,012
	615,186	111,825
	9,615,465	1,769,902
	-	1,075
	25,972,134	24,159,243
	121,000	96,253
	17,376,973	12,321,732
	193,789,565	176,617,838
	161,824,777	129,544,895
	355,614,342	306,162,733
	675,850	511,000
	5,450,956	4,296,825
	626,895	1,021,308
	5,699,147	4,826,153
	622,656	454,790
	30,361,634	24,257,645
	1,336,600	1,141,677
	26,119,333	17,784,936
	796,500	515,538
	746,898	615,887
	48,175	45,100
	-	84,508
	1,133,450	866,194
	289,864	556,459
	63,873	4,124,870
	165,007	47,034
	432,500	173,636
	7,216,965	2,878,991
	543,863	888,608
	56,342,770	5,859,562
	203,288,018	12,862,075
	5,230,120	6,215,580
	65,454,414	43,451,715
	412,645,488	133,480,091
	195,225,734	134,711,059
	97,619,652	67,126,803
	15,565,154	11,121,498
	38,266,049	13,690,527
	36,239,926	40,534,496
	1,513,250	3,063,400
	1,275,000	-
	310,500	-
	140,250	-
	1,766,609	617,575
	37,919,103	23,927,204
	74,529,612	46,074,105
	17,704,731	9,286,199
	1,600,000	1,600,000
	62,645,000	25,743,768
	582,320,570	377,496,634

	31.12.2009 Taka	31.12.2008 Taka
25 RENT, TAXES, INSURANCE, ELECTRICITY, ETC.		
Rent	69,790,099	45,122,028
Electricity and Lighting	13,327,597	10,324,418
Insurance	26,990,809	19,787,353
Rates, Taxes & Excise Duty	145,046	636,222
Fees & Renewals	13,971,192	5,246,955
Generator Fuel	2,367,940	1,866,160
Gas/Water Bill	941,441	623,277
	127,534,124	83,606,413
26 POSTAGE, STAMPS, TELECOMMUNICATION, ETC.		
Stamp	199,106	46,269
ATM Connectivity Charges	713,855	436,641
ATM Maintenance Charges	3,000,000	3,000,000
Online Expenses	17,574,747	11,500,671
ATM Card Expenditure	1,081,807	3,281,221
Internet Charge	1,753,253	5,327,657
Router Charge	1,846,444	1,677,123
Telegram, Telex, Telephone, Trunk Call etc. (Net)	7,265,479	6,772,495
	33,434,691	32,042,077
27 STATIONERY, PRINTING, ADVERTISEMENT, ETC.		
Printing and Stationery (Net)	28,297,340	19,267,275
Publicity and Advertisement	19,799,734	4,568,976
	48,097,074	23,836,251
28 DIRECTORS' FEES		
Meeting fees	709,200	663,000
Other benefits	-	-
	709,200	663,000
29 DEPRECIATION AND REPAIR OF BANK'S ASSETS		
Depreciation		
Fixed assets	76,503,631	56,077,140
For details please refer to Annexure - C		
Repairs		
Building	249,789	1,096,923
Furniture and fixtures	648,011	500,592
Office equipment	4,175,623	2,849,846
Bank's vehicles	7,673,520	3,987,648
Maintenance	2,530,725	2,763,796
	15,277,668	11,198,805
	91,781,299	67,275,945
30 OTHER EXPENSES		
Business Development Expenses	13,928,802	9,209,363
Clearing House Charge	98,347	108,814
Conveyance	8,114,451	6,771,217
Entertainment	10,740,902	8,211,448
Car Expenses	234,021	6,077,735
Cash Handling Charge	1,497,300	1,330,500
Bank charges	24,551	7,943
Meeting Expenses	7,396,145	4,867,316
Donation, Subscription and Membership Fees	4,794,805	1,793,308
News Paper and Periodicals	702,119	574,868
Oil and Lubricant	6,984,881	4,178,521
Remittance Charges	1,198,529	1,354,248
Other Contractual Service	29,365,496	20,766,285
Internship Allowances	1,856,746	1,178,242
Honorarium for Banking Diploma	180,000	270,000
Ex- Gratia	1,715,563	1,567,245

	31.12.2009 Taka	31.12.2008 Taka
Training & Recruitment Expenses	4,852,753	3,030,316
Traveling Expenses	7,269,192	7,144,013
Up Keep of Office Premises	3,412,146	2,660,250
Washing Charges	646,573	403,367
Financial Assistance	960,000	237,215
Foreign Correspondence Expenses	1,870,833	2,247,654
Pre-opening Expenses	1,938,479	1,202,898
Amortization of Intangible Assets	7,629,756	5,861,045
Special Reserve Fund	64,200,000	59,080,000
Share issue expenses	-	2,978,934
CDBL Charges	27,415,626	1,841,522
Security Expenses	3,089,035	2,085,835
Foreign Remittance Expenses	1,320,272	656,625
Cash Carrying Charges	1,035,850	654,862
Wages paid to daily Labor	116,310	40,910
Purchase of Utensils	402,122	253,779
Medical Expenses	160,072	467,029
Contact Point Verification Fees (RB)	338,960	274,900
Miscellaneous Expenses	94,752	67,891
	215,585,389	159,456,098
31 PROVISION FOR LOANS AND ADVANCES / INVESTMENTS		
Specific Provisions -against classified loans & advances	127,193,000	85,969,752
General Provisions -against un-classified loans & advances	82,086,000	110,443,000
General Provisions -against special mentioned accounts	3,147,000	487,312
	212,426,000	196,900,064
32 PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS:		
Decline in value of investment should consist of the following divisions:		
(a) Dealing securities		
- Quoted	-	-
- Unquoted	-	-
(b) Investment securities		
- Quoted	(20,692,205)	21,490,218
- Unquoted	-	-
	(20,692,205)	
	(20,692,205)	21,490,218
Provision for Investment in Share has been made as per BRPD Circular No. 14 dated 25 June 2001 issued by Bangladesh Bank.		
33 OTHER PROVISION		
General Provision for Off Balance Sheet Exposures	15,232,000	43,970,000
Provision for Other Assets	814,017	613,452
	16,046,017	44,583,452
33.1 General provision for off balance sheet exposures has been made @ 1% on period end balance of total off balance sheet exposures as per BRPD circular No. 8 and 10 dated August 07, 2007 and September 18, 2007 respectively issued by Bangladesh Bank.		
33.2 Provision for other asset has been made @ 50% on legal expenses of Tk. 4,253,146 as per BRPD Circular No. 14 dated 25 June 2001 issued by Bangladesh Bank.		
34 The Bank has no secured liabilities on the reporting date and therefore the Bank has no asset pledged as security against such liabilities.		
35 EARNING PER SHARE (EPS)		
Profit attributable to Ordinary Share Holders	610,905,838	463,049,546
Share Outstanding before right issue		
Share Outstanding as on 1 January	15,400,044	11,666,700
Issue of Bonus Share	3,080,008	1,166,670
	18,480,052	12,833,370
Earning per Share	33.06	31.96

36 INCOME RECEIVED FROM OTHER OPERATING ACTIVITIES

	31.12.2009 Taka	31.12.2008 Taka
Locker Rent	675,850	511,000
Swift Charge (Net)	5,518,858	4,741,503
Postage Charge (Net)	626,895	1,021,308
Incidental Charges	5,699,147	4,826,153
Sale Proceeds of Forms	622,656	454,790
Service Charges	30,361,634	24,257,645
Service Compensation	1,336,600	1,141,677
Front End Fees	26,119,333	17,784,936
Notice Pay	796,500	515,538
closing Charge	746,898	615,887
Sale Proceeds of Cheque books	48,175	45,100
BO Account Opening Fee	-	84,508
BO Account Transfer Fee	1,133,450	866,194
Introductory Commission	289,864	556,459
Service Charges on Ombinis Transaction	63,873	4,124,870
Recovery of Custodian Charges	165,007	47,034
Syndication Fees	432,500	173,636
Income through Credit & ATM Card	7,216,965	2,878,991
Income from Government Securities	435,108,962	278,683,067
Interest on Debentures & Bond	10,151,280	-
Profit on Investment in Islamic Bank Bond	17,294,160	-
Income from sale proceed of shares	92,639,065	84,058,697
Port Folio Management Fees	56,342,770	5,859,562
Port Folio Transaction Fees	203,288,018	12,862,075
Service Charge on Passport	5,230,120	6,215,580
Miscellaneous Earnings	65,454,414	43,451,715
	967,362,994	495,777,925

37 EXPENSES PAID FOR OTHER OPERATING ACTIVITIES

Business Development Expenses	(13,852,849)	(9,285,316)
Clearing House Charge	(98,347)	(108,814)
Conveyance	(8,114,451)	(6,771,217)
Entertainment	(10,659,613)	(8,263,175)
Car Expenses	(234,021)	(6,077,735)
Cash Handling Charge	(1,497,300)	(1,330,500)
Bank charges	(24,551)	(7,943)
Meeting Expenses	(7,396,145)	(4,867,316)
Donation, Subscription and Membership Fees	(4,794,805)	(1,793,308)
News Paper and Periodicals	(694,619)	(567,316)
Oil and Lubricant	(6,764,339)	(4,194,093)
Remittance Charges	(1,173,651)	(1,347,175)
Other Contractual Service	(29,412,715)	(20,668,778)
Internship Allowances	(1,856,746)	(1,178,242.00)
Honorarium for Banking Diploma	(180,000)	(270,000)
Ex- Gratia	(1,715,563)	(1,567,245)
Pre-opening Expenses	(1,635,865)	(1,289,995)
Training Expenses	(4,852,753)	(3,030,316)
Traveling Expenses	(7,269,192)	(7,144,013)
Up Keep of Office Premises	(3,412,146)	(2,660,250)
Washing Charges	(646,573)	(403,367)
Financial Assistance	(960,000)	(237,215)
Foreign Correspondence Expenses	(1,870,833)	(2,247,654)
Special Reserve Fund	(59,080,000)	-
Share issue expenses	-	(2,978,934)
CDBL Charges	(27,415,626)	(1,841,522)
Security Expenses	(3,089,035)	(2,085,835)

	31.12.2009 Taka	31.12.2008 Taka
Foreign Remittance Expenses	(1,320,272)	(656,625)
Cash Carrying Charges	(1,035,850)	(654,862)
Wages paid to daily Labor	(116,310)	(40,910)
Purchase of Utensils	(402,122)	(253,779)
Medical Expenses	(160,072)	(467,029)
Contact Point Verification Fees (RB)	(338,960)	(274,900)
Miscellaneous Expenses	12,013,494	4,471,437
Publicity and Advertisement	(19,799,734)	(4,568,976)
Rent, Taxes, Insurance, Lighting etc.	(120,036,167)	(88,290,692)
Legal Expenses	(2,825,684)	(2,183,738)
Postage, Telegram, Telephone	(33,183,343)	(31,527,842)
Audit Fee	(125,400)	(188,100)
Directors Fee	(709,200)	(663,000)
Repairs and maintenance of Fixed Assets	(15,277,668)	(11,198,805)
	(382,019,026)	(228,715,095)
38 CHANGES IN OTHER OPERATING ASSETS		
Security Deposits	(5,172,335)	313,627
Encashment of Sanchaya patra awaiting reimbursement-Principal	19,044,764	(50,259,149)
Encashment of Sanchaya patra awaiting reimbursement-Interest	(124,959,564)	19,740,735
Encashment of WEDB awaiting reimbursement-Principal	46,765,000	(39,050,500)
Encashment of WEDB awaiting reimbursement-Interest	27,321,527	(19,293,435)
US\$ Premium Bond - Principal	2,429,000	(2,429,000)
US\$ Premium Bond - Interest	564,403	(332,709)
US\$ Investment Bond - Principal	3,161,514	(4,135,514)
US\$ Investment Bond - Interest	899,832	(385,332)
Inter Office Adjusting Account	(70,342,323)	140,992,066
Advance against Capital Expenditure	(20,378,070)	(5,706,555)
Suspense Account	(378,814,520)	(30,832,472)
	(537,570,300)	8,621,762
39 CHANGES IN OTHER LIABILITIES		
Sundry Creditors	6,420,919	22,244,063
Others	156,404	3,567
	6,577,323	22,247,630
40 CLOSING CASH AND CASH EQUIVALENT		
Cash in hand (including foreign currencies)	437,348,059	303,301,936
Balance with Bangladesh Bank & Sonali Bank (Incl. FCs)	2,996,480,710	1,834,181,954
Balance with Other Bank and Financial Institutions	4,086,483,436	2,568,931,798
Call Loan to other Banks	3,550,000,000	320,000,000
Prize Bond	1,898,900	2,980,300
	11,072,211,105	5,029,395,988
41 EXPENDITURE INCURRED FOR EMPLOYEES		
Salaries, allowances and benefits		
Number of employees at 31 December 2009 was 1041; (31 December 2008 was 979) who were in receipt of remuneration for that period which in the aggregate was not less than Tk 36,000 and those employed for a part of that year who were in receipt of remuneration of not less than TK. 3,000 per month.		
42 AUDIT COMMITTEE		
42.a Particulars of Audit Committee		
An audit committee has been formed by the Board of Directors of the Bank in its 64 th Board meeting held on 05 February 2003. In accordance with the BRPD circular letter no. 12 dated 23 December 2002, the committee constituted with a chairman, two members and a member secretary.		
At 31 December 2009, the Honorable Members of the committee were as follows:		

Name	Status with Bank	Status with committee	Educational Qualification
Brig Gen Md Nazrul Hasan	Director	Convenor	B.Sc (Eng.), EE&E
Brig Gen KARM Mostafa Kamal	Director	Member	MDS
Begum Rokeya Din	Director	Member	MA
Mr. Farhad Uddin	Company Secretary	Secretary	M. Com, ACMA

- 42.b** During the year ended as on 31 December 2009, the following number of meetings of the Audit Committee held with the bank's Senior Management to consider and review the Bank's Financial Statements and Risk Management:

<u>Meeting Number</u>	<u>Date of Meeting</u>
1 st	20-Jan-09
2 nd	11-Jun-09
3 rd	12-Jul-09
4 th	26-Aug-09
5 th	30-Dec-09

- 42.c** **Following steps have been taken for implementation of an effective Internal Control Procedures of the banks:**

A strong internal control & compliance division has been formed with a view to establish compliance culture and full control.

Regular review of internal and external (including Bangladesh Bank) audit reports with a view to implement the suggestion of internal and external auditors (including Bangladesh Bank), in respect of internal control techniques.

To establish an effective management system that includes planning, organizing and supervising culture in the branches as well as at head office.

Continuous monitoring & evaluation on application of internal control system, internal audit policy, policy for financial risks, existing rules and regulations (internal and external), other obligations from controlling authority, disclosure process of financial statements etc. of the bank.

Review the accounting procedures with a view to ascertain that the International Financial Reporting Standards (IFRSs) have been applied in preparation and presentation of financial statements.

Formulation of HRM policy and other operating procedures.

43 RELATED PARTY DISCLOSURES

- a) Name of Directors and their interest in different Entities as on 31 December 2009

SI	Name of the Directors	Status with Bank	Entities where they have interest	Position	% of Interest
1	General Md Abdul Mubeen ndc, psc	Chairman	Sena Kalyan Shangstha	Chairman Board of Trustees	Nominated
			Sena Hotel Development Ltd.	Chairman Board of Directors	Nominated
			Bangladesh Machine Tools Factory Ltd.	Chairman Board of Directors	Nominated
			Army Welfare Trust	Chairman Board of Trustees	Nominated
2	Maj Gen A T M Shahidul Islam ndu, psc	Vice Chairman	Sena Kalyan Shangstha	Member Board of Trustees	Nominated
			Sena Hotel Development Ltd.	Vice Chairman Board of Directors	Nominated
			Army Welfare Trust	Vice Chairman Board of Trustees	Nominated
3	Brig Gen Md Nazrul Hasan	Director	Bangladesh Machine Tools Factory Ltd.	Director Board of Directors	Nominated
			Bangladesh Diesel Plant Ltd.	Director Board of Directors	Nominated
4	Brig Gen K A R M Mostafa Kamal ndc, psc	Director	Army Welfare Trust	Managing Director Board of Trustees	Ex-Officio
5	Brig Gen Tushar Kanti Chakma ndu, psc	Director	-	-	-
6	Begum Rokeya Din	Director	-	-	-
7	Mr. Helal Uddin Ahmed	Independent Director	Purbachal Green Enterprise	Proprietor	100%

b) Significant contracts where Bank is a party and wherein Directors have interest:

Nature of Contract	Branch Name	Name of Directors and related by
Lease agreement with Army Welfare Trust	Principal Branch	General Md Abdul Mubeen, ndc,psc Chairman, Board of Trustee, Army Welfare Trust
		Maj Gen A T M Shahidul Islam, ndu, psc Vice- Chairman, Board of Trustee, Army Welfare Trust
		Brig Gen K A R M Mostafa Kamal, ndc,psc Managing Director , Army Welfare Trust
Lease agreement with Sena Kalyan Sangstha	Sena Kalyan Bhaban Branch Khulna Branch Tongi Branch	General Md Abdul Mubeen, ndc,psc Chairman, Board of Trustee, Sena Kalyan Sangstha
		Maj Gen A T M Shahidul Islam, ndu, psc Chairman, Board of Trustee, Sena Kalyan Sangstha.
		Maj Gen A T M Shahidul Islam, ndu, psc Chairman, Board of Trustee, Sena Kalyan Sangstha
Advertisement Agreement with Army Welfare Trust	Head Office	General Md Abdul Mubeen, ndc,psc Chairman, Board of Trustee, Army Welfare Trust
		Maj Gen A T M Shahidul Islam, ndu, psc Vice- Chairman, Board of Trustee, Army Welfare Trust
		Brig Gen K A R M Mostafa Kamal, ndc,psc Managing Director , Army Welfare Trust

- c) Shares issued to Directors and Executives without consideration or exercisable at discount: Nil
- d) Related party Transactions: Nil
- e) Lending Policies to related Parties: Not applicable
- f) Loan and advances to Directors and their related concern: TK. 5,251,262
- g) Business other than banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act – 1991: Not applicable
- h) Investments in the Securities of Directors and their related concern: Not applicable

43.1 The Bank's Directors' loan and advances as have been shown above in serial no. f, fall within purview of scheme loan launched for the defense officers for house building purposes.

44 FINANCIAL HIGHLIGHTS

As per BRPD Circular # 14, dated 25 June 2003, Financial Highlights of the Bank for the year ended on 31 December 2009 has been shown in Annexure - C.

45 EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors in its 157th Meeting held on March 29, 2010 recommended 20% (Twenty percent) bonus share i.e., 1 (one) bonus share for every 5 (five) shares held, first out of premium and balance from retained earnings, for the year 2009, subject to approval of shareholders at annual general meeting.



Vice Chairman



Director



Director



Managing Director

TRUST BANK LIMITED

Annexure- A

Schedule of Balance with Other Banks-Outside Bangladesh (Nostro Accounts)

Name of the Bank	Name of the foreign currency	31.12.2009			31.12.2008		
		Amount in foreign currency	Exchange rate as on 31.12.2009	Total amount equivalent to Taka	Amount in foreign currency	Exchange rate as on 31.12.2008	Total amount equivalent to Taka
Citibank N.A., USA	USD	277,379.33	69.55	19,291,732	41,071.31	69.45	2,852,403
Union De Banques, HKG	USD	24,270.68	69.55	1,688,026	1,124.70	69.45	78,110
Mashreq Bank psc, USA	USD	162,205.26	69.55	11,281,376	47,152.25	69.45	3,274,724
Standard Chartered Bank, USA	USD	34,329.99	69.55	2,387,651	217,796.37	69.45	15,125,958
HSBC Bank, USA	USD	67,398.47	69.55	4,687,564	834,131.79	69.45	57,930,453
ICICI Bank Ltd., Hongkong	USD	191,488.32	69.55	13,318,013	18,013.23	69.45	1,251,019
Wachovia Bank, NY USA	USD	110,354.94	69.55	7,675,186	12,911.55	69.45	896,707
Standard Chartered Bank, UK	GBP	139,081.56	111.68	15,532,170	93,701.96	102.94	9,645,745
Citibank N.A., UK	GBP	168,609.06	111.68	18,829,703	35,659.21	102.94	3,670,784
HSBC, PLC, UK	GBP	253,030.93	111.68	28,257,659	564,871.28	102.94	58,148,245
Standard Chartered Bank, Japan	YEN	1,077,843.00	0.78	845,783	126,381.00	0.80	100,574
Wachovia Bank, NY USA	YEN	1,012,790.00	0.78	794,736	-	-	-
HSBC, PLC, UK	EURO	12,459.52	100.41	1,251,004	17,465.26	98.86	1,726,607
Standard Chartered Bank, UK	EURO	10,250.63	100.41	1,029,220	13,802.38	98.86	1,364,496
ICICI Bank Ltd., Mumbai, India	EURO	8,275.00	100.41	830,855	-	-	-
Citibank N.A., UK	EURO	26,739.56	100.41	2,684,799	41,816.71	98.86	4,134,000
Citibank N.A., Mumbai, India	ACU	63,912.26	69.55	4,445,098	58,778.12	69.45	4,082,140
ICICI Bank Ltd., Mumbai, India	ACU	11,726.32	69.55	815,566	28,179.98	69.45	1,957,100
HSBC Bank, Pakistan	ACU	18,622.81	69.55	1,295,216	20,804.83	69.45	1,444,895
HSBC Bank, Mumbai, India	ACU	7,361.81	69.55	512,014	7,464.66	69.45	518,421
AB Bank, Mumbai, India	ACU	121,701.73	69.55	8,464,355	27,285.87	69.45	1,895,004
Mashreqbank, Mumbai, India	ACU	53,724.57	69.55	3,736,544	4,696.60	69.45	326,179
Standard Chartered Bank, Mumbai, India	ACU	63,239.02	69.55	4,398,274	8,454.62	69.45	587,173
Habib Bank, Zurich	CHF	7,631.22	67.61	515,920.00	8,490.75	66.64	565,830
Total				154,568,464			171,576,567

TRUST BANK LIMITED
Schedule of Fixed Assets As at 31 December 2009

Annexure - B

PARTICULARS	COST				DEPRECIATION				Written Down Value at 31 December 2009 Taka
	Balance on 1 January 2009 Taka	Additions during the year Taka	Disposal/adjustment during the year Taka	Balance at 31 December 2009 Taka	Balance on 1 January 2009 Taka	Charge for the year Taka	Disposal/adjustment during the year Taka	Balance at 31 December 2009 Taka	
Leasehold Land	160,469	-	-	160,469	-	-	-	-	160,469
Office Building	12,680,000	-	-	12,680,000	26,417	317,010	-	343,427	12,336,573
Furniture and Fixtures	87,076,565	19,944,436	815,642	106,205,359	27,114,322	8,938,862	737,300	35,315,884	70,889,475
Office Equipment	170,882,258	60,764,742	1,339,211	230,307,789	74,420,752	33,522,385	1,278,959	106,664,178	123,643,611
Motor Vehicles	105,003,519	22,734,537	4,897,190	122,840,866	18,946,312	22,239,172	1,476,720	39,708,764	83,132,102
Office Renovation	129,562,640	16,145,564	-	145,708,204	42,465,088	11,486,202	-	53,951,290	91,756,914
31 December 2009	505,365,451	119,589,279	7,052,043	617,902,687	162,972,891	76,503,631	3,492,979	235,983,543	381,919,144
31 December 2008	304,730,868	204,462,252	3,827,669	505,365,451	110,506,078	56,077,140	3,610,327	162,972,891	342,392,560

Annexure - C

Financial Highlights

Sl No	Particulars	Base	31.12.2009	31.12.2008
1	Paid up Capital	Taka	1,848,005,200	1,540,004,400
2	Total Capital	Taka	4,317,729,020	3,504,440,763
3	Capital surplus/(deficit)	Taka	988,259,020	768,198,463
4	Total Assets	Taka	54,170,698,328	38,534,721,576
5	Total Deposits	Taka	48,464,654,043	32,919,764,698
6	Total Loans and Advances	Taka	32,663,107,783	27,528,084,387
7	Total Contingent Liabilities and Commitments	Taka	9,640,348,369	8,780,303,968
8	Credit Deposit Ratio	%	67.40	83.62
9	Percentage of classified loans against total loans and advances	%	2.64	2.52
10	Profit after tax and provision	Taka	611,166,198	463,049,546
11	Amount of classified loans during current year	Taka	167,438,685	188,655,417
12	Provisions kept against classified loan	Taka	439,000,000	311,807,000
13	Provision surplus/(deficit)	Taka	30,206,000	2,897,000
14	Cost of fund	%	7.88	7.84
15	Interest earning Assets	Taka	49,000,504,582	34,852,827,444
16	Non-interest earning Assets	Taka	5,170,193,746	3,681,894,132
17	Return on Investment (ROI)	%	14.15	13.21
18	Return on Asset (ROA)	%	1.13	1.20
19	Income from Investment	Taka	785,031,388	394,047,235
20	Earning per Share (EPS)	Taka	33.06	31.96
21	Net income per Share	Taka	33.06	31.96
22	Price Earning Ratio	%	7.62	7.18
23	Net Asset Value (NAV)	Taka	3,754,866,056	3,119,652,987
24	Net Operating Cash Flow Per Share (NOCFPS)	Taka	590.82	(154.89)

TRUST BANK LIMITED
Balance Sheet of Merchant Banking Division
 As at 31 December 2009

Annexure - D

	31.12.2009 Taka	31.12.2008 Taka
PROPERTY AND ASSETS		
Cash		
Cash in hand (including foreign currencies)	-	-
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	-	-
	-	-
Balance with other banks and financial institutions		
In Bangladesh	23,614,053	4,654,678
Outside Bangladesh	-	-
	23,614,053	4,654,678
	-	-
Money at call and short notice	-	-
Investments:		
Government	-	-
Others	258,257,434	484,954,935
	258,257,434	484,954,935
Loans and Advances/Investments		
Loans, Cash Credit, Overdrafts etc.	4,131,582,654	887,918,908
Bills purchased and discounted	-	-
	4,131,582,654	887,918,908
Fixed assets including premises, furniture and fixtures	9,979,945	8,047,775
Other assets	36,678,966	13,659,058
Non-banking assets	-	-
Total Assets:	4,460,113,052	1,399,235,354
LIABILITIES AND CAPITAL		
Liabilities:		
Borrowings from Trust Bank General Account	3,901,947,047	1,285,578,415
Deposits and other accounts:		
Current Accounts and other Accounts	188,253,863	105,696,494
Bills Payable	-	-
Savings Bank Deposits	-	-
Fixed Deposits /Term Deposits	-	-
Bearer Certificates of Deposit	-	-
	188,253,863	105,696,494
Other liabilities	46,328,334	30,947,245
Total profit /(loss) before taxes	323,583,808	(22,986,800)
Total Liabilities:	4,460,113,052	1,399,235,354

TRUST BANK LIMITED
Profit and Loss Account of Merchant Banking Division
For the year ended as at 31 December 2009

Annexure - E

	31.12.2009 Taka	31.12.2008 Taka
Interest income / Profit on Investment	333,016,613	24,208,521
Interest / Profit paid on deposits and borrowings etc.	272,303,245	41,877,826
Net interest income	60,713,368	(17,669,305)
Income from investments	85,210,667	12,699,997
Commission, exchange and brokerage	6,582,767	164,550
Other operating income	265,186,431	20,689,448
	356,979,865	33,553,995
Total operating income	417,693,233	15,884,690
Salaries and allowances	12,656,104	2,266,216
Rent, taxes, insurance, electricity, etc.	4,393,958	2,464,165
Legal expenses	36,625	11,050
Postage, stamps, telecommunications, etc.	801,446	266,810
Stationery, printing, advertisement etc.	1,531,779	321,263
Depreciation and repair of bank's assets	2,106,762	453,766
Other expenses	30,153,549	2,758,779
Total operating expenses	51,680,223	8,542,049
Profit before provision	366,013,010	7,342,641
Provision for loans / Investments	41,316,000	8,879,000
Provision for Diminution in value of Investment	1,113,202	21,450,441
Other provision	-	-
	42,429,202	30,329,441
Total Profit / (Loss) before Taxes	323,583,808	(22,986,800)

TRUST BANK LIMITED
Balance Sheet of Islami Banking Division
As at 31 December 2009

Annexure - F

	Notes	31.12.2009 Taka
PROPERTY AND ASSETS		
Cash		
Cash in hand (including foreign currencies)		-
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		-
		-
Balance with other banks and financial institutions	4.1.4	
In Bangladesh		50,000,000
Outside Bangladesh		-
		50,000,000
Placement with banks and other financial institution		-
Investments in Shares and Securities		
	6.3	
Government		-
Others		211,403,870
		211,403,870
Investments	7	
General Investments etc.		260,843,718
Bills purchased and discounted		18,519,067
		279,362,785
Fixed assets including premises		2,543,966
Other assets		284,020,081
Non-banking assets		-
Total Assets:		827,330,702
LIABILITIES AND CAPITAL		
Liabilities:		
Placement from banks and other financial institutions		-
Deposits and other accounts:		
Mudaraba Savings Deposits	11.4	138,593,233
Mudaraba Term Deposits	11.5.2	648,087,809
Other Mudaraba Deposits		-
Al-wadeeah Current Accounts and Other Deposit Accounts	11.2.2	29,445,793
Bills Payable		-
		816,126,835
Other liabilities		4,890,505
Deferred Tax Liabilities/(assets)		-
Total profit /(loss) before taxes		6,313,362
Total Liabilities:		827,330,702

TRUST BANK LIMITED
Profit and Loss Account of Islami Banking Division
For the year ended as at 31 December 2009

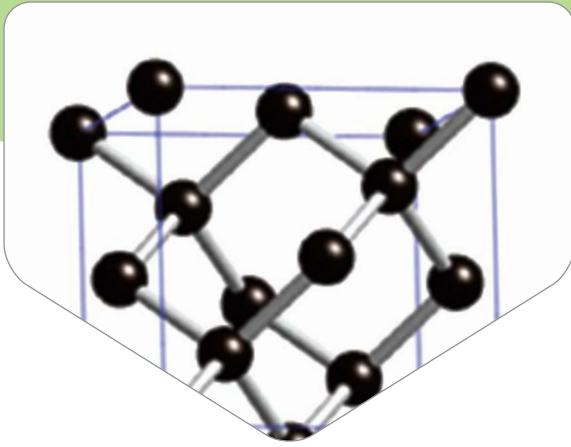
Annexure - G

	Notes	31.12.2009 Taka
Investment Income	19.2	12,141,174
Profit paid on deposits	20.2	41,585,729
Net Investment Income		(29,444,555)
Income from investments in Shares/Securities	21.2	38,579,958
Commission, exchange and brokerage		-
Other operating income		-
		38,579,958
Total operating income		9,135,403
Salaries and allowances		2,695,000
Rent, taxes, insurance, electricity, etc.		-
Legal expenses		-
Postage, stamps, telecommunications, etc.		-
Stationery, printing, advertisement etc.		-
Chief Executive's Salary & Fees		-
Directors' Fees and Expenses		90,200
Shariah Supervisory Committee's Fees ad Expenses		-
Auditors' Fees		-
Changes in Investment Losses		-
Depreciation and repair to bank's assets		358,504
Zakat Expenses		-
Other expenses		-
Total operating expenses		3,143,704
Profit before provision		5,991,699
Provision for loans / Investments		-
Provision for Diminution in value of Investment		36,841
Other provision		-
		36,841
Total Profit / (Loss) before Taxes		5,954,858

TRUST BANK LIMITED
Cash Flow Statements of Islamic Banking Division
For the year ended as at 31 December 2009

Annexure - H

	Notes	31.12.2009 Taka
A. Cash flow from operating activities		
Interest/Investment Income received in cash		11,166,868
Interest/Profit paid on Deposits		(29,443,423)
Dividend receipts		996,551
Fees and commission receipts in cash		-
Recoveries of written off Loans/Investments		-
Cash paid to employees		(2,695,000)
Cash paid to suppliers		-
Income Taxes paid		-
Received from other operating activities (item -wise)	36	37,583,407
Payments for other operating activities (item -wise)	37	(90,200)
Operating profit before changes in operating Assets and Liabilities		17,518,203
Increase/(Decrease) in operating assets & liabilities		
Statutory Deposits		-
Net Investment in trading securities		(211,403,870)
Loan & advance/Investments to other banks		-
Loan & advance/Investments to customers		(274,509,121)
Other assets (item -wise)	38	(285,589,741)
Deposits from other banks		-
Deposits from customers		803,984,529
Other liabilities account of customers		-
Trading liabilities		-
Other liabilities (item -wise)	39	-
Net cash from operating activities (A)		50,000,000
B. Cash flow from investing activities		
Proceeds from sale of securities		-
Payments for purchase of government securities		-
Purchase of property, plant & equipment		-
Purchase of intangible assets		-
Sale of property, plant & equipment		-
Net cash from investing activities (B)		-
C. Cash flow from financing activities		
Increase/(Decrease) in Borrowing:		
Call loan		-
Other borrowings		-
Share Capital A/c		-
Share Premium A/c		-
Net cash from financing activities (C)		-
D. Net increase in Cash and Cash Equivalent(A+B+C)		50,000,000
E. Effects of exchange rate changes on cash and cash equivalents		-
F. Opening Cash and Cash Equivalent		-
Cash and cash equivalents at end of period(D+E+F)	40	50,000,000



Branch Network

Principal Branch

98 Shaheed Sarani,
Dhaka Cantonment, Dhaka – 1206.
Phone- 02-8712751, 8712753, 9888068.

Bogra Cantonment Branch

Bogra Cantonment, Bogra,
Phone-051- 82032

Chittagong Cantonment Branch

Bangladesh Tea Board Bhaban,
171-172 Baizid Bostami, Chittagong.
Phone-031-683680, 031-2581170-71

Jessore Cantonment Branch

Jessore Cantonment, Jessore
Phone-0421-61043

Savar Cantonment Branch

Savar Cantonment, Dhaka.
Phone: 7791931

Agrabad Branch

Shilpa Bank Bhaban, Agrabad C/A, Chittagong.
Phone- : 031- 2524461, 031- 2524462-3

Dhanmondi Branch

BDR Gate No.- 4, Pilkhana,
Sat Masjid Road, Dhanmondi, Dhaka.
Phone-8623401, 9677553

Gulshan Corporate Branch

110 Gulshan Avenue, Gulshan, Dhaka -1212.
Phone-02- 8828088, 8815594, 9862520

Radisson Water Garden Hotel Branch

Airport Road, Zoar Shahara,
Dhaka Cantonment, Dhaka – 1206.
Phone- 02-8752065

CDA Avenue Branch

Holding No.1837(New), Elite House
CDA Avenue, Chittagong. Phone- 031-2550938

Millennium Corporate Branch

Bir Sreshtha Shahid Jahangir Gate 546 Dhaka Cantonment,
Dhaka- 1206. Phone :8712075-76

Halishahar Branch

Holding No.-2030/a, (Monirat Plaza), Block –G, Road No.-3,
Plot-2, BaraPul, Port Connecting Road, Chittagong.
Phone- : 031-2512593

Moulvi Bazar Branch

Holding No.-10, Court Road, Chowmohona,
Kotwali, Moulvibazar.
Phone- : 0861-62883

SKB Branch

Sena Kalyan Bhaban,
195 Motijheel C/A, Dhaka – 1000.
Phone-7126157, 7121263, 9561721

Comilla Cantonment Branch

Comilla Cantonment, Comilla.
Phone-081-65005, 081-65004

Rangpur Cantonment Branch

Rangpur Cantonment, Rangpur.
Phone- 0521– 66653

Momenshahi Cantonment Branch.

Momenshahi Cantonment Mymensingh.
Phone- 091-62371

Jalalabad Cantonment Branch

Jalalabad Cantonment, Sylhet
Phone: 0821-2872135

Shaheed Salahuddin Cantt. Branch.

Shaheed Salahuddin Cantonment, Ghatail, Tangail.
Phone-: 09225- 56141

Khatungonj Branch

205, Main Road, Plot No. – 218,
Khatungonj, Chittagong.
Phone- 031- 627860, 031-2861718

Dilkusha Corporate Branch

Peoples Insurance Bhaban,(1st Floor)
36 Dilkusha C/A, Dhaka-1000. Phone- – 9560944, 9561821

KYAMCH Branch

Khajwa Yunus Ali Medical College & Hospital Enayetpur,
Sirajgonj
Phone- 0751- 63897

Sylhet Corporate Branch

BMA Bhaban, Chouhatta, Kotwali, Sylhet.
Phone-0821-719063, 0821-719139

Uttara Corporate Branch

House No. - 111/a, Road No.-7, Sector-4, Uttara, Dhaka.
Phone- : 8921312

Beani Bazar Branch

Al-Amin Super Market, College Road, Beani Bazar, Sylhet
Phone-: 08223-56008

Goalabazar Branch

Hazi Nasib Ullah Market, (1st Floor), Main Road,
Goalabazar, Osmani Nagar, Sylhet
Phone- : 08242-56712

Mirpur Branch

Swapnapuri Holding No. 24, Main Road 3, Block, Section – 11, Mirpur, Pallabi, Dhaka. Phone- : 9008218, 9008310

Karwan Bazar Branch

Jenith Tower, Holding No.-40, Karwan Bazar, Tejgaon, Dhaka.
Phone-: 02-9126554, 02-9120856

Joypara Branch

Azhar Ali Mozahar Ali Shopping Complex, Dohar, Dhaka.
Phone- :06223-56097, 06223-56096

Narsingdi Branch.

Salam Mansion,
Holding #13/9
Thana +Dist-Narsingdi
Phone- – 9451684, 9451686

Jubilee Road Branch

Royal Tower, - Jubilee Road
Chittagong City Corporation
Thana- Kotwali, Chittagong.
Phone- : 031-2857212
PABX : 031-2859061-2

Ashugonj Branch

Mouza : Char Char Tala
Up : Char Char Tala
Thana: Ashugonj, Dist: Brahmanbaria
Phone- : 0852-874026

Amirabad Lohagara Branch

Up: Amirabad
Thana: Lohagara
Dist: Chittagong
Phone-03034-56349

Tongi Branch

Senakallyan Commercial Complex
Tongi Paurashova, Thana – Tongi
Dist- Gazipur.
Phone- : 02-9816721, 9816722-3

SME/Agri Branches**Mirer Bazar SME/Agri Branch**

Salam Complex, Mirer Bazar Chowrasta
(Tongi Kaligonj Road), Union – Pubail,
Thana – Gazipur Sadar. Dist- Gazipur
Phone- : 02-9816765

Tamai SME/Agri Branch

Protigga Banijjik Bhaban, UP –Vangabari
Thana – Belkuchi, Dist- Sirajgonj
Phone- : 07522-56357

SME Service Centers**Dholaikhal SME Service center**

Holding # 31/1, Lalmohan Shah Street
Dholaikhal, Ward # 77
Thana-Sutrapur, Dist- Dhaka.
Mob : 01730323273, 01730323274

Naval Base Branch

BNS Isha Kha, Naval Base Anchor Building, Potenga, Chittagong. Phone-031-741833, 741834

Feni Branch

Kazi Centre (Ground Floor), Holding No.-106, A.S.K Road, Feni.
Phone-: 0331- 63535, 0331-63536

Joydevpur Branch

Vaowal Point, Vill: Vogra, Up: Bason,
Po: National University
Thana: Joydevpur, Dist: Gazipur
Phone- : 02-9862852, 02-9262853

Narayangonj Branch.

1, Alam Khan Lane
Po+Thana: Narayangonj
Dist: Narayangonj
Phone- : 7648282, 7648283

Shahjalal Upa-Shahar Branch

Syed Plaza, Plot No: 1, Block-D
Shahjalal Housing Estate
Sylhet City Corporation
Thana – Kotwali, Dist: Sylhet
Phone- : 0821-2832261, 0821-2832262

Khulna Branch

Sena Kallayan Bhaban
1, KDA Avenue, Khulna City Corporation
Thana: Sonadanga, Dist: Khulna.
Phone-041-2831571, 041-2831572

Kafrul Branch

Holding # 28, North Kafrul
Dhaka City Corporation, Thana- Kafrul
Dist- Dhaka.
Phone-02-8715457,02-8715458

Chowmuhuni Branch

Feni Road, Holding # 309,310
Chowmuhuni Paurashova,
Thana – Begumgonj, Dist- Noakhali.
Phone- : 0321-54192, 0321-54193

Mdhabdi SME/Agri Branch

R M Building # 3, Phalpatri Road
Pooorasava – Madhabdi ,
Thana – Madhabdi, Dist- Narsingdi
Phone- : 02-9446806

Kazir Bazar SME Service Center

Sheikh Ghat, Sylhet
Phone: 0821-721811