

3.15 Cash flow statement

Cash flow statement has been prepared in accordance with the Bangladesh Accounting Standard (BAS) 7, 'Cash Flow Statement' under direct method as recommended in the DFIM Circular No. 11 dated 23 December 2009 issued by the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank.

3.16 Earnings per share

The company presents basic Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted Earning Per Share (DEPS) is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.17 Change in accounting policy

Accounting for deferred tax

Upto the year 2010, the Company had been recognising "Deferred Tax Asset" on specific provision against classified loans, leases and advances as per Bangladesh Accounting Standard (BAS) 12: *Income Taxes*.

During the year 2011 Bangladesh Bank vide circular no. DFIM-07 dated 31 July 2011 has directed NBFIs not to recognise the "Deferred Tax Asset" on specific provision.

In compliance with the Bangladesh Bank circular the Company has changed its Accounting Policy regarding recognition of "Deferred Tax Asset" on specific provision and with retrospective effect has adjusted the balance of "Deferred Tax Asset" with the "Retained Earnings". Due to the change in Accounting Policy, the Company's "Retained Earnings" is negatively impacted by Tk. 235,205,159 up to the year 2009 and profit after tax and EPS for the year 2010 positively restated by Tk. 43,297,950 and Tk. 0.46 respectively.

4 General

4.1 Related party disclosure

As per Bangladesh Accounting Standards (BAS) 24: *Related Party Disclosures*, parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties.

4.2 Litigation

The company is not a party to any material law suits except those arising in the normal course of business. The company has filed necessary law suits against some of the default clients for non-performance in loan/lease repayment. The company, however, has made adequate provision against such doubtful finances.

4.3 Guarantees, commitments and contingencies

Corporate guarantee represents irrevocable assurance that the company will make payments in the event that a client cannot meet its obligation to third parties.

4.4 Statutory reserve

As per Financial Institutions Regulations 1994, Non-Bank Financial Institutions (NBFIs) are required to transfer 20% of its post tax profit to statutory reserve before declaration of dividend. This requirement has been properly complied with.

4.5 Contingent liabilities

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

Any present obligation that arises from past events but is not recognized because:

a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits can be reliably estimated.

Contingent assets are not recognized in the financial statements as this may result in the recognition of income, which may never be realized.

4.6 Events after the reporting date

All material events occurring after the reporting date have been considered and where necessary, adjusted for or disclosed in these financial statements.

4.7 Comparatives and reclassification

Comparative information have been disclosed in respect of 2010 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged/restated/reclassified whenever considered necessary to conform to current period's presentation.

4.8 Compliance Report on Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS):

The following Accounting and Reporting Standards are applicable for Industrial Promotion and Development Company of Bangladesh Limited and which are followed in preparing the Financial Statements of the Company:

Sl no.	Name of the BAS	BAS no.	Status
01	Presentation of Financial Statements	01	Applied*
02	Inventories	02	N/A
03	Cash Flow Statements	07	Applied
04	Accounting Policies, Changes in Accounting Estimates and Errors	08	Applied
05	Events after the Reporting Date	10	Applied
06	Construction Contract	11	N/A
07	Income Taxes	12	Applied
08	Segment Reporting	14	Applied
09	Property, Plant and Equipment	16	Applied
10	Leases	17	Applied
11	Revenue	18	Applied
12	Employee Benefits	19	Applied
13	Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
14	The Effects of Changes in Foreign Exchange Rates	21	N/A
15	Borrowing Costs	23	Applied
16	Related Party Disclosures	24	Applied
17	Accounting for Investments	25	Applied
18	Accounting and Reporting by Retirement Benefits Plans	26	N/A
19	Consolidated and Separate Financial Statements	27	N/A
20	Investments in Associates	28	N/A
21	Interest in Joint Ventures	31	N/A
22	Financial Instruments: Presentation	32	Applied
23	Earnings per Share	33	Applied
24	Interim Financial Reporting	34	Applied
25	Impairment of Assets	36	Applied
26	Provision, Contingent Liabilities and Contingent Assets	37	Applied
27	Intangible Assets	38	Applied
28	Financial Instruments: Recognition and Measurement	39	Applied
29	Investment Property	40	N/A
30	Agriculture	41	N/A

* As the regulatory requirements differ with the standards, relevant disclosures are made in accordance with Bangladesh Bank's requirements.

SI no.	Name of the BFRS	BFRS no.	Status
01	First Time Adoption of IFRS	01	N/A
02	Share Based Payment	02	N/A
03	Business Combination	03	N/A
04	Insurance Contracts	04	N/A
05	Non-current Assets Held for Sale and Discontinued Operations	05	Applied
06	Exploration for and Evaluation of Mineral Resources	06	N/A
07	Financial Instruments: Disclosures	07	Applied
08	Operating Segment	08	Applied

4.9 BASEL II & its implementation:

To comply with the international best practices and make up the capital more risks sensitive as well as more shock resilient, guidelines on 'Basel Accord for Financial Institutions (BAFI)' have been introduced from 1 January, 2011 on test basis by Bangladesh Bank. At the end of the said period, the guidelines will come fully into force from 1 January, 2012 with its necessary supplements/revisions. Instructions in respect of Minimum Capital Requirement (MCR), Adequate Capital and Disclosures requirement as stated in these guidelines have to be followed by the all-financial institutions for the purpose of statutory compliance.

The Company has already taken initiatives for timely implementation of BASEL II accord.

4.10 Integral Components of Financial Statements:

The Financial Statements of the Company include the following components:

1. Balance Sheet as at 31 December 2011.
2. Profit and Loss Account for the year ended 31 December 2011.
3. Cash Flow Statement for the year ended 31 December 2011.
4. Statement of Changes in Equity for the year ended 31 December 2011.
5. Notes to the Financial Statements.

	<u>Note</u>	<u>2011</u> <u>Taka</u>	<u>2010</u> <u>Taka</u> <u>Restated</u>
5. Cash			
Cash in hand	5.1	40,200	35,000
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	5.2	79,521,979	65,704,881
		<u>79,562,179</u>	<u>65,739,881</u>
5.1 Cash in hand			
In local currency		40,200	35,000
In foreign currency		<u>-</u>	<u>-</u>
		<u>40,200</u>	<u>35,000</u>
5.2 Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)			
Bangladesh Bank			
Local currency		79,521,979	65,704,881
Foreign currencies		<u>-</u>	<u>-</u>
		<u>79,521,979</u>	<u>65,704,881</u>
Sonali Bank Limited (as an agent of Bangladesh Bank)		<u>-</u>	<u>-</u>
		<u>79,521,979</u>	<u>65,704,881</u>
5.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)			
Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR) have been calculated and maintained in accordance with the Section 19 of the Financial Institutions Act, 1993 and of instructions contained in FID Circular No. 02 dated 10 November 2004 and FID Circular No. 06 dated 06 November 2003 respectively issued by Bangladesh Bank.			
Cash Reserve Requirement (CRR) required on the term deposits at the rate of 2.5% has been calculated and maintained with Bangladesh Bank in the form of current account and 5% Statutory Liquidity Reserve (SLR) including Cash Reserve Requirement has been maintained against total liabilities excluding shareholders' equity, borrowings from Bangladesh Bank and other Banks and NBFIs in the form of treasury bills, bonds, balance with Bangladesh Bank and other banks and financial institutions. Both the reserves as maintained by the Company are shown below:			
Cash Reserve Requirement (CRR)			
Required reserve		90,790,000	74,366,000
Actual reserve maintained		91,217,000	75,460,500
Surplus/(deficit)		<u>427,000</u>	<u>1,094,500</u>
Statutory Liquidity Reserve (SLR)			
Required reserve		198,948,000	164,033,000
Actual reserve maintained		309,374,000	211,682,000
Surplus		<u>110,426,000</u>	<u>47,649,000</u>
Total surplus		<u>110,853,000</u>	<u>48,743,500</u>
6. Balance with other banks and financial institutions			
In Bangladesh	6.1	742,592,747	570,183,365
Outside Banglades		<u>-</u>	<u>-</u>
		<u>742,592,747</u>	<u>570,183,365</u>

6.1	In Bangladesh	Note	2011 Taka	2010 Taka Restated
	With Banks:			
	<u>In current deposit accounts with</u>			
	Commercial Bank of Ceylon Plc		45,790	83,042
	The Hongkong and Shanghai Banking Corporation Ltd.		37,396	102,429
	Uttara Bank Ltd.		3,158	3,158
	United Commercial Bank Ltd.		50,275	300,000
	AB Bank Ltd.		4,390	3,366
	Standard Chartered Bank		-	1,911,095
	Citibank N.A.		3,449	300
	Prime Bank Ltd.		534,527	1,621,909
	Bank Alfalah Ltd.		1,451	1,451
			<u>680,435</u>	<u>4,026,750</u>
	<u>Short term deposit accounts with</u>			
	Dutch Bangla Bank Ltd.		30,054,312	889,153
	AB Bank Ltd.		1,347,066	2,121,468
	Standard Chartered Bank		408,050	36,093
	IFIC Bank Ltd.		12,268	12,268
	AL-Arafah Islami Bank Ltd.		15,122	39,304
	BRAC Bank Ltd.		53,332	60,092
			<u>31,890,149</u>	<u>3,158,378</u>
	<u>Short term placement</u>			
	National Bank of Pakistan		150,000,000	50,000,000
	AB Bank Ltd.		120,000,000	200,000,000
	IFIC Bank Ltd.		50,000,000	-
	Eastern Bank Ltd.		70,000,000	-
	Pubali Bank Ltd.		-	200,000,000
			<u>390,000,000</u>	<u>450,000,000</u>
	<u>Short term deposit accounts (in foreign currency) with</u>			
	AB Bank Ltd.		62,403	62,403
			<u>62,403</u>	<u>62,403</u>
	<u>Fixed deposit accounts with</u>			
	BRAC Bank Ltd.		-	12,935,834
	Eastern Bank Ltd.		50,000,000	-
	National Bank of Pakistan		14,236,483	-
	The City Bank Ltd.		100,000,000	-
	Prime Bank Ltd.		55,723,278	50,000,000
			<u>219,959,761</u>	<u>62,935,834</u>
			<u>642,592,747</u>	<u>520,183,365</u>
	With other financial institutions			
	International Leasing and Financial Services Ltd		100,000,000	50,000,000
			<u>100,000,000</u>	<u>50,000,000</u>
			<u>742,592,747</u>	<u>570,183,365</u>

6.2 Maturity grouping of balance with other banks and financial institutions

Repayable		
On demand	680,435	4,026,750
Within one month	536,189,035	516,156,615
Within one to three months	155,723,278	-
Within three to twelve months	50,000,000	50,000,000
Within one to five years	-	-
More than five years	-	-
	<u>742,592,747</u>	<u>570,183,365</u>

		Note	2011 Taka	2010 Taka Restated
7.	Money at call and short notice			
	Prime Bank Ltd.		50,000,000	-
	Agrani Bank Ltd.		70,000,000	-
			<u>120,000,000</u>	<u>-</u>
8.	Investments			
	Government securities	8.2	587,600,000	480,984,599
	Other investments	8.3	572,578,558	619,678,558
			<u>1,160,178,558</u>	<u>1,100,663,157</u>
8.1	Classification of investments			
	Held for trading (HFT)		363,000,000	443,484,599
	Held to maturity (HTM)		224,600,000	37,500,000
			<u>587,600,000</u>	<u>480,984,599</u>
	Other investments		572,578,558	619,678,558
			<u>1,160,178,558</u>	<u>1,100,663,157</u>
8.2	Government securities			
	Treasury bills	8.2.1	-	152,084,599
	Treasury bonds	8.2.2	587,600,000	328,900,000
			<u>587,600,000</u>	<u>480,984,599</u>
8.2.1	Treasury bills			
	91-day treasury bills		-	169,497,781
	182-day treasury bills		-	167,563,835
	364-day treasury bills		-	161,469,325
			-	498,530,941
	Less: Repo & assured liquidity support with Bangladesh Bank		-	346,446,342
			<u>-</u>	<u>152,084,599</u>
8.2.2	Treasury bonds			
	5-year treasury bonds		-	136,600,000
	10-year treasury bonds		160,400,000	192,700,000
	15-year treasury bonds		242,600,000	152,600,000
	20-year treasury bonds		184,600,000	114,100,000
			<u>587,600,000</u>	<u>596,000,000</u>
	Less: Repo & assured liquidity support with Bangladesh Bank		-	267,100,000
			<u>587,600,000</u>	<u>328,900,000</u>
8.3	Other investments			
	In ordinary shares			
	Listed		7,007,689	7,007,689
	Unlisted		31,670,869	31,670,869
			<u>38,678,558</u>	<u>38,678,558</u>
	Cumulative redeemable preference shares		383,900,000	431,000,000
	Investment in corporate bonds		150,000,000	150,000,000
			<u>572,578,558</u>	<u>619,678,558</u>

Details of other investments are as follows:

	2011		2010	
	<u>Cost Taka</u>	<u>Market Value Taka</u>	<u>Cost Taka</u>	<u>Market Value Taka</u>
In ordinary shares - listed				
Tripti Industries Ltd.*	2,025	2,025	2,025	2,025
Bemco Electric Metre Ltd.	7,000,000	4,305,000	7,000,000	4,305,000
RAK Ceramics (Bangladesh) Limited	5,664	9,428	5,664	20,249
	<u>7,007,689</u>	<u>4,316,453</u>	<u>7,007,689</u>	<u>4,327,274</u>
In ordinary shares - unlisted				
Quality Feeds Ltd.	1,500,000	1,500,000	1,500,000	1,500,000
Alliance Bags Ltd.	3,000,000	3,000,000	3,000,000	3,000,000
Ekushey Television Ltd.	7,170,869	7,170,869	7,170,869	7,170,869
Gonophone Bangladesh Ltd.	20,000,000	20,000,000	20,000,000	20,000,000
	<u>31,670,869</u>	<u>31,670,869</u>	<u>31,670,869</u>	<u>31,670,869</u>
In cumulative redeemable preference shares				
Premium Seed Ltd.	4,000,000	4,000,000	4,000,000	4,000,000
Delta Brac Housing Finance Corporation Ltd.	100,000,000	100,000,000	100,000,000	100,000,000
ACI Godrej Agrovat Private Limited	99,900,000	99,900,000	-	-
Nasir Energy Saving Lamp Industries Limited	-	-	117,000,000	117,000,000
Confidence Salt Ltd.	40,000,000	40,000,000	40,000,000	40,000,000
Summit Power Company Ltd.	140,000,000	140,000,000	170,000,000	170,000,000
	<u>383,900,000</u>	<u>383,900,000</u>	<u>431,000,000</u>	<u>431,000,000</u>
Investment in bonds				
Mutual Trust Bank Ltd.	150,000,000	150,000,000	150,000,000	150,000,000
	<u>572,578,558</u>	<u>569,887,322</u>	<u>619,678,558</u>	<u>616,998,143</u>

* Tripti Industries Limited amalgamated with Olympic Industries Limited.

	<u>Note</u>	<u>2011 Taka</u>	<u>2010 Taka Restated</u>
8.4 Maturity grouping of investments			
On demand		-	-
Repayable within one month		23,200,000	130,609,178
Within one to three months		72,000,000	80,158,111
Within three to twelve months		80,300,000	59,733,333
Within one to five years		371,600,000	313,033,333
More than five years		613,078,558	517,129,201
		<u>1,160,178,558</u>	<u>1,100,663,157</u>
9. Loans, advances and leases			
In Bangladesh:			
Long term loan		2,756,285,816	2,500,653,256
Lease finance	9.1	1,231,435,484	1,280,091,818
Short term loan		196,459,516	238,730,915
Auto loan		66,833,056	68,603,681
Secured retail loan		57,873,126	44,163,648
Staff loan		16,136,678	18,713,450
		<u>4,325,023,676</u>	<u>4,150,956,768</u>
Outside Bangladesh		-	-
		<u>4,325,023,676</u>	<u>4,150,956,768</u>
Bills purchased and discounted		-	-
		<u>4,325,023,676</u>	<u>4,150,956,768</u>
9.1 Lease finance			
Gross lease receivables		1,411,608,015	1,172,813,167
Less: Unearned interest income		270,891,841	185,179,747
Net lease receivables		1,140,716,174	987,633,420
Add: Overdue lease rentals		90,719,310	281,783,398
Add: Advance against lease finance		-	10,675,000
		<u>1,231,435,484</u>	<u>1,280,091,818</u>

	Note	2011 Taka	2010 Taka Restated
9.2 a) Net loans, advances and lease receivables including bills purchased and discounted			
Total loans, advances and lease receivables	9	4,325,023,676	4,150,956,768
Less : Provision against loans and advances (specific and general)	9.9(b)	322,456,804	486,517,840
Less : Cumulative balance of interest suspense account	14.2	160,639,681	262,484,398
		<u>3,841,927,191</u>	<u>3,401,954,530</u>
b) Rate of net classified loans, leases and advances			
Gross loans, advances and leases		4,325,023,676	4,150,956,768
Classified loans, advances and leases		563,799,421	1,120,016,343
Unclassified loan, advances and leases		<u>3,761,224,255</u>	<u>3,030,940,425</u>
Total provision		322,456,804	486,517,840
Interest suspense and cash collateral		160,639,681	274,329,443
Total provision, interest suspense and cash collateral		<u>483,096,485</u>	<u>760,847,283</u>
Net classified loans, advances and leases		80,702,936	359,169,060
Rate of net classified loans, advances and leases		1.87%	8.65%
9.3 Residual maturity grouping of loans, advances and lease receivables including bills purchased and discounted			
On demand		-	-
Upto one month		157,320,178	150,988,597
More than one month but less than three months		366,761,620	352,000,762
More than three months but less one year		1,010,142,095	969,487,448
More than one year but less than five years		1,911,940,139	1,834,991,310
More than five years		<u>878,859,644</u>	<u>843,488,651</u>
		<u>4,325,023,676</u>	<u>4,150,956,768</u>
9.4 Loans, advances and lease receivables including bills purchased and discounted are classified into the following broad categories			
Loans, advances and lease receivables			
In Bangladesh			
Loans and leases		4,325,023,676	4,150,956,768
Cash credit		-	-
Secured overdraft		-	-
		<u>4,325,023,676</u>	<u>4,150,956,768</u>
Outside Bangladesh		-	-
		<u>4,325,023,676</u>	<u>4,150,956,768</u>
Bills purchased and discounted			
Payable in Bangladesh		-	-
Payable outside Bangladesh		-	-
		<u>4,325,023,676</u>	<u>4,150,956,768</u>
9.5 Loans, advances and lease receivables including bills purchased and discounted on the basis of significant concentration			
Loans, leases and advances to the allied concerns of the directors		-	-
<u>Advances to chief executive and other senior executives</u>			
Managing Director & CEO	9.5.1	11,525,197	2,157,892
Senior Executives (Senior Manager & above)		2,282,758	13,961,684
Other staffs		<u>2,328,723</u>	<u>2,593,874</u>
		<u>16,136,678</u>	<u>18,713,450</u>
9.5.1	In the year 2011 advances to Managing Director & CEO represents advances to Managing Director & CEO - current charge whereas the same for the year 2010 represents advances to the departing Managing Director & CEO.		

	<u>Note</u>	<u>2011</u> <u>Taka</u>	<u>2010</u> <u>Taka</u> Restated
9.5.2 Advances to customers' group			
Agricultural loan		305,531,300	301,245,051
Large corporate		3,463,561,759	3,267,131,706
Small and medium enterprise		338,122,424	333,070,178
Retail loan		150,343,378	112,767,329
Others		51,328,137	118,029,053
		<u>4,308,886,998</u>	<u>4,132,243,317</u>
		<u>4,325,023,676</u>	<u>4,150,956,767</u>
9.5.3 Disclosure on large loan			
Loan sanctioned to any individual or enterprise or any organisation of a group amounting to 15% or more of the Company's total capital and classified amount therein and measures taken for recovery of such loan have been furnished as under. Total capital of the Company as at 31 December 2011 was Taka 1,898.72 million against that of Taka 1,787.05 million as at 31 December 2010.			
Number of client to whom loans and advances sanctioned with more than 15% of the Company's total capital each		3	1
Amount of outstanding loans and advances [to the client as mentioned above]		<u>469,613,764</u>	<u>128,756,270</u>
Amount of classified loans and advances [out of the amount as mentioned above]		<u>-</u>	<u>-</u>
Measures taken for recovery [for the amount as mentioned above]		<u>-</u>	<u>-</u>
9.6 Industry-wise loans, advances and lease receivables including bills purchased and discounted			
Agro-based industries		305,531,300	301,245,051
Banks and non-banking financial institutions		126,088,756	128,756,271
Chemicals, pharmaceuticals and allied products		394,651,375	154,153,896
Engineering and building materials		390,796,062	356,185,651
Food and allied products		100,776,950	25,682,984
Glass, ceramic and other non-metallic products		207,525,442	340,654,294
Hotel, tourism and leisure		19,397,062	-
Information and communication technologies		94,606,984	92,911,896
Paper converting and packaging, printing and publishing		131,321,084	182,873,725
Ready made garments and knitwear		173,769,771	310,369,781
Social sector		236,558,271	237,238,710
Tannery, leather and rubber products		54,490,438	-
Textile		655,888,052	491,643,752
Transport and aviation		345,223,378	661,072,751
Others		1,088,398,750	868,168,006
		<u>4,325,023,676</u>	<u>4,150,956,768</u>
9.7 Geographical location-wise loans, advances and lease receivables including bills purchased and discounted			
Dhaka Division		3,398,611,511	3,558,866,666
Chittagong Division		725,836,154	565,094,309
Khulna Division		27,569,197	14,500,720
Rangpur Division		8,958,046	8,958,046
Rajshahi Division		1,469,372	3,537,027
Sylhet Division		-	-
Barisal Division		162,579,397	-
		<u>4,325,023,676</u>	<u>4,150,956,768</u>

	Note	2011 Taka	2010 Taka Restated
9.8 Broad economic sector-wise segregation of loans, advances and lease receivables including bills purchased and discounted			
Government and autonomous bodies		-	-
Bank and financial institutions (public and private)		126,088,756	128,756,271
Other public sector		-	-
Private sector		<u>4,198,934,920</u>	<u>4,022,200,497</u>
		<u>4,325,023,676</u>	<u>4,150,956,768</u>

9.9 a) Classification of loans, advances and lease receivables including bills purchased and discounted

Unclassified loans, advances and leases		
Standard (including staff loans)	3,595,759,502	3,030,940,425
Special mention account	<u>165,464,753</u>	<u>-</u>
Total unclassified loans, advances and leases	<u>3,761,224,255</u>	<u>3,030,940,425</u>
Classified loans, advances and leases		
Substandard	53,736,858	41,093,128
Doubtful	103,087,058	239,290,840
Bad/loss	<u>406,975,505</u>	<u>839,632,375</u>
Total classified loans, advances and leases	<u>563,799,421</u>	<u>1,120,016,343</u>
Total loans, advances and leases	<u>4,325,023,676</u>	<u>4,150,956,768</u>

b) Classification and provisioning of loans, advances and lease receivables including bills purchased and discounted

Classification / status of loans, advances and leases	Amount of outstanding loans and advances as at 31 December 2011	Base for provision	Percentage (%) of provision required as per Bangladesh Bank's directives	Amount of provision required as at 31 December 2011	Amount of provision required as at 31 December 2010
Unclassified loans, advances and leases					
General provision					
Standard	3,595,759,502	3,595,759,502	1%	35,957,595	30,309,404
Special mentioned account	<u>165,464,753</u>	<u>151,794,562</u>	5%	<u>7,589,728</u>	<u>-</u>
	3,761,224,255	3,747,554,064		43,547,323	30,309,404
Specific provision					
Sub-standard	53,736,858	1,140,410	20%	228,082	941,159
Doubtful	103,087,058	22,990,998	50%	11,495,499	76,125,827
Bad/loss	<u>406,975,505</u>	<u>173,624,108</u>	100%	<u>173,624,108</u>	<u>371,822,157</u>
	563,799,421	197,755,516		185,347,689	448,889,143
Total provision required				228,895,012	479,198,547
Total provision maintained				322,456,804	486,517,840
Total provision surplus				93,561,792	7,319,293

	<u>Note</u>	<u>2011</u> <u>Taka</u>	<u>2010</u> <u>Taka</u> <u>Restated</u>
9.10 Particulars of loans, advances and lease receivables including bills purchased and discounted			
Loans considered good in respect of which the Company is fully secured		1,781,291,427	1,783,487,237
Loans considered good for which the Company holds no other security other than the debtor's personal guarantee		219,170,815	165,882,983
Loans considered good and secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors		2,324,561,434	2,201,586,548
Loans adversely classified; provision not maintained there against		-	-
		<u>4,325,023,676</u>	<u>4,150,956,768</u>
Loans due by directors or officers of the Company or any of them either separately or jointly with any other persons *		<u>16,136,678</u>	<u>18,713,450</u>
Loans due from companies or firms in which the directors of the Company have interests as directors, partners or managing agents or in case of private companies as members		<u>-</u>	<u>-</u>
Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the Company or any of them either separately or jointly with any other persons*		<u>16,136,678</u>	<u>18,713,450</u>
Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Company have interests as directors, partners or managing agents or in the case of private companies as members		<u>-</u>	<u>-</u>
Due from other Non Banking Financial Institutions (NBFIs)		<u>-</u>	<u>-</u>
Amount of classified loans on which interest has not been charged		<u>406,975,505</u>	<u>839,632,375</u>
Increase/(decrease) in specific provision		<u>(130,656,564)</u>	<u>(64,348,105)</u>
Amount of loan written off during the year		<u>176,468,433</u>	<u>165,842,245</u>
Amount realized against loan previously written off		<u>221,000</u>	<u>77,938,222</u>
Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet		<u>173,624,108</u>	<u>371,822,157</u>
Interest creditable to the interest suspense account (during the year)		<u>26,278,123</u>	<u>20,532,223</u>
* Amount represents loans to employees of the Company only.			
a) Cumulative amount of written off loan			
Opening balance		227,013,032	154,286,954
Add: Amount written off during the year		176,468,433	165,842,245
		<u>403,481,465</u>	<u>320,129,199</u>
Less: Adjustment/recovered during this year		<u>221,000</u>	<u>93,116,167</u>
Balance as on 31 December		<u>403,260,465</u>	<u>227,013,032</u>

The balance of loan, lease written off is a memorandum information which has no impact on financial position and result of the company for the years presented. In the year 2010, there was a partial exclusion of Taka 29,389,536 in the noted head which has been duly considered while restating the opening balance of 2010 accordingly.

	<u>Note</u>	<u>2011</u> <u>Taka</u>	<u>2010</u> <u>Taka</u> <u>Restated</u>
b) Amount of written off loan for which lawsuit has been filed for its recovery		<u>403,260,465</u>	<u>227,013,032</u>
10. Fixed assets including premises, furniture and fixtures			
Land and building		75,684,163	68,841,763
Motor vehicles		17,678,729	21,559,953
Furniture and fixtures		28,840,320	24,732,271
Equipment and appliances		30,347,888	26,779,127
Accounting software		<u>1,600,000</u>	<u>1,600,000</u>
		154,151,100	143,513,114
Less: Accumulated depreciation		<u>73,128,541</u>	<u>62,825,881</u>
		<u>81,022,559</u>	<u>80,687,233</u>
Details are shown in annexure-A			
11. Other assets			
Income generating other assets			
Investment is shares of subsidiary companies:			
In Bangladesh		-	-
Outside Bangladesh		-	-
Dividend receivable against cumulative preference shares		<u>13,334,289</u>	<u>18,857,910</u>
		<u>13,334,289</u>	<u>18,857,910</u>
Non-income generating other assets			
Stationery, stamps, printing materials in stock		53,105	25,220
Advance rent and advertisement		5,835,236	7,483,321
Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable		21,147,345	21,617,650
Security deposits		716,160	403,856
Preliminary, formation and organization expenses, renovation/ development expenses and prepaid expenses		349,797	7,188,292
Branch adjustment		-	-
Suspense account		-	-
Silver		-	-
Others	11.1	<u>211,273,675</u>	<u>218,102,136</u>
		<u>239,375,318</u>	<u>254,820,475</u>
		<u>252,709,608</u>	<u>273,678,385</u>
11.1 Others			
Advance tax	11.1.1	202,396,898	212,434,427
Deferred tax assets	11.1.2	3,486,891	3,061,361
Sundry assets	11.1.3	<u>5,389,886</u>	<u>2,606,348</u>
		<u>211,273,675</u>	<u>218,102,136</u>
11.1.1 Advance tax			
Advance payment of tax represents corporate income tax paid to the Government Exchequer by way of advance tax and tax deducted at sources from different heads of income by the third parties, which would be adjusted with the corporate tax liability of the Company.			
11.1.2 Deferred tax assets			
Deferred tax assets have been recognised in accordance with the provision of Bangladesh Accounting Standard (BAS) 12: <i>Income Taxes</i> based on temporary difference arising due to difference in the carrying amount of the assets and liabilities in the financial statements and its tax base. Calculation of deferred tax is as follows:			
Deductible temporary differences			
Gratuity provision		8,204,449	7,203,203
Net deductible temporary differences		<u>8,204,449</u>	<u>7,203,203</u>
Tax rate		42.50%	42.50%
Deferred tax assets		<u>3,486,891</u>	<u>3,061,361</u>

	<u>Note</u>	<u>2011</u> <u>Taka</u>	<u>2010</u> <u>Taka</u> <u>Restated</u>
Movement of deferred tax asset is as follows:			
Balance as at 1 January		3,061,361	1,961,673
Less: Charged/(released) to profit and loss account	39	(425,530)	(1,099,688)
Balance as at 31 December		<u>3,486,891</u>	<u>3,061,361</u>

Reconciliation of "Deferred Tax Asset" restatement:

Net deferred tax balance as at 31 December 2010 (prior to restatement)			183,662,047
Add: Deferred tax liabilities on fixed assets shown in other liabilities	14.9		<u>11,306,524</u>
Total deferred tax asset as at 31 December 2010 (prior to restatement)			194,968,571
Deferred tax assets on specific provision upto 2009	19		<u>235,205,159</u>
Less: Deferred tax expense charged to profit and loss in 2010			<u>(43,297,950)</u>
Net adjusted deferred tax asset on specific provision			191,907,209
Balance as at 31 December (Restated)			<u>3,061,361</u>

Prior year(s) "Retained Earnings" has been retrospectively restated due to changes in Accounting Policy for recognition of "Deferred Tax Asset" on specific provision maintained against classified loans leases and advances in compliance with Bangladesh Bank circular number DFIM 07 dated 31 July 2011. Details are stated in Note No. 3.17.

11.1.3 Sundry assets

City corporation tax	113,400	113,400
Hosna Centre Owners' Society	583,050	583,050
Advance others	4,693,436	1,909,898
	<u>5,389,886</u>	<u>2,606,348</u>

12. Borrowings from other banks, financial institutions and agents

In Bangladesh	104,023,088	123,836,457
Outside Bangladesh	-	-
	<u>104,023,088</u>	<u>123,836,457</u>

In Bangladesh

Unsecured

Long term loan

Credit Bridge Stand by Facility - CBSF	-	23,836,457
The UAE-Bangladesh Investment Company Ltd.	36,767,113	-
	<u>36,767,113</u>	<u>23,836,457</u>

Short term loan

Pubali Bank Ltd.	-	100,000,000
	<u>-</u>	<u>100,000,000</u>

Secured

Bank overdraft

Prime Bank Ltd.	16,798,283	-
Standard Chartered Bank	50,457,692	-
	<u>67,255,975</u>	<u>-</u>
	<u>104,023,088</u>	<u>123,836,457</u>

12.1 Residual maturity grouping of borrowings from other banks, financial institutions and agents

Repayable		
On demand	-	-
Within one month	67,255,975	105,844,146
Over one month but within three months	1,689,542	-
Over three months but within twelve months	5,378,870	17,992,311
Over one year but within five years	29,698,701	-
Over five years	-	-
	<u>104,023,088</u>	<u>123,836,457</u>

		<u>Note</u>	<u>2011</u> <u>Taka</u>	<u>2010</u> <u>Taka</u> <u>Restated</u>
13.	Deposits and other accounts			
	Inter-bank deposits		-	-
	Other deposits		3,798,236,467	3,180,862,931
			<u>3,798,236,467</u>	<u>3,180,862,931</u>
13.1	Residual maturity grouping of deposits and other accounts			
	Repayable			
	On demand		-	-
	Within one month		163,825,697	81,102,862
	Over one month but within six months		391,053,045	304,688,452
	Over six months but within one year		1,049,238,571	708,937,362
	Over one year but within five years		1,887,602,487	1,836,383,860
	Over five years but within ten years		306,516,667	249,750,395
			<u>3,798,236,467</u>	<u>3,180,862,931</u>
There was no unclaimed deposits for ten (10) years and more held by the Company at the reporting date.				
14.	Other liabilities			
	Cumulative provision for loans, advances, leases and investments	14.1	393,183,619	533,566,217
	Cumulative interest and dividend suspense	14.2	162,935,475	264,628,055
	Provision for gratuity	14.3	8,204,449	7,203,203
	Unclaimed dividend		3,801,648	3,424,692
	Provision for corporate tax	14.4	119,003,508	119,882,915
	Receipts against lease	14.5	28,447,130	31,894,338
	Provision for finance charge	14.6	204,374,559	151,378,037
	Withholding tax and VAT		4,026,155	2,544,335
	Liabilities for special accounts	14.7	16,450,700	16,860,731
	Provision for expense	14.8	4,881,521	6,384,185
	Deferred tax liabilities	14.9	13,480,611	11,306,524
	Account payable for purchase of office equipment		1,317,501	1,087,550
			<u>960,106,874</u>	<u>1,150,160,782</u>
14.1	Cumulative provision for loans, advances, leases and investment			
	Specific provision for bad and doubtful loans, leases and advances			
	Opening balance		448,889,143	543,348,430
	Less : Fully provided debt written-off		(132,884,888)	(165,755,014)
	Add: Recoveries of amounts previously written-off		221,000	73,778,366
	Add: Specific provision for the year		40,945,828	154,409,470
	Less: Provision no longer required		(41,166,830)	(228,275,067)
	Add: Net charge to profit and loss account	38	(130,656,564)	71,382,958
	Provision held at the end of the year		<u>185,347,689</u>	<u>448,889,143</u>
	General provision against unclassified loans, leases and advances			
	Opening balance		37,628,697	43,967,135
	Provision made/(Adjustment) during the year	38	99,480,418	(6,338,438)
			<u>137,109,115</u>	<u>37,628,697</u>
	Provision held at the end of the year		<u>322,456,804</u>	<u>486,517,840</u>
	Provision for investments			
	Opening balance		47,048,377	88,002,025
	Provision made/(Adjustment) during the year	38		
	Investment in equity		5,522,369	(55,451,500)
	Marking to market against Govt. securities		18,156,069	14,497,852
	Total charge		<u>23,678,438</u>	<u>(40,953,648)</u>
	Provision held at the end of the year		<u>70,726,815</u>	<u>47,048,377</u>
			<u>393,183,619</u>	<u>533,566,217</u>

	<u>Note</u>	<u>2011</u> <u>Taka</u>	<u>2010</u> <u>Taka</u> <u>Restated</u>
Break up of cumulative provision for loans, advances, leases and investment			
Total provision for loans, leases and advances		322,456,804	486,517,840
Provision for investments in equity		38,197,895	32,550,525
Provision for marking to market of Govt. securities		32,528,920	14,497,852
		<u>393,183,619</u>	<u>533,566,217</u>
14.2 Cumulative interest and dividend suspense			
Opening balance		264,628,055	380,968,902
Add :Amount transferred to interest and dividend suspense account during the year		26,278,123	20,532,223
Less: Amount recovered from interest and dividend suspense account during the year		(87,100,331)	(37,562,625)
Less: Amount written-off/ waiver during the year		(40,870,372)	(99,310,445)
Balance at the end of the year		<u>162,935,475</u>	<u>264,628,055</u>
Break up of cumulative interest and dividend suspense			
Interest suspense against loans, advances and leases		160,639,681	262,484,398
Dividend suspense against investment in cumulative preference shares		2,295,794	2,143,657
		<u>162,935,475</u>	<u>264,628,055</u>
14.3 Provision for gratuity			
This liability represents provision for staff gratuity up to 31 December 2011. The company had provided full provision for gratuity at the rate of one month's basic salary for each completed year of service.			
Balance as at 1 January		7,203,203	4,615,701
Add: Provision made during the year		3,321,927	3,050,002
		<u>10,525,130</u>	<u>7,665,703</u>
Less: Payment during the year		2,320,681	462,500
Balance as at 31 December		<u>8,204,449</u>	<u>7,203,203</u>
14.4 Provision for corporate tax			
Provision for current tax has been made on the basis of the profit for the year as adjusted for taxation purposes in accordance with the provision of Income Tax Ordinance 1984 and amendments thereto. Current tax rate for the company is 42.50% on its business income.			
Balance as at 1 January		119,882,915	87,882,915
Add: Provision made during the year		26,175,525	32,000,000
		<u>146,058,440</u>	<u>119,882,915</u>
Less: Adjustment/paid during the year		27,054,932	-
Balance as at 31 December		<u>119,003,508</u>	<u>119,882,915</u>
Assessment of income tax has been finalized with the tax authority for the accounting years up to 2003 and for the accounting year 2005. Final assessment of income tax for accounting years 2004 and 2006 to 2009 are pending with the Appellate Authorities and High Court Division of the Supreme Court. Income tax return for the year 2010 has been submitted in due time U/S 82BB (Universal Self Assessment) of Income Tax Ordinance 1984.			
14.5 Receipts against lease			
Receipts against lease represents lease deposits received from lessees against finance on the stipulation that the amount will be adjusted with the outstanding rentals/installments. Lease deposits are made up as under:			
Balance as at 1 January		31,894,338	35,504,321
Add: Receipts during the year		10,464,694	10,491,368
		<u>42,359,032</u>	<u>45,995,689</u>
Less: Adjusted during the year		13,911,902	14,101,351
Balance as at 31 December		<u>28,447,130</u>	<u>31,894,338</u>
Purpose of taking lease deposits is to secure the finance provided to the clients. No interest is payable on lease deposits.			

	<u>Note</u>	<u>2011</u> <u>Taka</u>	<u>2010</u> <u>Taka</u> <u>Restated</u>
14.6 Provision for finance charge			
Accrued interest expenses on term deposits		204,071,533	150,909,171
Accrued interest expenses on long term borrowings		303,026	-
Accrued interest expenses on short term borrowings		-	55,556
Accrued interest expenses on CBSF line of credit		-	227,898
Accrued interest expenses on Repo		-	185,412
		<u>204,374,559</u>	<u>151,378,037</u>
14.7 Liabilities for special accounts			
Account payable special account - IPO		1,118,356	1,118,356
Account payable special account - DEG		13,437,194	13,076,712
Account payable special account - other		1,895,149	2,665,663
		<u>16,450,700</u>	<u>16,860,731</u>
14.8 Provision for expenses			
Legal fees		2,149,350	3,209,850
Office services		849,929	1,365,153
Pay and allowance		302,000	511,335
Promotion and publicity		795,820	478,559
Office rent		67,335	70,533
Professional fees		151,500	140,000
Audit fees		365,750	365,750
Other expense		199,837	243,005
		<u>4,881,521</u>	<u>6,384,185</u>
14.9 Deferred tax liabilities			
Taxable temporary differences			
Property, plant and equipment		8,091,292	2,975,794
Revaluation reserve on office premises		<u>23,627,792</u>	<u>23,627,792</u>
Net taxable temporary differences		<u>31,719,084</u>	<u>26,603,586</u>
Tax rate		42.50%	42.50%
Deferred tax liabilities		<u>13,480,611</u>	<u>11,306,524</u>
Movement of deferred tax asset is as follows:			
Balance as at 1 January		11,306,524	12,199,176
Less: Charged/(released) to profit and loss account	39	<u>2,174,087</u>	<u>(892,652)</u>
Balance as at 31 December		<u>13,480,611</u>	<u>11,306,524</u>
15. Share capital			
Authorized			
400,000,000 ordinary shares of Taka 10 each (As at 31 December 2010:			
10,000,000 ordinary shares of Taka 100 each)		<u>4,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and fully paid up			
94,853,850 number of ordinary shares of Taka 10 each (As at 31 December 2010:			
8,623,078 number of ordinary shares of Taka 100 each.)		<u>948,538,500</u>	<u>862,307,800</u>

The Board of Directors in its 122nd meeting held on September 24, 2011 recommended to increase the authorized capital to Tk 4,000,000,000 from Tk 1,000,000,000 subject to the approval of shareholders and regulatory authorities. In the same meeting Board also recommended to split the face value of share to Tk 10 from the face value of share Tk 100 each in compliance with the SEC order number SEC/CMRRCD/2009-193/109 dated 15 September 2011. The shareholders' have approved the recommended changes in its 11th Extra Ordinary General Meeting held on 29 October 2011 and approval from regulatory authorities have been obtained as necessary.

Paid up capital is made up of 25,701,400 numbers of ordinary shares paid up in cash and 69,152,450 numbers of ordinary shares through issuance of bonus shares (As of 31 December 2010, 2,570,140 numbers of ordinary shares paid up in cash and 6,052,938 numbers of ordinary shares through issuance of bonus shares).

	<u>Note</u>	<u>2011</u> <u>Taka</u>	<u>2010</u> <u>Taka</u> <u>Restated</u>
15.1 Paid up capital of the company is held as follows:			
Foreign			
Aga Khan Fund for Economic Development - AKFED		484,249,700	440,227,000
Others		500	500
		<u>484,250,200</u>	<u>440,227,500</u>
Domestic			
Government of the People's Republic of Bangladesh - GoB		207,536,100	188,669,200
Alliance Holdings Ltd.		-	17,027,900
General Shareholders		256,745,900	216,377,400
Others		6,300	5,800
		<u>464,288,300</u>	<u>422,080,300</u>
		<u>948,538,500</u>	<u>862,307,800</u>

15.2 Number of ordinary shares and percentage of holding are as follows:

	<u>2011</u>		<u>2010</u>	
	<u>Number</u>	<u>% of holding</u>	<u>Number</u>	<u>% of holding</u>
Foreign				
Aga Khan Fund for Economic Development - (AKFED)	48,424,970	51.05	4,402,270	51.05
	50	0.00	5	0.00
Others	<u>48,425,020</u>	<u>51.05</u>	<u>4,402,275</u>	<u>51.05</u>
Domestic				
Government of the People's Republic of Bangladesh (GoB)	20,753,610	21.88	1,886,692	21.88
Alliance Holdings Ltd.	-	-	170,279	1.97
General Shareholders	25,674,590	27.07	2,163,774	25.09
Others	630	0.00	58	0.00
	<u>46,428,830</u>	<u>48.95</u>	<u>4,220,803</u>	<u>48.95</u>
	<u>94,853,850</u>	<u>100.00</u>	<u>8,623,078</u>	<u>100.00</u>

In the year 2011 the Company has changed the denomination of face value of share to Taka 10 from Taka 100 each.

15.3 Composition of shareholding was as follows:

	<u>Number of shares</u>	
	<u>2011</u>	<u>2010</u>
Institutional shareholding (including GoB)	76,294,920	7,034,164
Individual shareholding	18,558,930	1,588,914
	<u>94,853,850</u>	<u>8,623,078</u>

15.4 Classification of shareholders by holding as required by Regulation 37 of the Listing Regulation of the Dhaka Stock Exchange Ltd.

<u>Number of shares</u>	<u>No. of shareholders</u>	<u>No. of shares</u>	<u>% of Holdings</u>
1 to 500 shares	5,502	640,500	0.68%
501 to 5,000 shares	4,173	6,048,420	6.38%
5,001 to 10,000 shares	300	2,111,130	2.23%
10,001 to 20,000 shares	166	2,255,240	2.38%
20,001 to 30,000 shares	60	1,480,650	1.56%
30,001 to 40,000 shares	21	738,440	0.78%
40,001 to 50,000 shares	12	562,840	0.59%
50,001 to 1,00,000 shares	31	2,285,560	2.41%
1,00,001 to 1,000,000 shares	23	6,483,990	6.84%
over 1,000,000	4	72,247,080	76.17%
Total	<u>10,292</u>	<u>94,853,850</u>	<u>100.00%</u>

The shares are listed in both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. since 03 December 2006 and traded at Tk. 31.80 and Tk 31.20 at the close of 31 December 2011 at Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. respectively.

15.5 Capital adequacy ratio

In accordance with the Financial Institutions Regulations, 1994 and Bangladesh Bank guidelines as stipulated in DFIM circular number 05, dated 24 July 2011 every Non Banking Financial Institution which is registered in Bangladesh as a company has to increase its paid up capital to Tk 1,000 million within 30 June 2012. As at 31 December 2011, total capital of the company was Tk 1,898.72 million out of which paid up capital is Tk 948.54 million.

	<u>Note</u>	<u>2011</u> <u>Taka</u>	<u>2010</u> <u>Taka</u>
16. Share premium		<u>167,014,000</u>	<u>167,014,000</u>

Share premium against 280,140 number of ordinary shares issued in 2004 and 1,390,000 number of ordinary shares issued in 2006 @ Tk 100 per share i.e. in year 2011 total number of shares would be 16,701,400 @ Tk 10 per share.

17. Statutory reserve

This comprises of the cumulative balance of statutory reserve as required by section 9 of the Financial Institutions Act, 1993 and regulation 4(d) and 6 of the Financial Institutions Regulations, 1994.

Balance as at 1 January	175,166,707	148,586,469
Add: Transferred from profit during the year	<u>22,334,856</u>	<u>26,580,238</u>
Balance as at 31 December	<u>197,501,563</u>	<u>175,166,707</u>

18. Assets revaluation reserve

<u>13,585,980</u>	<u>13,585,980</u>
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In terms of Bangladesh Accounting Standard (BAS) 16: 'Property, Plant and Equipment' the Company had revalued its office premises by a professionally qualified valuation firm of the country in 2005. Total revaluation surplus of Taka 23,627,792 has been included with value of office premises and Tk 13,585,980 shown as assets revaluation reserve after adjustment of deferred tax.

19. Retained earnings

Balance as at 1 January	568,974,133	732,951,992
Less: Adjustment for deferred tax assets	11.1.2 <u>-</u>	<u>235,205,159</u>
	568,974,133	497,746,833
Add: Post tax profit for the year	<u>111,674,278</u>	<u>176,199,138</u>
	680,648,411	673,945,971
Less: Transfer to statutory reserve	<u>22,334,856</u>	<u>26,580,238</u>
Less: Issuance of bonus shares	<u>86,230,700</u>	<u>78,391,600</u>
	108,565,556	104,971,838
Balance as at 31 December	<u>572,082,855</u>	<u>568,974,133</u>

Prior year(s) "Retained Earnings" has been retrospectively restated due to changes in Accounting Policy for recognition of "Deferred Tax Asset" on specific provision maintained against classified loans leases and advances in compliance with Bangladesh Bank circular number DFIM 07 dated 31 July 2011. Details are stated in Note No. 3.17.

20. Letters of guarantee

Director	-	-
Government	-	-
Bank and financial institutions	15,590,000	5,590,000
Others	<u>-</u>	<u>-</u>
	<u>15,590,000</u>	<u>5,590,000</u>

Letter of guarantee has been issued in favor of Habib Bank Limited, against Titas Gas Transmission and Distribution Company Limited on account of M/s Hossain & Sons and against Letter of Credit & Trust Receipt on account of Mahashakti Trade International (Pvt) Ltd.

	<u>Note</u>	<u>2011</u> <u>Taka</u>	<u>2010</u> <u>Taka</u> <u>Restated</u>
21. Particulars of profit and loss account			
<u>Income</u>			
Interest, discount and other similar income	22	554,452,041	465,262,655
Dividend income	24	43,377,624	34,218,259
Fees, commission and brokerage	25	3,136,483	4,449,240
Gains less losses arising from dealing securities	24	94,753,223	34,200,445
Gains less losses arising from investment securities	24.1	1,152	7,708,624
Gains less losses arising from dealing in foreign currencies	25	-	-
Income from non-banking assets	24.1	-	25,850,000
Other operating income	26	1,481,278	75,039,374
Profit less losses on interest rate changes		-	-
		<u>697,201,801</u>	<u>646,728,597</u>
<u>Expenses</u>			
Interest, fee and commission	23	431,518,260	298,528,357
Losses on loans and leases		-	-
Administrative expenses	27	119,537,728	104,474,559
Depreciation on fixed assets	36.1	14,045,161	13,428,011
		<u>565,101,149</u>	<u>416,430,927</u>
Profit before provision		<u>132,100,652</u>	<u>230,297,670</u>
22. Interest income			
<u>Interest income on loans, leases and advances</u>			
Interest on lease finance		139,171,573	109,030,711
Interest on long term finance		321,018,595	297,990,130
Interest on short term finance		20,389,682	22,116,642
Interest on secured finance		6,815,662	3,759,825
Interest on auto loan		10,535,275	9,417,911
Interest income on staff loan		1,642,903	656,612
		<u>499,573,690</u>	<u>442,971,831</u>
<u>Interest income on balance with other banks and financial institutions</u>			
Interest on fixed deposits		14,274,371	4,237,500
Interest on overnight and treasury placements		39,725,416	17,060,986
Interest on STD accounts		878,564	992,338
		<u>54,878,351</u>	<u>22,290,824</u>
		<u>554,452,041</u>	<u>465,262,655</u>
23. Interest paid on deposits and borrowings etc.			
Interest expenses on term deposits		393,752,041	279,072,412
Interest expenses on borrowings	23.1	37,766,219	19,455,945
		<u>431,518,260</u>	<u>298,528,357</u>
23.1 Interest paid on borrowings			
<u>Local Banks and financial institutions</u>			
Interest expenses on long term lines of credit		4,244,894	7,672,064
Interest expenses on call loan borrowing		6,149,827	1,804,966
Interest expenses on bank overdrafts		2,182,713	160,788
Interest expenses on Repo borrowings		25,188,785	9,818,127
		<u>37,766,219</u>	<u>19,455,945</u>
24. Investment income			
<u>Dividend income</u>			
Dividend income on preference shares		43,075,273	34,068,199
Dividend income on listed shares		2,351	60
Dividend income on un-listed shares		300,000	150,000
		<u>43,377,624</u>	<u>34,218,259</u>

	<u>Note</u>	<u>2011</u> <u>Taka</u>	<u>2010</u> <u>Taka</u> <u>Restated</u>
Interest on treasury bills, bonds and debentures			
Interest income on treasury bills		12,237,908	6,009,787
Interest income on Govt. bonds		64,520,109	23,340,658
Interest income on corporate bonds		17,995,206	4,850,000
		94,753,223	34,200,445
	24.1	1,152	33,558,624
		<u>138,131,999</u>	<u>101,977,328</u>
Capital gain on sale of shares and property			
24.1 Capital gain on sale of shares and property			
Gain on sale of shares of listed companies		1,152	7,708,624
Gain on sale of shares of un-listed companies		-	-
		<u>1,152</u>	<u>7,708,624</u>
Gain on sale of property		-	25,850,000
		<u>1,152</u>	<u>33,558,624</u>
25 Commission, exchange and brokerage			
Fees and commission income	25.1	3,136,483	4,449,240
Exchange income		-	-
		<u>3,136,483</u>	<u>4,449,240</u>
25.1 Fees and commission income			
Fees income			
Appraisal and feasibility study fees		2,290,146	3,183,096
Documentation fees		2,687	40,000
Restructuring/renewal fees		10,000	45,000
Other fees		-	195,723
		<u>2,302,833</u>	<u>3,463,819</u>
Commission		833,650	985,421
		<u>3,136,483</u>	<u>4,449,240</u>
26. Other operating income			
Transfer price of leased assets		1,237,669	1,232,828
Other earnings		22,609	28,180
Loan loss recovery		221,000	73,778,366
Income/(loss) on sale/adjustment of fixed assets	26.1	-	-
		<u>1,481,278</u>	<u>75,039,374</u>
26.1 Income from sale/adjustment of fixed assets			
Some items of fixed assets which were impaired, sold or adjusted during the year as under:			
Sale proceeds		1,250,014	-
Cost price of the sold/adjusted items		3,881,225	4,773,436
Less: Accumulated depreciation		2,631,211	4,773,436
Written down value		1,250,014	-
Income from sale of fixed assets		<u>-</u>	<u>-</u>
27. Administrative expenses			
Salary and allowances	28	60,916,274	52,803,668
Rent, taxes, insurance, electricity, etc.	29	9,986,175	6,680,460
Legal expenses	30	7,269,258	9,066,513
Postage, stamp, telecommunications, etc.	31	2,113,416	1,529,791
Stationery, printings, advertisements etc.	32	8,398,882	8,120,359
Managing Director's salary and allowances	33	8,721,757	9,300,000
Directors' fees	34	3,762,471	2,809,339
Auditors' fees	35	350,000	350,000
Repair and maintenance	36.2	5,374,258	4,101,101
Other expenses	37	12,645,237	9,713,328
		<u>119,537,728</u>	<u>104,474,559</u>

	<u>Note</u>	<u>2011</u> <u>Taka</u>	<u>2010</u> <u>Taka</u> <u>Restated</u>
28. Salary and allowances			
Basic salary		24,106,846	20,939,080
House rent allowance		7,095,781	6,752,200
Medical allowance		3,370,971	2,974,997
Bonus		11,066,710	9,824,572
Leave fare assistance		3,955,884	3,454,150
Other allowances		3,268,819	1,801,874
Company's contribution to provident fund		2,038,684	1,718,617
Gratuity		2,823,297	2,650,002
Contractual staffs		3,189,282	2,688,176
		<u>60,916,274</u>	<u>52,803,668</u>
28.1 Number of employees and remuneration thereof			
As per the Schedule XI of the Companies Act, 1994, the number of employees (including contractual employees) engaged for the whole year or part thereof who received a total remuneration of Taka 36,000 per annum or Taka 3,000 per month were 82 at the end of 2011 as against 73 in 2010.			
29. Rent, taxes, insurance, electricity, etc.			
Office rent		5,330,479	2,707,684
Rates and taxes		228,605	760,119
Insurance		1,871,652	1,618,778
Utilities - electricity, gas, water etc		2,555,439	1,593,879
		<u>9,986,175</u>	<u>6,680,460</u>
30. Legal expenses			
Professional fees		5,926,477	5,518,846
Legal document, court fees etc.		1,342,781	3,547,667
		<u>7,269,258</u>	<u>9,066,513</u>
31. Postage, stamp, telecommunications, etc.			
Postage, stamps etc.		341,210	268,212
Telephone		335,801	476,579
Internet expenses		1,436,405	785,000
		<u>2,113,416</u>	<u>1,529,791</u>
32. Stationery, printing, advertisements etc.			
Printing and stationery		958,079	1,230,537
Publicity and advertisement		7,440,803	6,889,822
		<u>8,398,882</u>	<u>8,120,359</u>
33. Managing Director's salary and allowances			
Basic salary		4,533,333	4,800,000
House rent allowance		653,333	840,000
Medical allowance		140,000	180,000
Bonus		1,460,000	1,800,000
Leave fare assistance		1,063,558	800,000
Company's contribution to provident fund		372,903	480,000
Gratuity		498,630	400,000
		<u>8,721,757</u>	<u>9,300,000</u>
In 2011 Managing Director's salary and allowances covers for the period of 01 January 2011 to 10 December 2011 including separation benefit, on the other hand in 2010 the same was for the period of 01 January 2010 to 31 December 2010.			
34. Directors' fees			
Honorarium for attending meeting		678,500	552,000
Incidental expenses for attending meeting		3,083,971	2,257,339
		<u>3,762,471</u>	<u>2,809,339</u>

Directors' fees include fees for attending the meetings of the Board, Executive Committee and Audit Committee. Each director was remunerated @ Tk 5,000 per meeting as per Bangladesh Bank circular number FID-04, dated 28 May 2006 and DFIM-03, dated 24 February 2010 respectively.

	Note	2011 Taka	2010 Taka Restated
35. Auditors' fees			
Auditors' remuneration		350,000	350,000
		<u>350,000</u>	<u>350,000</u>
36. Depreciation and repair on fixed assets			
Depreciation	36.1	14,045,161	13,428,011
Repair and maintenance	36.2	5,374,258	4,101,101
		<u>19,419,419</u>	<u>17,529,112</u>
36.1 Depreciation			
Office premises		3,784,212	3,442,092
Motor vehicles		3,775,578	3,147,143
Furniture and fixtures		3,158,464	2,773,800
Equipment and appliances		3,326,907	4,064,976
		<u>14,045,161</u>	<u>13,428,011</u>
Details are shown in annexure-A			
36.2 Repair and maintenance			
Office premises		101,360	116,094
Vehicles		4,226,116	3,292,258
Office equipments		1,046,782	692,749
		<u>5,374,258</u>	<u>4,101,101</u>
37. Other expenses			
Staff training		992,040	1,207,194
Membership fees, subscription and donations	37.1	2,912,078	1,091,705
News papers, periodicals, learning materials etc.		85,398	168,859
Recruitment expenses		6,900	-
Traveling, conveyance and hotel expenses		1,785,143	1,262,975
Entertainment and public relation		587,262	612,521
AGM/EGM expenses		2,963,973	1,899,357
Security and cleaning services		1,404,217	950,313
Sundry office maintenance		1,578,268	2,155,024
Other operational expenses		329,958	365,380
		<u>12,645,237</u>	<u>9,713,328</u>
37.1. Membership fees, subscription and donations			
Membership fees		633,835	438,435
Fess for increasing authorised share capital		1,755,875	-
Subscription		240,850	603,270
CSR activities		281,518	50,000
		<u>2,912,078</u>	<u>1,091,705</u>
38. Provision for loans, advances, leases and investment			
Provision for classified loans, leases and advances	14.1	(130,656,564)	71,382,958
Provision for unclassified loans, leases and advances	14.1	99,480,418	(6,338,438)
		(31,176,146)	65,044,520
Provision for investment in shares	14.1	5,522,369	(55,451,500)
Marking to market provision for Govt. securities	14.1	18,156,069	14,497,852
		<u>(7,497,708)</u>	<u>24,090,872</u>
39. Deferred tax			
Deferred tax expense/(income) on deductible temporary differences	11.1.2	(425,530)	(1,099,688)
Deferred tax expense/(income) on taxable temporary differences	14.9	2,174,087	(892,652)
		<u>1,748,557</u>	<u>(1,992,340)</u>

	<u>Note</u>	<u>2011</u> <u>Taka</u>	<u>2010</u> <u>Taka</u> <u>Restated</u>
Reconciliation of "Deferred Tax Expense" restatement:			
Net deferred tax expense for the year 2010 (prior to restatement)			41,305,610
Less: Deferred tax expense/ (income) on specific provision			43,297,950
Deferred tax expense/ (income) for the year 2010 (restated)			<u>(1,992,340)</u>

This implies that had there been no impact of deferred tax on specific provision maintained against classified loan, leases and advances, the deferred tax income (restated) of 2010 would be Taka 1,992,340 (only considering deferred tax on temporary differences arising from fixed assets and gratuity provision) instead of deferred tax expense (prior to restatement) of Taka 41,305,610.

40. Earnings per share (EPS)

Basic earnings per share has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year ended 31 December 2011 as per Bangladesh Accounting Standard (BAS) 33: *Earnings per share (EPS)*. EPS for 2010 was Tk. 15.41 which has been restated as per BAS 33, an adjustment has been given for 862,308 number of bonus shares issued in 2011 and split of the face value of share to Tk. 10 from Tk. 100 each. Details of which are made up as under:

Net profit after tax	111,674,278	176,199,138
Weighted average number of shares outstanding during the year:		
Number of ordinary shares as at 1 January	86,230,780	86,230,780
Bonus shares issued	8,623,070	8,623,070
	<u>94,853,850</u>	<u>94,853,850</u>
Basic earning per share	<u>1.18</u>	<u>1.86</u>

Net profit after tax of 2010 has been restated with the positive impact of Taka 43,297,950 for derecognition of "Deferred Tax Expense" as stated in Note No. 3.17.

Diluted Earning Per Share (DEPS)

No DEPS is required to be calculated since there was no scope for dilution of share during the year under review.

41. Receipts from other operating activities

Transfer price of lease assets	1,237,669	1,232,828
Gain on sale of shares	1,152	7,708,624
Securities income	98,516,353	16,280,352
Income from other operating activities	22,609	28,180
Gain on sale of property	-	25,850,000
	<u>99,777,784</u>	<u>51,099,984</u>

42. Increase/(decrease) of other liabilities

Closing other liabilities		
Provision for current tax	119,003,508	119,882,915
Withholding tax, VAT and excise duty	4,026,155	2,544,335
Others	44,897,829	48,755,069
	<u>167,927,492</u>	<u>171,182,319</u>
Opening other liabilities		
Provision for current tax	119,882,915	87,882,915
Withholding tax, VAT and excise duty	2,544,335	192,917
Others	48,755,069	15,610,019
	<u>171,182,319</u>	<u>103,685,851</u>
	<u>(3,254,827)</u>	<u>67,496,468</u>

43. Cash and cash equivalents

Cash in hand	40,200	35,000
Balance with Bangladesh Bank and its agent bank(s)	79,521,979	65,704,881
Balance with other banks and financial institutions	742,592,747	570,183,365
Money at call and short notice	120,000,000	-
	<u>942,154,926</u>	<u>635,923,246</u>

44. Board meetings

During the year 2011 a total of 8 (eight) Board Meetings were held (2010: 6).

45. Events after the reporting date**45.1 Proposed Stock Dividend**

The Board of Directors of the Company in its 126th meeting held on 26 February 2012 recommended 10% (ten percent) stock dividend for the year ended 31 December 2011 which is subject to approval of Bangladesh Bank and of the shareholders' in the upcoming 30th Annual General Meeting scheduled to be held on 03 May 2012. Total amount of recommended stock dividend is Tk. 94,853,850.

45.2 Appointment of Managing Director & CEO

Mr. Mominul Islam has been appointed as Managing Director & CEO of the company with effect from 04 January 2012. Prior to his appointment he served to the company as Managing Director & CEO-current charge since October 11, 2011.

45.3 Others

No other material event occurred after the balance sheet date, which could materially affect the amounts or disclosures in these financial statements.

46. Disclosure on Audit Committee of the Board

The Audit Committee of the Board was duly constituted by the Board of Directors of the Company in accordance with the FID Circular No. 10 dated 18 September 2005 and DFIM Circular No. 13 dated 26 October 2011 of Bangladesh Bank as well as Securities and Exchange Commission Notification no. SEC/CMRRCD/2006-158/admin/02-08 dated 20 February 2006. The committee was formed comprising 4 (four) members of the Board.

Sl. No.	Name	"Status with the committee"	Educational qualification
i)	Mr. Shahid M. Loan	Chairman	B. Sc (Physics and Mathematics)
ii)	Mr. Amin H. Manekia	Member	MBA (major in Finance and Marketing)
iii)	Mr. Alauddin A Majid	Member	MS (Economics in Agricultural)
iv)	Mr. Altaf Ramzi	Member	B.Com

The Audit Committee of the Board conducted 4 (four) meetings from 1 January 2011 to 31 December 2011 in which among others, the following salient issues were discussed:

- The Committee reviewed the periodical inspection reports of the Company conducted and submitted by the Internal Auditors and gave necessary instructions to the management for proper and prompt resolution of the irregularities/objections stated therein. The committee also reviewed and approved the audit plan of the Company;
- The Committee reviewed the annual financial statements for the year 2010 including the audit report and gave necessary instructions;
- The Committee also reviewed the first quarter ended, half-year ended and third quarter ended financials of 2011;
- The Committee reviewed the management letter issued by the external auditors and management's responses thereto;
- The Committee reviewed and ascertained that the internal control system including financial and operational controls, accounting system, and reporting structure are adequate and effective;
- The Committee reviewed the actions taken by the management for implementation of Audit Committee observations on issues deliberated in Audit Committee meetings; and
- The Committee reviewed the inspection report of Bangladesh Bank with responses from the management for the year ended 31 December 2010.

47. Related party/(ies) disclosure

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decision and include associated companies with or without common directors and key management personnel. The Company has entered into transactions with other entities in normal course of business that fall within the definition of related party as per Bangladesh Accounting Standard 24: *Related Party Disclosures*. Transactions with related parties were executed on the same terms, including interest rates as those prevailing at the time for comparable transactions with normal business transactions with others and do not involve more than a normal risk.

Detail of related party/(ies) transactions

Following are the detail of the transactions whereby the related parties are maintaining fixed term deposits with IPDC:

Figures in Taka

Related party	Relationship	Nature of transaction	Outstanding balance	
			2011	2010
Aga Khan Education Bangladesh Services, Bangladesh	This is a part of Aga Khan Development Network - AKDN	Term Deposit Receipt	229,739,166	209,214,424
Aga Khan Foundation, Bangladesh	This is a part of Aga Khan Development Network - AKDN	Term Deposit Receipt	200,000,000	-
Industrial Promotion Services (Bangladesh) Ltd.	This is a part of Aga Khan Fund for Economic Development - AKFED	Term Deposit Receipt	15,553,150	14,250,000
Habib Bank Ltd	Majority share held by AKFED	Letter of Guarantee	15,590,000	5,590,000
Mr. Sulaiman Ajanee	Nominee Director & Chairman of IPDC	Term Deposit Receipt	13,476,638	19,046,458
Ms. Nurjahan Ajanee	Ms. Nurjahan Ajanee, spouse of Mr. Sulaiman Ajanee - Chairman of IPDC	Term Deposit Receipt	1,048,375	-
World Com. Ltd.	Mr. Sulaiman Ajanee is the Managing Director of World Com. Ltd	Term Deposit Receipt	26,112,613	23,858,029
Ms. Ashraf Ali	Ms. Ashraf Ali is the Nominee Director of IPDC	Term Deposit Receipt	2,600,000	2,000,000
Mr. Nizar Ali	Mr. Nizar Ali, spouse of Ms. Ashraf Ali - Nominee Director of IPDC	Term Deposit Receipt	500,000	500,000
Mr. Mominul Islam	Managing Director & CEO- Current Charge of IPDC	Term Deposit Receipt	1,075,000	1,755,000
		Home Loan	11,240,446	9,800,000
		Employee Loan	284,751	440,761
		Secured Loan	-	1,427,454

47.1 Name of the Directors and the entities in which they have interest as at 31 December 2011

Sl. no	Name	Status with the IPDC		Firms/ companies in which they have interest	
		Position	Nominated By	Name	Position
i)	Mr. Sulaiman Ajanee	Chairman	AKFED	Standard Finis Oil Company	Managing Partner
				Aga Khan Education Service, Bangladesh	Chairman
				Aga Khan Foundation, Bangladesh	Vice Chairman
				World Com Ltd.	Managing Director
ii)	Mr. K.H Masud Siddiqui	Director	GoB	Karnaphuli Fertilizer Company Ltd.	Chairman
				British American Tobacco (BD) Ltd.	Director
				Sanofi Aventis Bangladesh Ltd.	Director
				Bangladesh Institute of Management (BIM)	Chairman
				Bangladesh Industrial Technical Assistance Centre (BITAC)	Chairman Director
				Bangladesh Standards and Testing Institution (BSTI)	Director
iii)	Mr. Syed Monjurul Islam	Director	GoB	Bangladesh Submarine Cable Ltd.	Director
				Bangladesh Tele-Communication Co. Ltd.	Director
				Jamuna Oil Company Ltd.	Director
				Bangladesh Services Ltd.	Director
				IFIC Bank Ltd.	Director
				British American Tobacco (BD) Ltd.	Chairman
iv)	Mr. Shahid M. Loan	Director	AKFED	Kyrgyzstan Investment and Credit Bank, Kyrgyzstan	Director
				New Jubilee Insurance Company, Pakistan	Director
v)	Mr. Altaf Ramzi	Director	AKFED	Ismailia Co-operative Society	Director
				Signet Enterprises Limited	Proprietor
				Apparel Connection	Director
vi)	Mr. Amin H. Manekia	Director	AKFED	IVP Ltd. India	Director*
				Development Credit Bank Ltd., India	Member
vii)	Mr. Alauddin A Majid	Independent Director	N/A	Shakti Foundation	Chairman
				Data Edge Ltd.	Director
				Bangladesh Krishi Bank	Director
				Enterprise Development Company Ltd.	N/A
viii)	Mr. Altaf Hussain	Director	AKFED	None	N/A
ix)	Mr. Mansoor Ali Halari	Director	AKFED	None	N/A
x)	Ms. Ashraf Ali	Director	AKFED	None	N/A
xi)	Mr. Mominul Islam	Managing Director & CEO - Current Charge	Ex-officio	None	

*with effect from 12 January 2012

47.2	Significant contracts in which the Company, its subsidiary or any fellow subsidiary company was a party and wherein the Directors have interest that subsisted at any time during the year or at the end of the year	None
47.3	Shares issued to Directors and Executives without consideration or exercisable at discount	None
47.4	Nature, type and elements of transactions with the related party	Note No. 47
47.5	Lending policies in respect of related party: a) Amount of transactions regarding loans and advances, deposits, guarantees and commitment b) Amount of provision against loans and advances given to related party c) Amount of guarantees and commitments arising out of the statement of affairs	Note No. 47 None None
47.6	Investments in securities of the Directors and their related concerns	None

Industrial Promotion and Development Company of Bangladesh Limited

Fixed assets including premises, furniture and fixtures
As at December 31, 2011

Annexure-A

Figures in Taka

Category of asset	Cost			Depreciation			Carrying amount as at 31 Dec 2011
	Balance as at 1 Jan 2011	Addition during the year	Adjustment during the year	Disposal during the year	Balance as at 31 Dec 2011	Charged during the year	Balance as at 31 Dec 2011
Office premises	68,841,763	6,842,400	-	-	75,684,163	3,784,208	22,142,016
Motor vehicles	21,559,953	-	-	3,881,225	17,678,729	3,775,582	13,751,080
Furniture and fixtures	24,732,271	4,108,049	-	-	28,840,320	3,189,575	16,518,457
Equipment and appliances	26,779,127	4,680,052	-	1,111,291	30,347,888	3,295,796	19,116,989
Accounting software	1,600,000	-	-	-	1,600,000	-	1,599,999
Balance as at 31 December 2011	143,513,114	15,630,501	-	4,992,516	154,151,100	14,045,161	73,128,541
							81,022,559

Category of asset	Cost			Depreciation			Carrying amount as at 31 Dec 2010
	Balance as at 1 Jan 2010	Addition during the year	Adjustment during the year	Disposal during the year	Balance as at 31 Dec 2010	Charged during the year	Balance as at 31 Dec 2010
Office premises	68,841,763	-	-	-	68,841,763	3,442,092	18,357,808
Motor vehicles	13,405,117	8,154,836	-	-	21,559,953	3,147,143	12,606,708
Furniture and fixtures	21,008,473	3,749,233	-	25,435	24,732,271	2,773,800	13,328,882
Equipment and appliances	22,882,033	8,645,095	-	4,748,001	26,779,127	4,064,976	16,932,484
Accounting software	1,600,000	-	-	-	1,600,000	-	1,599,999
Balance as at 31 December 2010	127,737,386	20,549,164	-	4,773,436	143,513,114	13,428,011	62,825,881
							80,687,233

Revaluation of office premises

The office premises with proportionate land comprising 11,661 square feet of office space on 4th floor of Hosna Center, 106 Gulshan Avenue, Dhaka-1212, along with parking for 15 cars, have been revalued by a professional valuer as at 31 December 2005 in line with prevailing market price as on that date. Accordingly selling price of the premises with proportionate land is stated at Tk. 68,441,292 with a revaluation adjustment of Tk. 23,627,792 as at 31 December 2005.

Highlights on the overall activities of the Company for the years 2011 and 2010

Particulars	2011 Taka	2010 Taka
Paid up capital	948,538,500	862,307,800
Total capital	1,898,722,898	1,787,048,620
Capital surplus	Not applicable	Not applicable
Total assets	6,761,089,327	6,241,908,789
Total deposits	3,798,236,467	3,180,862,931
Total loans and advances	4,325,023,676	4,150,956,768
Total contingent liabilities and commitments	15,590,000	5,590,000
Credit deposit ratio	1.14:1	1.30:1
Percentage of classified loans against total loans, advances & lease receivables	13.04%	26.98%
Net profit after tax and provision	111,674,278	176,199,138
Amount of classified loans and advances at the end of the year	563,799,421	1,120,016,343
Provisions kept against classified loan	185,347,689	448,889,143
Provisions surplus against classified loan	93,561,792	7,319,293
Cost of fund	11.26%	9.91%
Interest earning assets	6,347,794,981	5,821,803,290
Non-interest earning assets	413,294,346	420,105,499
Return on investment (RoI)	6.06%	10.24%
Return on asset (RoA)	1.72%	3.00%
Income from investment	138,131,999	101,977,328
Earning per share (Taka)	1.18	1.86
Net income per share (Taka)	1.18	1.86
Price earning ratio (Times)	27.01	24.28



Industrial Promotion and Development Company of Bangladesh Limited

Proxy Form

I.....
of being member of IPDC of
Bangladesh Limited, hereby appoint Mr/Ms..... of
.....
as my proxy to attend and vote for me and on my behalf at the 30th Annual General Meeting of the Company to be held on
Thursday, May 3, 2012 at 11:00 a.m. in Conference Hall No. 3 of BRAC-CDM, Rajendrapur, Gazipur or at any adjustment
thereof.

Signed this.....
day of.....2012

Signature of Proxy.....

Signature of Shareholder

Revenue
Stamp
Tk. 10.00

BO ID:

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No. of Shares.....

N.B. Important

1. This Proxy Form, duly completed, must be deposited at least 48 hours before the meeting at the Company's Registered Office. Proxy is invalid if not signed and stamped as explained above.
2. Signature of the Shareholders should agree with the Specimen Signature registered with the Company.



Industrial Promotion and Development Company of Bangladesh Limited

Attendance Slip

I hereby record my attendance at the 30th Annual General Meeting of the Company being held on Thursday, May 3, 2012 at
11:00 a.m. in Conference Hall No. 3 of BRAC-CDM, Rajendrapur, Gazipur.

Name of the Member/Proxy.....

BO ID:

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Signature.....

Date.....

N.B. Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and deposit the
same at the registration counter on the day of the meeting.