

## Arab Bangladesh Bank Limited

### Statement of Changes in Equity for the Half Year Ended June 30, 2007

(Un-audited)

(Amount in '000 Taka)

Particulars	Paid-up Capital	Statutory Reserve	Other Reserve	Retained Earnings	Total
Balance at 01 January 2007	571,740	772,868	683,597	554,558	2,582,763
Net profit for the period after tax	-	-	-	766,851	766,851
Adjustment for:					
Prior year				(27,136)	(27,136)
<b>Balance at 30 June 2007</b>	<b>571,740</b>	<b>772,868</b>	<b>683,597</b>	<b>1,294,273</b>	<b>3,322,478</b>
Balance at 30 June 2006	571,740	650,204	176,127	400,998	1,799,069

#### Selective Notes to the Financial Statements as on June 30, 2007

##### 1. Accounting Policies:

Accounting policies have been followed in preparing this financial statements are same as applied in financial statements of the Bank of preceding financial year except consolidation of overseas branch due to different financial year.

##### 2. Provision:

###### a) Loans & Advances

Provisions for loans and advances have been made as per directives of Bangladesh Bank issued from time to time.

###### b) Other Assets:

Provisions for other assets have been made as per recommendation of Bangladesh Bank.

###### c) Taxation:

Provision for income tax has been made on taxable income after necessary add back at the rate of 45%.

**President & Managing Director**

**Chief Finance Officer**

**Arab Bangladesh Bank Limited**

**Balance Sheet**  
**As on June 30, 2007**

(Un-audited)

(Amount in '000 Taka)

	<b>30.06.07</b>	<b>31.12.06</b>
<b>PROPERTY AND ASSETS</b>		
<b>Cash:</b>	<b>3,337,609</b>	<b>3,247,072</b>
Cash in hand (Including foreign currencies)	481,110	519,829
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	2,856,499	2,727,242
<b>Balance with other bank and financial institutions:</b>	<b>1,143,560</b>	<b>1,273,352</b>
In Bangladesh	504,914	230,470
Outside Bangladesh	638,646	1,042,882
<b>Money at call and short notice</b>	<b>2,782,758</b>	<b>517,150</b>
<b>Investment:</b>	<b>7,647,237</b>	<b>6,301,289</b>
Government	4,803,705	4,817,154
Others	2,843,532	1,484,135
<b>Loans and advances:</b>	<b>35,073,327</b>	<b>31,289,251</b>
Loans, cash credit, overdrafts etc.	33,538,398	29,486,235
Bills purchased & discounted	1,534,929	1,803,016
<b>Fixed assets including premises, furn. &amp; fixtures (WDV)</b>	<b>2,280,941</b>	<b>1,148,463</b>
<b>Other assets:</b>	<b>3,149,991</b>	<b>4,212,760</b>
<b>Non-banking assets:</b>	-	-
<b>Total assets:</b>	<b>55,415,422</b>	<b>47,989,337</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities:</b>		
<b>Borrowing from other banks, financial institution and agents:</b>	<b>2,792,369</b>	<b>1,297,378</b>
<b>Deposits and other accounts:</b>	<b>47,212,378</b>	<b>42,076,995</b>
Current deposits	3,979,224	4,159,605
Demand deposits	1,713,448	2,176,160
Bills payable	604,337	538,583
Saving bank deposits	8,221,397	8,179,509
Short term deposits	2,996,646	2,620,786
Fixed deposits	27,945,580	23,363,899
Bearer certificate of deposits	136,499	140,864
Other deposits	1,615,247	897,590
<b>Other liabilities:</b>	<b>2,088,197</b>	<b>2,032,201</b>
<b>Total liabilities:</b>	<b>52,092,944</b>	<b>45,406,574</b>
<b>Capital and shareholders' equity:</b>		
Paid up capital	571,740	571,740
Statutory reserve	772,868	772,868
Other reserves	683,597	683,597
Retained earnings	527,422	554,558
Surplus of profit and loss account (HY 2007)	766,851	-
<b>Total shareholders' equity</b>	<b>3,322,478</b>	<b>2,582,763</b>
<b>Total liabilities and shareholders' equity</b>	<b>55,415,422</b>	<b>47,989,337</b>
<b>Off-Balance Sheet Items</b>		
<b>Contingent liabilities:</b>		
Acceptances and endorsements	3,371,323	2,974,763
Letters of guarantee	3,505,481	2,920,557
Irrevocable letters of credit	8,328,228	7,802,606
Bills for collection	2,565,569	2,571,462
Other contingent liabilities	7,696,290	4,842,892
	<b>25,466,890</b>	<b>21,112,280</b>
<b>Other commitments:</b>		
Spot and forward foreign exchange contracts	-	-
<b>Total Off-Balance Sheet Items</b>	<b>25,466,890</b>	<b>21,112,280</b>

**President & Managing Director**

**Chief Finance Officer**

**Profit and Loss Account**  
**For the half year ended June 30, 2007**

**(Un-audited)**

(Amount in '000 Taka)

	<b>Jan. - Jun. 2007</b>	<b>Jan. - Jun. 2006</b>
<b>INCOME AND EXPENDITURE</b>		
Interest income	2,598,070	1,341,530
Interest paid on deposits and borrowing etc.	1,988,880	1,109,200
<b>Net interest income</b>	<b>609,190</b>	<b>232,330</b>
Investment income	615,242	375,484
Commission, exchange and brokerage	617,574	318,735
Other income	44,213	41,379
<b>Total operating income</b>	<b>1,886,218</b>	<b>967,928</b>
Salaries and allowances	335,489	243,723
Managing Director's salaries and fees	2,720	2,560
Directors' fees	184	375
Rent, taxes, insurance, lighting etc.	76,947	65,561
Legal expenses	814	772
Postage, stamps, telecommunication etc.	32,225	15,051
Auditors' fee	10	90
Stationery, printing, advertisement etc.	20,645	12,732
Depreciation and repair of bank's assets	44,694	26,768
Other expenses	88,665	58,107
<b>Total operating expenses</b>	<b>602,393</b>	<b>425,739</b>
<b>Profit before Provisions</b>	<b>1,283,825</b>	<b>542,189</b>
Provision for loans	151,974	140,000
Provision for diminution in value of investment	100,000	-
Other Provisions	15,000	-
<b>Total Provisions</b>	<b>266,974</b>	<b>140,000</b>
<b>Total profit before Taxes</b>	<b>1,016,851</b>	<b>402,189</b>
Provision for Taxation	250,000	130,000
<b>Net Profit after Tax</b>	<b>766,851</b>	<b>272,189</b>
<b>Earning per Share (EPS)</b>	134.13	47.61

**President & Managing Director**

**Chief Finance Officer**

**Cash Flow Statement**  
**For the half year ended June 30, 2007**

**(Un-audited)**

(Amount in '000 Taka)

	<b>Jan. - Jun. 2007</b>	<b>Jan. - Jun. 2006</b>
<b>A. Cash Flow from Operating Activities:</b>		
Interest Received	2,598,070	1,341,530
Interest Paid	(1,988,880)	(1,109,200)
Dividend Received	30,276	785
Fees and Commission Received	617,574	318,735
Recoveries of Loans Previously Written-off	6,005	19,937
Cash Paid to Employees	(338,209)	(246,283)
Cash Paid to Suppliers	(20,645)	(19,732)
Income Taxes Paid	(121,331)	(125,915)
Received from Other Operating Activities	623,174	396,141
Paid for Other Operating Activities	(243,539)	(159,724)
<b>Operating Profit/(Loss) before Changes in Operating Assets and Liabilities:</b>	<b>1,162,494</b>	<b>416,274</b>
Increase/(Decrease) in Operating Assets and Liabilities:		
Statutory Deposits	-	-
Loans and Advances to Other Banks	-	-
Loans and Advances to Customers	(3,784,075)	(4,286,038)
Other Assets	1,234,100	331,624
Deposits from Other Banks	(708,542)	911,144
Deposits from Customers	5,843,925	3,325,939
Other Liabilities on account of Customers	-	-
Trading Liabilities (Short Term Borrowing)	1,510,788	1,785,000
Other Liabilities	(580,514)	(368,324)
Increase in operating assets & liabilities	3,515,681	1,699,345
Net Cash from Operating Activities	<u>4,678,175</u>	<u>2,115,619</u>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase / Sale of trading securities	(1,359,397)	158,741
Purchase / Sale of other securities	13,455	(235,000)
Purchase / Sale of property, plant & equipment	(1,040,078)	(10,944)
Purchase / Sale of Subsidiary	(50,000)	-
Net Cash from Investing Activities	<u>(2,436,020)</u>	<u>(87,203)</u>
<b>C. Cash Flow from Financing Activities:</b>		
Increase/(decrease) of long-term borrowings	(15,797)	(489,871)
Dividend paid	-	-
Net Cash from Financing Activities	<u>(15,797)</u>	<u>(489,871)</u>
<b>D. Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>2,226,358</b>	<b>1,538,545</b>
Effects of Exchange Rate Changes on Cash & Cash Equivalents	-	-
<b>E. Cash and Cash Equivalents at the Beginning of the Period</b>	<b>5,042,850</b>	<b>2,616,566</b>
<b>Cash and Cash Equivalents at the End of the Period (D+E)</b>	<b><u>7,269,208</u></b>	<b><u>4,155,111</u></b>

**President & Managing Director**

**Chief Finance Officer**