

**AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
OF
SONALI BANK LIMITED**

For the year ended 31 December 2013

Aziz Halim Khair Choudhury

Chartered Accountants

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**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
SONALI BANK LIMITED AND ITS SUBSIDIARIES**

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Sonali Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of Sonali Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2013, and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note # 2.2 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991(amended in 2013), and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2013, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note # 2.2.

Emphasis of Matter

We draw attention to the following matters, though our opinion is not qualified in respect on the same:

1. Note 7.9 to the financial statements stated that loans and advances amounting Taka 9,327.88 million are not classified and no provision has been provided due to High-Court Injunction.
2. As per Bank Company Act, 1991, BRPD circular and the requirements of BASEL II the Bank has to maintain capital adequacy ratio of at least 10% of its risk weighted assets, whereas as at 31 December 2013 the Bank has capital adequacy ratio of only 7.59% as detailed in note 14.3.

Other Matter

The financial statements of the Group and the Bank for the year ended 31 December 2012 were audited by another auditor who expressed a modified opinion on those statements on 29 June 2013 which is disclosed in Annexure - I.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report the following:

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
 - i) internal audit, internal control as disclosed in note # 2.27 and risk management arrangements as disclosed in note # 2.16.1 of the financial statements of the Group and the Bank, appeared to be materially adequate;

- ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities other than matters of these financial statements as disclosed in note # 2.26.
- (c) financial statements of a subsidiary, Sonali Investment Limited, of the Bank have been audited by ARTISAN, Chartered Accountants and the financial statement of another subsidiary Sonali Exchange Co. & Inc. of the bank have been audited by UNITED FINANCIAL CPA P.C. and have been properly reflected in the consolidated financial statements;
- (d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (f) the expenditure incurred was for the purposes of the Group and the Bank's business;
- (g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- (h) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery ;
- (i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (j) the information and explanation required by us have been received and found satisfactory; and
- (k) We have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 14,600 person hours for the audit of the books and accounts of the Bank.

Aziz Halim Khair Choudhury
Chartered Accountants

AHMAD & AKHTAR
Chartered Accountants

Date: 28 April 2014
Place: Dhaka

Sonali Bank Limited and its Subsidiaries
Consolidated Balance Sheet as at 31 December 2013

Particulars	Note	2013 Taka	2012 Taka
PROPERTY AND ASSETS			
Cash	3(a)	49,491,493,642	41,690,269,401
In Hand (Including Foreign Currency)		9,201,593,012	6,478,812,163
Balance with Bangladesh Bank and its agent Bank (s) (Including Foreign Currency)		40,289,900,630	35,211,457,238
Balance with other Banks & Financial Institutions	4(a)	18,048,046,763	10,998,448,921
In Bangladesh		9,554,082,552	5,010,792,645
Outside Bangladesh		8,493,964,211	5,987,656,276
Money at Call on Short Notice	5	4,461,595,150	7,748,948,670
Investments	6(a)	270,411,184,260	147,018,999,055
Government		253,779,613,829	129,999,474,754
Others		16,631,570,431	17,019,524,301
Loans and Advances		345,917,795,745	380,670,701,770
Loans, Cash Credit, Overdrafts etc.	7(a)	317,188,476,931	340,856,890,242
Bills Purchased and Discounted	7(b)	28,729,318,814	39,813,811,528
Fixed Asset including Premises, Furniture & Fixture	8(a)	32,529,799,019	23,154,719,161
Other Assets	9(a)	131,992,286,839	143,333,983,874
Non-Banking Assets	10	-	-
Total Property and Assets		852,852,201,418	754,616,070,853
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other Banks, Financial Institutions & Agents	11	938,079,370	9,994,300,253
Deposits and Other Accounts		685,755,301,368	599,207,730,352
Current Accounts & Other Accounts etc	12 (a)	146,920,803,593	144,220,722,753
Bills Payable		8,430,055,666	9,902,635,021
Savings Bank Deposits		174,662,133,158	169,544,942,250
Fixed Deposits		355,742,308,951	275,539,430,328
Other Deposits		-	-
Other Liabilities	13 (a)	116,273,068,507	123,013,624,278
Total Liabilities		802,966,449,246	732,215,654,882
Capital/Shareholders' Equity:			
Paid up Capital	14	11,250,000,000	11,250,000,000
Share Money Deposit		19,950,000,000	-
Statutory Reserve	15	6,433,177,755	5,924,918,206
Retained Earnings	16(a)	(21,806,778,495)	(18,728,096,770)
Other Reserve	17	34,059,352,912	23,953,594,534
Total Shareholders' Equity		49,885,752,172	22,400,415,970
Total Liabilities and Shareholders' Equity		852,852,201,418	754,616,070,853

Sonali Bank Limited and its Subsidiaries
Consolidated Balance Sheet as at 31 December 2013

Particulars	Note	2013 Taka	2012 Taka
Off-Balance Sheet Items			
Contingent Liabilities			
Acceptances and Endorsements	18	175,802,795,405	198,936,405,232
Letters of Guarantee		5,534,630,077	6,174,454,543
Irrevocable Letters of Credit		155,822,496,087	176,464,434,639
Bills for Collection		14,445,669,241	16,297,516,050
Other Contingent Liabilities		-	-
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claim against the bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
Other Memorandum Items			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
Total Off Balance Sheet Items including Contingent Liabilities		175,802,795,405	198,936,405,232

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

Chairman

Director

Director

Managing Director & CEO

Signed as per annexed report on even date.

Aziz Halim Khair Choudhury
Chartered Accountants

AHMAD & AKHTAR
Chartered Accountants

Date: 28 April 2014
Place: Dhaka

Sonali Bank Limited and its Subsidiaries
Consolidated Profit and Loss Account for the year ended 31 December 2013

Particulars	Notes	2013 Taka	2012 (Restated) Taka
Operating Income			
Interest Income	20(a)	27,888,109,928	30,693,165,042
Less: Interest Paid on Deposit and Borrowing etc.	21(a)	(38,838,603,825)	(32,966,090,058)
Net Interest Income		(10,950,493,897)	(2,272,925,016)
Investment Income	22(a)	15,546,997,497	10,870,194,153
Commission, Exchange and Brokerage	23(a)	9,056,861,292	11,466,182,158
Other Operating Income	24(a)	1,524,260,175	2,556,964,601
		26,128,118,964	24,893,340,912
Total Operating Income (A)		15,177,625,068	22,620,415,897
Less: Operating Expenses			
Salary and Allowances td	25(a)	8,072,207,420	7,979,091,944
Rent, Tax, Insurance, Electricity etc.	26(a)	799,889,146	653,197,312
Legal Expense	27(a)	19,488,424	20,991,145
Postage, Stamps and Telecommunication etc.	28(a)	71,721,219	62,800,845
Printing, Stationery, Advertisement etc.	29(a)	198,000,722	200,402,434
Chief Executive's salary and fees	30	7,234,159	6,477,496
Directors' Fee	31(a)	5,316,805	3,349,409
Auditors' Fee	32(a)	2,725,368	3,408,569
Charges on loan loss		-	-
Depreciation and Repair of Bank's Property	33(a)	516,957,589	496,770,452
Other Expenditure	34(a)	2,460,818,252	2,130,407,738
Total Operating Expenses (B)		12,154,359,104	11,556,897,345
Profit Before Provision C=(A-B)		3,023,265,964	11,063,518,552
Less: Provision against Loans & Advances	35(a)	(302,174,483)	(37,056,072,120)
Less: Provision against Investment in Quoted Shares	36(a)	(29,141,673)	-
Less: Other Provision	37	-	(2,287,127,070)
Total Provision (D)		(331,316,156)	(39,343,199,190)
Profit/(Loss) Before amortization (C-D)		2,691,949,808	(28,279,680,638)
Amortization of Jute Sector Reform Project		268,133,847	-
Total Profit/Loss before tax		2,423,815,961	(28,279,680,638)
Less: Provision for Tax		1,022,987,541	3,299,907,203
Current Tax	13.4(a)	(252,640,666)	(444,093,950)
Deferred Tax	9.8.02	1,275,628,207	3,744,001,153
Net Profit/(Loss) After Tax		3,446,803,502	(24,979,773,434)

Sonali Bank Limited and its Subsidiaries
Consolidated Profit and Loss Account for the year ended 31 December 2013

Particulars	Notes	2013 Taka	2012 (Restated) Taka
<u>Appropriation:</u>			
Transferred to General Reserve		-	-
Transferred to Statutory Reserve		508,259,549	-
Dividend etc.		-	-
		508,259,549	-
Retained Surplus Carried Forward		2,938,543,953	(24,979,773,434)
Earnings per Share	43 (a)	30.64	(222.04)

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

Chairman

Director

Director

Managing Director & CEO

Signed as per annexed report on even date.

Aziz Halim Khair Choudhury
Chartered Accountants

AHMAD & AKHTAR
Chartered Accountants

Date: 28 April 2014
Place: Dhaka

Sonali Bank Limited and its Subsidiaries
Consolidated Cash Flow Statement for the year ended 31 December 2013

Particulars	Note	2013 Taka	2012 Taka
A. Cash flows from operating activities			
Interest received		69,018,065,676	36,799,614,527
Interest paid	21(a)	(38,838,603,825)	(32,966,090,058)
Dividend Received		653,161,375	172,984,362
Fees and commission receipt in cash		7,991,070,980	10,231,623,272
Recoveries on loans previously written off loan & advances		-	-
Cash paid to employees		(7,996,473,267)	(7,823,655,296)
Cash paid to Suppliers		(280,489,507)	(269,821,432)
Income taxes paid		(600,000,000)	(1,000,000,000)
Receipts from other operating activities (item-wise)		3,688,708,495	2,757,914,917
Payments for other operating activities (item-wise)		(3,878,174,943)	(1,547,896,150)
Operating profit/(Loss) before changes in operating assets and liabilities		29,757,264,983	6,354,674,142
Increase/decrease in operating assets and liabilities			
Statutory deposits		-	-
Purchase/sale of trading securities		-	-
Loans & advances to other banks		-	-
Loans & advances to customers		34,752,906,026	(32,578,945,965)
Other assets (item-wise)		8,495,317,186	(42,715,768,259)
Deposits from other banks		4,713,677,916	(8,248,973,919)
Deposits from customers		81,833,893,102	74,333,667,167
Other liabilities account of customers		-	-
Trading liabilities		-	-
Other liabilities (item-wise)		(6,166,104,706)	(20,035,682,234)
Net cash from operating activities		123,629,689,524	(29,245,703,210)
B. Cash flows from investing activities			
Proceeds from sale of securities		-	-
Payments for purchase of securities		(42,123,940,346)	(7,242,754,549)
Purchase/sale of property, plant & equipment		(9,375,079,856)	(94,599,164)
Purchase/sale of subsidiary		-	-
Net cash used in investing activities		(51,499,020,202)	(7,337,353,713)
C. Cash flows from financing activities			
Receipts from issue of loan capital & debt security		(9,056,220,884)	7,898,037,047
Payments for redemption of loan capital & debt security		-	-
Receipts from issue of ordinary share		-	-
Dividends paid		-	-
Net cash from financing activities		(9,056,220,884)	7,898,037,047
D. Net increase/decrease in cash and cash equivalents		92,831,713,421	(22,330,345,734)
E. Effects of exchange rate changes on cash and cash-equivalents		-	-
F. Cash and cash-equivalents at beginning for the year/period		76,527,793,397	98,858,139,131
G. Cash and cash-equivalents at end of the year/period	42(a)	169,359,506,819	76,527,793,397

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

Chairman

Director

Director

Managing Director & CEO

Date: 28 April 2014

Place: Dhaka

Sonali Bank Limited and its Subsidiaries
Consolidated Statement of Chages in Equity for the year ended 31 December 2013

Particulars	Paid up Capital	Share Money Deposit	Statutory Reserve	Other Reserve	Asset Revaluation Reserve	Revaluation of Investment	Retained Earning	Total
Balance as at 01 January 2013	11,250,000,000	-	5,924,918,206	47,000,000	20,860,624,702	3,045,969,832	(18,728,096,770)	22,400,415,970
Restated balance	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	9,469,132,866	636,625,512	-	10,105,758,378
Net gains and losses not recongnized in the income	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	31,177	31,177
Net Profit/(Loss) for the year (after appropriation)	-	-	-	-	-	-	2,938,543,953	2,938,543,953
Dividends	-	-	-	-	-	-	-	-
Amortization of Intansible Assets	-	-	-	-	-	-	(6,574,320,715)	(6,574,320,715)
Excess of Others provision	-	-	-	-	-	-	557,063,858	557,063,858
Share money received during the year	-	19,950,000,000	-	-	-	-	-	19,950,000,000
Issue of share capital	-	-	-	-	-	-	-	-
Transferred to Statutory Reserve	-	-	508,259,549	-	-	-	-	508,259,549
Balance as at 31 December 2013	11,250,000,000	19,950,000,000	6,433,177,755	47,000,000	30,329,757,568	3,682,595,344	(21,806,778,495)	49,885,752,172
Balance as at 31 December 2012	11,250,000,000	-	5,924,918,206	47,000,000	20,860,624,702	3,045,969,832	(18,728,096,770)	22,400,415,970

These financial statements should be read in conjunction with the annexed notes.

Chairman

Director

Director

Managing Director & CEO

Date: 28 April 2014

Place: Dhaka

Sonali Bank Limited

Balance Sheet as at 31 December 2013

Particular	Note	2013 Taka	2012 Taka
PROPERTY AND ASSETS			
Cash	3	49,491,493,642	41,690,269,401
Cash in Hand (Including Foreign Currencies)		9,201,593,012	6,478,812,163
Balance with Bangladesh Bank and its agent Bank (s) Including Foreign Currency)		40,289,900,630	35,211,457,238
Balance with other Banks & Financial Institutions	4	17,760,332,986	10,521,825,081
In Bangladesh		9,535,019,000	4,838,819,000
Outside Bangladesh		8,225,313,986	5,683,006,081
Money at Call on Short Notice	5	4,461,595,150	7,748,948,670
Investments	6	272,256,264,531	148,910,238,469
Government		253,779,613,829	129,999,474,753
Others		18,476,650,702	18,910,763,716
Loans and Advances	7	343,450,525,505	378,147,055,602
Loans, Cash Credit, Overdrafts, etc.		314,721,206,691	338,333,244,074
Bills Purchased and Discounted		28,729,318,814	39,813,811,528
Fixed Asset including Premises, Furniture & Fixture	8	32,502,611,072	23,122,398,424
Other Assets	9	132,300,727,476	143,808,950,108
Non-Banking Assets	10	-	-
Total Property and Assets		852,223,550,362	753,949,685,755
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other Banks, Financial Institutions & Agents	11	938,079,370	9,994,300,253
Deposit and Other Accounts	12	685,894,589,395	599,293,702,110
Current Accounts & Other Accounts etc.		147,060,091,620	144,306,694,511
Bills Payable		8,430,055,666	9,902,635,021
Savings Bank Deposits		174,662,133,158	169,544,942,250
Fixed Deposits		355,742,308,951	275,539,430,328
Other Deposits		-	-
Other Liabilities	13	115,382,195,875	122,271,683,430
Total Liabilities		802,214,864,641	731,559,685,793
Capital/Shareholders' Equity:			
Paid up Capital	14	11,250,000,000	11,250,000,000
Share Money Deposit		19,950,000,000	-
Statutory Reserve	15	6,433,177,755	5,924,918,206
Retained Earnings	16	(21,683,844,947)	(18,738,512,778)
Other Reserve	17	34,059,352,912	23,953,594,534
Total Shareholders' Equity		50,008,685,720	22,389,999,962
Total Liabilities and Shareholders' Equity		852,223,550,362	753,949,685,755

Sonali Bank Limited
Balance Sheet as at 31 December 2013

Particular	Note	2013 Taka	2012 Taka
Contingent Liabilities			
Acceptance and Endorsement	18	175,802,795,405	198,936,405,232
Letter of Guarantee		5,534,630,077	6,174,454,543
Irrevocable Letter of Credit		155,822,496,087	176,464,434,639
Bills for Collection		14,445,669,241	16,297,516,050
Other Contingent Liabilities		-	-
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claim against the bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
Other Memorandum Items			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
Total Off Balance Sheet Items including Contingent Liabilities		<u>175,802,795,405</u>	<u>198,936,405,232</u>

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

Chairman

Director

Director

Managing Director & CEO

Signed as per annexed report on even date.

Aziz Halim Khair Choudhury
Chartered Accountants

AHMAD & AKHTAR
Chartered Accountants

Date: 28 April 2014

Place: Dhaka

Sonali Bank Limited

Profit and Loss Account for the year ended 31 December 2013

Particulars	Note	2013 Taka	2012 (Restated) Taka
Operating Income			
Interest Income	20	27,802,389,301	30,651,965,867
Less: Interest Paid on Deposit and Borrowing, etc.	21	(38,797,127,707)	(32,917,128,567)
Net Interest Income		(10,994,738,406)	(2,265,162,700)
Investment income	22	15,536,433,969	10,841,515,813
Commission, Exchange and Brokerage	23	8,856,851,243	11,263,628,929
Other Operating Income	24	1,523,623,735	2,555,103,927
		25,916,908,947	24,660,248,669
Total Operating Income (A)		14,922,170,541	22,395,085,969
Less: Operating Expenditure:			
Salary and Allowances	25	7,891,860,692	7,805,475,562
Rent, Tax, Insurance, Electricity etc.	26	792,475,557	644,641,768
Legal Expense	27	19,488,424	20,991,145
Postage, Stamps and Telephone etc.	28	71,220,675	62,459,589
Printing, Stationery, Advertisement etc.	29	197,614,185	199,502,006
Chief Executive's salary and fees	30	7,234,159	6,477,496
Directors' Fee	31	4,744,805	2,947,959
Auditors' Fee	32	2,669,118	3,338,819
Charges on loan loss		-	-
Depreciation on and Repair to Bank's Property	33	509,942,630	489,313,241
Other Expenditure	34	2,453,719,716	2,123,616,190
Total Operating Expenses (B)		11,950,969,961	11,358,763,776
Profit Before Provision C=(A-B)		2,971,200,579	11,036,322,194
Less: Provision against Loans & Advances	35	(161,768,986)	(37,016,725,418)
Less: Provision against Investment in Quoted Shares	36	-	-
Less: Other Provision	37	-	(2,287,127,069)
Total Provision (D)		(161,768,986)	(39,303,852,487)
Profit/(Loss) Before amortization (C-D)		2,809,431,593	(28,267,530,294)
Amortization of Jut eSector Reform Project		268,133,847	-
Total Profit/Loss before tax		2,541,297,746	(28,267,530,294)
Less: Provision for Tax		1,038,886,490	3,308,304,985
Current Tax	13.4	(236,741,717)	(435,696,168)
Deferred Tax	9.8.02	1,275,628,207	3,744,001,153
Net Profit/(Loss) After Tax		3,580,184,237	(24,959,225,309)

Sonali Bank Limited
Profit and Loss Account for the year ended 31 December 2013

Particulars	Note	2013 Taka	2012 (Restated) Taka
Appropriations			
Transferred to General Reserve		-	-
Transferred to Statutory Reserve		508,259,549	-
Dividend etc.		-	-
		508,259,549	-
Retained Surplus Carried Forward		3,071,924,688	(24,959,225,309)
Earnings Per Share	43	31.82	(221.86)

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

Chairman

Director

Director

Managing Director & CEO

Signed as per annexed report on even date.

Aziz Halim Khair Choudhury
Chartered Accountants

AHMAD & AKHTAR
Chartered Accountants

Date: 28 April 2014
Place: Dhaka

Sonali Bank Limited

Cash Flow Statement for the year ended 31 December 2013

Particulars	Note	2013 Taka	2012 Taka
A. Cash flows from operating activities			
Interest receipts in cash		68,921,781,521	36,729,753,982
Interest payments	21	(38,797,127,707)	(32,917,128,567)
Dividends receipts		653,161,375	172,984,362
Fee and commission receipts in cash		7,791,060,931	10,029,070,043
Recoveries on loans previously written off		-	-
Cash payments to employees		(7,912,973,905)	(7,823,655,296)
Cash payments to Suppliers		(280,489,507)	(269,821,432)
Income taxes paid		(600,000,000)	(1,000,000,000)
Receipts from other operating activities (item-wise)	38	3,688,072,054	2,756,054,243
Payments for other operating activities (item-wise)	39	(3,756,972,313)	(1,349,762,582)
Operating profit before changes in operating assets and liabilities		29,706,512,449	6,327,494,753
Increase/decrease in operating assets and liabilities			
Statutory deposits		-	-
Purchase/sale of trading securities		-	-
Loans & advances to other banks		-	-
Loans & advances to customers		34,696,530,097	(32,155,706,691)
Other assets (item-wise)	40	8,661,842,784	(42,979,215,095)
Deposits from other banks		4,713,677,917	(8,248,973,919)
Deposits from customers		81,887,209,371	74,350,509,477
Other liabilities account of customers		-	-
Trading liabilities		-	-
Other liabilities (item-wise)	41	(6,130,934,397)	(20,279,241,639)
Net cash from operating activities		123,828,325,772	(29,312,627,867)
B. Cash flows from investing activities			
Proceeds from sale of securities		-	-
Payments for purchase of securities		(42,077,781,205)	(7,147,411,130)
Purchase/sale of property, plant & equipment		(9,380,212,648)	(95,983,394)
Purchase/sale of subsidiary		-	-
Net cash from investing activities		(51,457,993,853)	(7,243,394,524)
C. Cash flows from financing activities			
Receipts from issue of loan capital & debt security		(9,056,220,883)	7,898,037,046
Payments for redemption of loan capital & debt security		-	-
Receipts from issue of ordinary share		-	-
Dividends paid		-	-
Net cash from financing activities		(9,056,220,883)	7,898,037,047
D. Net increase/decrease in cash and cash equivalents		93,020,623,485	(22,330,490,591)
E. Effects of exchange rate changes on cash and cash-equivalents		-	-
F. Cash and cash-equivalents at beginning for the year/period		76,051,169,557	98,381,660,148
G. Cash and cash-equivalents at end of the year/period	42	169,071,793,042	76,051,169,557

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

Chairman

Director

Director

Managing Director & CEO

Date: 28 April 2014

Place: Dhaka

Sonali Bank Limited

Statement of Chages in Equity for the year ended 31 December 2013

Particulars	Paid up Capital	Share Money Deposit	Statutory Reserve	Other Reserve	Asset Revaluation Reserve	Revaluation of Investment	Retained Earning	Total
Balance as at 01 January 2013	11,250,000,000	-	5,924,918,206	47,000,000	20,860,624,702	3,045,969,832	(18,738,512,778)	22,389,999,962
Restated balance	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	9,469,132,866	636,625,512	-	10,105,758,378
Net gains and losses not recongnized in the income	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-	-
Net Profit for the year (after appropriation)	-	-	-	-	-	-	3,071,924,688	3,071,924,688
Dividends (Bonus share)	-	-	-	-	-	-	-	-
Amortization of Intangible Assets	-	-	-	-	-	-	(6,574,320,715)	(6,574,320,715)
Excess of Others provision	-	-	-	-	-	-	557,063,858	557,063,858
Share money received during the year	-	19,950,000,000	-	-	-	-	-	19,950,000,000
Transferred to Statutory Reserve	-	-	508,259,549	-	-	-	-	508,259,549
Balance as at 31 December 2013	11,250,000,000	19,950,000,000	6,433,177,755	47,000,000	30,329,757,568	3,682,595,344	(21,683,844,947)	50,008,685,720
Balance as at 31 December 2012	11,250,000,000	-	5,924,918,206	47,000,000	20,860,624,702	3,045,969,832	(18,738,512,778)	22,389,999,962

These financial statements should be read in conjunction with the annexed notes.

Chairman

Director

Director

Managing Director & CEO

Date: 28 April 2014

Place : Dhaka

Sonali Bank Limited

Liquidity Statement, Asset and Liabilities Maturity Analysis as at 31 December 2013

Particulars	up to 01 month maturity	1-3 months maturity	3-12 months maturity	1-5 years maturity	more than 5 years maturity	Total
Assets						
Cash in hand	49,491,493,642	-	-	-	-	49,491,493,642
Balance with other banks and financial institutions	11,125,313,986	500,000,000	2,150,000,000	3,985,019,000	-	17,760,332,986
Money at call on short notice	4,461,595,150	-	-	-	-	4,461,595,150
Investments	19,595,094,985	28,510,900,000	71,271,586,354	51,377,600,000	101,501,083,192	272,256,264,531
Loans and Advances	71,554,934,958	2,721,089,893	16,457,508,429	122,440,571,515	130,276,420,709	343,450,525,504
Fixed assets including premises, furniture and fixtures	-	-	617,180,335	1,085,966,606	30,799,464,131	32,502,611,072
Other assets	21,814,549,383	24,027,167,118	26,250,142,059	40,196,383,889	20,012,485,028	132,300,727,477
Non-banking assets	-	-	-	-	-	-
Total Assets	178,042,982,104	55,759,157,011	116,746,417,177	219,085,541,010	282,589,453,060	852,223,550,362
Liabilities						
Borrowings from Bangladesh Bank, other banks financial institutions and agents	-	-	938,079,370	-	-	938,079,370
Deposits	252,545,102,325	112,884,961,181	113,147,100,026	125,435,550,295	81,881,875,568	685,894,589,395
Other accounts	-	-	-	-	-	-
Provision and other liabilities	62,321,108	25,773,005	47,133,846,170	56,988,960,521	11,171,295,072	115,382,195,876
Total Liabilities	252,607,423,433	112,910,734,186	161,219,025,566	182,424,510,816	93,053,170,640	802,214,864,641
Net Liquidity Gap	(74,564,441,329)	(57,151,577,175)	(44,472,608,389)	36,661,030,194	189,536,282,420	50,008,685,721

Current and savings deposits do not have any contractual maturity and hence have been classified among all five maturities. Further, it has been assumed that on a going concern basis, these deposits are not expected to fall below the current year's level.

Chairman

Director

Director

Managing Director & CEO

Date: 28 April 2014

Place: Dhaka

Sonali Bank Limited
Notes to the consolidated and separate financial statements
as at and for the year ended 31 December 2013

1 The bank and its activities

1.1 Reporting entity

Sonali Bank Limited was incorporated in Bangladesh on 03 June 2007 as a Public Limited Company under Companies Act 1994. Formally this bank was incorporated as a nationalized commercial bank named as Sonali Bank established by The Bangladesh Bank Order 1972 (Presidential Order no. 26 of 1972) and was fully owned by the Government of the People's Republic of Bangladesh. Subsequently after incorporation dated 15 November 2007 Sonali Bank Limited has taken over the undertaking and business of Sonali Bank with all its assets, benefits, rights, powers, authorities, privileges, liabilities, borrowings, obligations etc. as a going concern under a Vendor's Agreement signed between the Government of the People's Republic of Bangladesh and the Sonali Bank Limited with a retrospective effect from 01 July 2007.

Principal Activities of the Bank

The Bank has 1203 branches including two overseas branches at Kolkata and Siliguri in India as on 31 December 2013. The principal activities of the bank are to provide a comprehensive range of financial services, personal and commercial banking, trade and services, cash management, treasury, securities and custody services and perform Government treasury functions as an agent of the Bangladesh Bank.

Islamic Banking Window

The bank operates Islamic Banking window in five branches designated in compliance with the rules of Islamic Shariah.

Free Services provided by the Bank

The bank provides more than 21 types of free services on behalf of the government of Bangladesh through its rural and urban branches as part of their commitment to society. These services includes collection of utilities bills, payment of allowances to freedom fighters, old-age people, meritorious students, widowed and acid burnt women and also collection of taxes and revenues on behalf of the government organization.

1.2 Subsidiaries of the Bank

Sonali Bank Limited has two 100% owned subsidiaries named Sonali Exchange Co. Inc. (SECI) and Sonali Investment Limited.

Sonali Exchange Co. Inc. (SECI)

A subsidiary company named Sonali Exchange Co. Inc. was incorporated on 4 April 1994 under the laws of the State of New York, Department of State, licensed on 17 October 1994 by the State of New York Banking Department and commenced operation as an International Money Remitter from 12 December 1994.

Sonali Investment Limited

Sonali Investment Limited was registered under the Company Act 1994 as a Public Company Limited by shares on 20 April 2010 and commenced its operation from 22 April 2010. The Company obtained registration from Securities and Exchange Commission as a merchant bank on 28 October 2010. As a part of restructuring program of Sonali Bank Limited directive by the Bangladesh Bank as per BRPD Circular no. 12. Sonali Investment Limited has been established as a subsidiary of Sonali Bank Limited to conduct merchant banking activities and play active role in the Capital Market of Bangladesh.

1.3 Associate

Sonali Bank UK. Ltd. (SB. UK. Ltd.)

A money remitting company under the name and style of Sonali Trade and Finance (U.K) Limited was incorporated as an associate under the U.K. Companies Act 1985 on 30 June 1999. Subsequently the company was allowed to commence its function as a bank from 7 December 2001 (the operational activities started on 10 December 2001) by the Financial Services Authority of U.K. had changed its name as Sonali Bank (U.K) Ltd. and restructured the ownership of the Company having 51% share capital in favor of the Government of the People's Republic of Bangladesh and remaining 49% by Sonali Bank Limited.

2 Basis of preparation and significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the financial statements of the Bank as at and for the year ended 31 December 2013 have been prepared under the historical cost convention except investments and in accordance with the "First Schedule" (section 38) of the Banking Companies Act 1991, as amended by Bangladesh Bank (the Central Bank of Bangladesh) through BRPD Circular No. 14 dated 25 June 2003, other Bangladesh Bank Circulars, Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other laws and rules applicable in Bangladesh. In case any requirement of provisions and circulars issued by Bangladesh Bank differs with those of other regulatory authorities, the provisions and circulars issued by Bangladesh Bank shall prevail.

2.2 Statement of Compliance

The financial statements of the Bank are prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and the requirements of the Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, [the Securities and Exchange Rules 1987]. In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of BFRS are as follows:

i) Investment in shares and securities

BFRS:

As per requirements of BAS 39 investments in shares and securities generally falls either under "at fair value through profit and loss Account" or under "available for sale" where any change in the fair (as measured in accordance with BFRS 13) value at the year-end is taken to profit and loss Account or revaluation reserve account respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

ii) Revaluation gain/loss on Government securities

BFRS: As per requirement of BAS 39 where securities will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognised through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortized cost method and interest income is recognized through the profit and loss account.

Bangladesh Bank: HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

iii) Provision on loans and advances/investments

BFRS: As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets which are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD Circular No. 14 (23 September 2012), BRPD circular No.19 (27 December 2012) and BRPD circular No.05 (29 May 2013) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no.10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

iv) Recognition of interest in suspense

BFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

v) Other comprehensive income

BFRS: As per BAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of Other Comprehensive Income (OIC) are to be included in a Single Comprehensive Income (OCI) Statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income; and the elements of Other Comprehensive Income are also not allowed to be included in a Single Comprehensive Income (OCI) Statement. As such the company does not prepare the Other Comprehensive Income statement. However elements of OCI, if any, are shown in the statement of changes in equity.

vi) Financial instruments - presentation and disclosure

In several cases Bangladesh Bank guidelines categories, recognise, measure and present financial instruments differently from those prescribed in BAS 39. As such full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

vii) Financial guarantees

BFRS: As per BAS 39, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 14, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin.

viii) Cash and cash equivalents

BFRS: Cash and cash equivalents items should be reported as cash item as per BAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice', Treasury bills, Prize bond are not shown as cash and cash equivalent. Money at call and on short notice is shown as face item in balance sheet, and Treasury bills, Prize bonds are shown in Investment.

ix) Non banking assets

BFRS: No indication of non banking assets is found in any BFRS.

Bangladesh Bank: As per BRPD 14, there must exist a face item named Non-banking asset.

x) Cash flow statement

BFRS: Cash flow statement can be prepared either in direct method or in indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD 14, cash flow is a mixture of direct and indirect methods.

xi) Balance with Bangladesh Bank (CRR):

BFRS: Balance with Bangladesh Bank should be treated as other assets as it is not available for use in day to day operations as per BAS 7.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

xii) Presentation of intangible asset

BFRS: An intangible asset must be identified and recognised, and the disclosure must be given as per BAS 38.

Bangladesh Bank: There is no regulation for intangible assets in BRPD 14.

xiii) Off balance sheet items

BFRS: There is no concept of off balance sheet items in any BFRS; hence there is no requirement of disclosure of off balance sheet .

Bangladesh Bank: As per BRPD 14, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

xiv) Loans and advance net of provision

BFRS: Loans and advances should be presented net of provisions.

Bangladesh Bank: As per BRPD 14, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

2.2 Basis of consolidation

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

The consolidated financial statements comprise of the financial statements of Sonali Bank Ltd., including overseas branches Kolkata and Siliguri, Sonali Investment Limited and Sonali Exchange Co. Inc. (SECI), USA and Sonali Bank (U.K) Ltd. as at 31 December 2013.

Subsidiaries

Subsidiaries are entities controlled by the group. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date the control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the Consolidated Financial Statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

2.3 Use of estimates and judgments

The preparation of the consolidated financial statements of the Group and the financial statements of the Bank in conformity with Bangladesh Bank Circulars and BFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual result 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 period affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements.

2.4 Change in accounting policy

The bank changed its accounting policy for charging the 'Amortization of intangible assets' (refer to Note 9.8.01).

Previously, the bank charged the 'Amortization of intangible assets' in the Profit and Loss Account. In the year 2013 due to shortage of profit to adjust the rest amount of Intangible Assets -Valuation Assets as early as possible 'Amortization of intangible assets' has been adjusted with retained earnings. Subsequently, as per BAS 8: Accounting Policies, Changes in Accounting Estimates and Errors the retained earnings balance have been restated.

2.5 Foreign currency transactions

i. Functional and presentational currency

Financial statements of the Bank are presented in Taka, which is the Bank's functional and presentational currency.

ii. Foreign currency transaction

Foreign currency transactions are converted into equivalent Taka currency at the ruling exchange rates on the respective dates of such transactions as per BAS-21 "The effects of Changes in Foreign Exchange Rates".

Assets and liabilities in foreign currencies at 31 December 2013 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "Balances with other Banks and Financial Institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD(R) 717/2004-959 dated 21 November 2004.

Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting/ crediting exchange gain or loss account.

iii. Commitment

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities/commitments for letter of credit, letter of guarantee and acceptance denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the date of balance sheet.

2.6 Comparative Information

Presentation of Financial Statements, comparative information in respect of the previous year have been presented in all numerical information in the financial statements and the narrative and descriptive information where, it is relevant for understanding of the current year's financial statements.

The comparative figure for amortization of intangible assets has been taken off from the profit and loss account and shown in the statement of changes in Equity against the corresponding amount in the current year's financial statement as explained in note number- 16 to the financial statement.

2.7 Reporting period

The accounting period of the bank has been determined to be from 1 January to 31 December each year and is followed consistently.

2.8 Cash flow statement

Cash Flow Statements has been prepared in accordance with Bangladesh Accounting Standards BAS-7: '*Statement of Cash Flows*' and under the guideline of Bangladesh Bank BRPD Circular No.14 dated 25 June 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank. The Statement shows the structure of changes in cash and cash equivalents during the financial year.

2.9 Statement of Changes in Equity

The statement of changes in equity reflects information about increase or decrease in net assets or wealth. Statement of changes in equity has been prepared in accordance with Bangladesh Accounting Standards BAS-1: '*Presentation of Financial Statements*' and relevant guidelines of Bangladesh Bank.

2.10 Liquidity statement (Asset and Liability Maturity Analysis)

The liquidity statement has been prepared in accordance with remaining maturity grouping of Assets and Liabilities as of the close of the year as per following bases;

- a) Balance with other banks and financial institutions, money at call and on short notice etc. on the basis of their maturity term;
- b) Investments on the basis of their residual maturity term;
- c) Loans and advances on the basis of their repayment/maturity schedule;
- d) Fixed assets on the basis of their useful lives;
- e) Other assets on the basis of their adjustment;
- f) Borrowings from other banks and financial institutions, as per their maturity/repayment term;
- g) Deposits and other accounts on the basis of their maturity term and behavioral past trend;
- h) Other long term liability on the basis of their maturity term;
- i) Provisions and other liabilities on the basis of their settlement;

2.11 Assets and basis of their valuation

2.11.1 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.

2.11.2 Investments

All investments are initially recognised at cost, including acquisition charges associated with the investment. Premiums are amortised and discount accredited, using the effective or historical yield method. Accounting treatment of government treasury bills and bonds (categorised as HFT or/and HTM) is made following Bangladesh Bank DOS circular letter no. 5, dated 26 May 2008 and as amended on 28 January 2009.

2.11.2.1 Held to Maturity (HTM)

Investments which are intended to be held to maturity are classified as 'Held to Maturity'. These are measured at amortised cost at each year end by taking into account any discount or premium in acquisition. Any increase or decrease in value of such investments is booked to equity.

2.11.2.2 Held for Trading (HFT)

The securities under this category are the securities acquired by the bank with the intention to trade by taking advantages of short term price/interest movement, and the securities those are classified as HFT by the Bank held in excess of SLR (net of CRR) at a minimum level. Investments classified in this category are principally for the purpose of selling or repurchasing on short trading or if designated as such by the management. In this category, investments are measured in fair value and any change in the fair value i.e. profit or loss on sale of securities in HFT category is recognized in the statement of income.

Value of investments is stated as per the following bases:

Particulars	Valuation Method
Government Securities:	
Government Treasury Bills	Present Value
Prize Bonds	Cost Price
Bangladesh Bank Bills	Cost price
Special Treasury Bonds	Present Value
Reverse Repo	Cost Price
Debentures of Govt. Corporations	Cost price
Other Investments (Quoted Shares)	Market Price
Other Investments (Other than Quoted Shares)	Cost Price

2.11.3 Loans and advances

Loans and advances are stated at gross amount. General Provisions on unclassified loans and Off-Balance Sheet Items, specific provisions for classified loans and interest suspense account thereon are shown under other liabilities. Provision is made on the basis of quarter end against classified loans and advances review by the management and instruction contained in BRPD Circular no. 14 dated 23 September 2012 BRPD circular no. 19 and dated 27 December 2012 and BRPD circular no. 05 dated 29 May 2013.

a) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is calculated on unclassified loans and advances and recognized as income during the year. Interest on classified loans and advances is kept in suspense account as per Bangladesh Bank instructions and such interest is not accounted for as income until realized from borrowers. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank.

b) **Provision for loans and advances**

Provision for loans and advances are made on quarter basis as well as year-end review by management following instructions contained in BRPD Circulars issued by Bangladesh Bank. General Provision on unclassified loans and advances and specific provision on classified loans & advances are given below:

c) **Rate of provision:**

Particulars	Short term agri- credit	Consumer Financing			SMEF	Loan to BHs/ MBs/ SDs	All other credit	
		Other Than HF & LP	HF	LP				
Unclassified	Standard	5%	5%	2%	2%	0.25%	2%	1%
	SMA	-	5%	2%	2%	0.25%	2%	1%
Classified	SS	5%	20%	20%	20%	20%	20%	20%
	DF	5%	50%	50%	50%	50%	50%	50%
	BL	100%	100%	100%	100%	100%	100%	100%

d) **Presentation of loans and advances**

Loans and advances are shown at gross amount as assets while interest suspense and loan loss provision against classified advances are shown as liabilities in the statement of financial position.

e) **Write off loans and advances**

Loans and advances/investments are written off as per guidelines of Bangladesh Bank. These written off however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such written off accounts are meticulously maintained and followed up

f) **Securities against Loan**

Project loan: Land and building are taken as security in the form of mortgage and plant & machinery are taken in the form of hypothecation.

Working capital and trading loan: Goods are taken as security in the form of pledge and also goods are taken as security in the form of hypothecation along with land and building as mortgage (value not less than 1.50 times covering the loan amount) in the form of collateral security.

House building loan: Land and building are taken as security in the form of mortgage.

Overdraft: FDRs are taken in pledge. The balance in DPS/JBSPS/SDPS A/C's is taken in "lien".

Public sector loan: In most cases Govt. Guarantee is taken and no security is taken for government loan and Crops loans in agriculture sector.

2.11.4 Bills Purchased and Discounted

a) Bills purchased and discounted do not include Government Treasury bills and have been classified into two sub-heads viz

- (i) Payable outside Bangladesh.
- (ii) Payable in Bangladesh and

b) The bills purchased and discounted have been analyzed in the form/terms as per the maturity grouping.

2.11.5 Recognition of Fixed Assets

All Property and equipment are classified and grouped on the basis of their nature as required in BAS-1-“Presentation of Financial Statements”. The major categories of Property and equipment held by the bank are property (Premises & Buildings), Library Book, Furniture and fixtures, electrical Installations, Typewriters and calculating machines, Computer/Software, Motor Car and other vehicles. As per Para 31 of BAS 16 after recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Assets acquired under own finance

All Fixed Assets are stated at cost less accumulated depreciation as per BAS-16. Property, Plant & Equipment. The Cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

The bank recognizes in the carrying amount of an item of property plant and equipments the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the bank and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred.

As guided in paragraph 30 of BAS-16 Property Plant and Equipment these are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation. The cost of acquisition of an asset comprises its purchase price and directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and refundable taxes. The opening and closing carrying amounts of all property and equipment are presented including the amount of additions, disposals and depreciation charged during the year as required by paragraph 73(a-e) of BAS-16, Maintenance expenses that does not increase in the future economic benefit of assets is charged to profit & loss account.

2.11.6 Depreciation on Fixed assets

As required in paragraph 43 of BAS-16 Property Plant and Equipment depreciation has been charged at the following rates on reducing balance method on all fixed assets other than motor vehicles and computer software which are depreciated on straight line basis and no depreciation on land is charged.

	Rate of depreciation
Land	Nil
Building	2.50%
Library	7%
Furniture and Fixtures	10%
Electrical Installation	20%
Typewriters and Calculating machines	20%
Computer/ Software	20%
Motor Car and other vehicles	20%

Depreciation on newly acquired assets is charged in full if the assets are acquired within 20 December and no depreciation is charged on assets acquired after 20 December. In case of assets disposed of, depreciation is charged up to the date of disposal of such assets. During the year overseas branches shown BDT 1323520 as depreciation on fixed assets and certified by the local independent auditors

2.11.7 Other assets

Other assets comprise investment in Sonali Exchange Ltd. Inc USA, Prepaid Expenses, Branch adjustment and others as per Bangladesh Bank Circulars.

2.11.8 Non-banking assets

Non-banking assets includes the assets acquired against the bad debt loans to adjust the loan. There are no assets acquired in exchange for loan during the period of financial statements.

2.12 Liabilities and basis of their valuation

2.12.1 Statutory reserve

As per the Banking Companies Act 1991 (Section-24) it is required for the bank to transfer 20% of its current year's profit before tax to reserve until such reserve equals to its paid up capital.

2.12.2 Other Reserve

Other Reserve comprises are Balance of reserve for Unforeseen losses, Investment Revaluation Reserve and Fixed Assets Revaluation Reserve as on 31st December 2013.

2.12.3 Exchange equalization fund

This represents the amount arise from exchange gain due to devaluation of Bangladesh taka with foreign currencies and is accounted for as per instruction issued by the Bangladesh bank from time to time.

2.12.4 Retirement benefit schemes

Accounting recognition & measurement, as well as the disclosures requirements for different benefit schemes for employees are the following:

2.12.4.1 Employees General Provident Fund

Employees General Provident fund is operated from 13 September 1981 under which the concerned employees are required to contribute at least 10% and highest 30% (on declaration) of their basic salary with no matching contribution by the bank. This Fund relates to the employees who are availing Pension and Death-Cum-Retirement Benefit (PDCRB) Scheme.

2.12.4.2 Contributory Provident Fund

The bank operated a Provident Fund named as Contributory Provident Fund into which the bank contributed 10% of the basic salary of its eligible employees while the employees contributed an equal amount to the fund.

2.12.4.3 Pension and Death-Cum-Retirement Benefit (PDCRB) Scheme:

The bank operated a Pension Fund named as Pension and Death-Cum-Retirement Benefit (PDCRB) Scheme for the employees of General Provident Fund into which the bank contributes 30% (June 2013) of the basic salary of its eligible employees. Payments out of this fund are made to the employees on their separation from bank's service.

2.12.4.4 Gratuity

The Bank introduced the Gratuity scheme for the member of the Employees of Contributory Provident Fund into which the Bank contributes 30% (June 2013) of the basic salary of its eligible employees. Payments out of this scheme are made to the members on their separation from bank's service.

2.12.4.5 Investment of the Pension/Gratuity Funds:

The balance of Pension/Gratuity funds are partly invested in approved securities with a view to increasing the Fund and remaining balance being utilized by the bank towards payment of retirement benefits to the employees.

2.12.4.6 Administration of the Fund:

The Provident Fund, Pension Fund and Gratuity are being administered by two administrative committees each of which consists of 5 (five) members representing 3 (three) from Board of Directors, 1 (one) from officers and another from members of the staff.

2.12.4.7 Benevolent Fund

This fund is mainly created for sanctioning scholarship to the meritorious students among the children of the Bank employees. The distressed employees and family member of deceased employees are also helped from this Fund.

2.12.5 Deposits and Other Accounts

Deposits and other accounts include bills payable have been analyzed in terms of the maturity grouping showing separately other deposits and inter-bank deposits. Unclaimed deposits for 10 years or more held by the bank have been shown separately.

2.12.6 Taxation

Income tax represents the sum of the current tax and deferred tax payable.

2.12.6.1 Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Profit and Loss Account because it excludes items of income or expense that are taxable or deductible. The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the date of Balance Sheet.

Provision for current income tax has been made as per Income Tax Ordinance 1984.

2.12.6.2 Deferred tax

The Bank has adopted deferred tax accounting policy as per Bangladesh Accounting Standard (BAS) 12.

Deferred tax liabilities are the amounts of Income tax payable in future periods in respect of taxable temporary difference.

Deferred tax assets are the amount of income tax recoverable in future periods in respect of

- deductible temporary differences
- the carry forward of unused tax losses and
- Carry forward of unused tax credits

Deferred tax is computed at the prevailing tax rate as per Finance Act 2013.

2.12.7 Provisions and accrued expenses

In compliance with BAS-37, Provisions and accrued expenses are recognized in the financial statements when the bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.12.8 Provision for Off-Balance Sheet Exposures

In compliance with Bangladesh Bank guidelines Off-Balance Sheet items have been disclose under contingent liabilities. As per BRPD Circular No.10 dated September 18, 2007, Banks are required to maintain provision @ 1% against Off-Balance Sheet Exposures (L/C, Guarantee and Bills for Collection).

2.12.9 Provision for Nostro Accounts

According to guideline of Foreign Exchange Policy Department of Bangladesh Bank, Circular no. FEOD(FEMO)/01/2005-677 dated 13 September, 2005, Bank is not required to make provision regarding the un-reconciled debit balance as at Balance Sheet date since there was no debit entries more than three month.

2.13 Revenue recognition

Moment of recognition, amount to be recognized and disclosure requirements of revenue has been made as per BAS-18

2.13.1 Interest income

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.

i) Interest on unclassified loans and advances is calculated on daily product basis but charged and accounted for quarterly and in some cases yearly on accrual basis.

ii) No interest is recognized on loan classified as bad/loss.

iii) Interest is charged on classified loans and advances as per BRPD Circular No.05 dated 05 June 2006.

iv) Interest suspense and penal interest, if any, calculated on classified loans and advances is taken as income in the year of receipt of such interest from the defaulting borrowers.

2.13.2 Investment income

Interest income on investments is recognized on accrual basis. Capital gain on investments in shares is also included in investment income. Capital gain is recognized when it is realized.

i) Income on investment in Treasury Bills, Bonds and Debenture etc. other than shares has been accounted for on accrual basis.

ii) Income on investment in shares of subsidiary company-Sonali Exchange Co. Inc. USA is accounted for as and when it is received.

iii) Govt. securities (HTM) are revalued on accrual basis and effect of such revaluation gain has been credited to Asset Revaluation Reserve account.

iv) Dividend/Other Operating Income are recognized at the time when it is realized.

v) Net increase in securities held to maturity during the period due to the valuation at mark to market basis has been credited to profit and loss account.

2.13.3 Interest paid on Deposit and Borrowing

Interest paid on deposits, borrowing and other expenses are recognized as accrual basis.

2.13.4 Fees and commission income

- Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

- Fee and Commission on bills discounted, purchased & others are recognized at the time of realization.

- And exchange gains or losses arising out of such transactions are recognized as income or expense for the year foreign currency transactions are converted into BDT at prevailing on the dates of such transactions and dealt with exchange account.

2.13.5 Dividend income on shares

Dividend income from shares is recognized during the period in which they are declared and actually received.

2.13.6 Interest paid on Deposit and Borrowing

Interest paid on deposits, borrowing and other expenses are recognized as accrual basis.

2.14 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 that may affect the financial statements significantly

2.15 Profit/Loss of Overseas Branches

Profit/loss of the bank’s overseas branches has been reflected in this profit and loss account

2.16 Consolidation of the Financial Statements

Consolidation of the Financial Statements is started from 2011.

2.16.1 Risk Management

The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective

- Internal Control and Compliance Risk

- Foreign Exchange Risk
- Credit Risk Management
- Asset Liability Management Risk
- Money Laundering Risk
- Information & Communication Technology Security Risk

a) Internal Control and Compliance Risk

Internal control is a process to control overall activities of the Bank through establishing policies, procedures, observance of instructions of regulatory authorities with a view to avoid any possible loss from the lack of corporate governance.

To mitigate the operational risk, the Bank ensured effective internal control systems for all of its operational activities by intensifying the internal audit function, comprehensive and risk based inspection in all branches and Head Office. The Compliance Division ensures the settlement of objections or irregularities mentioned in the audit reports under a strong monitoring process of the Management Committee (MANCOM). Besides there is a division named Vigilance Department under the direct supervision of CEO and MD to act at any sudden occurrence of loss or irregularities.

The Bank with the support of an Expert Team, has undertaken a program for up grading its Standard Operating Procedures (SOP) in the area of credit, audit, information technology and accounts as per international best practices.

b) Foreign Exchange Risk Management

Foreign Exchange Risk is defined as the possibility of losses due to change in exchange rates interest rate etc. according to market forces. The Foreign Exchange Risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying Foreign Exchange transactions.

Treasury Division independently conducts the transactions and the Back Office of Treasury is responsible for verification of the 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 daily basis and outstanding entries beyond 30 days are reviewed by the Management for their settlement.

c) Credit Risk Management

Credit risk is one of the major risk faced by the Bank. This can be described as potential loss arising from the failure of a counter party to perform as per contractual agreement with the Bank. The failure may result from unwillingness of the counter party or decline in his/her financial condition. Therefore, Bank's credit risk management activities have been designed to address all these issues. The Bank has segregated duties of the Officers/Executives involved in credit related activities. Credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, three separate divisions have been formed. These are credit division, credit monitoring & recovery division and law division. Credit division is entrusted with the duties of maintaining asset quality, assessing risk in lending to a particular customer, sanctioning credit, formulating policy/strategy for lending operation, etc.

A thorough assessment is done before sanction of any credit facility at credit division. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the proposed credit facility, etc. All credit proposals have been placed in credit committee for sanction or make decline. Managing Director is the Chairman of credit committee. Loans having big exposures are placed before the Board of Directors of the Bank for sanction.

In determining single borrower/large loan limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted on periodical interval to ensure compliance of Bank's and Regulatory polices. Loans are classified as per Bangladesh Bank's guidelines. Concentration of single borrower/large loan limit shown in note 7.8.

d) Asset Liability Management Risk

Asset Liability Committee (ALCO) of the Bank monitors Balance Sheet Risk and liquidity Risks of the Bank. The Balance Sheet Risk is determined as potential change in earnings due to change in rate of interest foreign exchange rates and regulatory instructions, which are not of trading nature. Asset Liability Committee (ALCO) reviews Liquidity requirement of the Bank, the maturity of assets and liabilities, deposits and lending, pricing strategy and the Liquidity contingency plan. The primary objective of the Asset Liability Committee (ALCO) is to monitor and avert significant volatility in Net Interest Income (NII), investment value and exchange earnings for the purpose of taking future action plan for better interest of the organization

e) Money Laundering Risk

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risk the Bank has designated Chief Compliance Officer at Head Office and Compliance Officer at Branches, who independently review the transactions of the accounts to verify suspicious transactions. Manuals for Prevention of Money Laundering, KYC and Transaction profile have been introduced. Training has been being imparted to Executives, Officers and staff for developing awareness and skill for identifying suspicious transactions and other Money Laundering related activities.

f) Information & Communication Technology Security Risk

This IT Guideline is a systematic approach to policies required to be formulated for IT and also to ensure security of information and information systems. This guideline covers all information that is electronically generated, received, stored, printed, scanned and typed. The provisions of this guideline apply to:

1. Sonali Bank Limited for all of its IT system.
2. All activities and operations required ensuring data security including facility design, physical security, network security, disaster recovery and business continuity planning, use of hardware and software, data disposal and protection of copy rights and other intellectual properly rights

The implementation of MIS will be linked from the branches to the central database. In the future the information will be easily accessible by senior management and is expected to be important source of information of strategic decision-making process based on a comprehensive database. It is to be declared that the Bank is fully compliant according to the guideline of Central Bank's IT policy.

2.17 Call Loan and Fixed Deposit with the ICB Islamic Bank Ltd.

The Bank has demanded payment of Call Loan and Fixed Deposit for BDT 18.00 crore and BDT 14.58 crore respectively together with up-to-date interest accrued thereon. Attempt is made for recovery the Call Loan and Fixed Deposit.

2.18 Credit Rating of the Bank

As per the BRPD circular no. 6 dated 5 July 2006, the Bank has done its credit rating by Alpha Credit Rating Limited based on the financial statements of Sonali Bank Limited dated 31 December 2012. The following ratings had been awarded:

Date of Declaration	Valid till	Rating Mode	Long Term	Short Term	Outlook
4 March, 2014	3 September, 2014	Govt. Support	AAA	AR-1	Stable
		Without Govt. Support	BBB	AR-3	

2.19 Implementation of BASEL-II

To comply with International best practices and to make the Bank's capital more risk-sensitive as well as to build the Banking industry more shock absorbent and stable, Bangladesh Bank provides revised regulatory capital framework "Risk Based Capital Adequacy for Banks" which is effective from 1st January 2009. According to the BRPD Circular no-09 dated 31st December 2008, following specific approaches are suggested for implementing BASEL-II:

- a) Standardized Approach for calculating Risk Weighted Assets (RWA) against Credit Risk;
- b) Standardized (Rule Based) Approach for calculating RWA against Market Risk; and
- c) Basic Indicator Approach for calculating RWA against Operational Risk

Under the Standardized Approach of the Risk Based Capital Adequacy Framework (Basel II), Credit Rating is to be determined on the basis of risk profile assessed by the External Credit Assessment Institutions (ECAIs) duly recognized by Bangladesh Bank.

Along with the existing capital adequacy rules and reporting Bangladesh Bank (ref. BRPD Circular no.10 dated 25.11.2002) Banks will start quarterly reporting as per the set of the reporting formats provided by Bangladesh Bank. For the purpose of statutory compliance during the period of parallel run i.e. 2010, the computation of capital adequacy requirement under existing rules will prevail.

Sonali Bank Ltd. Management is aware about guideline of Bangladesh Bank and prepared for implementing new capital Accord BASEL-II.

2.2 Audit committee

The Audit Committee of the Board comprising of the following members of the Board of Directors.

Name	Status in the Bank	Status in the
Mr. Ranjit Kumar Chakraborty	Director	Chairman
A.S.M Nayeem, FCA, FCCA	Director	Member
Mr. Shekhar Dutta	Director	Member
Md. Shahed Ali Mridha	Director	Member
Mr. Kazi Tariqul Islam	Director	Member

2.21 Compliance report on 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 International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). While preparing the financial statements, Sonali Bank Limited applied most of IAS and IFRS as adopted by ICAB. Details are given below

Bangladesh Financial Reprinting Standard (BFRS)	BFRS No.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	1	Not Applicable
Share-Based Payment	2	Not Applicable
Insurance Contracts	3	Not Applicable
Non Current	4	Not Applicable
Non Current Assets Held for Sale and Discounted Operation	5	Not Applicable
Exploration for and Evaluation of Mineral Resources	6	Not Applicable
Financial Instrument: Disclosures	7	Applicable*
Operating Segments	8	Not Applicable
Financial Instruments	9	Not Applicable
Consolidated Financial Statements	10	Not Applicable
Joint Arrangements	11	Not Applicable
Disclosure of Interests in Other Entities	12	Not Applicable
Fair Value Measurements	13	Not Applicable

Name of the BAS	BAS No.	Status
Presentation of Financial Statements	1	Applicable*
Inventories	2	Applicable
Statement of Cash Flows	7	Applicable
Accounting policies, Changes in accounting Estimates and Errors	8	Applicable
Events after the Reporting Period	10	Applicable
Construction Contracts	11	Not Applicable
Income Taxes	12	Applicable
Property, Plant and Equipment	16	Applicable
Leases	17	Applicable
Revenue	18	Applicable

Employees Benefits	19	Applicable
Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	21	Applicable
Borrowing Costs	23	Applicable
Related Party Disclosures	24	Applicable
Accounting and Reporting by Retirement Benefit Plans	26	Applicable
Consolidated and Separate Financial Statements	27	Applicable
Investment in Associates	28	Applicable
Disclosures in the Financial Statements of Banks and similar Financial	30	Applicable
Interest in Joint Ventures	31	Not Applicable
Financial Instruments: Presentation (supersedes by BFRS-7)	32	Not Applicable
Earning Per Share	33	Applicable
Interim Financial Reporting	34	Applicable
Impairment of Assets	36	Applicable
Provision, Contingent Liabilities and Contingent Assets	37	Applicable*
Intangible Assets	38	Applicable
Financial Instruments: Recognition and Measurement (supersedes by BFRS-7)	39	Applicable*
Investment Property	40	Applicable
Agriculture	41	Not Applicable

* Subject to departure described in Note 2.1 - Statement of compliance

2.22 Off-balance sheet items

Under general banking transactions, liabilities against acceptance, endorsements, and other obligations and bills against which acceptance has been given and claims exists there against, have been shown as off balance sheet items.

Off Balance Sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank guidelines.

As per BRPD circular #10, dt 18 Sep 2007, 1% provision should be maintained against off- balance sheet items.

2.23 Earnings per share (EPS)

The Company calculates Earnings per share (EPS) in accordance with BAS 33: Earnings Per share, which has been shown on the face of profit & loss account, and the computation of EPS is stated in Note 43.

2.24 Approval of financial statements

The financial statements were approved by the Board of Directors on 28 April 2014.

2.25 Information about business and geographical segments

The Bank's operations are divided under the following business segments:

Retail and Corporate banking operations are under the umbrella of the commercial banking. The bank has Treasury Management Division (TMD) for Treasury Management.

Inter segment transactions are operated on inter branch fund transfer measures as determined by the management. Income, expenses, assets and liabilities are specially identified with individual segments. Based on such allocation, segmental information has been prepared as on 31 December 2012 and information related to Profit and Loss Account for the period ended 31 December 2013:

Particulars	Total Taka
Operating profit before Tax & Provision	2,971,200,579
Provision against Loans & Advances	(161,768,986)
Other Provision	557,063,858
Profit/ (Loss) before Taxes	2,541,297,746
Provision for Current Tax	(236,741,717)
Deferred Tax Assets	1,275,628,207
Net Profit/ Loss after Tax	3,580,184,236
Segment Assets	852,223,550,362
Segment Liabilities	852,223,550,362

2.26

Fraud and Forgeries

Fraud Prevention Process

Based on circular DOS letter no. 17, dated 7 November 2012 issued by Bangladesh Bank. The following areas for self assignment of Anti-Fraud Internal Controls:

- Internal Control and Compliance (ICC);
- General Banking and Operation (GBO);
- Loans and Advances (LA); and
- Information and Communications Technology (ICT)

In addition the above self assignment, the following process followed by the management:

- i) Additional security devices are incorporated, not only within the bank premises but also in the instruments given to their numerous clients.
- ii) In recruiting key personnel who are to handle certain sensitive operations, it is essential that banks make concerted efforts at conducting a proper background check on the status and nature of the employee in his or her neighborhood, as this would help them establish the probability of the employee engaging in fraudulent activities.
- iii) There is a need for banks to increase the ability of their staff in detecting fraud especially those related to cheques and money transfers. This can be achieved through a combination of internal and external modules of on the job training and off the job training exercises.
- iv) Continuously review on compensation packages to reduce the tendency for fraudulent behavior by their employees. It is believed that if employees are well remunerated the incidence of frauds will reduce.
- v) Favorable financial awards and recognition should be given to employees who show dexterity in identifying and preventing fraud.
- vi) Top management must also strive to maintain a high degree of ethical standards in the performance of their duties, in view of the fiduciary nature of their functions. This is imperative as they are by law required to safeguard the assets of their banks.
- vii) The internal audit department of banks should not be seen as a dumping ground for non-performing staff. Staff deployed into this department should be sufficiently qualified, properly trained and adequately experienced in all facets of banking operation.
 - physical controls (such as locks and guards)
 - administrative controls (procedures laid down by top management)
 - technical controls (such as passwords).

2.27 Internal Audit Process

Internal Audit Departments is committed to standards of best professional practice on internal audit. The basic steps in the internal audit processes followed by the bank are stated below:

1) Audit Planning Process

The basic audit planning process consists of two phases: the assessment of business risk and the development of the annual plan. Assessing of business risk focuses on viz. (i) defining auditable units, (ii) defining the risk criteria, (iii) constructing the risk model and (iv) ranking the auditable units.

i) Defining Auditable units

Auditable units are defined as individual applications, business units, departments or offices each of these approaches either limits the scope of an audit project or broadens it beyond what can reasonably be managed.

ii) Defining the risk criteria

The model is based on operational risk, exposure and controls. Each area is broken down into sub-categories as follows:

Operational risk (people, systems, process, contractual, reputational and political)

Exposure (financial, regulatory and customer);

Controls (people, process, information systems and reporting).

The controls categories are further broken down into the following sub-categories viz. people, process and information systems.

iii) Constructing the Risk Model

The risk assessment and audit planning methodology is a structured approach to a subjective process. The risk assessment and planning model is the product of value judgments.

iv) Ranking the Auditable units

The risk profile spreadsheet computes a score for each auditable unit based on operational risk, exposure and control. This score is then converted into a ranking for each criterion as follows:

Operational Risk - high, medium, low

Exposure - high, medium, low

Control - high, medium, low

2) Developing Audit Programme

Once the annual plan is developed and approved, Audit Programme are developed for each audit to be undertaken. Audit Programme is to be reviewed prior to the start of each audit to determine if there have been any changes. The steps in developing an Audit Programme are: understand the operations, develop flowchart or narrative, review the process with the concerned staff and develop the Audit Programme

3) Implementing the Annual Audit Plan

The department undertakes structured approach to accomplish the annual plan and the actual audit can be broken up into a number of stages stated below.

Preparation stage

At this stage, the team leader ensures that all the necessary requirements for the audit are prepared and available and preliminary reviews and information gathering is undertaken.

Fieldwork

During the fieldwork the auditor gathers evidence in order to determine the status of operations and controls within a particular area. This evidence is the basis for the auditor's conclusions about a particular assignment.

Documentation or working paper

The working papers are evidence in support of the audit findings and opinion.

Audit Findings

Findings are pertinent statements of fact uncovered during the course of an audit and these are to be reported. The findings are reviewed by the Team leader and the Head of Audit prior to the final report being issued

- 4) **Reporting**
The audit reports are submitted to the auditable units, senior management and to the Audit Committee of the Board. The audit reports contain findings which are of a critical nature and have a major impact on the organization. Other operational issues identified during the audit which are considered not to be of a material nature but are worth are reported through 'Management Report' to the Head of the Department/Office and Head of the area being audited.
- 5) **Follow-up**
Internal Auditors follow up to ensure that appropriate and timely action has been taken on audit findings and recommendations. Internal Audit Department reports to the Audit Committee on the current status of outstanding findings and what action is being taken to resolve the issues.
- 6) **External Audit**
Internal audit uses the external audit reports and ensures that any issues raised by the external auditor have been followed up by management and whether corrective action has been taken in a timely manner

2.28 General

These financial statements are presented in Taka. Figures appearing in these financial statements have been rounded off to the nearest Taka.

Notes	Particulars	2013 Taka	2012 Taka
3	Cash		
	Cash In Hand(Including foreign currency)		
	Local Currency	8,463,419,359	6,021,500,803
	Foreign Currency	738,173,653	457,311,360
		9,201,593,012	6,478,812,163
	Balance with Bangladesh Bank and its Agent Bank		
	Local Currency	39,348,904,104	35,208,519,425
	Foreign Currency	940,996,526	2,937,813
		40,289,900,630	35,211,457,238
		49,491,493,642	41,690,269,401

Details of unadjusted entries are shown in annexure-A

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

Cash Reserve Requirements (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 25 & 33 of the Bank Companies Act 1991 and subsequent MPD Circular No.4 & 5 dated December 01, 2010.

The Cash Reserve Requirement on the Bank's time and demand liabilities at the rate of 6% has been calculated and maintained with Bangladesh Bank in current account and 19% Statutory Liquidity Ratio, including CRR, on the liabilities has also been maintained in the form of treasury bills, bonds and debentures including F.C. balance with Bangladesh Bank. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:

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

Cash Reserve Requirement (CRR)	Percentage		
Required	6%	35,971,700,000	31,342,300,000
Maintained (as per Bank Statement)	6.24%	37,424,235,000	31,640,485,000
Surplus/(Deficit)	0.24%	1,452,535,000	298,185,000
Statutory Liquidity Ratio (SLR) (including CRR)			
Required	19%	113,910,500,000	99,250,500,000
Maintained	45.30%	271,604,000,000	158,224,957,000
Surplus/(Deficit)	26.30%	157,693,500,000	58,974,457,000

As per MPD Circular No. 4 & 5 dated December 01, 2010 Sonali Bank Ltd. has to maintain Tk.3597.17 (6% of Total Demand & Time liabilities) crore daily average on fortnightly basis on December 2013 as CRR .

As per directives of Bangladesh Bank actual CRR should be maintained at an average of 6% on time and demand liabilities on a fortnightly basis. However, minimum 5.5% can be maintained for a particular day of the fortnight. Therefore, effectively there was no shortfall in CRR as per Bangladesh Bank directives.

3.1.02 Components of Statutory Liquidity Ratio (SLR)

Cash in hand	9,201,593,012	6,478,812,163
Balance with Bangladesh Bank and its agent bank(s)	40,289,900,630	35,211,457,238
Government Treasury Bills	111,048,037,375	15,982,484,695
Government Bonds	142,731,576,454	114,016,990,058
	303,271,107,471	171,689,744,154

3.(a) Consolidated Cash

Cash In Hand		
Sonali Bank Ltd. (3.00)	9,201,593,012	6,478,812,163
Sonali Investment Ltd.	-	-
Sonali Exchange Co.,Inc	-	-
	9,201,593,012	6,478,812,163

Notes	Particulars	2013 Taka	2012 Taka
	Balance with Bangladesh Bank and its agent bank(s)		
	Sonali Bank Ltd. (3.00)	40,289,900,630	35,211,457,238
	Sonali Investment Ltd.	-	-
	Sonali Exchange Co.Inc	-	-
		40,289,900,630	35,211,457,238
		49,491,493,642	41,690,269,401

4 Balance with Other Banks and Financial Institutions:

Inside Bangladesh - Note 4.1	9,535,019,000	4,838,819,000
Outside Bangladesh - Note 4.2	8,225,313,986	5,683,006,081
	17,760,332,986	10,521,825,081

4.01 Balance with other Banks and Financial Institutions In Bangladesh :

	Transaction Currency		
Agrani Bank Ltd.	BDT	2,000,019,000	-
BASIC Bank	BDT	500,000,000	-
Bangladesh Development Bank Ltd.	BDT	1,000,000,000	-
Bangladesh Industrial Finance Company Ltd.	BDT	200,000,000	120,000,000
Bangladesh Finance & Investment Company Ltd.	BDT	100,000,000	100,000,000
First Lease Finance & Investment Ltd.	BDT	100,000,000	160,000,000
FAS Finance & Investment Ltd.	BDT	100,000,000	-
Fidelity	BDT	-	50,000,000
GSP Finance CO Ltd	BDT	150,000,000	-
Ind Infrastructure & Development Co. (IIDFC)	BDT	-	150,000,000
ICB Islamic Bank Ltd	BDT	145,800,000	-
National Bank of Pakistan	BDT	250,000,000	-
Oriental Bank Ltd.	BDT	-	145,819,000
People's Leasing & Financial Services Ltd.	BDT	500,000,000	650,000,000
Premier Leasing & Finance Ltd	BDT	100,000,000	-
Phoenix Finance & Investment Limited	BDT	300,000,000	-
Reliance Finance Ltd.	BDT	490,000,000	400,000,000
Sonali Bank UK Ltd	BDT	3,499,200,000	-
Union Capital Limited	BDT	100,000,000	-
Uttara Finance & Investment Ltd	BDT	-	200,000,000
FDR(FC)	BDT	-	2,863,000,000
		9,535,019,000	4,838,819,000

4.02 Balance Held with Foreign Banks (Outside Bangladesh)

a. Foreign Banks -Note 4.2.1	7,739,583,802	5,164,455,383
b. Asian Clearing Union -Note 4.2.2	111,483,474	90,639,485
c. Overseas Branches of Sonali Bank Ltd.-Note 4.2.3	374,246,710	427,911,213
	8,225,313,986	5,683,006,081

Notes	Particulars	2013 Taka	2012 Taka
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4.2.1 Balance held with foreign bank

Particulars	Foreign Currency	As at 31 December 2013		
		FC amount	Exchange rate	Balance (Taka)
Sonali Bank (UK) Ltd. London	GBP	13,072,394.09	128	1,674,597,213
Sonali Bank (UK) Ltd. London	GBP	63,719.56	128	8,162,476
Sonali Bank (UK) Ltd. London	GBP	185,962.74	128	23,823,352
Zaire Bank, London	GBP	276,433.40	128	35,411,616
Net West Bank Plc, London	USD	50,478.14	78	3,925,180
Standard Chartered Bank, N.Y.	USD	1,657,991.10	78	128,925,388
Sonali Bank (UK) Ltd., London	USD	33,754,233.70	77	2,592,385,906
Sonali Bank (UK) Ltd., London	USD	35,862,012.94	78	2,788,630,126
J.P Margon Chase Bank, N.Y.	USD	104,235.84	78	8,105,379
Bank of America, N.Y.	USD	11,610.37	78	902,822
Rafediyan Bank, Iraq	USD	255,938.60	78	19,901,786
Habib American Bank, N.Y.	USD	2,168,507.39	78	168,623,135
Chase Chemical Bank	USD	693,634.55	78	53,937,023
Sonali Bank Kolkata Br.	USD	9,474.75	78	736,757
Bangladesh Foreign Post Office (BFPO)	USD	2,257,506.50	78	175,543,705
Euno Credito Italian Spa, Italy	EURO	515,232.88	107	55,046,605
Sonali Bank (UK) Ltd. London	EURO	8,661.06	107	925,334
Total				7,739,583,802

4.2.2 Balance Held with Asian Clearing Union (ACU)

Particulars	Foreign Currency	As at 31 December 2013		
		FC amount	Exchange rate	Balance (Taka) Debit
Sonali Bank Ltd Kolkata	EURO	31,653.05	107	3,381,760
Myanma Economic Bank	EURO	150,000.00	107	16,025,753
Myanma Economic Bank	USD	200,000.00	78	15,552,000
Nepal Bank Ltd. Kathmundu, Nepal	USD	47,250.00	78	3,674,191
Myanmar Foreign Trade Bank	USD	13,565.62	78	1,054,862
Bank of Bhutan	USD	538,269.50	78	41,855,836
Habib Metropolitan Bank Ltd.	USD	186,229.19	78	14,481,182
Bank Tejarat, Iran	USD	-	-	18,383
Myanma Investment & Com. Bank	USD	200,000.00	78	15,552,000
Standard Chartered Bank, Karachi	USD	5.48	78	426
HSBC, Karachi, Pakistan	USD	-	-	3,700
Bank of Ceylon, Sri Lanka	USD	45,486.38	78	3,537,021
Total Debit Balance				115,137,114

Notes	Particulars	2013 Taka	2012 Taka
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Particulars	Foreign Currency	As at 31 December 2013		
		FC amount	Exchange rate	Balance Taka Credit
Sonali Bank Ltd Kolkata	USD	46,840.94	78	3,642,351
National Bank of Pakistan, Karachi	USD	-	-	-
Bank of Milli, Iran	USD	50.00	78	3,888
HSBC, Karachi, Pakistan	USD	-	-	-
Total Credit Balance				3,646,239
Surplus /deficit				(7,401)
Grand Total				111,483,474

4.2.3 Balance Held with Overseas Branches of Sonali Bank Limited

Particulars	Foreign Currency	As at 31 December 2013		
		FC amount	Exchange rate	Equivalent Taka
Overseas Branches (Kolkata & Siliguri)	IRS	304,810,808	1	374,246,710
Total				374,246,710

4.03 Maturity grouping of balance with other banks & financial institutions

On Demand	11,125,313,986	4,629,603,036
Less than three months	500,000,000	2,630,456,270
More than three months but less than one year	2,150,000,000	3,051,329,273
More than one year but less than five years	3,985,019,000	210,436,502
More than five years	-	-
	17,760,332,986	10,521,825,081

4 (a) Consolidated balance with other banks and financial institutions

In Bangladesh

Sonali Bank Ltd. (4.1)	9,535,019,000	4,838,819,000
Sonali Investment Ltd.	158,351,579	257,945,404
Sonali Exchange Co.,Inc	-	-
	9,693,370,579	5,096,764,404
Less: Inter Company Balance Eliminated	139,288,027	85,971,759
	9,554,082,552	5,010,792,645

Outside Bangladesh

Sonali Bank Ltd. (4.2)	8,225,313,986	5,683,006,081
Sonali Investment Ltd.	-	-
Sonali Exchange Co.,Inc	268,650,225	304,650,195
	8,493,964,211	5,987,656,276

18,048,046,763 **10,998,448,921**

5 Money at Call on Short Notice

Inside Bangladesh - Note 5.1	4,380,000,000	7,730,000,000
Outside Bangladesh - Note 5.2	81,595,150	18,948,670
	4,461,595,150	7,748,948,670

5.01 Inside Bangladesh

ICB Islamic Bank Ltd.	180,000,000	180,000,000
People Leasing	-	-
Agrani Bank Ltd	-	-
AB Bank Ltd	-	-
Estern Bank Ltd	-	2,600,000,000
Jamuna Bank Ltd	-	-
Mutual Trust Bank Ltd.	-	700,000,000
Mercantile Bank Ltd	-	2,300,000,000

Notes	Particulars	2013 Taka	2012 Taka
	NCC Bank Ltd	-	-
	Uttara Bank Ltd	-	-
	Prime Bank Ltd	-	1,550,000,000
	Pubali Bank Ltd	-	-
	ICB	2,400,000,000	-
	Lanka Bangla Finance	-	-
	Reliance Finance	-	400,000,000
	Brac Bank Ltd.	-	-
	Standard Chartered Bank Ltd.	1,800,000,000	-
		4,380,000,000	7,730,000,000
5.02	Outside Bangladesh		
	Kolkata Branch of Sonali Bank Limited	81,595,150	18,948,670
6	Investments :		
	Government Securities:		
	Treasury Bills		
	28 days Treasury Bills	-	-
	91 days Treasury Bills	24,933,792,040	5,687,110,041
	182 days Treasury Bills	39,377,082,408	4,010,504,657
	364 days Treasury Bills	32,943,811,906	6,284,869,997
	5 Years Treasury Bills	-	-
	Total amount	97,254,686,354	15,982,484,695
	Add: Reverse REPO with Others Bank	13,793,351,021	-
		111,048,037,375	15,982,484,695
	Less: REPO with Others Bank	-	-
	Total Treasury Bills	111,048,037,375	15,982,484,695
	Government Bonds		
	Prize Bonds	103,684,910	107,641,710
	T & T Treasury Bond	-	-
	Sub Total	103,684,910	107,641,710
	Bangladesh Government Treasury Bond (Note 6.3.2)	142,627,891,544	113,909,348,348
	Less: REPO with Others Bank	-	-
	Sub Total	142,627,891,544	113,909,348,348
	Total Government Bonds	142,731,576,454	114,016,990,058
	Government Approved Debentures (Note 6.3)	-	-
	Total Government Securities and Bonds	253,779,613,829	129,999,474,753
	Other Investments:		
	Ordinary Share	13,269,640,900	13,521,277,832
	Sonali Bank UK Limited	1,636,955,639	1,648,852,962
	Debentures Public	125,587,900	180,977,900
	Debentures	51,921,225	53,921,225
	Private Bonds (6.4)	1,183,750,000	1,280,625,000
	Investment in Sonali Investment Ltd.	2,000,000,000	2,000,000,000
	Investment in SECI	73,872,000	75,786,250
	Security Deposit with Central Bank of India	9,213,984	9,798,759
	Sonali Polaries FT LTD.	29,250,000	29,250,000
		18,380,191,648	18,800,489,928
	Outside Bangladesh (Overseas Branches)	96,459,054	110,273,789
		18,476,650,702	18,910,763,717
	Total Other Investments	272,256,264,531	148,910,238,470
	Investment in Sonali Bank UK Limited includes share of profit from associates in compliance with Bangladesh Accounting Standards (BAS)-28.		
6.01	Government securities are classified according to Circular No. 05 dated 26-05-2008 as follows		
	Held for Trading (HFT)	141,009,607,651	41,429,574,614
	Held to Maturity (HTM)	112,966,936,668	88,818,263,829
	Other Investments	18,279,720,212	18,662,400,027
		272,256,264,531	148,910,238,470

Notes	Particulars	2013 Taka	2012 Taka
6.02	Maturity grouping of Investments as follows :		
	On demand	19,595,094,985	107,641,710
	Less than three months	28,510,900,000	9,416,900,000
	More than three months but less than one year	71,271,586,354	16,170,822,598
	More than one year but less than five years	51,377,600,000	30,203,512,528
	Above five years	101,501,083,192	93,011,361,634
		272,256,264,531	148,910,238,470

6.3 Cost and Market value of Investments as on 31.12.2013 as follows :

Government

Treasury Bills (Note- 6.3.1)

Reverse Repo

T & T Treasury Bond

Bangladesh Government Treasury Bond (Note- 6.3.2)

Government Approved Debentures

Prize Bonds

	<u>Cost Price-2013</u>	<u>Cost Price-2012</u>
Treasury Bills (Note- 6.3.1)	97,254,686,354	15,982,484,695
Reverse Repo	13,793,351,021	-
T & T Treasury Bond	-	-
Bangladesh Government Treasury Bond (Note- 6.3.2)	142,627,891,544	113,909,348,348
Government Approved Debentures	-	-
Prize Bonds	103,684,910	107,641,710
	253,779,613,829	129,999,474,753

6.3.1 Government Securities:

Treasury Bills

28 days Treasury Bills

91 days Treasury Bills

182 days Treasury Bills

364 days Treasury Bills

5 Years Treasury Bills

28 days Treasury Bills	-	-
91 days Treasury Bills	24,933,792,040	5,687,110,041
182 days Treasury Bills	39,377,082,408	4,010,504,657
364 days Treasury Bills	32,943,811,906	6,284,869,997
5 Years Treasury Bills	-	-
	97,254,686,354	15,982,484,695

6.3.02 Government treasury bonds

2 Years treasury bond

5 Years treasury bond

10 Years Bangladesh Government treasury bond (BGTB)

15 Years Government treasury bond (BGTB)

20 Years Government treasury bond (BGTB)

1-13 Years treasury bond (BJMC)

5-15 Years BPC treasury bond

25 Years SPL treasury bond

2 Years treasury bond	1,877,155,957	-
5 Years treasury bond	22,662,982,727	21,491,054,864
10 Years Bangladesh Government treasury bond (BGTB)	37,944,972,470	32,506,374,769
15 Years Government treasury bond (BGTB)	8,281,686,728	7,460,221,419
20 Years Government treasury bond (BGTB)	6,511,656,662	6,149,556,296
1-13 Years treasury bond (BJMC)	6,425,000,000	6,425,000,000
5-15 Years BPC treasury bond	58,164,700,000	38,954,600,000
25 Years SPL treasury bond	759,737,000	922,541,000
	142,627,891,544	113,909,348,348

Investment in Shares & Bond

Particulars	Number of Company	Market Price	Cost Price	Cost Price
		2013	2013	2012
Listed Securities	97	7,622,497,785	5,161,856,032	5,081,593,640
Un-Listed Securities	14	5,647,143,115	5,647,143,115	5,583,726,295
		13,269,640,900	10,808,999,148	10,665,319,935

Listed Securities

Investments have been recorded at market price. Market value of securities has been determined on the basis of the value of securities at the last trading day of the year.

Sector wise investment

Listed securities

Sector	Number of Company	Market Price	Cost Price	Cost Price
		2013	2013	2012
Bank and NBFI	46	6,219,408,978	3,266,241,230	3,714,202,401
Insurance Companies	5	39,522,794	110,933,152	213,045,183
Fuel and Power Co.	10	245,488,861	467,538,793	124,009,582
Manufacturing & Other	36	1,118,077,152	1,317,142,858	1,030,336,474
	97	7,622,497,785	5,161,856,032	5,081,593,640

Notes	Particulars	2013 Taka	2012 Taka
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Un-Listed Securities

The unlisted investments are shown at cost because the fair value cannot be measured reliably

Sector	Number of Company	Market Price 2013	Cost Price 2013	Cost Price 2012
Bank and NBFI	6	326,203,015	326,203,015	318,778,975
Manufacturing	3	10,440,100	10,440,100	15,997,000
Others	5	5,310,500,000	5,310,500,000	5,248,950,320
	14	5,647,143,115	5,647,143,115	5,583,726,295

Details shown in Annexure-G.

6.04 Private Bond

5 Years Prime Bank Bond	210,000,000	210,000,000
5 Years Orascom Telecom Bond	20,000,000	30,000,000
5 Years Mutule Trust Bank Bond	250,000,000	250,000,000
5 Years Northern Power Solution Bond	93,750,000	140,625,000
5 Years Trust Bank Bond	250,000,000	250,000,000
5 Years Dhaka Bank bond	200,000,000	200,000,000
5 Years National Bank Bond bond	160,000,000	200,000,000
	1,183,750,000	1,280,625,000

6 (a) Consolidated Investment

Government Securities

Sonali Bank Ltd.	253,779,613,829	129,999,474,753
Sonali Investment Ltd.	-	-
Sonali Exchange Co.,Inc	-	-
	253,779,613,829	129,999,474,753

Others

Sonali Bank Ltd.	18,476,650,702	18,910,763,717
Sonali Investment Ltd.	228,791,729	184,546,835
Sonali Exchange Co.,Inc	-	-
	18,705,442,431	19,095,310,552

Less: Investment in Subsidiary:

Sonali Investment Ltd.	2,000,000,000	2,000,000,000
Sonali Exchange Co.,Inc	73,872,000	75,786,250
	2,073,872,000	2,075,786,250
	16,631,570,431	17,019,524,302
	270,411,184,260	147,018,999,055

7 Loans and Advances/Investments

Inside Bangladesh - Note 7.1	314,565,768,853	338,169,168,357
Outside Bangladesh - Note 7.2	155,437,838	164,075,717
Total Loan and advances (Loans, Cash credit, Overdraft etc.)	314,721,206,691	338,333,244,074
Bills purchased and Discounted - Note 7.3	28,729,318,814	39,813,811,528
	343,450,525,505	378,147,055,602

7.01 Inside Bangladesh

Loan - Note 7.1.1	268,833,531,639	288,140,132,053
Cash Credit - Note 7.1.2	31,550,165,351	37,248,541,190
Overdraft - Note 7.1.3	14,182,071,863	12,780,495,114
	314,565,768,853	338,169,168,357

Notes	Particulars	2013 Taka	2012 Taka
7.1.01	Head-wise Loans, Cash Credits and Overdrafts:		
	Inside Bangladesh:		
	Loans		
	Demand Loan	2,253,908,344	2,903,491,924
	Small Loan	311,152,329	386,028,048
	House Building Loan (General)	857,499,557	675,128,377
	Staff House Building Loan	40,462,008,154	35,865,712,667
	Staff Loan	2,469,860,679	2,358,849,593
	Special Small Loan Program	1,523,781,357	785,835,824
	Loan Under S.B Industrial Credit Scheme(Project)	33,813,575,082	37,593,637,987
	Loan under External Credit Program	690,378,270	115,108,327
	Working Capital to Industries. (Hypo)	24,160,261,777	41,294,322,353
	Working Capital to Industries.(Pledge)	3,099,489,569	3,212,188,686
	Sonali credit	19,611,617	9,477,465
	Loan under SB Agro Based Industrial Cr.Scheme	8,169,874,054	7,671,940,491
	Working Capital to Agrobased Ind. (Hypo)	9,543,713,522	9,889,494,235
	Working Capital to Agro based Ind..(Pledge)	6,060,237,121	5,885,481,024
	Agricultural Loan	33,530,772,907	29,278,985,402
	Micro Credit (SFL Scheme plus RSTL Scheme)	10,999,319,917	9,820,387,785
	Loan under Imported Merchandise(LIM)	1,788,824,020	2,461,845,544
	Loan against Trust Receipt	48,530,300,167	54,415,410,102
	Forced Loan against Back to Back L/C	21,949,768,178	36,261,155,227
	Loan for L/C under WES.	602,981	136,339
	Loan against Inland Bills	2,026,770,836	-
	Current Account Barter (Debit Balance)	932,606,463	932,606,463
	Bridge Finance	2,457,248,287	255,938,597
	Portfolio Loan Account	-	-
	Small Trading Loan	771,750,706	749,584,170
	Lease Finance	113,785,684	202,320,452
	Rural Small Trading Loan Scheme	-	-
	Probasi Karmo Sangsthan Prokalpa	1,410,565	4,819,277
	Consumer Loan	2,768,668,304	1,724,116,113
	Term Loan to Freedom Fighter	40,540,608	36,970,048
	Education Loan	485,040	5,548,323
	Foreign Education Loan Program	20,042,043	2,894,460
	SME Finance(Term Loan to Service)	641,639,941	536,172,906
	SME Finance(Term Loan Industries)	319,489,887	192,772,140
	SME Finance(Working Capital to Ind.Ser.Tre.)	8,428,443,673	2,201,859,652
	Term Loan to Banks & NBFIs	75,710,000	409,912,052
		268,833,531,639	288,140,132,053
7.1.2	Cash Credits:		
	Cash Credit General (Hypo)	16,031,978,407	21,970,499,669
	Cash Credit General (Pledge)	9,317,344,962	9,119,364,248
	Packing Cash Credit	6,200,841,982	6,158,677,273
		31,550,165,351	37,248,541,190
7.1.03	Overdrafts etc.:		
	Overdraft Loan	14,182,071,863	12,780,495,114
		14,182,071,863	12,780,495,114
7.02	Outside Bangladesh		
	Loan - Note 7.2.1	19,977,729	21,066,223
	Cash Credit - Note 7.2.2	1,889,672	5,752,721
	Overdraft - Note 7.2.3	133,570,437	137,256,773
		155,437,838	164,075,717

Notes	Particulars	2013 Taka	2012 Taka
7.2.1	Head-wise Loans, Cash Credits and Overdrafts:		
	Outside Bangladesh:		
	Loan		
	Demand Loan	9,944,406	13,501,239
	Small Loan	54,961	104,053
	House Building Loan	9,978,362	7,460,931
		19,977,729	21,066,223
7.2.02	Cash Credit	1,889,672	5,752,721
7.2.03	Overdraft	133,570,437	137,256,773
7.03	Bills Purchased and Discounted (excluding treasury bills)		
	Payable inside Bangladesh	24,889,893,288	33,701,732,030
	Payable outside Bangladesh	3,839,425,526	6,112,079,498
		28,729,318,814	39,813,811,528
7.3.01	Payment against Documents (PAD)		
	Inland Bills Purchased	11,012,970,731	17,965,364,084
	Foreign Bills Purchased/Negotiated (Clean)	13,876,922,557	15,736,367,946
	Foreign Bills Purchased/Negotiated (Documents)	147,214,920	1,100,965,402
		3,601,138,714	4,895,123,356
		28,638,246,922	39,697,820,788
	Foreign Bills Purchased/Negotiated (Documents) of Overseas Branches	91,071,892	115,990,740
		28,729,318,814	39,813,811,528
7.04	Residual maturity grouping of loans and advances / investments including bills purchased and discounted		
	Loans and Advances		
	On demand	48,198,731,963	35,309,154,702
	Not more than 3 Months	1,209,968,926	9,020,238,058
	More than 3 months but not more than 1 Year	12,595,513,577	151,170,090,880
	More than 1 Year but not more than 5 Years	122,440,571,517	40,607,186,414
	More than 5 Years	130,276,420,709	102,226,574,023
		314,721,206,692	338,333,244,077
	Bills purchased and discounted		
	Not more than 1 Month	23,356,202,995	30,564,969,062
	More than 1 month but not more than 3 Months	1,511,120,967	2,663,138,165
	More than 3 months but not more than 6 Months	3,856,666,256	4,261,512,109
	More than 6 Months	5,328,596	2,324,192,192
		28,729,318,814	39,813,811,528
7.05	Net Performing loans and advances / Investments		
	Gross loans and advances / investments	343,450,525,505	378,147,055,602
	Non-performing loans and advances / investments	93,057,191,715	97,157,415,091
		436,507,717,220	475,304,470,693
7.06	Loans and advances / Investments on the basis of significant concentration excluding bills purchased and discounted		
	Advances to Chief Executive and other Senior Executives	38,051,406	47,818,610
	Advances to the Customers Group	229,145,625,889	232,623,252,364
	Industry based Advances	85,537,529,395	105,662,173,103
		314,721,206,690	338,333,244,077
7.6.01	Industrial advances (Category wise)		
	Loan Under S.B Industrial Credit Scheme(Project)	33,813,575,082	37,593,637,987
	Loan under External Credit Program	690,378,270	115,108,327
	Working Capital to Industries. (Hypo)	24,160,261,777	41,294,322,353
	Working Capital to Industries.(Pledge)	3,099,489,569	3,212,188,686
	Loan under'SB Agro Based Industrial Cr.Scheme	8,169,874,054	7,671,940,491
	Working Capital to Agro based Ind. (Hypo)	9,543,713,522	9,889,494,235
	Working Capital to Agro based Ind..(Pledge)	6,060,237,121	5,885,481,024
		85,537,529,395	105,662,173,103

Notes	Particulars	2013 Taka	2012 Taka
7.07	Number of clients, with amount of outstanding and classified loans to whom loans and advances sanctioned more than 10% of total capital		
	Total Capital	28,281,665,615	11,394,181,831
	10% of total capital	2,828,166,562	1,139,418,183

During the year 2013, there are number of client, with amount of outstanding and classified loans, to whom loans and advances sanctioned more than 10% of total capital of the bank.

Name of Customers Group	Outstanding amount in Crore	Classified amount in Crore
Bangladesh Petroleum Corporation (B. P. C)	385	-
Beximco Group	1,331	184
Bangladesh Suger and Food Ind. Corporation	799	-
Hallmark Group	2,552	1,710
Max Spinning Mills	526	526
Anwara Spinning Mills	474	474
Bangladesh Agricultural Development Corporation (BADC)	834	-
Beximco Ltd.	889	162
Bangladesh Chemical Ind. Corp.	3,168	-
Bangladesh Power Development Board	2,511	-
Direct General Defense Purchase	645	-
Electric Generation Company	2,175	-
T& Brothers	683	413
BAPEX	548	-
Thermax Group	476	-
	17,997	3,469

7.08 Geographical Location-wise Loans and Advances:

In Bangladesh

**% of Total Loans 2013 % of Total Loans
2012**

a) Urban:

Dhaka Division	61.97%	67.20%	212,829,115,775	254,101,589,145
Mymensingh	4.33%	3.59%	14,856,600,000	13,584,900,000
Faridpur	3.08%	2.69%	10,568,600,000	10,168,600,000
Chittagong Division	6.23%	6.64%	21,399,300,000	25,112,200,000
Comilla	3.04%	2.52%	10,456,600,000	9,530,800,000
Rajshahi Division	4.65%	3.68%	15,964,800,000	13,921,800,000
Khulna Division	8.06%	6.73%	27,681,600,000	25,467,400,000
Sylhet Division	1.10%	0.97%	3,782,900,000	3,679,000,000
Barisal Division	1.71%	1.38%	5,886,000,000	5,200,500,000
Rangpur	5.76%	4.52%	19,778,500,000	17,100,200,000
Total Inside Bangladesh	99.93%	99.93%	343,204,015,775	377,866,989,145
Outside Bangladesh	0.07%	0.07%	246,509,730	280,066,457
	100%	100%	343,450,525,505	378,147,055,602

7.09 Provision held against loans and advance

This is made up as follows:

Classified loan	70,054,500,000	73,675,200,000
Un-classified loan	3,691,200,000	3,767,500,000
	73,745,700,000	77,442,700,000

Provision for Classified and Unclassified Loans Require Provision:

Require Provision:

For Classified Loan	70,054,500,000	73,675,200,000
For Unclassified Loan	3,691,200,000	3,694,500,000
	73,745,700,000	77,369,700,000

Less: Provision Made:

For Classified Loan	70,054,500,000	73,675,200,000
For Unclassified Loan	3,691,200,000	3,767,500,000
	73,745,700,000	77,442,700,000

Notes	Particulars	2013 Taka	2012 Taka
	Surplus		
	For Classified Loan		-
	For Unclassified Loan		73,000,000
			73,000,000

Loans and advances amounting Tk. 9,327.88 million was not classified due to High-Court Injunction of not to classify the said amount on the writ petition of borrowers.

7.09.1 Classification of advances as per Bangladesh Bank circular

Unclassified	% of Total Loans		2013 Taka	2012 Taka
	2013	2012		
Standard including staff loan	67.60%	64.96%	232,178,890,270	245,662,000,125
Special Mention Account (SMA)	2.11%	1.65%	7,256,425,504	6,229,685,900
	69.71%	66.61%	239,435,315,774	251,891,686,025
Classified				
Substandard	1.60%	4.28%	5,488,000,120	16,181,400,793
Doubtful	1.30%	2.65%	4,464,498,850	10,016,500,205
Bad / Loss	27.32%	26.39%	93,816,201,030	99,777,402,122
	30.21%	33.31%	103,768,700,000	125,975,303,120
Overseas branches	0.07%	0.07%	246,509,730	280,066,457
	100.00%	100.00%	343,450,525,504	378,147,055,602

7.10 Particulars of required provision for loans and advances / investments

Status	Base for provision	Rate (%)	Required Provision 2013	Figure in Crore Required Provision 2012
General provision				
Standard				
i) HF & LP	47.43	2%	1	0.760
ii) Other than HF & LP	434.46	5%	22	20.140
iii) Agri & Micro	2,551.64	5%	128	111.480
iv) Others	20,991.04	1%	210	202.800
Small enterprise financing	831.42	0.25%	2	3.740
Housing Finance	-	2%	-	-
Special mention account (SMA)	677.93	5%	7	30.560
Consumers loan scheme		5%	-	-
	25,533.92		369	369.480

* General provision is kept @ 1% on general loans and advances / investments and 2% on Housing Finance & Loan for Professional under consumer financing and 5% on consumer financing

Specific provision Status	Figure in Crore			
	Base for provision	Rate (%)	Required Provision 2013	Required Provision 2012
Sub-standard	331.12		40.77	137.03
i) Short term Micro Credit	169.47	5%	8.47	4.69
ii) Others	161.49	20%	32.30	132.34
Doubtful	270.49		82.96	321.06
i) Short term Micro Credit	116.18	5%	5.81	4.51
ii) Others	154.31	50%	77.16	316.55
Bad / Loss	6,882.49	100%	6,882.49	6,909.45
	7,484.10		7,006	7,367.54

Required provision for loans and advances / investments	7,375	7,737
Provision Held (Note-7.09)	7,375	7,745
Excess / (shortfall) provision at 31 December 2013	-	8

Hotel Sheraton Corporate Branch of Sonali Bank Ltd. has fraudulently distributed Tk. 20,614.20 million (including IBP Tk. 11,758 million) as loans and advances to the various parties in the years 2011 and 2012 in contravention with banking rules and regulation, of which a large sum amounting Tk. 19,115.40 million was disbursed to Hall Mark Group. The remaining amount was disbursed to three companies/groups namely T & Brothers, Paragon Group & DN Group amounting Tk.4,257.45 million, Tk 227.46 million and Tk. 144.11 million respectively. In addition to above said inland bills purchased by Hotel Sheraton Branch, Gulshan Corporate Branch also fraudulently purchased inland bills amounting to Tk 979.30 million and Tk 234.60 million respectively. The said amount was found to be outstanding due to the purchasing of inland bills against falsified papers by Hotel Sheraton Corporate Branch and granting further acceptance to overdue parties by Gulshan Corporate Branch. However, required provision was provided in the year-2012.

Notes	Particulars	2013 Taka	2012 Taka
7.11	Particulars of Advances / Investments		
i)	Debts considered good in respect of which the Bank is fully secured.	191,939,084,907	231,764,158,244
ii)	Debts considered good for which the bank holds no other security than the debtor's personal security	10,291,431,241	10,228,433,953
iii)	Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	44,887,254,501	16,929,970,062
iv)	Loans/ adversely classified provision not maintained there against	-	-
		247,117,770,649	258,922,562,259
v)	Debts due by directors or officers of the bank or any of them either severally or jointly with any other persons.	42,931,868,833	38,224,562,260
vi)	Debts due by companies or firms in which the directors or Officers 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 bank or any of them either severally or jointly with any other persons.	42,931,868,833	38,224,562,260
viii)	Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which any of the directors of the bank are interested as partners or managing agent or, in case of private companies as members.	-	-
ix)	Due from other banking companies	-	-
x)	Classified loans for which interest/profit not credited to income	-	-
a)	Provision on classified loans and advances (Notes 13.2.i)	64,583,500,000	73,675,200,000
b)	Increase/decrease of provision (specific)	(9,091,700,000)	36,107,500,000
c)	Amount of written off debt front provision	3,901,721,072	1,075,151,987
d)	Amount recovered against the debt which was previously written off	42,952,000	165,926,569
e)	Amount of provision kept against the amount classified as bad or loss	64,583,500,000	73,675,200,000
f)	Amount of interest charged in suspense account (Note 13.4)	18,981,870,709	19,714,715,091
xi)	Written off Loans as per BRPD Circular no-02 dated 13 January 2003: Cumulative amount of written off loans	46,555,634,421	24,213,812,215
	Amount realized during the year	857,249,000	1,320,300,000
	Amount of written off debt during the year	23,193,429,070	4,229,400,000
xii)	Amount of written off loans for which law suits have been filed for recovery	46,555,634,421	24,213,812,215
7 (a)	Consolidated Loans and Advances		
	Loan, Cash Credit and Overdrafts		
	Sonali Bank Ltd.(Note-07)	314,721,206,691	338,333,244,074
	Sonali Investment Ltd.	2,467,270,240	2,523,646,168
	Sonali Exchange Co.,Inc	-	-
		317,188,476,931	340,856,890,242
7(b)	Bills purchased and discounted		
	Payment against Documents (PAD)		
	Inland Bills Purchased	11,012,970,731	17,965,364,084
	Foreign Bills Purchased/Negotiated (Clean)	13,876,922,557	15,736,367,946
	Foreign Bills Purchased/Negotiated (Docu)	147,214,920	1,100,965,402
		3,601,138,714	4,895,123,356
		28,638,246,922	39,697,820,788
	Foreign Bills Purchased/Negotiated (Docu) of Overseas Branches	91,071,892	115,990,740
		28,729,318,814	39,813,811,528

Notes	Particulars	2013 Taka	2012 Taka
8	Fixed Asset including Premises, Furniture & Fixture		
	(A) Cost		
	In Bangladesh:		
	Premises	30,916,948,838	21,407,790,622
	Building	499,880,779	468,461,076
	Furniture	760,097,610	697,796,439
	Electric Installation	656,200,875	583,958,775
	Computer	1,204,699,617	1,116,389,719
	Type Writer Machine	5,902,313	5,803,456
	Motor Car & Other Vehicle	247,445,682	252,440,522
	Library	4,505,276	4,008,590
	Sub-Total(In Bangladesh)	34,295,680,991	24,536,649,199
	Overseas Branches:		
	Kolkata Branch	8,013,768	8,232,703
	Siliguri Branch	566,692	501,563
	Sub-Total (Overseas Branches)	8,580,460	8,734,266
	Total Cost Value	34,304,261,451	24,545,383,465
	(B) Accumulated Depreciation		
	In Bangladesh:		
	Premises	213,466,471	183,493,698
	Building	-	-
	Furniture	314,133,846	252,489,534
	Electric Installation	381,348,287	277,139,021
	Computer	766,484,536	586,006,584
	Type Writer Machine	3,672,260	2,552,849
	Motor Car & Other Vehicle	120,064,666	119,153,358
	Library	1,156,793	891,520
	Sub-Total(In Bangladesh)	1,800,326,859	1,421,726,563
	Overseas Branches:		
	Kolkata Branch	1,214,666	1,167,598
	Siliguri Branch	108,854	90,879
	Sub-Total (Overseas Branches)	1,323,520	1,258,477
	Total Accumulated Depreciation	1,801,650,379	1,422,985,040
	Written down value (A-B)	32,502,611,072	23,122,398,424
	(Details shown in Annexure-B)		
8.01	Movement of Fixed assets		
	Cost (Original)/Revaluation	24,543,087,520	24,034,806,488
	Addition during the year	9,845,033,651	574,457,583
		34,388,121,171	24,609,264,071
	Less: Disposal/Adjustment during the year	83,859,720	63,880,605
		34,304,261,451	24,545,383,466
	Less: Accumulated Depreciation	1,801,650,379	1,422,985,042
	(Details shown in Annexure-B)	32,502,611,072	23,122,398,424
8 (a)	Consolidated Fixed assets including Premises, Furniture and Fixtures		
	Cost Less Accumulated Depreciation		
	Sonali Bank Ltd.(Note-08)	32,502,611,072	23,122,398,424
	Sonali Investment Ltd.	20,400,432	25,122,720
	Sonali Exchange Co.,Inc	6,787,515	7,198,018
		32,529,799,019	23,154,719,161

Taka 2,970,000 and Taka 539,890 paid to the Government through treasury challan for purchasing 0.33 and 0.275 acres of land for construction of bank premises (Court Building, Tangail and Rajshahi) as advance. The said plots of land will be registered after obtaining permission from the Ministry of Land, Government of the People's Republic of Bangladesh.

Notes	Particulars	2013 Taka	2012 Taka
9	Other Asset		
	Sonali Exchange Co.Inc. USA	283,229,282	286,151,031
	Stationery, Stamps and Printing Materials in hand	232,070,828	472,690,974
	Advance Rent, Advertisement etc.	239,437,511	115,628,416
	Interest, Commission and Exchange Receivable	11,983,776,534	9,262,795,789
	Prepaid Expenses	65,329,691	65,863,928
	Branch Adjustment	36,175,264,245	45,988,285,267
	Suspense A/C	611,846,973	845,739,649
	Others	82,709,772,412	86,771,795,054
		132,300,727,476	143,808,950,108
	Classification of Assets by Category		
	Performing other assets		
	i) Sonali Exchange Co. Inc. USA (Note -9.1)	283,229,282	286,151,031
	ii) Advance Rent, Advertisement etc. (Note-9.3)	239,437,511	115,628,416
	iii) Interest, Commission and Exchange Receivable (9.4)	11,983,776,534	9,262,795,789
	iv) Prepaid Expenses (9.5)	65,329,691	65,863,928
		12,571,773,018	9,730,439,164
	Non performing other assets		
	v) Stationery, Stamps and Printing Materials in hand (9.2)	232,070,828	472,690,974
	vi) Branch Adjustment(9.6)	36,175,264,245	45,988,285,267
	vii) Suspense A/C (9.7)	611,846,973	845,739,649
	viii) Others (9.8)	82,709,772,412	86,771,795,054
		119,728,954,458	134,078,510,944
		132,300,727,476	143,808,950,108
9.01	Sonali Exchange Co.Inc. USA & SIL Dhaka		
	Ordinary Shares	-	-
	Long term loan at prevailing rate of Interest	113,229,282	116,151,032
	Long term loan at SIL Dhaka	170,000,000	170,000,000
		283,229,282	286,151,031
9.02	Stationery, Stamps and Printing Materials in hand		
	Stamps on hand	12,053,862	248,669,738
	Stationery on hand	220,016,966	224,021,236
		232,070,828	472,690,974
9.03	Advance Rent and Advertisement etc.		
	Advance Rent	239,437,511	115,628,416
	Advertisement	-	-
		239,437,511	115,628,416
9.04	Interest accrued but not collected on investment, Commission and Brokerage, Shares and debentures and other income receivables: (Transferred from adjusting a/c. Dr. Balance):		
	i) Interest receivable	10,341,819,483	6,522,180,731
	ii) Commission receivable	1,639,609,645	2,718,300,343
	iii) Exchange receivable	2,347,406	22,314,715
		11,983,776,534	9,262,795,789
9.05	Preliminary, Formation and Organization Expenses, Renovation/development Expenses, and prepaid Expenses		
	Prepaid Expenses (Transferred from adjusting A/C)		
	Rent	1,449,102	190,000
	Taxes	-	1,535,726
	Law charges	126,262	2,192,653
	Postage and Telegram	1,064,424	983,239
	Sundries	62,689,903	60,962,310
		65,329,691	65,863,928

Notes	Particulars	2013 Taka	2012 Taka
9.06	Branch Adjustment		
	Debit Balance		
	Sonali Bank General Account Balance	1,563,851,047,873	1,033,744,053,073
	Main Office Account Balance	299,450,841,728	311,847,928,000
	Sonali Bank General Account (RMS+)	12,238,624,980	34,053,552,272
	Sonali Bank General Account (IFRMS)	1,242,123,286,070	634,169,649,977
		3,117,663,800,651	2,013,815,183,322
	Less: Credit Balance		
	Sonali Bank General Account Balance	1,653,980,958,423	1,006,818,260,971
	Main Office Account Balance	337,699,610,121	325,204,534,937
	Sonali Bank General Account (RMS+)	14,373,955,747	61,953,001,778
	Sonali Bank General Account (IFRMS)	1,075,434,012,115	573,851,100,369
		3,081,488,536,406	1,967,826,898,055
		36,175,264,245	45,988,285,267
9.07	Suspense Account		
	1 Advance Deposit	-	-
	2 Pre-Paid Expenses	2,642,933	1,003,590
	3 Dead Stock	19,130	98,201
	4 Land and Premises	154,677	76,688
	5 Bonus to staff	-	10,000
	6 Advance Recoverable	154,068,661	92,153,649
	7 Charges incurred but not accounted for :		
	a) Salary & Allowances	311,250	151,632
	b) Traveling Expenses	3,994,665	5,430,364
	c) Rent	8,000	5,400
	d) Taxes	-	23,600
	e) Insurance	-	169,990
	f) Miscellaneous	450,647,657	746,616,535
		454,961,572	752,397,521
		611,846,973	845,739,649
9.08	Others :		
	a Draft Payable Account (Ex-Advice)	227,217,582	316,629,820
	b Govt. Draft Payable Account (Ex-Advice)	18,950,848	43,896,709
	c Protested Bills	286,797,489	238,744,081
	d Wage Earners' Fund Purchased Adjustment A/C.	2,363,726,758	2,132,313,956
	e Agri-Loan Other Exemption A/C-2004	255,133	255,133
	f Exchange Equalization	-	279,480,055
	g Agri-Loan Interest Exemption A/C-2004	4,372,295	5,961,863
	h Income Tax Deducted at Source	12,412,900,084	11,739,457,796
	i Sonali Bank Ltd. Employees Pension fund Investment	-	-
	j Sonali Bank Ltd. Employees PDCRB fund Investment	-	-
	k BRDB UCCA Crop Loans Penal Int. Exemption	639,049,723	759,049,723
	l BRDB UCCA Crop Loans Exemption	1,073,790,753	1,073,790,753
	m BRDB UCCA Crop Loans Int & Penal Int. Exemption-2007	757,008,222	757,008,222
	n Settlement A/C	25,311,806	29,487,872
	o Loan Exemption Under Jute Sectors Reform Proj. 94-95.	5,094,543,083	5,362,676,930
	p Demand Drafts purchased	677,104,906	1,109,610,717
	q Pension bills	-	-
	Pension bills (Army)	8,974,204,186	6,928,772,829
	Pension bills(Civil)	1,210,885,415	755,585,875
	r PSP/BSP Encashment	689,293,252	1,760,883,045
	s Agri Exemption A/C affected by River Erosion	98,964,362	12,079
	t UCCA Loan Remission for River Erosion	6,044,155	98,424,139
	u NRT A/C Dr. Balance	795,020,593	700,014,481
	v Intangible Assets- Valuation Adjustment 09.08.01)	26,295,082,834	32,869,403,550

Notes	Particulars	2013 Taka	2012 Taka
w	Deferred Tax assets (9.8.2)	20,918,309,185	19,642,680,978
x	Frozen Fish Loan Exemption A/C	101,773,510	101,773,510
y(i)	Branch Reconstruction A/C	50,195	50,195
	Sub Total (a to z)	82,670,656,369	86,705,964,311
y(ii)	Other Assets of India operation	39,116,043	65,830,743
y(iii)	Loss Incurred by Siliguri Branch	-	-
	Total ((a+y)+y(i)+y(ii))	82,709,772,412	86,771,795,054

9.8.01 Intangible Assets-Valuation adjustment

Sonali Bank Limited took over the assets and liabilities of former Sonali Bank through a vendor's agreement executed between Government of Bangladesh and Sonali Bank Limited on 15 November 2007 with retrospective effect from 1 July 2007. According to the decision (Ref. no.MOF/FD/Banking Policy Dept.-2/Loan-6/07/147 dated 9 April 2008) in a meeting dated 24 March 2008 of the representatives from the Ministry of Finance, Bangladesh Bank, Securities and Exchange Commission (SEC) and three State- owned commercial Banks goodwill had been created for issuing shares in the name of the Government although there existed accumulated loss of Tk.65,743,207,158 as on 30 June 2007. The accounting of accumulated loss was made by debiting the Intangible. Assets-Valuation Adjustment under 'Other Assets' in lieu of Goodwill which would be gradually written off within the next 10 years. A sum of Tk. 3,944.81 crore has been amortized up to 2012 by charging 'Amortization of intangible assets' in the Profit & Loss Account. The net balance of the account stands at Tk.2,629.51 Crore as on 31 December 2013.

Opening balance of Intangible Asset	32,869,403,550	39,443,724,266
Less: Charged during the year	6,574,320,716	6,574,320,716
Closing Balance	26,295,082,834	32,869,403,550

9.8.02 Deferred Tax assets

Opening Balance	19,642,680,978	15,898,679,825
Addition during the year	1,275,628,207	3,744,001,153
Closing Balance	20,918,309,185	19,642,680,978
i) Written down value of Fixed Assets		
a) Carrying amount at balance sheet date	1,998,875,618	2,143,112,272
Less Land Value Amount	-	-
Carrying value without considering land value	1,998,875,618	2,143,112,272
b) Tax base	1,791,871,765	1,890,625,711
c) Taxable/(Deductible) Temporary Difference (a-b)	(207,003,853)	(252,486,561)
ii) Employees Liabilities		
a) Carrying amount at balance sheet date	(50,235,579,787)	(46,179,726,606)
b) Tax base	-	-
c) Taxable/(Deductible) Temporary Difference (a-b)	(50,235,579,787)	(46,179,726,606)
iii) Interest on securities		
Interest on securities(Accrued)	15,077,974,866	15,054,420,224
Interest on securities(Cash)	13,854,942,253	14,840,279,946
	1,223,032,613	214,140,278
iv) Provision for Bad & Loss Loan	-	-
a) Carrying amount at balance sheet date	-	-
b) Tax base	-	-
c) Taxable/(Deductible) Temporary Difference (a-b)	-	-
v) Total temporary difference	(49,219,551,027)	(46,218,072,889)
vi) Tax Rate	42.50%	42.50%
vii) Deferred Tax assets	(20,918,309,186)	(19,642,680,978)
viii) prior year adjustment	-	-
	(20,918,309,186)	(19,642,680,978)
ix) Opening Deferred Tax	(19,642,680,978)	(15,898,679,825)
Decrease/(Increase) of deferred Tax (Assets)/Liabilities	(1,275,628,207)	(3,744,001,153)

Sonali Bank has recognized deferred tax assets on provision for bad loss loan (i.e. future tax benefits from the write off loans) for the first time. Therefore the Bank has shown retrospective effect for the assets generated from provision for bad loss loan from the earlier years. In calculating the deferred tax assets we have not considered SIC 21 guidelines. Had the calculation been made as per SIC 21 guidelines SBL would have additional deferred tax liability on carrying value of land at the rate of 2%. The above change in deferred tax liability would have affected the closing balance of deferred tax assets and charge for the year.

Notes	Particulars	2013 Taka	2012 Taka
9.09	Provision held against Other Assets		
a.	Suspense Account	33,206,134	31,393,330
b.	Protested Bills	286,797,489	238,744,081
c.	Branch Adjustment (unreconciled entries) (50% of Diffn. Betn. Debit & Credit entries of 2003 & before)	-	-
d.	Branch Reconstruction Account	50,195	50,195
e.	Sub Total (a to d)	320,053,818	270,187,606
f.	Agri Loan Exemption affected by River Erosion BRDB UCCA Crops Loans Int.Penal Int. Exempt. A/Ct 1994	98,964,362	759,049,723
g.	BRDB UCCA Crops Loans Int. Penal Int. Exempt. A/C 2001	-	1,073,790,753
h.	UCCA Loan Remission for River Erosion	-	98,424,139
i.	BRDB UCCA Crops Loans Int.Penal Int. Exempt. A/Ct 2007	-	757,008,222
j.	Frozen Fish Loan Exemption A/C	101,773,510	101,773,510
k.	Interest Receivable from Govt. against exemption of loan on Sick Industry	-	-
l.	NRT A/C Dr. Balance	663,006,000	-
m.	Others	363,100,000	-
n.	Sub Total (f to l)	1,226,843,872	2,790,046,347
	Required Provision (e+p)	1,546,897,690	3,060,233,953
	Less: Provision made up to 31 December 2012 (9.10.1 & 9.10.2)	1,546,897,690	3,616,697,187
	Surplus	-	556,463,234
9.10.01	Movement of the Provision against Other Assets		
	Opening balance	3,616,697,187	3,617,182,035
	Less: Written- off during the year	121,542,000	484,848
		3,495,155,187	3,616,697,187
	Less: Transferred to P&L A/C	1,948,257,497	-
		1,546,897,690	3,616,697,187
	Add: Addition during the year	-	-
		1,546,897,690	3,616,697,187
9.10.2	Provision made against other assets		
	Other assets	1,319,297,139	3,269,096,636
	Interest reserve against BRDB UCCA Crops Loan	98,074,453	155,528,213
	Interest reserve Penal against BRDB UCCA crops Loan	-	62,546,240
	BRDB/UCCA Crop Loan Intt.& P.Intt. Reserve A/C.-2007	84,247,526	84,247,526
	Interest Reserve against Agri-Loan Interest Exemption 2004	45,278,572	45,278,572
		1,546,897,690	3,616,697,187
9 (a)	Consolidated Other Assets		
	Sonali Bank Limited (Note - 9)	132,300,727,476	143,808,950,108
	Sonali Investment Ltd. (Note - 9.01a)	111,322,018	128,966,675
	Sonali Exchange Co.,Inc (Note - 9.02a)	12,489,345	21,740,841
		132,424,538,839	143,959,657,624
	Less: Investment in Subsidiary:		
	Sonali Investment Ltd.	319,500,000	510,000,000
	Sonali Exchange Co.,Inc	112,752,000	115,673,750
		432,252,000	625,673,750
		131,992,286,839	143,333,983,874
9.01(a)	Sonali Investment Ltd.		
	Other Receivable	83,946,146	71,903,304
	Advance, Deposit and Prepayments	1,477,625	4,618,672
	Advance Income Tax	25,898,247	52,444,699
		111,322,018	128,966,675
9.02(a)	Sonali Exchange Co.,Inc		
	Accounts Receivable	6,371,188	11,824,330
	Others	1,500,535	-
	Security Deposit	4,617,622	5,632,753
	Prepaid Expenses	-	4,283,758
		12,489,345	21,740,841
10	Non Banking Assets	-	-

Notes	Particulars	2013 Taka	2012 Taka
11	Borrowings From Other Banks, Financial Institutions & Agents		
	In Bangladesh(11.1)	938,079,370	9,994,300,253
	Outside Bangladesh(11.2)	-	-
		938,079,370	9,994,300,253
11.01	In Bangladesh		
	Bangladesh Bank Demand Loan:		
	Refinance against RHFG from Bangladesh Bank	4,354,370	1,507,684
	Refinance against BPC from Bangladesh Bank	-	-
	Refinance against Jute Sector from Bangladesh Bank	933,725,000	987,392,569
	Refinance against NWRDP from Bangladesh Bank	-	6,000,000
	Borrowing from BB (ALS)	-	8,999,400,000
	Money at Call on Short Notice	-	-
		938,079,370	9,994,300,253
11.02	Outside Bangladesh		
	Overseas Branches	-	-
11.03	Security against borrowings from other banks, financial institutions and agents		
	Secured (against bills)	-	-
	Unsecured	938,079,370	9,994,300,253
		938,079,370	9,994,300,253
11.04	Maturity Grouping of Borrowing From Other Banks, Financial Institutions & Agents		
	Payable on demand	-	-
	Repayable on within 1 month	-	8,999,400,000
	Over 1 month but within 3 Months	-	-
	Over 3 months but within 1 year	-	994,900,253
	Over 1 year but within 5 years	-	-
	Over 5 year but within 10 years	938,079,370	-
		938,079,370	9,994,300,253
12	Deposits and other accounts		
	Current Deposit & Other Accounts	147,060,091,620	144,306,694,511
	Bills Payable	8,430,055,666	9,902,635,021
	Savings Deposits	174,662,133,158	169,544,942,250
	Fixed Deposits	355,742,308,951	275,539,430,328
	Total Deposits and other accounts	685,894,589,395	599,293,702,110
	Deposits and other accounts		
	Inter bank deposits	22,817,251,802	18,103,573,888
	Other deposits	663,077,337,593	581,190,128,222
		685,894,589,395	599,293,702,110
12.1	Deposits and other accounts		
	Payable on Demand		
	Deposit from banks	18,449,991,616	15,032,257,784
	Other than banks	108,881,023,335	114,728,320,267
		127,331,014,951	129,760,578,051
	Other Deposits		
	Deposit from banks	4,367,260,186	3,071,316,104
	Other than banks	554,196,314,258	466,461,807,955
		558,563,574,444	469,533,124,059
		685,894,589,395	599,293,702,110

Notes	Particulars	2013 Taka	2012 Taka
12.2	Deposits and Other Accounts (Category wise)		
	Domestic Branches		
	Current and Contingency (12.3.a)	146,577,798,222	143,811,050,383
	Bills Payable (12.4.a)	8,430,055,666	9,902,635,021
	Savings Bank Account (12.5.a)	174,629,632,351	169,510,166,307
	Fixed Deposits (12.6.a)	355,621,857,105	275,403,113,708
	Other Deposits	-	-
		685,259,343,344	598,626,965,419
	Overseas Branches		
	Current and Contingency (12.3.b)	482,293,398	495,644,128
	Bills Payable (12.4.b)	-	-
	Savings Bank Account (12.5.b)	32,500,807	34,775,943
	Fixed Deposit (12.6.b)	120,451,846	136,316,620
	Other Deposits	-	-
		635,246,051	666,736,691
	Total Domestic & Overseas Branches	685,894,589,395	599,293,702,110
12.3	Current and Contingency		
	a) Domestic Branches		
	Current A/C (credit Balance)	126,259,346,420	128,446,439,050
	Hajj Deposits	15,650	6,465,073
	Margin on Letter of Credit	534,253,087	789,223,847
	Margin on Bank Guarantee	55,106,396	22,805,953
	Foreign Bank Deposit	743,703,716	770,951,700
	ATM A/c.	13,396,499	58,702,885
	Current A/C Barter	2,431,731,318	2,668,919,050
	Fixed Deposit Interest	8,262,559,814	6,601,970,082
	School Banking Scheme	20,483,407	13,825,613
	Call Deposit	388,181,612	150,612,802
	Monthly Earning Scheme Interest	367,606,589	203,123,129
	Double Benefit Scheme Interest	2,956,533,160	1,553,908,274
	Foreign Currency Deposit	3,986,744,752	2,000,270,775
	Unsold Balance of N.F.C.D.	336,947,267	377,153,383
	Credit Balance of Loan & Advances	221,188,535	146,678,767
		146,577,798,222	143,811,050,383
	b) Overseas Branches	482,293,398	495,644,128
	Total Domestic & Overseas Branches	147,060,091,620	144,306,694,511
12.4	Bills Payable		
	a) Domestic Branches		
	Draft Payable	3,479,603,618	4,675,326,116
	Govt. Draft Payable	91,420,881	102,928,292
	Payment Order	4,785,432,644	5,058,832,778
	Foreign Draft/Travelers Cheque Issued A/c.	36,650,060	8,279,073
	Foreign Draft Payable A/c.	36,948,464	57,268,762
		8,430,055,666	9,902,635,021
	b) Overseas Branches	-	-
	Total Domestic & Overseas Branches	8,430,055,666	9,902,635,021
12.5	Savings Bank Deposits		
	a) Domestic Branches	174,629,632,351	169,510,166,307
	b) Overseas Branches	32,500,807	34,775,943
		174,662,133,158	169,544,942,250

Notes	Particulars	2013 Taka	2012 Taka
12.6 Fixed Deposit			
a. Domestic Branches			
Fixed Deposits		186,886,721,216	153,341,727,102
Short Notice deposits		55,556,960,658	40,727,027,082
Deposit Pension Scheme		756,230,139	1,234,721,077
Special Deposit Pension Scheme		103,044,077	242,905,095
Sonali Deposit Scheme		8,256,838,923	8,165,327,567
Education Deposit Scheme.		9,004,470,819	7,755,429,515
Medicare Deposit Scheme		20,158,545,242	16,849,811,410
Rural Deposit Schemes		2,600,239,946	1,997,798,661
Monthly Earning Schemes		20,610,876,921	11,701,134,815
Marriage Savings Schemes		1,728,362,845	1,063,743,280
Double Benefit Scheme		34,145,678,042	19,866,522,269
Triple Benefit Scheme		783,114,707	-
Millionaire Deposited Scheme		766,244,821	-
Daily Profit Scheme		58,687,425	487,783,274
Non Resident Deposit Scheme		66,831,451	71,602,790
Retirement Savings Scheme		471,291,262	417,222,356
Sonali Retirement Savings Scheme		1,627,028,232	1,068,133,600
S.B.Employees Provident Fund (General)		10,446,148,906	9,065,279,334
S.B. Employees Provident Fund (Contributory)		1,594,541,473	1,346,944,481
		355,621,857,105	275,403,113,708
b. Overseas Branches		120,451,846	136,316,620
Total		355,742,308,951	275,539,430,328
12.7 Analysis of residual maturity grouping			
Maturity Grouping of deposits and other accounts (Including Bills Payable)			
Repayable on Demand		208,461,301,635	205,617,535,565
Repayable within 1 Month		44,083,800,690	39,029,883,563
Over 1 month but within 6 Months		112,884,961,181	87,917,008,190
Over 6 months but within 1 year		113,147,100,026	99,509,787,905
Over 1 year but within 5 years		125,435,550,295	101,460,902,693
Over 5 years but within 10 years		81,873,576,939	65,751,114,210
Over 10 years		8,298,629	7,469,984
		685,894,589,395	599,293,702,110
Inter-Bank Deposits			
Repayable on Demand		11,408,625,902	9,051,786,944
Repayable within 1 Month		7,986,038,131	6,336,250,861
Over 1 month but within 6 Months		-	-
Over 6 months but within 1 year		2,281,725,181	1,810,357,389
Over 1 year but within 5 years		1,140,862,590	905,178,694
Over 5 years but within 10 years		-	-
Over 10 years		-	-
		22,817,251,804	18,103,573,888
Other Deposits			
Repayable on Demand		197,052,675,732	196,565,748,621
Repayable within 1 Month		36,097,762,559	32,693,632,702
Over 1 month but within 6 Months		112,884,961,180	87,917,008,190
Over 6 months but within 1 year		110,865,374,848	97,699,430,516
Over 1 year but within 5 years		124,294,687,705	100,555,723,999
Over 5 years but within 10 years		81,873,576,938	65,751,114,210
Over 10 years		8,298,629	7,469,984
		663,077,337,591	581,190,128,222
		685,894,589,395	599,293,702,110

Notes	Particulars	2013 Taka	2012 Taka
	<u>Bills Payables</u>		
	Repayable on Demand	8,430,055,666	9,902,635,021
	Repayable within 1 Month	-	-
	Over 1 month but within 6 Months	-	-
	Over 6 months but within 1 year	-	-
	Over 1 year but within 5 years	-	-
	Over 5 years but within 10 years	-	-
	Over 10 years	-	-
		8,430,055,666	9,902,635,021
	Un-claimed deposits for 10 years or more held by the bank as on 31 December 2013	8,298,629	7,469,984
12 (a)	Consolidated Current Accounts and Other Accounts		
	Sonali Bank Ltd. (Note - 12.03)	147,060,091,620	144,306,694,511
	Sonali Investment Ltd.	-	-
	Sonali Exchange Co.,Inc	-	-
		147,060,091,620	144,306,694,511
	Less : Inter Company balance Eliminated	139,288,027	85,971,758
		146,920,803,593	144,220,722,753
13	Other liabilities		
	Domestic Branches		
	Provision for Classified loans (13.01)	70,054,500,000	73,675,200,000
	Provision for Un-Classified loans	3,691,200,000	3,767,500,000
	Provision against diminishing value of Investment	-	-
	Interest Suspense (13.02)	19,311,491,715	19,714,715,091
	Liability for employees benefit (PDCRB & Pension fund) (13.03)	6,837,436,720	3,780,068,371
	Branched Adjustment	-	-
	Provision for Income Tax (13.04)	3,377,267,809	3,740,526,092
	Provision for other assets	1,319,297,139	3,269,096,636
	Provision for Commission Receivable	-	60,300,000
	Exporters' Foreign Currency Retention Quota	188,741,808	270,945,823
	Provision against Off Balance Sheet Exposure	1,758,027,954	1,989,364,052
	Provision for Exgratia/Bonus etc (13.05)	1,667,463,668	1,772,000,221
	Provision for loss on Revaluation of Foreign Currency held	-	279,480,055
	Foreign Correspondent Charges	6,926,948	3,326,832
	Adjusting Account Credit Balance	205,314,412	227,934,217
	Foreign Currency Fund Purchased A/C	2,699,044,287	2,371,720,659
	Provision for NOSTRO A/C	3,870,013	-
	Vocational Women's Cr.Scheme Guarantee Fund	256,353	256,353
	Agricultural Guarantee Against I.D.A. Credit -724 B.D.	19,562,611	19,562,611
	Industrial Cr. Guarantee Claims received Fund	1,834,493	1,834,493
	Bangladesh Bank Cr.Guarantee Fee I.D.A Cr. - 825 B.D.	178,997	178,997
	I.D.A. Service Charges 765 B.D.	530,812	530,812
	BSCIC Service Charges I.D.A Credit -825 B.D.	4,881,123	4,881,123
	Revolving fund against I.D.A. Credit -725 B.D.	27,820,800	27,820,800
	Sundry Deposits (H.O)	1,588,414,835	2,265,712,915
	Interest Subsidy Account	3,585,618	3,585,618
	SPL A/C's Proceeds of Import Documents Dr.of F.C(NBP)	787,657	787,657
	Special accounts surplus Proceeds of Import Goods	8,479	8,479
	Unclaimed Dividend (NBP)	149,577	149,577
	AST-CIDA Guarantee Fund for MCDSF.	45,312	45,312
	Mother Club Women's Cr.Guarantee Fund	2,554,409	2,554,409
	Interest Reserve against Agri-Loan Interest Exemption 2004	45,278,572	45,278,572
	BRDB/UCCA Crop Loan Intt. P.Intt. Reserve A/C.1994	-	62,546,240
	BRDB/UCCA Crop Loan Interest Reserve A/C.2001	98,074,453	155,528,213
	Balance Held with Foreign Bank abroad (Cr Balance)	1,602,150,282	3,941,475,774
	Cr. Balance in F.C Clearing A/C	7,712,064	-

Notes	Particulars	2013 Taka	2012 Taka
	Asian Clearing Union (NOSTRO)	-	-
	Loan from IDA Credit No. 765 BD.	56,824,870	56,824,870
	Sirajganj Integrated Rural Development Fund	36,126,145	35,186,558
	Agro Based Industrial & Technology Dev. Proj.	95,079,860	-
	Operational A/C RD--9.	8,568,827	8,568,827
	Rebate A/C of Term Loans to NBF	8,754,774	7,108,969
	FC. Clearing A/C (Credit Balance)	-	-
	Provision for X-checker	10,000,000	10,000,000
	CSR	-	23,694,232
	Security Merjin	-	-
	I.D.A. Credit -3917 B.D.	206,125,673	196,654,522
	BRDB/UCCA Crop Loan Intt.& P.Intt. Reserve A/C.-2007	84,247,526	84,247,526
	Profit Repatriated from Overseas Branch	-	-
	Other provision of Indian operation	689,257	689,258
	Asian Clearing Union (VOSTRO)	130,184,659	138,570,411
		115,161,010,511	122,016,461,177
	Overseas Branches		
	Profit Earned by Overseas Branch	58,004,328	105,762,420
	Other Liabilities of Overseas Branch	74,508,775	67,061,684
	Reserve Fund of Kolkata Branch	88,672,261	82,398,149
		221,185,364	255,222,253
		115,382,195,875	122,271,683,430
13.01	Accumulated Provision for Loans and Advances		
	i) Provision for Classified loans		
	Balance at the beginning of the period	73,675,200,000	37,567,700,000
	Less: Loans written off which fully Provided for	3,901,721,072	1,075,151,987
		69,773,478,928	36,492,548,013
	Add: Recovery Loans which was Written off earlier	42,952,086	165,926,569
		69,816,431,014	36,658,474,582
	Add: Specific Provision made during the year	238,068,986	37,016,725,418
		70,054,500,000	73,675,200,000
	Less: Recovered and Provision which no more required	-	-
	Add: Net Charge on Profit Loss Account	-	-
	Balance at the end of the year	70,054,500,000	73,675,200,000
	ii) Provision for Un-Classified loans		
	Balance at the beginning of the period	3,767,500,000	3,767,500,000
	Less: Loans written off which fully Provided for	-	-
		3,767,500,000	3,767,500,000
	Add: Recovery from the Previous Written Off Loans	-	-
		3,767,500,000	3,767,500,000
	Add: Special Provision made during the year	-	-
		3,767,500,000	3,767,500,000
	Less: Recovered and Provision which no more required	76,300,000	-
		3,691,200,000	3,767,500,000
	Add: Net Charge on Profit Loss Account	-	-
	Balance at the end of the year	3,691,200,000	3,767,500,000
13.02	Interest Suspense		
	Balance at the beginning of the period		
	Interest Reserve	19,666,662,492	15,824,027,771
	Interest Reserve Penal Interest	48,052,599	59,458,423
		19,714,715,091	15,883,486,194
	Add: Amount transferred to "Interest Suspense" Account during the year	329,621,006	
	Interest Reserve	10,364,898,836	3,842,822,539
	Interest Reserve Penal Interest	-	-
		10,364,898,836	3,842,822,539

Notes	Particulars	2013 Taka	2012 Taka
	Less: Amount Recovered in "Interest Suspense" account during the year		
	Interest Reserve	4,371,598,101	-
	Interest Reserve Penal Interest	13,735,518	11,405,824
		4,385,333,619	11,405,824
	Less: Amount written off during the year		
	Interest Reserve	6,712,409,599	187,818
	Interest Reserve Penal Interest	-	-
		6,712,409,599	187,818
	Balance at the end of the period		
	Interest Reserve	18,947,553,628	19,666,662,492
	Interest Reserve Penal Interest	34,317,081	48,052,599
		19,311,491,715	19,714,715,091
13.03	Liability for employees benefit (PDCRB & Pension fund)		
	Fair value of defined benefit obligation (a)	29,207,436,720	27,390,068,371
	Less: Fair value of benefit plan assets (b)	22,370,000,000	23,610,000,000
		6,837,436,720	3,780,068,371
	a) Fair value of defined benefit obligation		
	Opening Balance		
	Sonali Bank Ltd. Employees Pension fund	1,792,647,156	1,656,274,946
	Sonali Bank Ltd. Employees PDCR Benefit fund	25,597,385,581	23,121,181,508
	Provision for employees benefit	35,634	35,634
		27,390,068,371	24,777,492,088
	Transfer/Adjustment made during the year		
	Sonali Bank Ltd. Employees Pension fund	-	-
	Sonali Bank Ltd. Employees PDCR Benefit fund	-	-
	Provision for employees benefit	-	-
	Less: Payment made during the year		
	Sonali Bank Ltd. Employees Pension fund	244,509,886	247,298,358
	Sonali Bank Ltd. Employees PDCR Benefit fund	3,880,318,924	4,294,147,600
	Provision for employees benefit	-	-
		4,124,828,810	4,541,445,958
	Add: Creation during the year		
	Sonali Bank Ltd. Employees Pension fund	249,725,308	383,670,568
	Sonali Bank Ltd. Employees PDCR Benefit fund	5,692,471,851	6,770,351,673
	Provision for employees benefit	-	-
		5,942,197,159	7,154,022,241
	Closing Balance		
	Sonali Bank Ltd. Employees Pension fund	1,797,862,578	1,792,647,156
	Sonali Bank Ltd. Employees PDCR Benefit fund	27,409,538,508	25,597,385,581
	Provision for employees benefit	35,634	35,634
		29,207,436,720	27,390,068,371
	Provision Maintained	29,207,436,720	27,390,068,371
	Provision Required	-	-
	Provision Surplus/(Deficit)	29,207,436,720	27,390,068,371

Notes	Particulars	2013 Taka	2012 Taka
	b) Fair value of benefit plan assets		
	Fund Investments		
	Sonali Bank Employees PDCRB Investment		
	Bangladesh Govt. Treasury Bond	-	330,000,000
	FDR-Local Office (SBL)	21,800,000,000	21,800,000,000
	FDR- Bank Asia Ltd	-	10,000,000
	FDR-Premier Bank Ltd	-	50,000,000
	FDR_AB Bank Ltd	20,000,000	-
		21,820,000,000	22,190,000,000
	Sonali Bank Employees Pension Fund Investment		
	Bangladesh Govt. Treasury Bond	450,000,000	1,320,000,000
	FDR- Local Office	100,000,000	100,000,000
		550,000,000	1,420,000,000
	Total Fair value of benefit plan Assets	22,370,000,000	23,610,000,000
13.04	Provision for Income Tax		
	Balance at the beginning of the year	3,740,526,092	4,304,829,924
	Less: Payment during the year	600,000,000	1,000,000,000
	Add : Amount transferred during the year	236,741,717	435,696,168
	Add : Income tax on indian operation	-	-
	Balance at the end of the year	3,377,267,809	3,740,526,092
13.04(a)	Consolidated Income Tax Expenses		
	Sonali Bank Ltd.	236,741,717	435,696,168
	Sonali Investment Ltd.	14,586,099	7,943,391
	Sonali Exchange Co. Inc.	1,312,850	454,391
		252,640,666	444,093,950
13.05	Provision for Bonus/ Exgratia		
	Opening Balance	1,772,000,221	1,352,375,026
	Less: Payment during the year	1,619,832,908	1,080,482,192
	Add: Realized during the year	15,296,355	107,387
	Add: Made during the year	1,500,000,000	1,500,000,000
		1,667,463,668	1,772,000,221
13 (a)	Consolidated Other Liabilities		
	Sonali Bank Ltd. (Note -13)	115,382,195,875	122,271,683,430
	Sonali Investment Ltd.	795,091,363	600,466,985
	Sonali Exchange Co., Inc.	95,781,269	141,473,863
		116,273,068,507	123,013,624,278
13.01(a)	Sonali Investment Limited		
	Portfolio Margin Deposit Control	31,814,990	23,725,236
	Payable for Client Sale	19,536,040	9,733,154
	Liabilities for Expenses	12,352,361	19,725,543
	Other Liabilities	445,356,372	414,950,872
	Provision against Portfolio Loan	221,760,337	81,354,840
	Provision against Investment in Shares	41,741,772	12,600,099
	Liabilities for Income Tax	22,529,491	38,377,241
		795,091,363	600,466,985
13.02(a)	Sonali Exchange Co., Inc.		
	Remittance Payable to Beneficiary	55,121,498	138,405,237
	Accured Interest	2,369,658	2,430,984
	Other Payable	37,085,300	-
	Accured Taxes	1,204,813	637,642
		95,781,269	141,473,863

Notes	Particulars	2013 Taka	2012 Taka
14	Share Capital	11,250,000,000	11,250,000,000
14.01	Authorized 200,000,000 share 100 each	20,000,000,000	20,000,000,000
14.02	Issued, subscribed and fully paid up Capital 112,500,000 ordinary shares of Taka 100 each	11,250,000,000	11,250,000,000

The entire amount of the paid up capital has been subscribed by the Government of the People's Republic of Bangladesh but each Director of the Bank is the holder of one symbolic Share of taka one hundred.

14.03 Capital Adequacy of the Bank

In terms of section 13(2) of Bank Company Act, 1991 and Bangladesh Bank BRPD circular no. 09 dated 31 December 2008, required capital of the Bank at the close of business on 31 December 2013 was Taka 37,239.10 million as against core capital of Taka 14,140.83 million and supplementary capital of Taka 14,140.83 million making a total capital of Taka 28,281.67 million thereby showing a Deficit of capital/equity of Taka 8,957.42 million at the year end:

Total risk weighted assets	372,390,900,000	354,065,800,000
Required capital @ 10% of risk weighted assets	37,239,090,000	35,406,580,000
Capital held:		
Core capital (Tier-I)	14,140,832,808	(3,345,094,572)
Supplementary capital (Tier-II)	14,140,832,808	-
Total Capital	28,281,665,616	(3,345,094,572)
Surplus/ (deficit)	(8,957,424,384)	(38,751,674,572)
Percentage of capital held against risk weighted assets	0	-0.94%

14.3.01 Capital requirement	Required	Held	Required	Held
Tier - I	5%	3.8%	4.50%	-0.94%
Tier - II	5%	3.8%	4.50%	-
	10.00%	7.59%	9.00%	-0.94%

14.3.02 Core capital (Tier-I)

Paid up capital	11,250,000,000	11,250,000,000
Statutory reserve	6,433,177,755	5,924,918,206
General reserve	47,000,000	47,000,000
Retained earnings	(21,683,844,947)	(18,738,512,778)
Share money deposit (received against Proposed right share issue)	19,950,000,000	-
Deduction (Investment subsidiaries which are not consolidated-50%)	(1,855,500,000)	(1,828,500,000)
	14,140,832,808	(3,345,094,572)

Supplementary capital (Tier-II)

General provision for unclassified loans	3,621,200,000	3,777,864,052
Assets revaluation reserve up to 50% (Fixed Assets)	15,164,900,000	10,430,312,351
General provision for off balance sheet exposures	1,758,027,954	1,979,000,000
Revaluation Reserve for securities up to 50%	611,000,000	95,000,000
Revaluation Reserve for Equity instrument up to 10%	246,100,000	285,600,000
Deduction (Investment subsidiaries which are not consolidated-50%)	(1,855,400,000)	(1,828,500,000)
	19,545,827,954	14,739,276,403

Tier-II capital should be equal or less than Tier-I capital	14,140,832,808	11,394,181,831
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14.3.03 Calculation of Revaluation Reserves on HTM Securities

In terms of Bangladesh Bank BRPD Circular No. 03 dated March 12, 2008 has been decided to add a new component namely Revaluation Reserves of HTM Securities up to 50% of the revaluation reserves.

Opening balance	14,372,851,062	16,541,607,980
Addition during the year	-	-
Disposal during the year from HTM	636,625,512	2,168,756,918
Closing balance	13,736,225,550	14,372,851,062

Notes	Particulars	2013 Taka	2012 Taka
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14.04 Risk Weighted Assets (RWA)
(Taka in Crore)

Particulars	2013	2012
Credit Risk		
Balance Sheet Exposure	27,414	26,153.26
Off Balance Sheet Exposure	1,571	2,077.73
Market Risk	4,269	2,870.15
Operational Risk	3,985	4,305.34
Total Risk Weighted Assets (A+B+C)	37,239	35,406.48

14.05 Minimum Capital Requirement Under Basel II

Particulars	2013	2012
Eligible Capital :		
Tier-1 (Core Capital)	14,140,832,808	(3,345,094,572)
Tier-2 (Supplementary Capital)	14,140,832,808	-
Tier-3 (eligible for market risk only)	-	-
Total Eligible Capital (1+2+3) :	28,281,665,616	(3,345,094,572)
Total Risk Weighted Assets (RWA):	372,390,900,000	35,406,580,000
Capital Adequacy Ratio (CAR) (A ₄ / B)*100	8	(9)
Core Capital to RWA (A ₁ / B)*100	4	(9)
Supplementary Capital to RWA (A ₂ / B)*100	4	-
Minimum Capital Requirement (MCR)- as on December 31, 2013	37,239,090,000	3,540,658,000

14.06 Name of Directors and their Shareholding

Name of the directors	Status	No of shares 2013	Amount @ 100
DR. A. H. M. HABIBUR RAHMAN	Chairman & Director	1	100
RANJIT KUMAR CHAKRABORTY	Director	1	100
A.S.M NAYEEM, FCA,FCCA	Director	1	100
MR. MD. NAZIBAR RAHMAN	Director	1	100
MR. SHEKHAR DUTTA	Director	1	100
MRS. SELIMA AHMAD	Director	1	100
MD. MAHBOOB HOSSAIN	Director	1	100
MD.SHAHEB ALI MRIDHA	Director	1	100
MR. KAZI TARIQUL ISLAM	Director	1	100
MR.MD. ENAMUL HAQUE CHOWDHURY	Director	1	100
DR. ZAID BAKHT	Director	1	100
MR. A.K.M REZAUR RAHMAN	Director	1	100
		12	1,200

15 Statutory Reserve

Opening Balance	5,924,918,206	5,924,918,206
Add: Transferred during the year (20% of pre-tax profit)	508,259,549	-
Closing Balance	6,433,177,755	5,924,918,206

16 Surplus in Profit and Loss Account/Retained Earnings

Balance at the beginning of the period	(18,738,512,778)	12,795,033,247
Less : Shortfall of amortization	-	-
Opening balance	(18,738,512,778)	12,795,033,247
Profit during the year		
Net Profit After Tax	3,580,184,237	(24,959,225,309)
Transfer to statutory reserve	(508,259,549)	-
	3,071,924,688	(24,959,225,309)
Total Retained Surplus	(15,666,588,091)	(12,164,192,062)
Intangible Assets- Valuation Adjustment A/C (Fig. of 2012 restated)	(6,574,320,715)	(6,574,320,715)
Excess Others Provision (Amount transferred from Note No. 38)	557,063,858	-
Transfer to Reserve for Unforeseen Losses	-	-
Issue of bonus share	-	-
Balance at the end of the period	(21,683,844,947)	(18,738,512,778)

Notes	Particulars	2013 Taka	2012 Taka
	In terms of the decision taken in the meeting in the Ministry of Finance held on 24/03/2008 an amount of TK. 65743.21 million is to be amortized against profit to adjust the intangible Assets (goodwill) created for accumulated loss of previous years out of which TK.26299.50 millions was amortize up to 2011. In order to adjust the rest amount as early as possible TK.6574.42 million has been adjusted to retained earning owing to shortage of profit in 2013 and the same amount amortized against loss of last year also adjusted to retained earnings in the same way restating the profit/loss of previous year.Subsequently, as per BAS 8: Accounting Policies, Changes in Accounting Estimates and Errors the retained earnings balance have been restated.		
16 (a) Consolidated Surplus in Profit/(Loss) Account			
	Sonali Bank Ltd.(Note-16)	(21,683,844,947)	(18,738,512,778)
	Sonali Investment Ltd.	(128,455,365)	9,760,817
	Sonali Exchange Co.,Inc	5,467,848	647,229
		(21,806,832,464)	(18,728,104,733)
	Add: Exchange Difference	53,970	7,963
		(21,806,778,494)	(18,728,096,770)
17 Other Reserves		34,059,352,912	23,953,594,534
17.01 Reserve for Unforeseen Losses & Others:			
	Balance at the beginning of the period	47,000,000	47,000,000
		47,000,000	47,000,000
17.02 Asset (investment) Revaluation Reserve			
	Balance at the beginning of the period	3,045,969,832	5,214,726,750
	Add: Profit on Revaluation of Govt. Treasury Bond	1,031,941,655	(1,746,752,165)
	Add: Profit on Revaluation of Govt. Treasury Bill	-	-
	Add: Profit on Revaluation of Other Investments	(395,316,143)	(422,004,753)
	Add: Asset Revaluation (investment) reserve	-	-
	Addition during the year	636,625,512	(2,168,756,918)
	Balance at the end of the period	3,682,595,344	3,045,969,832
17.03 Assets (Fixed Assets) Revaluation Reserve			
	Balance at the beginning of the period	20,860,624,702	20,860,624,702
	Addition during the year	9,469,132,866	-
	Balance at the end of the period	30,329,757,568	20,860,624,702
	Total	34,059,352,912	23,953,594,534
	Asset Revaluation (investment) Reserve		
	The amount represents revaluation of Treasury Bill/Bond (HTM) as on 31-12-2012		
18 Contingent Liabilities & Commitments			
	Letters of guarantee (Note18.1)	5,534,630,077	6,174,454,543
	Irrevocable Letters of Credit (Note18.2)	155,822,496,087	176,464,434,639
	Bills for collection (Note18.3)	14,445,669,241	16,297,516,050
		175,802,795,405	198,936,405,232
18.01 Letters of guarantee			
	Claims lodged with the bank company, which is not recognized as loan;		
	Money for which the bank is contingently liable in respect of guarantee issued favoring:		
	Directors or officers	-	-
	Government	2,436,975,922	4,115,298,867
	Banks and other financial institutions	211,906,415	245,706,744
	Others	-	-
	Domestic	2,145,719,552	935,039,640
	Overseas	740,028,188	878,409,292
		5,534,630,077	6,174,454,543
18.02 Irrevocable Letters of Credit			
(i) Government			
	Domestic	129,933,909,353	166,110,015,434
	Overseas	-	-
		129,933,909,353	166,110,015,434
	Less: Margin	-	-
	Sub Total	129,933,909,353	166,110,015,434

Notes	Particulars	2013 Taka	2012 Taka
(ii) Bank and Other Financial Institutions			
	Domestic	612,613,000	1,518,454,700
	Overseas	-	-
		612,613,000	1,518,454,700
	Less: Margin	-	-
	Sub Total	612,613,000	1,518,454,700
(iii) Others			
	Domestic	25,263,924,014	8,834,756,163
	Overseas	12,049,720	1,208,342
		25,275,973,734	8,835,964,505
	Less: Margin	-	-
	Sub Total	25,275,973,734	8,835,964,505
	Total of (i+ii+iii)	155,822,496,087	176,464,434,639
18.3 Bills for collection			
	Bills for collection (Local)	853,511,500	1,020,366,162
	Bills for collection (Foreign)	13,592,157,741	15,277,149,888
		14,445,669,241	16,297,516,050
19 Income Statement			
	Income:		
	Interest, discount and similar income (19.1)	42,678,020,173	41,312,655,240
	Dividend Income	653,161,375	172,984,362
	Fee, commission and brokerage (19.2)	6,664,458,341	11,105,609,649
	Gains less Losses arising from dealing securities	-	-
	Gains less Losses arising from investment securities	-	-
	Gains less Losses arising from dealing in foreign currencies	2,128,151,505	52,706,471
	Income from non-banking assets	-	-
	Other operating income	1,523,623,735	2,555,103,927
	Profit less Loss on interest rate changes	-	-
		53,647,415,129	55,199,059,649
	Expenses:		
	Interest, fee and commission	38,811,136,752	32,920,321,922
	Losses on loans and advances/Assets (Intangible Assets)	6,574,320,716	6,574,320,716
	Administrative expenses (19.3)	8,987,307,615	8,745,834,344
	Other operating expenses	2,519,982,568	2,178,817,932
	Depreciation on banking assets	443,679,778	434,111,500
		57,336,427,429	50,853,406,414
19.01 Interest, discount and similar income			
	Interest income	27,802,389,301	30,651,965,867
	Discount Income	-	-
	Interest income on treasury bills, reverse repo, bonds	14,875,630,872	10,655,100,294
	Interest on debenture	-	5,589,079
		42,678,020,173	41,312,655,240
19.02 Fee, commission and brokerage			
	Fee	29,393,958	159,802,787
	Commission	6,635,064,383	10,945,806,862
	Brokerage	-	-
		6,664,458,341	11,105,609,649
19.03 Administrative expenses			
	Salaries and allowances	7,891,860,692	7,805,475,562
	Rent, Taxes, Insurance, Electricity etc.	792,475,557	644,641,768
	Legal expenses	19,488,424	20,991,145
	Postage, Stamps, Telecommunication etc.	71,220,675	62,459,589
	Stationery, Printing, Advertisement etc.	197,614,185	199,502,006
	Managing Directors' salary and fees	7,234,159	6,477,496
	Directors' fees	4,744,805	2,947,959
	Auditors' fees	2,669,118	3,338,819
		8,987,307,615	8,745,834,344

Notes	Particulars	2013 Taka	2012 Taka
20	Interest Income		
	On Loan and Advances (20.1)	26,800,292,582	29,357,383,765
	Interest on balance with other banks and financial institutions (20.2)	695,234,786	742,434,565
	Interest received from foreign banks (20.3)	85,867	-
	Others (20.4)	606,057,003	513,170,067
	Interest Income of Indian operation	30,340,069	38,977,470
		28,132,010,307	30,651,965,867
	Less: Interest Income transferred to Interest Suspense A/C	329,621,006	-
		27,802,389,301	30,651,965,867
20.01	Loan and Advances:		
	Loans		
	On Demand	643,441,109	634,918,530
	On Small Loan	53,193,363	58,139,744
	On House Building Loan (General)	51,053,412	90,404,400
	On House Building Loan (Staff)	1,604,586,006	1,277,867,155
	On Other Staff Loan	103,933,167	114,955,991
	On Loan Under SBICS (Project)	2,114,782,167	2,373,772,293
	On External Credit	8,559,793	5,896,662
	On Working Capital to Industries -Hypo	2,965,660,075	4,130,018,208
	On Working Capital to Industries -Pledge	376,758,669	384,051,122
	On Loan Under SB Agro based Ind. Credit Scheme	453,952,383	337,686,291
	On Working Capital to Agro based Ind. -Hypo	894,083,249	887,112,551
	On Working Capital to Agro based Ind. -Pledge	665,192,435	603,469,579
	On Agricultural Loan	2,246,731,357	2,137,188,835
	On Micro Credit	641,138,667	512,426,834
	On Loan against Imported Merchandise (LIM)	139,082,366	105,239,862
	On Loan Against Trust Receipts (LTR)	5,754,514,357	6,099,834,088
	On Force Loan against Back to Back L/C	468,057,977	1,197,254,560
	On Bridge Finance	214,539,364	-
	On Interest Subsidy	-	2,131,100
	On Small Business Loan Scheme	72,753,333	86,228,388
	On Special Small Loan Program	86,105,865	105,995,021
	On Term Loan to Bank and NBFI	48,593,544	83,386,938
	On Probasi Karmo Sangsthan Prokalpo	4,677,965	3,475,000
	On Education Loan	1,678,380	1,770,360
	On Foreign Education Loan	1,814,769	182,831
	On Sonali Credit	2,137,099	1,412,421
	On Lease Finance	13,912,867	13,933,988
	On SME Finance(WC to Ind.Serv.Trad.)	509,160,427	160,313,344
	On SME Finance	379,173,506	169,429,225
	On Loan against Inland Bills	165,314,457	-
	On Term Loan to Freedom Fighter	4,187,419	41,995,852
	On Small Trading Loan	4,146,828	8,829,450
	On Loan for L/C WES	5,059,796	7,973,426
		20,697,976,171	21,637,294,048
	Cash Credit		
	On Cash Credit General-Hypo	2,369,635,356	3,249,395,581
	On Cash Credit General-Pledge	1,307,491,137	1,137,551,820
	On Packing Cash Credit	165,926,880	281,760,379
		3,843,053,373	4,668,707,780
	Overdraft		
	On Overdraft Loan	1,371,210,558	1,301,156,048
		1,371,210,558	1,301,156,048
	Bills Discounted & Purchased		
	On Payment against Document	756,798,395	1,338,101,489
	On Foreign Bills Purchased/Discounted-Clean	1,890,145	-
	On Foreign Bills Purchased/Documentary-Documentary	129,363,940	412,124,400
		888,052,480	1,750,225,889
		26,800,292,582	29,357,383,765

Notes	Particulars	2013 Taka	2012 Taka
20.02	Interest on balance held with other banks and financial institutions		
	Interest on FDR with Other Bank	695,234,786	742,434,565
	Interest on STD with Other Bank	-	-
		695,234,786	742,434,565
20.03	Interest received from foreign banks		
	On B.H.W. Foreign Bank	85,867	-
20.04	Others income		
	On Advance Rent	4,426,254	3,616,762
	On Interest Recovered from Interest Suspense A/c	2,852,457	451,672,264
	On Other Interest Income	-	-
	On Money at Call	598,778,292	57,881,041
		606,057,003	513,170,067
20 (a)	Consolidated Interest Income		
	Sonali Bank Ltd.(Note-20)	27,802,389,301	30,651,965,867
	Sonali Investment Ltd.	84,597,351	39,025,423
	Sonali Exchange Co.,Inc	1,123,276	2,173,752
		27,888,109,928	30,693,165,042
21.00	Interest paid on deposits and borrowings etc.		
	Interest on Deposits (21.1)	38,205,094,631	28,985,966,412
	Interest paid on Borrowings (21.2)	335,980,467	3,251,203,441
	Interest on Foreign Banks Account (21.3)	-	-
	Interest on others (21.4)	240,388,583	664,892,202
	Interest paid on Deposit and borrowings of indian operation	15,664,026	15,066,512
		38,797,127,707	32,917,128,567
21.01	Interest paid on Deposits		
	Fixed deposits	19,755,607,536	14,556,349,564
	Savings deposits	6,887,087,855	6,466,051,515
	Short term deposits	1,992,101,030	1,745,112,545
	Deposit pension scheme	182,544,803	193,189,667
	S.B Special deposit & pension scheme	20,209,471	14,014,445
	Staff Provident fund	1,313,790,233	1,111,215,559
	External Credit (Exim Bank India)	20,280,514	5,162,541
	Foreign currency deposits	9,811,758	20,389,013
	Call deposit	126,646	4,659,670
	Sonali Deposit Scheme	626,831,941	707,483,156
	Education Deposit scheme	601,082,845	515,437,846
	Medicare Deposit Scheme	1,319,203,627	1,101,557,284
	Rural Deposit Scheme	197,866,349	161,130,554
	Monthly Earning Scheme	2,016,681,788	785,340,974
	School Banking Scheme	27,579,067	8,248,747
	Double Benefit Scheme	2,679,996,255	1,336,124,051
	Daily Profit Scheme	42,675,175	17,016,101
	Triple Benefit Scheme	44,840,303	-
	Millionaire Deposit Scheme	21,869,002	-
	Retirement Saving Scheme	71,748,061	64,839,053
	SB Retirement Saving Scheme	220,741,157	62,035,681
	Non Resident Deposit Scheme	9,241,612	7,088,772
	Marriage Saving Scheme	143,177,603	103,519,676
		38,205,094,631	28,985,966,412

Notes	Particulars	2013 Taka	2012 Taka
21.02	Interest paid on Borrowings		
	On Bangladesh Bank Demand Loan	49,578,627	52,800,997
	Call Loan	8,168,056	883,212,805
	Assurance Liquidity Support (ALS)	278,233,784	2,315,189,639
	Others	-	-
		335,980,467	3,251,203,441
21.03	Interest paid on Foreign Banks Account		
	On Foreign Bank A/C	-	-
21.04	Interest paid on others		
	Charged on Written off Loan	-	830,179
	Interest paid on CRR	213,888,453	590,027,561
	Other Interest	26,500,130	74,034,462
		240,388,583	664,892,202
21 (a)	Consolidated Interest paid on deposits and borrowings etc.		
	Sonali Bank Ltd.(Note - 21)	38,797,127,707	32,917,128,567
	Sonali Investment Ltd.	41,476,118	48,961,491
	Sonali Exchange Co.,Inc	-	-
		38,838,603,825	32,966,090,058
22	Income From Investments		
	Interest on Treasury Bill	3,492,521,271	1,371,570,004
	Interest on debentures	-	5,589,079
	Interest on Treasury Bond	11,178,279,920	8,853,962,289
	Interest on Reverse Repo	204,829,681	429,568,001
	On investment Income of indian operation	7,641,722	7,842,078
	Dividend on Investment in Shares with SB London (UK) Ltd.	-	-
	Dividend income Others	653,161,375	172,984,362
		15,536,433,969	10,841,515,813
22 (a)	Consolidated Investment Income		
	Sonali Bank Ltd.(Note - 22)	15,536,433,969	10,841,515,813
	Sonali Investment Ltd.	10,563,528	28,678,340
	Sonali Exchange Co.,Inc	-	-
		15,546,997,497	10,870,194,153
23	Commission, Exchange and Brokerage		
	Commission (Note - 23.1)	6,634,119,791	10,942,853,246
	Exchange (Note - 23.2)	2,144,481,010	212,269,518
	Commission ,Exchange. & Brokerage of Indian Operation	78,250,442	108,506,165
		8,856,851,243	11,263,628,929
23.01	Commission		
	Commission A/C Cr. Balance		
	On Foreign Bills Purchased/Negotiated	71,133,438	2,968,197,610
	On Inland DD,MT,TT Issued/Cancelled	513,718,534	539,590,956
	On Inland DD Purchased	30,407,647	19,019,214
	On Govt. Receives & Disbursement	1,917,494,600	1,756,775,141
	On Commission on Inland L/C Opened	1,710,728,493	2,893,675,975
	On Purchased & Sale of Shares/Securities	102,351,149	538,073,678
	On Inland Bills & Cheque Collection	99,290,982	121,751,216
	On Inland Bank Guarantee Issued	55,031,879	52,887,017
	On Payment Order	242,103,380	227,711,871
	ON Card	21,384,623	27,604,660
	On Incidental Charges	117,689,687	161,023,501
	On Lockers Fees	15,631,591	14,444,932
	On Payment of Food Procurement Bills	149,389,809	160,199,953
	On Army Pension	9,561,350	9,859,148
	On Civil Pension	35,426,193	123,883,069
	On Foreign DD,MT,TT Issued Cancelled	3,730,473	2,682,077

Notes	Particulars	2013 Taka	2012 Taka
	On Foreign DD Purchased/TT Collection	162,609	1,324,545
	On Foreign L/C Opened	7,402,954	29,676,495
	On Foreign Bills & Cheque Collection	1,383,849	4,506,317
	On Foreign Bank Guarantee Issued	33,669,812	3,783,495
	On Others	1,481,228,208	1,277,725,291
	On Wage Earners Development Bond	16,143,123	11,410,701
		6,635,064,383	10,945,806,862
	Less: Commission A/C Dr. Balance		
	On Debt Recovery Agent	944,592	2,537,212
	Paid to SECI	-	416,404
		944,592	2,953,616
		6,634,119,791	10,942,853,246
23.02	Exchange		
	Exchange gain		
	Gain on F. Currency Transaction	2,134,387,332	246,389,007
	Gain on F. Currency Revaluation	161,273	15,842,367
	Gain on Others	29,393,958	159,802,787
		2,163,942,563	422,034,161
	Less: Exchange Loss		
	Foreign Currency Transaction	-	208,677,954
	Foreign Currency Revaluation	6,397,100	846,949
	Loss on Others	13,064,453	239,740
		19,461,553	209,764,643
		2,144,481,010	212,269,518
23 (a)	Consolidated Commission, exchange and brokerage		
	Sonali Bank Ltd. (Note - 23)	8,856,851,243	11,263,628,929
	Sonali Investment Ltd.	39,294,340	59,933,435
	Sonali Exchange Co., Inc.	160,715,709	142,619,794
		9,056,861,292	11,466,182,158
24	Other Operating Income		
	Profit of Islamic windows	-	5,651,378
	Other operating income of Indian Operation	796,743	2,733,168
	Rent Received	43,527,114	21,643,384
	Others	1,479,299,878	2,525,075,997
		1,523,623,735	2,555,103,927
24 (a)	Consolidated Other Operating Income		
	Sonali Bank Ltd. (Note - 24)	1,523,623,735	2,555,103,927
	Sonali Investment Ltd.	515,550	420,800
	Sonali Exchange Co., Inc.	120,890	1,439,874
		1,524,260,175	2,556,964,601
25	Salary & Allowances		
	Salaries (Basic Pay, House Rent & Other Allowance)	5,862,759,954	5,628,539,199
	Contribution to Pension & Gratuity Fund	908,925,730	1,179,077,989
	Bank's contribution to provident fund	133,286,526	124,984,409
	Medical Attendance.	313,365,053	214,383,795
	Incentive Bonus/Monetary benefit/Exgratia to Staff	-	-
	Bonus to Staff	588,520,474	579,420,401
	Overtime	39,805,756	37,604,994
	Salaries and allowances of Indian operation	45,197,199	41,464,775
		7,891,860,692	7,805,475,562
25 (a)	Consolidated Salaries and Allowances		
	Sonali Bank Ltd.(Note - 25)	7,891,860,692	7,805,475,562
	Sonali Investment Ltd.	25,196,656	28,443,917
	Sonali Exchange Co., Inc.	155,150,072	145,172,465
		8,072,207,420	7,979,091,944

Notes	Particulars	2013 Taka	2012 Taka
26	Rent, Tax, Insurance, Electricity, etc.		
	Rent	331,077,909	243,750,661
	Taxes	64,622,531	88,604,096
	Insurance	282,684,548	210,500,333
	Power and electricity	100,735,826	89,930,125
	Rent, taxes, insurance, electricity etc. of Indian operation	13,354,743	11,856,553
		792,475,557	644,641,768
26 (a)	Consolidated Rent, taxes, insurance, electricity etc.		
	Sonali Bank Ltd.(Note-26)	792,475,557	644,641,768
	Sonali Investment Ltd.	7,413,589	8,555,544
	Sonali Exchange Co.,Inc	-	-
		799,889,146	653,197,312
27	Legal expenses		
	Law charges	19,328,741	20,960,244
	Law charges of Indian operation	159,683	30,901
		19,488,424	20,991,145
27(a)	Consolidated Legal Expense		
	Sonali Bank Ltd.(Note - 26)	19,488,424	20,991,145
	Sonali Investment Ltd.	-	-
	Sonali Exchange Co., Inc.	-	-
		19,488,424	20,991,145
28	Postage, Stamps, Telecommunication		
	Postage & Telegram, telex and fax etc.	8,856,454	6,944,497
	Stamp	450,768	1,580,567
	Telephone	58,936,807	49,827,307
	Postage, stamps, telecommunication of Indian operation	2,976,646	4,107,218
		71,220,675	62,459,589
28 (a)	Consolidated Postage, Stamps, Telecommunication etc.		
	Sonali Bank Ltd.(Note - 28)	71,220,675	62,459,589
	Sonali Investment Ltd.	500,544	341,256
	Sonali Exchange Co.,Inc	-	-
		71,721,219	62,800,845
29	Printing, Stationery, Advertisement, etc.		
	Stationery & printing	159,538,491	162,570,395
	Advertisement	37,112,282	36,140,600
	Stationery, printing and advertisement etc. of Indian operation	963,412	791,012
		197,614,185	199,502,006
29 (a)	Consolidated Stationery, printing and advertisement etc.		
	Sonali Bank Ltd.(Note-29)	197,614,185	199,502,006
	Sonali Investment Ltd.	386,537	900,427
	Sonali Exchange Co.,Inc	-	-
		198,000,722	200,402,434
30	Chief executive's salary and fees		
	Chief executive's salary and fees	4,800,000	4,626,666
	Chief executive's salary and fees of Indian operation	2,434,159	1,850,830
		7,234,159	6,477,496
31	Directors' Fees		
	Directors' fees	4,731,750	2,941,400
	Directors' fees of Indian operation	13,055	6,559
	Board meeting expense	-	-
	Executive committee meeting expense	-	-
		4,744,805	2,947,959

Notes	Particulars	2013 Taka	2012 Taka
31 (a) Consolidated Directors fees & Honorium			
	Sonali Bank Ltd.(Note-31)	4,744,805	2,947,959
	Sonali Investment Ltd.	572,000	401,450
	Sonali Exchange Co.,Inc	-	-
		5,316,805	3,349,409
	Each Director is paid Tk.5,000 per meeting per attendance as per Bangladesh Bank's BRPD Circular no.03 dated 18 January 2010.		
32 Auditors' fees (Rearrange 2012)			
	Statutory Audit fee	2,150,000	2,150,000
	Special Audit fee	-	115,000
	Branch Audit free	-	575,000
	Audit fee of Indian operation	519,118	498,819
		2,669,118	3,338,819
32 (a) Consolidated Auditors fees			
	Sonali Bank Ltd. (Note - 32)	2,669,118	3,338,819
	Sonali Investment Ltd.	56,250	69,750
	Sonali Exchange Co.,Inc	-	-
		2,725,368	3,408,569
33 Depreciation and Repairs at Bank's Property			
	Depreciation:		
	A) Premises (Including Land & Building)		
	Premises	29,972,773	30,888,899
	Building	-	-
		29,972,773	30,888,899
	B) Dead stock		
	Furniture	64,370,478	65,835,646
	Electric Installation	111,334,587	93,651,439
	Computer	193,367,099	195,286,601
	Type Writer Machine	1,158,010	1,208,378
	Motor Car & Other Vehicle	41,886,378	45,719,550
	Library	266,933	262,510
		412,383,485	401,964,124
	Kolkata Branch	1,214,666	1,167,598
	Siliguri Branch	108,854	90,879
		1,323,520	1,258,477
		443,679,778	434,111,499
	Repairs:		
	Repairs to Bank's Assets	66,089,747	55,056,911
	Repairs to Bank's assets of Indian operation	173,105	144,832
		66,262,852	55,201,742
		509,942,630	489,313,241
33 (a) Consolidated Depreciation and repairs of bank's assets			
	Sonali Bank Ltd. (Note - 32)	509,942,630	489,313,241
	Sonali Investment Ltd.	6,353,452	7,248,618
	Sonali Exchange Co.,Inc	661,507	208,593
		516,957,589	496,770,452

Notes	Particulars	2013 Taka	2012 Taka
34	Other Expenditure		
	Repairs to Rented Property	1,347,228	11,477,538
	Consultant fees	-	-
	Books and News Paper	20,215,190	17,320,911
	Pay of Police guards.	276,729,971	265,452,772
	Motor Car Running and Maintenance	99,342,684	102,558,711
	Entertainment	49,548,035	44,676,857
	Sundries	573,362,564	511,671,416
	Traveling Expenses	160,448,825	173,944,526
	Lunch Subsidy	884,886,051	700,693,739
	Donation/Subscription	27,975,060	27,085,398
	Liveries to Staff	20,062,276	20,007,442
	Sports	8,190,533	7,213,665
	CSR	25,420,545	-
	Cash Transportation	53,880,628	59,402,514
	Business Development	41,249,902	11,776,701
	Death relief Grant fund	10,075,000	10,025,000
	Honorarium to staff	4,206,793	1,516,851
	Generator Maintenance	59,003,946	46,489,521
	Staff welfare	9,672,261	10,185,385
	Operation & Maintenance Cost of Executive Car Loan	116,958,709	94,702,350
	Provisioning expenses of NOSTRO A/C	2,818,917	-
	Other expenses of Indian operation	8,324,598	7,414,894
		2,453,719,716	2,123,616,190
34 (a)	Consolidated Other Expenses		
	Sonali Bank Ltd.(Note-34)	2,453,719,716	2,123,616,190
	Sonali Investment Ltd.	7,098,536	6,791,548
	Sonali Exchange Co.,Inc	-	-
		2,460,818,252	2,130,407,738
35	Provision Against Loans and Advances during the year		
	Provision for Classified Loans & Advances	(238,068,986)	(37,016,725,418)
	Provision for Unclassified Loans and Advances	76,300,000	-
	Total amount of provision made during the year	(161,768,986)	(37,016,725,418)
35 (a)	Consolidated Provision for Loans and Advances		
	Sonali Bank Ltd. (Note-35)	(161,768,986)	(37,016,725,418)
	Sonali Investment Ltd.	(140,405,497)	(39,346,702)
	Sonali Exchange Co.,Inc	-	-
		(302,174,483)	(37,056,072,120)
36	Provision for diminution in value o investment		
	Quoted	-	-
	Unquoted	-	-
	Investment securities		
	Quoted	-	-
	Unquoted	-	-
		-	-
36 (a)	Consolidated Provision for diminution in value of Investments		
	Sonali Bank Ltd. (Note-36)	-	-
	Sonali Investment Ltd.	(29,141,673)	-
	Sonali Exchange Co. Inc	-	-
		(29,141,673)	-

Notes	Particulars	2013 Taka	2012 Taka
37	Other provisions		
	Provision for other assets	1,948,257,497	-
	Provision against Off Balance Sheet exposure (37.01)	231,336,098	(507,647,014)
	Provision for NOSTRO A/C	(122,529,737)	-
	Provision for loss on Revaluation of Foreign Currency held	-	(279,480,055)
	Provision for Bonus & Exgratia	(1,500,000,000)	(1,500,000,000)
	Provision for X-checker	-	-
	CSR	-	-
	Other provisions of Indian operation	-	-
		557,063,858	(2,287,127,070)
	Less: Amount transfer to note no. 16 as per Bangladesh Bank instruction.	557,063,858	-
		-	(2,287,127,070)
37.01	Provision against Off Balance Sheet exposure charge 1% of total off balance sheet exposure.		
38	Cash Received from Other Operating Activities		
	Exchange	2,164,448,319	200,950,316
	Other operating income	1,523,623,735	2,555,103,927
		3,688,072,054	2,756,054,243
39	Payment for Other Operating Activities		
	Rent	(332,337,011)	(238,291,174)
	Taxes	(63,086,805)	(89,864,983)
	Insurance	(282,684,548)	(210,500,333)
	Rent, Taxes Insurance of Indian operation	(13,354,743)	(11,856,553)
	Law Charges	(17,422,033)	(23,144,088)
	Postage	(8,937,639)	(7,111,423)
	Stamp	(450,768)	1,912,065,169
	Telephone	(58,936,807)	(49,827,307)
	Postage,Stamp,Telephone of Indian operation	(2,976,646)	(4,107,218)
	Auditors' Fees	(2,669,118)	(3,338,819)
	Advertisement	(37,112,282)	(36,140,599)
	Stationery, Printing Advertisement of Indian operation	(963,412)	(791,012)
	Director Fees	(4,744,805)	(2,947,959)
	Repairs to Bank's Property	(66,262,852)	(55,056,910)
	Depreciation	(443,679,778)	(432,853,023)
	Repairs to rented property	(1,347,228)	(12,880,846)
	Pay of Police Guards	(276,729,971)	(265,452,771)
	Motor Car Running	(99,342,684)	(102,558,710)
	Executive Car Loan	(116,958,709)	(94,702,350)
	Entertainment	(49,548,035)	(44,676,857)
	Sundries	(575,090,157)	(511,671,416)
	Traveling Expenses	(160,448,825)	(173,944,526)
	Lunch Subsidy	(884,886,052)	(700,693,739)
	Donation	(27,975,060)	(27,085,398)
	Liveries to Staff	(20,062,276)	(20,007,442)
	Sports	(8,190,533)	(7,213,665)
	Cash transportation	(53,880,628)	(59,402,514)
	Generator Maintenance	(59,003,946)	(46,489,521)
	CSR	(25,420,545)	-
	Provisioning Expenses to NOSTRO A/C	(2,818,917)	-
	Business Development	(41,249,902)	(11,776,701)
	Death Relief Grant Scheme	(10,075,000)	(10,025,000)
	Other expenses of Indian operation	(8,324,598)	(7,414,894)
		(3,756,972,313)	(1,349,762,582)
40	Increase / (Decrease) of Other Assets		
	Sonali Exchange Co, Incorporated	-	-
	Long term Loan to Subsidiary Company(SECI).	2,921,750	3,001,500
	Long term Loan to SIL Dhaka.	-	-
	Loan Exemption under jute sector reform project-94	-	-
	Stamps in hand	236,615,876	(237,701,186)

Notes	Particulars	2013 Taka	2012 Taka
	Stationery in hand	4,004,270	(5,469,032)
	Advance Rent	(123,809,095)	7,191,481
	Branch Adjustment	9,813,021,021	(45,988,285,266)
	Suspense account	233,892,676	3,023,187,864
	Draft Payable account (Ex-Advice)	89,412,238	324,274,103
	Govt. Draft Payable Account (Ex-Advice)	24,945,861	54,243,610
	Protested Bills	(48,053,408)	(6,386,479)
	Wage Earners' Fund Purchased Adj. A/C.	(231,412,802)	316,619,302
	Agri-Loan Other Exp.Exemption A/C-2004	244,552	7,617,811
	Exchange Equalization	279,480,055	-
	Agri-Loan Interest Exemption A/C-2004	1,332,937	267,778
	Agricultural Loan Exemption-1991.	-	-
	Income Tax Deducted at source	(673,442,288)	(719,256,768)
	S.B Employees pension fund Investment	-	-
	S.B Employees PDCRB fund Investment	-	-
	Settlement Account (Islamic)	4,176,066	(17,151,379)
	Demand Drafts purchased	432,505,811	137,186,156
	Pension Bill Purchased	-	7,318,609,408
	Pension Bill Purchased(Army)	(2,045,431,357)	(6,928,772,829)
	Pension Bill Purchased(Civil)	(455,299,540)	(755,585,875)
	PSP/BSP Encashment	1,071,589,793	603,891,666
	Agri- Exemption A/C Affected By River Erosion	(98,940,204)	125,297,377
	UCCA Loan Remission for River Erosion	92,379,984	(93,671,409)
	NRT A/C Dr. Balance	(95,006,112)	(134,668,295)
	Intangible Assets- Valuation Adjustment	-	-
	Security Margin	-	-
	Deferred Tax assets	-	-
	Account Receivable	-	-
	Frozen Fish Loan Exemption A/C	-	-
	BRDB TCCA Crop Loans Penal Int. Exemption	120,000,000	-
	Overseas Branches	26,714,700	(13,654,633)
		8,661,842,784	(42,979,215,095)

41 Increase / (Decrease) of Other Liabilities

Closing other liabilities:

Provision for Classified Loans	(3,858,768,986)	(909,225,418)
Provision for Un-Classified loans	-	-
Interest Suspense	(403,223,376)	3,831,228,897
Branch Adjustment	-	(6,157,303,102)
Provision against diminishing value of Investment	-	-
Provision for Other Assets	(1,542,000)	(484,848)
Provision for Commission Receivable	-	-
Sonali Bank Employees' Pension fund	875,215,422	236,372,210
Sonali Bank Employees' PDCR Benefit fund	2,182,152,926	(1,333,795,926)
Adjusting A/C Cr. Balance	(22,619,805)	(91,536,098)
Sundry Deposits(H.O)	(677,298,080)	1,314,791,817
Provision for Bonus/Exgratia	(1,604,536,553)	(1,080,374,805)
Provision for loss on Revaluation of Foreign Currency held	(279,480,055)	-
Provision for X-checker	-	-
Provision for NOSTRO A/C	(118,659,724)	-
Profit Repatriated from Overseas Branches	-	-
Provision against Off Balance Sheet Exposure	-	-
Provision for Employees Benefit (Additional)	-	-
Provision for Income Tax	-	-
Interest Reserve against Agri-Loan Interest Exemption 2004	-	-
Balance in F.C Clearing Account	7,712,066	(14,416,171,204)
Balance Held with Foreign Bank abroad (Cr Balance)	(2,339,325,492)	(894,492,964)
Asian Clearing Union (NOSTRO)	-	(419,647,393)
Sirajganj Integrated Rural Development Fund	939,587	624,680

Notes	Particulars	2013 Taka	2012 Taka
	Foreign Currency Fund Purchased A/C	327,323,628	(162,669,463)
	Loan from IDA Credit No. 765 BD.	-	-
	Foreign Correspondent Charges	3,600,116	(2,553,759)
	Exporter Foreign Currency Retention Quota	(82,204,014)	171,156,806
	Agro Based Industrial & Technology Dev. Proj.	95,079,860	(16,840)
	Rebate A/C of Term Loans to NBFI	1,645,805	2,338,042
	Exchange Equalization	-	-
	Security Margin	-	-
	Operational A/C RD--9.	-	-
	I.D.A. Credit -3917 B.D.	9,471,151	10,213,200
	BRDB/UCCA Crop Loan Intt.& P.Intt. Reserve A/C.-1994	(62,546,240)	(6,339,068)
	BRDB/UCCA Crop Loan Intt.Reserve A/C.-2001	(57,453,760)	-
	BRDB/UCCA Crop Loan Intt.& P.Intt. Reserve A/C.-2007	-	-
	Commission Receivable	(60,300,000)	-
	CSR	(23,694,232)	(26,305,768)
	Other provision of Indian operation	-	-
	Account Payable	-	-
	Asian Clearing Union (VOSTRO)	(8,385,752)	(365,292,171)
	Overseas Branches	(34,036,889)	20,241,536
		(6,130,934,397)	(20,279,241,639)
42	Cash and cash equivalent		
	Cash in hand (Including foreign currency)	9,201,593,012	6,478,812,163
	Balance with Bangladesh Bank	40,289,900,630	35,211,457,238
	Money at call on short notice	4,461,595,150	7,748,948,670
	Balance held with other bank	17,760,332,986	10,521,825,081
	Govt. treasury bills	97,254,686,354	15,982,484,695
	Prize bonds in hand	103,684,910	107,641,710
		169,071,793,042	76,051,169,557
42 (a)	Consolidated Cash and Cash Equivalent		
	Sonali Bank Ltd. (Note-42)	169,071,793,042	76,051,169,557
	Sonali Investment Ltd.	19,063,552	171,973,645
	Sonali Exchange Co., Inc	268,650,225	304,650,195
		169,359,506,819	76,527,793,397
43	Earnings per Share (EPS):		
	Net profit after tax	3,580,184,237	(24,959,225,309)
	Number of ordinary shares outstanding	112,500,000	112,500,000
	Earnings per share (EPS)	31.82	(221.86)
43 (a)	Consolidated Earnings per Share (EPS):		
	Net profit after taxation (Numerator)	3,446,803,502	(24,979,773,434)
	Number of ordinary shares outstanding (Denominator)	112,500,000	112,500,000
	Earnings per Share (EPS)	30.64	(222.04)

44 Audit Committee

Audit Committee of Sonali Bank Limited has been constituted by the Board of Directors as per BRPD Circular No. 12 dated 23 December 2002 comprising the following members:

Sl. No.	Name	Status in the Bank	Status with the committee	Educational qualification
1)	Mr. Ranjit Kumar Chakraborty	Director	Chairman	M.Com (Accounting)
2)	Mr. A.S.M Nayeem	Director	Member	M.Com FCA, FCCA
3)	Mr. Shekhar Dutta	Director	Member	M.Sc. (Physics)
4)	Mr. Md. Shaheb Ali Mridha	Director	Member	B.Sc (Hons.) , M.Sc (Physics)
5)	Mr. Kazi Tariqul Islam	Director	Member	M.Sc. (Physics)

Duties and Responsibilities of the Audit Committee:

- i) To Evaluate internal control, risk management, computerization and system of MIS of the bank
- ii) To review annual financial statements of the bank and exchange views with external auditors and Bank management in the regard.
- iii) To consider if the recommendations made by internal & External Auditors are in order to develop internal control strategy by the Bank Management.
- iv) To review as to whether the rules and regulation made by controlling authorities like Bangladesh Bank and other regulatory bodies are duly followed.
- v) To appraise the Bank's Board of Directors regarding Lapses and errors/ Frauds & Forgeries/ other irregularities detected by internal auditors, external auditors & Bangladesh Bank inspection team and corrective measures taken for the purpose of effective control.

During the year 2013 the Audit Committee has conducted 16 (Sixteen) meetings in which, among others, the following issues were discussed:

- i) Comprehensive inspection reports of Bangladesh Bank including status of Compliance thereof.
- ii) Inspection reports of branches/Head Office conducted by Bank's internal inspection team.
- iii) Financial Statements of the Bank
- iv) Half yearly accounts of 2013 of the bank
- v) Status of compliance of different rules and regulations

Annual financial statements have been discussed with the External Auditors in the Audit Committee meeting held on 4 April 2014.

45 Related Party Disclosures

Name of the Directors and the entities in which they had interest as at 31 December 2013

SL. No	Name	Status with the Bank	Name of the firms/Companies in which interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Position	No. of Shares
1	DR. A. H. M. HABIBUR RAHMAN	Chairman & Director	H, R, Textile Mills Limited	Director	1
2	MR. RANJIT KUMAR CHAKRABORTY	Director	Nil		1
3	MR. A.S.M NAYEEM, FCA, FCCA	Director	a) Accountancy and Management Training and Services Ltd. (AMTRAS) b) Chittagong Stock Exchange Ltd. c) Finvest Services Ltd. d) Grameen Fund e) Holy Crescent Hospital Ltd. f) K & T Logistics Ltd. g) Karnaphuli Farms Limited h) Karnaphuli Export Import Ltd. i) Reliable Automobiles Ltd. j) Karnaphuli Foundries Ltd. k) Republic Insurance Co. Ltd. L) Sea Consortium Bangladesh Ltd.	Director	1
4	MR. MD. NAZIBAR RAHMAN	Director	a) Ushan Enterprise -Managng Partner b) Advanced Care-Managing Director	Managing Partner Managing Director	1
5	MR. SHEKHAR DUTTA	Director	Moni Singh Fharhad Smriti Trust	-	1
6	MRS. SELIMA AHMAD	Director	a) Nita Co. Ltd. b) Nitol Motors Ltd. c) Nalita & Co. Ltd. d) Niloy Motors Ltd. e) Autoland (Pvt.) Ltd. f) Nitol Construction (Pvt.) Ltd. g) Nitol Coment Inds Ltd. h) Nitol Sugar Mills Ltd. i) Nitol Tyre Industry (Pvt.) Ltd. j) Bangla Phone Ltd. k) Niloy Cement Clinkerisation Inds. l) Nisa Steel (Pvt.) Ltd. m) Nitol Insurance Co. Ltd. Listed Co. n) FAS Finance & Investment Ltd. o) Niloy Cement Inds. Ltd. Listed Co.	Shareholder	1
7	MR. MD. MAHBOOB HOSSAIN	Director	Nil		1
8	MR. MD.SHAHEB ALI MRIDHA	Director	Nil		1
9	MR. KAZI TARIQUL ISLAM	Director	Nil		1
10	MR.MD. ENAMUL HAQUE CHOWDHURY	Director	Nil		1
11	DR. ZAID BAKTH	Director	Nil		1
12	MR. A.K.M REZAUR RAHMAN	Director	Nil		1

46 Related party/(ies) transaction

The bank generally carried out transactions in the ordinary course of its business at arm's length at commercial rate as per agreements with different related parties. The bank also renders services to the Government in various forms, which are not quantified. However, as of the date of the financial statements the Bank had no transactions with the Director of the Bank as a related party. During the year, the bank had some quantified transactions with the Government (Sponsor/Share holder) as defined on BRPD Circular no14 issued by the Bangladesh Bank on 25 March 2003 are listed below:

Name of the Related Party	Related by	Status with the Related Party	Transaction Outstanding Balance	Remarks
Government (Note-18.1.)	Sponsor/Share holder	Concerned Department of the Government	243.70	Letter of Guarantee
Government (Note-18.2.)	Sponsor/Share holder	Concerned Department of the Government	12,993.39	Letter of Credit
Jatio Shanchaya Bureau (Note-9.8)	Sponsor/Share holder	Concerned Department of the Government	68.93	PSB/BSP Encashment
Government (Note-9.8.)	Sponsor/Share holder	Concerned Department of the Government	897.42	Pension bills(Army)
Power Development Board	Sponsor/Share holder	Concerned Department of the Government	2,816.83	Non Funded Loan
Bangladesh Petroleum Corp.	Sponsor/Share holder	Concerned Department of the Government	333.87	Funded & Non Funded
Bangladesh Agricultural Development Corp.	Sponsor/Share holder	Concerned Department of the Government	544.91	Loan
Bangladesh Sugar & Food Ind. Corp	Sponsor/Share holder	Concerned Department of the Government	2,108.96	Loan
Electric Generation Company Ltd.	Sponsor/Share holder	Concerned Department of the Government	2,175.46	Non Funded Loan
Sonali Exchange Co. N.Y. (note 6)	The Bank	Subsidiary Company	7.39	Investment
Sonali Exchange Co. N.Y. (note 9.1)	The Bank	Subsidiary Company	11.32	Loan
Sonali Investment LTD. (note 6)	The Bank	Subsidiary Company	200.00	Loan
Sonali Investment LTD. (note 9.1)	The Bank	Subsidiary Company	17.00	Loan
Sonali Bank (U.K.) Ltd (note 6)	The Bank	Associate	163.70	Investment

47 Event after the Balance Sheet date

No circumstances have arisen since the Balance Sheet date, which would require any adjustments or disclosure to be made in the Financial Statements.

a) Balance held with Bangladesh Bank:

The Un-reconciled entries of Balance held with Bangladesh Bank as on 31-12-2013 are as follows:

1.00 Maintained by Head Office (TMD) Dhaka with Bangladesh Bank, Dhaka.

(Taka in Crore)

Year	Debit		Credit	
	No. of Entries	Amount	No. of Entries	Amount
1996	1	0.0420	-	-
1999	2	0.0066	2.00	0.0009
2001	1	0.0007	-	-
2009	2	0.0013	-	-
2010	2	0.0258	4.00	14.0506
2011	7	2.0158	5.00	1.3122
2012	30	367.9430	35.00	704.6865
2013	45	570.9629	71.00	1,356.1261
Total	90	940.9979	117.00	2,076.1763

2.00 Maintained by Local Office, Dhaka with Bangladesh Bank, Dhaka.

Outstanding Entries as per statement of Bangladesh Bank

(Taka in Crore)

Year	Debit		Credit	
	No. of Entries	Amount	No. of Entries	Amount
1984	0	-	1	0.000
1985	1	1.300	2	0.000
1986	1	0.000	5	0.000
1987	11	0.003	3	0.001
1988	4	0.007	5	0.000
1989	2	0.000	4	0.001
1990	4	0.001	5	0.000
1991	5	0.010	-	-
1992	3	1.250	2	0.000
1993	2	0.886	1	0.000
1994	3	0.907	1	0.000
1995	7	0.962	-	-
1996	4	0.577	2	0.000
1997	14	43.253	9	0.198
1998	82	85.278	8	6.345
1999	59	6.411	6	0.739
2000	7	6.315	9	0.114
2001	6	4.017	8	0.380
2002	6	4.219	7	0.100
2003	3	-	4	0.665
2004	11	10.620	5	6.798
2005	7	0.035	3	0.430
2006	12	8.807	8	0.627
2007	5	1.499	80	13.510
2008	5	3.505	10	3.539
2009	2	0.001	7	6.695
2010	2	0.001	6	16.583
2011	2	0.000	18	73.627
2012	70	578.566	372	488.137
2013	41	7,894.928	82	79,817.971
Total	381	8,653.357	673	80,436.461

3.00 Maintained by Local Office, Dhaka with Bangladesh Bank, Dhaka. (Outstanding Entries as per Register of Sonali Bank Limited)

(Taka in Crore)

Year	Debit		Credit	
	No. of Entries	Amount	No. of Entries	Amount
1984	0	-	1	0.000
1985	0	-	0	-
1986	0	-	3	0.000
1987	0	-	7	0.002
1988	3	0.001	4	0.000
1989	1	0.002	3	0.001
1990	1	0.000	0	-
1991	0	-	1	0.000
1992	1	0.000	0	-
1993	0	-	1	0.001
1994	0	-	1	-
1995	1	-	0	-
1996	8	0.003	1	0.110
1997	32	0.267	6	40.477
1998	7	5.489	10	80.947
1999	4	1.042	2	5.045
2000	6	0.166	0	-
2001	11	0.047	0	-
2002	4	0.686	0	-
2005	5	0.007	0	-
2006	1	0.002	0	-
2007	75	12.959	0	-
2008	3	0.314	1	0.004
2009	46	4.449	2	0.005
2010	11	5.703	3	0.089
2011	14	1.313	5	0.000
2012	81	337.027	7	12.613
2013	124	74,681.431	25	3,473.262
Total	315	75,050.906	58	3,612.555

4.00 Maintained by Laldighi Corp. Branch, with Bangladesh Bank, Chittagong.

(Taka in Crore)

Year	Debit		Credit	
	No. of Entries	Amount	No. of Entries	Amount
2012	-	0	2	1.3249
2013	27.00	2628.016487	15	514.9561
Total	27.00	2628.016487	17	516.2809

5.00 Maintained by Rangpur Corp. Branch, with Bangladesh Bank, Rangpur.

(Taka in Crore)

Year	Debit		Credit	
	No. of Entries	Amount	No. of Entries	Amount
2009	7	0.0000057	8	0.00003
2010	9	0.00000396	9	0.00298
2011	2	0.00000124	2	0.00001
2012	9	0.00711364	5	0.08264
2013	14	5.03582	5	32.18957
Total	41	5.04294454	29	32.27523

6.00 Maintained by Bogra Corp. Branch, with Bangladesh Bank, Bogra.

(Taka in Crore)

Year	Debit		Credit	
	No. of Entries	Amount	No. of Entries	Amount
2003	2	0.00254845	0	0
2006	1	0.00028	0	0
2010	-	0	1	0.0010
Total	-	0.00283845	1	0.0010

7.00 Maintained by Barisal Corp. Branch with Bangladesh Bank, Barisal.

(Taka in Crore)

Year	Debit		Credit	
	No. of Entries	Amount	No. of Entries	Amount
2012	1	0.010295	0	-
2013	0	0	19	205.1728
Total	1	0.010295	19	205.1728

8.00 Maintained by Rajshahi Corp. Branch with Bangladesh Bank, Rajshahi.

(Taka in Crore)

Year	Debit		Credit	
	No. of Entries	Amount	No. of Entries	Amount
2013	0	0	3	147.1746
Total	0	0	3	147.1746

9.00 Maintained by Sylhet Corp. Branch with Bangladesh Bank, Sylhet.

(Taka in Crore)

Year	Debit		Credit	
	No. of Entries	Amount	No. of Entries	Amount
2013	1	13.1700	2	34.0769
Total	1	13.1700	2	34.0769

10.00 Maintained by Khulna Corp. Branch with Bangladesh Bank, Khulna.

(Taka in Crore)

Year	Debit		Credit	
	No. of Entries	Amount	No. of Entries	Amount
2013	3	325.5019	17	264.9634
Total	3	325.5019	17	264.9634

Sonali Bank Limited
Consolidated Schedule of Fixed Assets as at 31 December 2013

Particulars	Cost/Revaluation				Depreciation					Net book value as on 31.12.13
	Opening balance as on 01.01.13	Addition during the year	Deposals/ adjustments during the year	Total balance as on 31.12.13	Rate of Depreciation	Opening balance as on 01.01.13	Deposals/ adjustments during the year	Charge for the year	Total balance as on 31.12.2013	
		Taka	Taka	Taka	%	Taka		Taka	Taka	Taka
A) Premises (Including Land & Building):										
Premises A/C	21,407,790,621	9,509,158,217	-	30,916,948,838	2.50	183,493,698	-	29,972,773	213,466,471	30,703,482,367
Building Construction A/C	468,461,076	43,583,759	12,164,056	499,880,779	-	-	-	-	-	499,880,779
Sub total	21,876,251,697	9,552,741,976	12,164,056	31,416,829,617		183,493,698	-	29,972,773	213,466,471	31,203,363,146
B) Dead Stock:										
Furniture	701,092,594	65,303,226	2,991,055	763,404,765	10.00	253,088,395	2,726,166	64,665,482	315,027,711	448,377,054
Electric Installation	604,952,656	79,075,430	6,833,330	677,194,756	20.00	283,483,227	7,125,321	114,264,522	390,622,428	286,572,328
Computer	1,123,575,190	109,152,203	20,810,304	1,211,917,089	20.00	588,616,303	12,889,147	194,287,449	770,014,605	441,902,484
Type Writer Machine	5,803,456	134,982	36,125	5,902,313	20.00	2,552,849	38,599	1,158,010	3,672,260	2,230,053
Motor Car & Other Vehicle	257,440,522	36,034,544	41,029,384	252,445,682	20.00	120,953,358	40,975,070	42,526,378	122,504,666	129,941,016
Library	4,008,590	497,846	1,160	4,505,276	7.00	891,520	1,660	266,933	1,156,793	3,348,483
Sub total	2,696,873,008	290,198,231	71,701,358	2,922,752,564		1,249,585,652	63,755,963	417,830,281	1,603,573,631	1,319,178,933
Total (A+B)	24,573,124,705	9,842,940,207	83,865,414	34,332,199,498		1,433,079,350	63,755,963	447,803,054	1,817,126,441	32,515,073,057
C) Dead Stock of overseas Branches:										
Kolkata Branch	6,084,631	1,929,137	-	8,013,768		-	-	1,214,666	1,214,666	6,799,102
Siliguri Branch	353,691	215,540	2,539	566,692		-	-	108,854	108,854	457,838
Sub total	6,438,322	2,144,677	2,539	8,580,460		-	-	1,323,520	1,323,520	7,256,940
Grand Total 2013 (A+B+C)	24,579,563,027	9,845,084,884	83,867,953	34,340,779,958		1,433,079,350	63,755,963	449,126,574	1,818,363,622	32,529,799,019
31 December 2012	24,122,119,748	578,733,639	63,880,608	24,636,972,779		1,062,296,704	19,914,872	439,871,785	1,482,253,617	23,154,719,162

Sonali Bank Limited
Schedule of Fixed Assets as at 31 December 2013
Annexure -C

Particulars	Cost/Revaluation				Depreciation					Net book value as on 31.12.13
	Opening balance as on 01.01.13	Addition during the year	Deposals/ adjustments during the year	Total balance as on 31.12.13	Rate of Depreciation	Opening balance as on 01.01.13	Deposals/ adjustments during the year	Charge for the year	Total balance as on 31.12.2013	
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka	Taka
A) Premises (Including Land & Building):										
Premises A/C	21,407,790,621	9,509,158,217	-	30,916,948,838	2.50	183,493,698	-	29,972,773	213,466,471	30,703,482,367
Building Construction A/C	468,461,076	43,583,759	12,164,056	499,880,779	-	-	-	-	-	499,880,779
Sub total	21,876,251,697	9,552,741,976	12,164,056	31,416,829,617		183,493,698	-	29,972,773	213,466,471	31,203,363,146
B) Dead Stock:										
Furniture	697,796,439	65,292,226	2,991,055	760,097,610	10.00	252,489,534	2,726,166	64,370,478	314,133,846	445,963,764
Electric Installation	583,958,775	79,075,430	6,833,330	656,200,875	20.00	277,139,021	7,125,321	111,334,587	381,348,287	274,852,588
Computer	1,116,389,719	109,120,203	20,810,304	1,204,699,617	20.00	586,006,584	12,889,147	193,367,099	766,484,536	438,215,081
Type Writer Machine	5,803,456	134,982	36,125	5,902,313	20.00	2,552,849	38,599	1,158,010	3,672,260	2,230,053
Motor Car & Other Vehicle	252,440,522	36,034,544	41,029,384	247,445,682	20.00	119,153,358	40,975,070	41,886,378	120,064,666	127,381,016
Library	4,008,590	497,846	1,160	4,505,276	7.00	891,520	1,660	266,933	1,156,793	3,348,483
Sub total	2,660,397,501	290,155,231	71,701,358	2,878,851,373		1,238,232,866	63,755,963	412,383,485	1,586,860,388	1,291,990,985
Total (A+B)	24,536,649,198	9,842,897,207	83,865,414	34,295,680,990		1,421,726,564	63,755,963	442,356,258	1,800,326,859	32,495,354,131
C) Dead Stock of overseas Branches:										
Kolkata Branch	6,084,631	1,929,137	-	8,013,768		-	-	1,214,666	1,214,666	6,799,102
Siliguri Branch	353,691	215,540	2,539	566,692		-	-	108,854	108,854	457,838
Sub total	6,438,322	2,144,677	2,539	8,580,460		-	-	1,323,520	1,323,520	7,256,940
Grand Total 2013 (A+B+C)	24,543,087,520	9,845,041,884	83,867,953	34,304,261,450		1,421,726,564	63,755,963	443,679,778	1,801,650,379	32,502,611,071
31 December 2012	24,034,806,488	574,457,584	63,880,608	24,545,383,464		1,008,788,413	19,914,872	434,111,500	1,422,985,041	23,122,398,423

Sonali Bank Limited
Schedule of Tax Position as at 31 December 2013

Annexure-D

Tax assessment of Sonali Bank Ltd. has been completed upto assessment year 2002-2003 (Income year upto 2001) resulting tax refund of Tk. 426,30,48,032 in favour of the Bank. As regards latest status of the tax assessments for the income years 2002, 2003, 2008 and 2009 these are not yet finalised by the tax department. The Bank has submitted I.T. Returns showing loss of Tk.(2,122,965,887), Tk.(7,780,112,711) TK. (267,10,36,678) & profit of Tk.93,33,54,939 for the assessment years 2003-2004, 2004-2005, 2009-2010,2010 - 2011 respectively. The loss shown by bank is inclusive of claim of Bad Debts written off and others. In the income years 1998, 2000, 2001,2004, 2005, 2006 ,2007 & 2008 the tax department did not accept the claim of Bad Debt written off, Provision for Ex-gratia, Provision for NOSTRO A/C., Provision for other Assets, Interest on securities etc. against which the bank has filed appeal to the Honorable High Court.

Income Year	Assessment Year	Tax Provision as per Account	Assessment made by	Present Status	Assessed Tax Liabilities	Payment of Advance Tax	Refundable/ (Payable)	Remarks
1992	1993-94	Nil	DCT	Settled	DCT	97,895,171	-	Adjusted 5% Demanded Tax
1993	1994-95	Nil	DCT	Settled	Nil	118,229,244	-	Adjusted 5% Demanded Tax
1994	1995-96	Nil	DCT	Settled	Nil	107,843,437	5,94,57,743	Partial Adjusted 5% Demanded
1995	1996-97	Nil	DCT	Settled	Nil	327,047,412	327,047,412	Refundable
1996	1997-98	Nil	DCT	Settled	Nil	359,391,548	359,391,548	Refundable
1997	1998-99	Nil	DCT	Settled	Nil	368,350,061	368,350,061	Refundable
1998	1999-2000	Nil	DCT	Reference Application to the High Court	Nil	442,119,323	442,119,323	Refundable
1999	2000-01	Nil	DCT	Settled	Nil	600,818,273	600,818,273	Refundable
2000	2001-02	Nil	DCT	Reference Application to the High Court	Nil	870,418,795	870,418,795	Refundable
2001	2002-03	Nil	DCT	Reference Application to the High Court	Nil	1,135,489,757	1,135,489,757	Refundable
2002	2003-04	Nil	DCT	Re-opened	not yet finalized	712,587,221	not yet finalized	
2003	2004-05	Nil	DCT	Re-opened	not yet finalized	588,000,560	not yet finalized	
2004	2005-06	Nil	DCT	Reference Application to the High Court	Nil	518,028,392	27,46,73,831	Refundable
2005	2006-07	Nil	DCT	Reference Application to the High Court	378,072,785	438,169,963	60,097,178	Refundable
2006	2007-08	Nil	DCT	Reference Application to the High Court	170,34,73,454	538,154,625	(124,65,49,104)	Payable
2007	2008-09	Nil	DCT	Reference Application to the High Court	201,08,03,744	1,218,137,968	(75,27,63,573)	Payable
2008	2009-10	Nil	DCT	Reference Application to the High Court	216,74,91,869	889,421,612	(132,53,29,527)	Payable
2009	2010-11	Nil	DCT	Taxes Appellat	370,44,72,179	63,51,59,113	(254,00,43,944)	Payable
2010	2011-12	Nil	DCT	Apple to C.T.	411,68,48,042	1,118,523,981	(339,21,46,471)	Payable
2011	2012-13	Nil	-	Not yet assessed		1,368,957,252		Not yet assessed
2012	2013-2014	Nil	-	Not yet assessed		1459284890		Not yet assessed

Statement of Non Income Generating Other Assets

	2013 Taka	2012 Taka
a) DOMESTIC BRANCHES		
Stamps in hand	12,053,862	248,669,738
Stationery in hand	220,016,966	224,021,236
Advance Rent	239,437,511	115,628,416
Interest Receivable	10,341,819,483	6,522,180,731
Commission Receivable	1,639,609,645	2,718,300,343
Exchange Receivable	2,347,406	22,314,715
Rent	1,449,102	190,000
Taxes	-	1,535,726
Law charges	126,262	2,192,653
Postage and Telegram	1,064,424	983,239
Sundries	62,689,903	60,962,310
Branch Adjustment	36,175,264,245	45,988,285,266
suspense A/C	611,846,973	845,739,649
Income Tax Deducted at source	12,412,900,084	11,739,457,796
Drafts Payable account (Ex-Advice)	227,217,582	316,629,820
Govt. Drafts Payable Account (Ex-Advice)	18,950,848	43,896,709
Intangible Assets- Valuation Adjustment	26,295,082,834	32,869,403,550
Deferred Tax assets	20,918,309,186	19,642,680,978
Demand Drafts purchased	677,104,906	1,109,610,717
Protested Bills	286,797,489	238,744,081
BRDB TCCA Crop Loans Exemption-1994	639,049,723	759,049,723
BRDB UCCA Crop Loans Exemption -2001	1,073,790,753	1,073,790,753
BRDBUCCA Crop Loans Int. & Penel int. Exemption-2007	757,008,222	757,008,222
Branch Reconstruction A/C	50,195	50,195
Exchange Equalisation	-	279,480,055
Pension Bill Purchased	-	-
Pension Bill Purchased(Army)	8,974,204,186	6,928,772,829
Pension Bill Purchased(Civil)	1,210,885,415	755,585,875
PSP/BSP Encashment	689,293,252	1,760,883,045
Loan Exemption Under J.S Reform Proj.94-95	5,094,543,083	5,362,676,930
Agri-Loan Other Exp.Exemption A/C-2004	255,133	255,133
Agri-Loan Interest Exemption A/C-2004	4,372,295	5,961,863
Agri- Exemption A/C Affected By River Erosion	98,964,362	12,079
Security Margin	-	-
Frozen Fish Loan Exemption	101,773,510	101,773,510
UCCA Loan Remission for River Erosion	6,044,155	98,424,139
Total	128,794,322,995	140,595,152,024

SONALI BANK LIMITED
Highlights on the overall activities
For the year ended 31 december 2013

Annexure - F

(Amount in Thousand)

SL. No.	Particulars	2013 Taka	2012 Taka
1.	Paid-up Capital	11,250,000	11,250,000
2.	Total Capital (as per Capital Adequacy)	28,281,665	(3,345,090)
3.	Capital surplus/(deficit)	(8,957,424)	(38,751,670)
4.	Total Assets	852,223,550	753,949,686
5.	Total Deposits	685,894,589	599,293,702
6.	Total Loans and Advances	343,450,526	378,147,056
7.	Total Contingent Liabilities and Commitments	175,802,795	198,936,405
8.	Credit Deposit Ratio	50.07%	63.10%
9.	Percentage of classified loans against total loans and advances	30.21%	33.31%
10.	Profit after tax and provision	3,580,184	(31,533,546)
11.	Amount of classified loans	103,768,700	125,975,303
12.	Provisions kept against classified loans	70,054,500	73,675,200
13.	Provision surplus/(deficit)	(0)	628,978
14.	Cost of fund	8.26%	8.22%
15.	Interest earning Assets	537,666,423	422,566,563
16.	Non-interest earning Assets	314,557,128	331,383,123
17.	Return on investment (ROI)	7.38%	5.02%
18.	Return of Asset (ROA)	0.45%	-2.86%
19.	Income from investment	15,536,434	10,841,516
20.	Earnings per Share	31.82	(280.30)
21.	Net income per Share	31.82	(280.30)
22.	Price Earning Ratio	N/A	N/A

Sonali Bank Limited, Head Office, Dhaka
Treasury Management Division, LCMD
Investment in Shares (Quoted) as on 31 December 2013

Annexure-G

PARTICULARS OF INVESTMENT	NO. OF SHARE	COST VALUE PER SHARE	TOTAL COST VALUE	MARKET PRICE PER SHARE	TOTAL MARKET VALUE
1	2	3	4=(2*3)	5	6=(2*5)
Bank NBFi					
IJANATAMF	937000	11.72	10981640.00	6.00	5622000.00
1STPRIMFMF	207000	38.82	8035740.00	25.40	5257800.00
ABBANK	1758267	90.67	159422068.89	26.20	46066595.40
ALARABANK	1807806	35.00	63273210.00	19.10	34529094.60
BANKASIA	2007271	33.53	67303796.63	23.00	46167233.00
BAYLEASING	476160	137.62	65529139.20	42.50	20236800.00
BIFC	313200	19.09	5978988.00	17.30	5418360.00
BRACBANK	3694393	45.74	168981535.82	32.60	120437211.80
CITYBANK	2695550	48.52	130788086.00	20.20	54450110.00
DBHISTMF	782000	15.28	11948960.00	5.60	4379200.00
DHAKABANK	1805124	38.68	69822196.32	18.80	33936331.20
DUTCHBANGL	179160	162.26	29070501.60	104.70	18758052.00
EBL	13022466	11.07	144158698.62	29.10	378953760.60
EBLISTMF	1259677	21.51	27095652.27	7.00	8817739.00
EXIMBANK	1249785	34.47	43080088.95	12.90	16122226.50
FIRSTSBANK	1127254	31.46	35463410.84	15.10	17021535.40
ICB(PRIMARY)	2953588	59.26	175027500.00	1461.00	4315192068.00
ICB3RDNRB	480000	14.05	6744000.00	5.10	2448000.00
ICBEPMF1S1	813000	16.51	13422630.00	5.70	4634100.00
ICBIBANK	5418100	10.00	54181000.00	6.10	33050410.00
IFIC	678740	61.94	42041155.60	34.30	23280782.00
IFICISTMF	793811	13.93	11057787.23	6.60	5239152.60
IFILISLMFI	166500	10.65	1773225.00	5.60	932400.00
IPDC	749340	26.73	20029858.20	20.00	14986800.00
JAMUNABANK	901454	35.40	31911471.60	16.30	14693700.20
MERCANBANK	3616767	32.79	118593789.93	16.70	60400008.90
MTBL	2011977	45.15	90840761.55	16.30	32795225.10
NBL	2996583	53.75	161066336.25	11.80	35359679.40
NCCBANK	2420774	40.14	97169868.36	13.10	31712139.40
ONEBANKLTD	3581570	41.34	148062103.80	15.80	56588806.00
PFISTMF	271500	15.01	4075215.00	5.40	1466100.00
PREMIERBAN	1015830	34.35	34893760.50	10.90	11072547.00
PRIMEICBA	242000	13.70	3315400.00	5.50	1331000.00
PRIMEBANK	916995	41.54	38091972.30	25.90	23750170.50
PUBALIBANK	8846883	18.40	162782647.20	32.50	287523697.50
RUPALIBANK	145200	6.89	1000428.00	65.20	9467040.00
SHAHJABANK	3456061	41.48	143357410.28	16.80	58061824.80
SIBL	3302882	26.54	87658488.28	13.30	43928330.60
SOUTHEASTB	3678255	44.59	164013390.45	17.90	65840764.50
STANDBANKL	1848113	30.01	55461871.13	14.80	27352072.40
TRUSTB1MF	687691	14.78	10164072.98	7.20	4951375.20

TRUSTBANK	6340871	50.43	319787475.98	20.00	126817420.00
UCBL	1349331	38.36	51760337.16	25.10	33868208.10
ULC	220772	78.29	17284239.88	33.20	7329630.40
UTTARABANK	855747	91.94	78677379.18	31.10	26613731.70
UTTARAFIN	514483	157.56	81061941.48	82.70	42547744.10
Sub Total			3,266,241,230.46		6,219,408,977.90

Insurance

BGIC	513476	69.72	35799546.72	29.00	14890804.00
GREENELMF	524500	12.35	6477575.00	5.30	2779850.00
KARNAPHULI	508728	97.00	49346616.00	24.30	12362090.40
PEOPLESINS	99655	93.41	9308773.55	33.60	3348408.00
POPULARIMF	1023607	9.77	10000640.39	6.00	6141642.00
Sub Total			110,933,151.66		39,522,794.40

Fuel and Power

BDWELDING	28698	9.07	260310.00	23.50	674403.00
DESCO	1256331	146.90	184555023.90	58.40	73369730.40
JAMUNAOIL	122500	252.82	30970450.00	191.80	23495500.00
KPCL	497499	88.80	44177911.20	49.10	24427200.90
LINDEBD	18000	738.92	13300560.00	629.30	11327400.00
NATOXG	1305	100.00	130500.00	100.00	130500.00
NAVANACNG	486558	146.50	71280747.00	64.00	31139712.00
PADMAOIL	53600	408.95	21919720.00	252.30	13523280.00
POWERGRID	776245	64.64	50176476.80	52.80	40985736.00
SUMITPOWER	687901	73.80	50767093.80	38.40	26415398.40
Sub Total			467,538,792.70		245,488,860.70

Manufactur & other

ACI	390052	318.21	124118446.92	171.50	66893918.00
ACIFORMULA	330200	101.70	33581340.00	78.90	26052780.00
AFTABAUTO	1845925	15.81	29184074.25	90.70	167425397.50
AIMSISTMF	12000	109.40	1312800.00	40.90	490800.00
APEXTAN	30000	10.00	300000.00	124.60	3738000.00
APEXWEAV	51200	10.00	512000.00	154.00	7884800.00
ASHRAFTEX	364582	10.00	3645820.00	10.00	3645820.00
ATLASBANG	85313	304.33	25963305.29	151.30	12907856.90
AZADIPRINT	7560	10.00	75600.00	10.00	75600.00
BCIL	29600	10.00	296000.00	10.00	296000.00
BDCOM	559729	59.83	33488586.07	30.40	17015761.60
BEACONPHAR	2100000	9.52	19992000.00	13.20	27720000.00
BEXIMCO	1140774	141.19	161065881.06	32.20	36732922.80
BSC	1077	100.00	107700.00	413.00	444801.00
BSRMSTEEL	340500	77.71	26460255.00	68.70	23392350.00
BXPBARMA	462252	87.85	40608838.20	47.20	21818294.40
DULAMACOT	16000	10.00	160000.00	7.80	124800.00
ECABLES	60000	10.00	600000.00	83.80	5028000.00
FBFIF	30136986	8.30	250000000.00	9.30	280273969.80
GP	1151400	263.13	302967882.00	200.90	231316260.00
GRAMEENS2	250800	26.70	6696360.00	17.60	4414080.00
HEIDELCEM	102560	13.05	1338000.00	380.70	39044592.00
INTECH	770848	32.46	25021726.08	16.60	12796076.80

JUTESPIN	30000	10.00	300000.00	74.00	2220000.00
LAFSURCEML	118500	10.00	1185000.00	33.50	3969750.00
LR GLOBAL	5184672	9.64	49980238.08	7.30	37848105.60
NILOYCEM	98	100.00	9800.00	100.00	9800.00
NTC	4392	100.00	439200.00	815.00	3579480.00
NLTUBES	168876	142.63	24086783.88	71.60	12091521.60
PDPRINTER	29243	10.00	292430.00	10.00	292430.00
PHPMF1	299500	10.16	3042920.00	5.50	1647250.00
RAHIMAF	15310	10.00	153100.00	67.80	1038018.00
RAKCERAMIC	315713	140.77	44442919.01	53.30	16827502.90
RANFOUNDRY	404000	153.56	62038240.00	94.60	38218400.00
ROSEHEAV	4327	15.00	64905.00	15.00	64905.00
SAPORTL	354360	123.07	43610706.67	30.30	10737108.00
Sub Total			1317142857.51		1118077151.90
Total Quoted	148363883		5161856032.33		7622497784.90

Investment in Shares (Unquoted)

PARTICULARS OF INVESTMENT	NO. OF SHARE	COST VALUE PER SHARE	TOTAL COST VALUE	MARKET PRICE PER SHARE	TOTAL MARKET VALUE
1	2	3	4=(2*3)	5	6=(2*5)
BCBL	1125000	100.00	112500000.00	100.00	112500000.00
CDBL	8968456	14.55	130508975.35	14.55	130508975.35
Grameen Bank	30000	100.00	3000000.00	100.00	3000000.00
IIDFC	732911	40.50	29683820.00	40.50	29683820.00
Karmasangthan Bank	500000	100.00	50000000.00	100.00	50000000.00
Pubali bank (former)	51022	10.00	510220.00	10.00	510220.00
Sub Total			326203015.35		326203015.35

Manufacturing

Allied Pharma Ltd.	1000000	10.00	10000000.00	10.00	10000000.00
S. Jute Yarn & Twine	33790	10.00	337900.00	10.00	337900.00
Swan Textile Mills	1022	100.00	102200.00	100.00	102200.00
Sub Total			10440100.00		10440100.00

Other

Bangladesh Fund	21300000	100.00	2130000000.00	100.00	2130000000.00
Orion Infrastructures	300000000	10.00	3000000000.00	10.00	3000000000.00
Paper Convert&Pack	5000	100.00	500000.00	100.00	500000.00
SPPCL	1085920	100.00	108592000.00	100.00	108592000.00
SUPCL	714080	100.00	71408000.00	100.00	71408000.00
Sub Total			5310500000.00		5310500000.00

Total Unquoted	324139812		5647143115.35		5647143115.35
Quoted+Unquoted	472503695		10808999147.68		13269640900.25
Share Revaluation (as on 31-12-13)			2460641752.57		
GRAND TOTAL			13269640900.25		

Sonali Bank Limited
As on 31 December 2013

Annexure-I

i) Non-Performing Loans and Advance

(Figure in million)

SL.	Particulars	No. of Accounts	Outstanding	Provision
A.	Visited by BB (12 Branches)			
1	State owned Suger Mills	9.00	1,009.70	900.60
2	State owned BSC (Bangladesh Shipping Corporation)	1.00	201.80	199.70
3	Block loan approved by Board of Directors	14.00	652.60	173.60
4	No classification on the basis of qualitative judgment	118.00	5,836.00	3,436.30
B.	Not visited by BB (17 Branches)			
1	Block loan approved by Board Division	6.00	116.90	57.90
2	No classification on the basis of qualitative judgment	265.00	1,566.00	645.90
	Total(A+B)	413.00	9,383.00	5,414.00

ii) Interest receivable from Government against loan exemption under jute sector reform project 94-95

The Board of Directors of the bank has approved to write off Tk. 5,362 million shown as other assets in the balance sheet in respect of Jute sector reform project 1994-1995 over next 20 years.