

Syful Shamsul Alam & Co.
Chartered Accountants

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Financial Statements
&
Auditors' report
Of
Sonali Bank Limited
For the year ended 31 December 2012

Auditors' Report to the Shareholders of Sonali Bank Limited

We have audited the accompanying consolidated financial statements of Sonali Bank Limited (SBL) and its subsidiaries (the "Group") as well as the financial statements of Sonali Bank Limited ("the Bank") which comprise the Balance Sheet as at 31 December 2012 and Profit & Loss account, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements of the group and also the financial statements of the Bank in accordance with Bangladesh Financial Reporting Standards (BFRS), Bank Companies Act 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). 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 the financial statements of the Bank are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the financial statements of the Bank, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements of the Group and the financial statements of the Bank in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 the 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.

Basis for Qualified Opinion

1. Loans and Advances amounting to Tk. 9,383 million were found to be non-performing as per Bangladesh Bank guidelines. In addition the base for provision was found to be understated by overvaluing the collateral security of some bad loss parties amounting to Tk. 2,169 million. Had provision been made on such non-performing loans & advances, and the base for provision were properly calculated the loss for the year would have been increased by Tk. 7,886 million. (Tk. 5,414 million on account of additional provision, Tk. 303 million on account of transfer of interest income to interest suspense, Tk. 2,169 million on account of additional provision for the understated base for provision).
2. Interest receivable from Government against loan exemption under jute sector reform project 94-95 is aggregated to Tk. 5,362 million. Neither any provision has been kept nor has any amount so far received from the government since 1994-95.

Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion Paragraphs 1 to 2, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the financial position of the Group as well as the Bank as at 31 December 2012 and of the results of its financial performance and its cash flows for the year then ended and comply with the Bank Companies Act 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

Emphasis of Matter

In addition to our above qualified opinion, we draw attention to the following facts:

1. Note 7.9 to the financial statements stated that some loans are not classified and no provision has been provided due to High-Court Injunction.
2. Note 14 to the financial statements stated that there is a shortfall of capital in compliance with the requirements of BASEL II.
3. Note 7.10 to the financial statements stated that Hotel Sheraton Corporate Branch and Gulshan Corporate Branch distributed loans and advances fraudulently to some parties contravening banking rules and regulations.

We also report that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by SBL so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from (1140) branches not visited by us;
- (iii) the consolidated balance sheet and consolidated profit and loss account of the Group and those of the Bank together with the annexed notes 1 to 48 dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditures incurred was for the purpose of the Group's and the Bank's business;
- (v) subject to matters described in basis for qualified opinion paragraphs and emphasis of matter paragraph, the financial position as of 31 December 2012 and the loss for the year then ended have been properly reflected in the financial statements and the financial statements have been prepared in accordance with the Bangladesh Accounting Standards.
- (vi) the financial statements have been drawn up in conformity with the Bank Companies Act, 1991 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank;
- (vii) the consolidated financial statements of the Group and those of the Bank conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (viii) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (ix) subject to our audit findings numbered as 1 & 2 in the basis for qualified opinion paragraphs, adequate provisions have been made for advances and other assets which are, in our opinion, doubtful of recovery;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) the Bank has Two (2) overseas branches which has been audited by other auditors;
- (xii) 80% of the risk- weighted assets have been audited covering 60 branches selected by the bank authority based on their own risk assessment;
- (xiii) we have spent approximately 14,400 man hours for the audit of the books and accounts of the Bank.

HodaVasi Chowdhury & Co.
Chartered Accountants

Syful Shamsul Alam & Co.
Chartered Accountants

Sonali Bank Limited
Consolidated Balance Sheet
As at December 31, 2012

| | 31 December 2012 | 31 December 2011 |
|--|------------------------|------------------------|
| Note | <u>BDT</u> | <u>BDT</u> |
| <u>Property and Assets</u> | | |
| Cash | 41,690,269,401 | 65,634,773,139 |
| In Hand (Including Foreign Currency) | 6,478,812,163 | 3,992,625,523 |
| With Bangladesh Bank and its agent Bank (including Foreign Currency) | 35,211,457,238 | 61,642,147,616 |
| Balance with other Banks & Financial Institutions | 10,998,448,921 | 13,077,936,686 |
| In Bangladesh | 5,010,792,645 | 7,079,712,392 |
| Outside Bangladesh | 5,987,656,276 | 5,998,224,294 |
| Money at Call on Short Notice | 7,748,948,670 | 11,742,379,680 |
| Investments | 147,018,999,055 | 132,089,167,727 |
| Government | 129,999,474,754 | 119,359,837,845 |
| Others | 17,019,524,301 | 12,729,329,882 |
| Loans and Advances | 380,670,701,770 | 348,091,755,805 |
| Loans, Cash Credit, Overdrafts, etc. | 340,856,890,242 | 301,426,695,855 |
| Bills Purchased and Discounted | 39,813,811,528 | 46,665,059,950 |
| Fixed Asset including Premises, Furniture & Fixture | 23,154,719,162 | 23,060,119,998 |
| Other Assets | 143,333,983,873 | 101,908,464,655 |
| Non-Banking Assets | 10 | - |
| Total Assets | 754,616,070,853 | 695,604,597,690 |
| <u>Liabilities and Capital</u> | | |
| Borrowing from other Banks, Financial Institutions & Agents | 9,994,300,253 | 2,096,263,206 |
| Deposit and Other Accounts | 599,207,730,352 | 533,123,037,104 |
| Current Deposit & Other Accounts | 144,220,722,753 | 128,393,661,256 |
| Bills Payable | 9,902,635,021 | 9,211,842,671 |
| Savings Deposits | 169,544,942,250 | 165,670,880,144 |
| Fixed Deposits | 275,539,430,328 | 229,846,653,031 |
| Other Deposits | - | - |
| Other Liabilities | 123,013,624,278 | 104,262,013,373 |
| Total Liabilities | 732,215,654,882 | 639,481,313,683 |
| Capital/Shareholders' Equity: | | |
| Paid up Capital | 11,250,000,000 | 11,250,000,000 |
| Statutory Reserve | 5,924,918,206 | 5,924,918,206 |
| Retained Earnings | (18,728,096,770) | 12,826,014,349 |
| Other Reserve | 23,953,594,534 | 26,122,351,452 |
| Total Shareholders' Equity | 22,400,415,970 | 56,123,284,007 |
| Total Liabilities and Shareholders' Equity | 754,616,070,853 | 695,604,597,690 |

Sonali Bank Limited
Consolidated Balance Sheet
As at December 31, 2012

| | 31 December 2012 | 31 December 2011 |
|---|---------------------|---------------------|
| <u>Note</u> | <u>BDT</u> | <u>BDT</u> |
| <u>Off-Balance Sheet Items</u> | | |
| Contingent Liabilities | | |
| Acceptance and Endorsement | 198,936,405,232 | 148,171,703,797 |
| Letter of Guarantee | 6,174,454,543 | 6,131,165,629 |
| Irrevocable Letter of Credit | 176,464,434,639 | 124,710,753,123 |
| Bills for Collection | 16,297,516,050 | 17,329,785,045 |
| 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 | - | - |

The annexed notes form an integral part of these accounts

Chairman

Director

Director

Managing Director & CEO

Signed as per annexed report on even date

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Syful Shamsul Alam & Co.
Chartered Accountants

Dated:

Place: Dhaka.

Sonali Bank Limited
Consolidated Profit and Loss Account
For the year ended December 31, 2012

| <u>Particulars</u> | <u>Notes</u> | 31 December 2012 | 31 December 2011 |
|---|--------------|-------------------------|-----------------------|
| | | <u>BDT</u> | <u>BDT</u> |
| Interest Income | 20(a) | 30,693,165,042 | 28,092,050,860 |
| Less: Interest Paid on Deposit and Borrowing, etc. | 21(a) | 32,966,090,058 | 22,415,764,284 |
| Net Interest Income | | (2,272,925,016) | 5,676,286,576 |
| Investment income | 22(a) | 10,870,194,153 | 7,473,468,291 |
| Commission, Exchange and Brokerage | 23(a) | 11,466,182,158 | 7,703,669,610 |
| Other Operating Income | 24(a) | 2,556,964,601 | 2,861,559,542 |
| | | 24,893,340,912 | 18,038,697,443 |
| Total Operating Income | | 22,620,415,897 | 23,714,984,019 |
| Less: Operating Expenditure: | | | |
| Salary and Allowances | 25(a) | 7,979,091,944 | 8,140,545,647 |
| Rent, Tax, Insurance, Electricity etc. | 26(a) | 653,197,312 | 604,406,721 |
| Legal Expense | 27 | 20,991,145 | 26,052,472 |
| Postage, Stamps and Telephone etc. | 28(a) | 62,800,845 | 61,239,063 |
| Printing, Stationery, Advertisement etc. | 29(a) | 200,402,434 | 173,802,290 |
| Chief Executive's salary and fees | 30 | 6,477,496 | 6,171,743 |
| Directors' Fee | 31(a) | 3,349,409 | 5,541,409 |
| Auditors' Fee | 32(a) | 3,408,569 | 2,784,231 |
| Depreciation on and Repair to Bank's Property | 33(a) | 496,770,452 | 420,364,042 |
| Other Expenditure | 35(a) | 2,130,407,738 | 1,796,346,347 |
| Total Operating Expenses | | 11,556,897,345 | 11,237,253,965 |
| Profit Before Provision | | 11,063,518,552 | 12,477,730,054 |
| Less: Provision against Loans & Advances | 36(a) | (37,056,072,120) | (465,648,951) |
| Less: Provision against Investment in Quoted Shares | 37(a) | - | 129,549,057 |
| Less: Other Provision | 38 | (2,287,127,069) | 4,331,871,631 |
| Total Provision | | (39,343,199,189) | 3,995,771,737 |
| Profit/(Loss) Before amortization | | (28,279,680,637) | 16,473,501,791 |
| Less: Amortization of Intangible Assets | 34 | 6,574,320,716 | 6,574,320,716 |
| Total Loss before tax | | (34,854,001,353) | 9,899,181,075 |
| Less: Provision for Tax | | 3,299,907,203 | 82,766,608 |
| Current Tax | 13.6(a) | (444,093,950) | (994,742,010) |
| Deferred Tax | 9.8.2 | 3,744,001,153 | 1,077,508,618 |
| Net Profit/(Loss) After Tax | | (31,554,094,150) | 9,981,947,683 |
| Retained Surplus Brought Forward | | 12,826,014,349 | 4,806,256,012 |
| | | (18,728,079,801) | 14,788,203,695 |

Sonali Bank Limited
Consolidated Profit and Loss Account
For the year ended December 31, 2012

| | 31 December 2012 | 31 December 2011 |
|--|---|-----------------------|
| Notes | <u>BDT</u> | <u>BDT</u> |
| Appropriation: | | |
| Transferred to General Reserve | - | - |
| Transferred to Statutory Reserve | - | 1,968,441,673 |
| Dividend etc. | - | - |
| | - | 1,968,441,673 |
| Retained Surplus, Carried Forward | 16(a) <u>(18,728,096,770)</u> | <u>12,826,014,349</u> |
| Earnings Per Share | 44(a) <u>(280.48)</u> | <u>108.65</u> |

The annexed notes form an integral part of these accounts

Chairman

Director

Director

Managing Director & CEO

Signed as per annexed report on even date

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Syful Shamsul Alam & Co.
Chartered Accountants

Dated:
Place: Dhaka.

Sonali Bank Limited
Consolidated Statement of Cash Flows
For the year ended December 31, 2012

| | Note | 31 December 2012 <u>BDT</u> | 31 December 2011 <u>BDT</u> |
|---|-------|-----------------------------------|-----------------------------------|
| A. Cash flows from operating activities | | | |
| Interest receipts in cash | | 36,799,614,527 | 41,009,065,826 |
| Interest payments | 21(a) | (32,966,090,058) | (22,415,764,284) |
| Dividends receipts | | 172,984,362 | 64,076,855 |
| Fee and commission receipts in cash | | 10,231,623,272 | 7,195,633,751 |
| Recoveries on loans previously written off | | - | - |
| Cash payments to employees | | (7,823,655,296) | (7,928,410,517) |
| Cash payments to Suppliers | | (269,821,432) | (229,561,964) |
| Income taxes paid | | (1,000,000,000) | (500,000,000) |
| Receipts from other operating activities (item-wise) | | 2,757,914,917 | 3,239,035,894 |
| Payments for other operating activities (item-wise) | | (1,547,896,150) | (3,419,244,667) |
| Operating profit/(Loss) before changes in operating assets and liabilities | | 6,354,674,142 | 17,014,830,894 |
| Increase/decrease in operating assets and liabilities | | | |
| Statutory deposits | | - | - |
| Purchase/sale of trading securities | | - | - |
| Loans & advances to other banks | | - | - |
| Loans & advances to customers | | (32,578,945,965) | (61,993,685,644) |
| Other assets (item-wise) | | (42,715,768,259) | 32,483,249,497 |
| Deposits from other banks | | (8,248,973,919) | 4,670,519,722 |
| Deposits from customers | | 74,333,667,167 | 50,318,432,432 |
| Other liabilities account of customers | | - | - |
| Trading liabilities | | - | - |
| Other liabilities (item-wise) | | (20,035,682,234) | (181,579,828) |
| Net cash from operating activities | | (29,245,703,210) | 25,296,936,179 |
| B. Cash flows from investing activities | | | |
| Proceeds from sale of securities | | - | - |
| Payments for purchase of securities | | (7,242,754,549) | (19,705,842,463) |
| Purchase/sale of property, plant & equipment | | (94,599,164) | (12,466,027,946) |
| Purchase/sale of subsidiary | | - | - |
| Net cash used in investing activities | | (7,337,353,713) | (32,171,870,409) |
| C. Cash flows from financing activities | | | |
| Receipts from issue of loan capital & debt security | | 7,898,037,047 | 2,069,877,569 |
| Payments for redemption of loan capital & debt security | | - | - |
| Receipts from issue of ordinary share | | - | - |
| Dividends paid | | - | - |
| Net cash from financing activities | | 7,898,037,047 | 2,069,877,569 |
| D. Net increase/decrease in cash and cash equivalents | | (22,330,345,735) | 12,209,774,233 |
| E. Effects of exchange rate changes on cash and cash-equivalents | | | - |
| F. Cash and cash-equivalents at beginning for the year/period | | 98,858,139,131 | 86,648,364,898 |
| G. Cash and cash-equivalents at end of the year/period | 43(a) | 76,527,793,397 | 98,858,139,131 |

The annexed notes form an integral part of these accounts

Chairman

Director

Director

Managing Director & CEO

Signed as per annexed report on even date

Sonali Bank Limited
Consolidated Statement of Changes in Equity
For the year ended December 31, 2012

| Particulars | Paid up Capital | Statutory Reserve | Other Reserve | Asset Revaluation Reserve | Revaluation of Investment | Retained Earning | Total |
|---|-----------------------|----------------------|-------------------|---------------------------|---------------------------|-------------------------|-----------------------|
| Balance as at 01 January 2012 | 11,250,000,000 | 5,924,918,206 | 47,000,000 | 20,860,624,702 | 5,214,726,750 | 12,826,014,349 | 56,123,284,007 |
| Changes in accounting policy | - | - | - | - | - | - | - |
| Restated balance | - | - | - | - | - | - | - |
| Surplus/deficit on account of revaluation of properties | - | - | - | - | - | - | - |
| Surplus/deficit on account of revaluation of investments | - | - | - | - | (2,168,756,918) | - | (2,168,756,918) |
| Currency translation differences | - | - | - | - | - | (16,969) | (16,969) |
| Net gains and losses not recognized in the income statement | - | - | - | - | - | - | - |
| Transferred to Other Reserve | - | - | - | - | - | - | - |
| Net Profit/(Loss) for the year 2012(after appropriation) | - | - | - | - | - | (31,554,094,150) | (31,554,094,150) |
| Dividends | - | - | - | - | - | - | - |
| Issue of share capital | - | - | - | - | - | - | - |
| Transferred to Statutory Reserve | - | - | - | - | - | - | - |
| 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 |
| Balance as at 31 December 2011 | 11,250,000,000 | 5,924,918,206 | 47,000,000 | 20,860,624,702 | 5,214,726,750 | 12,826,014,349 | 56,123,284,007 |

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

Chairman

Director

Director

Managing Director & CEO

Dated :

Place : Dhaka

Sonali Bank Limited
Balance Sheet
As at December 31, 2012

| | Note | 31 December 2012 BDT | 31 December 2011 BDT |
|--|------|----------------------------|----------------------------|
| <u>Property and Assets</u> | | | |
| Cash | 3 | 41,690,269,401 | 65,634,773,139 |
| In Hand (Including Foreign Currency) | | 6,478,812,163 | 3,992,625,523 |
| With Bangladesh Bank and its agent Bank (including Foreign Currency) | | 35,211,457,238 | 61,642,147,616 |
| Balance with other Banks & Financial Institutions | 4 | 10,521,825,081 | 12,601,457,703 |
| In Bangladesh | | 4,838,819,000 | 6,885,819,000 |
| Outside Bangladesh | | 5,683,006,081 | 5,715,638,703 |
| Money at Call on Short Notice | 5 | 7,748,948,670 | 11,742,379,680 |
| Investments | 6 | 148,910,238,470 | 134,075,750,559 |
| Government | | 129,999,474,754 | 119,359,837,845 |
| Others | | 18,910,763,716 | 14,715,912,714 |
| Loans and Advances | 7 | 378,147,055,602 | 345,991,348,911 |
| Loans, Cash Credit, Overdrafts, etc. | | 338,333,244,074 | 299,326,288,961 |
| Bills Purchased and Discounted | | 39,813,811,528 | 46,665,059,950 |
| Fixed Asset including Premises, Furniture & Fixture | 8 | 23,122,398,424 | 23,026,415,030 |
| Other Assets | 9 | 143,808,950,107 | 102,119,984,054 |
| Non-Banking Assets | 10 | - | - |
| Total Assets | | 753,949,685,755 | 695,192,109,076 |
| <u>Liabilities and Capital</u> | | | |
| Borrowing from other Banks, Financial Institutions & Agents | 11 | 9,994,300,253 | 2,096,263,206 |
| Deposit and Other Accounts | 12 | 599,293,702,110 | 533,192,166,553 |
| Current Deposit & Other Accounts | | 144,306,694,511 | 128,462,790,706 |
| Bills Payable | | 9,902,635,021 | 9,211,842,671 |
| Savings Deposits | | 169,544,942,250 | 165,670,880,144 |
| Fixed Deposits | | 275,539,430,328 | 229,846,653,031 |
| Other Deposits | | - | - |
| Other Liabilities | 13 | 122,271,683,430 | 103,811,376,413 |
| Total Liabilities | | 731,559,685,793 | 639,099,806,172 |
| Capital/Shareholders' Equity: | | | |
| Paid up Capital | 14 | 11,250,000,000 | 11,250,000,000 |
| Statutory Reserve | 15 | 5,924,918,206 | 5,924,918,206 |
| Retained Earnings | 16 | (18,738,512,778) | 12,795,033,247 |
| Other Reserve | 17 | 23,953,594,534 | 26,122,351,452 |
| Total Shareholders' Equity | | 22,389,999,962 | 56,092,302,905 |
| Total Liabilities and Shareholders' Equity | | 753,949,685,755 | 695,192,109,076 |

Sonali Bank Limited
Balance Sheet
As at December 31, 2012

| | Note | 31 December 2012 BDT | 31 December 2011 BDT |
|---|-----------|----------------------------|----------------------------|
| <u>Off-Balance Sheet Items</u> | | | |
| Contingent Liabilities | | | |
| Acceptance and Endorsement | 18 | 198,936,405,232 | 148,171,703,797 |
| Letter of Guarantee | | 6,174,454,543 | 6,131,165,629 |
| Irrevocable Letter of Credit | | 176,464,434,639 | 124,710,753,123 |
| Bills for Collection | | 16,297,516,050 | 17,329,785,045 |
| Other Contingent Liabilities | | - | - |
| <u>Other Commitments</u> | | | |
| 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 | | - | - |
| <u>Other Memorandum Items</u> | | | |
| Value of Travelers' Cheque on Hand | | - | - |
| Value of Bangladesh Sanchoy Patra on Hand | | - | - |
| Total Off Balance Sheet Items including Contingent Liabilities | | - | - |

The annexed notes form an integral part of these accounts

Chairman

Director

Director

Managing Director & CEO

Signed as per annexed report on even date

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Syful Shamsul Alam & Co.
Chartered Accountants

Date :
Dhaka.

Sonali Bank Limited
Profit and Loss Account
For the year ended December 31, 2012

| <u>Particulars</u> | <u>Note</u> | <u>31 December 2012 BDT</u> | <u>31 December 2011 BDT</u> |
|---|-------------|-------------------------------------|-------------------------------------|
| Interest Income | 20 | 30,651,965,867 | 27,902,144,333 |
| Less: Interest Paid on Deposit and Borrowing, etc. | 21 | 32,917,128,567 | 22,402,387,574 |
| Net Interest Income | | (2,265,162,700) | 5,499,756,759 |
| Investment income | 22 | 10,841,515,813 | 7,561,794,956 |
| Commission, Exchange and Brokerage | 23 | 11,263,628,929 | 7,487,046,101 |
| Other Operating Income | 24 | 2,555,103,927 | 2,860,061,530 |
| | | 24,660,248,669 | 17,908,902,587 |
| Total Operating Income | | 22,395,085,969 | 23,408,659,346 |
| Less: Operating Expenditure: | | | |
| Salary and Allowances | 25 | 7,805,475,562 | 7,950,235,276 |
| Rent, Tax, Insurance, Electricity etc. | 26 | 644,641,768 | 597,208,721 |
| Legal Expense | 27 | 20,991,145 | 26,052,472 |
| Postage, Stamps and Telephone etc. | 28 | 62,459,589 | 60,694,119 |
| Printing, Stationery, Advertisement etc. | 29 | 199,502,006 | 172,945,089 |
| Chief Executive's salary and fees | 30 | 6,477,496 | 6,171,743 |
| Directors' Fee | 31 | 2,947,959 | 4,517,009 |
| Auditors' Fee | 32 | 3,338,819 | 2,734,231 |
| Depreciation on and Repair to Bank's Property | 33 | 489,313,241 | 414,290,292 |
| Other Expenditure | 35 | 2,123,616,190 | 1,782,456,313 |
| Total Operating Expenses | | 11,358,763,776 | 11,017,305,265 |
| Profit Before Provision | | 11,036,322,193 | 12,391,354,081 |
| Less: Provision against Loans & Advances | 36 | (37,016,725,418) | (436,725,627) |
| Less: Provision against Investment in Quoted Shares | 37 | - | 130,028,996 |
| Less: Other Provision | 38 | (2,287,127,069) | 4,331,871,631 |
| Total Provision | | (39,303,852,487) | 4,025,175,000 |
| Profit/(Loss) Before amortization | | (28,267,530,294) | 16,416,529,081 |
| Less: Amortization of Intangible Assets | 34 | 6,574,320,716 | 6,574,320,716 |
| Total Loss before tax | | (34,841,851,010) | 9,842,208,365 |

Sonali Bank Limited
Profit and Loss Account
For the year ended December 31, 2012

| | <u>Note</u> | 31 December 2012 <u>BDT</u> | 31 December 2011 <u>BDT</u> |
|---|-------------|-----------------------------------|-----------------------------------|
| Less: Provision for Tax | | 3,308,304,985 | 115,010,543 |
| Current Tax | 13.6 | (435,696,168) | (962,498,075) |
| Deferred Tax | 9.8.2 | 3,744,001,153 | 1,077,508,618 |
| Net Profit/(Loss) After Tax | | (31,533,546,025) | 9,957,218,908 |
| Retained Surplus Brought Forward | | 12,795,033,247 | 4,806,256,012 |
| | | (18,738,512,778) | 14,763,474,920 |
| <u>Appropriation:</u> | | | |
| Transferred to General Reserve | | - | - |
| Transferred to Statutory Reserve | | - | 1,968,441,673 |
| Dividend etc. | | - | - |
| | | - | 1,968,441,673 |
| Retained Surplus Carried Forward | | (18,738,512,778) | 12,795,033,247 |
| Earnings Per Share | 44 | (280.30) | 108.38 |

The annexed notes form an integral part of these accounts

Chairman

Director

Director

Managing Director & CEO

Signed as per annexed report on even date

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Syful Shamsul Alam & Co.
Chartered Accountants

Date :

Dhaka.

Sonali Bank Limited
Statement of Cash Flow
For the year ended December 31, 2012

| | <u>Notes</u> | <u>31 December 2012</u> | <u>31 December 2011</u> |
|--|--------------|-----------------------------|-----------------------------|
| | | <u>BDT</u> | <u>BDT</u> |
| A. Cash flows from operating activities | | | |
| Interest receipts in cash | | 36,729,753,982 | 40,969,133,162 |
| Interest payments | 21 | (32,917,128,567) | (22,402,387,574) |
| Dividends receipts | | 172,984,362 | 64,076,855 |
| Fee and commission receipts in cash | | 10,029,070,043 | 6,979,010,241 |
| Recoveries on loans previously written off | | - | - |
| Cash payments to employees | | (7,823,655,296) | (7,967,789,923) |
| Cash payments to Suppliers | | (269,821,432) | (229,561,964) |
| Income taxes paid | | (1,000,000,000) | (500,000,000) |
| Receipts from other operating activities (item-wise) | 39 | 2,756,054,243 | 3,237,537,882 |
| Payments for other operating activities (item-wise) | 40 | (1,349,762,582) | (3,159,916,559) |
| Operating profit before changes in operating assets and liabilities | | 6,327,494,754 | 16,990,102,121 |
| Increase/decrease in operating assets and liabilities | | | |
| Statutory deposits | | - | - |
| Purchase/sale of trading securities | | - | - |
| Loans & advances to other banks | | - | - |
| Loans & advances to customers | | (32,155,706,691) | (59,893,278,750) |
| Other assets (item-wise) | 41 | (42,979,215,095) | 32,271,730,096 |
| Deposits from other banks | | (8,248,973,919) | 4,670,519,722 |
| Deposits from customers | | 74,350,509,477 | 50,387,561,881 |
| Other liabilities account of customers | | - | - |
| Trading liabilities | | - | - |
| Other liabilities (item-wise) | 42 | (20,279,241,639) | (632,216,789) |
| Net cash from operating activities | | (29,312,627,867) | 26,804,316,160 |
| B. Cash flows from investing activities | | | |
| Proceeds from sale of securities | | - | - |
| Payments for purchase of securities | | (7,147,411,130) | (21,698,677,622) |
| Purchase/sale of property, plant & equipment | | (95,983,394) | (12,432,322,978) |
| Purchase/sale of subsidiary | | - | - |
| Net cash from investing activities | | (7,243,394,524) | (34,131,000,600) |
| C. Cash flows from financing activities | | | |
| Receipts from issue of loan capital & debt security | | 7,898,037,047 | 2,069,877,569 |
| Payments for redemption of loan capital & debt security | | - | - |
| Receipts from issue of ordinary share | | - | - |
| Dividends paid | | - | - |
| Net cash from financing activities | | 7,898,037,047 | 2,069,877,569 |
| D. Net increase/decrease in cash and cash equivalents | | (22,330,490,591) | 11,733,295,250 |
| E. Effects of exchange rate changes on cash and cash-equivalents | | - | - |
| F. Cash and cash-equivalents at beginning for the year/period | | 98,381,660,148 | 86,648,364,898 |
| G. Cash and cash-equivalents at end of the year/period | 43 | 76,051,169,557 | 98,381,660,148 |

The annexed notes form an integral part of these accounts

Chairman

Director

Director

Managing Director & CEO

Signed as per annexed report on even date

Sonali Bank Limited
Statement of Changes in Equity
For the year ended December 31, 2012

| Particulars | Paid up Capital | Statutory Reserve | Other Reserve | Asset Revaluation Reserve | Revaluation of Investment | Retained Earning | Total |
|---|-----------------------|----------------------|-------------------|---------------------------|---------------------------|-------------------------|-------------------------|
| Balance as at 01 January 2012 | 11,250,000,000 | 5,924,918,206 | 47,000,000 | 20,860,624,702 | 5,214,726,750 | 12,795,033,247 | 56,092,302,904 |
| Changes in accounting policy | - | - | - | - | - | - | - |
| Restated balance | - | - | - | - | - | - | - |
| Surplus/deficit on account of revaluation of properties | - | - | - | - | - | - | - |
| Surplus/deficit on account of revaluation of investments | - | - | - | - | (2,168,756,918) | - | (2,168,756,918) |
| Currency translation differences | - | - | - | - | - | - | - |
| Net gains and losses not recognized in the income statement | - | - | - | - | - | - | - |
| Transferred to Other Reserve | - | - | - | - | - | - | - |
| Net Profit for the year 2012(after appropriation) | - | - | - | - | - | (31,533,546,025) | (31,533,546,025) |
| Dividends (Bonus share) | - | - | - | - | - | - | - |
| Issue of share capital | - | - | - | - | - | - | - |
| Transferred to Statutory Reserve | - | - | - | - | - | - | - |
| 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 | (18,738,512,779) | 22,389,999,961 |
| Balance as at 31 December 2011 | 11,250,000,000 | 5,924,918,206 | 47,000,000 | 20,860,624,702 | 5,214,726,750 | 12,795,033,247 | 56,092,302,904 |

Chairman

Director

Director

Managing Director & CEO

Dated :

Place : Dhaka

Sonali Bank Limited
Liquidity Statement
(Assets and Liability Maturity Analysis)
As at December 31, 2012

| 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 | 41,690,269,401 | - | - | - | - | 41,690,269,401 |
| Balance with other banks and financial institutions | 4,629,603,036 | 2,630,456,270 | 3,051,329,273 | 210,436,502 | - | 10,521,825,081 |
| Money at call on short notice | 7,748,948,670 | - | - | - | - | 7,748,948,670 |
| Investments | 107,641,710 | 9,416,900,000 | 16,170,822,597 | 30,203,512,528 | 93,011,361,634 | 148,910,238,469 |
| Loans and Advances | 67,690,626,311 | 9,866,873,672 | 155,431,602,990 | 42,931,378,606 | 102,226,574,023 | 378,147,055,602 |
| Fixed assets including premises, furniture and fixtures | - | - | 622,796,295 | 1,078,709,666 | 21,420,892,463 | 23,122,398,424 |
| Other assets | 21,821,408,923 | 23,832,747,871 | 24,966,682,720 | 43,204,726,540 | 29,983,384,054 | 143,808,950,108 |
| Non-banking assets | - | - | - | - | - | - |
| Total Assets | 143,688,498,051 | 45,746,977,813 | 200,243,233,875 | 117,628,763,842 | 246,642,212,174 | 753,949,685,755 |
| Liabilities | | | | | | |
| Borrowings from Bangladesh Bank, other banks financial institutions and agents | - | - | 9,994,300,253 | - | - | 9,994,300,253 |
| Deposits | 244,647,419,128 | 87,917,008,190 | 99,509,787,905 | 101,460,902,693 | 65,758,584,194 | 599,293,702,110 |
| Other accounts | - | - | - | - | - | - |
| Provision and other liabilities | 62,321,108 | 25,773,005 | 69,628,149,928 | 28,003,277,178 | 24,552,162,211 | 122,271,683,430 |
| Total Liabilities | 244,709,740,236 | 87,942,781,195 | 179,132,238,086 | 129,464,179,871 | 90,310,746,405 | 731,559,685,793 |
| Net Liquidity Gap | (101,021,242,185) | (42,195,803,382) | 21,110,995,789 | (11,835,416,029) | 156,331,465,769 | 22,389,999,962 |

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

Sonali Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2012

1. The Bank and its activities

Status of the Bank

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 Ltd with a retrospective effect from 1st 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 2012. 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-aged people, meritorious students, widowed and acid burnt women and also collection of taxes and revenues on behalf of the government organizations.

1.2. Subsidiary

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 directed by 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 an 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. Summary of significant accounting policies and basis of preparation of the financial statements

2.1 Basis of preparation of the Financial Statements

The financial statements of the Bank, comprising Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, and relevant Notes and Disclosures have been prepared as at 31 December 2012 in accordance with First Schedule of the Bank Companies Act 1991, as amended, BRPD circular No. 14 of 25 June 2003, other Bangladesh Bank circulars, International Accounting Standards and International Financial Reporting Standards adopted in Bangladesh as Bangladesh Accounting Standards (BAS), and Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other rules and regulations applicable in Bangladesh on a going concern basis. All inter-branch account balances and transactions among the Head Office and the branches have been incorporated in financial statements. Investment in subsidiary companies, Sonali Exchange Co. Inc, USA and associate Sonali Bank UK Ltd. has been presented under the heading of "Other Assets" as per directives of the Bank Companies Act. 1991.

2.2 Functional and presentation currency

These financial statements are presented in Taka, which is the Bank's functional currency except as indicated figures have been rounded to the nearest taka.

2.3 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 2012.

2.4 Use of estimates and judgments

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

2.5 Foreign currency conversion

Transactions in foreign currencies are translated into Bangladeshi Taka and recorded at the ruling exchange rates applicable on the date of transaction.

- i) Assets and liabilities denominated in foreign currency are translated into Taka at the weighted average rates at the balance sheet date.
- ii) Transactions in foreign currencies are converted into Taka currency at the rate of exchange prevailing on the dates of such transactions and any gains or losses thereon are adjusted to revenue through foreign exchange trading account.

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.

2.7 Reporting period

These financial statements cover one calendar year from 1 January to 31 December 2012

2.8 Cash flow statement

Presentation of financial statements requires that a cash flow statement is to be prepared as it provides information about cash flows of the enterprise which is useful in providing users of financial statements with a basis to assess the ability of the enterprise to generate cash and cash equivalents and the needs of the enterprise to utilize those cash flows. Cash flow statement has been prepared under the direct method for the period, classified by operating, investing and financing activities as prescribed in BAS 7 "Cash Flow Statements".

2.9 Statement of Changes in Equity

The Statement of changes in Equity reflects information about the increase or decrease in net assets or wealth.

2.10 Liquidity Statement (Asset & Liabilities Maturity Analysis)

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

- Balances with other bank & financial institution, money at call & short notice etc are on the basis of their maturity term.
- Investments are on the basis of their residual maturity term.
- Loans & advances are on the basis of their repayment/maturity schedule.
- Fixed assets are on the basis of their useful life.
- Other assets are on the basis of their adjustment.
- Borrowing from other banks, financial institutions and agents as per their maturity/repayment term.
- Deposits & other accounts are on the basis of their maturity/repayment term
- Provisions & other liabilities are 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 Loans, Advances/Investments and provision

a) Loans and advances of conventional Banking / Investments of Islamic Banking branches are stated in the Balance Sheet on gross value.

b) Provision for loans and advances is made on the basis of periodical review by the management and instructions contained in Bangladesh Bank, BCD Circular no. 34 dated 16 November 1989, BCD Circular no. 20 dated 27 December 1994, BCD Circular no 12 dated 4 September 1995, BRPD Circular no, 16 dated 6 December 1998, BRPD circular no 9 dated 14 May 2001, BRPD circular no, 2 of February 2005, BRPD circular no, 09 of August 2005 and BRPD circular no 17 dated 06 December 2005. BRPD Circular No.-5 dated June 05, 2006 Circular No.- 8 dated August 07, 2007 Circular No.-10 dated September 18, 2007. Circular no. 14 September 23, 2012 Circular no. 15 September 23, 2012. General provision on Loans & Advances Other than short term Agricultural credit & Micro Credit, provision rates are given below

| | |
|---|------|
| General Provision on unclassified loans and advances (other than loans under Small Enterprise, Consumer Financing and Special Mention Account). | 1% |
| General Provision on unclassified Small Enterprise Financing | 2% |
| General Provision on unclassified Consumer Financing for: | |
| Housing – | 2% |
| Professionals – | 2% |
| Other than Housing and Professionals | 5% |
| General Provision on unclassified Special Mention Account | 5% |
| Provision on sub-standard loans and advances | 20% |
| Provision on doubtful loans and advances | 50% |
| Provision on bad/loss loans and advances | 100% |
| General Provision on Off Balance Sheet Exposures | 1% |

The provision rates for general provision on Short term Agricultural Credit & Micro Credit are given below:

| | |
|------------------------------------|------|
| Unclassified (Regular & Irregular) | 5% |
| Substandard | 5% |
| Doubtful | 5% |
| Bad/Loss | 100% |

Loans and advances are written off to the extent that

i) There is no realistic prospect of recovery, and

ii) Against which legal cases are filed and classified as bad loss for more than five years as per guidelines of Bangladesh Bank.

These write off however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are maintained and followed up.

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

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

2.11.4 Investments

All investment in securities is initially recognized at cost price, being fair value of the consideration given, including acquisition charges associated with the investment. Premiums are amortized and discounts accredited, using the effective yield method and are taking to discount income. Investments in shares are netting off as per DFIM circular no.02 dated 31 January 2012. The valuation of investment has been enumerated as follows:

Held to maturity (HTM)

Investments which have fixed or determinable payments and are intended to be held to maturity, are classified as held to maturity. These investments are subsequently measured at amortized cost, less any provision for impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition. Any gain or loss on such investments is recognized in the statement of income when the investment is derecognized or impaired as per IAS 39 'Financial Instruments: Recognition and Measurement'.

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 |

| Particulars | Valuation Method |
|---|------------------|
| Other Investments (Other than Quoted Shares) | Cost Price |

Investment in Listed Securities (quoted)

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income. These are reported at market price. Unrealized gains is recognized in revaluation reserve.

Investment in Unlisted Securities (Un-quoted)

Investment in unlisted securities is reported at cost under cost method.

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 fright, 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.

| Category of the assets | Rate of depreciation |
|--------------------------------------|----------------------|
| Land | Nil |
| Building | 2.50% |
| Library Book | 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 1,258,477 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

There are no assets acquired in exchange for loan during the period.

2.12 Liabilities and basis of their valuation

2.12.1 Statutory reserve

As per section 24 of the Bank Companies Act 1991, 20% of the net profit i.e, profit before tax require to transfer to statutory reserve until such reserve equals to its paid up capital.. But no provision was kept during the year due to not available of profit.

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 2012.

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 50% 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 50% 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

Provision for current income tax has been made @ 42.5% as prescribed in the Finance Act 2012 on the accounting Profit made after considering some of the taxable add back income and disallowance of expenditure in compliance with BAS-12.

2.12.6.2 Deferred taxation

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 2012.

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.

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).

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.

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.14 dated 23 September 2012.
- 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.
- v) Commission and discount on Bills Purchased and Discounted are recognized at the time of realization.

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 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.

2.13.4 Interest paid on Deposit and Borrowing

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

2.13.5 Dividend income on shares

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

2.14 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 the profit and loss account.

2.16 Consolidation of the Financial Statements

Consolidation of the Financial Statements is started from 2011.

2.17 Risk Management

Bangladesh Bank has identified 6 (Six) core risks for management of the banks and has provided the necessary guidance for implementation of the six risks are:

The prime objective of the risk management is that the Bank takes well calculative business risk to safeguard its capital, financial resources and growth of sustainable profitability. In this context, the Bank has formed a committee (MANCOM) to overview proper implementation and regular monitoring of these critical areas. The policies and procedures for managing these risks are outlined in the notes below. The Bank has designed and implemented a framework of controls to identify, monitor and manage these risks, which are as follows:

a) Credit Risk Management

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. To manage credit risk, the Bank applies credit limits to its customers and obtains adequate collaterals. Credit risk in the Sonali Bank Ltd.'s portfolio is monitored, reviewed and analyzed by the Credit Risk Management (CRM).

CRM determines the quality of the credit portfolio and assists in minimizing potential losses. To achieve this objective, CRM formulates appropriate credit policies and procedures for the Bank to ensure building and maintaining quality credits and an efficient credit process.

Sonali Bank Ltd has established Asset-Liability Management Committee (ALCO) to screen out the banks/financial institutions and determine the maximum risk exposure on each of them. ALCO also assesses recommends and controls cross border/country risk.

To manage the Non-Performing Loans (NPL), Sonali Bank Ltd has comprehensive remedial management policy, which includes a framework of controls to identify weak credits and monitoring of these accounts.

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) Asset Liability Risk Management

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.

d) Money Laundering Risk Management

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.

e) Internal Control & Compliance Risk Management

Operational loss may arise from errors and fraud due to lack of Internal Control and Compliance. Inspection and Audit Division controls operational procedure of the Bank and undertakes periodical and special audit of the branches and departments at Head Office for review of the operation and compliance of the statutory requirement. The Audit Committee of the Board subsequently reviews the report of the Audit and Inspection Division as well as other related division, as and when required.

f) Guideline on Information & Communication Technology:

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 to ensure 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 property 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.

2.18 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.

2.19 Credit Rating of the Bank

As per the BRPD instruction circular No.6 dated July 5, 2006, the has done its credit rating by Credit Rating Information and Services Limited (CRISL) based on the financial statements dated 31 December 2011.

| Particulars | Date of Rating | Long term | Short term |
|--------------------------------|-----------------|----------------------|----------------------|
| As Government supported entity | 10 October 2012 | AAA (Highest Safety) | ST-1 (Highest Grade) |
| Stand Alone Rating | | A- (Adequate Safety) | ST-2 (Good Grade) |

2.20 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 Reporting Standard (BFRSs) | BFRS No. | Status |
|---|----------|----------------|
| Shares Based Payment | 2 | Not Applicable |
| Business Combination | 3 | Not Applicable |
| Insurance Contracts | 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 Instruments: Disclosures | 7 | Applied |
| Operating Segments | 8 | Not Applicable |

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

| Name of the BAS | BAS no. | Status |
|---|----------------|----------------|
| Leases | 17 | Applied |
| Revenue | 18 | Applied |
| Employees Benefits | 19 | Applied |
| Accounting for Government Grants and Disclosure of Government Assistance | 20 | Not Applicable |
| The Effects of Changes in Foreign Exchange Rates | 21 | Applied |
| Borrowing Costs | 23 | Applied |
| Related Party Disclosures | 24 | Applied |
| Accounting and Reporting by Retirement Benefit Plans | 26 | Applied |
| Consolidated and Separate Financial Statements | 27 | Applied |
| Investment in Associates | 28 | Applied |
| Interest in Joint Ventures | 31 | Not Applicable |
| Financial Instruments: Presentation | 32 | Not Applicable |
| Earning Per Share | 33 | Applied |
| Interim Financial Reporting | 34 | Applied |
| Impairment of Assets | 36 | Applied |
| Provision, Contingent Liabilities and Contingent Assets | 37 | Applied |
| Intangible Assets | 38 | Applied |
| Financial Instruments: Recognition and Measurement (supersedes by BFRS-7) | 39 | Applied |
| Investment Property | 40 | Applied |
| Agriculture | 41 | Not Applicable |

2.21 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, dated 18 Sep 2007, 1% provision should be maintained against off-balance sheet items.

2.22 Earning per share (EPS)

The Company calculates Earning per Share (EPS) in accordance with BAS 33: Earning Per Share, which has been shown on the face of profit & loss account, and the computation of EPS is stated in Note 44

2.23 Approval of financial statements

The financial statements were approved by the Board of Directors on 29 June, 2013

2.24 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 2011 and information related to Profit and Loss Account for the period ended 31 December 2012:

| Particulars | Total Taka |
|---|-------------------|
| Operating profit before Tax & Provision | 11,036,322,193 |
| Provision against Loans and Advances | 37,016,725,418 |
| Other provision | 2,287,127,069 |
| Profit/(Loss) before Taxes | (34,841,851,010) |
| Provision for Current Tax | (435,696,168) |
| Deferred Tax Assets | 3,744,001,153 |
| Net Loss after Tax | (32,533,546,025) |
| Segment Assets | 753,949,685,755 |
| Segment Liabilities | 753,949,685,755 |

In addition, the geographical segments of the Loan and Advances are shown separately under the Note no. 7.8.

2.25 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. 2012, 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.

2.26 General

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

| | 2012 BDT | 2011 BDT |
|--|-----------------------|-----------------------|
| 3 Cash | | |
| In Hand(Including foreign currency) | | |
| Local Currency | 6,021,500,803 | 3,512,775,678 |
| Foreign Currency | 457,311,360 | 479,849,845 |
| | 6,478,812,163 | 3,992,625,523 |
| Balance with Bangladesh Bank and its Agent Bank | | |
| Local Currency | 35,208,519,425 | 61,642,147,616 |
| Foreign Currency | 2,937,813 | - |
| | 35,211,457,238 | 61,642,147,616 |
| Total | 41,690,269,401 | 65,634,773,139 |

Details of unadjusted entries are shown in annexure-A

3.1 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:

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

| Cash Reserve Requirement (CRR) | Percentage | | |
|---|---------------|-----------------------|-----------------------|
| Required | 6% | 31,342,300,000 | 27,133,400,000 |
| Maintained (as per Bank Statement) | 6.06% | 31,640,485,000 | 27,856,100,000 |
| Surplus/(Deficit) | 0.06% | 298,185,000 | 722,700,000 |
| Statutory Liquidity Ratio (SLR) (including CRR) | | | |
| Required | 19% | 99,250,500,000 | 85,922,400,000 |
| Maintained | 30.29% | 158,224,957,000 | 145,612,800,000 |
| Surplus/(Deficit) | 11.29% | 58,974,457,000 | 59,690,400,000 |

As per MPD Circular No. 4 & 5 dated December 01, 2010 Sonali Bank Ltd. has to maintain Tk.3134.23 (6% of Total Demand & Time liabilities) crore daily average on fortnightly basis on December 2012 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.

3.1.2 Components of Statutory Liquidity Ratio (SLR)

| | | |
|--|------------------------|------------------------|
| Cash in hand | 6,478,812,163 | 3,992,625,523 |
| Balance with Bangladesh Bank and its agent bank(s) | 35,211,457,238 | 61,642,147,616 |
| Government Treasury Bills | 15,982,484,695 | 8,314,158,016 |
| Government Bonds | 114,016,990,059 | 111,045,679,829 |
| | 171,689,744,155 | 184,994,610,984 |

3 (a) Consolidated Cash

Cash In Hand

| | | |
|-------------------------|----------------------|----------------------|
| Sonali Bank Ltd. (3.00) | 6,478,812,163 | 3,992,625,523 |
| Sonali Investment Ltd. | - | - |
| Sonali Exchange Co.,Inc | - | - |
| | 6,478,812,163 | 3,992,625,523 |

| | 2012 BDT | 2011 BDT |
|--|-----------------------------|-----------------------|
| Balance with Bangladesh Bank and its agent bank(s) | | |
| Sonali Bank Ltd. (3.00) | 35,211,457,238 | 61,642,147,616 |
| Sonali Investment Ltd. | - | - |
| Sonali Exchange Co.,Inc | - | - |
| | 35,211,457,238 | 61,642,147,616 |
| | 41,690,269,401 | 65,634,773,139 |
| 4 Balance with Other Banks and Financial Institutions: | | |
| Inside Bangladesh - Note 4.1 | 4,838,819,000 | 6,885,819,000 |
| Outside Bangladesh - Note 4.2 | 5,683,006,081 | 5,715,638,703 |
| | 10,521,825,081 | 12,601,457,703 |
| 4.1 Balance with other Banks and Financial Institutions | | |
| In Bangladesh : | | |
| | Transaction Currency | |
| AB Bank Ltd | BDT | - |
| BASIC Bank | BDT | 650,000,000 |
| Bangladesh Commerce Bank Ltd. | BDT | - |
| BRAC Bank Ltd. | BDT | - |
| Bangladesh Industrial Finance Company Ltd. | BDT | 120,000,000 |
| Bangladesh Finance & Investment Company Ltd. | BDT | 100,000,000 |
| Dhaka Bank | BDT | - |
| Dutch Bangla Bank Ltd | BDT | - |
| Estern Bank | BDT | 150,000,000 |
| Export Import Bank of Bangladesh | BDT | - |
| Fareast Finance & Investment Company Ltd. | BDT | 300,000,000 |
| First Lease Finance & Investment Ltd. | BDT | 170,000,000 |
| FAS Finance & Investment Ltd. | BDT | 200,000,000 |
| Fidelity | BDT | 50,000,000 |
| GSP Finance CO Ltd | BDT | - |
| Ind Infrastructure & Development Co. (IIDFC) | BDT | 150,000,000 |
| Investment Corporation of Bangladesh | BDT | 1,500,000,000 |
| ICB Islamic Bank Ltd | BDT | 145,819,000 |
| International Leasing & Finance Service Ltd. | BDT | 200,000,000 |
| Jamuna Bank Limited | BDT | - |
| Lanka Bangla Finance Ltd | BDT | 400,000,000 |
| Mercantile Bank Ltd. | BDT | - |
| Mutual Trust Bank Ltd. | BDT | - |
| National Bank of Pakistan | BDT | - |
| National Housing Finance and Investment Ltd. | BDT | 150,000,000 |
| National Credit and Commerce Bank Ltd. | BDT | - |
| Oriental Bank Ltd. | BDT | 145,819,000 |
| People's Leasing & Financial Services Ltd. | BDT | 750,000,000 |
| Prime Finance and Investment Ltd. | BDT | - |
| Premier Leasing & Investment Ltd | BDT | 300,000,000 |

| | | 2012 BDT | 2011 BDT |
|--------------------------------------|-----|----------------------|----------------------|
| Phoenix Finance & Investment Limited | BDT | - | 300,000,000 |
| Pubali Bank Ltd. | BDT | - | 150,000,000 |
| Premier Bank Ltd. | BDT | - | 100,000,000 |
| Reliance Finance Ltd. | BDT | 400,000,000 | 400,000,000 |
| Standerd Bank Ltd. | BDT | - | - |
| United Commercial Bank Ltd. | BDT | - | - |
| Uttara Finance & Investment Ltd | BDT | 200,000,000 | 300,000,000 |
| FDR(FC) | BDT | 2,863,000,000 | - |
| Total | | 4,838,819,000 | 6,885,819,000 |

4.2 Balance with other Banks and Financial Institutions

Outside Bangladesh :

| | | |
|--|----------------------|----------------------|
| Foreign Bank - Note 4.2.1 | 5,164,455,383 | 5,523,923,777 |
| Asian Clearing Union - Note 4.2.2 | 90,639,485 | - |
| Overseas Branches of Sonali Bank Ltd. - Note 4.2.3 | 427,911,213 | 191,714,926 |
| | 5,683,006,081 | 5,715,638,703 |

4.2.1 Balance held with foreign bank

| Particulars | Foreign Currency | As at 31 December 2012 | | |
|---------------------------------------|------------------|------------------------|---------------|----------------------|
| | | FC amount | Exchange rate | Balance (Taka) |
| Sonali Bank (UK) Ltd.London | GBP | 1,924,245.48 | 129.08 | 248,381,174 |
| Zaire Bank, London | GBP | 276,433.40 | 129.07 | 35,680,088 |
| Netwest Bank PLC, London | USD | 50,478.14 | 79.78 | 4,026,894 |
| Standard Chartered Bank, NY | USD | 2,128,917.71 | 79.78 | 169,834,410 |
| Sonali Bank (UK) Ltd., London | USD | 51,503,401.40 | 79.19 | 4,078,424,304 |
| J.P Margon Chase Bank, NY | USD | 104,235.84 | 79.77 | 8,315,414 |
| Bank of America | USD | 11,610.35 | 79.77 | 926,216 |
| Rafediyank Bank, Irak | USD | 255,938.60 | 79.78 | 20,417,502 |
| Habib American Bank, NY | USD | 3,615,135.42 | 79.77 | 288,397,428 |
| Chase Chemical Bank | USD | 693,634.15 | 79.78 | 55,334,664 |
| Sonali Bank Kolkata Br. | USD | 9,474.50 | 79.78 | 755,828 |
| Bangladesh Foreign Post Office (BFPO) | USD | 2,257,506.50 | 79.78 | 180,092,581 |
| Duech Bank Trust Co. NY | USD | 195,614.38 | 79.77 | 15,605,137 |
| Euno Credito Italian Spa | EURO | 506,832.44 | 105.54 | 53,491,400 |
| Sonali Bank (UK) Ltd.London | EURO | 45,236.56 | 105.50 | 4,772,342 |
| Total | | | | 5,164,455,383 |

4.2.2 Balance Held with Asian Clearing Union (ACU)

| Particulars | Foreign Currency | As at 31 December 2012 | | |
|----------------------------------|------------------|------------------------|---------------|-------------------------|
| | | FC amount | Exchange rate | Balance (Taka) Debit |
| Sonali Bank Ltd Kolkata | EURO | 9,850.25 | 105.54 | 1,039,601 |
| Myanmar Economic Bank | EURO | 150,000.00 | 104.39 | 15,658,005 |
| Myanmar Economic Bank | USD | 200,000.00 | 79.34 | 15,868,000 |
| Nepal Bank Ltd. Kathmundu, Nepal | USD | 1,051,083.18 | 79.78 | 83,850,161 |

| | | 2012 | | 2011 | |
|----------------------------------|-----|------------|-------|--------------------|--|
| | | BDT | | BDT | |
| Myanmar Foreign Trade Bank | USD | 108,931.64 | 79.77 | 8,690,021 | |
| Bank of Bhutan | USD | 68,389.61 | 79.77 | 5,455,780 | |
| Habib Metropolitan Bank Ltd. | USD | 659,594.33 | 79.78 | 52,619,138 | |
| Bank Tejarat, Iran | USD | - | - | 18,383 | |
| Myanmar Investment & Com. Bank | USD | 200,000.00 | 79.78 | 15,955,000 | |
| Standard Chartered Bank, Karachi | USD | 5.48 | 79.68 | 437 | |
| Bank of Ceylon, Srilanka | USD | 43,965.27 | 79.73 | 3,505,492 | |
| Total Debit Balance | | | | 202,660,018 | |

| Particulars | Foreign Currency | As at 31 December 2012 | | |
|------------------------------------|------------------|------------------------|---------------|--------------------|
| | | FC amount | Exchange rate | Balance Taka |
| | | | | Credit |
| Sonali Bank Ltd Kolkata | USD | 1,163,720.00 | 79.78 | 92,835,820 |
| National Bank of Pakistan, Karachi | USD | 240,388.91 | 79.77 | 19,177,025 |
| Bank of Milli, Iran | USD | 50.00 | 79.77 | 3,988 |
| HSBC, Karachi, Pakistan | USD | - | - | 3,700 |
| Total Credit Balance | | | | 112,020,533 |
| Grand Total | | | | 90,639,485 |

4.2.3 Balance Held with Overseas Branches of Sonali Bank Limited

| Particulars | Foreign Currency | As at 31 December 2012 | | |
|--|------------------|------------------------|---------------|--------------------|
| | | FC amount | Exchange rate | Equivalent Taka |
| Overseas Branches (Kolkata & Siliguri) | IRS | 293,574,471 | 1.45759 | 427,911,213 |
| Total | | | | 427,911,213 |

4.3 Maturity grouping of balance with other banks & financial institutions

| | | |
|---|-----------------------|-----------------------|
| On Demand | 4,629,603,036 | 5,523,923,777 |
| Less than three months | 2,630,456,270 | 3,191,714,926 |
| More than three months but less than one year | 3,051,329,273 | 3,740,000,000 |
| More than one year but less than five years | 210,436,502 | 145,819,000 |
| More than five years | - | - |
| | 10,521,825,081 | 12,601,457,703 |

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

In Bangladesh

| | | |
|--|----------------------|----------------------|
| Sonali Bank Ltd. (4.1) | 4,838,819,000 | 6,885,819,000 |
| Sonali Investment Ltd. | 257,945,404 | 263,022,842 |
| Sonali Exchange Co.,Inc | - | - |
| | 5,096,764,404 | 7,148,841,842 |
| Less: Inter Company Balance Eliminated | 85,971,759 | 69,129,450 |
| | 5,010,792,645 | 7,079,712,392 |

Outside Bangladesh

| | | |
|-------------------------|-----------------------|-----------------------|
| Sonali Bank Ltd. (4.2) | 5,683,006,081 | 5,715,638,703 |
| Sonali Investment Ltd. | - | - |
| Sonali Exchange Co.,Inc | 304,650,195 | 282,585,591 |
| | 5,987,656,276 | 5,998,224,294 |
| | 10,998,448,921 | 13,077,936,686 |

| | 2012 | 2011 |
|--|------------------------|------------------------|
| | BDT | BDT |
| 5 Money at Call on Short Notice | | |
| Inside Bangladesh - Note 5.1 | 7,730,000,000 | 11,730,000,000 |
| Outside Bangladesh - Note 5.2 | 18,948,670 | 12,379,680 |
| | 7,748,948,670 | 11,742,379,680 |
| 5.1 Inside Bangladesh | | |
| ICB Islamic Bank Ltd. | 180,000,000 | 180,000,000 |
| People Leasing | - | - |
| Agrani Bank Ltd | - | 1,000,000,000 |
| AB Bank Ltd | - | 500,000,000 |
| Eastern Bank Ltd | 2,600,000,000 | 450,000,000 |
| Jamuna Bank Ltd | - | 350,000,000 |
| Mutual Truar Bank Ltd | 700,000,000 | 1,500,000,000 |
| Mercantile Bank Ltd | 2,300,000,000 | 3,000,000,000 |
| NCC Bank Ltd | - | 1,800,000,000 |
| Uttara Bank Ltd | - | 300,000,000 |
| Prime Bank Ltd | 1,550,000,000 | 2,500,000,000 |
| Pubali Bank Ltd | - | - |
| ICB | - | - |
| Lanka Bangla Finance | - | 100,000,000 |
| Reliance Finance | 400,000,000 | - |
| Citi Bank Ltd. | - | 50,000,000 |
| | 7,730,000,000 | 11,730,000,000 |
| 5.2 Outside Bangladesh | | |
| Kolkata Branch of Sonali Bank Limited | 18,948,670 | 12,379,680 |
| 6 Investments : | | |
| Government Securities: | | |
| Treasury Bills | | |
| 28 days Treasury Bills | - | - |
| 91 days Treasury Bills | 5,687,110,041 | 543,889,610 |
| 182 days Treasury Bills | 4,010,504,657 | 2,266,810,946 |
| 364 days Treasury Bills | 6,284,869,997 | 5,503,457,460 |
| 5 Years Treasury Bills | - | - |
| Total amount | 15,982,484,695 | 8,314,158,016 |
| Add: Reverse REPO with Others Bank | - | - |
| | 15,982,484,695 | 8,314,158,016 |
| Less: REPO with Others Bank | - | - |
| Total Treasury Bills | 15,982,484,695 | 8,314,158,016 |
| Government Bonds | | |
| Prize Bonds | 107,641,710 | 88,891,610 |
| T & T Treasury Bond | - | - |
| Sub Total | 107,641,710 | 88,891,610 |
| Bangladesh Government Treasury Bond (Note 6.3.2) | 113,909,348,349 | 110,956,788,219 |
| Less: REPO with Others Bank | - | - |
| Sub Total | 113,909,348,349 | 110,956,788,219 |
| Total Government Bonds | 114,016,990,059 | 111,045,679,829 |
| Government Approved Debentures (Note 6.3) | - | - |
| Total Government Securities and Bonds | 129,999,474,754 | 119,359,837,845 |

| | 2012 | 2011 |
|--|-------------------------------|-------------------------------|
| | BDT | BDT |
| Other Investments: | | |
| Shares | 13,521,277,831 | 10,164,093,780 |
| Sonal Bank UK Limited | 1,648,852,962 | 717,105,537 |
| Debentures Public | 180,977,900 | 286,857,900 |
| Debentures | 53,921,225 | 54,156,225 |
| Private Bonds (6.4) | 1,280,625,000 | 1,300,000,000 |
| Investment in Sonali Investment Ltd. | 2,000,000,000 | 2,000,000,000 |
| Investment in SECI | 75,786,250 | 77,752,750 |
| Security Deposit with Central Bank of India | 9,798,759 | 10,159,109 |
| Sonal Polaries FT LTD. | 29,250,000 | - |
| | 18,800,489,927 | 14,610,125,301 |
| Outside Bangladesh (Overseas Branches) | 110,273,789 | 105,787,413 |
| | 18,910,763,716 | 14,715,912,714 |
| Total Other Investments | 148,910,238,470 | 134,075,750,559 |
| Investment in Sonali Bank UK Limited includes share of profit from associates in compliance with Bangladesh Accounting Standards (BAS)-28 | | |
| 6.1 Government securities are classified according to Circular No. 05 dated 26-05-2008 as | | |
| Held for Trading (HFT) | 41,429,574,614 | 49,102,181,074 |
| Held to Maturity (HTM) | 88,818,263,829 | 70,630,650,561 |
| Other Investments | 18,662,400,027 | 14,273,448,973 |
| | 148,910,238,470 | 134,006,280,608 |
| 6.2 Maturity grouping of Investments as follows : | | |
| On demand | 107,641,710 | 1,600,500,000 |
| Less than three months | 9,416,900,000 | 2,683,500,000 |
| More than three months but less than one year | 16,170,822,597 | 12,083,684,547 |
| More than one year but less than five years | 30,203,512,528 | 9,316,955,134 |
| Above five years | 93,011,361,634 | 108,391,110,878 |
| | 148,910,238,469 | 134,075,750,559 |
| 6.3 Cost and Market value of Investments as on 31.12.2012 | | |
| as follows : | | |
| <u>Government</u> | <u>Cost Price-2012</u> | <u>Cost Price-2011</u> |
| Treasury Bills (Note- 6.3.1) | 15,982,484,695 | 8,314,158,016 |
| Reverse Repo | - | - |
| T & T Treasury Bond | - | - |
| Bangladesh Government Treasury Bond (Note- 6.3.2) | 113,909,348,349 | 110,956,788,219 |
| Government Approved Debentures | - | - |
| Prize Bonds | 107,641,710 | 88,891,610 |
| | 129,999,474,754 | 119,359,837,845 |
| 6.3.1 Government Securities: | | |
| <u>Treasury Bills</u> | | |
| 28 days Treasury Bills | - | - |
| 91 days Treasury Bills | 5,687,110,041 | 543,889,610 |
| 182 days Treasury Bills | 4,010,504,657 | 2,266,810,946 |
| 364 days Treasury Bills | 6,284,869,997 | 5,503,457,460 |
| 5 Years Treasury Bills | - | - |
| | 15,982,484,695 | 8,314,158,016 |

| | 2012 BDT | 2011 BDT |
|---|------------------------|------------------------|
| 6.3.2 Government treasury bonds | | |
| 5 Years treasury bond | - | - |
| 5 Years Bangladesh Government treasury bond (BGTB) | 21,491,054,865 | 21,274,855,134 |
| 10 Years Bangladesh Government treasury bond (BGTB) | 32,506,374,769 | 27,661,370,658 |
| 15 Years Government treasury bond (BGTB) | 7,460,221,419 | 4,833,211,954 |
| 20 Years Government treasury bond (BGTB) | 6,149,556,296 | 4,008,505,473 |
| 1-13 Years treasury bond (BJMC) | 6,425,000,000 | 7,138,900,000 |
| 5-15 Years BPC treasury bond | 38,954,600,000 | 44,954,600,000 |
| 25 Years SPL treasury bond | 922,541,000 | 1,085,345,000 |
| | 113,909,348,349 | 110,956,788,219 |

Investment in Shares & Bond

| <u>Particulars</u> | <u>Number of Company</u> | <u>Market Price 2012</u> | <u>Cost Price 2012</u> | <u>Cost Price 2011</u> |
|----------------------|--------------------------|--------------------------|------------------------|------------------------|
| Listed Securities | 109 | 7,937,551,536 | 5,081,593,639 | 5,144,178,377 |
| Un-Listed Securities | 14 | 5,583,726,295 | 5,583,726,295 | 2,218,726,295 |
| | | 13,521,277,831 | 10,665,319,934 | 7,362,904,673 |

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

| <u>Sector</u> | <u>Number of Company</u> | <u>Market Price 2012</u> | <u>Cost Price 2012</u> | <u>Cost Price 2011</u> |
|-----------------------|--------------------------|--------------------------|------------------------|------------------------|
| Bank and NBFI | 58 | 2,678,604,280 | 3,714,202,401 | 2,280,097,490 |
| Insurance Companies | 5 | 97,727,006 | 213,045,183 | 10,488,350 |
| Fuel and Power Co. | 7 | 34,180,526 | 124,009,582 | 336,266,197 |
| Manufacturing & Other | 39 | 5,214,220,383 | 1,030,336,474 | 2,517,903,786 |
| | 109 | 7,937,551,536 | 5,081,593,640 | 5,144,755,823 |

Un-Listed Securities

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

| <u>Sector</u> | <u>Number of Company</u> | <u>Market Price 2012</u> | <u>Cost Price 2012</u> | <u>Cost Price 2011</u> |
|---------------|--------------------------|--------------------------|------------------------|------------------------|
| Bank and NBFI | 5 | 318,778,975 | 318,778,975 | 136,010,220 |
| Manufacturing | 1 | 15,997,000 | 15,997,000 | 15,997,000 |
| Others | 8 | 5,248,950,320 | 5,248,950,320 | 2,036,141,626 |
| | 14 | 5,583,726,295 | 5,583,726,295 | 2,188,148,846 |

Quoted Shares

| <u>Name of the company</u> | <u>2012</u> | | | | <u>2011</u> |
|----------------------------|--------------------|---------------------|--------------------------|------------------------------|------------------------------|
| | <u>No of share</u> | <u>Market price</u> | <u>Market value 2012</u> | <u>Book value 31.12.2012</u> | <u>Book value 31.12.2011</u> |
| 1JANATAMF | 937,000 | 7.00 | 6,559,000 | 10,981,640 | 10,972,270 |
| 1STPRIMFMF | 207,000 | 28.60 | 5,920,200 | 8,035,740 | 8,037,810 |
| ABBANK | 1,562,904 | 33.70 | 52,669,865 | 159,416,208 | 159,358,633 |

| | | | | 2012 | 2011 |
|-------------------------|-------------|---------|-------------|-------------|-------------|
| | | | | BDT | BDT |
| ACI | 325,044 | 141.20 | 45,896,213 | 124,118,051 | 124,080,130 |
| ACIFORMULA | 250,500 | 73.90 | 18,511,950 | 27,670,230 | 27,616,790 |
| AFTABAUTO | 1,476,740 | 85.00 | 125,522,900 | 29,180,382 | 151,233,368 |
| AGRANINS | 176 | 31.50 | 5,544 | 7,149 | 7,149 |
| AIMSISTMF | 12,000 | 47.70 | 572,400 | 1,312,800 | 1,312,800 |
| ALARABANK | 1,545,134 | 25.10 | 38,782,863 | 63,257,786 | 61,911,354 |
| AMCL(PRAN) | 36,400 | 122.00 | 4,440,800 | 5,189,184 | 1,806,700 |
| APEXTAN | 30,000 | 75.30 | 2,259,000 | 300,000 | 300,000 |
| APEXWEAV | 51,200 | 10.00 | 512,000 | 512,000 | 512,000 |
| ASHRAFTEX | 364,582 | 10.00 | 3,645,820 | 3,645,820 | 3,645,820 |
| ATLASBANG | 76,213 | 161.70 | 12,323,642 | 24,525,343 | 24,523,871 |
| AZADIPRINT | 7,560 | 10.00 | 75,600 | 75,600 | 75,600 |
| BANKASIA | 1,812,792 | 21.50 | 38,975,028 | 67,037,048 | 63,604,491 |
| BATBC | - | - | - | - | 61,082,944 |
| BAYLEASING | 476,160 | 35.30 | 16,808,448 | 65,529,139 | 65,527,552 |
| BCIL | 29,600 | 10.00 | 296,000 | 296,000 | 296,000 |
| BDCOM | 508,845 | 19.10 | 9,718,940 | 33,487,089 | 33,050,747 |
| BELHASA | 150,000,000 | 10.00 | - | - | - |
| BSC | 1,077 | 276.25 | 297,521 | 107,700 | 107,700 |
| BEACONPHAR | 2,100,000 | 16.50 | 34,650,000 | 19,992,000 | 20,000,000 |
| BEXIMCO | 991,978 | 64.40 | 63,883,383 | 161,067,468 | 160,349,972 |
| BEXIMCO TEXTILE | 30,391 | 76.00 | - | - | (577,450) |
| BGIC | 513,476 | 32.20 | 16,533,927 | 35,799,547 | 35,272,680 |
| BIFC | 221,000 | 24.50 | 5,414,500 | 6,004,570 | 57,253 |
| BOC | 56,750 | 611.40 | - | - | 41,990,460 |
| BRACBANK | 3,212,516 | 34.80 | 111,795,557 | 169,010,467 | 161,816,137 |
| BXPHARMA | 401,959 | 55.90 | 22,469,508 | 40,609,918 | 40,057,546 |
| CITYBANK | 2,450,500 | 26.80 | 65,673,400 | 130,783,185 | 130,778,284 |
| CITYBANK GEN. INS. LTD. | 20 | 1504.00 | - | - | - |
| CONTIN. INS. | 19,260 | 42.80 | - | - | 1,217,151 |
| DBHISTMF | 782,000 | 7.10 | 5,552,200 | 11,948,960 | 11,948,960 |
| DESCO | 1,092,462 | 72.10 | 78,766,510 | 184,549,606 | 182,422,784 |
| DHAKABANK | 1,556,142 | 24.80 | 38,592,322 | 69,824,092 | 67,921,738 |
| DULAMIACOT | 16,000 | 9.10 | 145,600 | 160,000 | 160,000 |
| DUTCHBANGL | 148,660 | 117.00 | 17,393,220 | 26,164,160 | 25,256,832 |
| ECABLES | 60,000 | 51.60 | 3,096,000 | 600,000 | 600,000 |
| EBL | 13,022,466 | 31.70 | 412,779,148 | 144,125,673 | 119,287,984 |
| EBLISTMF | 1,154,000 | 8.90 | 10,270,600 | 27,095,920 | 27,095,920 |
| EXIMBANK | 1,136,169 | 20.80 | 23,632,315 | 43,083,528 | 40,506,057 |
| FBFIF | 25,000,000 | 9.70 | 242,500,000 | 250,000,000 | - |
| FIRSTSBANK | 1,024,777 | 18.50 | 18,958,375 | 35,467,532 | 35,466,621 |
| GP | 1,151,400 | 175.00 | 201,495,000 | 302,967,882 | 301,816,482 |

| | | | | 2012 | 2011 |
|-----------------|-----------|----------|---------------|-------------|-------------|
| | | | | BDT | BDT |
| GRAMEENS2 | 250,800 | 21.00 | 5,266,800 | 6,696,360 | 4,416,360 |
| GREENDEL MF | 524,500 | 6.90 | 3,619,050 | 6,477,575 | 6,477,575 |
| HEIDELBCEM | 88,800 | 264.70 | 23,505,360 | 1,338,000 | 1,355,798 |
| ICB(PRIMARY) | 2,953,588 | 1,556.00 | 4,595,782,928 | 175,027,500 | 236,287,100 |
| ICB3RDNRB | 480,000 | 6.90 | 3,312,000 | 6,744,000 | 6,744,000 |
| ICBEMPMF1ST | 813,000 | 8.10 | 6,585,300 | 13,422,630 | 133,613,704 |
| ICBIBANK | 5,418,100 | 7.70 | 41,719,370 | 54,181,000 | 19,175,500 |
| IFIC | 617,037 | 36.20 | 22,336,739 | 42,038,731 | 39,578,339 |
| IFICISTMF | 730,000 | 8.00 | 5,840,000 | 11,052,200 | 11,052,200 |
| IFILISLMFI | 166,500 | 6.20 | 1,032,300 | 1,773,225 | 1,773,225 |
| INTECH | 700,771 | 17.70 | 12,403,647 | 25,017,525 | 25,017,543 |
| IPDC | 749,340 | 18.00 | 13,488,120 | 20,029,858 | 7,344,448 |
| ISLAMI BANK | 44,800 | 54.40 | - | - | (16,272) |
| JAMUNABANK | 901,454 | 21.70 | 19,561,552 | 31,911,472 | 30,597,560 |
| JAMUNA OIL | 144,240 | 180.30 | - | - | 46,967,910 |
| JUTESPIN | 30,000 | 65.40 | 1,962,000 | 300,000 | 300,000 |
| KARNAPHULI | 508,728 | 31.10 | 15,821,441 | 49,346,616 | 49,356,791 |
| KPCL | 442,222 | 49.80 | 22,022,656 | 44,177,978 | 43,943,945 |
| LAFSURCEML | 118,500 | 32.70 | 3,874,950 | 1,185,000 | 1,777,500 |
| LINDEBD | 56,750 | 549.10 | 31,161,425 | 41,933,710 | - |
| LR GLOBAL | 5,000,000 | 10.00 | 50,000,000 | 50,000,000 | 50,000,000 |
| MERCANBANK | 3,348,859 | 19.10 | 63,963,207 | 118,583,097 | 111,002,384 |
| MPETOLEUM | 59,010 | 189.90 | - | - | 14,931,525 |
| MTBL | 1,829,070 | 21.90 | 40,056,633 | 90,849,907 | 87,606,161 |
| NTC | 4,392 | 774.00 | 3,399,408 | 439,200 | 439,200 |
| NATOXG | 1,305 | 100.00 | 130,500 | 130,500 | 130,500 |
| NAVANACNG | 405,465 | 79.80 | 32,356,107 | 71,280,747 | 71,277,371 |
| NBL | 2,996,583 | 22.10 | 66,224,484 | 161,066,336 | 154,634,747 |
| NCCBANK | 2,200,704 | 18.20 | 40,052,813 | 97,183,089 | 92,621,827 |
| NILOYCEM | 98 | 100.00 | 9,800 | 9,800 | 9,800 |
| NLTUBES | 168,876 | 41.80 | 7,059,017 | 24,086,784 | 24,085,940 |
| OCL | 300,062 | 29.90 | 8,971,854 | 43,623,014 | 43,144,187 |
| ONEBANKLTD | 3,114,409 | 22.80 | 71,008,525 | 148,059,004 | 138,757,533 |
| PDPRINTER | 29,243 | 10.00 | 292,430 | 292,430 | 292,430 |
| PEOPLESINS | 99,655 | 27.50 | 2,740,513 | 9,308,774 | 9,261,324 |
| PFISTMF | 271,500 | 7.30 | 1,981,950 | 4,075,215 | 4,075,215 |
| PHENIX INS. | 12 | 80.10 | - | - | 752 |
| PHPMF1 | 299,500 | 6.70 | 2,006,650 | 3,042,920 | 3,042,920 |
| POPULAR1MF | 1,000,000 | 7.20 | 7,200,000 | 10,000,000 | 10,000,000 |
| POWERGRID | 252,950 | 55.60 | 14,064,020 | 20,893,670 | 20,664,170 |
| PREMIERBAN | 923,482 | 16.20 | 14,960,408 | 34,898,385 | 33,116,103 |
| PREMIER LEASING | 23,800 | 33.30 | - | - | 950,360 |
| PRIME1ICBA | 242,000 | 7.00 | 1,694,000 | 3,315,400 | 3,315,400 |
| PRIMEBANK | 833,632 | 37.00 | 30,844,384 | 38,096,982 | 37,929,026 |
| PRIME INSURANCE | 65 | 53.70 | - | - | 1,974 |
| PUBALIBANK | 8,846,883 | 33.00 | 291,947,139 | 162,782,647 | 144,373,166 |
| RAHIMAF | 15,310 | 17.50 | 267,925 | 153,100 | 153,100 |

| | | | | 2012 BDT | 2011 BDT |
|------------------|--------------------|--------|----------------------|----------------------|----------------------|
| RAKCERAMIC | 287,012 | 56.80 | 16,302,282 | 44,443,809 | 42,115,304 |
| RANFOUNDRY | 404,000 | 62.20 | 25,128,800 | 62,038,240 | 62,038,240 |
| ROSEHEAV | 4,327 | 15.00 | 64,905 | 64,905 | 64,905 |
| RUPALIBANK | 132,000 | 79.40 | 10,480,800 | 1,000,000 | 1,000,000 |
| SHAHJABANK | 2,880,051 | 28.50 | 82,081,454 | 143,340,138 | 138,019,681 |
| SIBL | 3,002,620 | 19.40 | 58,250,828 | 87,646,478 | 85,421,778 |
| SOUTHEASTB | 3,678,255 | 20.00 | 73,565,100 | 164,013,390 | 161,724,742 |
| SQURPHARMA | 100,900 | 168.60 | 17,011,740 | 17,802,796 | 28,433,661 |
| STANDBANKL | 1,579,584 | 19.20 | 30,328,013 | 55,459,194 | 52,603,362 |
| SUMITPOWER | 573,251 | 53.30 | 30,554,278 | 50,772,841 | 49,713,407 |
| TTTASGAS | 780,450 | 67.90 | - | - | 67,687,342 |
| TRUSTB1MF | 632,500 | 8.70 | 5,502,750 | 10,164,275 | 10,164,275 |
| TRUSTBANK | 5,764,429 | 25.00 | 144,110,725 | 307,301,710 | 297,141,437 |
| ULC | 191,976 | 31.20 | 5,989,651 | 17,283,599 | 16,598,639 |
| UCBL | 1,349,331 | 23.60 | 31,844,212 | 51,760,337 | 32,635,413 |
| UTTARABANK | 777,952 | 38.1 | 29,639,971 | 78,674,286 | 96,564,382 |
| UTTARAFIN | 467,712 | 82.9 | 38,773,325 | 81,063,844 | 78,162,330 |
| Sub total | 135,306,400 | | 7,937,551,536 | 5,081,593,639 | 5,144,178,377 |

Unquoted shares

| Name of the company | 2012 | | | Book value 2011 |
|---------------------|--------------------|------------|-----------------------|----------------------|
| | No of share | Face value | Book value 2012 | |
| BCBL | 1,125,000 | 100.00 | 112,500,000 | 112,500,000 |
| BD FUND | 20,000,000 | 100.00 | 2,000,000,000 | - |
| BELHASA ACCOM | 300,000,000 | 10.00 | 3,000,000,000 | 1,500,000,000 |
| CDBL | 7,174,765 | 18.19 | 130,508,975 | 130,508,975 |
| GRAMEEN BANK | 30,000 | 100.00 | 3,000,000 | 3,000,000 |
| IIDFC | 227,700 | 100.00 | 22,770,000 | 22,770,000 |
| S. JUTE YARN | 33,790 | 10.00 | 337,900 | 337,900 |
| KARM. BANK | 500,000 | 100.00 | 50,000,000 | 50,000,000 |
| MAGURA PAPER | 159,970 | 100.00 | 15,997,000 | 15,997,000 |
| PAPER CONVER | 5,000 | 100.00 | 500,000 | 500,000 |
| PUBALI(FORMER) | 51,022 | 10.00 | 510,220 | 510,220 |
| SPPCL | 14,931,400 | 10.00 | 149,314,000 | 230,758,000 |
| SUPPCL | 9,818,600 | 10.00 | 98,186,000 | 151,742,000 |
| SWAN TEXTILE | 1,022 | 100.00 | 102,200 | 102,200 |
| Sub total | 354,058,269 | | 5,583,726,295 | 2,218,726,295 |
| Total | | | 10,665,319,935 | 7,362,904,673 |

Gains on investment in quoted shares of Tk. 2,855,551,536 is transferred to revaluation reserve as an unrealized gain and also the amount of investment in un-quoted share has shown in book value in the Balance Sheet as Tk. 5,583,726,295 as per IAS 39. The above changes will affect equity and investment amount. Investments in shares are netting off as per DFIM circular no.02. Dated: 31 January 2012

6.4 Private Bond

| | | |
|--------------------------------------|----------------------|----------------------|
| 5 Years Prime Bank Bond | 210,000,000 | 210,000,000 |
| 5 Years Orascom Telecom Bond | 30,000,000 | 40,000,000 |
| 5 Years Mutule Trust Bank Bond | 250,000,000 | 250,000,000 |
| 5 Years Northern Power Solution Bond | 140,625,000 | 150,000,000 |
| 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 | 200,000,000 | 200,000,000 |
| | 1,280,625,000 | 1,300,000,000 |

| | 2012 BDT | 2011 BDT |
|---|------------------------|------------------------|
| 6 (a) Consolidated Investment | | |
| Government Securities | | |
| Sonali Bank Ltd. | 129,999,474,754 | 119,359,837,845 |
| Sonali Investment Ltd. | - | - |
| Sonali Exchange Co.,Inc | - | - |
| | 129,999,474,754 | 119,359,837,845 |
| Others | | |
| Sonali Bank Ltd. | 18,910,763,716 | 14,715,912,714 |
| Sonali Investment Ltd. | 184,546,835 | 91,288,668 |
| Sonali Exchange Co.,Inc | - | - |
| | 19,095,310,551 | 14,807,201,382 |
| Less: Investment in Subsidiary: | | |
| Sonali Investment Ltd. | 2,000,000,000 | 2,000,000,000 |
| Sonali Exchange Co.,Inc | 75,786,250 | 77,871,500 |
| | 2,075,786,250 | 2,077,871,500 |
| | 17,019,524,301 | 12,729,329,882 |
| | 147,018,999,055 | 132,089,167,727 |
| 7 Loans and Advances/Investments | | |
| Inside Bangladesh - Note 7.1 | 338,169,168,357 | 299,132,921,446 |
| Outside Bangladesh - Note 7.2 | 164,075,717 | 193,367,515 |
| Total Loan and advances (Loans, Cash credit, Overdraft etc.) | 338,333,244,074 | 299,326,288,961 |
| Bills purchased and Discounted - Note 7.3 | 39,813,811,528 | 46,665,059,950 |
| Total | 378,147,055,602 | 345,991,348,911 |
| 7.1 Inside Bangladesh | | |
| Loan - Note 7.1.1 | 288,140,132,053 | 250,379,114,166 |
| Cash Credit - Note 7.1.2 | 37,248,541,190 | 37,538,920,661 |
| Overdraft - Note 7.1.3 | 12,780,495,114 | 11,214,886,619 |
| Total | 338,169,168,357 | 299,132,921,446 |
| 7.1.1 Head-wise Loans, Cash Credits and Overdrafts: | | |
| Inside Bangladesh: | | |
| Loans | | |
| Demand Loan | 2,903,491,924 | 3,027,587,757 |
| Small Loan | 386,028,048 | 536,822,767 |
| House Building Loan (General) | 675,128,377 | 679,217,789 |
| Staff House Building Loan | 35,865,712,667 | 23,739,175,891 |
| Staff Loan | 2,358,849,593 | 3,024,307,371 |
| Special Small Loan Program | 785,835,824 | 1,024,654,282 |
| Loan Under S.B Industrial Credit Scheme(Project) | 37,593,637,987 | 34,797,753,278 |
| Loan under External Credit Program | 115,108,327 | 137,735,553 |
| Working Capital to Industries. (Hypo) | 41,294,322,353 | 33,206,696,837 |
| Working Capital to Industries.(Pledge) | 3,212,188,686 | 2,823,885,017 |
| Sonali credit | 9,477,465 | 3,899,707 |
| Loan under'SB Agro Based Industrial Cr.Scheme | 7,671,940,491 | 6,647,748,614 |
| Working Capital to Agrobased Ind. (Hypo) | 9,889,494,235 | 10,830,606,100 |
| Working Capital to Agrobased Ind..(Pledge) | 5,885,481,024 | 5,929,515,841 |
| Agricultural Loan | 29,278,985,402 | 27,815,898,996 |

| | 2012 | 2011 |
|--|------------------------|------------------------|
| | BDT | BDT |
| Micro Credit (SFL Scheme plus RSTL Scheme) | 9,820,387,785 | 9,288,565,158 |
| Loan under Imported Merchandise(LIM) | 2,461,845,544 | 1,853,526,484 |
| Loan against Trust Receipt | 54,415,410,102 | 45,495,553,719 |
| Forced Loan against Back to Back L/C | 36,261,155,227 | 32,904,118,121 |
| Loan for L/C under WES. | 136,339 | 28,698,036 |
| Current Account Barter (Debit Balance) | 932,606,463 | 932,606,463 |
| Bridge Finance | 255,938,597 | 257,822,031 |
| Small Trading Loan | 749,584,170 | 842,774,252 |
| Lease Finance | 202,320,452 | 196,036,083 |
| Probasi Karmo Sangsthan Prokalpa | 4,819,277 | 22,605,198 |
| Consumer Loan | 1,724,116,113 | 1,578,975,315 |
| Term Loan to Freedom Fighter | 36,970,048 | - |
| Education Loan | 5,548,323 | 11,960,555 |
| Foreign Education Loan Program | 2,894,460 | - |
| SME Finance(Term Loan to Service) | 536,172,906 | 462,488,928 |
| SME Finance(Term Loan Industries) | 192,772,140 | 140,653,242 |
| SME Finance(Working Capital to Ind.Ser.Tre.) | 2,201,859,652 | 1,481,710,709 |
| Term Loan to Banks & NBFIs | 409,912,052 | 655,514,072 |
| Total | 288,140,132,053 | 250,379,114,166 |
| 7.1.2 Cash Credits: | | |
| Cash Credit General (Hypo) | 21,970,499,669 | 24,136,952,406 |
| Cash Credit General (Pledge) | 9,119,364,248 | 8,690,275,387 |
| Packing Cash Credit | 6,158,677,273 | 4,711,692,868 |
| Total | 37,248,541,190 | 37,538,920,661 |
| 7.1.3 Overdrafts etc.: | | |
| Overdraft Loan | 12,780,495,114 | 11,214,886,619 |
| Total | 12,780,495,114 | 11,214,886,619 |
| 7.2 Outside Bangladesh | | |
| Loan - Note 7.2.1 | 21,066,223 | 20,482,212 |
| Cash Credit - Note 7.2.2 | 5,752,721 | 15,209,438 |
| Overdraft - Note 7.2.3 | 137,256,773 | 157,675,865 |
| | 164,075,717 | 193,367,515 |
| 7.2.1 Head-wise Loans, Cash Credits and Overdrafts: | | |
| Outside Bangladesh: | | |
| Loan | | |
| Demand Loan | 13,501,239 | 11,014,777 |
| Small Loan | 104,053 | - |
| House Building Loan | 7,460,931 | 9,467,435 |
| Total | 21,066,223 | 20,482,212 |
| 7.2.2 Cash Credit | 5,752,721 | 15,209,438 |
| 7.2.3 Overdraft | 137,256,773 | 157,675,865 |

| | 2012 | 2011 |
|--|------------------------|------------------------|
| | BDT | BDT |
| 7.3. Bills Purchased and Discounted (excluding treasury bills) | | |
| Payable inside Bangladesh | 33,701,732,030 | 39,674,585,076 |
| Payable outside Bangladesh | 6,112,079,498 | 6,990,474,874 |
| | 39,813,811,528 | 46,665,059,950 |
| 7.3.1 Payment against Documents (PAD) | | |
| Inland Bills Purchased | 17,965,364,084 | 22,700,093,098 |
| Foreign Bills Purchased/Negotiated (Clean) | 15,736,367,946 | 16,974,491,978 |
| Foreign Bills Purchased/Negotiated (Documents) | 1,100,965,402 | 1,361,813,124 |
| | 4,895,123,356 | 5,569,378,028 |
| | 39,697,820,788 | 46,605,776,228 |
| Foreign Bills Purchased/Negotiated (Documents) of Overseas Branches | 115,990,740 | 59,283,722 |
| | 39,813,811,528 | 46,665,059,950 |
| 7.4 Residual maturity grouping of loans and advances / investments including bills purchased and discounted | | |
| Loans and Advances | | |
| On demand | 35,309,154,702 | 20,383,733,775 |
| Not more than 3 Months | 9,020,238,058 | 20,508,144,895 |
| More than 3 months but not more than 1 Year | 151,170,090,880 | 146,142,534,109 |
| More than 1Year but not more than 5 Years | 40,607,186,414 | 38,038,448,106 |
| More than 5 Years | 102,226,574,023 | 74,253,428,076 |
| | 338,333,244,077 | 299,326,288,961 |
| Bills purchased and discounted | | |
| Not more than 1 Month | 30,564,969,062 | 20,307,895,721 |
| More than 1 month but not more than 3 Months | 2,663,138,165 | 4,205,563,905 |
| More than 3 months but not more than 6 Months | 4,261,512,109 | 21,936,268,751 |
| More than 6 Months | 2,324,192,192 | 215,331,573 |
| | 39,813,811,528 | 46,665,059,950 |
| 7.5 Net Performing loans and advances / Investments | | |
| Gross loans and advances / investments | 378,147,055,602 | 345,991,348,911 |
| Non-performing loans and advances / investments | - | - |
| | 378,147,055,602 | 345,991,348,911 |
| 7.6 Loans and advances / Investments on the basis of significant | | |
| Advances to Chief Executive and other Senior Executives | 47,818,610 | 47,853,303 |
| Advances to the Customers Group | 232,623,252,364 | 204,904,494,418 |
| Industry based Advances | 105,662,173,103 | 94,373,941,240 |
| | 338,333,244,077 | 299,326,288,961 |
| 7.6.1 Industrial advances (Category wise) | | |
| Loan Under S.B Industrial Credit Scheme(Project) | 37,593,637,987 | 34,797,753,278 |
| Loan under External Credit Program | 115,108,327 | 137,735,553 |
| Working Capital to Industries. (Hypo) | 41,294,322,353 | 33,206,696,837 |
| Working Capital to Industries.(Pledge) | 3,212,188,686 | 2,823,885,017 |
| Loan under'SB Agro Based Industrial Cr.Scheme | 7,671,940,491 | 6,647,748,614 |
| Working Capital to Agrobased Ind. (Hypo) | 9,889,494,235 | 10,830,606,100 |
| Working Capital to Agrobased Ind..(Pledge) | 5,885,481,024 | 5,929,515,841 |
| | 105,662,173,103 | 94,373,941,240 |
| 7.7 Number of clients, with amount of outstanding and classified loans to whom loans and advances sanctioned more than 10% of total capital | | |
| Total Capital | 11,394,181,830.80 | 44,208,880,842.00 |
| 10% of total capital | 1,139,418,183 | 4,420,888,084 |
| During the year 2012, 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 | 2012 | 2011 |
|--|--------------------------|---------------------------------|
| | BDT | BDT |
| | 2012 | |
| | Oustanding Taka in Crore | Classified amount Taka in Crore |
| Bangladesh Petroleum Corporation (B. P. C) | 1,960.96 | - |
| Beximco Group | 1,389.19 | 659.66 |
| Bangladesh Suger and Food Ind. Corporation | 483.00 | - |
| Hallmark Fashion | 688.00 | 646.00 |
| Max Spining Mills | 526.00 | 526.00 |
| Anwara Spining Mills | 474.00 | 474.00 |
| Bangladesh Agricultural Development Corporation (BADC) | 1661 | 464.00 |
| Beximco Ltd. | 768.00 | 480.00 |
| Gulshan Spining Mills | 219.00 | - |
| Bangladesh Petroleum Corporation (B. P. C) | 4,780.00 | - |
| Bangladesh Chemical Ind. | 2,017.00 | - |
| Fare Trade | 316.00 | 316.00 |
| Total | 15,282.15 | 3,565.66 |

7.8 Geographical Location-wise Loans and Advances:

In Bangladesh

% of Total
Loans 2012

% of Total
Loans 2011

a) Urban:

| | | | | |
|--------------------------------|---------------|---------------|------------------------|------------------------|
| Dhaka Division | 73.48% | 71.73% | 277,855,089,145 | 248,164,561,804 |
| Chittagong Division | 9.16% | 10.09% | 34,643,000,000 | 34,903,333,176 |
| Rajshahi Division | 3.68% | 3.65% | 13,921,800,000 | 12,618,109,398 |
| Khulna Division | 6.73% | 7.83% | 25,467,400,000 | 27,098,697,149 |
| Sylhet Division | 0.97% | 0.91% | 3,679,000,000 | 3,134,631,383 |
| Barisal Division | 1.38% | 1.22% | 5,200,500,000 | 4,232,511,000 |
| Rangpur | 4.52% | 4.50% | 17,100,200,000 | 15,586,853,764 |
| Total Inside Bangladesh | 99.93% | 99.93% | 377,866,989,145 | 345,738,697,674 |
| Outside Bangladesh | 0.07% | 0.07% | 280,066,457 | 252,651,237 |
| | 100% | 100% | 378,147,055,602 | 345,991,348,911 |

7.9 Classification of advances as per Bangladesh Bank circular

Unclassified

% of Total
Loans 2012

% of Total
Loans 2011

| | | | | |
|-------------------------------|---------------|---------------|------------------------|------------------------|
| Standard including staff loan | 64.96% | 80.10% | 245,662,000,125 | 279,663,374,674 |
| Special Mention Account (SMA) | 1.65% | 1.30% | 6,229,685,900 | 4,487,151,000 |
| | 66.61% | 81.40% | 251,891,686,025 | 284,150,525,674 |

Classified

| | | | | |
|-------------------|----------------|----------------|------------------------|------------------------|
| Substandard | 4.28% | 0.75% | 16,181,400,793 | 2,602,496,000 |
| Doubtful | 2.65% | 1.56% | 10,016,500,205 | 5,400,423,000 |
| Bad / Loss | 26.39% | 15.49% | 99,777,402,122 | 53,585,253,000 |
| | 33.31% | 17.80% | 125,975,303,120 | 61,588,172,000 |
| Overseas branches | 0.07% | 0.07% | 280,066,457 | 252,651,237 |
| | 100.00% | 100.00% | 378,147,055,602 | 345,991,348,911 |

Loans and advances amounting Tk. 8,500 million was not classified due to High-Court Injunction of not to classify the said amount on the writ petition of borrowers.

| | | | | 2012 | 2011 |
|--|---------------------------|-----------------|--|--------------------------------|--------------------------------|
| | | | | BDT | BDT |
| 7.10 Particulars of required provision for loans and advances / investments | | | | | |
| Status | | | | Figure in Crore | |
| General provision | Base for provision | Rate (%) | | Required Provision 2012 | Required Provision 2011 |
| Standard | 25,057.07 | | | 369.47 | 376.75 |
| i) HF & LP | 37.77 | 2% | | 0.76 | 1.23 |
| ii) Other than HF & LP | 402.76 | 5% | | 20.14 | 22.19 |
| iii) Agri & Micro | 2,229.66 | 5% | | 111.48 | 92.77 |
| iv) Others | 20,280.00 | 1% | | 202.80 | 216.21 |
| Small enterprise financing | 1,495.75 | 0.25% | | 3.74 | 23 |
| Housing Finance | - | 2% | | - | - |
| Special mention account (SMA) | 611.13 | 5% | | 30.56 | 21.56 |
| Consumers loan scheme | | 5% | | - | - |
| | | | | 369.47 | 376.75 |

* 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

| | | | | Figure in Crore | |
|---|---------------------------|-----------------|--|--------------------------------|--------------------------------|
| Specific provision Status | Base for provision | Rate (%) | | Required Provision 2012 | Required Provision 2011 |
| Sub-standard | 755 | | | 137.03 | 43.59 |
| i) Short term Micro Credit | 94 | 5% | | 4.69 | 4.19 |
| ii) Others | 662 | 20% | | 132.34 | 39.40 |
| Doubtful | 723 | 0% | | 321.05 | 47.17 |
| i) Short term Micro Credit | 90 | 5% | | 4.51 | 4.90 |
| ii) Others | 633.09 | 50% | | 316.55 | 42.27 |
| Bad / Loss | 6,909 | 100% | | 6,909.45 | 3,665.81 |
| | | | | 7,367.53 | 3,757 |
| Required provision for loans and advances / investments | | | | 7,737 | 4,133 |
| Provision Held (Note-13) | | | | 7,745 | 4,133 |
| Surplus/(Deficit) | | | | 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 abovesaid 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 during the year.

7.11 Particulars of Advances / Investments

| | | |
|---|------------------------|------------------------|
| i) Debts considered good in respect of which the Bank is fully secured. | 231,764,158,244 | 223,934,069,026 |
| ii) Debts considered good for which the bank holds no other security than the debtor's personal security | 10,228,433,953 | 14,083,217,131 |
| iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors | 16,929,970,062 | 107,974,062,754 |
| iv) Loans/ adversely classified provision not maintained there against | 258,922,562,259 | 345,991,348,911 |

| | 2012 | 2011 |
|--|------------------------|------------------------|
| | BDT | BDT |
| v) Debts due by directors or officers of the bank or any of them either severally or jointly with any other persons. | 38,224,562,260 | 26,763,483,262 |
| 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. | 38,224,562,260 | 26,763,483,262 |
| 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) | 73,675,200,000 | 37,567,700,000 |
| b) Increase/decrease of provision (specific) | 36,107,500,000 | 37,567,700,000 |
| c) Amount of written off debt from provision | 909,225,418 | 7,920,261,774 |
| d) Amount recovered against the debt which was previously written off | - | 179,245,690 |
| e) Amount of provision kept against the amount classified as bad or loss | 73,675,200,000 | 37,567,700,000 |
| f) Amount of interest charged in suspense account (Note 13.4) | 19,714,715,091 | 15,883,486,194 |
| xi) Cumulative amount of written off loans | 21,304,712,215 | 18,612,422,688 |
| Opening balance | 24,213,812,215 | 21,135,630,688 |
| Amount of written off debt during the year | 1,320,300,000 | 2,102,912,000 |
| Amount realized during the year | 4,229,400,000 | 4,626,120,000 |
| xii) Amount of written off loans for which law suits have been filed for recovery | 24,213,812,215 | 21,135,630,688 |
| 7 (a) Consolidated Loans and Advances | | |
| Loan, Cash Credit and Overdrafts | | |
| Sonali Bank Ltd.(Note-07) | 338,333,244,074 | 299,326,288,961 |
| Sonali Investment Ltd. | 2,523,646,168 | 2,100,406,894 |
| Sonali Exchange Co.,Inc | - | - |
| | 340,856,890,242 | 301,426,695,855 |
| 7(b) Bills purchased and discounted | | |
| Payment against Documents (PAD) | 17,965,364,084 | 22,700,093,098 |
| Inland Bills Purchased | 15,736,367,946 | 16,974,491,978 |
| Foreign Bills Purchased/Negotiated (Clean) | 1,100,965,402 | 1,361,813,124 |
| Foreign Bills Purchased/Negotiated (Docu) | 4,895,123,356 | 5,569,378,028 |
| | 39,697,820,788 | 46,605,776,228 |
| Foreign Bills Purchased/Negotiated (Docu) of Overseas Branches | 115,990,740 | 59,283,722 |
| | 39,813,811,528 | 46,665,059,950 |

| | 2012 BDT | 2011 BDT |
|---|-----------------------|-----------------------|
| 8 Fixed Asset including Premises,Furniture & Fixture | | |
| (A) Cost | | |
| In Bangladesh: | | |
| Premises | 21,407,790,621 | 21,407,790,621 |
| Building | 468,461,076 | 396,415,674 |
| Furniture | 697,796,439 | 593,563,009 |
| Electric Installation | 583,958,775 | 467,280,920 |
| Computer | 1,116,389,719 | 941,275,160 |
| Type Writer Machine | 5,803,456 | 4,586,057 |
| Motor Car & Other Vehicle | 252,440,522 | 215,781,388 |
| Library | 4,008,590 | 1,675,499 |
| Sub-Total(In Bangladesh) | 24,536,649,200 | 24,028,368,329 |
| Overseas Branches: | | |
| Kolkata Branch | 8,232,703 | 7,598,528 |
| Siliguri Branch | 501,563 | 544,666 |
| Sub-Total (Overseas Branches) | 8,734,266 | 8,143,194 |
| Total Cost Value | 24,545,383,466 | 24,036,511,523 |
| (B) Accumulated Depreciation | | |
| In Bangladesh: | | |
| Prenises | 183,493,698 | 152,604,799 |
| Building | - | - |
| Furniture | 252,489,534 | 187,719,218 |
| Electric Installation | 277,139,021 | 191,316,752 |
| Computer | 586,006,584 | 395,561,329 |
| Type Writer Machine | 2,552,849 | 1,370,884 |
| Motor Car & Other Vehicle | 119,153,358 | 79,586,421 |
| Library | 891,520 | 629,011 |
| Sub-Total(In Bangladesh) | 1,421,726,564 | 1,008,788,414 |
| Overseas Branches: | | |
| Kolkata Branch | 1,167,598 | 1,253,110 |
| Siliguri Branch | 90,879 | 54,969 |
| Sub-Total (Overseas Branches) | 1,258,477 | 1,308,079 |
| Total Accumulated Depreciation | 1,422,985,042 | 1,010,096,493 |
| Written down value (A-B) | 23,122,398,424 | 23,026,415,030 |
| (Details shown in Annxure-B) | | |
| 8.1 Movement of Fixed assets | | |
| Cost (Original)/Revaluation | 24,034,806,488 | 11,255,321,337 |
| Addition during the year | 574,457,583 | 12,795,814,987 |
| | 24,609,264,071 | 24,051,136,324 |
| Less: Disposal/Adjustment during the year | 63,880,605 | 14,624,802 |
| | 24,545,383,466 | 24,036,511,522 |
| Less: Accumulated Depreciation | 1,422,985,042 | 1,010,096,492 |
| (Details shown in Annexure-B) | 23,122,398,424 | 23,026,415,030 |
| 8 (a) Consolidated Fixed assets including Premises, Furniture and Fixtures | | |
| Cost Less Accumulated Depreciation | | |
| Sonali Bank Ltd.(Note-08) | 23,122,398,424 | 23,026,415,030 |
| Sonali Investment Ltd. | 25,122,721 | 27,314,259 |
| Sonali Exchange Co.,Inc | 7,198,018 | 6,390,709 |
| | 23,154,719,162 | 23,060,119,998 |

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 form the Ministry of Land, Government of the People's Republic of Bangladesh.

| | 2012 | 2011 |
|---|------------------------|------------------------|
| | BDT | BDT |
| 9 Other Asset | | |
| Sonali Exchange Co.Inc. USA | 286,151,032 | 289,152,532 |
| Stationery, Stamps and Printing Materials in hand | 472,690,974 | 229,520,756 |
| Advance Rent, Advertisement etc. | 115,628,416 | 122,819,897 |
| Interest, Commission and Exchange Receivable | 9,262,795,789 | 5,807,200,800 |
| Prepaid Expenses | 65,863,928 | 1,981,388,395 |
| Branch Adjustment | 45,988,285,266 | - |
| Suspense A/C | 845,739,649 | 3,868,927,513 |
| Others | 86,771,795,053 | 89,820,974,161 |
| | 143,808,950,107 | 102,119,984,054 |
| Classification of Assets by Category | | |
| Performing other assets | | |
| i) Sonali Exchange Co. Inc. USA (Note -9.1) | 286,151,032 | 289,152,532 |
| ii) Advance Rent, Advertisement etc. Note(9.3) | 115,628,416 | 122,819,897 |
| iii) Interest, Commission and Exchange Receivable (9.4) | 9,262,795,789 | 5,807,200,800 |
| iv) Prepaid Expenses (9.5) | 65,863,928 | 1,981,388,395 |
| | 9,730,439,165 | 8,200,561,624 |
| Non performing other assets | | |
| v) Stationery, Stamps and Printing Materials in hand (9.2) | 472,690,974 | 229,520,756 |
| vi) Branch Adjustment(9.6) | 45,988,285,266 | - |
| vii) Suspense A/C (9.7) | 845,739,649 | 3,868,927,513 |
| viii) Others (9.8) | 86,771,795,054 | 89,820,974,161 |
| | 134,078,510,943 | 93,919,422,430 |
| | 143,808,950,108 | 102,119,984,054 |
| 9.1 Sonali Exchange Co.Inc. USA & SIL Dhaka | | |
| Ordinary Shares | - | - |
| Long term loan at prevailing rate of Interest | 116,151,032 | 119,152,532 |
| Long term loan at SIL Dhaka | 170,000,000 | 170,000,000 |
| | 286,151,032 | 289,152,532 |
| 9.2 Stationery, Stamps and Printing Materials in hand | | |
| Stamps on hand | 248,669,738 | 10,968,552 |
| Stationery on hand | 224,021,236 | 218,552,204 |
| | 472,690,974 | 229,520,756 |
| 9.3 Advance Rent and Advertisement etc. | | |
| Advance Rent | 115,628,416 | 122,819,897 |
| Advertisement | - | - |
| Total | 115,628,416 | 122,819,897 |
| 9.4 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 | 6,522,180,731 | 3,927,209,950 |
| ii) Commission receivable | 2,718,300,343 | 1,868,995,337 |
| iii) Exchange receivable | 22,314,715 | 10,995,513 |
| | 9,262,795,789 | 5,807,200,800 |
| 9.5 Preliminary, Formation and Organization Expenses, Renovation/development Expenses, and prepaid Expenses | | |
| Prepaid Expenses (Transferred from adjusting A/C) | | |
| Rent | 190,000 | 5,649,487 |
| Taxes | 1,535,726 | 274,839 |

| | 2012 BDT | 2011 BDT |
|--|--------------------------|----------------------|
| Law charges | 2,192,653 | 39,710 |
| Postage and Telegram | 983,239 | 816,313 |
| Sundries | 60,962,310 | 1,974,608,046 |
| | 65,863,928 | 1,981,388,395 |
| 9.6 Branch Adjustment | | |
| Debit Balance | | |
| Sonali Bank General Account Balance | 1,033,744,053,073 | - |
| Main Office Account Balance | 311,847,928,000 | - |
| Sonali Bank General Account (RMS+) | 34,053,552,271 | - |
| Sonali Bank General Account (IFRMS) | 634,169,649,977 | - |
| | 2,013,815,183,321 | - |
| Less: Credit Balance | | |
| Sonali Bank General Account Balance | 1,006,818,260,971 | - |
| Main Office Account Balance | 325,204,534,937 | - |
| Sonali Bank General Account (RMS+) | 61,953,001,778 | - |
| Sonali Bank General Account (IFRMS) | 573,851,100,369 | - |
| | 1,967,826,898,055 | - |
| Total | 45,988,285,266 | |
| 9.7 Suspense A/C | | |
| 1 Advance Deposit | - | - |
| 2 Pre-Paid Expenses | 1,003,590 | 681,401 |
| 3 Dead Stock | 98,201 | 64,150 |
| 4 Land and Premises | 76,688 | 76,688 |
| 5 Bonus to staff | 10,000 | - |
| 6 Advance Recoverable | 92,153,649 | 159,379,692 |
| 7 Charges incurred but not accounted for : | | |
| a) Salary & Allowances | 151,632 | 16,300 |
| b) Traveling Expenses | 5,430,364 | 4,430,472 |
| c) Rent | 5,400 | - |
| d) Taxes | 23,600 | - |
| e) Insurance | 169,990 | 27,300 |
| f) Miscellaneous | 746,616,535 | 3,704,251,510 |
| | 752,397,521 | 3,708,725,582 |
| Total | 845,739,649 | 3,868,927,513 |
| 9.8 Others : | | |
| a Draft Payable Account (Ex-Advice) | 316,629,820 | 640,903,923 |
| b Govt. Draft Payable Account (Ex-Advice) | 43,896,709 | 98,140,319 |
| c Protested Bills | 238,744,081 | 232,357,602 |
| d Wage Earners' Fund Purchased Adjustment A/C. | 2,132,313,956 | 2,448,933,258 |
| e Agri-Loan Other Exemption A/C-2004 | 255,133 | 7,872,944 |
| f Exchange Equalization | 279,480,055 | 279,480,055 |

| | 2012 BDT | 2011 BDT |
|---|-----------------------|-----------------------|
| g Agri-Loan Interest Exemption A/C-2004 | 5,961,863 | 6,229,641 |
| h Income Tax Deducted at Source | 11,739,457,796 | 11,020,201,028 |
| Sonali Bank Ltd. Employees Pension fund Investment | - | - |
| Sonali Bank Ltd. Employees PDCRB fund Investment | - | - |
| k BRDB TCCA Crop Loans Penal Int. Exemption | 759,049,723 | 759,049,723 |
| l BRDB UCCA Crop Loans Exemption | 1,073,790,753 | 1,073,790,753 |
| m BRDB TCCA Crop Loans Int & Penal Int. Exemption-2007 | 757,008,222 | 757,008,222 |
| n Settlement A/C | 29,487,872 | 12,336,493 |
| o Loan Exemption Under Jute Sectors Reform Proj. 94-95. | 5,362,676,930 | 5,362,676,930 |
| P Demand Drafts purchased | 1,109,610,717 | 1,246,796,873 |
| q Pension bills | - | 7,318,609,408 |
| Pension bills (Army) | 6,928,772,829 | - |
| Pension bills(Civil) | 755,585,875 | - |
| r PSP/BSP Encashment | 1,760,883,045 | 2,364,774,711 |
| s Agri Exemption A/C affected by River Erosion | 12,079 | 125,309,456 |
| t UCCA Loan Remission for River Erosion | 98,424,139 | 4,752,730 |
| u NRT A/C Dr. Balance | 700,014,481 | 565,346,186 |
| v Intangible Assets- Valuation Adjustment 09.08.01) | 32,869,403,550 | 39,443,724,266 |
| w Deferred Tax assets (9.8.2) | 19,642,680,978 | 15,898,679,825 |
| 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) | 86,705,964,311 | 89,768,798,051 |
| y(ii) Other Assets of India operation | 65,830,743 | 47,530,878 |
| y(iii) Loss Incurred by Siliguri Branch | - | 4,645,232 |
| Total ((a+y)+y(i)+y(ii)) | 86,771,795,054 | 89,820,974,161 |

9.8.1 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. 3,287.38 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.3,286.94 Crore as on 31 December 2012. During the year, Amortization of intangible assets shown in note-34.

| | | |
|-------------------------------|----------------|-------------|
| Opening balance of | 39,443,724,266 | 46018044982 |
| Less: Charged during the year | 6,574,320,716 | 6574320716 |
| Closing Balance | 32,869,403,550 | 39443724266 |

9.8.2 Deferred Tax assets

| | | |
|--------------------------|-----------------------|-----------------------|
| Opening Balance | 15,898,679,825 | 14,821,171,207 |
| Addition during the year | 3,744,001,153 | 1,077,508,618 |
| Closing Balance | 19,642,680,978 | 15,898,679,825 |

| | 2012 BDT | 2011 BDT |
|---|-------------------------------|-------------------------------|
| i) Written down value of Fixed Assets | | |
| a) Carrying amount at balance sheet date | 2,143,112,272 | 2,070,622,757 |
| Less Land Value Amount | - | - |
| Carrying value without considering land value | <u>2,143,112,272</u> | <u>2,070,622,757</u> |
| b) Tax base | <u>1,890,625,711</u> | <u>1,764,394,093</u> |
| c) Taxable/(Deductible) Temporary Difference (a-b) | (252,486,561) | (306,228,664) |
| ii) Employees Liabilities | | |
| a) Carrying amount at balance sheet date | (46,179,726,606) | (37,747,780,676) |
| b) Tax base | - | - |
| c) Taxable/(Deductible) Temporary Difference (a-b) | (46,179,726,606) | (37,747,780,676) |
| iii) Interest on securities | | |
| Interest on securities(Accrued) | 15,054,420,224 | 8,136,027,393 |
| Interest on securities(Cash) | 14,840,279,946 | 7,490,322,325.00 |
| | <u>214,140,278</u> | <u>645,705,068</u> |
| 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 | (46,218,072,889) | (37,408,304,272) |
| vi) Tax Rate | 42.5% | 42.5% |
| vii) Deferred Tax assets | (19,642,680,978) | (15,898,529,316) |
| viii) prior year adjustment | - | (150,509) |
| | (19,642,680,978) | (15,898,679,825) |
| ix) Opening Deferred Tax | (15,898,679,825) | (14,821,171,207) |
| Decrease/(Increase) of deferred Tax (Assets)/Liabilities | <u>(3,744,001,153)</u> | <u>(1,077,508,618)</u> |

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.

| | | |
|---|--------------------|--------------------|
| 9.9 Provision held against Other Assets | | |
| a. Suspense Account | 31,393,330 | 29,381,705 |
| b. Protested Bills | 238,744,081 | 232,357,602 |
| 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) | 270,187,606 | 261,789,502 |
| f. BRDB UCCA Crops Loans Int.Penal Int. Exempt. A/Ct 1994 | 759,049,723 | 759,049,723 |
| g. BRDB UCCA Crops Loans Int. Penal Int. Exempt. A/C 2001 | 1,073,790,753 | 1,073,790,753 |
| h. UCCA Loan Remission for River Erosion | 98,424,139 | 98,424,139 |
| i. BRDB UCCA Crops Loans Int.Penal Int. Exempt. A/Ct 2007 | 757,008,222 | 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 | - | 565,346,186 |

| | 2012 | 2011 |
|---|------------------------|------------------------|
| | BDT | BDT |
| m. Sub Total (f to l) | 2,790,046,347 | 3,355,392,533 |
| Required Provision (e+p) | 3,060,233,953 | 3,617,182,035 |
| Less: Provision made up to 31 December 2012 (9.10.1 & 9.10.2) | 3,616,697,187 | 3,617,182,035 |
| Surplus | 556,463,234 | - |
| 9.10.1 Movement of the Provision against Other Assets | | |
| Opening balance | 3,617,182,035 | 9,450,401,225 |
| Less: Written- off during the year | 484,848 | 55,687 |
| | 3,616,697,187 | 9,450,345,538 |
| Less: Transferred to P&L A/C | - | 5,833,163,503 |
| | 3,616,697,187 | 3,617,182,035 |
| Add: Addition during the year | - | - |
| | 3,616,697,187 | 3,617,182,035 |
| 9.10.2 Provision made against other assets | | |
| Other assets | 3,269,096,636 | 3,269,581,484 |
| Interest reserve against BRDB UCCA Crops Loan | 155,528,213 | 155,528,213 |
| Interest reserve Penal against BRDB UCCA crops Loan | 62,546,240 | 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 |
| | 3,616,697,187 | 3,617,182,035 |
| 9 (a) Consolidated Other Assets | | |
| Sonali Bank Limited(Note-9) | 143,808,950,107 | 102,119,984,054 |
| Sonali Investment Ltd.(Note-9.01a) | 128,966,675 | 209,988,232 |
| Sonali Exchange Co.,Inc (Note-9.02a) | 21,740,841 | 18,385,544 |
| | 143,959,657,623 | 102,348,357,830 |
| Less: Investment in Subsidiary: | | |
| Sonali Investment Ltd. | 510,000,000 | 320,000,000 |
| Sonali Exchange Co.,Inc | 115,673,750 | 119,893,175 |
| | 625,673,750 | 439,893,175 |
| | 143,333,983,873 | 101,908,464,655 |
| 9.01(a) Sonali Investment Ltd. | | |
| Other Receivable | 71,903,304 | 169,979,675 |
| Advance, Deposit and Prepayments | 4,618,672 | 3,988,625 |
| Advance Income Tax | 52,444,699 | 36,019,932 |
| | 128,966,675 | 209,988,232 |
| 9.02(a) Sonali Exchange Co.,Inc | | |
| Accounts Receivable | 11,824,330 | 12,312,714 |
| Security Deposits | 5,632,753 | 3,711,602 |
| Prepaid Expenses | 4,283,758 | 2,361,228 |
| | 21,740,841 | 18,385,544 |
| 10 Non Banking Assets | - | - |

| | 2012 BDT | 2011 BDT |
|--|------------------------|------------------------|
| 11 Borrowings From Other Banks, Financial Institutions & Agents | | |
| In Bangladesh(11.1) | 9,994,300,253 | 2,096,263,206 |
| Outside Bangladesh(11.2) | - | - |
| | 9,994,300,253 | 2,096,263,206 |
| 11.1 In Bangladesh | | |
| Bangladesh Bank Demand Loan: | | |
| Refinance against RHFG from Bangladesh Bank | 1,507,684 | 10,032,546 |
| Refinance against BPC from Bangladesh Bank | - | - |
| Refinance against Jute Sector from Bangladesh Bank | 987,392,569 | 1,043,575,000 |
| Refinance against NWRDP from Bangladesh Bank | 6,000,000 | 2,655,660 |
| Borrowing from BB (ALS) | 8,999,400,000 | - |
| Money at Call on Short Notice | - | 1,040,000,000 |
| | 9,994,300,253 | 2,096,263,206 |
| 11.2 Outside Bangladesh | | |
| Overseas Branches | - | - |
| 11.3 Security against borrowings from other banks, financial institutions and agents | | |
| Secured (against bills) | - | - |
| Unsecured | 9,994,300,253 | 2,096,263,206 |
| | 9,994,300,253 | 2,096,263,206 |
| 11.4 Maturity Grouping of Borrowing From Other Banks, Financial Institutions & Agents | | |
| Payable on demand | - | 1,040,000,000 |
| 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 | 1,056,263,206 |
| Over 1 year but within 5 years | - | - |
| Over 5 year but within 10 years | - | - |
| | 9,994,300,253 | 2,096,263,206 |
| 12 Deposits and other accounts | | |
| Current Deposit & Other Accounts | 144,306,694,511 | 128,214,243,216 |
| Bills Payable | 9,902,635,021 | 9,211,842,671 |
| Savings Deposits | 169,544,942,250 | 165,630,329,622 |
| Fixed Deposits | 275,539,430,328 | 229,718,597,201 |
| Total Deposits and other accounts | 599,293,702,110 | 532,775,012,710 |
| Deposits and other accounts | | |
| Inter bank deposits | 18,103,573,888 | 26,352,547,807 |
| Other deposits | 581,190,128,222 | 506,839,618,745 |
| | 599,293,702,110 | 533,192,166,552 |
| 12.1 Deposits and other accounts | | |
| Payable on Demand | | |
| Deposit from banks | 15,032,257,784 | 20,786,296,163 |
| Other than banks | 114,728,320,267 | 95,622,484,732 |
| | 129,760,578,051 | 116,408,780,895 |

| | 2012 | 2011 |
|---|------------------------|------------------------|
| | BDT | BDT |
| Other Deposits | | |
| Deposit from banks | 3,071,316,104 | 5,566,251,644 |
| Other than banks | 466,461,807,955 | 411,217,134,013 |
| | 469,533,124,059 | 416,783,385,657 |
| 12.2 Deposits and Other Accounts (Category wise) | 599,293,702,110 | 533,192,166,552 |
| Domestic Branches | | |
| Current and Contingency (12.3.a) | 143,811,050,383 | 128,214,243,216 |
| Bills Payable (12.4.a) | 9,902,635,021 | 9,211,842,671 |
| Savings Bank Account (12.5.a) | 169,510,166,307 | 165,630,329,622 |
| Fixed Deposits (12.6.a) | 275,403,113,708 | 229,718,597,201 |
| Other Deposits | - | - |
| | 598,626,965,419 | 532,775,012,710 |
| Overseas Branches | | |
| Current and Contingency (12.3.b) | 495,644,128 | 248,547,490 |
| Bills Payable (12.4.b) | - | - |
| Savings Bank Account (12.5.b) | 34,775,943 | 40,550,522 |
| Fixed Deposit (12.6.b) | 136,316,620 | 128,055,830 |
| Other Deposits | - | - |
| | 666,736,691 | 417,153,842 |
| Total Domestic & Overseas Branches | 599,293,702,110 | 533,192,166,553 |
| 12.3 Current and Contingency | | |
| a) Domestic Branches | | |
| Current A/C (credit Balance) | 128,446,439,050 | 115,148,708,527 |
| Hajj Deposits | 6,465,073 | 27,211,529 |
| Margin on Letter of Credit | 789,223,847 | 958,410,261 |
| Margin on Bank Guarantee | 22,805,953 | 25,903,088 |
| Foreign Bank Deposit | 770,951,700 | 560,831,811 |
| ATM A/c. | 58,702,885 | 39,419,985 |
| Current A/C Barter | 2,668,919,050 | 2,428,846,464 |
| Fixed Deposit Interest | 6,601,970,082 | 4,205,642,450 |
| School Banking Scheme | 13,825,613 | 7,546,329 |
| Call Deposit | 150,612,802 | 655,536,378 |
| Monthly Earning Scheme Interest | 203,123,129 | 97,932,100 |
| Double Benefit Scheme Interest | 1,553,908,273 | 834,117,421 |
| Foreign Currency Deposit | 2,000,270,775 | 2,606,676,291 |
| Unsold Balance of N.F.C.D. | 377,153,383 | 364,469,458 |
| Credit Balance of Loan & Advances | 146,678,768 | 252,991,124 |
| | 143,811,050,383 | 128,214,243,216 |
| b) Overseas Branches | 495,644,128 | 248,547,490 |
| Total Domestic & Overseas Branches | 144,306,694,511 | 128,462,790,706 |

| | 2012 | 2011 |
|---|------------------------|------------------------|
| | BDT | BDT |
| 12.4 Bills Payable | | |
| a) Domestic Branches | | |
| Draft Payable | 4,675,326,116 | 4,187,112,520 |
| Govt. Draft Payable | 102,928,292 | 176,762,859 |
| Payment Order | 5,058,832,778 | 4,696,393,879 |
| Foreign Draft/Travelers Cheque Issued A/c. | 8,279,073 | 59,453,077 |
| Foreign Draft Payable A/c. | 57,268,763 | 92,120,336 |
| | 9,902,635,021 | 9,211,842,671 |
| b) Overseas Branches | - | - |
| Total Domestic & Overseas Branches | 9,902,635,021 | 9,211,842,671 |
| 12.5 Savings Bank Deposits | | |
| a) Domestic Branches | 169,510,166,307 | 165,630,329,622 |
| b) Overseas Branches | 34,775,943 | 40,550,522 |
| | 169,544,942,250 | 165,670,880,144 |
| 12.6 Fixed Deposit | | |
| a. Domestic Branches | | |
| Fixed Deposits | 153,341,727,102 | 127,987,321,537 |
| Short Notice deposits | 40,727,027,082 | 43,603,938,877 |
| Deposit Pension Scheme | 1,234,721,077 | 1,392,376,093 |
| Special Deposit Pension Scheme | 242,905,095 | 185,324,144 |
| Sonalı Deposit Scheme | 8,165,327,567 | 10,272,485,489 |
| Education Deposit Scheme. | 7,755,429,515 | 6,549,052,336 |
| Medicare Deposit Scheme | 16,849,811,410 | 13,485,340,502 |
| Rural Deposit Schemes | 1,997,798,661 | 1,517,648,251 |
| Monthly Earning Schemes | 11,701,134,815 | 4,814,119,502 |
| Marriage Savings Schemes | 1,063,743,280 | 718,741,242 |
| Double Benefit Scheme | 19,866,522,269 | 8,736,209,613 |
| Daily Profit Scheme | 487,783,274 | 507,333,520 |
| Non Resident Deposit Scheme | 71,602,790 | 99,933,042 |
| Retirement Savings Scheme | 417,222,356 | 171,203,661 |
| Sonalı Retirement Savings Scheme | 1,068,133,600 | - |
| S.B.Employees Provident Fund (General) | 9,065,279,334 | 8,515,276,066 |
| S.B. Employees Provident Fund (Contributory) | 1,346,944,481 | 1,162,293,326 |
| | 275,403,113,708 | 229,718,597,201 |
| b. Overseas Branches | 136,316,620 | 128,055,830 |
| Total | 275,539,430,328 | 229,846,653,031 |
| 12.7 Analysis of residual maturity grouping | | |
| Maturity Grouping of deposits and other accounts (Including Bills | | |
| Repayable on Demand | 205,617,535,565 | 191,546,483,859 |
| Repayable within 1 Month | 39,029,883,563 | 36,488,587,268 |
| Over 1 month but within 6 Months | 87,917,008,190 | 72,687,727,176 |
| Over 6 months but within 1 year | 99,509,787,905 | 72,684,063,380 |
| Over 1 year but within 5 years | 101,460,902,693 | 114,944,579,413 |
| Over 5 years but within 10 years | 65,751,114,210 | 44,807,363,784 |
| Over 10 years | 7,469,984 | 33,361,672.00 |
| | 599,293,702,110 | 533,192,166,552 |

| | 2012 | 2011 |
|---|------------------------|------------------------|
| | BDT | BDT |
| <u>Inter-Bank Deposits</u> | | |
| Repayable on Demand | 9,051,786,944 | 13,176,273,904 |
| Repayable within 1 Month | 6,336,250,861 | 9,223,391,732 |
| Over 1 month but within 6 Months | - | - |
| Over 6 months but within 1 year | 1,810,357,389 | 2,635,254,781 |
| Over 1 year but within 5 years | 905,178,694 | 1,317,627,390 |
| Over 5 years but within 10 years | - | - |
| Over 10 years | - | - |
| | 18,103,573,888 | 26,352,547,807 |
| <u>Other Deposits</u> | | |
| Repayable on Demand | 196,565,748,621 | 178,370,209,956 |
| Repayable within 1 Month | 32,693,632,702 | 27,265,195,536 |
| Over 1 month but within 6 Months | 87,917,008,190 | 72,687,727,176 |
| Over 6 months but within 1 year | 97,699,430,516 | 70,048,808,599 |
| Over 1 year but within 5 years | 100,555,723,999 | 113,626,952,020 |
| Over 5 years but within 10 years | 65,751,114,210 | 44,807,363,786 |
| Over 10 years | - | 33,361,672 |
| | 581,182,658,238 | 506,839,618,745 |
| | 599,286,232,126 | 533,192,166,552 |
| <u>Bills Payables</u> | | |
| Repayable on Demand | 9,902,635,021 | 9,211,842,671 |
| 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 | - | - |
| | 9,902,635,021 | 9,211,842,671 |
| Un-claimed deposits for 10 years or more held by the bank as on 31 December 2012 | 7,469,984 | 33,361,672 |
| 12 (a) Consolidated Current Accounts and Other Accounts | | |
| Sonali Bank Ltd.(Note-12.03) | 144,306,694,511 | 128,462,790,706 |
| Sonali Investment Ltd. | - | - |
| Sonali Exchange Co.,Inc | - | - |
| | 144,306,694,511 | 128,462,790,706 |
| Less : Inter Company balance Eliminated | 85,971,758 | 69,129,450 |
| | 144,220,722,753 | 128,393,661,256 |
| 13 Other liabilities | | |
| <u>Domestic Branches</u> | | |
| Branch Adjustment(13.01) | - | 6,157,303,102 |
| Provision for Classified loans (13.2.i) | 73,675,200,000 | 37,567,700,000 |
| Provision for Un-Classified loans (13.2.ii) | 3,767,500,000 | 3,767,500,000 |
| Provision against diminishing value of Investment (13.3) | - | - |
| Interest Suspense (13.4) | 19,714,715,091 | 15,883,486,194 |
| Liability for employee benefits (PDCRB & Pension Fund) (13.5) | 3,780,068,371 | 4,877,492,088 |
| Provision for Income Tax (13.6) | 3,740,526,092 | 4,304,829,924 |
| Provision for Commission | 60,300,000 | 60,300,000 |
| Provision for other assets | 3,269,096,636 | 3,269,581,484 |

| | 2012 BDT | 2011 BDT |
|--|------------------------|------------------------|
| Exporters' Foreign Currency Retention Quota | 270,945,823 | 99,789,016 |
| Provision for loss on Revaluation of Foreign Currency held | 279,480,055 | - |
| Provision against Off Balance Sheet Exposure | 1,989,364,052 | 1,481,717,038 |
| Provision for Exgratia/Bonus etc. (13.07) | 1,772,000,221 | 1,352,375,026 |
| Foreign Correspondent Charges | 3,326,832 | 5,880,591 |
| Adjusting Account Credit Balance | 227,934,217 | 319,470,315 |
| Foreign Currency Fund Purchased A/C | 2,371,720,659 | 2,534,390,122 |
| Provision for NOSTRO A/C | - | - |
| 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 | 1,834,492 |
| 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) | 2,265,712,915 | 950,921,098 |
| 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 | 68,885,308 |
| BRDB/UCCA Crop Loan Interest Reserve A/C.2001 | 155,528,213 | 155,528,213 |
| Balance Held with Foreign Bank abroad (Cr Balance) | 3,941,475,774 | 4,835,968,739 |
| Asian Clearing Union (NOSTRO) | - | 419,647,393 |
| Loan from IDA Credit No. 765 BD. | 56,824,870 | 56,824,870 |
| Sirajganj Integrated Rural Development Fund | 35,186,558 | 34,561,878 |
| Agro Based Industrial & Technology Dev. Proj. | - | 16,840 |
| Operational A/C RD--9. | 8,568,827 | 8,568,827 |
| Rebate A/C of Term Loans to NBFI | 7,108,969 | 4,770,927 |
| FC. Clearing A/C (Credit Balance) | - | 14,416,171,204 |
| Provision for exchequer | 10,000,000 | 10,000,000 |
| CSR | 23,694,232 | 50,000,000 |
| Security Merjin | - | - |
| I.D.A. Credit -3917 B.D. | 196,654,522 | 186,441,322 |
| BRDB/UCCA Crop Loan Intt.& P.Intt. Reserve A/C.-2007 | 84,247,527 | 84,247,526 |
| Profit Repatriated from Overseas Branch | - | - |
| Accounts Payable | 689,257 | 689,257 |
| Asian Clearing Union (VOSTRO) | 138,570,411 | 503,862,582 |
| | 122,016,461,177 | 103,576,395,696 |
| OVERSEAS BRANCHES | | |
| Profit Earned by Overseas Branch | 105,762,420 | 48,859,063 |
| Other Liabilities of Overseas Branch | 67,061,684 | 103,617,900 |
| Reserve Fund of Kolkata Branch | 82,398,149 | 82,503,754 |
| | 255,222,253 | 234,980,717 |
| Total | 122,271,683,430 | 103,811,376,413 |

| | 2012 BDT | 2011 BDT |
|-------------------------------------|-------------|----------------------|
| 13.1 Branch Adjustment | | |
| Sonali Bank General Account Balance | - | (26,596,629,621) |
| Main Office Account Balance | - | (30,293,416,180) |
| Sonali Bank General Account (RMS+) | - | (160,893,666) |
| Sonali Bank General Account (IFRMS) | - | 63,208,242,569 |
| | - | 6,157,303,102 |

Branch adjustment account represents outstanding Inter-branch and Head Office transactions (Net) originated but yet to be responded at the balance sheet date. However, the status of unresponded entries as on 31.12.2012

| Period of non reconciliation | 2012 | | 2012 | |
|-----------------------------------|---------------------|----------------|---------------------------------------|-----------------|
| | Unresponded entries | | Unresponded entries (amount in crore) | |
| | Debit | Credit | Debit | Credit |
| Up to 3 months | - | - | - | - |
| Over 3 months but within 6 months | - | - | - | - |
| Over 6 months but within 1 year | 77,379 | 41,543 | 1,242.48 | 689.18 |
| Over 1 year but within 5 years | 57,384 | 48,451 | 1,117.53 | 676.19 |
| Over 5 years | 284,082 | 209,678 | 2541.65 | 1609.04 |
| Total | 418,845 | 299,672 | 4,901.66 | 2,974.41 |

In the financial statements which describes that SBL has un-responded branch adjusting balance which are un-responded (Debit balance) for period 12 months but less than 24 months by Tk. 1,242.48 crore & over 24 month by Tk. 3,659.18 crore. Bank has provided a letter reference no. DOS (S) 1155/53/2013 – 172 dated 19 June 2013 from Bangladesh Bank which has given SBL extended time to adjust Inter Branch outstanding balances up to 30 June 2013 and also instruct the bank to provide for provision any un-reconciled entries which will remain after 30 June 2013 as follows:

| Outstanding time period | Classification type | Provision Required |
|---|---------------------|--------------------|
| Less than 12 months | - | - |
| More than 12 months but less than 24 months | Doubtful | 50% |
| 24 months above | Bad Loss | 100% |

13.2 Accumulated Provision for Loans and Advances

i) Provision for Classified loans

| | | |
|--|-----------------------|-----------------------|
| Balance at the beginning of the period | 37,567,700,000 | 45,481,672,457 |
| Less: Loans written off which fully Provided for | 909,225,418 | 7,920,261,774 |
| | 36,658,474,582 | 37,561,410,683 |
| Add: Recovery Loans which was Written off earlier | - | 179,245,690 |
| | 36,658,474,582 | 37,740,656,373 |
| Add: Specific Provision made during the year | 37,016,725,418 | - |
| | 73,675,200,000 | 37,740,656,373 |
| Less: Recovered and Provision which no more required | - | 172,956,373 |
| | 73,675,200,000 | 37,567,700,000 |
| Add: Net Charge on Profit Loss Account | - | - |
| Balance at the end of the period | 73,675,200,000 | 37,567,700,000 |

ii) Provision for Un-Classified loans

| | 2012 | 2011 |
|--|-----------------------|-----------------------|
| | BDT | BDT |
| Balance at the beginning of the period | 3,767,500,000 | 3,157,818,000 |
| Less: Loans written off which fully Provided for | - | - |
| | 3,767,500,000 | 3,157,818,000 |
| Add: Recovery from the Previous Written Off Loans | - | - |
| | 3,767,500,000 | 3,157,818,000 |
| Add: Special Provision made during the year | - | - |
| | 3,767,500,000 | 3,157,818,000 |
| Less: Recovered and Provision which no more required | - | - |
| | 3,767,500,000 | 3,157,818,000 |
| Add: Net Charge on Profit Loss Account | - | 609,682,000 |
| Balance at the end of the period | 3,767,500,000 | 3,767,500,000 |
| | | |
| 13.3 Provision against diminishing value of Investment | | |
| Balance at the beginning of the period | - | 130,028,996 |
| Less: Transferred in P/L account | - | 130,028,996 |
| | - | - |
| Add: Provision made during the year | - | - |
| Balance at the end of the period | - | - |
| | | |
| 13.4 Interest Suspense | | |
| Balance at the beginning of the period | | |
| Interest Reserve | 15,824,027,771 | 16,058,204,939 |
| Interest Reserve Penal Interest | 59,458,423 | 53,516,667 |
| | 15,883,486,194 | 16,111,721,606 |
| Add: Amount transferred to "Interest Suspense" Account during the | | |
| Interest Reserve | 3,842,822,539 | 3,636,763,321 |
| Interest Reserve Penal Interest | - | 25,432,570 |
| | 3,842,822,539 | 3,662,195,891 |
| Less: Amount Recovered in "Interest Suspense" account during the | | |
| Interest Reserve | - | 2,870,376,005 |
| Interest Reserve Penal Interest | 11,405,824 | 19,071,460 |
| | 11,405,824 | 2,889,447,465 |
| Less: Amount written off during the year | | |
| Interest Reserve | 187,818 | 1,000,564,484 |
| Interest Reserve Penal Interest | - | 419,354 |
| | 187,818 | 1,000,983,838 |
| Balance at the end 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 |
| | | |
| 13.5 Liability for employees benefit (PDCRB & Pension fund) | | |
| Fair value of defined benefit obligation (a) | 27,390,068,371 | 24,777,492,088 |
| Less: Fair value of benefit plan assets (b) | 23,610,000,000 | 19,900,000,000 |
| | 3,780,068,371 | 4,877,492,088 |

| | 2012 BDT | 2011 BDT |
|--|-----------------------|-----------------------|
| a) Fair value of defined benefit obligation | | |
| Opening Balance | | |
| Sonali Bank Ltd. Employees Pension fund | 1,656,274,946 | 1,660,086,017 |
| Sonali Bank Ltd. Employees PDCR Benefit fund | 23,121,181,508 | 23,616,730,447 |
| Provision for employees benefit | 35,634 | 35,634 |
| | 24,777,492,088 | 25,276,852,098 |
| 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 | 247,298,358 | 203,042,510 |
| Sonali Bank Ltd. Employees PDCR Benefit fund | 4,294,147,600 | 3,696,172,805 |
| Provision for employees benefit | - | - |
| | 4,541,445,958 | 3,899,215,315 |
| Add: Creation during the year | | |
| Sonali Bank Ltd. Employees Pension fund | 383,670,568 | 199,231,439 |
| Sonali Bank Ltd. Employees PDCR Benefit fund | 6,770,351,673 | 3,200,623,866 |
| Provision for employees benefit | - | - |
| | 7,154,022,241 | 3,399,855,305 |
| Closing 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 |
| Provision Maintained | 27,390,068,371 | 24,777,492,088 |
| Provision Required | 23,643,142,947 | 23,885,778,571 |
| Provision Surplus/(Deficit) | 3,746,925,424 | 891,713,517 |
| b) Fair value of benefit plan assets | | |
| Fund Investments | | |
| Sonali Bank Employees PDCRB Investment | | |
| Bangladesh Govt. Treasury Bond | 330,000,000 | 330,000,000 |
| FDR-Local Office (SBI) | 21,800,000,000 | 17,800,000,000 |
| FDR- Bank Asia Ltd | 10,000,000 | 200,000,000 |
| FDR-Premier Bank Ltd | 50,000,000 | 50,000,000 |
| | 22,190,000,000 | 18,380,000,000 |
| Sonali Bank Employees Pension Fund Investment | | |
| Bangladesh Govt. Treasury Bond | 1,320,000,000 | 1,520,000,000 |
| FDR- Local Office | 100,000,000 | - |
| | 1,420,000,000 | 1,520,000,000 |
| Total Fair value of benefit plan Assets | 23,610,000,000 | 19,900,000,000 |

| | 2012 | 2011 |
|--|------------------------|------------------------|
| | BDT | BDT |
| 13.6 Provision for Income Tax | | |
| Balance at the beginning of the period | 4,304,829,924 | 3,842,331,849 |
| Less: payment during the period | 1,000,000,000 | 500,000,000 |
| Add :Amount transferred during the period | 435,696,168 | 946,740,290 |
| Add :Income tax on indian operation | - | 15,757,785 |
| Balance at the end of the period | 3,740,526,092 | 4,304,829,924 |
| 13.6(a) Consolidated Income Tax Expenses | | |
| Sonali Bank Ltd. | 435,696,168 | 962,498,075 |
| Sonali Investment Ltd. | 7,943,391 | 30,433,850 |
| Sonali Exchange Co. Inc. | 454,391 | 1,810,085 |
| | 444,093,950 | 994,742,010 |
| 13.7 Provision for Bonus/ Exgratia | | |
| Opening Balance | 1,352,375,026 | 1,747,362,625 |
| Less: Payment during the year | 1,080,482,192 | 1,604,773,872 |
| Add: Realised during the year | 107,387 | 9,786,273 |
| Add: Made during the year | 1,500,000,000 | 1,200,000,000 |
| | 1,772,000,221 | 1,352,375,026 |
| 13 (a) Consolidated Other Liabilities | | |
| Sonali Bank Ltd.(Note-13) | 122,271,683,430 | 103,811,376,413 |
| Sonali Investment Ltd. | 600,466,985 | 341,313,982 |
| Sonali Exchange Co.,Inc | 141,473,863 | 109,322,978 |
| | 123,013,624,278 | 104,262,013,373 |
| 13.01(a) Sonali Investment Limited | | |
| Portfolio Margin Deposit Control | 23,725,237 | 11,708,746 |
| Payable for Client Sale | 9,733,154 | 37,800,469 |
| Liabilities for Expenses | 19,733,543 | 5,428,828 |
| Other Liabilities | 345,639,341 | 183,659,803 |
| Provision against Portfolio Loan | 50,472,923 | 42,008,138 |
| Provision against Investment in Shares | 12,600,099 | 12,600,099 |
| Liabilities for Income Tax | 41,953,675 | 48,107,900 |
| | 503,857,973 | 341,313,983 |
| 13.02(a) Sonali Exchange Co.,Inc | | |
| Remittance Payable to Beneficiary | 138,405,237 | 104,553,965 |
| Accured Interest | 2,430,984 | 2,497,954 |
| Accured Taxes | 637,642 | 2,271,061 |
| | 141,473,863 | 109,322,979 |
| 14 Share Capital | 11,250,000,000 | 11,250,000,000 |
| 14.1 Authorized | | |
| 200,000,000 share 100 each | 20,000,000,000 | 10,000,000,000 |
| 14.2 Issued, subscribed and fully paid up Capital | | |
| 112,500,000 ordinary shares of Taka 100 each | 11,250,000,000 | 11,250,000,000 |

2012

2011

BDT

BDT

14.5 Minimum Capital Requirement Under Basel II

| Item No. | SL. No. | Particulars | |
|----------|---------|--|-----------------|
| 1 | A. | Eligible Capital : | |
| 2 | 1 | Tier-1 (Core Capital) | (334.51) |
| 3 | 2 | Tier-2 (Supplementary Capital) | - |
| 4 | 3 | Tier-3 (eligible for market risk only) | - |
| 5 | 4 | Total Eligible Capital (1+2+3) : | (334.51) |
| 6 | B. | Total Risk Weighted Assets (RWA): | 35,406.58 |
| 7 | C. | Capital Adequacy Ratio (CAR) (A ₄ / B)*100 | (0.94) |
| 8 | D. | Core Capital to RWA (A ₁ / B)*100 | (0.94) |
| 9 | E. | Supplementary Capital to RWA (A ₂ / B)*100 | - |
| 10 | F. | Minimum Capital Requirement (MCR)- as on December 31, 2012 | 3,540.66 |

14.6 Name of Directors and their Shareholding

| SL. No. | Name of the directors | Status | No of shares 2012 | Amount @ 100 |
|---------|-------------------------------|---------------------|-------------------|--------------|
| 1 | DR. A. H. M. HABIBUR RAHMAN | Chairman & Director | 1 | 100 |
| 2 | RANJIT KUMAR CHAKRABORTY | Director | 1 | 100 |
| 3 | A.S.M NAYEEM, FCA,FCCA | Director | 1 | 100 |
| 4 | MR. MD. NAZIBAR RAHMAN | Director | 1 | 100 |
| 5 | MR. SHEKHAR DUTTA | Director | 1 | 100 |
| 6 | MRS. SELIMA AHMAD | Director | 1 | 100 |
| 7 | MD. MAHBOOB HOSSAIN | Director | 1 | 100 |
| 8 | MD.SHAHEB ALI MRIDHA | Director | 1 | 100 |
| 9 | MR. KAZI TARIQUL ISLAM | Director | 1 | 100 |
| 10 | MR.MD. ENAMUL HAQUE CHOWDHURY | Director | 1 | 100 |
| 11 | DR. ZAID BAKHT | Director | 1 | 100 |
| | | | 11 | 1,100 |

15 Statutory Reserve

| | | |
|--|----------------------|----------------------|
| Opening Balance | 5,924,918,206 | 3,956,476,533 |
| Add: Transferred during the year (20% of pre-tax profit) | - | 1,968,441,673 |
| Closing Balance | 5,924,918,206 | 5,924,918,206 |

No provision were kept during the year due to not available of profit.

16 Surplus in Profit and Loss Account/Retained Earnings

| | | |
|---|-------------------------|-----------------------|
| Balance at the beginning of the period | 12,795,033,247 | 4,806,256,012 |
| Less : Shortfall of amortization | - | - |
| Opening balance | 12,795,033,247 | 4,806,256,012 |
| Profit during the year | | |
| Net Profit After Tax | (31,533,546,025) | 9,957,218,908 |
| Transfer to statutory reserve | - | (1,968,441,673) |
| | (31,533,546,025) | 7,988,777,235 |
| Total Retained Surplus | (18,738,512,778) | 12,795,033,247 |
| Transfer from Intangible Assets- Valuation Adjustment A/C | - | - |
| Transfer to Reserve for Unforeseen Losses | - | - |
| Issue of bonus share | - | - |
| Balance at the end of the period | (18,738,512,778) | 12,795,033,247 |

| | 2012 | 2011 |
|--|-------------------------|------------------------|
| | BDT | BDT |
| 16(a) Consolidated Surplus in Profit/(Loss) Account | | |
| Sonali Bank Ltd.(Note-16) | (18,738,512,778) | 12,795,033,247 |
| Sonali Investment Ltd. | 9,760,817 | 30,706,912 |
| Sonali Exchange Co.,Inc | 647,229 | 249,258 |
| | (18,728,104,733) | 12,825,989,417 |
| Add: Exchange Difference | 7,963 | 24,932 |
| | (18,728,096,770) | 12,826,014,349 |
| 17 Other Reserves | 23,953,594,534 | 26,122,351,452 |
| 17.1 Reserve for Unforeseen Losses & Others: | 47,000,000 | 47,000,000 |
| 17.2 Asset (investment) Revaluation Reserve | | |
| Balance at the beginning of the period | 5,214,726,750 | 10,767,340,286 |
| Add: Profit on Revaluation of Govt. Treasury Bond | (1,746,752,165) | (2,076,090,220) |
| Add: Profit on Revaluation of Govt. Treasury Bill | - | - |
| Add: Profit on Revaluation of Other Investments | (422,004,753) | (3,476,523,316) |
| Add: Asset Revaluation (investment) reserve | - | - |
| Addition during the year | (2,168,756,918) | (5,552,613,536) |
| Balance at the end of the period | 3,045,969,832 | 5,214,726,750 |
| 17.3 Assets (Fixed Assets) Revaluation Reserve | | |
| Balance at the beginning of the period | 20,860,624,702 | 8,833,824,291 |
| Addition during the year | - | 12,026,800,411 |
| Balance at the end of the period | 20,860,624,702 | 20,860,624,702 |
| Total | 23,953,594,534 | 26,122,351,452 |
| 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) | 6,174,454,543 | 6,131,165,629 |
| Irrevocable Letters of Credit (Note18.2) | 176,464,434,639 | 124,710,753,123 |
| Bills for collection (Note18.3) | 16,297,516,050 | 17,329,785,045 |
| | 198,936,405,232 | 148,171,703,797 |

27 branches of 19 different banks lodged claims against accepted bills which were created against ILS established by M/S Green Printers amounting Tk. 717 million during the year 2012. But management opined that they did not provide acceptance on those bills and obtained a legal opinion from S Rahman & Associates on the abovesaid issue. Therefore the said bills were not included in contingent liabilities and commitments and no provision was provided during the year.

18.1 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 | 4,115,298,867 | 4,763,122,666 |
| Banks and other financial institutions | 245,706,744 | 124,683,378 |
| Others | - | - |
| Domestic | 935,039,640 | 1,216,520,159 |
| Overseas | 878,409,292 | 26,839,426 |
| | 6,174,454,543 | 6,131,165,629 |

| | 2012 BDT | 2011 BDT |
|--|------------------------|------------------------|
| 18.2 Irrevocable Letters of Credit | | |
| (i) Government | | |
| Domestic | 166,110,015,434 | 35,187,288,824 |
| Overseas | - | - |
| | 166,110,015,434 | 35,187,288,824 |
| Less: Margin | - | - |
| Sub Total | 166,110,015,434 | 35,187,288,824 |
| (ii) Bank and Other Financial Institutions | | |
| Domestic | 1,518,454,700 | 4,299,457,231 |
| Overseas | - | - |
| | 1,518,454,700 | 4,299,457,231 |
| Less: Margin | - | - |
| Sub Total | 1,518,454,700 | 4,299,457,231 |
| (iii) Others | | |
| Domestic | 8,834,756,163 | 85,204,297,070 |
| Overseas | 1,208,342 | 19,709,998 |
| | 8,835,964,505 | 85,224,007,068 |
| Less: Margin | - | - |
| Sub Total | 8,835,964,505 | 85,224,007,068 |
| Total of (i+ii+iii) | 176,464,434,639 | 124,710,753,123 |
| 18.3 Bills for collection | | |
| Bills for collection (Local) | 1,020,366,162 | 1,592,402,300 |
| Bills for collection (Foreign) | 15,277,149,888 | 15,737,382,745 |
| | 16,297,516,050 | 17,329,785,045 |
| 19 Income Statement | | |
| Income: | | |
| Interest, discount and similar income (19.1) | 41,312,655,240 | 35,348,466,658 |
| Dividend Income | 172,984,362 | 64,076,855 |
| Fee, commission and brokerage (19.2) | 11,105,609,649 | 7,027,313,451 |
| Gains less Losses arising from dealing securities | - | - |
| Gains less Losses arising from investment securities | - | - |
| Gains less Losses arising from dealing in foreign currencies | 52,706,471 | 351,820,809 |
| Income from non-banking assets | - | - |
| Other operating income | 2,555,103,927 | 2,860,061,530 |
| Profit less Loss on interest rate changes | - | - |
| | 55,199,059,649 | 45,651,739,303 |
| Expenses | | |
| Interest, fee and commission | 32,920,321,923 | 22,408,490,847 |
| Losses on loans and advances/Assets (Intangible Assets) | - | 14,935,000,000 |
| Administrative expenses (19.3) | 8,745,834,344 | 8,820,558,660 |
| Other operating expenses | 2,178,817,932 | 1,846,837,140 |
| Depreciation on banking assets | 434,111,500 | 349,909,466 |
| | 44,279,085,699 | 48,360,796,112 |

| | 2012 | 2011 |
|--|-----------------------|-----------------------|
| | BDT | BDT |
| 19.1 Interest, discount and similar income | | |
| Interest income | 30,651,965,867 | 27,858,144,333 |
| Discount Income | - | - |
| Interest income on treasury bills, reverse repo, bonds | 10,655,100,294 | 7,448,678,384 |
| Interest on debenture | 5,589,079 | 41,643,941 |
| | 41,312,655,240 | 35,348,466,658 |
| 19.2 Fee, commission and brokerage | | |
| Fee | 159,802,787 | 69,181,421 |
| Commission | 10,945,806,862 | 6,958,132,030 |
| Brokerage | - | - |
| | 11,105,609,649 | 7,027,313,451 |
| 19.3 Administrative expenses | | |
| Salaries and allowances | 7,805,475,562 | 7,950,235,276 |
| Rent, Taxes, Insurance, Electricity etc. | 644,641,768 | 597,208,721 |
| Legal expenses | 20,991,145 | 26,052,472 |
| Postage, Stamps, Telecommunication etc. | 62,459,589 | 60,694,119 |
| Stationery, Printing, Advertisement etc. | 199,502,006 | 172,945,089 |
| Managing Directors' salary and fees | 6,477,496 | 6,171,743 |
| Directors' fees | 2,947,959 | 4,517,009 |
| Auditors' fees | 3,338,819 | 2,734,231 |
| | 8,745,834,344 | 8,820,558,660 |
| 20 Interest Income | | |
| On Loan and Advances (20.1) | 29,357,383,765 | 25,456,814,583 |
| Interest on balance with other banks and financial institutions (20.2) | 742,434,565 | 2,474,788,875 |
| Interest received from foreign banks (20.3) | - | - |
| Others (20.4) | 513,170,067 | 338,353,062 |
| Interest Income of Indian operation | 38,977,470 | 23,075,074 |
| | 30,651,965,867 | 28,293,031,594 |
| Less: Interest Income transferred to Interest Suspense A/C | - | 390,887,261 |
| | 30,651,965,867 | 27,902,144,333 |
| 20.1 Loan and Advances: | | |
| Loans | | |
| On Demand | 634,918,530 | 626,900,414 |
| On Small Loan | 58,139,744 | 52,642,504 |
| On House Building Loan (General) | 90,404,400 | 99,246,124 |
| On House Building Loan (Staff) | 1,277,867,155 | 850,778,862 |
| On Other Staff Loan | 114,955,991 | 159,659,117 |
| On Loan Under SBICS (Project) | 2,373,772,293 | 2,935,718,973 |
| On External Credit | 5,896,662 | 19,582,970 |
| On Working Capital to Industries -Hypo | 4,130,018,208 | 3,133,144,247 |
| On Working Capital to Industries -Pledge | 384,051,122 | 303,956,841 |
| On Loan Under SB Agro based Ind. Credit Scheme | 337,686,291 | 947,169,981 |
| On Working Capital to Agro based Ind. -Hypo | 887,112,551 | 754,681,449 |
| On Working Capital to Agro based Ind. -Pledge | 603,469,579 | 421,486,383 |
| On Agricultural Loan | 2,137,188,835 | 1,674,833,984 |
| On Micro Credit | 512,426,834 | 566,376,429 |
| On Loan against Imported Merchandise (LIM) | 105,239,862 | 156,704,013 |

| | 2012 | 2011 |
|--|-----------------------|-----------------------|
| | BDT | BDT |
| On Loan Against Trust Receipts (LTR) | 6,099,834,087 | 3,272,303,137 |
| On Force Loan against Back to Back L/C | 1,197,254,560 | 1,662,974,462 |
| On Bridge Finance | - | 490,885 |
| On Interest Subsidy | 2,131,100 | - |
| On Small Business Loan Scheme | 86,228,388 | 74,921,591 |
| On Special Small Loan Program | 105,995,021 | 111,782,578 |
| On Term Loan to Bank and NBFI | 83,386,938 | 121,684,030 |
| On Probasi Karmo Sangsthan Prokalpo | 3,475,000 | 2,488,042 |
| On education Loan | 1,770,360 | 81,093 |
| On Foreign Education Loan | 182,831 | - |
| On Sonali Credit | 1,412,421 | - |
| On Lease Finance | 13,933,988 | 13,814,773 |
| On SME Finance(WC to Ind.Serv.Trad.) | 160,313,344 | 51,647,181 |
| On SME Finance | 169,429,225 | 66,133,561 |
| On Term Loan to Freedom Fighter | 41,995,852 | - |
| On Small Farming Loan | 8,829,450 | 8,862,186 |
| On Loan for L/C WES | 7,973,426 | 4,751,763 |
| | 21,637,294,048 | 18,094,817,573 |
| Cash Credit | | |
| On Cash Credit General-Hypo | 3,249,395,581 | 2,412,385,222 |
| On Cash Credit General-Pledge | 1,137,551,820 | 925,303,370 |
| On Packing Cash Credit | 281,760,379 | 329,173,094 |
| | 4,668,707,780 | 3,666,861,686 |
| Overdraft | | |
| On Overdraft Loan | 1,301,156,048 | 1,025,893,662 |
| | 1,301,156,048 | 1,025,893,662 |
| Bills Discounted & Purchased | | |
| On Payment against Document | 1,338,101,489 | 1,956,952,613 |
| On Foreign Bills Purchased/Discounted-Clean | - | 229,010,795 |
| On Foreign Bills Purchased/Documentary-Documentary | 412,124,400 | 483,278,254 |
| | 1,750,225,889 | 2,669,241,662 |
| Total | 29,357,383,765 | 25,456,814,583 |
| 20.2 Interest on balance held with other banks and financial institutions | | |
| Interest on FDR with Other Bank | 742,434,565 | 2,474,788,875 |
| Interest on STD with Other Bank | - | - |
| | 742,434,565 | 2,474,788,875 |
| 20.3 Interest received from foreign banks | | |
| On B.H.W. Foreign Bank | - | - |
| 20.4 Others income | | |
| On Advance Rent | 3,616,762 | 13,295,289 |
| On Interest Recovered from Interest Suspense A/c | 451,672,264 | 16,107,940 |
| On Other Interest Income | - | - |
| On Money at Call | 57,881,041 | 308,949,833 |
| | 513,170,067 | 338,353,062 |
| 20 (a) Consolidated Interest Income | | |
| Sonali Bank Ltd.(Note-20) | 30,651,965,867 | 27,902,144,333 |
| Sonali Investment Ltd. | 39,025,423 | 187,365,209 |
| Sonali Exchange Co.,Inc | 2,173,752 | 2,541,318 |
| | 30,693,165,042 | 28,092,050,860 |

| | 2012 BDT | 2011 BDT |
|--|-----------------------|-----------------------|
| 21 Interest paid on deposits and borrowings etc. | | |
| Interest on Deposits (21.1) | 28,985,966,412 | 21,489,034,424 |
| Interest paid on Borrowings (21.2) | 3,251,203,441 | 230,729,032 |
| Interest on Foreign Banks Account (21.3) | - | 65,949 |
| Interest on others (21.4) | 664,892,202 | 669,942,819 |
| Interest paid on Deposit and borrowings of indian operation | 15,066,512 | 12,615,350 |
| | 32,917,128,567 | 22,402,387,574 |
| 21.1 Interest paid on Deposits | | |
| Fixed deposits | 14,556,349,563 | 10,455,936,040 |
| Savings deposits | 6,466,051,514 | 5,487,009,076 |
| Short term deposits | 1,745,112,545 | 857,607,309 |
| Deposit pension scheme | 193,189,667 | 180,588,311 |
| S.B Special deposit & pension scheme | 14,014,445 | 19,511,614 |
| Staff Provident fund | 1,111,215,559 | 1,016,060,109 |
| External Credit (Exim Bank India) | 5,162,541 | 10,909,473 |
| Foreign currency deposits | 20,389,013 | 1,251,434 |
| Call deposit | 4,659,670 | 16,161,942 |
| Sonali Deposit Scheme | 707,483,156 | 773,085,420 |
| Education Deposit scheme | 515,437,846 | 431,047,165 |
| Medicare Deposit Scheme | 1,101,557,284 | 881,736,371 |
| Rural Deposit Scheme | 161,130,554 | 105,707,261 |
| Monthly Earning Scheme | 785,340,974 | 375,145,757 |
| School Banking Scheme | 8,248,747 | 177,367,511 |
| Double Benefit Scheme | 1,336,124,051 | 634,604,707 |
| Daily Profit Scheme | 17,016,101 | 10,222,228 |
| Retirement Saving Scheme | 64,839,053 | 3,007,550 |
| SB Retirement Saving Scheme | 62,035,681 | - |
| Non Resident Deposit Scheme | 7,088,772 | 1,501,782 |
| Marriage Saving Scheme | 103,519,676 | 50,573,364 |
| | 28,985,966,412 | 21,489,034,424 |
| 21.2 Interest paid on Borrowings | | |
| On Bangladesh Bank Demand Loan | 52,800,997 | - |
| Call Loan | 883,212,805 | 177,031,528 |
| Assurance Liquidity Support (ALS) | 2,315,189,639 | - |
| Others | - | 53,697,504 |
| | 3,251,203,441 | 230,729,032 |
| 21.3 Interest paid on Foreign Banks Account | | |
| On Foreign Bank A/C | - | 65,949 |
| 21.4 Interest paid on others | | |
| Charged on Written off Loan | 830,179 | 638,573,371 |
| Interest paid on CRR | 590,027,561 | - |
| Other Interest | 74,034,462 | 31,369,448 |
| | 664,892,202 | 669,942,819 |
| 21 (a) Consolidated Interest paid on deposits and borrowings etc. | | |
| Sonali Bank Ltd.(Note-21) | 32,917,128,567 | 22,402,387,574 |
| Sonali Investment Ltd. | 48,961,491 | 13,376,710 |
| Sonali Exchange Co.,Inc | - | - |
| | 32,966,090,058 | 22,415,764,284 |

| | 2012 | 2011 |
|---|-----------------------|----------------------|
| | BDT | BDT |
| 22 Income From Investments | | |
| Interest on Treasury Bill | 1,371,570,004 | 422,882,616 |
| Interest on debentures | 5,589,079 | 41,643,941 |
| Interest on Treasury Bond | 8,853,962,289 | 6,809,991,903 |
| Interest on Reverse Repo | 429,568,001 | 215,803,865 |
| On investment Income of indian operation | 7,842,078 | 7,395,776 |
| Dividend on Investment in Shares with SB London (UK) Ltd. | - | - |
| Dividend income Others | 172,984,362 | 64,076,855 |
| | 10,841,515,813 | 7,561,794,956 |
| 22(a) Consolidated Investment Income | | |
| Sonali Bank Ltd.(Note-22) | 10,841,515,813 | 7,561,794,956 |
| Sonali Investment Ltd. | 28,678,340 | (88,326,665) |
| Sonali Exchange Co.,Inc | - | - |
| | 10,870,194,153 | 7,473,468,291 |
| 23 Commission, Exchange and Brokerage | | |
| Commission (Note-23.1) | 10,942,853,246 | 6,984,953,060 |
| Exchange (Note-23.2) | 212,269,518 | 419,083,679 |
| Commission ,Exchange.& Brokerage of Indian Operation | 108,506,165 | 83,009,362 |
| | 11,263,628,929 | 7,487,046,101 |
| 23.1 Commission | | |
| Commission A/C Cr. Balance | | |
| On Foreign Bills Purchased/Negotiated | 2,968,197,610 | 954,823,113 |
| On Inland DD,MT,TT Issued/Cancelled | 539,590,956 | 561,722,148 |
| On Inland DD Purchased | 19,019,214 | 28,840,060 |
| On Govt. Receives & Disbursement | 1,756,775,141 | 1,576,274,429 |
| On Commission on Inland L/C Opened | 2,893,675,975 | 923,208,840 |
| On Purchased & Sale of Shares/Securities | 538,073,678 | 452,227,149 |
| On Inland Bills & Cheque Collection | 121,751,216 | 135,358,357 |
| On Inland Bank Guarantee Issued | 52,887,017 | 87,956,512 |
| On Payment Order | 227,711,871 | 190,487,027 |
| ON Card | 27,604,660 | 29,142,814 |
| On Incidental Charges | 161,023,501 | 153,419,946 |
| On Lockers Fees | 14,444,932 | 8,753,620 |
| On Payment of Food Procurement Bills | 160,199,953 | 119,608,896 |
| On Army Pension | 9,859,148 | - |
| On Civil Pension | 123,883,069 | - |
| On Foreign DD,MT,TT Issued Cancelled | 2,682,077 | 9,253,485 |
| On Foreign DD Purchased/TT Collection | 1,324,545 | 120,208 |
| On Foreign L/C Opened | 29,676,495 | 165,479,854 |
| On Foreign Bills & Cheque Collection | 4,506,317 | 9,194,443 |
| On Foreign Bank Guarantee Issued | 3,783,495 | 3,853,087 |
| On Others | 1,277,725,291 | 1,565,574,268 |
| On Wage Earners Development Bond | 11,410,701 | 13,839,526 |
| | 10,945,806,862 | 6,989,137,782 |
| Less: Commission A/C Dr. Balance | | |
| On Debt Recovery Agent | 2,537,212 | 4,184,722 |
| Paid to SECI | 416,404 | - |
| | 2,953,616 | 4,184,722 |
| Total | 10,942,853,246 | 6,984,953,060 |

| | 2012 BDT | 2011 BDT |
|---|-----------------------|----------------------|
| 23.2 Exchange | | |
| Exchange gain | | |
| Gain on F. Currency Transaction | 246,389,007 | 560,445,689 |
| Gain on F. Currency Revaluation | 15,842,367 | 40,096,243 |
| Gain on Others | 159,802,787 | 69,181,421 |
| | 422,034,161 | 669,723,353 |
| Less: Exchange Loss | | |
| Foreign Currency Transaction | 208,677,954 | 248,720,904 |
| Foreign Currency Revaluation | 846,949 | 219 |
| Loss on Others | 239,740 | 1,918,551 |
| | 209,764,643 | 250,639,674 |
| | 212,269,518 | 419,083,679 |
| 23 (a) Consolidated Commission, exchange and brokerage | | |
| Sonali Bank Ltd.(Note-23) | 11,263,628,929 | 7,487,046,101 |
| Sonali Investment Ltd. | 59,933,435 | 51,876,847 |
| Sonali Exchange Co.,Inc | 142,619,794 | 164,746,662 |
| | 11,466,182,158 | 7,703,669,610 |
| 24 Other Operating Income | | |
| Profit of Islamic windows | 5,651,378 | 1,836,493 |
| Other operating income of Indian Operation | 2,733,168 | 2,645,934 |
| Rent Received | 21,643,384 | 15,282,988 |
| Others | 2,525,075,997 | 2,840,296,115 |
| | 2,555,103,927 | 2,860,061,530 |
| 24 (a) Consolidated Other Operating Income | | |
| Sonali Bank Ltd.(Note-24) | 2,555,103,927 | 2,860,061,530 |
| Sonali Investment Ltd. | 420,800 | 667,225 |
| Sonali Exchange Co.,Inc | 1,439,874 | 830,787 |
| | 2,556,964,601 | 2,861,559,542 |
| 25 Salary & Allowances | | |
| Salaries (Basic Pay, House Rent & Other Allowance) | 5,628,539,199 | 5,718,269,157 |
| Contribution to Pension & Gratuity Fund | 1,179,077,989 | 1,237,663,629 |
| Bank's contribution to provident fund | 124,984,409 | 123,015,258 |
| Medical Attendance. | 214,383,795 | 229,713,588 |
| Incentive Bonus/Monetary benefit/Exgratia to Staff | - | - |
| Bonus to Staff | 579,420,401 | 566,541,555 |
| Overtime | 37,604,994 | 37,024,426 |
| Salaries and allowances of Indian operation | 41,464,775 | 38,007,663 |
| | 7,805,475,562 | 7,950,235,276 |
| 25 (a) Consolidated Salaries and Allowances | | |
| Sonali Bank Ltd.(Note-25) | 7,805,475,562 | 7,950,235,276 |
| Sonali Investment Ltd. | 28,443,917 | 27,367,833 |
| Sonali Exchange Co.,Inc | 145,172,465 | 162,942,538 |
| | 7,979,091,944 | 8,140,545,647 |

| | 2012 BDT | 2011 BDT |
|--|--------------------|--------------------|
| 26 Rent, Tax, Insurance, Electricity, etc. | | |
| Rent | 243,750,661 | 220,296,727 |
| Taxes | 88,604,096 | 100,228,243 |
| Insurance | 210,500,333 | 202,220,468 |
| Power and electricity | 89,930,125 | 62,621,359 |
| Rent, taxes, insurance, electricity etc. of Indian operation. | 11,856,553 | 11,841,924 |
| | 644,641,768 | 597,208,721 |
| 26 (a) Consolidated Rent, taxes, insurance, electricity etc. | | |
| Sonali Bank Ltd.(Note-26) | 644,641,768 | 597,208,721 |
| Sonali Investment Ltd. | 8,555,544 | 7,198,000 |
| Sonali Exchange Co.,Inc | - | - |
| | 653,197,312 | 604,406,721 |
| 27 Legal expenses | | |
| Law charges | 20,960,244 | 26,012,725 |
| Law charges of Indian operation | 30,901 | 39,747 |
| | 20,991,145 | 26,052,472 |
| 28 Postage, Stamps, Telecommunication | | |
| Postage & Telegram, telex and fax etc. | 6,944,497 | 11,221,151 |
| Stamp | 1,580,567 | 820,023 |
| Telephone | 49,827,307 | 44,594,797 |
| Postage, stamps, telecommunication of Indian operation | 4,107,218 | 4,058,148 |
| | 62,459,589 | 60,694,119 |
| 28 (a) Consolidated Postage, Stamps, Telecommunication etc. | | |
| Sonali Bank Ltd.(Note-28) | 62,459,589 | 60,694,119 |
| Sonali Investment Ltd. | 341,256 | 544,944 |
| Sonali Exchange Co.,Inc | - | - |
| | 62,800,845 | 61,239,063 |
| 29 Printing, Stationery, Advertisement, etc. | | |
| Stationery & printing | 162,570,395 | 150,957,264 |
| Advertisement | 36,140,600 | 20,871,768 |
| Stationery, printing and advertisement etc. of Indian operation | 791,012 | 1,116,057 |
| | 199,502,006 | 172,945,089 |
| 29 (a) Consolidated Stationery, printing and advertisement etc. | | |
| Sonali Bank Ltd.(Note-29) | 199,502,006 | 172,945,089 |
| Sonali Investment Ltd. | 900,427 | 857,201 |
| Sonali Exchange Co.,Inc | - | - |
| | 200,402,434 | 173,802,290 |
| 30 Chief executive's salary and fees | | |
| Chief executive's salary and fees | 4,626,666 | 4,800,000 |
| Chief executive's salary and fees of Indian operation | 1,850,830 | 1,371,743 |
| | 6,477,496 | 6,171,743 |
| 31 Directors' Fees | | |
| Directors' fees | 2,941,400 | 4,503,082 |
| Directors' fees of Indian operation | 6,559 | 13,927 |
| Board meeting expense | - | - |
| Executive committee meeting expense | - | - |
| | 2,947,959 | 4,517,009 |

| | 2012 BDT | 2011 BDT |
|---|--------------------|--------------------|
| 31 (a) Consolidated Directors fees & Honorium | | |
| Sonali Bank Ltd.(Note-31) | 2,947,959 | 4,517,009 |
| Sonali Investment Ltd. | 401,450 | 1,024,400 |
| Sonali Exchange Co.,Inc | - | - |
| | 3,349,409 | 5,541,409 |
| Each Director is paid Tk.2,000 per meeting per attendance as per Bangladesh Bank's BRPD Circular no.03 dated 18 January 2010. | | |
| 32 Auditors' fees | | |
| Audit fee of Indian operation | 498,819 | 584,231 |
| Statutory Audit fee | 2,840,000 | 2,150,000 |
| | 3,338,819 | 2,734,231 |
| 32 (a) Consolidated Auditors fees | | |
| Sonali Bank Ltd.(Note-32) | 3,338,819 | 2,734,231 |
| Sonali Investment Ltd. | 69,750 | 50,000 |
| Sonali Exchange Co.,Inc | - | - |
| | 3,408,569 | 2,784,231 |
| 33 Depreciation and Repairs at Bank's Property | | |
| Depreciation: | | |
| A) Premises (Including Land & Building) | | |
| Premises | 30,888,899 | 32,023,277 |
| Building | - | - |
| | 30,888,899 | 32,023,277 |
| B) Dead stock | | |
| Furniture | 65,835,646 | 51,972,442 |
| Electric Installation | 93,651,439 | 74,632,132 |
| Computer | 195,286,601 | 157,775,184 |
| Type Writer Machine | 1,208,378 | 435,506 |
| Motor Car & Other Vehicle | 45,719,550 | 31,471,080 |
| Library | 262,510 | 291,767 |
| | 401,964,124 | 316,578,111 |
| C) Dead Stock of overseas Branches | | |
| Kolkata Branch | 1,167,598 | 1,253,110 |
| Siliguri Branch | 90,879 | 54,969 |
| | 1,258,477 | 1,308,079 |
| Total | 434,111,500 | 349,909,466 |
| Repairs: | | |
| Repairs to Bank's Assets | 55,056,910 | 64,284,704 |
| Repairs to Bank's assets of Indian operation | 144,831 | 96,122 |
| | 55,201,741 | 64,380,826 |
| | 489,313,241 | 414,290,292 |
| 33 (a) Consolidated Depreciation and repairs of bank's assets | | |
| Sonali Bank Ltd.(Note-32) | 489,313,241 | 414,290,292 |
| Sonali Investment Ltd. | 7,248,618 | 5,689,095 |
| Sonali Exchange Co.,Inc | 208,593 | 384,655 |
| | 496,770,452 | 420,364,042 |

| | 2012 BDT | 2011 BDT |
|--|-------------------------|----------------------|
| 34 Amortization of Intangible Assets | 6,574,320,716 | 6,574,320,716 |
| 35 Other Expenditure | | |
| Repairs to Rented Property | 11,477,538 | 4,841,001 |
| Concelfent fees | - | 240,000 |
| Books and News Paper | 17,320,911 | 15,983,341 |
| Pay of Police guards. | 265,452,771 | 227,870,141 |
| Motor Car Running and Maintenance | 102,558,711 | 81,579,764 |
| Entertainment | 44,676,857 | 39,793,171 |
| Sundries | 511,671,416 | 447,898,803 |
| Traveling Expenses | 173,944,526 | 121,096,159 |
| Lunch Subsidy | 700,693,739 | 621,438,151 |
| Donation/Subsription | 27,085,398 | 25,484,000 |
| Liveries to Staff | 20,007,442 | 16,668,855 |
| Sports | 7,213,665 | 3,765,039 |
| Cash Transportation | 59,402,514 | 45,588,635 |
| Business Development | 11,776,701 | 4,617,979 |
| Death relief Grant fund | 10,025,000 | 10,800,000 |
| Honorarium to staff | 1,516,851 | 1,677,733 |
| Generator Maintanance | 46,489,521 | 24,197,069 |
| Staff welfare | 10,185,386 | 9,705,171 |
| Operation & Maintenance Cost of Executive Car Loan | 94,702,350 | 71,923,411 |
| Provisioning expenses of NOSTRO A/C | - | - |
| Other expenses of Indian operation | 7,414,894 | 7,287,890 |
| | 2,123,616,190 | 1,782,456,313 |
| 35 (a) Consolidated Other Expenses | | |
| Sonali Bank Ltd.(Note-35) | 2,123,616,190 | 1,782,456,313 |
| Sonali Investment Ltd. | 6,791,548 | 13,890,034 |
| Sonali Exchange Co.,Inc | - | - |
| | 2,130,407,738 | 1,796,346,347 |
| 36 Provision Against Loans and Advances during the year | | |
| Provision for Classified Loans & Advances | (37,016,725,418) | 172,956,373 |
| Provision for Unclassified Loans and Advances | - | (609,682,000) |
| Total amount of provision made during the year | (37,016,725,418) | (436,725,627) |
| 36(a) Consolidated Provision for Loans and Advances | | |
| Sonali Bank Ltd.(Note-36) | (37,016,725,418) | (436,725,627) |
| Sonali Investment Ltd. | (39,346,702) | (28,923,324) |
| Sonali Exchange Co.,Inc | - | - |
| | (37,056,072,120) | (465,648,951) |
| 37 Provision for diminution in value o investment | | |
| Dealing securities | | |
| Quoted | - | - |
| Unquoted | - | - |

| | 2012 BDT | 2011 BDT |
|---|------------------------|----------------------|
| Investment securities | | |
| Quoted | - | 130,028,996 |
| Unquoted | - | - |
| | - | 130,028,996 |
| | - | 130,028,996 |
| 37(a) Consolidated Provision for diminution in value of Investments | | |
| Sonali Bank Ltd.(Note-37) | - | 130,028,996 |
| Sonali Investment Ltd. | - | (479,939) |
| Sonali Exchange Co. Inc | - | - |
| | - | 129,549,057 |
| 38 Other provisions | | |
| Provision for other assets | - | 5,833,163,503 |
| Provision against Off Balance Sheet exposure (38.01) | (507,647,014) | (171,182,015) |
| Provision for NOSTRO A/C | - | (60,300,000.00) |
| Provision for loss on Revaluation of Foreign Currency held | (279,480,055) | - |
| Provision for Bonus & Exgratia | (1,500,000,000) | (1,200,000,000.00) |
| Provision for X-checker | - | (10,000,000.00) |
| CSR | - | (59,120,600) |
| Other provisions of Indian operation | - | (689,257) |
| | (2,287,127,069) | 4,331,871,631 |
| 38.1 Provision against Off Balance Sheet exposure charge 1% of total off balance sheet exposure. | | |
| 39 Cash Received from Other Operating Activities | | |
| Exchange | 200,950,316 | 377,476,352 |
| Other operating income | 2,555,103,927 | 2,860,061,530 |
| | 2,756,054,243 | 3,237,537,882 |
| 40 Payment for Other Operating Activities | | |
| Rent | (238,291,174) | (225,845,098) |
| Taxes | (89,864,983) | (100,282,462) |
| Insurance | (210,500,333) | (202,220,468) |
| Rent,Taxes Insurance of Indian operation | (11,856,553) | (11,841,924) |
| Law Charges | (23,144,088) | (26,060,130) |
| Postage | (7,111,423) | (12,032,949) |
| Stamp | 1,912,065,169 | (820,023) |
| Telephone | (49,827,307) | (44,594,797) |
| Postage,Stamp,Telephone of Indian operation | (4,107,218) | (4,058,147) |
| Auditors' Fees | (3,338,819) | (2,734,231) |
| Advertisement | (36,140,599) | (20,871,768) |
| Stationert, Printing Advertisement of Indian operation | (791,012) | (1,116,056) |
| Directors' Fees | (2,947,959) | (4,517,009) |
| Consultancy fee | - | (240,000) |
| Repairs to Bank's Property | (55,056,910) | (64,380,826) |
| Depreciation | (432,853,023) | (349,909,466) |
| Repairs to rented property | (12,880,846) | (4,841,001) |

| | 2012 | 2011 |
|-------------------------------------|------------------------|------------------------|
| | BDT | BDT |
| Pay of Police Guards | (265,452,771) | (227,870,141) |
| Motor Car Running | (102,558,710) | (81,579,764) |
| Executive Car Loan | (94,702,350) | (71,923,411) |
| Entertainment | (44,676,857) | (39,793,171) |
| Sundries | (511,671,416) | (781,439,941) |
| Traveling Expenses | (173,944,526) | (121,096,159) |
| Lunch Subsidy | (700,693,739) | (621,438,151) |
| Donation | (27,085,398) | (25,484,000) |
| Liveries to Staff | (20,007,442) | (16,668,855) |
| Sports | (7,213,665) | (3,765,039) |
| Cash transportation | (59,402,514) | (45,588,635) |
| Generator Maintenance | (46,489,521) | (24,197,069) |
| Business Development | (11,776,701) | (4,617,979) |
| Death Relief Grant Scheme | (10,025,000) | (10,800,000) |
| Other expenses of Indian operation | (7,414,894) | (7,287,890) |
| Provisioning Expenses to NOSTRO A/C | - | - |
| | (1,349,762,582) | (3,159,916,559) |

41 Increase / (Decrease) of Other Assets

Closing other assets

| | | |
|---|------------------|-----------------|
| Long term Loan to Subsidiary Company(SECI). | 3,001,500 | (16,095,000) |
| Stamps in hand | (237,701,186) | 730,794 |
| Stationery in hand | (5,469,032) | (1,170,482) |
| Advance Rent | 7,191,481 | (21,641,556) |
| Branch Adjustment | (45,988,285,266) | 27,235,139,536 |
| Suspense account | 3,023,187,864 | (1,888,170,294) |
| Draft Payable account (Ex-Advice) | 324,274,103 | 419,862,936 |
| Govt. Draft Payable Account (Ex-Advice) | 54,243,610 | 29,668,712 |
| Protested Bills | (6,386,479) | (8,623,664) |
| Wage Earners' Fund Purchased Adj. A/C. | 316,619,302 | 2,912,125,781 |
| Agri-Loan Other Exp.Exemption A/C-2004 | 7,617,811 | (7,687,015) |
| Exchange Equalisation | - | (257,512,391) |
| Agri-Loan Interest Exemption A/C-2004 | 267,778 | (4,289,073) |
| Agricultural Loan Exemption-1991. | - | - |
| Income Tax Deducted at source | (719,256,768) | (716,609,583) |
| S.B Employees pension fund Investment | - | - |
| S.B Employees PDCRB fund Investment | - | - |
| Settlement Account (Islamic) | (17,151,379) | (8,336,493) |
| Demand Drafts purchased | 137,186,156 | (319,186) |
| Pension Bill Purchased | 7,318,609,408 | (452,617,939) |
| Pension Bill Purchased(Army) | (6,928,772,829) | - |
| Pension Bill Purchased(Civil) | (755,585,875) | - |
| PSP/BSP Encashment | 603,891,666 | (287,260,746) |
| Agri- Exemption A/C Affected By River Erosion | 125,297,377 | (114,994,356) |
| UCCA Loan Remission for River Erosion | (93,671,409) | 93,671,409 |
| NRT A/C Dr. Balance | (134,668,295) | (104,519,711) |
| Intangible Assets- Valuation Adjustment | - | 6,574,320,716 |
| Security Margin | - | 3,500,000 |

| | 2012 BDT | 2011 BDT |
|--|-------------------------|-----------------------|
| Deferred Tax assets | | (1,077,508,618) |
| Account Receivable | - | - |
| Frozen Fish Loan Exemption A/C | - | - |
| BRDB TCCA Crop Loans Int & Penal Int. Exemption-2007 | - | - |
| Overseas Branches | (13,654,633) | (29,933,680) |
| Total | (42,979,215,095) | 32,271,730,096 |

42 **Increase / (Decrease) of Other Liabilities**

Closing other liabilities

| | | |
|--|-------------------------|----------------------|
| Provision for Classified Loans | (909,225,418) | (7,913,972,458) |
| Provision for Un-Classified loans | - | 609,682,000 |
| Interest Suspense | 3,831,228,897 | (228,235,412) |
| Branch Adjustment | (6,157,303,102) | 6,157,303,102 |
| Provision against diminishing value of Investment | - | (130,028,996) |
| Provision for Other Assets | (484,848) | (5,833,219,190) |
| Provision for Commission Recivable | - | 60,300,000 |
| Sonali Bank Employees' Pension fund | 236,372,210 | 86,188,929 |
| Sonali Bank Employees' PDCR Benefit fund | (1,333,795,926) | (95,548,939) |
| Adjusting A/C Cr. Balance | (91,536,098) | 88,335,798 |
| Sundry Deposits(H.O) | 1,314,791,817 | 465,684,354 |
| Provision for Bonus/Exgratia | (1,080,374,805) | (394,987,599) |
| Provision for loss on Revaluation of Foreign Currency held | - | - |
| Provision for X-checker | - | 10,000,000 |
| Provision for NOSTRO A/C | - | (11,404,593) |
| Profit Repatriated from Overseas Branches | - | (11,398,459) |
| Provision against Off Balance Sheet Exposure | - | 171,182,015 |
| Provision for Employees Benefit (Additional) | - | - |
| Provision for Income Tax | - | 962,498,075 |
| Interest Reserve against Agri-Loan Interest Exemption 2004 | - | - |
| Balance in F.C Clearing Account | (14,416,171,204) | 10,676,183,474 |
| Balance Held with Foreign Bank abroad (Cr Balance) | (894,492,964) | (2,966,725,969) |
| Asian Clearing Union (NOSTRO) | (419,647,393) | 393,047,500 |
| Sirajganj Integrated Rural Development Fund | 624,680 | 309,773 |
| Foreign Currency Fund Purchased A/C | (162,669,463) | (2,844,386,145) |
| Loan from IDA Credit No. 765 BD. | - | 373,177 |
| Foreign Correspondent Charges | (2,553,759) | (7,892,414) |
| Exporter Foreign Currency Retention Quota | 171,156,806 | (33,297,163) |
| Agro Based Industrial & Technology Dev. Proj. | (16,840) | (1,077,783) |
| Rebate A/C of Term Loans to NBF | 2,338,042 | 2,666,519 |
| Exchange Equalization | - | - |
| Security Margin | - | (3,500,000) |
| Operational A/C RD--9. | - | (48,669,543) |
| I.D.A. Credit -3917 B.D. | 10,213,200 | 60,367,550 |
| BRDB/UCCA Crop Loan Intt.& P.Intt. Reserve A/C.-1994 | (6,339,068) | 6,339,068 |
| CSR | (26,305,768) | 50,000,000 |
| Other provision of Indian operation | - | 689,257 |
| Account Payable | - | - |
| Asian Clearing Union (VOSTRO) | (365,292,171) | 35,793,623 |
| Overseas Branches | 20,241,536 | 55,183,660 |
| | (20,279,241,639) | (632,216,789) |

| | 2012 | 2011 |
|---|-----------------------|-----------------------|
| | BDT | BDT |
| 43 Cash and cash equivalent | | |
| Cash in hand (Including foreign currency) | 6,478,812,163 | 3,992,625,523 |
| Balance with Bangladesh Bank | 35,211,457,238 | 61,642,147,616 |
| Money at call on short notice | 7,748,948,670 | 11,742,379,680 |
| Balance held with other bank | 10,521,825,081 | 12,601,457,703 |
| Govt. treasury bills | 15,982,484,695 | 8,314,158,016 |
| Prize bonds in hand | 107,641,710 | 88,891,610 |
| Total | 76,051,169,557 | 98,381,660,148 |
| 43(a) Consolidated Cash and Cash Equivalent | | |
| Sonali Bank Ltd.(Note-43) | 76,051,169,557 | 98,381,660,148 |
| Sonali Investment Ltd. | 171,973,645 | 193,893,392 |
| Sonali Exchange Co.,Inc | 304,650,195 | 282,585,591 |
| | 76,527,793,397 | 98,858,139,131 |
| 44 Earnings Per Share (EPS): | | |
| Net profit after tax | (31,533,546,025) | 9,957,218,908 |
| Number of ordinary shares outstanding | 112,500,000 | 91,875,000 |
| Earnings per share (EPS) in 2012 | (280.30) | 108.38 |
| 44(a) Consolidated Earnings per Share (EPS): | | |
| Net profit after taxation (Numerator) | (31,554,094,150) | 9,981,947,683 |
| Number of ordinary shares outstanding (Denominator) | 112,500,000 | 91,875,000 |
| Earnings per Share (EPS) | (280.48) | 108.65 |

45 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 | MSc. (Physics) |
| 4) | Mr. Md. Shaheb Ali Mridha | Director | Member | B.Sc (Hons.) , M.Sc(Physics) |
| 5) | Mr. Kazi Tariqul Islam | Director | Member | MSc. (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 2012 the Audit Committee has conducted 8 (Eight) 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 2012 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 23 June 2013.

46 Related Party Disclosures

Name of the Directors and the entities in which they had interest as at 31 December 2012

| 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 | Independent Director | 1 |

| | | | | | |
|----|-------------------------------|----------|---|---------------------------------------|---|
| 2 | 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. | Director | 1 |
| 4 | | 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. Ltd. l) Nisa Steel (Pvt.) Ltd. m) Nitol Insurance Co. Ltd. Listed Co. n) FAS Finance & Investment Ltd. Listed Co. | Shareholder | 1 |
| | | | o) Niloy Cement Inds. Ltd. Listed Co. | | |
| 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 BAKHT | Director | Nil | | 1 |

47 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 | 411.53 | Letter of Guarantee |
| Government (Note-18.2.) | Sponsor/Share holder | Concerned Department of the Government | 16,611.00 | Letter of Credit |
| Jatio Shanchaya Bureau (Note-9.8) | Sponsor/Share holder | Concerned Department of the Government | 176.09 | PSB/BSP Encashment |
| Government (Note-9.8.) | Sponsor/Share holder | Concerned Department of the Government | 692.83 | Pension bills(Army) |
| Power Development Board | Sponsor/Share holder | Concerned Department of the Government | 2,197.66 | Non Funded Loan |
| Bangladesh Petroleum Corp. | Sponsor/Share holder | Concerned Department of the Government | 6,741.00 | Loan |
| Bangladesh Agricultural Development Corp. | Sponsor/Share holder | Concerned Department of the Government | 1,762.94 | Loan |
| Electric Generation Company Ltd. | Sponsor/Share holder | Concerned Department of the Government | 2,186.28 | Non Funded |
| Sonali Exchange Co. N.Y. (note 6) | The Bank | Subsidiary Company | 7.58 | Investment |
| Sonali Exchange Co. N.Y. (note 9.1) | The Bank | Subsidiary Company | 11.62 | 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 | 158.11 | Investment |

48 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.

Chairman

Director

Director

Managing Director & CEO

a) Balance held with Bangladesh Bank:

The Un-reconciled entries of Balance held with Bangladesh Bank as on 31-12-2012 are as follows:

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

(BDT in Crore)

| Year | Debit | | Credit | |
|--------------|----------------|-----------------|----------------|-----------------|
| | No. of Entries | Amount | No. of Entries | Amount |
| 1996 | 1 | 0.0420 | - | - |
| 1999 | 2 | 0.0066 | 2 | 0.0009 |
| 2001 | 1 | 0.0007 | 0 | - |
| 2009 | 2 | 0.0013 | 0 | - |
| 2010 | 2 | 0.0258 | 4 | 14.0506 |
| 2011 | 7 | 2.0158 | 5 | 1.3122 |
| 2012 | 30 | 367.9430 | 35 | 704.6865 |
| Total | 45 | 370.0350 | 46 | 720.0503 |

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

Outstanding Entries as per statement of Bangladesh Bank

(BDT in Crore)

| Year | Debit | | Credit | |
|--------------|----------------|-----------------|----------------|-----------------|
| | No. of Entries | Amount | No. of Entries | Amount |
| 1984 | 0 | - | 1 | 0.0003 |
| 1985 | 1 | 1.3000 | 2 | 0.0000 |
| 1986 | 1 | 0.0004 | 5 | 0.0001 |
| 1987 | 11 | 0.0032 | 3 | 0.0006 |
| 1988 | 4 | 0.0070 | 5 | 0.0001 |
| 1989 | 2 | 0.0002 | 4 | 0.0005 |
| 1990 | 4 | 0.0006 | 5 | 0.0001 |
| 1991 | 5 | 0.0101 | - | - |
| 1992 | 3 | 1.2495 | 2 | 0.0000 |
| 1993 | 2 | 0.8859 | 1 | 0.0000 |
| 1994 | 3 | 0.9068 | 1 | 0.0000 |
| 1995 | 7 | 0.9624 | - | - |
| 1996 | 4 | 0.5768 | 2 | 0.0001 |
| 1997 | 14 | 43.2532 | 9 | 0.1979 |
| 1998 | 82 | 85.2777 | 8 | 6.3447 |
| 1999 | 59 | 6.4113 | 6 | 0.7395 |
| 2000 | 7 | 6.3151 | 9 | 0.1143 |
| 2001 | 6 | 4.0168 | 8 | 0.3804 |
| 2002 | 6 | 4.2191 | 7 | 0.1003 |
| 2003 | 3 | - | 4 | 0.6648 |
| 2004 | 11 | 10.6195 | 5 | 6.7983 |
| 2005 | 7 | 0.0350 | 3 | 0.4302 |
| 2006 | 12 | 8.8070 | 8 | 0.6273 |
| 2007 | 5 | 1.4986 | 80 | 13.5098 |
| 2008 | 5 | 3.5054 | 10 | 3.5389 |
| 2009 | 2 | 0.0005 | 7 | 6.6949 |
| 2010 | 2 | 0.0009 | 6 | 16.5833 |
| 2011 | 2 | 0.0002 | 18 | 73.6269 |
| 2012 | 70 | 578.5656 | 372 | 488.1369 |
| Total | 340 | 758.4288 | 591 | 618.5069 |

3. 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 | - | - | 1 | 0.0000 |
| | | | - | - |
| 1986 | - | 0.0000 | 3 | 0.0004 |
| 1987 | - | - | 7 | 0.0017 |
| 1988 | 3 | 0.0008 | 4 | 0.0005 |
| 1989 | 1 | 0.0021 | 3 | 0.0006 |
| 1990 | 1 | 0.0000 | - | - |
| 1991 | - | - | 1 | 0.0001 |
| 1992 | 1 | 0.0001 | - | - |
| 1993 | - | - | 1 | 0.0005 |
| 1994 | - | - | 1 | - |
| 1995 | 1 | 0.0000 | - | - |
| 1996 | 8 | 0.0028 | 1 | 0.1096 |
| 1997 | 32 | 0.2669 | 6 | 40.4769 |
| 1998 | 7 | 5.4886 | 10 | 80.9474 |
| 1999 | 4 | 1.0423 | 2 | 5.0450 |
| 2000 | 6 | 0.1661 | - | - |
| 2001 | 11 | 0.0469 | - | - |
| 2002 | 4 | 0.6856 | - | - |
| 2005 | 5 | 0.0068 | - | - |
| 2006 | 1 | 0.0015 | - | - |
| 2007 | 75 | 12.9590 | - | - |
| 2008 | 3 | 0.3140 | 1 | 0.0040 |
| 2009 | 46 | 4.4486 | 2 | 0.0045 |
| 2010 | 11 | 5.7030 | 3 | 0.0891 |
| 2011 | 14 | 1.3128 | 5 | 0.0001 |
| 2012 | 81 | 337.0272 | 7 | 12.6128 |
| Total | 315 | 368.9361 | 58 | 135.7956 |

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

(Taka in Crore)

| Year | Debit | | Credit | |
|--------------|----------------|----------|----------------|----------------|
| | No. of Entries | Amount | No. of Entries | Amount |
| 2012 | - | - | 2 | 1.32488 |
| Total | - | - | 2 | 1.32488 |

5 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 | 0.0000 | 8 | 0.00003 |
| 2010 | 9 | 0.0000 | 9 | 0.00298 |
| 2011 | 2 | 0.0000 | 2 | 0.00001 |
| 2012 | 9 | 0.0071 | 5 | 0.08264 |
| Total | 27 | 0.1711 | 24 | 0.08566 |

6 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 | 0.0025 | - | - |
| 2006 | 1 | 0.0003 | - | - |
| 2010 | - | - | 1 | 0.0010 |
| Total | - | 0.0028 | 1 | 0.0010 |

7 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 | - | - |
| Total | 1 | 0.010295 | - | - |

SONALI BANK LIMITED
CONSOLIDATED SCHEDULE OF FIXED ASSETS
As at 31 December 2012

| Particulars | Cost/Revaluation | | | | Depreciation | | | | | Net book value as on 31.12.12 |
|--|--------------------------------|--------------------------|---------------------------------------|------------------------------|----------------------|--------------------------------|---------------------------------------|---------------------|--------------------------------|-------------------------------|
| | Opening balance as on 01.01.12 | Addition during the year | Deposals/ adjustments during the year | Total balance as on 31.12.12 | Rate of Depreciation | Opening balance as on 01.01.12 | Deposals/ adjustments during the year | Charge for the year | Total balance as on 31.12.2012 | |
| | | Taka | Taka | Taka | % | Taka | | Taka | Taka | Taka |
| A) Premises (Including Land & Building) | | | | | | | | | | |
| Premises A/C | 21,407,790,621 | - | - | 21,407,790,621 | 2.50 | 152,604,799 | - | 30,888,899 | 183,493,698 | 21,224,296,923 |
| Building Construction A/C | 396,415,674 | 72,045,402 | - | 468,461,076 | - | - | - | - | - | 468,461,076 |
| Sub total | 21,804,206,295 | 72,045,402 | - | 21,876,251,697 | | 152,604,799 | - | 30,888,899 | 183,493,698 | 21,692,757,999 |
| B) Dead Stock: | | | | | | | | | | |
| Furniture | 606,683,184 | 110,816,982 | 5,989,169 | 711,510,998 | 10.00 | 197,860,305 | 1,065,330 | 66,106,861 | 262,901,836 | 448,609,162 |
| Electric Installation | 490,443,526 | 127,942,257 | 8,602,893 | 609,782,890 | 20.00 | 196,443,348 | 7,829,170 | 97,498,581 | 286,112,759 | 323,670,130 |
| Computer | 958,669,911 | 180,584,471 | 5,369,712 | 1,133,884,669 | 20.00 | 409,793,909 | 4,841,346 | 195,976,274 | 600,928,838 | 532,955,832 |
| Type Writer Machine | 4,586,057 | 1,267,993 | 50,596 | 5,803,454 | 20.00 | 1,370,884 | 26,413 | 1,208,378 | 2,552,849 | 3,250,605 |
| Motor Car & Other Vehicle | 220,781,388 | 80,508,079 | 43,848,945 | 257,440,522 | 20.00 | 79,586,420 | 6,152,613 | 46,519,550 | 119,953,357 | 137,487,165 |
| Library | 1,675,499 | 2,333,091 | - | 4,008,590 | 7.00 | 629,010 | - | 262,510 | 891,520 | 3,117,070 |
| Organization Costs (SECI) | 7,218,197 | - | - | 7,218,197 | | 7,218,196 | - | - | 7,218,196 | 1 |
| Leasehold Improvements (SECI) | 21,417,531 | 919,965 | - | 22,337,497 | | 16,789,833 | - | 152,254 | 16,942,087 | 5,395,409 |
| Sub total | 2,311,475,293 | 504,372,838 | 63,861,315 | 2,751,986,816 | | 909,691,905 | 19,914,872 | 407,724,409 | 1,297,501,442 | 1,454,485,374 |
| Total (A+B) | 24,115,681,588 | 576,418,240 | 63,861,315 | 24,628,238,513 | - | 1,062,296,704 | 19,914,872 | 438,613,308 | 1,480,995,140 | 23,147,243,373 |
| C) Dead Stock of overseas Branches: | | | | | | | | | | |
| Kolkata Branch | 5,976,903 | 2,255,800 | - | 8,232,703 | - | - | - | 1,167,598 | 1,167,598 | 7,065,105 |
| Siliguri Branch | 461,257 | 59,599 | 19,293 | 501,563 | - | - | - | 90,879 | 90,879 | 410,684 |
| Sub total | 6,438,160 | 2,315,399 | 19,293 | 8,734,266 | - | - | - | 1,258,477 | 1,258,477 | 7,475,789 |
| Grand Total 2012 (A+B+C) | 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 |
| 31 December 2011 | 11,272,452,049 | 12,811,799,629 | 14,624,804 | 24,123,824,782 | | 709,957,574 | 1,177,014 | 354,924,224 | 1,063,704,784 | 23,060,119,998 |

Sonali Bank Limited
Schedule of Fixed Assets
As at 31 December 2012

| Particulars | Cost/Revaluation | | | | Depreciation | | | | | Carrying value as on 31.12.12 |
|---|--------------------------------|--------------------------|---------------------------------------|------------------------------|----------------------|--------------------------------|---------------------------------------|---------------------|--------------------------------|-------------------------------|
| | Opening balance as on 01.01.12 | Addition during the year | Deposals/ adjustments during the year | Total balance as on 31.12.12 | Rate of Depreciation | Opening balance as on 01.01.12 | Deposals/ adjustments during the year | Charge for the year | Total balance as on 31.12.2012 | |
| | Taka | Taka | Taka | Taka | % | Taka | Taka | Taka | Taka | |
| A) In Bangladesh: | | | | | | | | | | |
| Premises A/C | 21,407,790,621 | - | - | 21,407,790,621 | 2.50 | 152,604,799 | - | 30,888,899 | 183,493,698 | 21,224,296,923 |
| Building Construction A/C | 396,415,674 | 72,045,402 | - | 468,461,076 | - | - | - | - | - | 468,461,076 |
| Furniture | 593,563,008 | 110,222,600 | 5,989,169 | 697,796,439 | 10.00 | 187,719,218 | 1,065,330 | 65,835,646 | 252,489,534 | 445,306,905 |
| Electric Installation | 467,280,919 | 125,280,749 | 8,602,893 | 583,958,775 | 20.00 | 191,316,752 | 7,829,170 | 93,651,439 | 277,139,021 | 306,819,754 |
| Computer | 941,275,160 | 180,484,271 | 5,369,712 | 1,116,389,719 | 20.00 | 395,561,329 | 4,841,346 | 195,286,601 | 586,006,584 | 530,383,135 |
| Type Writer Machine | 4,586,059 | 1,267,993 | 50,596 | 5,803,456 | 20.00 | 1,370,884 | 26,413 | 1,208,378 | 2,552,849 | 3,250,607 |
| Motor Car & Other Vehicle | 215,781,388 | 80,508,079 | 43,848,945 | 252,440,522 | 20.00 | 79,586,421 | 6,152,613 | 45,719,550 | 119,153,358 | 133,287,164 |
| Library | 1,675,499 | 2,333,091 | - | 4,008,590 | 7.00 | 629,010 | - | 262,510 | 891,520 | 3,117,070 |
| Sub-total (In Bangladesh) | 24,028,368,328 | 572,142,185 | 63,861,315 | 24,536,649,198 | | 1,008,788,413 | 19,914,872 | 432,853,023 | 1,421,726,564 | 23,114,922,634 |
| B) Overseas Branches: | | | | | | | | | | - |
| Kolkata Branch | 5,976,903 | 2,255,800 | - | 8,232,703 | | - | - | 1,167,598 | 1,167,598 | 7,065,105 |
| Siliguri Branch | 461,257 | 59,599 | 19,293 | 501,563 | | - | - | 90,879 | 90,879 | 410,684 |
| Sub-total (Overseas Branches) | 6,438,160 | 2,315,399 | 19,293 | 8,734,266 | | - | - | 1,258,477 | 1,258,477 | 7,475,789 |
| Grand Total as on 31 December 2012 (A+B) | 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 |
| Total as on 31 December 2011 | 11,255,321,336 | 12,795,814,990 | 14,624,804 | 24,036,511,520 | | 661,364,039 | 1,177,014 | 349,909,467 | 1,010,096,491 | 23,026,415,030 |

Sonali Bank Limited
Statement of Tax Position
As at 31 December 2012

Tax assessment of Sonali Bank Ltd. has been completed upto assessment year 2002-2003 (Income year upto 2001) resulting tax refund of BDT 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 BDT (2,122,965,887), BDT (7,780,112,711) BDT (267,10,36,678) & profit of BDT 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 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 | 0 | Adjusted 5% Demanded Tax |
| 1993 | 1994-95 | Nil | DCT | Settled | Nil | 118,229,244 | 0 | Adjusted 5% Demanded Tax |
| 1994 | 1995-96 | Nil | DCT | Settled | Nil | 107,843,437 | 5,94,57,743 | Partial Adjusted 5% Demanded Tax |
| 1995 | 1996-97 | Nil | DCT | Settled | Nil | 327,047,412 | 327047412 | Refundable |
| 1996 | 1997-98 | Nil | DCT | Settled | Nil | 359,391,548 | 359391548 | Refundable |
| 1997 | 1998-99 | Nil | DCT | Settled | Nil | 368,350,061 | 368350061 | Refundable |
| 1998 | 1999-2000 | Nil | DCT | Reference Application to the High Court | Nil | 442,119,323 | 442119323 | Refundable |
| 1999 | 2000-01 | Nil | DCT | Settled | Nil | 600,818,273 | 600818273 | Refundable |
| 2000 | 2001-02 | Nil | DCT | Reference Application to the High Court | Nil | 870,418,795 | 870418795 | Refundable |
| 2001 | 2002-03 | Nil | DCT | Reference Application to the High Court | Nil | 1,135,489,757 | 1135489757 | 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 | 60097178 | 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 |
| 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 |

Statement of Non Income Generating Other Assets

| | 2012 BDT | 2011 BDT |
|--|------------------------|-----------------------|
| a) DOMESTIC BRANCHES | | |
| Stamps in hand | 248,669,738 | 10,968,552 |
| Stationery in hand | 224,021,236 | 218,552,204 |
| Advance Rent | 115,628,416 | 122,819,897 |
| Interest Receivable | 6,522,180,731 | 3,927,209,950 |
| Commission Receivable | 2,718,300,343 | 1,868,995,337 |
| Exchange Receivable | 22,314,715 | 10,995,513 |
| Rent | 190,000 | 5,649,487 |
| Taxes | 1,535,726 | 274,839 |
| Law charges | 2,192,653 | 39,710 |
| Postage and Telegram | 983,239 | 816,313 |
| Sundries | 60,962,310 | 1,974,608,046 |
| Branch Adjustment | 45,988,285,266 | - |
| suspense A/C | 845,739,649 | 3,868,927,513 |
| Income Tax Deducted at source | 11,739,457,796 | 11,020,201,028 |
| Drafts Payable account (Ex-Advice) | 316,629,820 | 640,903,923 |
| Govt. Drafts Payable Account (Ex-Advice) | 43,896,709 | 98,140,319 |
| Intangible Assets- Valuation Adjustment | 32,869,403,550 | 39,443,724,266 |
| Deferred Tax assets | 19,642,680,978 | 15,898,679,825 |
| Demand Drafts purchased | 1,109,610,717 | 1,246,796,873 |
| Protested Bills | 238,744,081 | 232,357,602 |
| BRDB TCCA Crop Loans Exemption-1994 | 759,049,723 | 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 | 279,480,055 |
| Pension Bill Purchased | - | 7,318,609,408 |
| Pension Bill Purchased(Army) | 6,928,772,829 | - |
| Pension Bill Purchased(Civil) | 755,585,875 | - |
| PSP/BSP Encashment | 1,760,883,045 | 2,364,774,711 |
| Loan Exemption Under J.S Reform Proj.94-95 | 5,362,676,930 | 5,362,676,930 |
| Agri-Loan Other Exp.Exemption A/C-2004 | 255,133 | 7,872,944 |
| Agri-Loan Interest Exemption A/C-2004 | 5,961,863 | 6,229,641 |
| Agri- Exemption A/C Affected By River Erosion | 12,079 | 125,309,456 |
| Security Margin | - | - |
| Frozen Fish Loan Exemption | 101,773,510 | 101,773,510 |
| UCCA Loan Remission for River Erosion | 98,424,139 | 4,752,730 |
| Total | 140,595,152,024 | 98,752,039,475 |

Sonali Bank Limited
Highlights on the overall activities
For the year ended 31 december 2012

Amount in Thousand

| SL. No. | Particulars | 2012 Taka | 2011 Taka |
|---------|---|--------------|-------------|
| 1. | Paid-up Capital | 11,250,000 | 11,250,000 |
| 2. | Total Capital (as per Capital Adequacy) | (3,345,095) | 44,208,881 |
| 3. | Capital surplus/(deficit) | (38,751,675) | 9,121,451 |
| 4. | Total Assets | 753,949,686 | 695,192,109 |
| 5. | Total Deposits | 599,293,702 | 533,192,167 |
| 6. | Total Loans and Advances | 378,147,056 | 345,991,349 |
| 7. | Total Contingent Liabilities and Commitments | 198,936,405 | 148,171,704 |
| 8. | Credit Deposit Ratio | 63.10% | 64.89% |
| 9. | Percentage of classified loans against total loans and advances | 33.31% | 17.80% |
| 10. | Profit after tax and provision | (31,533,546) | 9,957,219 |
| 11. | Amount of classified loans | 125,975,303 | 61,588,172 |
| 12. | Provisions kept against classified loans | 73,675,200 | 37,567,700 |
| 13. | Provision surplus/(deficit) | 80,000 | - |
| 14. | Cost of fund | 8.22% | 7.05% |
| 15. | Interest earning Assets | 422,566,563 | 446,190,709 |
| 16. | Non-interest earning Assets | 331,383,123 | 249,001,400 |
| 17. | Return on investment (ROI) | 5.02% | 9.24% |
| 18. | Return of Asset (ROA) | -2.86% | 1.42% |
| 19. | Income from investment | 10,841,516 | 7,561,795 |
| 20. | Earnings per Share | (280.30) | 108.38 |
| 21. | Net income per Share | (280.30) | 108.38 |
| 22. | Price Earning Ratio | N/A | N/A |

Chairman

Director

Director

Managing Director & CEO