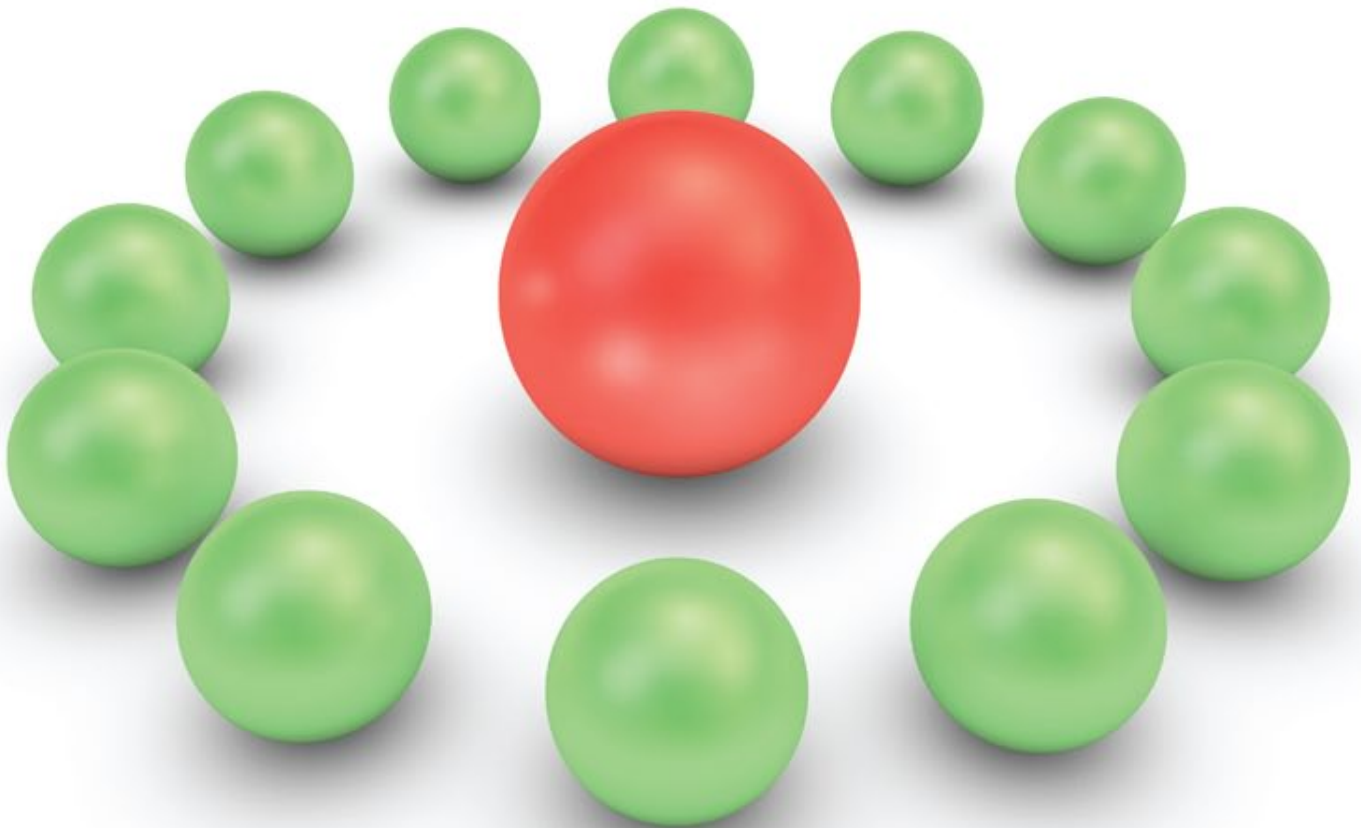


TO OUR SHAREHOLDERS



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Economic Contribution Report

The bank's overall mission is to be the most admired financial institution in the country, recognized as a dynamic, innovative and client focused bank that offers an array of products and services in search of excellence and to create an impressive economic value. This section covers the value we deliver to our shareholders and the nation at large.

The Bank's policy has been to deliver optimum value in a manner that is consistent with the highest levels of fairness and transparency. For the Bank, it has not been a case of building financial value and enhancing the bottom line at any cost, but rather participating in a process of creating value through fair and ethical means. Building sustainable value of all stakeholders is an important corporate goal. Some of the measures taken to create, sustain and deliver optimum value are as follows:

Capital Adequacy Ratio (CAR)

Capital adequacy indicates the financial strength and stability of a bank. It limits the extent up to which the bank can expand its business in terms of risk weighted assets. Like all commercial institutions, banks too constantly look at ways of expanding their operations by acquiring property, plant & equipment, opening branches, in addition to mobilizing deposits, providing loans and investing in other assets.

Regulatory capital requirements are therefore necessary to prevent banks from expanding beyond their ability to manage (over trading), to improve the quality of bank's asset, to control the ability of the bank to leverage their growth and to lead to higher earnings on assets, leading to peace of mind of all the stakeholders. The bank keeps a careful check on its capital adequacy ratios.

Minimum Capital Requirement (MCR) Under Risk Based Capital (BASEL II) as at December 31, 2013

BDT in Million/Percentage

Particulars	2013	2012
A. Eligible Capital Base:		
1. Tier-1 (Core Capital)	5,286.36	4,648.52
2. Tier-2 (Supplementary Capital)	2,850.20	2,332.30
3. Tier-3 (Eligible for market risk only)	-	-
4. Total Eligible Capital (1+2+3)	8,136.56	6,980.82
B. Total Risk Weighted Assets (RWA)	70,346.81	65,221.08
C. Capital Adequacy Ratio (CAR)	11.57%	10.70%
D. Core Capital to RWA	7.51%	7.13%
E. Supplementary Capital to RWA	4.05%	3.57%
F. Minimum Capital Requirement (MCR) 10%	7,034.68	6,522.11

Value Added Statements

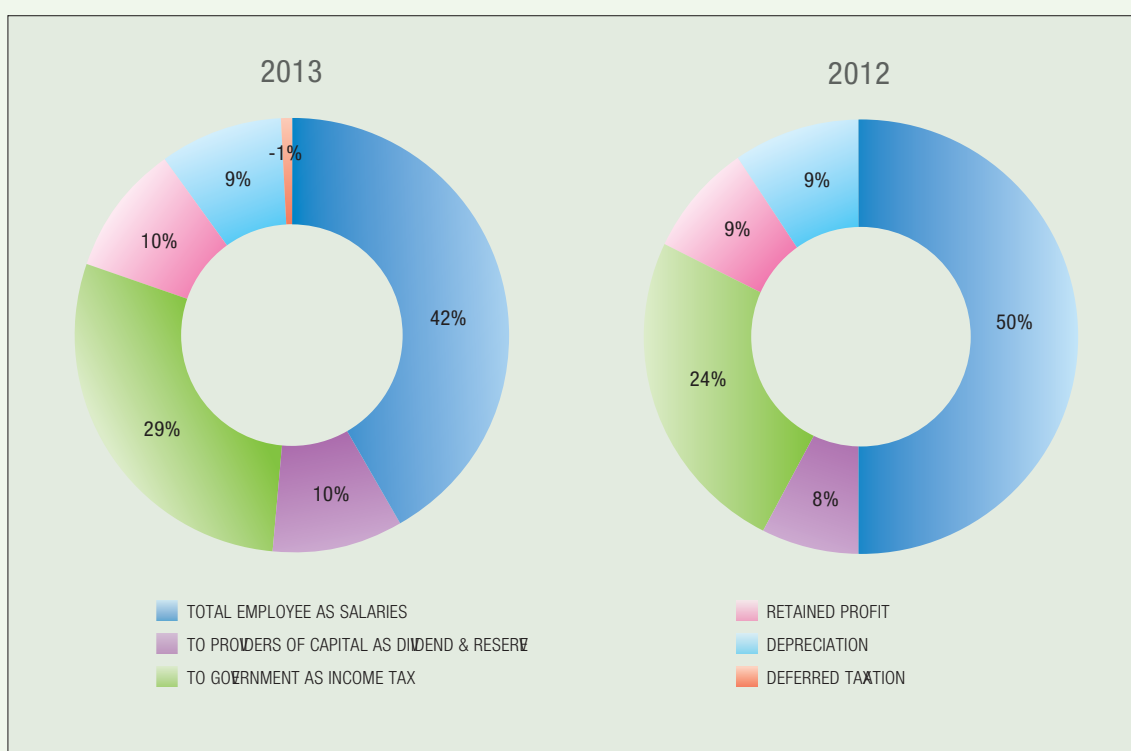
BDT in Million

Items	2013	2012
Income from banking services	12,576	10,505
Less: Cost of services and supplies	9,058	7,947
Value added by banking services	3,518	2,558
Non banking income		-
Provision for loans and off-balance sheet items	(627)	(514)
Total	2,891	2,044

BDT in Million

Distribution of value addition	2013		2012	
	Amount	%	Amount	%
To employee as salaries	1,222	42	1,009	49
To providers of capital as dividend & reserve	279	10	158	8
To government as income tax	851	29	493	24
To expansion & growth				
Retained Profit	294	13	170	8
Depreciation	270	9	216	11
Deferred taxation	(25)	-1	(2)	-0.1
	539		384	
Total:	2,891	100	2,044	100

Graphical Presentation



Economic Value Added

Economic Value Added (EVA) is the most successful performance metric used by the Bank. It is a systematic approach to evaluating the performance attributes of the bank's product in relation to the resource expenditures required to enjoy its benefits. As a commercial banking company, we are committed to deliver maximum value to all of our shareholders/equity providers.

The EVA for the year 2013 is shown below:

BDT in Million

Particulars	2013	2012
Average Shareholders' Equity	5,141	4,824
Add: Average Cumulative Provision for loans & advances	2,063	1,661
Average Equity of Shareholders	7,204	6,485

Earnings

BDT in Million/Percentage

Particulars	2013	2012
Profit after tax	573	328
Add: Provision for loans	627	514
Earnings	1,200	841
Average cost of Equity (Shanchay patra rate-2% premium)	15.19%	15.00%
Cost of average Equity	1,094	973
Economic value added	106	-131
Growth over last year	180%	9%

Market Value Added Statement

Market Value Added (MVA) is the difference between the current market value of the bank and the capital contributed by investors. If MVA is positive, the bank has added value. If it is negative, the bank has destroyed value. The amount of value added needs to be greater than the bank's investors could have achieved investing in the market portfolio, adjusted for the leverage of the bank relative to the market. A high MVA denotes that the bank has maximized the wealth of the shareholders. The calculation of market value added is tabled below.

BDT Million

Particulars	Number of Shares	Value per Share	Total Value
Market Value	279,784,824	BDT 16.30	4,560.49
Book Value	279,784,824	BDT 10.00	2,797.85
Market Value Added		BDT 6.30	1,762.64

Liquidity Policy

The liquidity policy of the bank has always been to carry a favorable mismatch in the interest earning assets and interest bearing liabilities in different buckets. Our liquidity remained at optimum levels throughout the year.

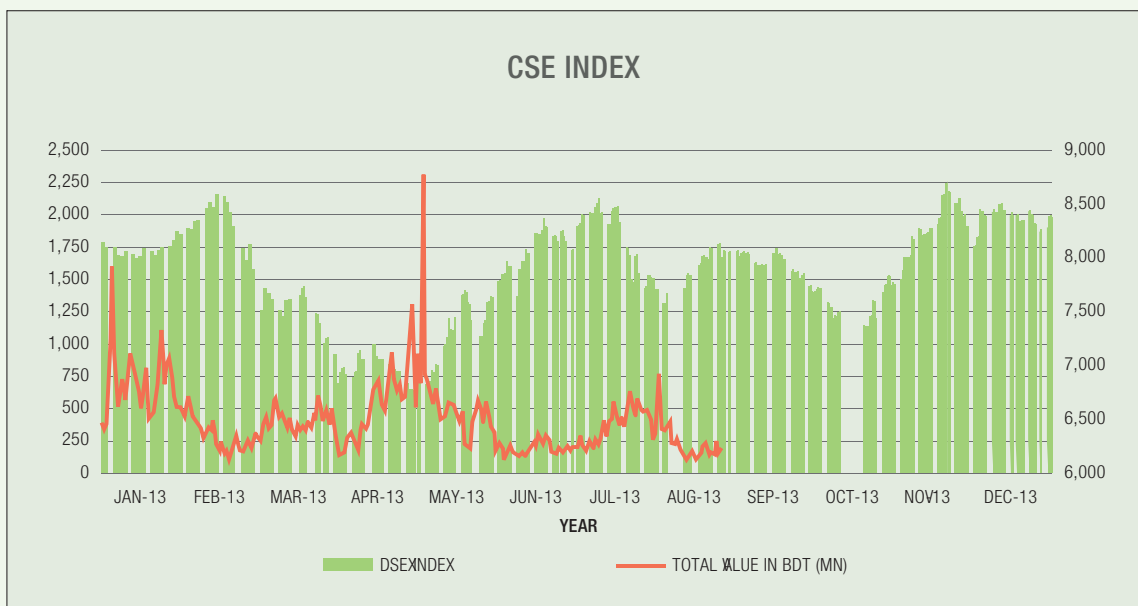
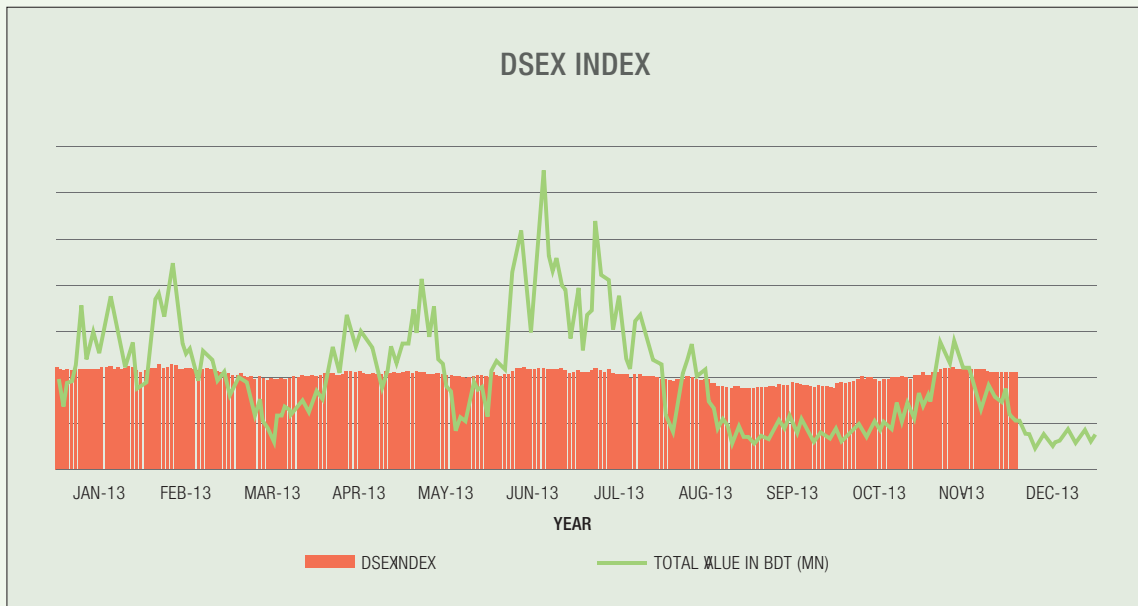
The Assets and Liabilities Committee (ALCO) of the bank monitors and maintains a satisfactory trade-off between liquidity and profitability.

Dividend Policy

The Dividend Policy of the bank has always been to pay a satisfactory dividend to its shareholders. As per Bangladesh Bank (BB) guidelines, we have already built up the minimum paid up capital and reserve required by Revised Risk Based Capital Adequacy, 10% of Risk Weighted Asset (RWA) of the Bank.

Considering the performance of the bank, the board has recommended stock dividend of 10% for the year 2013 maintaining Minimum Capital Requirement (MCR) as per BASEL II.

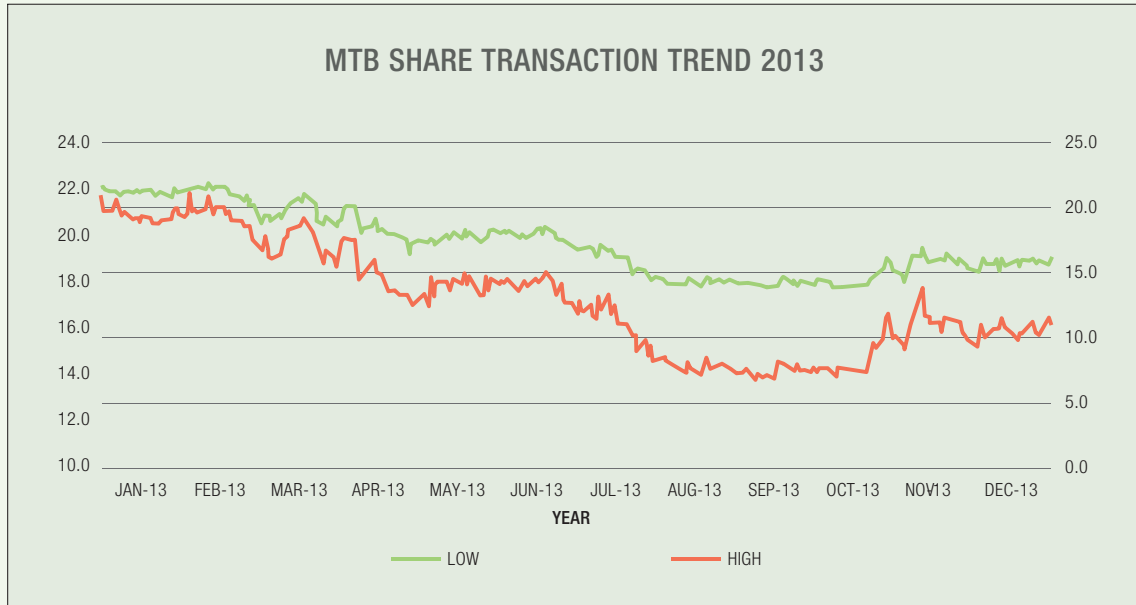
Market Share Information



To Our Shareholders



Market Share Information



To Our Shareholders



Financials at a Glance

Financial Performance

Results for the year as on December 31st	2013	2012
Return on Average Assets (%)	0.59%	0.39%
Return on Average Shareholders Fund (%)	11.65%	10.70%
Cost/Income Ratio (%)	56.14%	62.01%

Ratios	2013	2012	% Changes
Return on Average Equity (%)	11.15%	6.97%	4.18%
Lending-Deposit Ratio (%)	70.58%	75.21%	-4.63%
Capital Adequacy (%) BASEL II	11.57%	10.70%	0.87%

Capital Adequacy	2013	2012
Tier 1 Capital Ratio (%)	7.51%	7.13%
Total Capital Ratio (%)	11.57%	10.70%

Information Per Ordinary Share	2013	2012	% Changes
Earnings per Share (Share Value BDT 10)	2.05	1.17	75.21%
Dividends - Cash	-	-	-
Dividend - Bonus	10	10	-
Net Asset Value (NAV)	19.48	17.28	12.73%

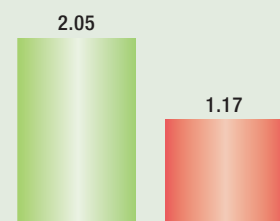
BDT in Million

Results for the Year	2013	2012	% Changes
Income	2,026	1,332	52.10%
Profit Before Income Tax	1,399	818	71.03%
Income Tax	826	490	68.57%
Profit After Income Tax	573	328	74.70%
Profit Available After Appropriation	294	170	72.94%

BDT in Million

At the Year End	2013	2012	% Changes
Shareholders Fund	5,449	4,834	12.72%
Total Deposits	84,373	75,140	12.29%
Total Loans and Advances	59,548	56,511	5.37%
Total Assets	101,464	93,162	8.91%

EARNINGS PER SHARE

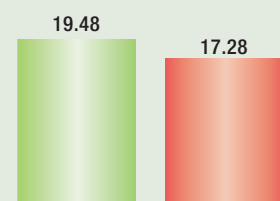


Earnings per Share (Share Value BDT 10)

■ 2013 ■ 2012

NET ASSET VALUE (NAV)

BDT

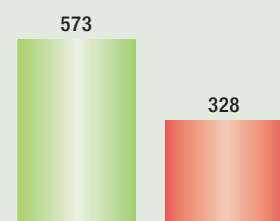


Net Asset Value (NAV)

■ 2013 ■ 2012

PROFIT AFTER INCOME TAX

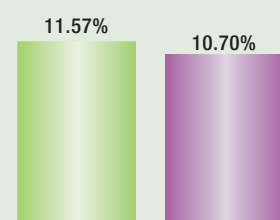
BDT Million



Profit After Income Tax

■ 2013 ■ 2012

CAPITAL ADEQUACY RATIO



Total Capital Ratio (%)

■ 2013 ■ 2012

Five-Year Statistical Summary

BDT in Million

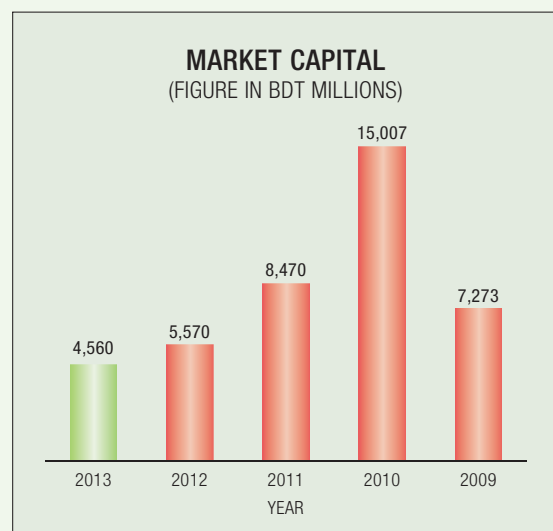
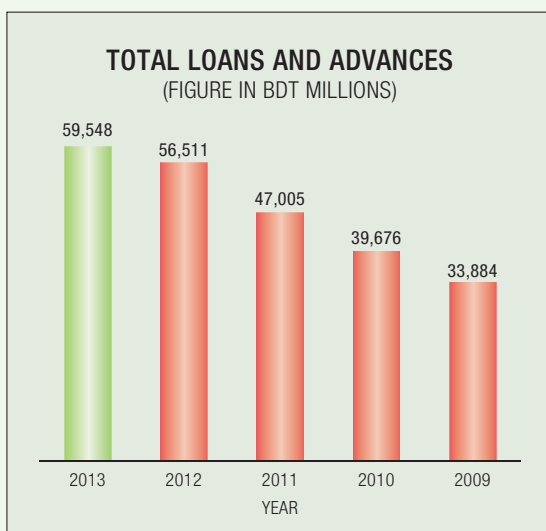
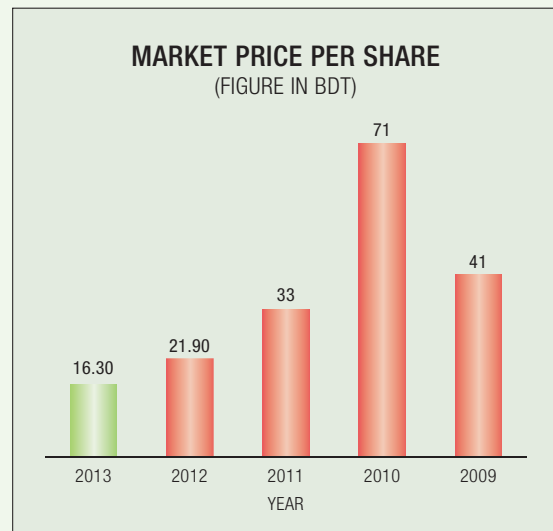
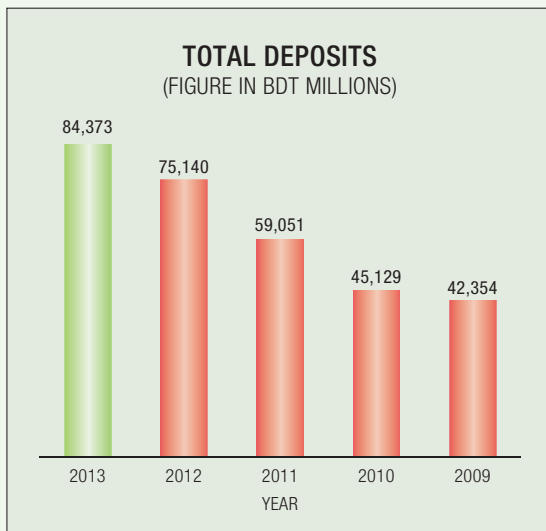
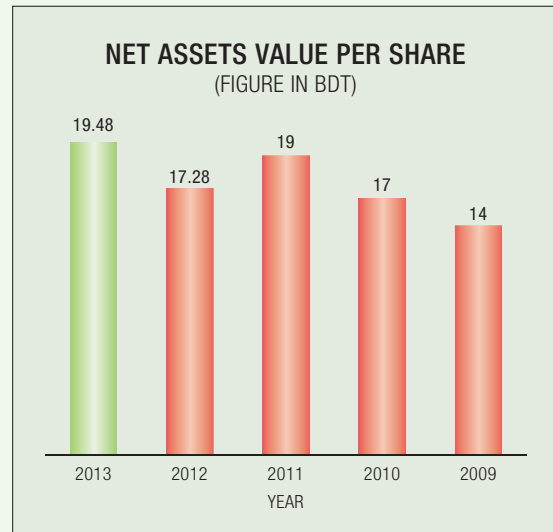
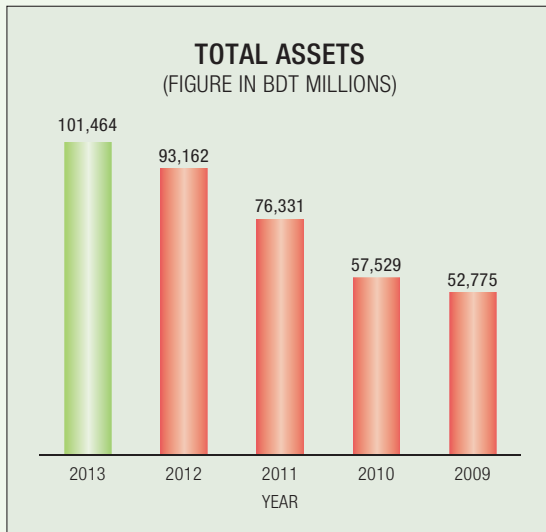
SL#	Items	2013	2012	2011	2010	2009
1	Authorised Capital	10,000	10,000	10,000	10,000	3,800
2	Paid up Capital	2,798	2,543	2,543	2,120	1,766
3	Shareholder's Equity	5,449	4,834	4,815	4,379	3,685
4	Total Capital (Core-Supplementary)	8,137	6,981	6,925	6,226	3,969
5	Total Assets	101,464	93,162	76,331	57,529	52,775
6	Total Deposits	84,373	75,140	59,051	45,129	42,354
7	Total Loans and Advances	59,548	56,511	47,005	39,676	33,884
8	Total Investment	25,824	23,251	20,149	9,216	9,538
9	Exports	32,479	25,455	26,596	16,843	19,676
10	Imports	44,273	39,427	36,945	27,653	29,721
11	Total Contingent Liabilities	23,896	17,676	17,211	15,499	10,061
12	Operating Income	4,619	3,507	3,104	3,399	2,544
13	Operating Expenditure	2,593	2,175	1,899	1,397	917
14	Profit before Provision and Tax	2,026	1,332	1,205	2,002	1,627
15	Profit after Provision and Tax	573	327	404	988	821
16	Total Provision maintained	2,297	1,828	1,483	1,283	1,140
17	Earning Assets	85,324	78,807	66,665	51,185	46,075
18	Non-interest Earning Assets	16,140	14,356	9,666	6,344	6,700

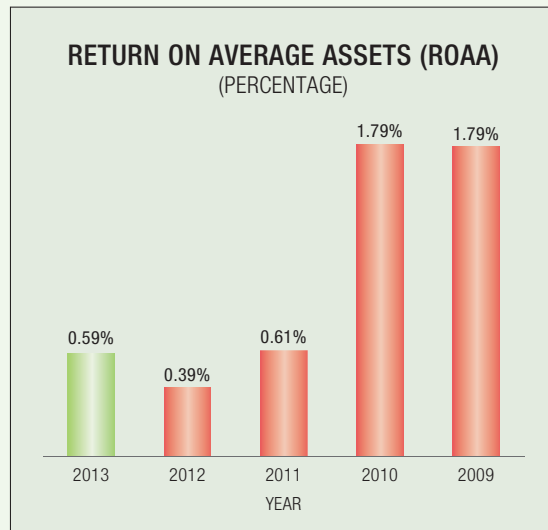
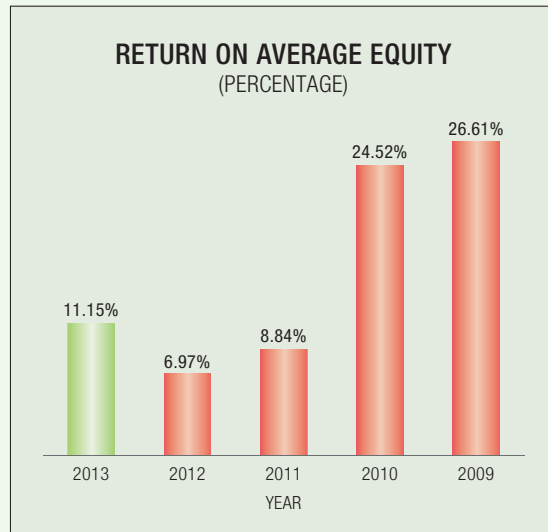
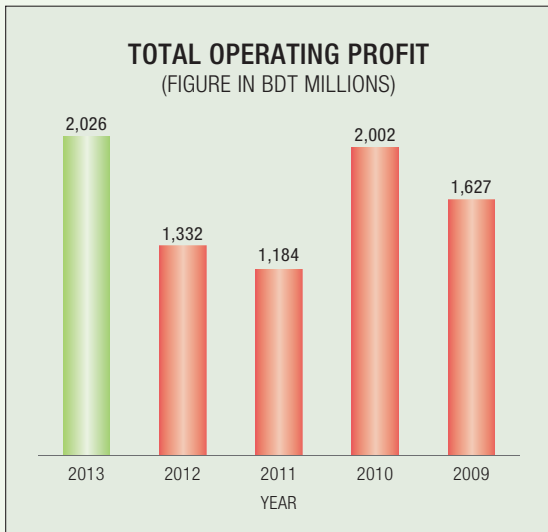
Figure in BDT/Percentage

SL#	Items	2013	2012	2011	2010	2009
1	Earnings per Share	2.05	1.17	1.59	3.89	3.20
2	Net Asset Value (NAV) per share	19.48	17.28	18.93	17.22	14.49
3	Dividend - Cash		-	12%	-	-
4	Dividend - Stock	10%	10%	-	20.00%	20.00%
5	Return on Average Equity	11.15%	6.47%	8.84%	24.52%	26.61%
6	Return on Average Assets (ROAA)	0.59%	0.39%	0.61%	1.79%	1.79%
7	Classified Loans as % of Total Loans and Advances	3.62%	3.69%	2.54%	2.28%	2.81%
8	Lending -Deposit Ratio	70.58%	75.21%	79.60%	87.92%	80.00%
9	Capital Adequacy Ratio	11.57%	10.70%	11.96%	11.49%	9.20%
10	Market Value Per Share	16.30	21.90	33.30	70.80	41.18
11	Price-Earning Ratio (Times)	7.96	16.99	20.95	18.22	12.87

SL#	Items	2013	2012	2011	2010	2009
1	No. of Branches	92	86	76	67	44
2	No. of Employees	1,378	1,317	1,269	1,050	841

Five-Year Graphical Review

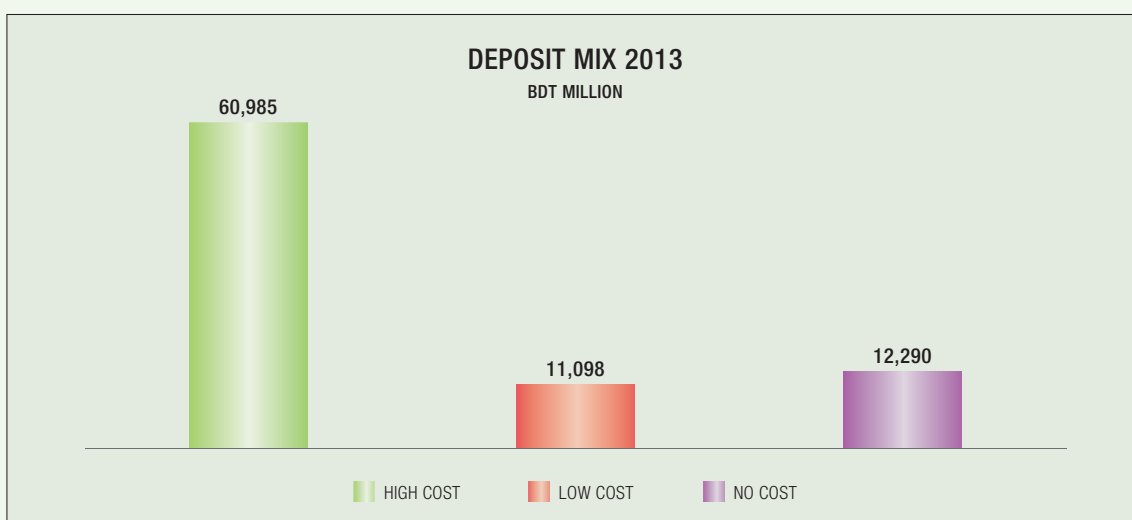
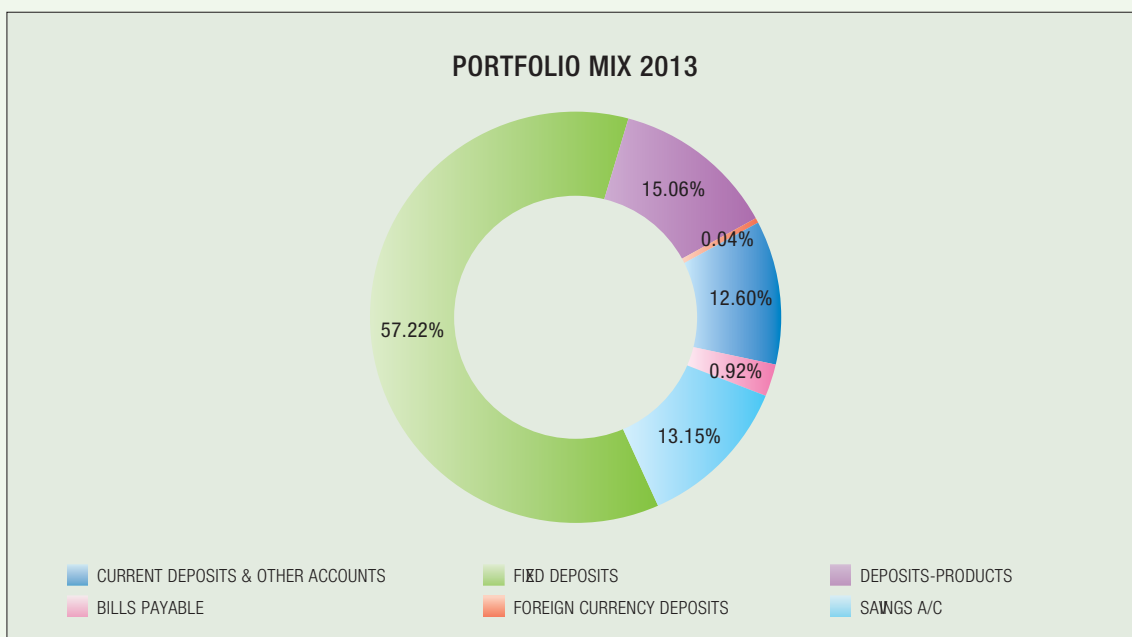




Analysis of Deposits

BDT Million

Items	2013	2012	2011	2010	2009
Local Currency Deposits					
Current Deposits and Other Accounts	9,786	8,372	8,059	7,495	6,217
Bills Payable	780	1,814	602	530	529
Savings A/C	11,098	9,224	7,840	6,356	5,104
Fixed Deposits	48,281	45,301	35,193	25,576	26,229
Deposits-Products	12,704	9,750	6,633	4,794	3,981
Foreign Currency Deposits	878	344	494	189	90
Total Deposits excluding Refinance	83,528	74,805	58,821	44,940	42,150
Refinance	845	335	230	190	204
Total Deposits and Refinance	84,373	75,140	59,051	45,129	42,354



Analysis of Loans and Advances

BDT Million

Items	2013	2012	2011	2010	2009
Corporate	44,411	43,155	35,628	30,095	29,735
SME	4,869	2,269	2,942	2,647	550
Retail	2,343	3,323	1,960	1,425	1,198
Secured Overdraft (FO)	3,316	3,032	2,530	1,875	2,199
Employee	542	526	449	304	202
Margin Loan	4,068	4,206	3,497	3,331	-
Total	59,548	56,511	47,005	39,676	33,884

To Our Shareholders

