

# RIGHTS SHARE OFFER DOCUMENT

March 06, 2012

Rights Offer of **53,222,550** Ordinary Shares of Tk. **10.00** each issuing at Tk. **20.00** each, including a premium of Tk. **10.00** per share, totaling **Tk. 1,064,451,000.00** offered on the basis of **1** (one) rights share for **5** (five) existing shares held on the record date.

## Record Date for Entitlement of Rights Offer

April 03, 2012

Subscription	Opens on: April 22, 2012
	Closes on: May 17, 2012
Within Banking Hours	

## CREDIT RATING STATUS

	Rating Year	Long Term	Short Term
Entity Rating	2010	AA-	ST-2
	2009	AA-	ST-2
Date of Rating	03 May, 2011		
Rating Assigned By: Credit Rating Information and Services Limited			

## MANAGER TO THE ISSUE



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## FULLY UNDERWRITTEN BY

<b>Southeast Bank Capital Services Limited</b> Eunoos Center (Level-2), 52-53, Dilkusha C/A Dhaka-1000	<b>Bangladesh Mutual Securities Limited</b> Shareef Mansion (7th Floor) 56-57 Motijheel C/A Dhaka-1000
<b>FAS Finance &amp; Investment Limited</b> Suvastu Imam Square (4 <sup>th</sup> Floor) 65 Gulshan Avenue, Gulshan, Dhaka-1212	<b>AAA Consultants &amp; Financial Advisers Ltd.</b> Amin Court (4 <sup>th</sup> Floor), Suit # 403-405, 31, Bir Uttam Shahid Ashfaqus Samad Road, Dhaka-1000
<b>Prime Finance Capital Management Limited</b> 63, Dilkusha C/A (3 <sup>rd</sup> Floor), Dhaka-1000	<b>Green Delta LR Financial Services Limited.</b> Hadi Mansion (6 <sup>th</sup> Floor), 2 Dilkusha C/A, Dhaka-1000
<b>Union Capital Limited</b> Noor Tower (5 <sup>th</sup> Floor), 1/F Free School Street 73 Sonargaon Road Dhaka-1205	<b>Banco Finance &amp; Investment Ltd.</b> Ispahani Building (3 <sup>rd</sup> Floor), 14-15 Motijheel C/A, Dhaka-1000
<b>Swadesh Investment Management Limited</b> Suite # 01, Level-11, Unique Trade Center 8 Panthapath, Karwan Bazar, Dhaka-1215	<b>IDLC Finance Limited</b> Bay's Galleria (1 <sup>st</sup> Floor), 57 Gulshan Avenue Gulshan, Dhaka-1212

## BANKERS TO THE ISSUE

Trust Bank Limited	Southeast Bank Limited
Investment Corporation of Bangladesh	



### TRUST BANK LIMITED

Registered Office & Head Office

Peoples Insurance Bhaban, 36 Dilkusha C/A, Dhaka-1000  
Tel: 9570261, 9570263, 9572012-3 Fax: 880-2-9572315,  
Telex: 632297 TBLC BJ, Swift: TTBLBDDH  
E-mail: info@trustbanklimited.com, Web: www.trustbank.com.bd

As per provision of the Depository Act, 1999 and regulation made there under, rights shares shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

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## DEFINITION AND ELABORATION OF THE ABBREVIATED WORDS AND TECHNICAL TERMS USED IN THE RIGHTS SHARE OFFER DOCUMENT

ACRONYM	ELABORATION
AAA	: AAA Consultants & Financial Advisers Ltd.
Allotment	: Allotment of Share
BB	: Bangladesh Bank
Commission	: Securities and Exchange Commission
Companies Act	: Companies Act, 1994 (Act. No. XVIII of 1994)
CSE	: Chittagong Stock Exchange Limited
DSE	: Dhaka Stock Exchange Limited
EPS	: Earnings Per Share
Issue	: Rights Issue
Issue Manager	: AAA Consultants & Financial Advisers Ltd.
Issuer Company	: Trust Bank Limited
NAV	: Net Asset Value
Offering Price	: Price of the Securities of Trust Bank Limited
Registered Office	: Head Office of the Company
RI	: Rights Issue
Rights Issue Rule	: Securities and Exchange Commission (Rights Issue) Rules, 2006
RJSC	: Registrar of Joint Stock Companies & Firms
TBL	: Trust Bank Limited
SEC	: Securities and Exchange Commission
Securities	: Shares of Trust Bank Limited
Securities Market	: The Share Market of Bangladesh
Sponsor	: The Sponsor Shareholder of Trust Bank Limited
Stockholder	: Shareholder
Subscription	: Application Money



## RIGHTS ISSUE OF SHARES

April 03, 2012

Dear Shareholder(s)

We are pleased to inform you that the shareholders of the Bank in the **12<sup>th</sup> Annual General Meeting** held on 7 June 2011 decided to issue of **53,222,550** Ordinary Shares as rights shares at **Tk. 20.00** each including a premium of **Tk. 10.00** per share totaling **Tk. 1,064,451,000.00** to be offered on the basis of **1** (one) new share for **5** (five) existing shares held on the record date. The purpose of issuance of Rights Shares is to strengthen capital base of the Bank in order to comply with the Basel II capital accord, directed by Bangladesh Bank.

Due to satisfactory activities and services, the Bank has earned an operating income of **Tk. 2,011,889,112** during the period ended on 30 September 2011. This success has been achieved due to efficient conduct of investible funds by the management under the direction of the Board of Directors as well as patronization and active participation of all our valued shareholders and customers.

To maintain further growth and to increase the capital base of your Bank, we hope you will come forward with your full support and assistance to make the offer a success.

A self-explanatory Rights Share Offer Document prepared in the light of the Securities and Exchange Commission (Rights Issue) Rules, 2006 is enclosed herewith for your kind information and evaluation.

On behalf of the Board of Directors

Sd/-

**M Shah Alam Sarwar**  
Managing Director

# THE RIGHTS OFFER

## The Bank

Trust Bank Limited is a publicly traded scheduled Bank categorized in private sector and established under the ambit of Bank Companies Act, 1991 and incorporated as a Public Limited Company under the Companies Act, 1994 on 17 June, 1999. The Bank started commercial banking operations effective from 29 November, 1999. During this span of time the Bank has been widely acclaimed by the business community, from small entrepreneurs to large traders and industrial conglomerates, including the top rated corporate borrowers for forward-looking business outlook and innovative financing solutions. Trust Bank Limited provides Banking services to the customers in compliance with the provisions of the Bank Companies Act, 1991 and Bangladesh Bank's directives issued from time to time. Thus, within this period of time it has been able to create an image of **"Growing Together"** for itself and has earned significant reputation in the country's banking sector.

## The Rights Issue

Trust Bank Limited plans to increase paid-up capital through issuance of Rights Shares. The Board of Directors of the Bank in its **173<sup>rd</sup> Meeting held on 23<sup>rd</sup> March, 2011** has recommended for issuance of Rights Share at 1 (One)[R]:5 (Five) ratio i.e. 1 (one) Rights Share for 5 (Five) existing shares held on the record date for entitlement. The proposed offer is for issuance of Rights Shares of **53,222,550** Ordinary Shares of **Tk. 20.00** each including a premium of **Tk. 10.00** per share at 1 (One) [R]:5 (Five) ratio i.e. 1 (One) Rights Share for 5 (Five) existing shares held on the record date as on **April 03, 2012**.

## Issue Price

The Issue Price per share has been fixed up in the **12<sup>th</sup>** Annual General Meeting of the Company held on June 07, 2011 at Tk. 20.00 each including a premium of Tk.10.00 per share totaling **Tk. 1,064,451,000** on the basis of 1 (One)[R]:5 (Five) ratio i.e. 1 (one) Rights Share for 5 (Five) existing shares held on the record date as on **April 03, 2012** .

## RISK FACTORS AND MANAGEMENT'S STRATEGY FOR MITIGATION

All investments carry the inherent risk, so investments in the bank also bear some associated risk, regarding which the investors should be well aware of. These risks could result in loss of income or the erosion of the capital invested. Investors will take well informed decision for investment in the offer.

### Interest Rate Risk

**The Bank's financing in different sectors are generally structured at fixed and floating rates for specified periods. Increase in interest rates on borrowings could narrow or squeeze the spread, or result in a negative spread, and hence, may have a material adverse impact on the Bank's profitability/ the state of financial health.**

Although the consequences of unusual and abrupt increase in borrowing rate cannot be avoided, the bank takes all the appropriate measures to minimize the negative consequences in its overall banking operations. The management of Trust Bank Ltd. pursues the business strategy so that it can adapt with the changes in the market scenario and at the same time to manage the changes which are sometimes unpredictable. Interest risk pertains to the exogenous factors and more related to the market sensitivity so in this area we always opt for taking due cognizance on the market dynamics.

### Liquidity Risk

**The Bank harvest the fund through leveraging by the way of taking deposits from the general public and borrowing and its solvency is largely dependent upon efficiency in the process of intermediation of fund. The end objective of liquidity management is to ensure striking of balance between liquidity and profitability.**

The management of Trust Bank Limited is aware of the magnitude of this risk and it has always intend to diversifying sources of funds and to develop good mix of deposit structure. In this direction the Bank has already launched several deposit schemes to attract deposits from various customer groups, including Retail and Corporate Cash Management clients. The Bank is opening branches all across the country to diversify its business portfolio.

### **Exchange Rate Risk**

**Exchange rate fluctuation poses the depletion of profitability of Trust Bank Limited because it meets the commitment under the foreign trade transactions by sourcing foreign exchange from its own reserve generated out of export dealings and incoming remittances.**

Exchange rate risk arises from exchange rate movements, which may affect the earning of the bank from its foreign exchange open position taken from time to time. This risk is mainly managed by setting (i) determining limits on open foreign exchange position (ii) monitoring of open position against these limits & (iii) setting and monitoring of stop loss mechanism.

Foreign exchange risk is defined as the risk of adverse change in earnings due to predictable and unpredictable movement of exchange rate of foreign currency. The foreign exchange risks of the bank is kept at the minimum level as transactions are confined to meet the obligations under L/C s and remittance requirement. In line with prudential guidelines our treasury department is manned by the professional with relevant track records and for mitigating the risk the front and the back office are segregated. They are responsible for foreign exchange transactions, deal verifications and monitoring/ settlement of transactions in a delineated way. All nostro accounts are reviewed regularly and are reconciled and outstanding entries are monitored on a regular basis for on time reconciliation.

### **Industry Risk**

**Entry of new competitor may increase the market competition and may adversely affect the profitability of Trust Bank Limited.**

Financial institution (FI) is a fast growing industry with annual growth rate of 50%. There is a good potential for a well established and growing financial institutions like TRUST BANK LIMITED to expand and increase its market share in the near future in this fast track growth oriented industry.

### **Operational Risk**

"The risk of loss resulting from inadequate or failed internal processes, peoples and systems or from existing events." BASEL II requires the bank to make capital allocations for this identified risk. We in our bank has set up separate department to oversee the overall position with a view to mitigating the risk factors that may surface for any lapses in managing issues related to operation.

### **Technology related Risk**

Trust bank maintains a centralized Data-Center where all financial data is securely preserved. In addition, Trust Bank has a Disaster Recovery Site (DRS) which can assist in immediate recovery of lost data. Furthermore, Data Backup is maintained on a day-to-day basis via various sources such as tape, DVD and hard-disk-drive. The IT infrastructure of the bank also maintains several layers of security such as network, system, application and data-base security. These layers of security deters any kind of illegal infiltration into the bank's IT system.

### **Change in Regulatory Policies**

**Bangladesh Bank may increase Cash Reserve Ratio (CRR) and the Statutory Liquidity Requirement (SLR) of Banking Institutions, which may create fund constrains for Trust Bank Limited.**

All Scheduled Banks in Bangladesh including Trust Bank Ltd. is funding their assets from its deposits after maintaining required SLR including CRR. If any changes in SLR policies will impact its Assets growth and cost of CRR like all other scheduled banks in Bangladesh. Liquidity risk is the balance sheet related risk wherein we attach importance on ensuring proper matching of assets and liabilities and to take the reasonable risk with an object of striking balance between liquidity and profitability. We have constituted in our bank Asset

Liability Management Committee (ALMC) which holds meeting at least once in every month to oversee our position and where necessary repositioning is made to protect the interest of the bank in this area.

### **Change in Government Policy**

**A Financial institution's ability to operate profitably is directly related to the monetary and fiscal policy of the country at any given point in time. Imposition of restrictive monetary and/or fiscal policy by the government at any time may affect a company's profitability.**

Government is pursuing a policy of liberalization of the financial sector. Efficiency of the financial systems may result in reduction of overall lending rates. Low costs could help increase business volumes for financial institutions including Trust Bank Limited.

### **Changes in Economic & Political Condition**

**Changing economic conditions may affect the demand for the type of finance offered by the Bank. Downturn of economic activity or uncertainty may result in a sluggish in demand for loan funds for industry.**

Generally, this risk dominates each and every financing institution in the country but is mitigatable to a good extent and taking appropriate action plan. Trust Bank Limited has always kept abreast of changing business environments and this is evidenced by its good financial performance in the past. Trust BANK Limited's performance has all along been steady during periods of political turmoil and natural adversities.

### **Portfolio management risk**

**Poor quality of project appraisal, slack monitoring of outstanding debts, inadequate/inappropriate documentation and other forms of management deficiencies may affect the quality of Trust Bank Limited portfolio.**

Under the close supervision of Trust Bank Limited prudent shareholders, the management of Trust Bank Limited has developed skills and ability to appraise a project efficiently, ascertain the risk factors, address them and monitor performance closely.

### **Change in Fiscal Policy**

**The Bank's lending activities generate significant depreciation allowances that provide the Company with substantial tax benefits on an on going basis. In addition, the Company's lessees currently enjoy favorable tax treatment due to entitlement of depreciation. Any change of current tax laws may make lease financing less attractive and would have a material impact on the Company's business, financial condition and/or results of operations.**

We have been putting our best efforts to manage our tax and accounting matters professionally. Unless a material change takes place in the fiscal policy, which would affect the banking industry as a whole, we are prepared to address the issues that may have any significant impact on the Company's business, financial condition and/or results of operations

### **Credit Risk**

**Some of the obligators or customers may fail to meet the terms of any contract or otherwise fail to perform as agreed which will in turn reduce the profit of the Bank decreasing share holders' earnings.**

Considering the key elements of Credit risk, the bank has segregated duties of the officers/executives involved in credit related activities. Separate division for Corporate, SME and Retail has been formed which are entrusted with the duties of maintaining effective relationship with the customers, marketing of credit products, exploring new business opportunities etc. for transparency in the operation during the entire credit process - i) Credit Approval Committee, ii) Loan Administration Department, iii) Recovery Unit, and iv) Impaired Asset Management have been set up.

In addition to the above, Retail Sales Teams book the customers; the Credit Division carries out thorough assessment before approving the credit facility. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, and historical performance of the customer. Loan Administration

Department ensures compliance with all legal formalities, completion of all documentation security of the proposed credit facility and finally disburses the amount. The sales team reports to their line management; the Credit Division reports directly to Managing Director, while the Loan Administration reports to the Chief Operating Officer. The above arrangement has not only ensured segregation of duties and accountability but also helps to minimize the risk of compromise with the credit portfolio.

### **Asset Quality Risk**

**Changes in market liquidity and or interest rate exposes Bank's business to the risk of loss, which may, in extreme cases, threaten the survival of the institution.**

Emphasis has been given so that the level of balance sheet risks are effectively managed, appropriate policies and procedures are established to control and limit these risks and proper resources are available for evaluating and controlling these risks. The Asset Liability Committee (ALCO) of the bank monitors Balance Sheet risks and liquidity risks of the Bank.

Asset Liability Committee (ALCO) reviews country's overall economic position, Bank's Liquidity position, ALM Ratios, Interest Rate Risk, Capital Adequacy, Deposit Advance Growth, Cost of Deposit & Yield on Advance, F.E. Gap, Market Interest Rate, Loan loss provision adequacy and deposit-lending pricing strategy.

### **Risks of being used by Money Launderer**

**Financial institutions are particularly vulnerable to be used by money launderers. This will damage the Bank's reputation and reliability and expose the bank to legal complications.**

Money laundering is the process adopted by the unscrupulous persons to integrate the proceeds earned through illegal means with the legitimate stream of financial proceeds by way of layering which exposes the bank to the reputation and legal risk. For mitigating the risk in line with the prudential guidelines, we have central compliance unit at head office headed by the chief anti money laundering compliance officer and at the branch level there exist anti money laundering compliance officer. We arrange training on money laundering from time to time for imparting skills among the executives and officer for efficient prevention of money laundering through identifications of suspicious/ unusual transactions.



## DATE OF OPENING AND CLOSING OF SUBSCRIPTION LISTS

Subscription opens for the rights shares offer on **April 22, 2012** and subscription closes for the rights shares offer on **May 17, 2012**.

## UTILIZATION OF PREVIOUS FUND

This is to declare that Trust Bank Limited raised Tk. 513,334,800.00 (including premium of Tk. 256,667,400.00) through issuance of rights shares in the year 2008. This is also to declare that the entire proceeds of rights issue was utilized in the Bank's lending operation, which will be evident from the following comparative figures:

Total loans and advances of the Bank as on 30 September, 2011	:	Tk. 45.82 billion
Total loans and advances of the Bank as on 31 March, 2008	:	<u>Tk. 20.29 billion</u>
<b>Increase in loans and advances</b>		<b>Tk. 25.53 billion</b>

## PURPOSE OF THE RIGHTS ISSUE

The purpose of issuance of rights shares is to further strengthen Bank's capital base as per regulatory requirement, which will ultimately safeguard depositors' interest in the Bank. The proceeds will be used partly in Bank's lending operation and partly in opening of new branches.

Sd/-

**Khaled Mahbub Morshed, FCA**  
Vice President & Head of FCAD

Sd/-

**M Shah Alam Sarwar**  
Managing Director

## 5 (FIVE) YEARS INFORMATION REGARDING AGM HELD AND DIVIDEND DECLARED BY THE BANK

Accounting year	Date of AGM held & Dividend declared	Declared Dividend	
		Rate (%)	Total Amount Taka
2006	09 May, 2007	Cash- Nil	-
		Stock- Nil	-
2007	03 June, 2008	Cash- Nil	-
		Stock- 10%	N/A
2008	31 May, 2009	Cash- Nil	-
		Stock- 20%	N/A
2009	21 June, 2010	Cash- Nil	-
		Stock- 20%	N/A
2010	07 June, 2011	Cash- Nil	-
		Stock- 20%	N/A

Sd/-

**M Shah Alam Sarwar**  
Managing Director

## HIGHLIGHTS OF THE BANK

01. The Bank was incorporated on June 17, 1999 as a Public Limited Banking Company.
02. The Bank commenced its business on June 17, 1999 and has completed almost 11 (Eleven) successful years of operations.
03. The Bank was listed with Dhaka Stock Exchange Limited on September 25, 2007 and Chittagong Stock Exchange Limited on September 24, 2007.
04. The Authorized capital of the Bank is Tk. 500.00 crore and paid up capital is Tk. 266.112 crore as on September 30, 2011.
05. The Bank has been paying reasonable dividend to the shareholders.
06. The Bank has a network of 63 branches, 05 SME/Krishi Branch, 02 SME Service Centre.
07. Total equity structure of the Bank as on September 30, 2011 is shown below: -

(Amount in BDT)

Capital/Shareholders' Equity	September 30, 2011	December 31, 2010
Paid up capital	2,661,127,400	2,217,606,200
Share premium Account	-	-
Statutory reserve	1,775,666,188	1,566,403,090
Other reserve	158,489,711	118,280,731
Retained earnings	1,004,632,432	1,123,067,166
<b>Total Shareholders' Equity</b>	<b>5,599,915,731</b>	<b>5,025,357,187</b>
<b>Number of Shares of Tk. 100.00 each outstanding</b>	<b>26,611,274</b>	<b>22,176,062</b>
<b>Number of Shares of Tk. 10.00 each outstanding</b>	<b>266,112,740</b>	<b>221,760,620</b>
<b>Equity based value per Share/NAV per Share considering Tk. 100.00</b>	<b>210.43</b>	<b>226.61</b>
<b>Equity based value per Share/NAV per Share considering Tk. 10.00</b>	<b>21.04</b>	<b>22.66</b>

## FINANCIAL HIGHLIGHTS OF THE PREVIOUS YEARS

(Amount in BDT)

Particulars	30.09.2011	31.12.2010	31.12.2009	31.12.2008	31.12.2007	31.12.2006
Paid-up Capital	2,661,127,400	2,217,606,200	1,848,005,200	1,540,004,400	1,166,670,000	500,000,000
Total Equity	5,599,915,731	5,025,357,187	3,754,866,056	3,119,652,987	2,154,291,716	1,154,999,391
Profit after Tax	534,349,564	1,274,775,554	610,905,838	463,049,546	239,028,693	263,150,484
Number of Shares	26,611,274	22,176,062	18,480,052	15,400,044	11,666,700	5,000,000
Face Value	100.00	100.00	100.00	100.00	100.00	100.00
NAV Per Share	210.43	226.61	203.18	202.57	184.65	230.99
EPS	20.07	57.48	33.06	31.96	16.93	52.63
Face Value	10.00	10.00	10.00	10.00	10.00	10.00
NAV Per Share	21.04	22.66	20.31	20.25	18.46	23.09
EPS	2.00	5.74	3.30	3.19	1.69	5.26
Dividend	Cash: N/A	Cash: Nil	Cash: Nil	Cash: Nil	Cash: Nil	Cash: 12%
	Stock: N/A	Stock: 20%	Stock: 20%	Stock: 20%	Stock: 10%	Stock: Nil
Cash flow from Operating activities	7,059,343,981	(7,188,671,305)	10,918,381,007	(2,385,270,508)	3,392,592,385	2,412,048,149

## MARKET PRICE PER SHARE OF THE BANK FOR LAST 6 (SIX) MONTHS

(Amount in BDT)

Date	Market Performance	
	Face Value	Price
Market price per shares as on 29 December 2011	10.00	42.90
Market price per shares as on 30 November 2011	10.00	41.37
Market price per shares as on 31 October 2011	10.00	38.92
Market price per shares as on 29 September 2011	10.00	46.12
Market price per shares as on 25 August 2011	10.00	50.45
Market price per shares as on 31 July 2011	10.00	50.60
<b>Average Market Price per Share</b>	<b>10.00</b>	<b>45.06</b>

(Source: DSE Monthly Review, Considering Tk. 10.00)

## EXISTING SERVICES RENDERED BY THE BANK

Trust Bank Limited offers full-fledged commercial banking services. It has diversified product lines. It offers a full range of banking products and services such as deposit products, retail products, credit card, debit card, locker service, corporate financing, SME financing, syndicated financing, , SMS banking, phone banking, internet banking and so on. In addition to traditional project finance and trade finance, Trust Bank has a good number and recently launched a few SME financing and retail banking products.

### SME Products

- i) Loan for shopkeepers
- ii) Entrepreneurship loan for retirees
- iii) Loan for light engineering
- iv) Loan for power loom and handloom and other allied industries
- v) Agri-business loan
- vi) Loan for woman entrepreneurs
- vii) Peak seasons loan
- viii) Loan for bio-gas, solar energy and other agro-based industries

### Retail Deposit Products

Savings account, current account, Trust Parua Account, Trust Sristi Account, Trust Privilege Account, Trust Assurance Deposit Scheme, Trust Max, Trust Jhinuk, Trust Smart Savers Scheme, Lakhopoti Savings Scheme, Trust Money Making Scheme, Trust Double Scheme, Trust Educare, Interest First Deposit Scheme, Trust Target 50, Trust Mobile Money

### Retail Loan Products

- Unsecured loan: Any Purpose Loan, Advance Against Salary, Household Durables Loan, Education Loan, Travel Loan, Marriage Loan, Hospitalization Loan, Doctors' Loan, CNG Conversion Loan, Car Loan, RRDH Loan, Motor Cycle Loan, Trust Digital Loan
- Secured Loan: Apon Nibash Loan (House Finance), HBL Against Registered Mortgage for Defense Officers, Army Officers' Housing Loan Scheme, Trust Thikana-Home Loan, Loan Against Commutation Benefits for Defense Personnel.

The Bank obtained merchant banking license from Securities and Exchange Commission in the year 2008 and started full-fledged merchant banking operation. In 2010, merchant banking operation was separated from the traditional banking business by establishing a fully owned subsidiary company named Trust Bank Investment Limited.





**TRUST BANK LIMITED**

**Registered Office & Head Office**

Peoples Insurance Bhaban, 36 Dilkusha C/A, Dhaka-1000

**Tel:** 9570261, 9570263, 9572012-3 **Fax:** 880-2-9572315,

**Telex:** 632297 TBLC BJ, **Swift:** TTBLBDDH

**E-mail:** info@trustbanklimited.com, **Web:** www.trustbank.com.bd

Date of Incorporation	:	June 17, 1999
Date of Commencement	:	June 17, 1999
Listing with Dhaka Stock Exchange	:	September 25, 2007
Listing with Chittagong Stock Exchange	:	September 24, 2007
Authorized Capital	:	Tk. 500.00 Crore
Paid-up-Capital	:	Tk. 266.112 Crore
Shareholders' Equity	:	Tk. 599.991 Crore
Total Operating Income	:	Tk. 201.188 Crore
Total Assets	:	Tk. 7,170.977 Crore
Number of Employees	:	1,113
Number of Shareholders	:	29,560 Nos. (As on January 19, 2012)
Number of Branches	:	63 branches, 05 SME/Krishi Branch, 02 SME Service Centre

**MANAGING DIRECTOR**

M Shah Alam Sarwar

**COMPANY SECRETARY**

Khaled Mahbub Morshed, FCA

**AUDITOR**

**ACNABIN**

Chartered Accountants

BDBL Bhaban (13<sup>th</sup> Floor)

12 Kawran Bazar C/A, Dhaka-1215

**LEGAL COUNSEL**

**Dr. Monjur Kader**

Momtaz plaza (top flr)

House # 7, Road # 4

Dhanmondi R/A, Dhaka

Phone: 9614368

**TAX CONSULTANT**

**M/S ADN Associates**

Kaizuddin Tower (8<sup>th</sup> Floor)

47 Bijoy Nagar, Dhaka-1000

## BANKERS TO THE ISSUE OF RIGHTS ISSUE OF TRUST BANK LIMITED

TRUST BANK LIMITED			
1	Principal Branch, Dhaka	27	Mirpur Branch, Dhaka
2	SKB Branch, Dhaka	28	Naval Base Branch, Chittagong
3	Bogra Cantonment Branch, Bogra	29	Karwan Bazar Branch, Dhaka
4	Comilla Cantoment Branch, Comilla	30	Feni Branch, Feni
5	Chittagong Cantonment Branch, Chittagong	31	Joypara Branch, Dhaka
6	Rangpur Cantonment Branch, Rangpur	32	Joydevpur Branch, Gazipur
7	Jessore Cantonment Branch, Jessore	33	Narsingdi Branch, Narsingdi
8	Momenshahi Cantonment Branch, Mymensingh	34	Narayangonj Branch, Narayangonj
9	Savar Cantonment Branch, Savar	35	Jublee Road Branch, Chittagong
10	Jalalabad Cantonment Branch, Sylhet	36	Shahjalal Upa-Shahar Branch, Sylhet
11	Agrabad Branch, Chittagong	37	Ashugonj Branch, Brahmanbaria
12	Shaheed Salauddin Cantt. (SSC) Branch, Tangail	38	Khulna Branch, Khulna
13	Dhanmondi Branch, Dhaka	39	Amirabad Lohagara Branch, Chittagong
14	Khatungonj Branch, Chittagong	40	Kafrul Branch, Dhaka
15	Gulshan Corporate Branch, Dhaka	41	Tongi Branch, Gazipur
16	Dilkusha Corporate Branch, Dhaka	42	Chowmuhuni Branch, Noakhali
17	Radison Water Garden Hotel Branch, Dhaka	43	Progati Sarani Branch, Dhaka
18	KYAMCH (Khajwa Younus Ali Medical College & Hospital) Branch, Sirajgonj	44	Cox's Bazar Branch, Cox's Bazar
19	CDA Avenue Branch, Chittagong	45	Ashulia Branch, Ashulia, Dhaka
20	Sylhet Corporate Branch, Sylhet	46	Kadamtali Branch, Chittagong
21	Millennium Corporate Branch, Dhaka Cantonment	47	Rangamati Branch, Rangamati
22	Uttara Corporate Branch, Uttara	48	Rajshahi Branch, Rajshahi
23	Halishahar Branch, Chittagong	49	Barisal Branch, Barisal
24	Beani Bazar Branch, Sylhet	50	Comilla Branch, Comilla
25	Moulvi Bazar Branch, Moulvibazar	51	Elephant Road Branch, Dhaka
26	Goalabazar Branch, Sylhet	52	Rajendrapur Cantonment Branch, Gazipur
SOUTHEAST BANK LIMITED		INVESTMENT CORPORATION OF BANGLADESH (ICB)	
1	Principal Branch, Dhaka	1	Head Office, Dhaka
2	Corporate Branch, Dhaka	2	Chittagong Branch Agrabad C/A, Chittagong
3	Imamganj Branch, Dhaka	3	Rajshahi Braanch, Saheb Bazar, Rajshahi
4	Dhanmondi Branch, Dhaka	4	Khulna Branch, Shilpa Bank, Bhaban, Khulna
5	Uttara Branch, Dhaka	5	Barishal Branch, Hemayat Uddin Road, Barishal
6	New Elephant Road Branch, Dhaka	6	Sylhet Branch, Chamber Building, Jail Road, Sylhet
7	Banani Branch, Dhaka	7	Bogra Branch, Baragola, Bogra
8	Shaymoli Branch, Dhaka	8	Local Office, Nayapaltan, VIP Road, Dhaka
9	Mouchak Branch, Dhaka		
10	Bashundhara Branch, Dhaka		
11	Mohammadpur Branch, Dhaka		
12	Chouhatta Branch, Sylhet		
13	Pathantula Branch, Sylhet		
14	CDA Avenue Branch, Chittagong		
15	Pahartali Branch, Chittagong		

## JUSTIFICATION OF THE ISSUE PRICE OF RIGHTS SHARES

The rights issue price at Tk. 20.00 each including a premium of Tk. 10.00 per share is justified as per the guidelines of the Securities and Exchange Commission as given in the table below:

Price of Trust Bank Limited (TBL) as per Fixed Price Method	
Valuation Methods	Offer Price (BDT)
<b>Method 1:</b> Equity Based Value per Share	21.04
<b>Method 2:</b> Historical Earning Based Value per Share	35.91
<b>Method 3:</b> Average Market Price per Share	45.06

(Considering Taka 10.00 per share)

### Method 1: Equity Based Value per share

SL. NO.	Particulars	Amount (BDT)
A	Paid Up Capital	2,661,127,400
	Share Premium Account	-
	Statutory Reserve	1,775,666,188
	Other Reserve	158,489,711
	Retained Earnings	1,004,632,432
	<b>Total Shareholders' Equity</b>	<b>5,599,915,731</b>
B	<b>Total Number of Shares (As per Audit Accounts September 30, 2011)</b>	<b>266,112,740</b>
C	<b>Equity Based Value per Share</b>	<b>21.04</b>

(Considering Taka 10.00 per share)

### Method 2: Historical Earnings Based Value per Share

Year	No. of Share	Net Profit after tax	Weight of No. of Shares	Weighted Average of Net Profit after tax
2010	221,760,620	1,274,775,554	0.3049	388,729,246
2009	184,800,520	610,905,838	0.2541	155,241,034
2008	154,000,440	463,049,546	0.2118	98,056,974
2007	116,667,000	239,028,693	0.1604	38,346,623
2006	50,000,000	263,150,484	0.0688	18,092,694
	<b>727,228,580</b>	<b>2,850,910,115</b>	<b>1.0000</b>	<b>698,466,570.58</b>
<b>Total Number of Share (As per Audit Accounts 30 September 2011)</b>				<b>266,112,740</b>
<b>Weighted Average of Net Profit after tax (BDT)</b>				<b>2.62</b>
<b>Present Market PE (As per DSE Review December, 2011)</b>				<b>13.68</b>
<b>Historical Earnings Based Value per Share (2.62 x 13.68)</b>				<b>35.91</b>

(Considering Taka 10.00 per share)

### Method 3: Average Market Price per Share

(Source: DSE Monthly Review)

(Amount in BDT)

Date	Market Performance	
	Face Value	Price
Market price per shares as on 29 December 2011	10.00	42.90
Market price per shares as on 30 November 2011	10.00	41.37
Market price per shares as on 31 October 2011	10.00	38.92
Market price per shares as on 29 September 2011	10.00	46.12
Market price per shares as on 25 August 2011	10.00	50.45
Market price per shares as on 31 July 2011	10.00	50.60
<b>Average Market Price per Share</b>	<b>10.00</b>	<b>45.06</b>

(Considering Taka 10.00 per share)

## LENGTH OF TIME DURING WHICH THE ISSUER HAS CARRIED ON BUSINESS [Rule-8(j)]

Trust Bank Limited is a public listed scheduled bank categorized in private sector and established under the ambit of Bank Companies Act, 1991 and was incorporated as a Public Limited Company under the Companies Act, 1994 on June 17, 1999. The Bank started commercial banking operations from June 17, 1999 and has successfully completed almost 12 (Twelve) years of operation.

## IMPLEMENTATION SCHEDULE [Rule-8(k)]

The purpose of issuance of rights shares is to augment Bank's capital base as per regulatory requirement. The proceeds will be utilized partly in Bank's lending operation and partly in opening of branches. Substantial fund commitment for branch opening includes payment of rental advance. Interior decoration of branches and purchase of furniture, fixtures and equipment for starting a new branch. The bank plans to open 341 more branches within 2015. At present the Bank has 63 branches.

## QUANTITY OF SHARES HELD BY EACH DIRECTOR ON THE DATE OF THE RIGHTS SHARE OFFER DOCUMENT [Rule-8(l)]

Name of Directors	Position	Number of Shares*	Percentage (%)
Army Welfare Trust represented by Gen Md. Abdul Mubeen, ndc, psc	Chairman	159,665,350	60.00
Maj. Gen. Abu Belal Muhammad Shafiul Huq, ndc, psc	Vice Chairman	600	0.00023
Brig Gen Khan Abu Roushan Mohammad Mostafa Kamal, ndc, psc	Director	160	0.00006
Brig Gen Tushar Kanti Chakma, ndc, psc	Director	140	0.00005
Mrs. Begum Rokeya Din	Director	860	0.00032
Mr. Helal Uddin Ahmed	Director	16,640	0.00625
Brig Gen Md. Imamul Huda, psc	Director	600	0.00023
<b>Total</b>		<b>159,684,350</b>	<b>60.00714</b>

\* As on January 19, 2012

## COMPOSITION OF SHAREHOLDING POSITION OF THE COMPANY (AS ON JANUARY 19, 2012)

Particulars	No. of Shares Held	No. of Shareholders	Total Amount of Shares	% of Total Shares
Sponsors & Directors	159,688,290	15	1,596,882,900	60.01
General Public	48,788,598	29,160	507,885,980	19.08
Institutions	55,635,852	385	556,358,520	20.91
Government	Nil	Nil	Nil	Nil
<b>Total</b>	<b>266,112,740</b>	<b>29,560</b>	<b>2,661,127,400</b>	<b>100.00</b>

## BENEFICIAL OWNERS HOLDING SHARES 5% OR ABOVE

As per [Rule-8(l)] of the Securities and Exchange Commission (Rights Issue) Rules, 2006; Army Welfare Trust represented by Gen. Md. Abdul Mubeen, ndc, psc beneficial owner are holding shares 5% or above of the Bank.

## PUBLIC LISTED COMPANY UNDER COMMON MANAGEMENT

As per the Securities and Exchange Commission (Rights Issue) Rules, 2006; there is no Public Listed Company under the common Management of Trust Bank Limited.



## CLASSIFIED INFORMATION & UNDERWRITERS [Rule-8(o)]

<b>Issue Manager</b>	<b>AAA Consultants &amp; Financial Advisers Ltd.</b> Amin Court (4th Floor), Suit # 403-405, 62-63, Motijheel C/A, Dhaka-1000
<b>Auditors</b>	<b>ACNABIN</b> Chartered Accountants BDBL Bhaban (13 <sup>th</sup> Floor), 12 Kawran Bazar C/A, Dhaka-1215
<b>Bankers to the Issue</b>	<b>Trust Bank Limited</b> Peoples Insurance Bhaban, 36 Dilkusha C/A, Dhaka-1000
	<b>Southeast Bank Limited</b> Eunoos Trade Center, 52-53, Dilkusha C/A, Dhaka-1000
	<b>Investment Corporation of Bangladesh (ICB)</b> Head Office: BSB Building (13th floor), 8, Rajuk Avenue, Dhaka-1000

Trust Bank Limited is going to offer rights share of **53,222,550** Ordinary Shares of **Tk. 10.00** each issuing per share at **Tk. 20.00** including a premium of **Tk. 10.00** each share totaling **Tk. 1,064,451,000.00**. As per Securities and Exchange Commission's guideline, the issuer of a listed security making rights issue shall appoint one or more underwriters licensed under the Securities and Exchange Commission Act, 1996 to fully underwrite the rights issue on a firm commitment basis. Underwriting commission will be @ **0.05%** on the underwritten amount and there will be no additional commission for take up unsubscribed portion of shares if any.

Name of Underwriters	Number of Shares to be Underwritten	Offer price (BDT)	Total Amount Underwritten (BDT)
<b>FAS Finance &amp; Investment Limited</b> Suvastu Imam Square (4th Floor) 65 Gulshan Avenue, Gulshan, Dhaka-1212	5,500,000	20.00	110,000,000
<b>Southeast Bank Capital Services Limited</b> Eunoos Center (Level-2), 52-53, Dilkusha C/A, Dhaka-1000.	5,500,000	20.00	110,000,000
<b>Prime Finance Capital Management Limited</b> 63, Dilkusha C/A (3rd Floor), Dhaka-1000	5,500,000	20.00	110,000,000
<b>Union Capital Limited</b> Noor Tower (5th Floor), 1/F Free School Street 73 Sonargaon Road Dhaka-1205	5,500,000	20.00	110,000,000
<b>Green Delta LR Financial Services Limited</b> Hadi Mansion (6th Floor), 2 Dilkusha C/A, Dhaka-1000	5,500,000	20.00	110,000,000
<b>AAA Consultants &amp; Financial Advisers Ltd.</b> Amin Court (4th Floor), Suit # 403-405, 31, Bir Uttam Shahid Ashfaqus Samad Road, Dhaka-1000	5,500,000	20.00	110,000,000
<b>Bangladesh Mutual Securities Limited</b> Shareef Mansion (7th Floor) 56-57 Motijheel C/A, Dhaka-1000	5,500,000	20.00	110,000,000
<b>IDLC Finance Limited</b> Bay's Galleria (1st Floor), 57 Gulshan Avenue, Gulshan, Dhaka-1212	5,500,000	20.00	110,000,000
<b>Swadesh Investment Management Limited</b> Suite # 01, Level-11, Unique Trade Center 8 Panthapath, Karwan Bazar, Dhaka-1215	5,500,000	20.00	110,000,000
<b>Banco Finance &amp; Investment Ltd.</b> Ispahani Building (3 <sup>rd</sup> Floor), Motijheel C/A, Dhaka-1000	3,722,550	20.00	74,451,000
<b>Total</b>	<b>53,222,550</b>	<b>20.00</b>	<b>1,064,451,000</b>

## UNDERWRITERS' OBLIGATION

If and to the extent that the shares offered to the existing shareholders by the Rights Share Offer Document authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within **10** (ten) days of the closure of subscription call upon the underwriters (for full unsubscribed amount) in writing with a copy of said writing to the Securities and Exchange Commission, to subscribe for shares not subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within **15** (fifteen) days after being called upon to do so. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his commitment under this Agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's account has been credited. In any case, within **7** (seven) days after the expiry of the aforesaid **15** (fifteen) days, the Company shall send proof of subscription and payment by the underwriters, to the Commission.

## DIRECTORS' TAKE-UP IN THE RIGHTS OFFER [RULE-8(Q)]

Director's Take-up in the Rights Offer [Rule-8(Q)] is as under:

Name of Directors	Status	Number of Shares held*	Number of Rights Share Offered	Number of Rights Shares to be Renounced
Army Welfare Trust represented by Gen. Md. Abdul Mubeen, ndc, psc	Chairman	159,665,350	31,933,070	Nil
Maj. Gen. Abu Belal Muhammad Shafiul Huq, ndc, psc	Vice Chairman	600	120	Nil
Brig Gen Khan Abu Roushan Mohammad Mostafa Kamal, ndc, psc	Director	160	32	Nil
Brig Gen Tushar Kanti Chakma, ndc, psc	Director	140	28	Nil
Mrs. Begum Rokeya Din	Director	860	172	Nil
Helal Uddin Ahmed	Director	16,640	3,328	Nil
Brig Gen Md. Imamul Huda, psc	Director	600	120	Nil

\* As on January 19, 2012

# TERMS AND CONDITIONS OF THE RIGHTS ISSUE

## Basis Of the Offer

The Company records its share register of members on **April 03, 2012** for determining the shareholders who are eligible to receive this offer of shares on rights basis. The ordinary shares are now being offered on a rights basis to the shareholders holding shares on the record date at Tk. **20.00** each share including a premium of **Tk. 10.00** per share in the ratio of **01(R):05** i.e. one rights share for **5** (Five) existing shares held on the record date.

## Entitlement

As a shareholder of the Company on the record date on **April 03, 2012** the shareholders are entitled to this Rights Offer. Only the holder(s) of a minimum of one fully paid ordinary share is entitled to receive the Rights Offer.

## Acceptance Of the Offer

A shareholder may accept and apply for the shares hereby offered, wholly or in part by filling in Application - Form A and submitting the same along with the application money to the Bankers to the Issue on or before the Closing Date of subscription of **May 17, 2012**.

## Renunciation

A shareholder may renounce all or part of the shares he/she is entitled to, in favour of any other person(s) other than an infant or person of unsound mind. He/she can renounce his/her rights/entitlement of shares by signing Renunciation Form-B. Renouncee(s) shall fill in Form-C appropriately.

## General

All applications should be made on the printed form provided by the Company in this Rights Share Offer Document only and should be completed in all respects. Applications which are not completed in all respects or are made otherwise than as herein provided or are not accompanied by the proper application amount of deposit are liable to be rejected and the application money received in respect thereof shall be refunded.

All communications in connection with the application for the Rights Share should be addressed to the Company quoting the registered folio number/BO ID number in the form.

## Condition Of Subscription

Rights Offer of **53,222,550** Ordinary Shares of **Tk. 20.00** each including a premium of **Tk. 10.00** per share, totaling **Tk. 1,064,451,000.00** offered on the basis of **01(R):05** i.e, 1 (One) rights share for 5 (Five) existing shares held by the Shareholder(s) whose name(s) appeared in the Company's Share Register at the record date as on **April 03, 2012**.

## Payment Of Share Price

Payments for the full value of Shares applied for shall be made with designated Branches of Bankers to the Issue by Cash/Pay Order/Demand Draft payable to "**Trust Bank Limited**" and crossed. The Pay Order/Demand Draft for payment of share price must be drawn on a Bank in the same town to which the application form has been submitted.

Subscription	Opens on: <b>April 22, 2012</b>
	Closes on: <b>May 17, 2012</b>
Within Banking Hours	

Any changes or extension regarding subscription period will be notified through national dailies.

## **Lock-In On Rights Share**

The Rights Shares of Directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription. In the event of renunciation of rights shares by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period.

## **Others**

The application not properly filled in, shall be treated as cancelled and deposited money will be refunded. For any reason, no profit/compensation will be paid on the refunded amount.

The offer will be deemed to have been declined if completed Application Form-A with necessary payments have not been received by **May 17, 2012** or by such later date as may be notified through national dailies to that effect.

## **MATERIAL CONTRACTS**

### **Bankers to the Issue**

**Trust Bank Limited, Southeast Bank Limited and Investment Corporation of Bangladesh** are the bankers to the issue who will collect the subscription money of the rights offer. Commission @ **0.10%** will be paid to bankers to the issue for the services to be rendered by them. The rights issue subscription money collected from the shareholders by the bankers to the issue will be remitted to the company's **STD Account no. 0017-0320000932** with **Trust Bank Limited, Dilkusha Corporate Branch, Dhaka**.

### **Underwriters**

Full amount of rights offer of Trust Bank Limited have been underwritten by **10** (ten) underwriters as shown in the classified information part of ROD. Each underwriter will be paid underwriting commission @ **0.05%** of the nominal value of shares underwritten by them out of the rights issue. Simultaneously, with the calling upon an underwriter to subscribe and pay for any number of shares, the company will pay no additional commission to that underwriter on the nominal value of shares required to be subscribed by them.

### **Manager to the Issue**

AAA Consultants & Financial Advisers Ltd. is appointed as Manager to the Issue of the rights issue of the Company. Accordingly, an agreement was made between the issue manager and the Company. The Company will pay issue management fee lump sum BDT. 5.00 lac to the Manager to the Issue.

### **Vendor's Agreement**

Trust Bank Limited has not entered into any Vendors' Agreement.

### **Acquisition Of Property**

The Bank did not acquire any property or enter into agreement for acquisition of any property after the balance sheet date January to 30 September 2011.

**FORM - A**  
**[rule 5 and rule 8(t)]**

**DECLARATION (DUE DILIGENCE CERTIFICATE) ABOUT RESPONSIBILITY OF THE ISSUE MANAGER  
IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT OF TRUST BANK LIMITED**

This rights share offer document has been reviewed by us and we confirm after due examination that the rights share offer document constitutes full and fair disclosures about the rights issue and the issuer and complies with the requirements of the Securities and Exchange Commission (Rights Issue) Rules, 2006; and that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006.

For AAA Consultants & Financial Advisers Ltd.

Place: Dhaka  
Dated: June 15, 2011

Sd/-  
**(Khwaja Arif Ahmed)**  
Managing Director & CEO

**FORM - B**  
**[rule 6 and rule 8(t)]**

**DECLARATION (DUE DILIGENCE CERTIFICATE) ABOUT RESPONSIBILITY OF THE UNDERWRITER(S)  
IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT OF TRUST BANK LIMITED**

This rights share offer document has been reviewed by us and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

Place: Dhaka  
Dated: June 15, 2011

For  
(Name of Underwriters)

Union Capital Limited
IDLC Finance Limited
Banco Finance & Investment Ltd.
FAS Finance & Investment Limited
Bangladesh Mutual Securities Limited
Southeast Bank Capital Services Limited
Green Delta LR Financial Services Limited
AAA Consultants & Financial Advisers Ltd.
Swadesh Investment Management Limited
Prime Finance Capital Management Limited

Sd/-  
**Managing Director(s)**

**FORM-C**  
**[See Rule 8(h), 8(i) and 8 (t)]**  
**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the accompanying financial statements for the period from 1<sup>st</sup> January 2011 to 30<sup>th</sup> September 2011 of **Trust Bank Limited** in accordance with the International Standards of Auditing, as applicable in Bangladesh, and we state that we have obtained all the information and explanations which we have required, and after due verification thereof, we report that, in our opinion:

- (a) These financial statements have been drawn up in accordance with the requirements of the Securities and Exchange Rules, 1987, as amended, the Companies Act, 1994 and other relevant laws where applicable, and the International Accounting Standards, as applicable in Bangladesh.
- (b) These financial statements which are in agreement with the books of account of the issuer company give a true and fair view of the state of its affairs as at 30<sup>th</sup> September 2011 and of the result of its operations and cash flows for the period/year then ended.
- (c) Proper books of account have been kept by the issuer company as required by the relevant laws.
- (d) The expenditure incurred was for the purposes of the issuer company's business.

We also certify that the above issuer company has declared the following dividend for each of the following five years immediately preceding the issue of rights share offer document under the Securities and Exchange Commission (Rights Issue) Rules, 2006, and that the company has duly paid off the following amounts of the declared dividend mentioned against respective year:

Financial Year	Date of Dividend Declaration	Declared Dividend		
		Rate (%)	Total Amount (TK.)	Total Paid (Tk.)
2006				Nil
2007	3-June 2008	10% Stock Dividend	116,667,000	116,667,000
2008	17-March-2009	20% Stock Dividend	308,000,800	308,000,800
2009	29-March -2010	20% Stock Dividend	369,601,000	369,601,000
2010	23-March-2011	20% Stock Dividend	443,521,240	

Dated: Dhaka  
January 19, 2012

Sd/-  
**ACNABIN**  
Chartered Accountants

## FORM-D

[rule 8(t)]

### DUE DILIGENCE CERTIFICATE BY THE DIRECTORS ABOUT THEIR PERSONAL RESPONSIBILITY IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT

This rights share offer document has been prepared, seen, reviewed and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given in the rights share offer document, relevant documents and financial statements submitted to the Commission and others concerned under the Securities and Exchange Commission (Rights Issue) Rules, 2006.

We confirm, after making all reasonable enquiries, that all conditions concerning this rights issue and rights share offer document have been met. We further confirm that we have not concealed any information or statement which might have any bearing on the information already made. In case of any default or failure on our part, civil, criminal or administrative action may be taken against us.

Sd/- <b>Gen. Md. Abdul Mubeen, ndc, psc</b> Chairman	Sd/- <b>Maj. Gen. Abu Belal Muhammad Shafiul Huq, ndc, psc</b> Vice Chairman
Sd/- <b>Brig. Gen. Tushar Kanti Chakma, ndc, psc</b> Director	Sd/- <b>Brig. Gen. Khan Abu Roushan Mohammad Mostafa</b> Kamal, ndc, psc Director
Sd/- <b>Helal Uddin Ahmed</b> Director	Sd/- <b>Mrs. Begum Rokeya Din</b> Director
Sd/- <b>Brig. Gen. Md. Imamul Huda, psc</b> Director	

**AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF TRUST BANK LIMITED**

We have audited the accompanying consolidated financial statements of Trust Bank Limited and its subsidiary, Trust Bank Investment Limited which comprise the balance sheet as of 30 September 2011, profit and loss account, cash flow statement, statement of changes in equity, for the period from 01 January 2011 to 30 September 2011 and a summary of significant accounting policies and other explanatory information. We have also audited the financial statements comprising the balance sheet as of 30 September 2011 and profit and loss account, cash flow statement, statement of changes in equity and liquidity statement of Trust Bank Limited for the period from 01 January 2011 to 30 September 2011.

**Management Responsibilities for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Bank Guidelines and Bangladesh Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 financial statements.

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

**Opinion**

In our opinion, the financial statements referred to above which have been prepared in the format prescribed by Bangladesh Bank vide Circular no. 14 dated 25 June 2003 and in accordance with Bangladesh Financial Reporting Standards give a true and fair view of the state of affairs of the Bank as at 30 September 2011 and of the results of its operations and its cash flows for the period from 01 January 2011 to 30 September 2011 and comply with the Companies Act 1994, the Bank Company Act 1991, Rules and Regulations issued by Bangladesh Bank, Securities and Exchange Rules 1987 and other applicable laws and regulations.



We further 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 accounts as required by law were kept by the Bank 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 the branches not visited by us;
- (iii) the Bank's balance sheet and profit and loss account dealt with by the report are in agreement with the books of accounts and returns;
- (iv) the expenditures incurred were for the purpose of the Bank's operations;
- (v) the financial position of the Bank as at 30 September 2011 and the profit for the period from 01 January 2011 to 30 September 2011 have been properly reflected in the financial statements, and the financial statements have been prepared in accordance with the generally accepted accounting principles;
- (vi) the financial statements have been drawn up in conformity with the Bank Company Act, 1991 and in accordance with the accounting rules and regulations issued by Bangladesh Bank;
- (vii) adequate provisions have been made for advances and other assets which are, in our opinion, doubtful of recovery;
- (viii) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (ix) the financial statements conform to the prescribed standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR) with Bangladesh Bank have been maintained as per rule;
- (xii) as far as it was revealed from our test checks, the existing rules and regulations for loan sanctioning and disbursements have been followed properly;
- (xiii) it appeared from our test checks that the internal control system was satisfactory and adequate to prevent probable frauds and forgeries;
- (xiv) adequate capital of the Bank, as required by law, has been maintained during the period under audit;
- (xvi) we were not aware of any other matters, which are required to be brought to the notice of the shareholders of the Bank;
- (xvii) 80% of the risk-weighted assets of the Bank have been audited; and
- (xviii) we have spent approximately 2,250 man hours for the audit of books and accounts of the Bank.

Dhaka,  
19 January 2011

**Sd/-**  
**ACNABIN**  
**Chartered Accountants**

**TRUST BANK LIMITED**  
and its subsidiary  
**Consolidated Balance Sheet**  
As of 30 September 2011

PROPERTY AND ASSETS	Notes	30.09.2011 Taka	31.12.2010 Taka
<b>Cash</b>	3		
Cash in hand (including foreign currencies)		1,071,698,069	519,467,958
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		4,959,623,194	4,122,034,251
		<b>6,031,321,263</b>	<b>4,641,502,209</b>
<b>Balance with other banks and financial institutions</b>	4 (a)		
In Bangladesh		1,088,999,808	318,714,725
Outside Bangladesh		576,388,753	419,678,019
		<b>1,665,388,561</b>	<b>738,392,744</b>
<b>Money at call and short notice</b>	5	<b>4,100,000,000</b>	-
<b>Investments</b>	6		
Government		7,172,450,256	6,714,007,381
Others		1,791,672,107	1,845,932,388
		<b>8,964,122,363</b>	<b>8,559,939,769</b>
<b>Loans and Advances/Islami Banking Investments</b>	7 (a)		
Loans, Cash Credit, Overdrafts etc./Investments		47,931,724,588	41,501,591,601
Bills purchased and discounted		1,536,450,201	1,258,841,394
		<b>49,468,174,789</b>	<b>42,760,432,995</b>
<b>Fixed assets including premises, furniture and fixtures</b>	8 (a)	<b>469,502,252</b>	<b>431,006,157</b>
<b>Other assets</b>	9 (a)	<b>1,728,303,472</b>	<b>1,229,399,926</b>
<b>Non-banking assets</b>		-	-
<b>Total Assets</b>		<b>72,426,812,700</b>	<b>58,360,673,800</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	10 (a)	<b>369,299,290</b>	<b>460,247,719</b>
<b>Deposits and other accounts</b>	11 (a)		
Current /Al-wadeeah Current Accounts and other Accounts		8,327,361,450	6,247,062,620
Bills Payable		683,637,373	656,010,698
Savings Bank /Mudaraba Savings Deposits		5,481,195,591	5,336,185,241
Fixed Deposits /Mudaraba Term Deposits		49,334,988,747	38,118,642,723
		<b>63,827,183,161</b>	<b>50,357,901,282</b>
<b>Other liabilities</b>	12 (a)	<b>2,301,778,793</b>	<b>2,497,504,163</b>
<b>Total Liabilities</b>		<b>66,498,261,244</b>	<b>53,315,653,164</b>
<b>Capital/Shareholders' Equity</b>			
Paid up Capital	13.2	2,661,127,400	2,217,606,200
Minority Interest	13(a)	772	705
Statutory Reserve	14	1,775,666,188	1,566,403,090
Other Reserve	15	158,489,711	118,280,731
Retained Earnings	16 (a)	1,333,267,385	1,142,729,910
<b>Total Shareholders' Equity</b>		<b>5,928,551,456</b>	<b>5,045,020,636</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>72,426,812,700</b>	<b>58,360,673,800</b>

<b>OFF-BALANCE SHEET ITEMS</b>	<b>Notes</b>	<b>30.09.2011 Taka</b>	<b>31.12.2010 Taka</b>
<b>Contingent Liabilities</b>	17		
Acceptances and endorsements		5,132,609,980	3,733,538,904
Letter of Guarantees		3,659,555,211	4,074,580,745
Irrevocable Letter of Credits		8,401,218,650	8,208,530,370
Bills for collection		2,732,955,345	2,934,030,510
		<b>19,926,339,186</b>	<b>18,950,680,529</b>
Other Contingent Liabilities		-	-
<b>Total</b>		<b>19,926,339,186</b>	<b>18,950,680,529</b>
<b>Other commitments</b>			
Documentary Credit and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total</b>		-	-
<b>Total Off-Balance Sheet items including contingent liabilities</b>		<b>19,926,339,186</b>	<b>18,950,680,529</b>

The annexed notes from an integral part of the Consolidated Balance Sheet.

Sd/-  
**Vice Chairman**

Sd/-  
**Director**

Sd/-  
**Director**

Sd/-  
**Managing Director**

This is the Consolidated Balance Sheet referred to in our separate report of even date.

Dhaka,  
19 January 2012

Sd/-  
**ACNABIN**  
**Chartered Accountants**

**TRUST BANK LIMITED**  
and its subsidiary  
**Consolidated Profit and Loss Account**  
For the period from 01 January 2011 to 30 September 2011

		(Amount in Taka)	
Notes	01 Jan '11 to 30 Sep '11	01 Jan '10 to 30 Sep '10	
<b>Operating Income</b>			
Interest income / Profit on Investments	18 (a) 4,694,128,294	3,541,916,212	
Interest / Profit shared on deposits and borrowings etc.	19 (a) 3,452,343,816	2,419,916,844	
<b>Net interest income /net profit on investments</b>	<b>1,241,784,478</b>	<b>1,121,999,368</b>	
Income from investments	20 546,571,305	726,620,994	
Commission, exchange and brokerage	21 (a) 450,679,495	331,662,086	
Other operating income	22 (a) 336,478,433	605,116,157	
	1,333,729,233	1,663,399,237	
<b>Total operating income</b>	<b>2,575,513,711</b>	<b>2,785,398,605</b>	
<b>Operating Expenses</b>			
Salaries and allowances	23 (a) 471,170,028	426,419,604	
Rent, taxes, insurance, electricity, etc.	24 (a) 127,513,365	109,738,283	
Legal expenses	1,687,295	658,093	
Postage, stamps, telecommunications, etc.	25 (a) 37,804,229	28,739,928	
Stationery, printing, advertisement etc.	26 (a) 52,749,124	34,617,722	
Managing Director's salary and benefits	7,380,000	7,380,000	
Directors' fees	27 (a) 1,147,000	992,400	
Auditors' fee	201,250	-	
Charges on loan losses	-	-	
Depreciation and repair of bank's assets	28 (a) 102,331,953	85,556,582	
Other expenses	29 (a) 146,554,280	142,895,582	
<b>Total operating expenses</b>	<b>948,538,524</b>	<b>836,998,194</b>	
<b>Profit before provision</b>	<b>1,626,975,187</b>	<b>1,948,400,411</b>	
Provision for loans and advances / Investments	30 (a) 60,678,000	53,500,000	
Provision for Diminution in value of Investments	31 22,906,601	11,134,747	
Other provision	32 2,719,455	72,379,031	
<b>Total Provision</b>	<b>86,304,056</b>	<b>137,013,778</b>	
<b>Total Profit before Taxes</b>	<b>1,540,671,131</b>	<b>1,811,386,633</b>	
<b>Provision for Taxation</b>			
Current tax	12.5 (a) 705,383,365	790,000,000	
Deferred tax	(8,034,074)	(6,748,327)	
	697,349,291	783,251,673	
<b>Net Profit after Taxation</b>	<b>843,321,840</b>	<b>1,028,134,960</b>	
<b>Appropriations</b>			
Statutory Reserve (@ 20% on profit before taxes)	209,263,098	362,277,327	
General reserve	-	-	
	<b>209,263,098</b>	<b>362,277,327</b>	
<b>Retained surplus</b>	<b>634,058,742</b>	<b>665,857,633</b>	
Earning per share (EPS) before split (Face Value Tk. 100)	33 (a) 31.69	38.64	
Earning per share (EPS) after split (Face Value Tk.10)	3.17	3.86	

\*Restated as per BAS-33

The annexed notes from an integral part of the Consolidated Profit and Loss Account.

Sd/-  
**Vice Chairman**

Sd/-  
**Director**

Sd/-  
**Director**

Sd/-  
**Managing Director**

This is the Consolidated Profit and Loss Account referred to in our separate report of even date.

Dhaka,  
19 January 2012

Sd/-  
**ACNABIN**  
Chartered Accountants

**TRUST BANK LIMITED**  
and its subsidiary

**Consolidated Cash Flow Statement**

For the period from 01 January 2011 to 30 September 2011

		(Amount in Taka)	
Notes	01 Jan '11 to 30 Sep '11	01 Jan '10 to 30 Sep '10	
<b>A. Cash flow from operating activities</b>			
	4,234,093,789	3,312,463,734	
	(3,024,359,237)	(2,574,236,289)	
	86,155,087	19,227,118	
	409,748,073	325,102,438	
	-	-	
	(581,992,092)	(537,391,810)	
	(41,402,174)	(31,709,989)	
	(713,430,492)	(463,386,791)	
34 (a)	893,415,632	1,417,381,784	
35 (a)	(474,349,513)	(375,028,394)	
	<b>787,879,073</b>	<b>1,092,421,801</b>	
<b>Increase/(Decrease) in operating assets &amp; liabilities</b>			
	-	-	
	54,260,281	(4,116,626,155)	
	-	-	
	(5,561,424,916)	(7,907,908,410)	
36 (a)	(68,369,744)	(364,764,366)	
	129,845,000	140,193,877	
	12,911,451,358	4,560,274,689	
	-	-	
	-	-	
37 (a)	(82,420,482)	(4,582,673)	
	<b>8,171,220,570</b>	<b>(6,600,991,237)</b>	
<b>B. Cash flow from investing activities</b>			
	-	-	
	(418,039,895)	672,098,204	
	(119,824,002)	(118,019,050)	
	(38,572,172)	(5,977,424)	
	1,704,352	2,711,920	
	<b>(574,731,717)</b>	<b>550,813,650</b>	
<b>C. Cash flow from financing activities</b>			
	-	-	
	-	750,000,000	
	-	-	
	(1,221,553,771)	(23,635,634)	
	-	-	
	<b>(1,221,553,771)</b>	<b>726,364,366</b>	
<b>D. Net increase in Cash and Cash Equivalent (A+B+C)</b>	<b>6,374,935,082</b>	<b>(5,323,813,221)</b>	
<b>E. Effects of exchange rate changes on cash and cash equivalents</b>	<b>42,073,789</b>	<b>7,515,833</b>	
<b>F. Opening Cash and Cash Equivalent</b>	<b>5,382,476,153</b>	<b>11,072,211,105</b>	
38	<b>11,799,485,024</b>	<b>5,755,913,717</b>	

**TRUST BANK LIMITED**  
**and its subsidiary**  
**Consolidated Statement of changes in Equity**  
**For the period from 01 January 2011 to 30 September 2011**

(Amount in Taka)

Particulars	Paid up Capital	Share Premium Account	Minority Interest	Statutory Reserve	Other Reserve	Retained Earnings	Total
<b>Balance as at 01 January 2011</b>	<b>2,217,606,200</b>	-	705	<b>1,566,403,090</b>	<b>118,280,731</b>	<b>1,142,729,910</b>	<b>5,045,020,636</b>
Changes in accounting policy	-	-	-	-	-	-	-
Restated Balance	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of investment	-	-	-	-	40,208,980	-	40,208,980
Currency transaction difference	-	-	-	-	-	-	-
Net gain and losses not recognized in the income statement	-	-	-	-	-	-	-
Net profit/(loss) for the period after tax	-	-	67	-	-	843,321,840	843,321,907
Statutory reserve	-	-	-	209,263,098	-	(209,263,098)	-
Dividends (Bonus Share)	443,521,200	-	-	-	-	(443,521,200)	-
Issue of Share Capital	-	-	-	-	-	-	-
<b>Balance as at 30 September 2011</b>	<b>2,661,127,400</b>	-	<b>772</b>	<b>1,775,666,188</b>	<b>158,489,711</b>	<b>1,333,267,452</b>	<b>5,928,551,523</b>

**TRUST BANK LIMITED**  
**Balance Sheet**  
**As of 30 September 2011**

<b>PROPERTY AND ASSETS</b>	<b>Notes</b>	<b>30.09.2011 Taka</b>	<b>31.12.2010 Taka</b>
<b>Cash</b>	3		
Cash in hand (including foreign currencies)		1,071,698,069	519,467,958
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		4,959,623,194	4,122,034,251
		<b>6,031,321,263</b>	<b>4,641,502,209</b>
<b>Balance with other banks and financial institutions</b>	4		
In Bangladesh		1,088,999,808	318,714,725
Outside Bangladesh		576,388,753	419,678,019
		<b>1,665,388,561</b>	<b>738,392,744</b>
<b>Money at call and short notice</b>	5	<b>4,100,000,000</b>	-
<b>Investments</b>	6		
Government		7,172,450,256	6,714,007,381
Others		1,791,672,107	1,845,932,388
		<b>8,964,122,363</b>	<b>8,559,939,769</b>
<b>Loans and Advances/Islami Banking Investments</b>	7		
Loans, Cash Credit, Overdrafts etc./Investments		44,284,618,638	38,541,082,597
Bills purchased and discounted		1,536,450,201	1,258,841,394
		<b>45,821,068,839</b>	<b>39,799,923,991</b>
<b>Fixed assets including premises, furniture and fixtures</b>	8	<b>448,702,018</b>	<b>413,124,269</b>
<b>Other assets</b>	9	<b>4,679,173,380</b>	<b>4,123,449,303</b>
<b>Non-banking assets</b>		-	-
<b>Total Assets</b>		<b><u>71,709,776,424</u></b>	<b><u>58,276,332,285</u></b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities:</b>			
Borrowings from other banks, financial institutions and agents	10	347,886,657	463,945,447
<b>Deposits and other accounts:</b>	11		
Current / Al-wadeeah Current Accounts and other Accounts		8,147,167,727	5,681,378,972
Bills Payable		683,637,373	656,010,698
Savings Bank / Mudaraba Savings Deposits		5,481,195,591	5,336,185,241
Fixed Deposits / Mudaraba Term Deposits		49,386,727,185	38,739,716,060
Bearer Certificates of Deposit		-	-
Other Deposits		-	-
		<b>63,698,727,876</b>	<b>50,413,290,971</b>
<b>Other liabilities</b>	12	<b>2,063,246,160</b>	<b>2,373,738,680</b>
<b>Total Liabilities</b>		<b><u>66,109,860,693</u></b>	<b><u>53,250,975,098</u></b>
<b>Capital/Shareholders' Equity</b>			
Paid up Capital	13.2	2,661,127,400	2,217,606,200
Share Premium Account		-	-
Statutory Reserve	14	1,775,666,188	1,566,403,090
Other Reserve	15	158,489,711	118,280,731
Retained Earnings	16	1,004,632,432	1,123,067,166
<b>Total Shareholders' Equity</b>		<b>5,599,915,731</b>	<b>5,025,357,187</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b><u>71,709,776,424</u></b>	<b><u>58,276,332,285</u></b>

**OFF-BALANCE SHEET ITEMS****Contingent Liabilities**

Acceptances and endorsements  
 Letter of Guarantees  
 Irrevocable Letter of Credits  
 Bills for collection

Other Contingent Liabilities

**Total**

**Other commitments**

Documentary Credit and short term trade -related transactions  
 Forward assets purchased and forward deposits placed  
 Undrawn note issuance and revolving facilities  
 Undrawn formal standby facilities, credit lines and other commitments

**Total**

**Total Off-Balance Sheet items including contingent liabilities**

Notes	30.09.2011 Taka	31.12.2010 Taka
17		
	5,132,609,980	3,733,538,904
	3,659,555,211	4,074,580,745
	8,401,218,650	8,208,530,370
	2,732,955,345	2,934,030,510
	<b>19,926,339,186</b>	<b>18,950,680,529</b>
	-	-
	<b>19,926,339,186</b>	<b>18,950,680,529</b>
	-	-
	-	-
	-	-
	-	-
	<b>19,926,339,186</b>	<b>18,950,680,529</b>

The annexed notes from an integral part of the Balance Sheet.

Sd/-  
**Vice Chairman**

Sd/-  
**Director**

Sd/-  
**Director**

Sd/-  
**Managing Director**

This is the Balance Sheet referred to in our separate report of even date.

Dhaka,  
 19 January 2012

Sd/-  
**ACNABIN**  
**Chartered Accountants**





**TRUST BANK LIMITED**  
**Cash Flow Statement**  
**For the period from 01 January 2011 to 30 September 2011**

			(Amount in Taka)	
Notes	01 Jan '11 to 30 Sep '11	01 Jan '10 to 30 Sep '10		
<b>A. Cash flow from operating activities</b>				
Interest received in cash	3,876,862,938	3,312,463,734		
Interest payments	(3,022,313,748)	(2,574,236,289)		
Dividend receipts	86,155,087	19,227,118		
Fees and commission receipts in cash	409,105,280	325,102,438		
Recoveries of loans previously written off	-	-		
Cash paid to employees	(558,722,034)	(537,391,810)		
Cash paid to suppliers	(41,128,156)	(31,709,989)		
Income Taxes paid	(677,169,191)	(463,386,791)		
Received from other operating activities (item-wise)	34 685,672,177	1,417,381,784		
Payments for other operating activities (item-wise)	35 (434,355,447)	(375,028,394)		
<b>Operating profit before changes in operating Assets and Liabilities</b>	<b>324,106,906</b>	<b>1,092,421,801</b>		
<b>Increase/(Decrease) in operating assets &amp; liabilities</b>				
Statutory Deposits	-	-		
Net Investment in trading securities	54,260,281	(4,116,626,155)		
Loan & advance to other banks	-	-		
Loan & advance to customers	(6,005,433,312)	(7,907,908,410)		
Other assets (item-wise)	36 (124,475,710)	(364,764,366)		
Deposits from other banks	129,845,000	140,193,877		
Deposits from customers	12,727,606,384	4,560,274,689		
Other liabilities account of customers	-	-		
Trading liabilities	-	-		
Other liabilities (item-wise)	37 (46,565,568)	(4,582,673)		
<b>Net cash from/ (used in) operating activities (A)</b>	<b>7,059,343,981</b>	<b>(6,600,991,237)</b>		
<b>B. Cash flow from investing activities</b>				
Proceeds from sale of securities	-	-		
Payments for purchase of government securities	(418,039,895)	672,098,204		
Purchase of property, plant & equipment	(112,930,167)	(118,019,050)		
Purchase of intangible assets	(38,572,172)	(5,977,424)		
Sale of property, plant & equipment	1,192,125	2,711,920		
<b>Net cash from/ (used in) investing activities (B)</b>	<b>(568,350,109)</b>	<b>550,813,650</b>		
<b>C. Cash flow from financing activities</b>				
Increase/(Decrease) in Borrowing:				
Call loan	-	750,000,000		
Re-purchase agreement (REPO)	-	-		
Other borrowings	(116,058,790)	(23,635,634)		
Share Capital A/c	-	-		
Share Premium A/c	-	-		
<b>Net cash from / (used in) financing activities (C)</b>	<b>(116,058,790)</b>	<b>726,364,366</b>		
<b>D. Net increase in Cash and Cash Equivalent (A+B+C)</b>	<b>6,374,935,082</b>	<b>(5,323,813,221)</b>		
<b>E. Effects of exchange rate changes on cash and cash equivalents</b>	<b>42,073,789</b>	<b>7,515,833</b>		
<b>F. Opening Cash and Cash Equivalent</b>	<b>5,382,476,153</b>	<b>11,072,211,105</b>		
<b>Cash and cash equivalents at end of period (D+E+F)</b>	<b>38 11,799,485,024</b>	<b>5,755,913,717</b>		

**TRUST BANK LIMITED**  
**Statement of changes in Equity**  
For the period from 01 January 2011 to 30 September 2011

(Amount in Taka)

Particulars	Paid-up Capital	Statutory Reserve	Other Reserve	Retained Earnings	Total
<b>Balance as at 1 January 2011</b>	<b>2,217,606,200</b>	<b>1,566,403,090</b>	<b>118,280,731</b>	<b>1,123,067,166</b>	<b>5,025,357,187</b>
Changes in accounting policy	-	-	-	-	-
Restated Balance	-	-	-	-	-
Surplus/Deficit on revaluation of properties	-	-	-	-	-
Surplus/Deficit on revaluation of investment	-	-	40,208,980	-	40,208,980
Currency transaction difference	-	-	-	-	-
Net gain and losses not recognized in the income statement	-	-	-	-	-
Net profit/(loss) for the period after tax	-	-	-	534,349,564	534,349,564
Statutory reserve	-	209,263,098	-	(209,263,098)	-
Dividends (Bonus Share)	443,521,200	-	-	(443,521,200)	-
Issue of Share Capital (Right Share)	-	-	-	-	-
<b>Balance as at 30 September 2011</b>	<b>2,661,127,400</b>	<b>1,775,666,188</b>	<b>158,489,711</b>	<b>1,004,632,432</b>	<b>5,599,915,731</b>

**TRUST BANK LIMITED**

**Liquidity Statement  
(Asset and Liability Maturity Analysis)  
For the period from January to September 2011**

Amount in Taka

Particulars	Up to 01 Month	1- 3 Months	3-12 Months	1- 5 Years	More than 5 Years	Total
<b><u>Assets:</u></b>						
Cash in Hand	1,071,698,069	-	-	-	-	1,071,698,069
Balance with Bangladesh Bank and Sonali Bank	1,807,101,430	-	-	-	3,152,521,764	4,959,623,194
Balance with other banks and financial institutions	986,273,184	346,093,436	333,021,941	-	-	1,665,388,561
Money at call and short notice	4,100,000,000	-	-	-	-	4,100,000,000
Investments	1,054,447,307	-	-	400,000,000	7,509,675,056	8,964,122,363
Loans and Advances	10,855,658,239	6,230,308,199	12,704,988,979	10,188,659,566	5,841,453,855	45,821,068,839
Fixed Assets including premises, furniture and fixtures	-	-	-	-	448,702,018	448,702,018
Other assets	657,519,929	300,320,028	696,980,922	24,353,201	2,999,999,300	4,679,173,380
Non-banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>20,532,698,158</b>	<b>6,876,721,663</b>	<b>13,734,991,842</b>	<b>10,613,012,767</b>	<b>19,952,351,993</b>	<b>71,709,776,424</b>
<b><u>Liabilities:</u></b>						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	347,886,657	-	-	-	-	347,886,657
Deposits	19,101,378,973	18,882,920,520	16,585,186,040	4,090,149,840	1,504,275,913	60,163,911,286
Other accounts	3,534,816,590	-	-	-	-	3,534,816,590
Provision and other liabilities	387,040,109	198,300,974	921,259,155	329,678,435	226,967,487	2,063,246,160
<b>Total Liabilities</b>	<b>23,371,122,329</b>	<b>19,081,221,494</b>	<b>17,506,445,195</b>	<b>4,419,828,275</b>	<b>1,731,243,400</b>	<b>66,109,860,693</b>
<b>Net Liquidity Gap</b>	<b>(2,838,424,171)</b>	<b>(12,204,499,831)</b>	<b>(3,771,453,353)</b>	<b>6,193,184,492</b>	<b>18,221,108,593</b>	<b>5,599,915,731</b>

Net result of the Liquidity Statement represents the "Shareholders' Equity" of the Bank

## TRUST BANK LIMITED

### Notes to the Financial Statements

For the period from 01 January 2011 to 30 September 2011

#### 1. STATUS OF THE BANK

Trust Bank Limited is a scheduled commercial bank established under the Bank Company Act, 1991 and incorporated as a Public Limited Company under the Companies Act, 1994 in Bangladesh on 17 September 1999 with the primary objective to carry on all kinds of banking business in and outside Bangladesh. The Bank had Fifty Five (55) branches and seven (7) SME Service Centers/Krishi Branch are operating in Bangladesh as at 30 September 2011. The Bank had no overseas branches as at 30 September 2011. The bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company for its general class of shares.

The registered office of the Bank is located at 36, Dilkusha Commercial Area, Dhaka - 1000.

Initially the bank has started its operation in the name of "The Trust Bank Limited" but on 12 November 2006 it was renamed as "Trust Bank Limited" by the Registrar of Joint Stock Companies. The new name of the bank was approved by Bangladesh Bank on 03 December 2006.

##### 1.1 Nature of business

Trust Bank Limited offers full range of banking services that include deposit banking, loans & advances, export, import and financing national and international remittance facilities etc.

##### 1.2 Islami Banking Activities

Islamic Banking refers to a system of banking or banking activity that is consistent with Islamic law (Shariah) stated in the Holy Qur'an and Sunnah of the Prophet Muhammad, pbuh. The most important feature of Shariah is the prohibition of Riba, the collection and payment of interest. Shariah also prohibits trading in financial risks which are gambling in nature and investing in Businesses that are considered unlawful, or haram in Islam (e.g. alcohol or pork or businesses that produce pornography). Islamic banking is a trade based operation while the conventional banking is lending based. All banking activities of Islamic banking stand & structured on the underlying contract between the bank and the client.

Trust Islamic Banking (TIB) started its operation from later part of 2008 and strictly adheres to these principles of Islamic banking. Though the Bank is a conventional bank, TIB operation is characterised by completely separate fund management, separate profit & loss account and distribution of profit. Profits earned from the investments for the year 2010 are shared with the mudaraba depositors @ 65:35 in favor of the depositors and ultimately credited to individual accounts as per weightage. Profits on the deposits are initially paid at a provisional rate and any excess/shortfall is adjusted after the year end calculation of actual profit.

Trust Islamic Banking (TIB) has 5 (Five) TIB windows i.e., TBL-Principal Branch, TBL-CDA Branch, TBL-Gulshan Branch, TBL-Dilkusha Branch, TBL- Sylhet Corporate Branch. All investment under TIB is made from the Islamic banking deposits. All products developed under TIB is thoroughly reviewed and approved by the 4 (four) member Sharia council of the bank who ensures the sharia compliance of such product & calculation.

TIB has wide range of retail and corporate investment products. In 2011, TIB introduced new products namely TBL Barakat Hajj Deposit Scheme and Istisna Investment Facility and expecting a robust growth of business in coming years.

##### 1.3 Retail Banking Activities

Trust Bank Ltd introduced retail banking business in 2006 under Retail Banking Unit (RBU) with 11 loan and 7 deposit products. Since the inception of retail banking, the Bank has been strengthening retail-banking unit and to provide financial solution for the clients of all walks of life, there are 14 loan products and 12 deposit products are available in Trust Bank Ltd. The Bank is building its capacity to reduce concentration on large clients for deposit and increase number of customers with diversified and technology driven door to door service through low cost delivery channels, develop segmented and customer focused products.

In 2010, Retail banking unit worked to build capacity in terms of technology, human resources, and business process. All retail-banking products have been reviewed and modified for the sake of better service and operational easiness. Similarly, Market analysis and segregation of products have also been completed in 2010. All deposit products of RBU have been segregated as Student Wallet, Women's Wallet, & Trust Savers. It is significant to mention here that Bank has launched different kind of loan products in the current year.

In addition to other major achievements, we have successfully introduced low cost deposit account for salaried person and almost nine thousands employees of different organizations are getting services through our 59 branches of the Bank. To meet the demand of the time, recently we have modified the retail Organogram for embracing business expansion around the country and established sales centers for door to door service delivery.

We firmly believe that customer satisfaction and reliability has no substitute to retain sustainability and best position in the market. In the process of bringing dynamism and innovation, Trust Mobile Money (Mobile Banking) is the latest innovation of Trust Bank. We feel proud to be the pioneer of launching such a revolutionary service in the Banking Industry.

#### **1.4 SME Financing**

Despite multidimensional constraints, SME is universally recognized as the thrust sector and driving force of the economy which has injected the appetite for bringing consistency in the banks credit portfolio by striking balance between SME and corporate lending. The issue of fostering SME growth in Bangladesh can in no way be ignored as these industries have huge prospects for creating large scale employment opportunities and potentialities of huge income generation especially in semi-urban and rural areas. As such, the Bank is moving forward to SME customer segment, considering the business potentials and return on investment. The business expansion and monitoring is carried out throughout its 52 country wide branches and 7 SME/Krishi branches service centers dedicated to full-fledged SME business. The Bank has launched different products, and is marketing these products matching with the customer needs. Its especial emphasis is on:

Trust Bank has launched different products and marketing these products matching with the customer need. Its especial emphasis is on Loan for shopkeepers, Loan for light engineering, Loan for power loom and handloom industries, Agri-business loan and Loan for Women Entrepreneurship. It is going for financing Bio-gas plant to meet the requirement of rural energy and ensure the supply of organic fertilizer in the farmland for the expansion of SME portfolio.

During 2011, Trust Bank's strategy was focused on marketing the products to a wide range of customers and providing working capital and term loan to different manufacturers, traders and service providers. Bank's exposure is thus well diversified to different sectors, viz. power loom, handloom, light engineering, handicrafts, garments accessories, agri-business etc. Through SME financing, the Bank has created the employment opportunity for about ten thousand people directly or indirectly throughout the country. In view of diversification of portfolio, it is imperative to say that the substantial increase of SME lending would lead the Bank to a positive growth. In fact, TBL has undertaken a comprehensive and competitive strategy to have a meaningful contribution in this sector.

#### **1.5 Automated Clearing House**

In line with the Bangladesh Bank's guideline toward implementation of Automated clearing house we have undertaken the following actions:

- 1) MICR encoded cheque books have already been introduced for the clients of Dhaka city area by phasing out non standard cheques;
- 2) All required hardware for processing of MICR cheques have already been procured.
- 3) One reputed vendor has been selected to supply software and Scanner machines have already been procured;
- 4) We have also selected two vendors for establishing connectivity where they have already established connectivity between Bangladesh bank and Trust Bank. Connectivity security has also been installed as per Bangladesh Bank guidelines; and
- 5) PBM software is already installed and SIT (System Integration Testing) is going on.

## **2 SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

### **2.1 Basis of preparation of the financial statements**

These financial statements have been prepared under the historical cost convention on a going concern basis in accordance with International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh, The Companies Act, 1994, The Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchange's listing regulations and other laws and rules applicable in Bangladesh and in the format prescribed by Bangladesh Bank vide BRPD circular # 14 dated 25 June 2003 in accordance with the "First Schedule" (Sec-38) of the Bank Companies Act, 1991.

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

### **2.2 Basis of Consolidation**

The consolidated financial statements include the financial statements of Trust Bank Limited and its subsidiary Trust Bank Investment Limited made for the period from 01 January 2011 to 30 September 2011. The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard 27: *Consolidated and Separate Financial Statements*. The consolidated financial statements are prepared to a common financial year ending 31 December.

### **2.3 Subsidiary**

Subsidiary is that enterprise which is controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an enterprise from the date that control commences until the date that control ceases. The financial statements of subsidiary are included in the consolidated financial statements from the date that control effectively commences until the date that the control effectively ceases. Subsidiary companies are consolidated using the purchase method of accounting. The subsidiary Trust Bank Investment Limited has a common financial year ending 31 December.

### **2.4 Use of estimates and judgments**

The preparation of 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 recognised in the period in which the estimate is revised and in any future periods affected.

### **2.5 Transactions eliminated on consolidation**

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profit and loss resulting from transactions between Group are also eliminated on consolidation.

### **2.6 Foreign currencies**

Transactions in foreign currencies are translated into reporting currency at the rates of exchange prevailing on the date of such transactions and resulting gains or losses are credited or charged to profit & loss account as per BAS-21 "The Effects of Changes in Foreign Exchange Rates".

Assets and liabilities as at reporting date in foreign currencies under regular accounts are converted into equivalent taka currency at the average rates prevailing at the Balance Sheet date.

### **2.7 Taxation**

#### **2.7.1 Provision for taxation**

In compliance with BAS-12 "Income Taxes", provision for current income tax has been made @ 42.50% on business income, @ 20% on dividend income and @ 10% on capital gain on sale of shares, after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance 1984 and time to time amendment to issue different S.R.O and circular issued by the N.B.R.

#### **2.7.2 Deferred taxation**

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities has also been recognised in the profit and loss account as per BAS-12 "Income Taxes".

## 2.8 Assets and basis of their valuation

### 2.8.1 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.

### 2.8.2 Loans and advances / Investments

Loans and advances are stated at gross amount. Provision and interest suspense against loans and advances are shown separately as liability. Interest income is accounted for on accrual basis until the loans and advances are defined as Special Mention Account (SMA) or classified accounts as per Bangladesh Bank guidelines.

Interest on Special Mention Account and classified loans (other than bad/loss loans) are credited to interest suspense account instead of income account. Such interest kept in suspense account is reversed to income account only when respective loan accounts become regular and /or realized in cash.

As per Bangladesh Bank directives, interest on loans and advances classified as bad/loss is not accounted for. A separate memorandum record is maintained for such interest on bad/loss loans.

### 2.8.3 Provision for loans And advances

Provision for loans & advances is made on the basis of the quarter-end review by the management of the Bank and in line with the instructions contained in BCD Circular no. 34 dated 16 November 1989 and subsequently circulars issued vide 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 dated 15 February 2005, BRPD Circular no. 9 dated 20 August 2005, BRPD Circular no. 17 dated 6 December 2005, BRPD Circular no. 18 and 19 dated 20 December 2005, BRPD Circular no. 8 dated 8 February 2006, BRPD Circular no. 05 dated 5 June 2006 BRPD Circular no. 05 dated 29 April 2008, and BRPD Circular no. 32 dated 27 October 2010 issued by Bangladesh bank, Details of which are shown in Note # 12.1:

<u>General provision on</u>	<u>Provision Rate</u>
a. Consumer Financing (House Financing)	2%
b. Consumer Financing (Loans to Professional)	2%
c. Consumer Financing ( Other than a & b)	5%
d. Small and Medium Enterprise Financing	1%
e. Short Term Agriculture & Micro Credit	5%
f. Loans to BHs/ MBs/ Sds against Shares etc	2%
g. All other Credit	1%
h. Special Mention Account	5%

  

<u>Specific provision on</u>	
a. Substandard Loans and Advances	20%
b. Doubtful Loans and Advances	50%
c. Bad/Loss Loans and Advances	100%

### 2.8.4 Provision for off balance sheet exposures

General provision for off balance sheet exposures has been made @ 1% on period end balance of total off balance sheet exposures as per BRPD circular No. 8 and 10 dated August 07, 2007 and September 18, 2007 respectively issued by Bangladesh Bank.

## 2.9 Investments

All investment securities are initially recognised at cost, being fair value of the consideration given, including acquisition charges associated with the investment. Premiums are amortised and discounts accredited, using the effective yield method and are taken to discount income. In accordance with BRPD Circular No. 15 dated 31 October 2005 issued by Bangladesh Bank, Government Securities purchased for maintaining Statutory Liquidity Reserve (SLR) i.e., Government Security - held to maturity (HTM) are revalued at their maturity yield at least once in a year and Government Securities - held for trading (HFT) are revalued at the market price at least once a week. Further to BRPD circular letter 15, 2005 the investments in government securities are strictly revalued as per instructions & guidelines given in DOS Circular letter no. 05 dated January 28, 2009 whereby Treasury Bills held for trading are also amortized atleast once in every week and the gain in amortization received due to proceed to the date of maturity is taken in income.



As the Treasury bonds held for trading receives coupon interest semiannually, income is taken into account in each month as accrual basis.

### 2.9.1 Held to maturity

Investments which have 'fixed or determinable payments', and are intended to be 'held to maturity' other than those which are floating and/or free to trade in the market at prevailing prices are classified as held to maturity. The securities in HTM are to be held up till maturity. These securities in HTM must be amortized at the end of the year before maturity and the increase/decrease is to be accounted in the 'statement of changes in equity' (as Revaluation Reserve-HTM). According to Bangladesh Bank DOS Circular Letter No. 05 dated May 26, 2008, a bank can only hold 50% & 25% of its total value of securities in HTM as on January 01, 2010 & January 01, 2011 respectively. These investment securities can be transferred to and/or reclassified as HFT any time after getting approval from the Board of Directors of the Bank.

### 2.9.2 Held for trading

Investments classified in this category are held indeed selling or purchasing –in short- trading as decided by the management of the bank or treasury. After initial recognition, investments of such categories are measured at their fair value once in a week and any change in the fair value is recognized in the statement of capital (as Revaluation Reserve-HFT) for the period before next appreciation. According to Bangladesh Bank DOS Circular Letter No. 05 dated May 26, 2008, no dividend will be allowed to pay to its shareholders on the amount of increase and/or decrease in income generated out of revaluation of securities held for trading.

Value of investments has been enumerated as follows :

Items	Applicable accounting value
Government treasury bills	At Present Value
T & T bonds and Bangladesh treasury bonds	At Present Value
Subordinated Bond	At cost
Prize bond	At cost
Investments in shares	At cost or market value whichever is lower at the balance sheet date

### 2.10 Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation as per BAS-16 " Property, Plant and Equipment".

Depreciation is charged at the following rates per annum using reducing balance method on all fixed assets other than motor vehicles and office equipment, which are depreciated on straight-line method and no depreciation on land is charged.

Category of fixed assets	Rate
Land	Nil
Building	5% p.a.
Furniture & Fixtures	10% p.a.
Office Equipment	20% p.a.
Motor Vehicles	20% p.a.
Office Decoration	12% p.a.

Depreciation at the applicable rates is charged proportionately on additions made during the year from the date of their acquisition and in case of sale upto the date of sale.

Repairs and maintenance costs of fixed assets are charged to profit & loss account, when incurred.

### 2.11 Liabilities and Provisions

#### 2.11.1 Retirement benefits to the employees

##### i) Provident fund

Provident fund benefits are given to the confirmed staffs of the Bank in accordance with the locally registered Provident Fund Rules. The Commissioner of Income Tax, Taxes Zone - 6, Dhaka has approved the Provident Fund as a recognized provident fund within the meaning of sub-section 1 of section 2 read with the provisions of part - B of the First Schedule of Income Tax Ordinance 1984 w.e.f. 27 February 2003. The Fund is operated by a Board of Trustees consisting seven members from the employees of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription to the Fund. The Bank also contributes equal amount. Interest earned from the investments is credited to the members' account on yearly basis.

**ii) Gratuity fund**

The Bank has started making provision for liabilities of its employees' gratuity as per gratuity scheme of the Bank from the year 2004. Subsequently National Board of Revenue has approved the fund as recognized within the meaning of sections 2 and 3 read with the provision of part - C of the First Schedule of Income Tax Ordinance 1984 w.e.f. 20 November 2006. The Bank contributes to the Fund as per Gratuity Fund Rules as well as Service Rule of the bank.

**iii) Super annuation fund**

The Bank has also introduced a "Superannuation Fund" instead of group life insurance policy for the employees. Those employees, who will be able to fulfill the specific criteria mentioned in the policy of the fund, will be entitled to get the benefit of "Superannuation Fund". National Board of Revenue has approved the fund as recognized within the meaning of section 3 read with the provision of part - A of the First Schedule of Income Tax Ordinance 1984 w.e.f. 22 December 2004. The Bank pays Tk. 1,600,000 annually as bank's contribution to the Fund.

**2.12 Minority interest in subsidiaries**

Minority interest in business is an accounting concept that refers to the portion of a subsidiary corporation's stock that is not owned by the parent corporation. The magnitude of the minority interest in the subsidiary company is always less than 50% of outstanding shares, else the corporation would cease to be a subsidiary of the parent. Minority interest belongs to other investors and is reported on the consolidated balance sheet of the owning company to reflect the claim on assets belonging to other, non-controlling shareholders. Also, minority interest is reported on the consolidated income statement as a share of profit belonging to minority shareholders.

**2.13 Revenue recognition**

**i) Interest income/Profit on TIB Investment**

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. It is then kept in interest suspense in a memorandum account. Interest on classified advances is accounted for on a cash receipt basis.

**ii) Investment income/TIB Investment Income**

Income on investments is recognized on accrual basis except from Government Securities which are recognized on the basis of BRPD Circular 15 Dated 31 October 2005 issued by Bangladesh Bank.

**iii) Fees and commission income**

Fees and commission income arises on services provided by the Bank are recognized on a cash receipt basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

**iv) Dividend income on shares**

Dividend income from shares is recognized during the year in which they are received as per section 19(7) of Income Tax Ordinance, 1984 and Finance Ordinance 2007.

**v) Interest paid and other expenses**

In terms of the provisions of the BAS - 1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

**2.14 Reconciliation of inter-bank and inter-branch account**

Accounts with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled regularly and there are no material differences which may affect the financial statements significantly. Un-reconciled entries / balances in case of inter-branch transactions as on the reporting date are not material.

**2.15 Risk Management**

Risk management policy or process of Trust Bank encompasses risk appreciation basing on the risk appetite for the particular sector/segment of the customers and subsequent risk identification, measurement and controlling of risk components to safeguard the interest of the bank and to keep the business portfolio performing to the maximum extent.

We always prioritize to ensure risk–return tradeoff on all business transactions. The focus group as constituted by Bangladesh Bank has selected 06 core risks namely (a) Credit Risk (b) Asset liability/Balance sheet Risk (c) Foreign Exchange Risk (d) Internal control and compliance Risk (e) Money laundering Risk and (f) IT risk management in order to impart internationally accepted best practices in the Banking and Financial system. Banks as a financial intermediary (ies) are exposed to multidimensional risks but those risks are to be examined and quantified for acceptance in line with the risk appetite and credit policy of our bank.

### **2.15.1 Credit risk management**

Credit risk is the counter party risk because of the nonperformance of the borrowers/ debtors in repayment of banks loan and dues within the specified time. In other words credit risk may be defined as the possibility that the counter party will not meet its obligations in line with the agreed upon terms and conditions. In the banking parlance loans and advances are the conspicuous sources of credit risk. So, credit risk is the predominant risk in the banking business operation and it deserves to be addressed with all due diligence.

Different branches of the bank are the growth/ profit centers and at the same time risks are originated from the operation of the branches in their normal course of business. We in our bank always prioritize to secure the interest of the bank by way of ensuring performing business portfolio. We also make financial analysis based on the given financial statement of the borrower/ ensure the application of the maximum possible due diligence on all credit matters in the process of appraisal of the credit proposal by taking into consideration business, industry analysis, borrower's past track record of business performance, present state of condition as well as future business plan and other contingency factors in the total process of appraisal. Bank is the custodian of the depositor's money as well as they utilize the fund given by the sponsors/ share holders as their equity/ capital so it is the predominant obligation on our part to safe guard the interest of all the stake holders.

Active portfolio management requires to keep up the dynamics of the economy and which of imperative need for credit risk controlling and monitoring. We in our bank are alive to the requirement of comprehensive and detailed MIS (Management Information System) and CIS (Credit Information System) as they provide the backbone support for an effective credit risk management.

We also prioritize to ensure diversification of portfolio across industries, borrowers and market segments with a view to minimizing the risk to an acceptable level. Credit risk is associated with the economy and if the economy as a whole doesn't perform well that will have corollary effect on the business portfolio of the bank.

At the same time, credit portfolio having concentration in any particular segment would be affected if the segment does not perform well.

### **2.15.2 Asset liability risk management**

Asset liability Management (ALM) has been defined as a planned, structured and systematic process of managing the asset and liability with a view to lead the bank to a balanced and sustainable growth through minimizing various business risk factors – market risk and liquidity risk. Asset Liability Management (ALM) has become an almost universally accepted approach to risk management. Successful banking requires efficient and effective management of its assets and liabilities. Trust Bank Limited is managing its assets and liabilities in order to ensure sustained profitability so that the bank can maintain and augment its capital resources.

As per Bangladesh Bank guidelines and considering the most practical aspects of the Bank, an approved policy manual on ALM has been prepared so that it could be followed consistently every sphere of the management. To support the ALM process, the Bank has established a committee called "Asset Liability Committee (ALCO)" headed by the Managing Director and holds meeting at least one in every month. ALM Desk, an executive functional and operational desk for the asset liability management, is embodied herewith the ALCO to function under direct control of Head of Treasury. ALCO reviews the liquidity requirement of the Bank, the maturity of assets and liabilities, deposit and lending, pricing strategy and the liquidity contingency plan at the threshold of stress liquidity situation.

### **2.15.3 Foreign exchange risk management**

Foreign Exchange risk is defined as the potential change in earnings arising due to change in market prices. Foreign exchange rate risk arises when the bank is involved in foreign currency transactions, which may result in deficits or surpluses in the Bank's foreign currency position. These transactions include for instance foreign currency exchanges, investments, loans, borrowings and contractual commitments etc.

International Division independently conducts the transactions relating to foreign exchange and is responsible for verification of 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 monthly basis and the management for its settlement reviews outstanding entry beyond 30 days.

### **2.15.4 Internal control and compliance risk management**

Internal Control refers to the mechanism in place on a permanent basis to control the activities in an organization. In absence of it risks resulting in unexpected losses caused by faulty internal processes, human errors, frauds & forgery, technology failure and documentary lapses may surface. The primary objectives of internal control system are to help the bank perform better through the use of its resources, identify its weaknesses, take appropriate measures to overcome the same and ensure compliance with applicable laws and regulations.

The bank has set up Internal Control & Compliance ( IC & C) Division at Head Office to ensure that the internal control processes are in place through establishment of Audit Committee as per the instructions of Bangladesh Bank, which reviews the internal and external audit reports without any intervention of the bank management and ensures that the management takes effective measures in case any deficiency/ lapse is found in the internal control system. The bank has introduced 'Risk Based Internal Audit (RBIA)' to assess the business risk as well as control risk associated with the branches and determine how much care, monitoring & periodicity of comprehensive internal audit would be required to reposition the branches. In addition, the bank has also introduced 'Spot Inspection' in the branches in order to help avoiding any fraudulent activities. In setting out a strong internal control framework within the organization the bank has already brought out its Internal Control Manual, which focuses on monitoring the functions of various departments/divisions of Head Office and branches of the bank periodically on regular basis.

IC & C Division of the bank ensures its Internal Control Process through review of Departmental Control Function Checklist (DCFCL), Loan Documentation Checklist and Quarterly Operations Report (QOR) of the branches and other mechanisms.

#### **2.15.5 Money laundering risk management**

In accordance with Money Laundering Prevention Act, 2009 money laundering means transfer, conversion, remitting abroad or remit or bring from abroad to Bangladesh the proceeds or properties acquired through commission of a predicate offence for the purpose of concealing or disguising the illicit origin of the property or illegal transfer of properties acquired or earned through legal or illegal means. Like other banks and FSI across the globe TBL reckons that prevention of Money Laundering & Combating Terrorist Financing is the two challenges that confront the financial sector today. The Board of Directors, as such, has approved policy guidelines for anti-money laundering and countering of financing for terrorism (CFT) of the bank. One of the main objectives of the bank's policy on CFT & AML is to portray the procedures and measures to be taken for combating financing of terrorism & money laundering and develop a workable system within the bank for safeguards so that the institution can not be abused in any way as a conduit for financial ill practices.

To implement the bank's policy effectively the Central Compliance Unit (CCU) of AML Department at Head Office of the bank has been strengthened by delegating more power and authority to the Chief Anti-Money Laundering Compliance Officer (CAMLCO) to comply with the provisions of the legislation as well as the directives of Bangladesh Bank. The CCU functions under the direct supervision of the Managing Director of the bank. In the branch level there is a designated anti-money laundering compliance officer, called Branch Anti-Money Laundering Compliance Officer (BAMLCO). All officers & executives of the bank are well conversant with the process of 'Know Your Customer' (KYC) through the exercise of due diligence. Training is imparted on AML to the new recruits of the bank in the Foundation Course Training Program at the bank's Training Academy on regular basis. Besides, region-based training on AML is arranged every year.

Bank has also introduced uniform account opening forms as Bangladesh Bank has prescribed for all banks, to have adequate information about the account holders. Bank shall continue to deploy considerable resources to establish and maintain employees' awareness of the risk of money laundering & terrorist financing through proper training and to enhance their competence to identify and report suspicious transactions.

#### **2.15.6 IT risk management**

The prime focus of IT risk management is to safeguard the financial and organizational information fully complied with the rules and regulations of central bank. With the continued efforts of being fully automated Trust Bank established a Disaster Recovery System along with Data Protection facility which includes a Disaster Recovery site for the restoring and retrieval of bank data with utmost security measures. The IT risk management also enables the management to initiate effective management decision to justify the expenditure and also assist the management in authorizing and accrediting the IT system on the basis of the supporting documentation resulting from the performance of risk management.

#### **2.16 Liquidity risk management**

Liquidity risk is more important area to think by the banking company to match with the financing and investment. Liquidity risk is the risk that the Bank may not able to meet cash flow obligations with in a stipulated timeframe. The object of liquidity risk management is to maintain suitable and sufficient funds to meet present and future liquidity obligations whilst utilizing the funds appropriately to take advantage of market opportunity as they arise. The bank has several sources of liquidity and manages its liquidity mainly through domestic money and capital markets including repurchase market. The bank seeks to minimize its liquidity costs in line with the market situation try closely managing the liquidity position on a daily basis and restricting the holding of cash held above an appropriate level at any given time. As a part of liquidity management, the bank adheres to its funding plan, and exercises due care in using medium-term borrowings.

### 2.17 Interest rate risk management

Basically Interest rate risk is the risk that may arise from movements in market prices i.e. favorable and unfavorable. In the year 2011, we observed a frequent change in the Interest rate in banking industry following global economic meltdown. We also adjusted interest in line with Bangladesh banks directive and market scenario. So considering various internal and external factors interest rates were revised as such to maintain long term profitability. Moreover, market competition; cost of fund, market volatility and regulatory compliance are key issues that have been considered to word off any adverse movement of interest rate.

fraudulent and untoward events;

2) Modification and up gradation of IT system and software solution have been undertaken to avoid business disruption and system failure;and

3) Stringent set of rules and procedures are in place to ensure smooth execution, process and delivery system.

### 2.18 Operation risk management

Operations risks, relatively difficult to predict, may arise due to failure of internal systems, processes or employment practice. Operation risks also include damage to physical assets, internal and external fraud, malfunctioning of reporting system/ monitoring rules etc.

1) MICR encoded cheque books have already been introduced for the clients of Dhaka city area by phasing out non standard cheques;

2) All required hardware for processing of MICR cheques have already been procured;

3) One reputed vendor has been selected to supply software and Scanner machine s have already been procured;

4) We have also selected two vendors for establishing connectivity where they have already established connectivity between Bangladesh bank and Trust Bank. Connectivity security has also been installed as per Bangladesh Bank guidelines;and

5) PBM software is already installed and SIT (System Integration Testing) is going on.

### 2.19 Preparation of Basel II Accord

In 2004, the Basel Committee on Banking Supervision endorsed the publication of the 'International Convergence of Capital Measurement and Capital Standards: a Revised Framework', commonly referred to as Basel II. Bangladesh Bank adopted Basel-II accord for implementation in Bangladesh from 1 January 2009 parallel to existing BRPD Circular No. 10, dated November 25, 2002 (Basel-I). At the end of parallel run period, Basel II regime has been started and the guidelines on RBCA has come fully into force from January 01, 2010 with its subsequent supplements/revisions with BBs latest revised Guidelines on Risk Based Capital Adequacy in December 2010.

To cope with the international best practices and to make the bank's capital more risk sensitive as well as more shock resilient, TBL considers implementation of Risk Based Capital Adequacy for Banks (Revised Regulatory Capital Framework in line with Basel II) is one of its topmost priorities. Accordingly TBL established a Basel II Implementation Unit (BIU) in the 1st Quarter of year 2007 for effective implementation of the capital accord ensuring Board and Senior Management oversight. The BIU is exclusively assigned with the task of reviewing the nature and level of risks relating to banking assets and planning for adequate capital framework. The BIU members meet on regular basis, at least monthly, to monitor implementation status of Risk Based Capital Adequacy of Banks and also those issues which may directly effect capital requirement.

TBL has setup Basel-II Implementation Cell to comply with and implement the guidelines provided by BB with a view to strengthen capital structure against Bank's exposure towards credit, market and operational risk. The Cell is operating closely with Bangladesh Bank's various departments to perfectly follow implementation of their guidelines. During the year 2011, TBL computed and reported capital on the basis of Basel II guidelines as per BB guidelines. In accordance with this, Minimum Capital Requirement against total risk weighted assets of TBL has been calculated against Capital Adequacy Ratio (CAR) as set by BB, presently 10%.

As dynamic growth of financial markets and the increased use of complex bank products have brought about substantial changes and challenges in the banks' business environment, TBL has established several functioning systems for being limitation of and targeted control over each risk situations/center. Besides these, the new regulatory capital regime (Basel-II) has also placed the bank in an increased emphasis on risk management and an integrated intra-branch-wide management.

### 2.20 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 35.

### 2.21 Cash flow statement

Cash Flow Statement is prepared in accordance with BAS – 7: 'Statements of Cash Flow ' and Bangladesh Bank BRPD Circular No. 14 dated 25 June 2003 issued by Bangladesh Bank.

## 2.22 Statement of liquidity

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

- a) Balance with other banks and financial institutions, money at call and short notice etc. are on the basis of their maturity term;
- b) Investments are on the basis of their maturity;
- c) Loans and advances and lease receivables are on the basis of their repayment / maturity schedule;
- d) Fixed assets are on the basis of their useful life;
- e) Other assets are on the basis of their realization/adjustment;
- f) Borrowing from other banks, financial institutions and agents as per their maturity /repayment term;
- g) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors;
- h) Other long term liabilities on the basis of their maturity term;and
- i) Provisions and other liabilities are on the basis of their payment /adjustment schedule.

## 2.23 Compliance of 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 Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) in context of Bangladesh from the standards adopted by International Federation of Accountants Committee (IFAC) as International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). While preparing the financial statements, Trust Bank Limited applied most of the BAS and BFRS, details of which are given below:

Name of BAS	BAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Segment Reporting	14	Applied
Property, Plant and Equipment	16	Applied
Lease	17	N/A
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The effects of Changes in	21	Applied
Borrowing Cost	23	Applied
Related Party Disclosures	24	Applied
Accounting for Investments	25	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	Applied
Investment in Associates	28	N/A
Disclosures in the Financial Statements of Banks and similar Financial Institutions	30	Applied
Interest in Joint Ventures	31	N/A
Earnings per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied
Investment Property	40	Applied
Agriculture	41	N/A

Name of BFRS	BFRS No.	Status
Share-based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-current assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	N/A
Operating Segments	8	N/A

#### **2.24 Auditors' work-hour**

The external auditors, M/s ACNABIN, Chartered Accountants, one of the oldest and largest auditing and accounting firm of the country in associated with BDO International BV Accounts & Consultants, one of the leading accounting conglomerates of the World, of the Bank worked about in excess 2,400 work-hours at the Bank's Head Office and different branches. During their audit, they audited above 80% of the Bank's risk weighted assets as of the reporting date.

#### **2.25 General**

- i) Figures have been rounded off to the nearest taka;and
- ii) Prior year's figures shown for comparison purpose, have been rearranged, whenever necessary, to confirm to current year's presentation.

	30.09.2011 Taka	31.12.2010 Taka
<b>3 CASH</b>		
<b>3.1 Cash in hand</b>		
In local currency	1,055,306,074	474,078,809
In foreign currencies	16,391,995	45,389,149
	<b>1,071,698,069</b>	<b>519,467,958</b>
<b>3.2 Balance with Bangladesh Bank and its agent bank(s)</b>		
<b>Balance with Bangladesh Bank</b>		
In local currency	4,021,909,308	3,398,049,217
In foreign currencies	769,614,528	690,904,466
	4,791,523,836	4,088,953,683
<b>Balance with Sonali Bank in local currency (as agent of Bangladesh Bank)</b>	168,099,358	33,080,568
	<b>4,959,623,194</b>	<b>4,122,034,251</b>
<b>3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)</b>		
Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 33 of the Bank Companies Act 1991 and MPD circular nos.05, dated December 01, 2010 issued by Bangladesh Bank.		
The Cash Reserve Requirement (CRR) has been calculated @ 5.5% on the Bank's time & demand liabilities of the month earlier of the previous month and maintained with Bangladesh Bank in current account and 19% Statutory Liquidity Ratio (SLR) on the same liabilities has also been maintained in the form of Treasury Bills, Bonds and Debentures including FC balance with Bangladesh Bank and the components of CRR. Both reserves have been maintained during the year by the Bank are in excess of the statutory requirements. The position of CRR and SLR as on 30 September 2011 is shown below:		
<b>3.3.1 Cash Reserve Requirement (CRR) for Conventional Banking</b>		
<b>Average Demand and Time Liabilities of the month earlier of the previous month</b>	<b>57,318,577,526</b>	<b>51,710,100,000</b>
<b>3.3.1.1</b>		
Average Required Reserve (6% of Average Demand and Time Liabilities)	3,439,114,652	3,102,606,000
Average Reserve held (6.38% of Average Demand and Time Liabilities)	3,655,068,527	3,280,502,633
<b>Surplus</b>	<b>215,953,875</b>	<b>177,896,633</b>
<b>3.3.1.2</b>		
Minimum Required Reserve (5.5% of Average Demand and Time Liabilities)	3,152,521,764	2,844,055,500
Actual Reserve held with B. Bank as on 30 September 2011 (6.38% of Average Demand and Time Liabilities)	3,655,068,527	3,407,464,030
<b>Surplus</b>	<b>502,546,763</b>	<b>563,408,530</b>
<b>3.3.2 Statutory Liquidity Ratio for Conventional Banking (SLR)</b>		
Required Reserve (19% of Average Demand and Time Liabilities)	10,890,529,730	9,824,919,000
Actual Reserve held with B. Bank as on 30 September 2011 (21.45% of Average Demand and Time Liabilities)	12,295,106,282	10,477,921,779
<b>Surplus</b>	<b>1,404,576,552</b>	<b>653,002,779</b>
<b>3.3.3 Components of Statutory Liquidity Requirement (SLR)</b>		
Cash in Hand	1,071,701,000	519,465,000
Balance with B. Bank and its agent Bank(s)	4,120,950,226	3,286,364,030
Government Bills	-	33,080,568
Government Bonds	7,099,675,056	6,611,426,181
Other Approved Securities	2,780,000	2,586,000
TT in Transit	-	25,000,000
	<b>12,295,106,282</b>	<b>10,477,921,779</b>



	30.09.2011 Taka	31.12.2010 Taka
<b>3.3.4 Cash Reserve Ratio (CRR) for Islamic Banking Average Demand and Time Liabilities of the month earlier of the previous month</b>	<b>1,520,633,478</b>	<b>1,262,160,833</b>
<b>3.3.4.(a) Average Required Reserve (6% of Average Demand and Time Liabilities)</b>	91,238,010	75,729,650
Average Reserve held (7.45% of Average Demand and Time Liabilities)	113,275,000	91,129,032
<b>Surplus</b>	<b>22,036,990</b>	<b>15,399,382</b>
<b>3.3.4.(b) Minimum Required Reserve (5.5% of Average Demand and Time Liabilities)</b>	83,634,840	69,418,840
Actual Reserve held with B. Bank as on 30 September 2011 (7.45% of Average Demand and Time Liabilities)	113,275,000	96,100,000
<b>Surplus</b>	<b>29,640,160</b>	<b>26,681,160</b>
<b>3.3.4.(c) Statutory Liquidity Requirement for Islamic Banking (SLR)</b>		
Required Reserve (11.5% of Average Demand and Time Liabilities )	174,872,850	145,148,496
Actual Reserve held with B. Bank as on 30 September 2011 (12.05% of Average Demand and Time Liabilities)	183,275,000	146,100,000
<b>Surplus</b>	<b>8,402,150</b>	<b>951,504</b>
<b>3.3.5 Held for Statutory Liquidity Requirement</b>		
Cash in Hand	-	-
Balance with B. Bank and its agent Bank(s)	-	96,100,000
Government Bills	-	-
Government Bonds	-	-
Government Islamic Investment Bonds	70,000,000	50,000,000
	<b>70,000,000</b>	<b>146,100,000</b>
<b>4. BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS</b>		
<b>4.1 In Bangladesh</b>		
<b>Current Deposits</b>		
Sonali Bank Ltd.	48,258,571	40,797,712
Rupali Bank Ltd.	4,298,546	13,024,635
The City Bank Ltd.	4,050,718	4,747,261
Janata Bank Ltd.	9,693,033	14,957,170
Prime Bank Ltd.	-	-
Agrani Bank Ltd. Ltd.	6,199,149	4,411,926
Brac Bank Ltd. Ltd.	12,306,807	9,532,448
Pubali Bank Ltd.	-	-
	<b>84,806,824</b>	<b>87,471,152</b>
<b>Short Term Deposits</b>		
Sonali Bank Ltd.	24,525,682	20,194,529
AB Bank Ltd.	3,423,835	1,370,242
CITI Bank NA	6,683,273	4,130,130
Rupali Bank Ltd.	3,020,025	7,036,286
Janata Bank Ltd.	2,181,336	3,062,728
Prime Bank Ltd.	1,501,834	16,074,627
Standard Chartered Bank	29,760,041	2,652,018
Dutch Bangla Bank Ltd.	14,723,696	22,983,669
Bank Asia Limited	8,348,161	6,284,350
Standard Bank Limited	2,397,898	2,305,279
Al Arafah Islami Bank Limited	5,593,656	72,257
NCC Bank Limited	45,273	560,166
Southeast Bank Limited	88,274	2,017,292
	<b>102,292,984</b>	<b>88,743,573</b>

<b>Fixed Deposits</b>	<b>30.09.2011</b> <b>Taka</b>	<b>31.12.2010</b> <b>Taka</b>
<u>FDR with Banks-Local Currency</u>		
Eastern Bank Ltd.	100,000,000	-
Standard Bank Ltd.	250,000,000	-
<u>FDR with Bank - Foreign Currency</u>		
Mashreq Bank NY Psc	151,900,000	142,500,000
<u>FDR with Investment and Leasing Co. - Local Currency</u>		
Investment Corporation of Bangladesh	400,000,000	-
	<b>901,900,000</b>	<b>142,500,000</b>
	<b>1,088,999,808</b>	<b>318,714,725</b>

#### 4.2 Outside Bangladesh

##### Current Account

##### Dollar Account

Citibank N.A., USA	169,289,586	122,428,179
Union De Banques, HKG	4,474,998	1,729,642
Mashreqbank psc, USA	22,280,645	18,545,671
Standard Chartered Bank, USA	28,102,483	41,445,021
HSBC Bank, USA	149,487,064	38,279,766
ICICI Bank Ltd., Hongkong	12,474,338	8,582,479
Conimez Bank, AG Germany	4,480,019	-
Wachovia Bank, NY USA	32,562,663	15,953,216

##### GBP Account

Standard Chartered Bank, UK	1,433,931	1,460,071
Citibank N.A., UK	2,723,095	9,200,773
HSBC, PLC, UK	2,321,449	19,550,189

##### Japanese Yen Account

Standard Chartered Bank, Japan	1,701,815	803,435
Wachovia Bank, NY USA	428,315	506,455

##### EURO Account

HSBC, PLC, UK	1,028,531	10,489,203
Standard Chartered Bank, UK	35,372,803	24,306,887
ICICI Bank Ltd., Mumbai, India	2,607,221	571,180
Citibank N.A., UK	2,348,290	37,729,858
Commerzbank AG, Germany	803,667	-

##### ACUD Account

Citibank N.A., Mumbai, India	8,270,542	6,405,648
ICICI Bank Ltd., Mumbai, India	21,494,675	14,071,377
HSBC Bank, Pakistan	13,300,676	6,494,718
HSBC Bank, Mumbai, India	9,825,952	3,325,235
AB Bank, Mumbai, India	21,070,134	18,291,549
Mashreqbank, Mumbai, India	10,336,004	9,625,061
Standard Chartered Bank, Mumbai, India	13,417,292	8,332,579

##### CHF Account

Habib Bank, Zurich	4,752,565	1,549,827
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*For details please refer to Annexure - A*

<b>576,388,753</b>	<b>419,678,019</b>
<b>1,665,388,561</b>	<b>738,392,744</b>

#### 4.3 Remaining maturity grouping of balance with other banks and financial institutions

On demand	986,273,184	507,149,171
Upto 1 month	346,093,436	231,243,573
Over 1 month but not more than 3 months	333,021,941	-
Over 3 months but not more than 1 Year	-	-
Over 1 Year but not more than 5 Years	-	-
Over 5 Years	-	-
	<b>1,665,388,561</b>	<b>738,392,744</b>

		30.09.2011 Taka	31.12.2010 Taka
<b>4. (a)</b>	<b>CONSOLIDATED BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS In Bangladesh</b>		
	Trust Bank Limited	1,088,999,808	318,714,725
	Trust Bank Investment Limited	51,738,438	621,073,337
		1,140,738,246	939,788,062
	Less : Inter Company Transaction	51,738,438	621,073,337
		<b>1,088,999,808</b>	<b>318,714,725</b>
	<b>Outside Bangladesh</b>	576,388,753	419,678,019
		<b>1,665,388,561</b>	<b>738,392,744</b>
<b>5.</b>	<b>MONEY AT CALL AND SHORT NOTICE Banking company</b>		
	AB Bank Ltd.	200,000,000	-
	Agrani Bank Ltd.	850,000,000	-
	Rupali Bank Ltd.	400,000,000	-
	Janata Bank Ltd.	850,000,000	-
	Mercantile Bank	500,000,000	-
	Mutual Trust Bank Ltd	400,000,000	-
	Eastern Bank Ltd.	300,000,000	-
	Uttara Bank Ltd.	600,000,000	-
		<b>4,100,000,000</b>	-
	<b>Non-Banking Financial Institutions</b>	-	-
		<b>4,100,000,000</b>	-
<b>6.</b>	<b>INVESTMENTS</b>		
	<b>Government Securities</b>		
	<b>Treasury Bills</b>		
	Treasury Bills - HTM	-	-
	Treasury Bills - HFT	-	-
		-	-
	<b>Treasury Bonds</b>	Note - 6.1	
	Treasury Bond - HFT	6,939,675,056	6,501,426,181
	Treasury Bond - HTM	160,000,000	160,000,000
	Bangladesh Govt. Islamic Investment Bond - HTM	70,000,000	50,000,000
		7,169,675,056	6,711,426,181
	National Investment Bond	-	-
	Bangladesh Bank Bill	-	-
	Prize Bond	2,775,200	2,581,200
		<b>7,172,450,256</b>	<b>6,714,007,381</b>
	<b>Other Investment</b>		
	Preference Share		
	1,000,000 Shares of BRAC Bank Ltd. @ Tk. 100 each	100,000,000	100,000,000
	6,00,000 Shares of Khulna Power Company Ltd. @ Tk. 100 each	60,000,000	80,000,000
		160,000,000	180,000,000
	Ordinary Shares		
	Quoted	858,422,127	792,682,408
	Unquoted	33,249,980	33,249,980
		891,672,107	825,932,388
	Debentures and Bond	740,000,000	840,000,000
		<b>1,791,672,107</b>	<b>1,845,932,388</b>
		<b>8,964,122,363</b>	<b>8,559,939,769</b>

This represents investment made by the company both in listed and unlisted securities. The investment is made up as under:

Particulars	30.09.2011			31.12.2010		
	No. of Securities	At Cost	Market Value	No. of Securities	At Cost	Market Value
Listed Securities	16	858,422,127	825,927,574	14	792,682,408	1,099,464,858
Unlisted Securities :						
Bond	5	740,000,000	740,000,000	5	840,000,000	840,000,000
Ordinary Share	2	33,249,980	33,249,980	2	33,249,980	3,000,000
Preference Share	2	160,000,000	180,000,000	2	180,000,000	180,000,000
<b>Balance as on 31 Mar</b>	<b>25</b>	<b>1,791,672,107</b>	<b>1,779,177,554</b>	<b>23</b>	<b>1,845,932,388</b>	<b>2,122,464,858</b>

#### Listed Securities

Investment has been recorded at cost and adequate provision for probable future losses as per Bangladesh Bank guideline has been made. Market value of securities has been determined on the basis of the value of securities at the last trading date of the period (Last trading date for the period 30 September 2011).

Sector wise investment in listed securities at cost	30.09.2011 Taka	31.12.2010 Taka
Banking Companies	11,367,567	3,247,482
Investment Companies	-	-
Manufacturing Companies and others	189,943,032	152,224,081
Power Sector	104,068,328	86,999,885
IBBL Bond	93,173,200	140,210,960
Mutual Fund	459,870,000	410,000,000
	<b>858,422,127</b>	<b>792,682,408</b>

#### Unlisted Securities

##### Ordinary Share

Investment in ordinary share includes Tk 3.32 million in Central Depository Bangladesh Limited (CDBL). The unlisted investments are shown at cost because the fair value cannot be measured reliably.

##### Preference Share

Trust Bank Limited invested in the preference shares of BRAC Bank Limited and Khulna Power Company Limited for Tk. 100.00 million and Tk. 60.00 million respectively, representing 2.33% and 5.88% of their total capital (ordinary and preference ) respectively.

Since the holding of Trust Bank Limited is less than 20% in both the cases and having no voting right, the investment in preference share does not fall with in the principle of Bangladesh Accounting Standard 28: "Accounting for Investment in Associate".

#### 6.1 Treasury Bonds-at Present Value

05 years Treasury Bonds	4,245,732,842	3,820,365,885
10 years Treasury Bonds	1,953,211,857	1,939,858,190
15 years Treasury Bonds	900,730,357	951,202,106
	<b>7,099,675,056</b>	<b>6,711,426,181</b>

#### 6.2 Investment in Bond

	Rate of Interest		
Prime Bank Ltd. Subordinated Bond	11.50%	130,000,000	130,000,000
Dhaka Bank Ltd.Subordinated Bond	11.65%	50,000,000	50,000,000
National Bank Ltd.Subordinated Bond	11.50%	50,000,000	50,000,000
Orascom Telecom Bd Ltd.	13.50%	400,000,000	500,000,000
MTBL Partly Convertible Subordinated Bond	11.00%	110,000,000	110,000,000
		<b>740,000,000</b>	<b>840,000,000</b>

#### 6.3 Investment in Ordinary Share - Quoted

Under Conventional Banking	687,467,959	611,867,473
Under Islamic Banking	170,954,168	180,814,935
	<b>858,422,127</b>	<b>792,682,408</b>

6.4 Remaining maturity grouping of Investments	30.09.2011 Taka	31.12.2010 Taka
On demand	1,054,447,307	1,008,513,588
Upto 1 month	-	-
Over 1 month but not more than 3 months	-	-
Over 3 months but not more than 1 Year	-	-
Over 1 Year but not more than 5 Years	400,000,000	6,260,224,075
Over 5 Years	7,509,675,056	1,291,202,106
	<b>8,964,122,363</b>	<b>8,559,939,769</b>

**7. LOANS AND ADVANCES UNDER COVENTIONAL BANKING  
Loans and Advances**

Repair & Recon. of Dwelling House (RRDH)	1,474,277,946	1,332,031,090
Consumer Durable Scheme Loans (CDS)	4,117,149	4,357,943
Marriage Loans (ML)	37,731,488	44,358,145
Car Loans (CL)	305,130,402	367,089,861
House Building Loans (HBL)	4,349,224,085	4,270,346,943
Term Loans	10,684,364,314	10,108,538,794
Other Retail Loans	1,201,995,040	1,273,352,458
Time Loan	5,720,427,377	3,080,206,634
Other Loans	1,004,967,149	294,688,518
Staff Loans	231,149,524	246,857,526
Loans against Credit Card	51,507,211	26,607,640
Loans against Trust Receipts (LTR)	6,386,395,236	6,198,599,148
Payment Against Documents (PAD)	849,398,402	1,191,025,991
Packing Credit (Loan agt. Packing Credit)	-	1,462,409
	<b>32,300,685,323</b>	<b>28,439,523,100</b>

**LOANS AND ADVANCES UNDER ISLAMIC BANKING  
Islamic Investment**

Murabaha	-	-
Bai-Muajjal	130,262,273	42,599,722
Hire Purchase under Shirkatul Melk	266,654,423	233,589,055
IHSAN Apartment Purchase Scheme	8,747,021	10,519,138
BARAKAT Home Construction Scheme	16,682,301	17,074,332
BARAKAT Car Scheme	20,934,376	22,576,642
HPSM-Real Estate	61,255,025	32,249,320
TIB House Building Scheme-HBL (RM)	17,117,792	-
Murabaha TR	230,183,580	161,053,303
Bai-Salam	69,720,458	48,153,793
	<b>821,557,249</b>	<b>567,815,305</b>

**Cash Credit**

Cash Credit	1,260,234,125	1,115,203,581
Cash Collateral	254,488,034	178,000,891
	<b>1,514,722,159</b>	<b>1,293,204,472</b>

**Overdraft**

Overdrafts	3,003,478,377	2,653,282,587
Secured Overdrafts	6,644,175,530	5,587,257,133
	<b>9,647,653,907</b>	<b>8,240,539,720</b>

**Total Loans, Cash Credits and Overdrafts**

<b>44,284,618,638</b>	<b>38,541,082,597</b>
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**Bills Purchased and Discounted**

Under Conventional banking	1,395,267,214	1,183,765,378
Under Islamic banking	141,182,987	75,076,016
	<b>1,536,450,201</b>	<b>1,258,841,394</b>
	<b>45,821,068,839</b>	<b>39,799,923,991</b>

Note - 7.6

	30.09.2011 Taka	31.12.2010 Taka
<b>7.1 Residual maturity grouping of Loans and Advances including Bills Purchased and Discounted</b>		
Repayable on demand	8,540,543,307	5,099,223,861
Upto 1 month	2,315,114,932	3,606,231,220
Over 1 month but not more than 3 months	6,230,308,199	3,849,091,227
Over 3 months but not more than 1 Year	12,704,988,979	9,282,748,931
Over 1 Year but not more than 5 Years	10,188,659,566	11,144,025,593
Over 5 Years	5,841,453,855	6,818,603,159
	<b>45,821,068,839</b>	<b>39,799,923,991</b>
<b>7.2 Loans and Advances including Bills Purchased and Discounted Inside Bangladesh</b>		
Loans	33,122,242,572	29,007,338,405
Cash Credit	1,514,722,159	1,293,204,472
Overdraft	9,647,653,907	8,240,539,720
Bills purchased and discounted	1,536,450,201	1,258,841,394
	<b>45,821,068,839</b>	<b>39,799,923,991</b>
<b>Outside Bangladesh</b>	-	-
	<b>45,821,068,839</b>	<b>39,799,923,991</b>
<b>7.3 Loans and Advances on the basis of significant concentration</b>		
<b>7.3.1 Advances to Directors and Others</b>		
Advance to Directors and their allied concerns	12,870,833	13,731,872
Advances to CEO and Senior Executives	31,554,477	38,120,563
Advances to Customers (Group wise)	16,592,633,000	801,315,000
Industrial Advances ( Project finance)	5,639,676,911	543,575,000
Other Staff Loan	232,002,349	208,736,963
Other Customers	23,312,331,269	38,194,444,593
	<b>45,821,068,839</b>	<b>39,799,923,991</b>

### 7.3.2 Disclosure of Large Loan

As per BRPD Circular No. 5 dated 9 April 2005 issued by Bangladesh Bank, disclosure on large loan i.e. loan sanctioned to any individual or enterprise or any organization of a group amounting to 10% or more of the Bank's total capital and classified amount therein and measures taken for recovery of such loan have been furnished as under:

Total Capital	6,382,350,376	5,744,364,822
Total Loans and Advances	18,643,590,000	18,892,484,300
No. of Customers	16	27
Classified amount thereon	Nil	Nil
Measures taken for recovery of classified loans:	N/A	N/A

#### Details of Large Loans

SL	Name of the Client	CL Status	Outstanding Loan		Total 30.09.2011	Total 31.12.2010
			Funded	Non-Funded		
1	Rising Steel Limited	UC	762,603,000	1,047,845,000	1,810,448,000	1,292,400,000
2	Masud & Brothers	UC	722,632,000	997,778,000	1,720,410,000	847,127,000
3	United Ashuganj Power Limited,	UC	1,053,627,000	506,314,000	1,559,941,000	427,246,000
4	SQ Celcius Limited	UC	820,587,000	668,376,000	1,488,963,000	1,567,000,000
5	Khulna Shipyard Ltd.	UC	-	1,446,823,000	1,446,823,000	-
6	Abul Khair Group	UC	734,571,000	508,434,000	1,243,005,000	-
7	Taqwa Fabrics Limited	UC	562,249,000	628,623,000	1,190,872,000	774,738,000
8	GPH Ispat Limited	UC	688,335,000	392,710,000	1,081,045,000	602,800,000
9	Trust Bank Investment Limited	UC	1,071,405,000	-	1,071,405,000	1,130,605,300
10	Radiant Business Consortium Limited	UC	602,341,000	465,549,000	1,067,890,000	945,310,000
11	Summit Communication Limited	UC	440,582,000	620,192,000	1,060,774,000	1,042,669,000
12	BSRM Steels Limited	UC	386,009,000	580,303,000	966,312,000	586,300,000
13	Bashundara Group	UC	631,339,000	255,278,000	886,617,000	927,488,000
14	Modern Steel Mills Ltd.	UC	641,563,000	111,083,000	752,646,000	513,600,000
15	S. A. Group	UC	659,731,000	6,201,000	665,932,000	455,050,000
16	Nasir Group of Industries	UC	571,730,000	58,777,000	630,507,000	620,137,000
17	Best Wool Sweaters Ltd.	UC	-	-	-	454,264,000
18	Desh Energy Limited	UC	-	-	-	721,482,000

19	Bangladesh Diesel Plant (BD) Ltd.	UC	-	-	-	-
20	Anwar Group	UC	-	-	-	423,470,000
21	T. K. Group of Industries	UC	-	-	-	783,178,000
22	Hamid Weaving Mills Ltd.	UC	-	-	-	691,339,000
23	Abdul Monem Group	UC	-	-	-	590,351,000
24	M/S. Abir Fashions	UC	-	-	-	538,998,000
25	Marrine Vegetable Oil Ltd.	UC	-	-	-	527,838,000
26	H R Textiles Mills Ltd.	UC	-	-	-	523,146,000
27	Paradise Spinning Mills Ltd.	UC	-	-	-	517,808,000
28	RL Group	UC	-	-	-	480,588,000
29	Samuda Chemical Complex Ltd.	UC	-	-	-	457,253,000
30	Bengal Indigo Group	UC	-	-	-	450,299,000
	<b>Total</b>		<b>10,349,304,000</b>	<b>8,294,286,000</b>	<b>18,643,590,000</b>	<b>18,892,484,300</b>

### 7.3.3 Industry-wise concentration of Loans and Advances

	30.09.2011 Taka	31.12.2010 Taka
Agro-sector	675,821,012	330,449,799
Automobiles	329,874,006	236,622,251
Cement & Building Materials	920,230,017	537,379,431
Chemical & Pharma	702,572,013	830,079,765
Paper	1,162,661,021	815,506,747
Rubber	435,763,008	350,109,735
Edible Oil	346,335,006	372,259,737
Energy & Power	2,785,358,051	1,142,287,486
Fisheries	11,323,000	8,707,855
Steel & Engineering	3,881,066,071	2,983,669,767
Textile & Garments	6,695,713,123	6,255,679,744
Food & Allied	1,354,520,025	1,581,767,649
Construction	979,515,018	1,123,609,979
Housing	4,861,788,089	5,170,809,951
Trading	5,855,950,107	4,453,309,746
Telecom & Transport	1,311,010,024	353,939,749
NBFI	1,682,262,031	2,005,619,565
Medical services	520,366,010	342,569,786
Personal services	4,313,500,079	2,320,119,413
Trust Bank Investment Limited	1,071,405,366	1,130,605,342
Others	5,924,035,762	7,454,820,494
	<b>45,821,068,839</b>	<b>39,799,923,991</b>

### 7.3.4 Geographical location-wise concentration of Loans and Advances

#### Inside Bangladesh

Dhaka Division	31,415,200,602	26,010,471,541
Chittagong Division	11,219,948,740	11,338,729,861
Khulna Division	517,121,847	702,426,161
Sylhet Division	1,304,221,299	1,074,183,978
Barisal Division	20,814,723	-
Rangpur Division	465,252,255	314,827,830
Rajshahi Division	878,509,373	359,284,620
	45,821,068,839	39,799,923,991

#### Outside Bangladesh

	-	-
	<b>45,821,068,839</b>	<b>39,799,923,991</b>

### 7.3.5 Nature wise Loans and Advances

Continuous	11,203,963,903	9,577,628,385
Demand Loan	15,209,750,690	11,995,613,364
Term Loans up to 5 Years	10,215,169,342	9,494,730,105
Term Loans above 5 Years	8,900,395,409	8,479,001,364
Short Term Agri. Credit & Micro Credit	59,787,146	6,093,247
Staff Loan	232,002,349	246,857,526
	<b>45,821,068,839</b>	<b>39,799,923,991</b>

		30.09.2011 Taka	31.12.2010 Taka
<b>7.4</b>	<b>Classification of Loans and Advances including Bills Purchased and Discounted</b>		
a	Unclassified Loans and Advances (including staff loan)		
1	Consumer Financing (House Financing, HF)	3,945,907,629	3,757,870,154
2	Consumer Financing (Loans for Professional, LP)	29,331,792	32,117,569
3	Consumer Financing (Other than HF & LP)	3,718,244,294	2,238,276,459
4	Small & Medium Enterprise Financing (SMEF)	2,279,160,509	1,735,310,316
5	Loans to BHs/ MBs/ Sds against Shares etc	1,120,521,140	1,188,865,020
6	All Other Credit	32,282,917,156	28,988,111,977
7	Short Term Agri Credit	59,787,146	6,093,247
8	Staff Loans	232,002,349	246,728,885
		43,667,872,015	38,193,373,627
b	Special Mentioned Accounts	485,008,343	646,527,296
c	Classified Loans and Advances		
1	Sub-Standard Loans and Advances	877,282,116	139,504,180
2	Doubtful Loans and Advances	178,056,836	203,423,240
3	Bad /Loss Loans and Advances	612,849,529	617,095,648
		1,668,188,481	960,023,068
		<b>45,821,068,839</b>	<b>39,799,923,991</b>
<b>7.5</b>	<b>Bills purchased and discounted</b>		
	Payable in Bangladesh	1,235,274,112	1,023,287,032
	Payable out side Bangladesh	159,993,101	160,478,346
		<b>1,395,267,214</b>	<b>1,183,765,378</b>
<b>7.6</b>	<b>Remaining maturity grouping of bills purchased and discounted</b>		
	Payable with in one month	565,025,725	476,950,373
	Over one month but less than three months	618,214,224	557,630,859
	Over three months but less than 01 year	198,341,308	149,184,146
	More than 01 year	13,685,956	-
		<b>1,395,267,214</b>	<b>1,183,765,378</b>
<b>7.7</b>	<b>Litigation filed by the Bank</b>		
	As of the responding date, the Bank filed lawsuit against recovery of its defaulted loans and advances as under:		
	<b><u>Name of the Branch</u></b>		
	Principal Branch	398,549,467	448,424,744
	Sena Kalyan Bhaban Branch	5,409,543	5,156,417
	Bogra Cantonment Branch	1,044,807	1,044,807
	Agrabad Branch	292,171,015	650,506,726
	Khaja Yunus Ali Medical College Hospital Branch	197,639	197,639
	Gulshan Corporate Branch	22,008,450	22,008,450
	Sylhet Corp.Br	453,667	-
	Dilkusha Corporate Branch	11,495,093	11,495,093
		<b>731,329,681</b>	<b>1,138,833,876</b>
<b>7.(a)</b>	<b>Consolidated loans,advances /Investment</b>		
	Trust Bank Limited	45,821,068,839	39,799,923,991
	Trust Bank Investment Limited	4,718,511,316	4,091,114,346
		50,539,580,155	43,891,038,337
	Less : Inter Company Transaction	1,071,405,366	1,130,605,342
		<b>49,468,174,789</b>	<b>42,760,432,995</b>
<b>8.</b>	<b>FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES</b>		
	<b>Cost</b>		
	Leasehold Land	160,469	160,469
	Office Building	12,680,000	12,680,000
	Furniture and fixtures	125,980,032	115,373,659
	Office equipment	332,031,796	274,040,220
	Motor vehicles	151,298,752	140,145,542
	Office renovation	220,492,507	188,389,837
		<b>842,643,556</b>	<b>730,789,727</b>
	Less: Accumulated depreciation	393,941,538	317,665,458
		<b>448,702,018</b>	<b>413,124,269</b>

For details please refer to Annexure - B



		30.09.2011 Taka	31.12.2010 Taka
<b>8. (a)</b>	<b>Consolidated Fixed assets including premises, furniture and fixtures</b>		
	Trust Bank Limited	448,702,018	413,124,269
	Trust Bank Investment Limited	20,800,234	17,881,888
		<b>469,502,252</b>	<b>431,006,157</b>
<b>9.</b>	<b>OTHER ASSETS</b>		
i)	Investment in shares of subsidiary companies (In Bangladesh and outside)		
	In Bangladesh	2,999,999,300	2,999,999,300
	Outside Bangladesh		
ii)	Stationery, stamps, printing materials in stock etc.;	47,658,054	29,038,453
iii)	Advance Rent and Advertisement	80,417,904	73,481,523
iv)	Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable;	602,339,623	238,084,613
	Note - 9.1		
v)	Security Deposits	8,169,711	7,751,061
vi)	Preliminary, formation and organization expenses, renovation/ development expenses and prepaid expenses;	12,968,443	12,446,323
	Note - 9.2		
vii)	Branch Adjusting (net)	233,392,685	175,886,225
viii)	Suspense Account	165,977,937	239,779,218
ix)	Silver	-	-
x)	Others	528,249,723	346,982,587
	Note - 9.3		
		<b>4,679,173,380</b>	<b>4,123,449,303</b>
<b>9.1</b>	<b>Interest/Profit accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable</b>		
	Interest accrued on investments and deposits	158,191,152	232,275,849
	Note - 9.1.1		
	Interest accrued on Loans & advances	439,482,074	-
	Note - 9.1.2		
	Commission Receivable on SP & WEDB	4,666,397	5,808,764
		<b>602,339,623</b>	<b>238,084,613</b>
<b>9.1.1</b>	<b>Interest accrued on investments and deposits</b>		
	Interest/ profit accrued on Fixed Deposits	20,764,584	-
	Note - 9.1.1.1		
	Interest accrued on Short Term Deposits	-	2,450,000
	Interest accrued on Money at Call	2,237,847	-
	Interest accrued on Bonds	26,264,080	10,478,778
	Interest accrued on Government Treasury Bond	108,924,641	219,347,071
		<b>158,191,152</b>	<b>232,275,849</b>
<b>9.1.1.1</b>	<b>Interest/Profit accrued on Fixed Deposits/MTDR</b>		
	Interest accrued on Fixed Deposits	20,764,584	-
	Profit accrued on MTDR	-	-
		<b>20,764,584</b>	<b>-</b>
<b>9.1.2</b>	<b>Interest accrued on Loans &amp; advances</b>		
	Interest accrued on Conventional Loans & advances	439,482,074	-
	Profit Receivable on TIB Investment	-	-
		<b>439,482,074</b>	<b>-</b>
<b>9.2</b>	<b>Preliminary, formation and organization expenses, renovation / development expenses and prepaid expenses;</b>		
	Pre-opening Expenses	91,667	-
	Prepaid Expenses	12,876,776	12,446,323
		<b>12,968,443</b>	<b>12,446,323</b>

9.3 Others		30.09.2011	31.12.2010
		Taka	Taka
	Deferred Tax Asset	24,353,202	16,319,128
	Intangible Assets	39,177,144	6,295,963
	Intl. Credit Report Agency Charge	5,514,232	3,205,264
	Encashment of Sanchaya patra awaiting reimbursement-Principal	148,253,505	85,682,108
	Encashment of Sanchaya patra awaiting reimbursement-Interest	106,018,589	74,407,590
	Encashment of WEDB awaiting reimbursement-Principal	88,986,500	71,291,500
	Encashment of WEDB awaiting reimbursement-Interest	69,811,684	44,635,664
	US\$ Premium Bond - Principal	4,367,125	534,375
	US\$ Premium Bond - Interest	960,609	89,996
	US\$ Investment Bond - Principal	1,139,250	16,063,313
	US\$ Investment Bond - Interest	523,296	2,096,798
	Advance against Capital Expenditure	39,683,159	42,300,300
	Clearing Adjustment	(538,572)	(16,189,412)
	Fees Receivable on POS	-	-
	Receivable on Death Risk Benefit-WEDB	-	250,000
		<b>528,249,723</b>	<b>346,982,587</b>

#### 9.3.1 Deferred tax Asset

Balance as on 1 January	16,319,128	6,907,377
Addition during the period	8,034,074	9,411,751
Closing Balance	<b>24,353,202</b>	<b>16,319,128</b>

9.3.1.1 To maintain the deferred tax Asset of Tk.24,353,202 as on 30 September 2011, a deferred tax Income of Tk. 8,034,074 has been made during the period ended 30 September 2011 as per BAS-12 -Income Taxes

#### 9.4 Break-up of Other Assets

Income generating other assets	2,999,999,300	2,999,999,300
Non income generating other asset	1,679,174,080	1,123,450,003
	<b>4,679,173,380</b>	<b>4,123,449,303</b>

9.5 Inter Branch Adjusting Account represents outstanding inter branch and head office transactions (net) originated but yet to be responded by Balance Sheet date. However, the status of unresponded entries of 30.09.2011

	No. of unrespondent entries		Unrespondent entries (Taka)	
	Debit	Credit	Debit	Credit
Upto 3 months	665	324	923,900,000	688,407,000
Over 3 months but within 6 months	-	-	-	-
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
			923,900,000	688,407,000

9.6 Provision for other asset has been made @ 50% for prepaid legal expenses against unsettled suit of Tk. 446,455.00 as on reporting date as per BRPD Circular No. 14 dated 25 June 2001 issued by Bangladesh Bank and shown in Note # 12.2 under Other Liability.

#### 9.(a) Consolidated other assets

Trust Bank Limited	Note - 9	4,679,173,380	4,123,449,303
Trust Bank Investment Limited		49,129,392	105,949,923
		4,728,302,772	4,229,399,226
Less: Investment in Trust Investment Ltd.		2,999,999,300	2,999,999,300
		<b>1,728,303,472</b>	<b>1,229,399,926</b>

		30.09.2011 Taka	31.12.2010 Taka
<b>10.</b>	<b>BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AGENTS</b>		
	<b><u>In Bangladesh</u></b>		
	<b><u>Call loans</u></b>		
	Call Loan from Banks	-	-
	Call Loan from Leasing Co.	-	-
	Call Loan from Insurance Co.	-	-
	Call Loan from Other Institutions	-	-
	<b><u>Other Borrowings</u></b>		
	Borrowing from Bangladesh Bank - EDF	183,280,164	326,084,112
	Bangladesh Bank: Re-finance	164,606,493	137,861,335
		<b>347,886,657</b>	<b>463,945,447</b>
	<b><u>Outside Bangladesh</u></b>	-	-
		<b>347,886,657</b>	<b>463,945,447</b>
<b>10.1</b>	<b>Security wise borrowings</b>		
	Secured Borrowings	-	-
	Unsecured Borrowings	347,886,657	463,945,447
		<b>347,886,657</b>	<b>463,945,447</b>
<b>10.2</b>	<b>Repayment nature wise borrowings</b>		
	Repayment on Demand	347,886,657	463,945,447
	Others	-	-
		<b>347,886,657</b>	<b>463,945,447</b>
<b>10.3</b>	<b>Remaining maturity grouping of Borrowings from other banks, financial institutions and agents</b>		
	On demand	347,886,657	463,945,447
	Upto 1 month	-	-
	Over 1 month but within 3 months	-	-
	Over 3 months but within 1 Year	-	-
	Over 1 Year but within 5 Years	-	-
	Over 5 Years	-	-
		<b>347,886,657</b>	<b>463,945,447</b>
<b>10. (a)</b>	<b>Consolidated borrowings from other Banks, financial institutions and agents</b>		
	Trust Bank Limited	347,886,657	463,945,447
	Trust Bank Investment Limited	1,092,817,999	1,126,907,614
		1,440,704,656	1,590,853,061
	Less: Inter company transaction	1,071,405,366	1,130,605,342
		<b>369,299,290</b>	<b>460,247,719</b>
<b>11.</b>	<b>DEPOSITS AND OTHER ACCOUNTS</b>		
	Current / Al-wadeeah Current Accounts and other Accounts	8,147,167,727	5,681,378,972
	Bills Payable	683,637,373	656,010,698
	Savings Bank Deposits/Mudaraba Savings Deposits	5,481,195,591	5,336,185,241
	Fixed Deposits/Mudaraba Term Deposits	49,386,727,185	38,739,716,060
		<b>63,698,727,876</b>	<b>50,413,290,971</b>

11.1 Remaining maturity grouping of Deposits and other accounts			30.09.2011 Taka	31.12.2010 Taka
<b>Inside Bangladesh</b>				
	<b>Banks</b>	<b>Other than Banks</b>		
<b>Payable</b>				
On demand	-	8,147,145,570	8,147,145,570	7,883,096,592
Upto 1 month	129,845,000	14,359,204,993	14,489,049,993	7,902,898,456
Over 1 month but within 3 months		18,882,920,520	18,882,920,520	14,688,281,202
Over 3 months but within 1 Year	-	16,585,186,040	16,585,186,040	16,363,997,894
Over 1 Year but within 5 Years		4,090,149,840	4,090,149,840	2,672,276,667
Over 5 Years		1,504,275,913	1,504,275,913	902,740,160
	<b>129,845,000</b>	<b>63,568,882,876</b>	<b>63,698,727,876</b>	<b>50,413,290,971</b>
<b>Outside Bangladesh</b>				
	-	-	-	-
	<b>129,845,000</b>	<b>63,568,882,876</b>	<b>63,698,727,876</b>	<b>50,413,290,971</b>
<b>11.2 Current / Al-wadeeah Current Accounts and other Accounts</b>				
Under Conventional Banking		Note - 11.2.1	8,080,267,675	5,631,715,497
Under Islamic Banking		Note - 11.2.2	66,900,052	49,663,475
			<b>8,147,167,727</b>	<b>5,681,378,972</b>
<b>11.2.1 Under Conventional Banking</b>				
Current Account			4,545,451,085	2,698,132,604
Other Accounts		Note - 11.2.3	3,534,816,590	2,933,582,893
			<b>8,080,267,675</b>	<b>5,631,715,497</b>
<b>11.2.2 Under Islamic Banking</b>				
Al-wadeeah Current Accounts			31,941,735	33,016,922
Other Accounts - profit payable			34,958,317	16,646,553
			<b>66,900,052</b>	<b>49,663,475</b>
<b>11.2.3 Other Accounts</b>				
Foreign Currency Deposits			1,330,649,350	1,548,238,587
Interest Payable on Deposits			1,156,895,049	747,221,292
Sundry Deposits			1,047,272,191	638,123,014
			<b>3,534,816,590</b>	<b>2,933,582,893</b>
<b>11.3 Bills Payable</b>				
Demand Draft payable			28,492,639	44,525,252
Pay Order payable			655,144,734	611,485,446
			<b>683,637,373</b>	<b>656,010,698</b>
<b>11.4 Savings Bank Deposits/Mudaraba Savings Deposits</b>				
Savings Bank Deposits			5,191,650,960	5,105,732,885
Mudaraba Savings Deposits			289,544,631	230,452,356
			<b>5,481,195,591</b>	<b>5,336,185,241</b>
<b>11.5 Fixed Deposits/Mudaraba Term Deposits</b>				
<b>11.5.1 Under Conventional Banking</b>				
Fixed Deposits			38,233,451,853	29,273,164,437
Short Notice Deposits			4,861,191,684	4,708,205,538
Scheme Deposits			4,956,193,846	3,742,144,956
			<b>48,050,837,383</b>	<b>37,723,514,931</b>
<b>11.5.2 Under Islamic Banking</b>				
Mudaraba Term Deposits			1,279,557,251	976,855,423
Mudaraba Short Notice Deposits			6,523,218	8,075,750
Mudaraba Scheme Deposits			49,809,333	31,269,956
			<b>1,335,889,802</b>	<b>1,016,201,129</b>
			<b>49,386,727,185</b>	<b>38,739,716,060</b>

		30.09.2011 Taka	31.12.2010 Taka
<b>11.5.3 Fixed Deposits</b>			
	<u>Banks</u>	<u>Other than Banks</u>	
One month		847,744,605	847,744,605
Three months		21,340,831,087	21,340,831,087
Six months		2,939,875,288	2,939,875,288
One year		12,537,248,705	12,537,248,705
Two years	-	76,685,869	76,685,869
Three years		462,932,457	462,932,457
Five Years		899,902	899,902
More than five years	-	27,233,941	27,233,941
	-	<b>38,233,451,854</b>	<b>38,233,451,854</b>
			<b>29,273,164,437</b>

**11.5.3.a Mudaraba Term Deposits**

		Banks	Other than Banks	
One month	-	6,604,013	6,604,013	57,921,006
Three months	-	922,601,650	922,601,650	626,316,679
Six months	-	109,740,468	109,740,468	115,058,015
One year	-	239,345,882	239,345,882	176,594,485
Three years	-	1,265,238	1,265,238	965,238
	-	<b>1,279,557,251</b>	<b>1,279,557,251</b>	<b>976,855,423</b>

**11.6 Geographical location-wise concentration of Deposits & Other Accounts**

**Inside Bangladesh**

Dhaka Division	48,843,147,433	39,297,176,989
Chittagong Division	8,483,419,162	6,136,833,125
Khulna Division	1,785,270,096	1,134,463,925
Sylhet Division	2,352,245,814	2,258,970,643
Rangpur Division	797,413,190	2,927,765
Barisal Division	45,756,548	-
Rajshahi Division	1,391,475,633	1,582,918,524
	63,698,727,876	50,413,290,971

**Outside Bangladesh**

-	-
<b>63,698,727,876</b>	<b>50,413,290,971</b>

**11.(a) CONSOLIDATED DEPOSITS AND OTHER ACCOUNTS**

Current / Al-wadeeah Current Accounts and other Accounts

Trust Bank Limited	8,147,167,727	5,681,378,972
Trust Bank Investment Limited	180,193,723	565,683,648
	8,327,361,450	6,247,062,620
Bills Payable	683,637,373	656,010,698
Savings Bank Deposits/Mudaraba Savings Deposits	5,481,195,591	5,336,185,241
Fixed Deposits/Mudaraba Term Deposits	49,386,727,185	38,739,716,060
Less : Inter Company Transaction	51,738,438	621,073,337
	49,334,988,747	38,118,642,723
	<b>63,827,183,161</b>	<b>50,357,901,282</b>

		30.09.2011 Taka	31.12.2010 Taka
<b>12. OTHER LIABILITIES</b>			
Provision for Loans and Advances	Note - 12.1	1,145,851,000	1,082,900,000
Provision for Investment		34,839,361	11,932,760
Provision for other asset	Note - 12.2	4,235,729	3,789,274
Provision for CSR Fund		-	115,600,000
Provision for Gratuity		36,000,000	41,559,109
Unearned profit on TIB Investment		14,881,777	11,785,925
Interest Suspense Account	Note - 12.3	307,772,075	292,060,539
Exchange Equalization Fund	Note - 12.4	-	-
Provision for Income Tax Less Advance Income Tax	Note - 12.5	419,613,885	576,783,076
Accrued Expenses		38,102,107	128,294,703
Audit Fees Payable		-	517,500
Sundry Creditors		61,298,936	107,866,541
Others		651,290	649,253
		<b>2,063,246,160</b>	<b>2,373,738,680</b>
<b>12.1 Provision for Loans and Advances/Islami Banking Investments</b>			
<b>Specific Provision</b>			
Against Classified Loans & Advances		284,171,500	304,752,000
<b>General Provision</b>			
Against Unclassified Loans & Advances		639,217,500	575,318,000
Against Special Mention Accounts		23,197,000	28,830,000
Against Off Balance Sheet Exposures		199,265,000	174,000,000
		861,679,500	778,148,000
		<b>1,145,851,000</b>	<b>1,082,900,000</b>
<b>12.1.1 Against Classified Loans &amp; Advances</b>			
Provision held on 1 January		304,752,000	439,000,000
Fully provided debts written off		-	-
Recoveries from previously written off debts		-	-
Provisions made during the period		(20,580,500)	(134,248,000)
Net Charge to the Profit Loss Account		(20,580,500)	(134,248,000)
Provision held at end of period		<b>284,171,500</b>	<b>304,752,000</b>
<b>12.1.2 Against Unclassified Loans &amp; Advances</b>			
Provision held on 1 January		575,318,000	398,900,000
Provisions made during the period		63,899,500	176,418,000
Provision held at end of period		<b>639,217,500</b>	<b>575,318,000</b>
<b>12.1.3 Against Special Mention Accounts</b>			
Provision held on 1 January		28,830,000	17,500,000
Provisions made during the period		(5,633,000)	11,330,000
Provision held at end of period		<b>23,197,000</b>	<b>28,830,000</b>
<b>12.1.4 Required Provision against Loans and Advances</b>			
<b>Particulars</b>	<b>Base for Provision</b>	<b>Rate</b>	
Unclassified			
a. Consumer Financing (House Financing)	3,945,907,629	2%	78,918,000
b. Consumer Financing (Loans to Professional)	29,331,792	2%	587,000
c. Consumer Financing ( Other than a & b)	3,718,244,294	5%	185,912,000
d. Small & Medium Enterprise Financing	2,279,160,509	1%	22,792,000
e. Loans to BHs/ MBs/ Sds against Shares etc	1,120,521,140	2%	22,410,000
f Short Term Agriculture & Micro Credit	59,787,146	5%	2,989,000
g. All other Credit	32,282,917,636	1%	322,829,000
	43,435,870,146		636,437,000
Special Mention Accounts	463,933,907	5%	23,197,000
Classified			
a. Substandard	261,775,814	20%	52,355,000
b. Doubtful	59,343,372	50%	29,672,000
c. Bad/Loss	202,147,900	100%	202,148,000
	<b>523,267,086</b>		<b>284,175,000</b>
			<b>304,752,000</b>

	30.09.2011 Taka	31.12.2010 Taka
<b>12.1.5 General Provision for Off Balance Sheet Exposures</b>		
Provision held on 1 January	174,000,000	103,000,000
Provisions made during the period	2,273,000	71,000,000
	<b>176,273,000</b>	<b>174,000,000</b>
<b>12.1 (a) Consolidated General Provision for Loans and Advances</b>		
Trust Bank Limited	861,679,500	778,148,000
Trust Bank Investment Limited	40,911,143	40,911,143
	<b>902,590,643</b>	<b>819,059,143</b>
<b>12.2 Provision for other asset</b>		
Balance on 1 January	3,789,274	2,126,573
Provisions made during the period	446,455	1,662,701
	<b>4,235,729</b>	<b>3,789,274</b>
<b>12.3 Interest Suspense Account</b>		
Balance on 1 January	292,060,539	189,080,502
Amount transferred during the period	346,513,056	293,369,827
Amount recovered during the period	(330,801,520)	(189,862,677)
Amount written off / waived during the period	-	(527,113)
	<b>307,772,075</b>	<b>292,060,539</b>
<b>12.4 Exchange Equalization Fund</b>		
Balance on 1 January	-	2,996,337
Less :Transferred to extra ordinary gain as per BBK circular	-	2,996,337
	-	-
<b>12.5 Provision for Income Tax Less Advance Income Tax Provision for Income Tax</b>		
Balance on 1 January	1,947,500,000	1,096,470,800
Provisions made during the period	520,000,000	875,000,000
Provision made for previous year(s)	-	-
Settlement for previous period(s)	-	(23,970,800)
	2,467,500,000	1,947,500,000
<b>Less: Advance Income Tax</b>		
Balance on 1 January	1,370,716,924	718,043,666
Paid during the year	677,169,191	676,644,058
Settlement for previous year(s)	-	(23,970,800)
	2,047,886,115	1,370,716,924
<b>Net Closing Balance</b>	<b>419,613,885</b>	<b>576,783,076</b>
<b>12.5 (a) Consolidated tax expenses</b>		
Trust Bank Limited	520,000,000	790,000,000
Trust Bank Investment Limited	185,383,365	-
	<b>705,383,365</b>	<b>790,000,000</b>
<b>12.5.1</b>	Provision for current tax of Tk.52,000,000 has been made @ 42.50% on Business Income, @ 20% on Dividend Income and @ 10% on capital gain on sale of shares of the accounting profit made by the Bank during the period after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance and Rules, 1984.	

	30.09.2011 Taka	31.12.2010 Taka
<b>12. (a) Consolidated other liabilities</b>		
Trust Bank Limited	2,063,246,160	2,373,738,680
Trust Bank Investment Limited	238,532,633	123,765,483
	2,301,778,793	2,497,504,163
Less: Inter company transaction	-	-
	<b>2,301,778,793</b>	<b>2,497,504,163</b>
<b>13. CAPITAL</b>		
<b>13.1 Authorized Capital</b>		
50,000,000 Ordinary shares of Tk. 100 each	5,000,000,000	5,000,000,000
<b>13.2 Issued, Subscribed and Paid Up Capital</b>		
11,666,700 Ordinary shares of Tk. 100 each issued for cash	1,166,670,000	1,166,670,000
1,166,670 Ordinary shares of Tk. 100 each issued bonus shares	116,667,000	116,667,000
2,566,674 Ordinary shares of Tk. 100 each issued for right 1R:5	256,667,400	256,667,400
3,080,008 Ordinary shares of Tk. 100 each issued bonus shares	308,000,800	308,000,800
3,696,010 Ordinary shares of Tk. 100 each issued bonus shares	369,601,000	369,601,000
4,435,212 Ordinary shares of Tk. 100 each issued bonus shares	443,521,200	-
<b>26,611,274</b>	<b>2,661,127,400</b>	<b>2,217,606,200</b>
<b>13.3 Capital Adequacy Ratio</b>		
In terms of section 13 (2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD circulars no. 1, 14, 10, 7, 5 and 3 dated January 08, 1996, November 16, 1996, November 25, 2002, August 28, 2006, May 14, 2007 and March 12, 2008 respectively, required capital, available core capital and supplementary capital of the Bank for the period ended as at 30 September 2011 is shown below:		
<b>Tier – I (Core Capital)</b>		
Paid up Capital	2,661,127,400	2,217,606,200
Share Premium Account	-	-
Statutory Reserve	1,775,666,188	1,566,403,090
Retained Earnings	1,004,632,432	1,123,067,166
	<b>5,441,426,020</b>	<b>4,907,076,456</b>
<b>Tier –II (Supplementary Capital)</b>		
General Provision	861,679,500	778,148,000
Revaluation reserves (50% of such reserve)	79,244,856	59,140,366
	<b>940,924,356</b>	<b>837,288,366</b>
<b>A. Total Capital (Tier-I + Tier-II)</b>	<b>6,382,350,376</b>	<b>5,744,364,822</b>
B. Total Risk Weighted Assets (RWA)	69,682,900,000	63,209,700,000
C. Required Capital based on RWA @ 10% on B	6,968,290,000	5,688,873,000
D. Surplus Capital as per Bank weighted Assets (A - C)	(585,939,624)	55,491,822
<b>Capital Adequacy Ratio</b>		
Core Capital to RWA	7.81%	7.76%
Supplementary Capital to RWA	1.35%	1.32%
	<b>9.16%</b>	<b>9.09%</b>
<b>13.3 (a) Capital Adequacy Ratio under Consolidated basis</b>		
<b>Tier – I (Core Capital)</b>		
Paid up Capital	2,661,127,400	2,217,606,200
Minority Interest	772	705
Statutory Reserve	1,775,666,188	1,566,403,090
Retained Earnings	1,333,267,385	1,142,729,910
	<b>5,770,061,745</b>	<b>4,926,739,905</b>



	30.09.2011 Taka	31.12.2010 Taka
<b>Tier –II (Supplementary Capital)</b>		
General Provision	902,590,643	819,059,143
Revaluation reserves (50% of such reserve)	79,244,856	59,140,366
	<b>981,835,499</b>	<b>878,199,509</b>
<b>A. Total Capital (Tier-I + Tier-II)</b>	<b>6,751,897,244</b>	<b>5,804,939,414</b>
B. Total Risk Weighted Assets (RWA)	70,897,100,000	64,104,600,000
C. Required Capital based on RWA @ 10%	7,089,710,000	5,769,414,000
D. Surplus Capital as per Bank weighted Assets (A - C)	(337,812,756)	35,525,414
<b>Capital Adequacy Ratio</b>		
Core Capital to RWA	8.14%	7.69%
Supplementary Capital to RWA	1.38%	1.37%
	<b>9.52%</b>	<b>9.06%</b>

#### Total Risk Weighted Assets (RWA)

Risk Weighted Assets (RWA) has been calculated considering the Credit risk, Market Risk and Operational risk as per Guidelines on Risk Based Capital Adequacy - Revised Regulatory Framework in line with Basel II issued by Bangladesh Bank on August 2010.

#### 13.4 Percentage of shareholdings at the closing date

	Amount (in Taka)		Percentage (%)	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
Sponsors	1,596,884,500	1,330,740,100	60.00%	60.01%
Financial Institutions	542,884,900	411,162,400	20.40%	19.51%
Foreign Investors	18,000	-	0.00%	-
Non-Resident Bangladeshi	12,824,500	9,256,800	0.48%	0.41%
General Public	508,515,500	466,446,900	19.12%	20.08%
<b>Total</b>	<b>2,661,127,400</b>	<b>2,217,606,200</b>	<b>100.00%</b>	<b>100.00%</b>

#### 13.5 Shareholding Range on the basis of shareholdings as on 30 September 2011

Shareholding Range	No. of Sh. Holders	Number of Shares	%
1 to 500	28218	2,630,355	9.88%
501 to 5,000	1591	1,982,996	7.45%
5,001 to 10,000	80	570,583	2.14%
10,001 to 20,000	42	595,226	2.24%
20,001 to 30,000	15	355,221	1.33%
30,001 to 40,000	5	170,583	0.64%
40,001 to 50,000	4	175,116	0.66%
50,001 to 100,000	14	952,914	3.58%
100,001 to 1,000,000	10	3,211,745	12.07%
1,000,001 and More	1	15,966,535	60.00%
<b>Total</b>	<b>29,980</b>	<b>26,611,274</b>	<b>100.00%</b>

#### 13. (a) MINORITY INTEREST

	30.09.2011 Taka	31.12.2010 Taka
Share Capital (7105 Shares of Trust Bank Investment Limited @ Tk. 100 each)	700	700
Profit as of 1 January 2010	5	-
Profit for the period	67	5
	72	5
	<b>772</b>	<b>705</b>

	30.09.2011 Taka	31.12.2010 Taka
<b>14. STATUTORY RESERVE</b>		
Balance on 1 January	1,566,403,090	1,138,330,330
Reserve made during the period	209,263,098	428,072,760
Closing Balance	<u>1,775,666,188</u>	<u>1,566,403,090</u>
<b>14.1</b> Reserve for current period was made @ Tk. 20% on the net profit before tax under section 24 of The Bank Companies Act 1991.		
<b>15.1 OTHER RESERVE</b>		
<b>Revaluation Reserve</b>		
Balance on 1 January	118,280,731	122,565,154
Reserve made/(adjusted) during the period	40,208,980	(4,284,423)
Closing Balance	<u>158,489,711</u>	<u>118,280,731</u>
Investments which have 'fixed or determinable payments', and are intended to be 'held to maturity' other than those which are floating and/or free to trade in the market at prevailing prices are classified as held to maturity and must be amortized at the end of the year before maturity. Investments classified in the category of 'Held for Trading' are held indeed selling or purchasing –in short- trading as decided by the management of the bank or treasury. After initial recognition, investments of such categories are measured at their fair value once in a week. The increase in case of amortization of Investment under 'Held to maturity' and any change in the fair value in case of Investment under 'held for Trading' is to be accounted for in the 'Statement of changes in Equity' under the head Other Reserve as Surplus/Deficit on revaluation of investment.		
<b>16.1 RETAINED EARNINGS</b>		
Balance on 1 January	1,123,067,166	463,963,772
Issue of Bonus Shares	(443,521,200)	(187,599,400)
Income Tax Provision for the previous Income year	-	-
	<u>679,545,966</u>	<u>276,364,372</u>
Net Profit for the year transferred from Profit and Loss Account	534,349,564	1,274,775,554
Less: Transferred to Statutory Reserve	209,263,098	428,072,760
	<u>325,086,466</u>	<u>846,702,794</u>
Closing Balance	<u>1,004,632,432</u>	<u>1,123,067,166</u>
<b>16.(a) Consolidated retained earnings</b>		
Trust Bank Limited	1,004,632,432	1,123,067,166
Trust Bank Investment Limited	328,635,025	19,662,749
	1,333,267,457	1,142,729,915
Less minority interest	72	5
Closing Balance	<u>1,333,267,385</u>	<u>1,142,729,910</u>
<b>17.1 CONTINGENT LIABILITIES</b>		
<b>17.2 Acceptances and endorsements</b>		
Acceptance Bills - Local	1,573,971,082	2,174,497,354
Acceptance Bills - Foreign	3,025,846,730	1,208,218,702
Acceptance Liabilities - Back to Back L/C	532,792,168	350,822,848
	<u>5,132,609,980</u>	<u>3,733,538,904</u>
<b>17.3 Letters of Guarantee</b>		
Letters of Guarantee - Local	3,593,835,211	4,072,730,745
Letters of Guarantee -Foreign	65,720,000.00	1,850,000.00
	<u>3,659,555,211</u>	<u>4,074,580,745</u>

	30.09.2011 Taka	31.12.2010 Taka
<b>17.3.1 Money for which the bank is contingently liable in respect of guarantees given favoring :</b>		
Directors or Officers	-	-
Government	1,581,049,810	1,760,354,672
Banks and other financial institutions	708,936,826	789,336,456
Others	1,369,568,575	1,524,889,617
	<b><u>3,659,555,211</u></b>	<b><u>4,074,580,745</u></b>
<b>17.4 Irrevocable Letter of Credits</b>		
Letter of Credit - Local	389,485,016	358,803,438
Letter of Credit - Foreign	6,387,928,239	5,952,895,505
Letter of Credit - Back to Back L/C	779,323,959	1,234,417,914
Letter of Credit - Usance (Foreign)	844,481,436	662,413,513
	<b><u>8,401,218,650</u></b>	<b><u>8,208,530,370</u></b>
<b>17.5 Bills for Collection</b>		
Outward Bills for Collection	38,139,344	37,721,285
Foreign Bills for Collection	3,266,000	2,120,000
Inland Bills for Collection	50,000	50,000
Local Documentary Bill for Collection	2,005,119,652	2,173,230,253
Inward Foreign Documentary Bills for Collection	270,867,000	287,917,625
Foreign Documentary Bills for Collection	415,513,349	432,991,347
	<b><u>2,732,955,345</u></b>	<b><u>2,934,030,510</u></b>

	01 Jan '11 to 30 Sep '11	01 Jan '10 to 30 Sep '10
<b>18. Interest Income under Conventional banking</b>		
<b>Interest from Loans and Advances</b>		
Interest on Repair & Recon. of Dwelling House (RRDH)	105,990,066	59,047,692
Interest on Consumer Durable Scheme	81,742	263,251
Interest on Marriage Loans	3,152,592	3,634,245
Interest on Car Loans	32,129,689	38,953,039
Interest on House Building Loans	282,466,306	171,404,228
Interest on Term Loans	991,894,052	901,325,661
Interest on Other Loans	624,417,608	391,861,099
Interest on SME Loan	56,795,245	20,149,204
Interest on PAD - EDF	10,009,998	4,276,243
Interest on Staff Loan	13,839,457	10,434,148
Interest on LTR	674,341,976	456,651,893
Interest on Payment Against Documents (PAD)	74,275,022	39,759,489
Interest on Cash Credit	118,785,822	82,418,478
Interest on Cash Collateral	21,510,199	16,632,216
Interest on Overdraft	264,742,220	75,893,255
Interest on SOD	572,409,937	968,149,593
Interest on Inland Bills Purchased and Discounted	111,139,216	93,159,930
Interest on Foreign Bills Purchased and Discounted	11,087,412	1,894,348
	<b>3,969,068,559</b>	<b>3,335,908,012</b>
<b>Profit under Islamic banking</b>		
Profit on BARAKAT Car Scheme	2,295,049	1,900,036
Profit on IHSAN Apartment Purchase Scheme	982,226	732,706
Profit on BARAKAT Home Construction Scheme	1,820,541	519,431
Profit on HPSM-Capital Machinery	24,252,459	19,438,687
Profit on HPSM- Real Estate	2,566,259	2,542,426
Profit on Murabaha (RM)	-	100,277
Profit on Bai-Muajjal	6,804,763	3,402,323
Profit on Bai-Salam	4,241,818	1,568,683
Profit on Murabaha TR	18,779,379	4,962,968
Profit on Murabaha Import Bills (MIB)	317,591	-
Profit on TIB House Building Scheme-HBL (RM)	17,792	-
Profit on Musharaka agt. IBP	9,932,009	3,325,527
	<b>72,009,886</b>	<b>38,493,064</b>
<b>Interest from Banks and Other Financial Institutions</b>		
Interest on FDR Account	49,746,589	93,304,689
Interest on Bangladesh Bank Foreign Currency Accounts	1,290,458	1,126,416
Interest on SND Account	1,531,899	10,246,721
Interest on Call Deposits	242,893,958	62,671,028
	<b>295,462,904</b>	<b>167,348,854</b>
Interest received from Foreign Banks	356,094	166,282
	<b>4,336,897,443</b>	<b>3,541,916,212</b>
<b>18 (a) Consolidated Interest Income/profit on investment</b>		
Trust Bank Limited	4,336,897,443	3,541,916,212
Trust Bank Investment Limited	474,994,131	-
	<b>4,811,891,574</b>	<b>3,541,916,212</b>
Less : Inter Company Transaction	117,763,280	-
	<b>4,694,128,294</b>	<b>3,541,916,212</b>
<b>19. INTEREST PAID ON DEPOSITS AND BORROWINGS</b>		
<b>Interest paid on deposits</b>		
Interest on SND Account	100,622,456	158,450,421
Interest on FDR Account	2,729,959,771	1,773,830,979
Interest on Foreign Currency Deposit	1,506,655	1,814,856
Interest on Savings Account	165,992,155	153,634,357
Profit on TIB Depositors	94,904,596	55,296,552
Interest on Scheme Deposits	332,440,628	269,764,781
	<b>3,425,426,261</b>	<b>2,412,791,946</b>

	01 Jan '11 to 30 Sep '11	01 Jan '10 to 30 Sep '10
<b>Interest paid on borrowings</b>		
Interest on Call Deposits.	3,490,764	3,044,097
Interest on Repo	1,432,530	1,004,808
Interest on Other Borrowings	17,973,772	3,028,993
Discount & Commission paid	1,975,000	47,000
	<b>24,872,066</b>	<b>7,124,898</b>
	-	-
	<b><u>3,450,298,327</u></b>	<b><u>2,419,916,844</u></b>
<b>19.(a) Consolidated Interest / profit paid on deposits, borrowings etc. on investment</b>		
Trust Bank Limited	3,450,298,327	2,419,916,844
Trust Bank Investment Limited	119,808,769	-
	<b>3,570,107,096</b>	<b>2,419,916,844</b>
Less : Inter Company Transaction	117,763,280	-
	<b><u>3,452,343,816</u></b>	<b><u>2,419,916,844</u></b>
<b>20. INCOME FROM INVESTMENTS</b>		
Income from Treasury bonds	361,987,095	486,309,037
Interest on Reverse REPO	-	54,945
Interest on Other Approved Securities (Reverse REPO)	-	9,084,660
Income from Debentures & Bond	77,353,621	43,927,216
Dividend Income	86,155,087	19,227,118
Profit on Investment of TIB	7,935,755	15,064,530
Gain from sales of shares	13,139,747	152,953,488
	<b>546,571,305</b>	<b>726,620,994</b>
<b>21. Commission, exchange and brokerage</b>		
Demand Draft, Money Transfer, Telegraphic Transfer, Pay Order etc.	4,088,031	2,463,965
Travelers Cheque	3,870	16,141
Bills	12,733,943	7,453,478
Letter of Guarantees	26,787,252	31,759,489
Letter of Credits	118,475,721	88,293,492
Foreign Remittances	1,924,618	832,055
Commission on Sale of Government Securities	3,575,571	9,142,064
Fund Transfer Commission	17,986	45,881
Commission on Sale & Purchase of Shares	457,811	592,222
Under writing Commission	1,902,284	3,121,396
Acceptance Commission	47,603,922	32,211,707
Foreign Correspondence Charges	52,922	111,000
Miscellaneous Commission	15,590,807	16,924,786
	<b>233,214,738</b>	<b>192,967,676</b>
Foreign Currency Exchange Gain	216,821,964	138,694,410
	<b><u>450,036,702</u></b>	<b><u>331,662,086</u></b>
<b>21.(a) Consolidated Commission, exchange and brokerage</b>		
Trust Bank Limited	450,036,702	331,662,086
Trust Bank Investment Limited	642,793	-
	<b><u>450,679,495</u></b>	<b><u>331,662,086</u></b>
<b>22. OTHER OPERATING INCOME</b>		
Locker Rent	649,475	603,750
Swift Charge (Net)	5,696,839	4,864,569
Postage Charge (Net)	2,049,144	1,244,276
Incidental Charges	300	1,649
Sale Proceeds of Forms	678,312	853,702
Service Charges	22,818,899	52,032,143
Service Compensation	870,000	1,245,000
Front End Fees	17,205,439	30,978,796
Notice Pay	1,468,050	1,034,950
closing Charge	549,803	590,057
Sale Proceeds of Cheque books	27,500	40,500

	01 Jan '11 to 30 Sep '11	01 Jan '10 to 30 Sep '10
Insurance Premium Income	28,519	-
BO Account Transfer Fee	-	16,147,468
Introductory Commission	-	520,764
Service Charges on Ombinis Transaction	-	4,415
Recovery of Custodian Charges	-	228,912
Syndication Fees	327,750	161,085
Income through Credit & ATM Card	7,460,670	5,607,177
Profit on sale of Fixed Assets	725,712	537,703
Take up Commission	949	-
Port Folio Management Fees	7,500	93,548,364
Port Folio Transaction Fees	-	344,193,398
Service Charge on Passport	-	548,600
Miscellaneous Foreign Exchange Income	42,360,721	30,776,375
Miscellaneous Earnings	25,756,407	19,352,504
	<b>128,681,989</b>	<b>605,116,157</b>

**22. (a) Consolidated other oprating income**

Trust Bank Limited	128,681,989	605,116,157
Trust Bank Investment Limited	207,796,444	-
	<b>336,478,433</b>	<b>605,116,157</b>

**23. Salaries and allowances**

Basic Salary	188,987,042	176,684,164
House Rent Allowances	93,343,093	88,412,493
Conveyance Allowances	12,893,263	13,394,368
Medical Allowances	46,188,420	46,563,530
Leave Fare Assistances	18,616,962	18,820,443
Leave Encashment	2,765,250	6,438,850
Utility Allowances	2,163,737	2,091,534
Telephone Allowance	149,290	-
Club Membership Allowance	697,000	-
Personal Pay	538,710	-
Manager's Charge Allowance	995,500	989,000
Key Holding Allowance	660,000	522,750
Commission to Sales Promotion Officers	-	177,005
Festival Bonus	24,398,642	21,709,239
Incentive Bonus	75,000	49,494
Bank's Contribution to Provident Fund	16,728,064	15,608,362
Bank's Contribution to Superannuation Fund	1,199,997	1,199,997
Bank's Contribution to Employees' Gratuity Fund	36,000,000	33,758,375
	<b>446,399,970</b>	<b>426,419,604</b>

**23. (a) Consolidated salaries and allowances**

Trust Bank Limited	446,399,970	426,419,604
Trust Bank Investment Limited	24,770,058	-
	<b>471,170,028</b>	<b>426,419,604</b>

**24. RENT, TAXES, INSURANCE, ELECTRICITY, ETC.**

Rent	68,239,382	64,658,965
Electricity and Lighting	13,777,509	12,241,082
Insurance	25,646,881	26,714,186
Rates, Taxes & Excise Duty	639,385	2,301,859
Fees & Renewals	4,511,640	91,675
Generator Fuel	2,396,012	2,841,977
Gas/Water Bill	804,062	888,539
	<b>116,014,871</b>	<b>109,738,283</b>

**24. (a) Consolidated rent,taxes,insurance, electricity,etc.**

Trust Bank Limited	116,014,871	109,738,283
Trust Bank Investment Limited	11,498,494	-
	<b>127,513,365</b>	<b>109,738,283</b>

	01 Jan '11 to 30 Sep '11	01 Jan '10 to 30 Sep '10
<b>25. POSTAGE, STAMPS, TELECOMMUNICATION, ETC.</b>		
Stamp	47,353	19,397
ATM Connectivity Charges	895,000	722,000
ATM Maintenance Charges	3,000,000	2,000,000
Online Expenses	21,316,180	16,014,921
ATM Card Expenditure	1,446,500	1,373,700
Internet Charge	1,932,007	1,556,082
Router Charge	1,666,654	1,500,598
Telegram, Telex, Telephone, Trunk Call etc. (Net)	5,934,635	5,553,230
	<b>36,238,329</b>	<b>28,739,928</b>
<b>25.(a) Consolidated postages, stamps, telecommunication, etc.</b>		
Trust Bank Limited	36,238,329	28,739,928
Trust Bank Investment Limited	1,565,900	-
	<b>37,804,229</b>	<b>28,739,928</b>
<b>26. STATIONERY, PRINTING, ADVERTISEMENT, ETC.</b>		
Printing and Stationery (Net)	25,069,145	18,546,352
Publicity and Advertisement	25,965,549	16,071,370
	<b>51,034,694</b>	<b>34,617,722</b>
<b>26.(a) Consolidated stationery, printing, advertisement, etc etc.</b>		
Trust Bank Limited	51,034,694	34,617,722
Trust Bank Investment Limited	1,714,430	-
	<b>52,749,124</b>	<b>34,617,722</b>
<b>27. DIRECTORS' FEES</b>		
Meeting fees	985,000	992,400
Other benefits	-	-
	<b>985,000</b>	<b>992,400</b>
<b>27.(a) Consolidated directors fees</b>		
Trust Bank Limited	985,000	992,400
Trust Bank Investment Limited	162,000	-
	<b>1,147,000</b>	<b>992,400</b>
<b>28. Depreciation and repair of bank's assets</b>		
<b>Depreciation</b>		
Fixed assets	76,886,005	69,527,101
For details please refer to Annexure - C		
<b>Repairs</b>		
Building	-	126,469
Furniture and fixtures	1,011,646	743,488
Office equipment	7,061,750	5,436,754
Bank's vehicles	7,496,150	6,062,781
Maintenance	4,603,939	3,659,989
	<b>20,173,485</b>	<b>16,029,481</b>
	<b>97,059,490</b>	<b>85,556,582</b>
<b>28.(a) Consolidated depreciation and repair of bank's assets</b>		
Trust Bank Limited	97,059,490	85,556,582
Trust Bank Investment Limited	5,272,463	-
	<b>102,331,953</b>	<b>85,556,582</b>
<b>29. OTHER EXPENSES</b>		
Business Development Expenses	16,848,544	5,935,410
Clearing House Charge	69,734	64,042
Conveyance	5,334,389	6,193,475
Entertainment	9,827,042	8,073,738

	01 Jan '11 to 30 Sep '11	01 Jan '10 to 30 Sep '10
Car Expenses	5,382,778	29,197
Cash Handling Charge	1,126,010	1,128,250
Bank charges	29,873	23,408
Meeting Expenses	7,016,567	11,339,831
Donation, Subscription and Membership Fees	2,128,147	1,848,850
News Paper and Periodicals	454,669	436,501
Oil and Lubricant	3,555,281	6,301,397
Remittance Charges	1,386,131	1,095,678
Other Contractual Service	38,795,875	26,217,362
Internship Allowances	1,341,330	1,503,645
Honorarium for Banking Diploma	430,000	650,000
Ex- Gratia	49,257	304,994
Training & Recruitment Expenses	6,815,233	2,830,467
Traveling Expenses	6,098,075	5,285,999
Up Keep of Office Premises	3,004,639	2,694,700
Washing Charges	625,129	482,587
Foreign Correspondence Expenses	1,845,092	1,593,230
Pre-opening Expenses	8,333	29,179
Amortization of Intangible Assets	5,690,991	4,626,139
CDBL Charges	64,033	49,153,942
Security Expenses	1,915,665	2,545,404
Foreign Remittance Expenses	1,040,125	1,113,974
Sales Commission	14,918	-
Cash Carrying Charges	794,646	737,618
Wages paid to daily Labor	61,015	32,465
Purchase of Utensils	352,584	340,355
Medical Expenses	8,944	9,188
Contact Point Verification Fees (RB)	48,555	128,004
Miscellaneous Expenses	133,813	146,553
	<b>122,297,417</b>	<b>142,895,582</b>
<b>29.(a) Consolidated other expenses</b>		
Trust Bank Limited	122,297,417	142,895,582
Trust Bank Investment Limited	24,256,863	-
	<b>146,554,280</b>	<b>142,895,582</b>
<b>30. PROVISION FOR LOANS AND ADVANCES / INVESTMENTS</b>		
Specific Provisions-against classified loans and advances	10,840,500	(65,000,000)
General Provisions-against un-classified loans and advances	55,172,500	113,500,000
General Provisions-against special mentioned accounts	(5,335,000)	5,000,000
	<b>60,678,000</b>	<b>53,500,000</b>
<b>30.(a) Consolidated Provision for Loans &amp; Advances / Investment</b>		
Trust Bank Limited	60,678,000	53,500,000
Trust Bank Investment Limited	-	-
	<b>60,678,000</b>	<b>53,500,000</b>
<b>31. PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS:</b>		
Decline in value of investment should consist of the following divisions:		
(a) Dealing securities		
- Quoted	-	-
- Unquoted	-	-
(b) Investment securities		
- Quoted	22,906,601	11,134,747
- Unquoted	-	-
	<b>22,906,601</b>	<b>11,134,747</b>
	<b>22,906,601</b>	<b>11,134,747</b>
<b>32. OTHER PROVISION</b>		
General Provision for Off Balance Sheet Exposures	2,273,000	71,000,000
Provision for Other Assets	446,455	1,379,031
	<b>2,719,455</b>	<b>72,379,031</b>



	01 Jan '11 to 30 Sep '11	01 Jan '10 to 30 Sep '10
<b>33. EARNING PER SHARE (EPS)</b>		
Profit attributable to outstanding ordinary share holders	534,349,564	1,028,134,960
Nos of Ordinary Outstanding Share before split	26,611,274	26,611,274
Nos of Ordinary Outstanding Share after split	266,112,740	266,112,740
<i>*Restated as per BAS-33</i>		
Earning per Share before split	20.08	38.64
Earning per Share after split	2.01	3.86

**33.(a) Consolidated Earning per Share (EPS)**

Profit attributable to outstanding ordinary share holders	843,321,840	1,028,134,960
Nos of Ordinary Outstanding Share	26,611,274	26,611,274
Nos of Ordinary Outstanding Share after split	266,112,740	266,112,740
<i>*Restated as per BAS-33</i>		
Earning per Share before split	31.69	38.64
Earning per Share after split	3.17	3.86

**34. EXPENDITURE INCURRED FOR EMPLOYEES**

**Salaries, allowances and benefits**

Number of employees at 30 September 2011 was 1156; (31 December 2010 was 1041) who were in receipt of remuneration for that period which in the aggregate was not less than Tk 36,000 and those employed for a part of that year who were in receipt of remuneration of remuneration of not less than TK. 3,000 per month.

**35. AUDIT COMMITTEE**

**35.a Particulars of Audit Committee**

An audit committee has been formed by the Board of Directors of the Bank in its 64<sup>th</sup> Board meeting held on 05 February 2003. In accordance with the BRPD circular letter no. 12 dated 23 December 2002, the committee constituted with a chairman, two members and a member secretary.

As on 30 September 2011, the Honorable Members of the committee were as follows:

Name	Status with Bank	Status with committee	Educational Qualification
Brig Gen Md. Nazrul Hasan	Director	Convener	B.Sc Eng, EE&E
Brig Gen K A R M Mostafa Kamal, ndc, psc	Director	Member	MDS
Mr. Helal Uddin Ahmed	Director	Member	MA
Mr. Khaled Mahub Morshed	Company Secretary	Secretary	M.Com, FCA

**35.b** During the period end as on 30 September 2011, the following number of meetings of the Audit Committee held with the bank's Senior Management to consider and review the Bank's Financial Statements and Risk

<u>Meeting Number</u>	<u>Date of Meeting</u>
1 <sup>st</sup>	15-Mar-11
2 <sup>nd</sup>	22-May-11
3 <sup>rd</sup>	27-Sep-11

**35.c Following steps have been taken for implementation of an effective Internal Control Procedures of the banks:**

A strong internal control & compliance division has been formed with a view to establish compliance culture and full control.

Regular review of internal and external (including Bangladesh Bank) audit reports with a view to implement the suggestion of internal and external auditors (including Bangladesh Bank), in respect of internal control techniques.

To establish an effective management system that includes planning, organizing and supervising culture in the branches as well as at head office.

Continuous monitoring & evaluation on application of internal control system, internal audit policy, policy for financial risks, existing rules and regulations (internal and external), other obligations from controlling authority, disclosure process of financial statements etc. of the bank.

Review the accounting procedures with a view to ascertain that the Bangladesh Financial Reporting Standards (BFRSs) have been applied in preparation and presentation of financial statements.

Formulation of HRM policy and other operating procedures.

### 36. Related Party Disclosures

a) Name of Directors and their interest in different Entities as on 30 September 2011

Sl	Name of the Directors	Statue with Bank	Entities where they have interest	Position	% of Interest
1	General Md Abdul Mubeen, ndc, psc	Chairman	Sena Kalyan Shangstha	Chairman, Board of Trustees	Nominated
			Sena Hotel Developments Ltd.	Chairman, Board of Directors	Nominated
			Bangladesh Machine Tools Factory Ltd.	Chairman, Board of Directors	Nominated
			Army Welfare Trust	Chairman, Board of Trustees	Nominated
			Trust Bank Investment Ltd.	Chairman, Board of Directors	Nominated
2	Maj Gen Abu Belal Muhammad Shafiul Huq, ndc, psc	Vice Chairman	Sena Kalyan Shangstha	Member, Board of Trustees	Nominated
			Sena Hotel Developments Ltd.	Vice Chairman, Board of Directors	Nominated
			Army Welfare Trust	Vice Chairman, Board of Trustees	Nominated
			Army Housing Scheme	Chairman, Board of Directors	Nominated
			Trust Bank Investment Ltd.	Vice Chairman, Board of Directors	Nominated
3	Brig Gen Md Nazrul Hasan	Director	Bangladesh Machine Tools Factory	Director, Board of Directors	Nominated
			Bangladesh Diesel Plant Ltd.	Director, Board of Directors	Nominated
			Army Housing Scheme	Director, Board of Directors	Nominated
			Trust Bank Investment Ltd.	Director, Board of Directors	Nominated
4	Brig Gen K A R M Mostafa Kamal, ndc, psc	Director	Army Welfare Trust	Managing Director	Ex-Offico
			Army Housing Scheme	Managing Director & Director	Nominated
			Trust Security & Logistic Service	Managing Director	Nominated
			Trust Bank Investment Ltd.	Director, Board of Directors	Nominated
5	Brig Gen Tushar Kanti Chakma, ndc, psc	Director	-	-	-
6	Brig Gen Md Imamul Huda, psc	Director	-	-	-
7	Mrs. Begum Rokeya Din	Director	-	-	-
8	Mr. Helal Uddin Ahmed	Depositor and Independent Director	Purbachal Green Enterprise	Proprietor	-
			Trust Bank Investment Ltd.	Director, Board of Directors	Nominated

Nature of Contract	Branch Name	Name of Directors and related by
Lease Agreement with Army	Principal Branch	General Md Abdul Mubeen, ndc, psc Chairman, Board of Trustees, Army Welfare Trust
		Maj Gen Abu Belal Muhammad Shafiul Huq, ndc, psc Vice- Chairman, Board of Trustees, Army Welfare Trust
		Brig Gen K A R M Mostafa Kamal, ndc, psc Managing Director, Army Welfare Trust
Lease Agreement with Sena Kalyan Sangstha	Sena Kalyan Bhaban Branch Khulna Branch Tongi Branch	General Md Abdul Mubeen, ndc, psc Chairman, Board of Trustees, Sena Kalyan Sangstha
		Maj Gen Abu Belal Muhammad Shafiul Huq, ndc, psc Member, Board of Trustees, Sena Kalyan Sangstha.
Advertisement Agreement with Army Welfare Trust	Head Office	General Md Abdul Mubeen, ndc, psc Chairman, Board of Trustees, Army Welfare Trust
		Maj Gen Abu Belal Muhammad Shafiul Huq, ndc, psc Vice- Chairman, Board of Trustees, Army Welfare Trust
		Brig Gen K A R M Mostafa Kamal, ndc, psc Managing Director, Army Welfare Trust

- c) Shares issued to Directors and Executives without consideration or exercisable at discount: Nil
- d) Related party Transactions: Nil
- e) Lending Policies to related Parties: Not applicable
- f) Loan and advances to Directors and their related concern: 12,870,833
- g) Business other than banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act – 1991: Not applicable
- h) Investments in the Securities: Not applicable

36.1 The Bank's Directors' loan and advances as have been shown above in serial no. f, fall within purview of scheme loan launched for the defense officers for house building purposes.

Sd/-  
Vice Chairman

Sd/-  
Director

Sd/-  
Director

Sd/-  
Managing Director

## Schedule of Balance with Other Banks-Outside Bangladesh (Nostrro Accounts)

Name of the Bank	Name of the foreign currency	30.09.2011			31.12.2010		
		Amount in foreign currency	Exchange rate as on 30.09.2011	Total amount equivalent to Taka	Amount in foreign currency	Exchange rate as on 31.12.2010	Total amount equivalent to Taka
Citibank N.A., USA	USD	2,228,960.98	75.95	169,289,586	1,718,290.23	71.25	122,428,179
Union De Banques, HKG	USD	58,920.32	75.95	4,474,998	24,275.68	71.25	1,729,642
Mashreqbank psc, USA	USD	293,359.38	75.95	22,280,645	260,290.12	71.25	18,545,671
Standard Chartered Bank, USA	USD	370,012.94	75.95	28,102,483	581,684.50	71.25	41,445,021
HSBC Bank, USA	USD	1,968,229.94	75.95	149,487,064	537,259.88	71.25	38,279,766
ICICI Bank Ltd., Hongkong	USD	164,244.08	75.95	12,474,338	120,455.85	71.25	8,582,479
Commerz Bank, AG Germany	USD	58,986.43	75.95	4,480,019	-	-	-
Wachovia Bank, NY USA	USD	428,738.15	75.95	32,562,663	223,904.79	71.25	15,953,216
Standard Chartered Bank, UK	GBP	11,922.20	120.27	1,433,931	13,034.82	112.01	1,460,071
Citibank N.A., UK	GBP	22,640.76	120.27	2,723,095	82,140.15	112.01	9,200,773
HSBC, PLC, UK	GBP	19,301.34	120.27	2,321,449	174,534.84	112.01	19,550,188
Standard Chartered Bank, Japan	YEN	1,663,228.00	1.02	1,701,815	887,872.00	0.90	803,435
Wachovia Bank, NY USA	YEN	418,603.00	1.02	428,315	559,681.00	0.90	506,455
HSBC, PLC, UK	EURO	9,820.14	104.74	1,028,531	109,762.99	95.56	10,489,203
Standard Chartered Bank, UK	EURO	337,730.09	104.74	35,372,803	254,354.85	95.56	24,306,887
ICICI Bank Ltd., Mumbai, India	EURO	24,893.05	104.74	2,607,221	5,977.00	95.56	571,179
Citibank N.A., UK	EURO	22,420.85	104.74	2,348,290	394,817.00	95.56	37,729,858
Commerce Bank of AG Germany	EURO	7,673.20	104.74	803,667	-	-	-
Citibank N.A., Mumbai, India	ACU	108,894.56	75.95	8,270,542	89,903.83	71.25	6,405,648
ICICI Bank Ltd., Mumbai, India	ACU	283,010.86	75.95	21,494,675	197,493.01	71.25	14,071,377
HSBC Bank, Pakistan	ACU	175,124.11	75.95	13,300,676	91,153.94	71.25	6,494,718
HSBC Bank, Mumbai, India	ACU	129,373.95	75.95	9,825,952	46,669.96	71.25	3,325,235
AB Bank, Mumbai, India	ACU	277,421.12	75.95	21,070,134	256,723.50	71.25	18,291,549
Mashreqbank, Mumbai, India	ACU	136,089.59	75.95	10,336,004	135,088.57	71.25	9,625,061
Standard Chartered Bank, Mumbai, India	ACU	176,659.54	75.95	13,417,292	116,948.48	71.25	8,332,579
Habib Bank, Zurich	CHF	55,590.11	85.49	4,752,565	20,305.62	76.33	1,549,826
<b>Total</b>				<b>576,388,753</b>			<b>419,678,019</b>

**Schedule of Fixed Assets**  
**As at 31 December 2011**

(Amount in Taka)

PARTICULARS	COST				DEPRECIATION				WRITTEN DOWN VALUE at 30 September 2011
	Balance on 01 January 2011	Additions during the period	Disposal/ adjustment during the period	Balance at 30 September 2011	Balance on 01 January 2011	Charge for the period	Disposal/ adjustment during the period	Balance at 30 September 2011	
Leasehold Land	160,469	-	-	160,469	-	-	-	-	160,469
Office Building	12,680,000	-	-	12,680,000	660,431	237,753	-	898,184	11,781,816
Furniture and Fixtures	115,373,659	10,606,373	-	125,980,032	43,542,330	6,757,383	-	50,299,713	75,680,319
Office Equipment	274,040,220	57,991,576	-	332,031,796	147,420,482	37,749,428	-	185,169,910	146,861,886
Motor Vehicles	140,145,542	12,229,548	1,076,338	151,298,752	57,536,915	19,546,902	609,925	76,473,892	74,824,860
Office Renovation	188,389,837	32,102,670	-	220,492,507	68,505,300	12,594,539	-	81,099,839	139,392,668
<b>30 September 2011</b>	<b>730,789,727</b>	<b>112,930,167</b>	<b>1,076,338</b>	<b>842,643,556</b>	<b>317,665,458</b>	<b>76,886,005</b>	<b>609,925</b>	<b>393,941,538</b>	<b>448,702,018</b>
<b>30 December 2010</b>	<b>304,730,868</b>	<b>204,462,252</b>	<b>3,827,669</b>	<b>505,365,451</b>	<b>110,506,078</b>	<b>56,077,140</b>	<b>3,610,327</b>	<b>162,972,891</b>	<b>342,392,560</b>

## Financial Highlights

Sl. #	Particulars	Base	30.09.2011	31.12.2010
1	Paid up Capital	Taka	2,661,127,400	2,217,606,200
2	Total Capital	Taka	6,751,897,244	5,804,939,414
3	Capital surplus/(deficit)	Taka	(337,812,756)	35,525,414
4	Total Assets	Taka	71,709,776,424	58,276,332,285
5	Total Deposits	Taka	63,698,727,876	50,413,290,971
6	Total Loans and Advances	Taka	45,821,068,839	39,799,923,991
7	Total Contingent Liabilities and Commitments	Taka	19,926,339,186	18,950,680,529
8	Credit Deposit Ratio	%	71.93	78.95
9	Percentage of classified loans against total loans and advances	%	3.64	2.41
10	Provisions kept against classified loan	Taka	284,171,500	304,752,000
11	Provision surplus/(deficit)	Taka	2,777,000	56,289,000
12	Interest earning Assets	Taka	58,864,551,407	47,433,498,211
13	Non-interest earning Assets	Taka	12,845,225,017	10,842,834,074
14	Net Asset Value (NAV)	Taka	5,599,915,731	5,025,357,187

01 Jan. '11 to 30 Sep. '11	01 Jan. '10 to 30 Sep. '10
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15	Profit after tax and provision	Taka	534,349,564	1,028,134,960
16	Amount of classified loans during current year	Taka	708,165,413	252,504,610
17	Cost of fund	%	8.04	6.50
18	Return on Investment (ROI)	%	8.37	19.01
19	Return on Asset (ROA)	%	0.75	1.69
20	Income from Investment	Taka	546,571,305	726,620,994
21	Earning per Share (EPS) before split	Taka	20.08	46.36
22	Earning per Share (EPS) after split	Taka	2.01	4.64
23	Net income per Share before split	Taka	20.08	46.36
24	Net income per Share after split	Taka	2.01	4.64
25	Price Earning Ratio before split	%	4.35	13.83
26	Price Earning Ratio after split	%	0.44	1.38
27	Net Operating Cash Flow Per Share (NOCFPS)	Taka	265.28	(297.66)

**Balance Sheet of Islami Banking Division**  
**As of 30 September 2011**

<b>PROPERTY AND ASSETS</b>	<b>30.09.2011 Taka</b>	<b>31.12.2010 Taka</b>
<b>Cash</b>		
Cash in hand (including foreign currencies)	-	-
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	115,274,564	96,100,000
	<b>115,274,564</b>	<b>96,100,000</b>
<b>Balance with other banks and financial institutions</b>		
In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-
<b>Placement with banks and other financial institution</b>	-	-
<b>Investments in Shares and Securities</b>		
Government	70,000,000	50,000,000
Others	170,954,168	180,814,935
	<b>240,954,168</b>	<b>230,814,935</b>
<b>Investments</b>		
General Investments etc.	821,557,249	567,815,305
Bills purchased and discounted	141,182,987	75,076,016
	<b>962,740,236</b>	<b>642,891,321</b>
<b>Fixed assets including premises</b>	-	1,843,149
<b>Other assets</b>	393,722,432	341,412,587
<b>Non-banking assets</b>	-	-
<b>Total Assets:</b>	<b><u>1,712,691,400</u></b>	<b><u>1,313,061,992</u></b>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
Placement from banks and other financial institutions	-	-
<b>Deposits and other accounts</b>		
Al-wadeeah Current Accounts and Other Deposit Accounts	66,900,052	49,663,475
Mudaraba Savings Deposits	289,544,631	230,452,356
Mudaraba Term Deposits	1,335,889,802	1,016,201,129
Other Mudaraba Deposits	-	-
Bills Payable	-	-
	<b>1,692,334,485</b>	<b>1,296,316,960</b>
<b>Other liabilities</b>	20,356,915	16,745,032
<b>Deferred Tax Liabilities/(assets)</b>	-	-
<b>Total profit /(loss) before taxes</b>	-	-
<b>Total Liabilities:</b>	<b><u>1,712,691,400</u></b>	<b><u>1,313,061,992</u></b>

**Profit and Loss Account of Islami Banking Division**  
**For the period from 01 January 2011 to 30 September 2011**

(Amount in Taka)

	01 Jan. '11 to 30 Sep. '11	01 Jan. '10 to 30 Sep. '10
Investment Income	72,009,886	38,493,064
Profit paid on deposits	94,904,596	55,296,552
<b>Net Investment Income</b>	<b>(22,894,710)</b>	<b>(16,803,488)</b>
Income from investments in Shares/Securities	8,778,960	63,165,379
Commission, exchange and brokerage	-	-
Other operating income	-	-
	<u>8,778,960</u>	<u>63,165,379</u>
<b>Total operating income</b>	<b>(14,115,750)</b>	<b>46,361,891</b>
Salaries and allowances	1,078,030	4,323,668
Rent, taxes, insurance, electricity, etc.	-	-
Legal expenses	-	-
Postage, stamps, telecommunications, etc.	-	-
Stationery, printing, advertisement etc.	-	-
Chief Executive's Salary & Fees	-	-
Directors' Fees and Expenses	-	-
Shariah Supervisory Committee's Fees ad Expenses	-	14,400
Auditors' Fees	-	-
Changes in Investment Losses	-	-
Depreciation and repair to bank's assets	-	338,967
Zakat Expenses	-	-
Other expenses	-	-
<b>Total operating expenses</b>	<b>1,078,030</b>	<b>4,677,035</b>
<b>Profit before provision</b>	<b>(15,193,780)</b>	<b>41,684,856</b>
Provision for loans / Investments	-	-
Provision for Diminution in value of Investment	-	-
Other provision	-	-
	<u>-</u>	<u>-</u>
<b>Total Profit / (Loss) before Taxes</b>	<b>(15,193,780)</b>	<b>41,684,856</b>

**Cash Flow Statements of Islami Banking Division**  
**For the period from 01 January 2011 to 30 September 2011**

	(Amount in Taka)	
	01 Jan. '11 to 30 Sep. '11	01 Jan. '10 to 30 Sep. '10
<b>A. Paid up Capital</b>		
Interest/Investment Income received in cash	72,009,886	38,493,064
Interest/Profit paid on Deposits	(94,904,596)	(55,296,552)
Dividend receipts	-	190,000
Fees and commission receipts in cash	-	-
Recoveries of written off Loans/Investments	-	-
Cash paid to employees	(1,078,030)	(4,323,668)
Cash paid to suppliers	-	-
Income Taxes paid	-	-
Received from other operating activities (item-wise)	8,778,960	62,975,379
Payments for other operating activities (item-wise)	-	(14,400)
<b>Operating profit before changes in operating Assets and Liabilities</b>	<b>(15,193,780)</b>	<b>42,023,823</b>
<b>Increase/(Decrease) in operating assets &amp; liabilities</b>		
Statutory Deposits	-	-
Net Investment in trading securities	9,860,767	6,812,455
Loan & advance/Investments to other banks	-	-
Loan & advance/Investments to customers	(319,848,915)	(250,164,399)
Other assets (item-wise)	(37,116,065)	(142,535,677)
Deposits from other banks	-	-
Deposits from customers	396,017,525	427,346,714
Other liabilities account of customers	-	-
Trading liabilities	-	-
Other liabilities (item-wise)	3,611,883	2,332,897
<b>Net cash from operating activities (A)</b>	<b>37,331,415</b>	<b>85,815,813</b>
<b>B. Cash flow from investing activities</b>		
Proceeds from sale of securities	-	-
Payments for purchase of government securities	(20,000,000)	(50,000,000)
Purchase of property, plant & equipment	1,843,149	284,187
Purchase of intangible assets	-	-
Sale of property, plant & equipment	-	-
<b>Net cash from investing activities (B)</b>	<b>(18,156,851)</b>	<b>(49,715,813)</b>
<b>C. Cash flow from financing activities</b>		
Increase/(Decrease) in Borrowing:		
Call loan	-	-
Other borrowings	-	-
Share Capital A/c	-	-
Share Premium A/c	-	-
<b>Net cash from financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>D. Net increase in Cash and Cash Equivalent (A+B+C)</b>	<b>19,174,564</b>	<b>36,100,000</b>
<b>E. Effects of exchange rate changes on cash and cash equivalents</b>	-	-
<b>F. Opening Cash and Cash Equivalent</b>	<b>96,100,000</b>	<b>50,000,000</b>
<b>Cash and cash equivalents at end of period (D+E+F)</b>	<b>115,274,564</b>	<b>86,100,000</b>



**Trust Bank Limited**

**Auditor's Report under Section 135(1), Para 24(1) of Third Schedule to the Companies Act 1994**

We have examined the financial statements of Trust Bank Limited for the period from 01 January 2011 to 30 September 2011 and for the years ended 31 December 2006 and 2007 audited by us and those for the years ended 31 December 2008, 2009 and 2010 audited by Howlader Yunus & Co. Chartered Accountants. In pursuance of Section 135(1) under Paragraph 24(1) of Part -II of Third Schedule of the Companies Act 1994 our report is as under:

**1. A.Profit and Loss Statement**

(Figure in Taka)

Particulars	01 Jan 11 to 30 sep 11 30.09.2011	Year ended 31.12.2010	Year ended 31.12.2009	Year ended 31.12.2008	Year ended 31.12.2007	Year ended 31.12.2006
Interest income / Profit on Investment	4,336,897,443	4,686,638,621	4,027,199,131	3,634,651,908	2,614,806,274	1,771,362,525
Less: Interest Paid on Deposits and Borrowings	3,450,298,327	3,213,947,255	3,112,822,489	2,462,230,880	1,947,001,047	1,371,361,160
<b>Net Interest Income</b>	<b>886,599,116</b>	<b>1,472,691,366</b>	<b>914,376,642</b>	<b>1,172,421,028</b>	<b>667,805,227</b>	<b>400,001,365</b>
Income from Investments	546,571,305	963,808,154	785,031,424	394,047,235	299,490,240	170,817,002
Commission, Exchange and Brokerage	450,036,702	465,133,566	355,614,342	306,162,733	307,901,831	247,921,395
Other Operating Income	128,681,989	741,418,369	412,645,488	133,480,091	53,467,566	25,448,275
	1,125,289,996	2,170,360,089	1,553,291,254	833,690,059	660,859,637	444,186,672
<b>Total Operating Income</b>	<b>2,011,889,112</b>	<b>3,643,051,455</b>	<b>2,467,667,896</b>	<b>2,006,111,087</b>	<b>1,328,664,864</b>	<b>844,188,037</b>
Salaries and Allowances	446,399,970	684,513,583	582,320,570	376,879,059	222,548,718	142,239,334
Rent, Taxes, Insurance, Electricity, etc.	116,014,871	152,923,246	127,534,124	83,606,413	61,014,133	49,780,953
Legal Expenses	1,687,295	812,533	1,197,648	956,835	118,407	264,654
Postage, Stamps, Telecommunications, etc.	36,238,329	38,363,837	33,434,691	32,042,077	24,272,316	8,390,006
Stationery, Printing, Advertisement, etc.	51,034,694	54,747,195	48,097,074	23,836,251	18,145,148	8,738,028
Managing Director's salary and benefits	7,380,000	10,140,000	8,444,780	8,146,667	7,446,666	5,036,666
Directors' Fees	985,000	1,419,800	709,200	663,000	632,000	664,500
Auditors' Fee	172,500	517,500	209,000	188,100	125,400	100,000
Charges on loan losses	-	-	-	-	-	-
Depreciation and repair of bank's assets	97,059,490	119,336,638	91,781,299	67,275,945	40,878,223	33,333,945
Other Expenses	122,297,417	302,615,872	215,585,389	160,073,673	99,770,347	48,740,455
<b>Total Operating Expenses</b>	<b>879,269,566</b>	<b>1,365,390,204</b>	<b>1,109,313,775</b>	<b>753,668,020</b>	<b>474,951,358</b>	<b>297,288,541</b>
<b>Profit before Provisions</b>	<b>1,132,619,546</b>	<b>2,277,661,251</b>	<b>1,358,354,121</b>	<b>1,252,443,067</b>	<b>853,713,506</b>	<b>546,899,496</b>
Provision for loans & advances / Investments	60,678,000	53,500,000	212,426,000	196,900,064	229,445,936	38,555,000
Provision for Diminution in value of Investment	22,906,601	11,134,747	(20,692,205)	21,490,218	-	649,147
Other provision	2,719,455	72,662,701	16,046,017	44,583,452	44,497,104	-
	86,304,056	137,297,448	207,779,812	262,973,734	273,943,040	39,204,147
<b>Total Profit before income Tax for the year</b>	<b>1,046,315,490</b>	<b>2,140,363,803</b>	<b>1,150,574,309</b>	<b>989,469,333</b>	<b>579,770,466</b>	<b>507,695,349</b>
Provision for Taxation						
Current tax	520,000,000	875,000,000	542,500,000	530,000,000	340,500,000	245,000,000
Deferred tax	(8,034,074)	(9,411,751)	(2,831,529)	(3,580,213)	241,773	(455,135)
	511,965,926	865,588,249	539,668,471	526,419,787	340,741,773	244,544,865
<b>Net Profit after Tax for the year</b>	<b>534,349,564</b>	<b>1,274,775,554</b>	<b>610,905,838</b>	<b>463,049,546</b>	<b>239,028,693</b>	<b>263,150,484</b>
<b>Appropriations</b>						
Statutory Reserve (@ 20% on profit before tax except IY-2009)	209,263,098	428,072,760	609,804,384	197,893,867	115,954,093	101,539,070
General reserve	-	-	-	-	-	-
	209,263,098	428,072,760	609,804,384	197,893,867	115,954,093	101,539,070
<b>Retained surplus</b>	<b>325,086,466</b>	<b>846,702,794</b>	<b>1,101,454</b>	<b>265,155,679</b>	<b>123,074,600</b>	<b>161,611,414</b>
<b>Earnings Per Share</b>	<b>20.08</b>	<b>57.48</b>	<b>33.06</b>	<b>31.96</b>	<b>16.93</b>	<b>52.63</b>
<b>Net Assets Value Per Share</b>	<b>210.43</b>	<b>226.61</b>	<b>203.18</b>	<b>202.57</b>	<b>184.65</b>	<b>231.00</b>
<b>Earnings Per Share (Per 10 Taka)</b>	<b>2.01</b>	<b>5.75</b>	<b>3.31</b>	<b>3.20</b>	<b>1.69</b>	<b>5.26</b>
<b>Net Assets Value Per Share (Per 10 Taka)</b>	<b>21.04</b>	<b>22.66</b>	<b>20.32</b>	<b>20.26</b>	<b>18.47</b>	<b>23.10</b>

**B. Balance Sheet**

(Figure in Taka)

Particulars	Period ended 30.09.2011	As on 31.12.2010	As on 31.12.2009	As on 31.12.2008	As on 31.12.2007	As on 31.12.2006
<b>PROPERTY AND ASSETS</b>						
<b>Cash</b>						
Cash in hand (including foreign currencies)	1,071,698,069	519,467,958	437,348,059	303,301,936	221,462,945	139,754,152
Balance with Bangladesh Bank and Sonali Bank as agent (including foreign currencies).	-	-	-	-	-	-
	4,959,623,194	4,122,034,251	2,996,480,710	1,834,181,954	1,525,989,971	1,121,385,791
	6,031,321,263	4,641,502,209	3,433,828,769	2,137,483,890	1,747,452,916	1,261,139,943
<b>Balance with other banks &amp; financial institutions</b>						
In Bangladesh	1,088,999,808	318,714,725	3,931,914,972	2,397,355,231	4,902,545,907	2,636,123,081
Outside Bangladesh	576,388,753	419,678,019	154,568,464	171,576,567	96,568,378	186,464,490
	1,665,388,561	738,392,744	4,086,483,436	2,568,931,798	4,999,114,285	2,822,587,571
<b>Money at call and short notice</b>	4,100,000,000	-	3,550,000,000	320,000,000	210,000,000	67,500,000
<b>Investments</b>						
Government	7,172,450,256	6,714,007,381	8,032,947,669	4,203,627,193	3,476,340,120	2,405,479,759
Others	1,791,672,107	1,845,932,388	672,661,338	759,032,624	309,110,805	717,334,399
	8,964,122,363	8,559,939,769	8,705,609,007	4,962,659,817	3,785,450,925	3,122,814,158
<b>Loans and Advances/Islami Banking Investments</b>						
Loans, Cash Credit, Overdrafts etc./ Investment	44,284,618,638	38,541,082,597	31,524,930,342	26,525,518,709	18,022,812,050	12,323,004,330
Bills purchased and discounted	1,536,450,201	1,258,841,394	1,138,177,441	1,002,565,678	659,352,604	865,088,555
	45,821,068,839	39,799,923,991	32,663,107,783	27,528,084,387	18,682,164,654	13,188,092,885
<b>Fixed assets including premises, furniture &amp; fixtures</b>	448,702,018	413,124,269	381,919,144	342,392,560	194,224,790	146,054,811
<b>Other assets</b>	4,679,173,380	4,123,449,303	1,385,700,468	616,089,124	763,814,711	452,581,799
<b>Non-banking assets</b>	-	-	-	-	-	-
<b>Total Assets</b>	<b>71,709,776,424</b>	<b>58,276,332,285</b>	<b>54,206,648,607</b>	<b>38,475,641,576</b>	<b>30,382,222,281</b>	<b>21,060,771,167</b>
<b>LIABILITIES AND CAPITAL</b>						
<b>Liabilities</b>						
Borrowings from other banks, financial institutions & agents	347,886,657	463,945,447	153,403,792	1,131,035,000	244,300,000	426,000,000
<b>Deposits and other accounts</b>						
<b>Current / Al-wadeeah Current</b>						
Accounts and other Accounts	8,147,167,727	5,681,378,972	4,856,810,829	3,793,749,145	3,550,791,925	2,207,722,062
Bills Payable	683,637,373	656,010,698	602,883,159	514,875,597	344,851,475	122,678,874
Savings Bank / Mudaraba	-	-	-	-	-	-
Savings Deposits	5,481,195,591	5,336,185,241	4,230,046,723	2,662,673,386	2,258,599,934	1,456,592,033
Fixed Deposits / Mudaraba	-	-	-	-	-	-
Term Deposits	49,386,727,185	38,739,716,060	38,774,898,962	25,948,466,570	20,947,341,767	15,198,958,125
Bearer Certificates of Deposit	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-
	63,698,727,876	50,413,290,971	48,464,639,673	32,919,764,698	27,101,585,101	18,985,951,094
<b>Other liabilities</b>	2,063,246,160	2,373,738,680	1,833,739,086	1,305,188,891	882,045,464	493,820,682
<b>Total Liabilities</b>	<b>66,109,860,693</b>	<b>53,250,975,098</b>	<b>50,451,782,551</b>	<b>35,355,988,589</b>	<b>28,227,930,565</b>	<b>19,905,771,776</b>
<b>Capital/Shareholders' Equity</b>						
<b>Equity</b>						
Paid up Capital	2,661,127,400	2,217,606,200	1,848,005,200	1,540,004,400	1,166,670,000	500,000,000
Share Money Deposit	-	-	-	-	-	200,000,000
Share Premium A/c	-	-	182,001,600	490,002,400	233,335,000	-
Statutory Reserve	1,775,666,188	1,566,403,090	1,138,330,330	528,525,946	330,632,079	214,677,986
Other Resreve	158,489,711	118,280,731	122,565,154	74,287,123	61,400,074	-
Retained Earnings	1,004,632,432	1,123,067,166	463,963,772	486,833,118	362,254,563	240,321,405
<b>Total Shareholders' Equity</b>	<b>5,599,915,731</b>	<b>5,025,357,187</b>	<b>3,754,866,056</b>	<b>3,119,652,987</b>	<b>2,154,291,716</b>	<b>1,154,999,391</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>71,709,776,424</b>	<b>58,276,332,285</b>	<b>54,206,648,607</b>	<b>38,475,641,576</b>	<b>30,382,222,281</b>	<b>21,060,771,167</b>
<b>OFF-BALANCE SHEET ITEMS</b>						
<b>Contingent Liabilities</b>						
<b>Acceptances and Endorsements</b>						
	5,132,609,980	3,733,538,904	2,189,338,630	1,886,474,416	1,694,103,300	1,216,427,993
Letter of Guarantees	3,659,555,211	4,074,580,745	1,527,643,816	1,399,007,585	1,297,608,957	944,363,894
Irrevocable Letters of Credits	8,401,218,650	8,208,530,370	4,592,263,738	3,777,544,509	4,526,846,297	4,394,291,940
Bills for collection	2,732,955,345	2,934,030,510	1,331,102,185	1,713,750,718	1,241,032,335	1,211,554,702
	19,926,339,186	18,950,680,529	9,640,348,369	8,776,777,228	8,759,590,889	7,766,638,529
<b>Other Contingent Liabilities</b>						
Value of travelers' cheques on	-	-	-	3,526,740	4,864,860	3,795,820
	19,926,339,186	18,950,680,529	9,640,348,369	8,780,303,968	8,764,455,749	7,770,434,349

**Other commitments**Lease Rental Commitments  
Documentary credit & shortterm trade-related transactions  
Forward assets purchased and  
forward deposits placedUndrawn note issuance and  
revolving facilities  
Undrawn formal standby  
facilities, credit lines and other  
commitments**Total Off-Balance Sheet  
items including contingent  
liabilities**

-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>19,926,339,186</b>	<b>18,950,680,529</b>	<b>9,640,348,369</b>	<b>8,780,303,968</b>	<b>8,764,455,749</b>	<b>7,770,434,349</b>

**C. Cash Flow Statement**

(Figure in Taka)

Particulars	Period ended 31.03.2011	Year ended 31.12.2010	Year ended 31.12.2009	Year ended 31.12.2008	Year ended 31.12.2007	Year ended 31.12.2006
<b>A. Cash flow from operating activities</b>						
Interest received in cash	1,108,266,864	4,727,568,554	4,075,793,904	3,737,621,966	2,493,439,670	1,727,297,105
Interest payments	(739,838,239)	(3,386,242,563)	(2,875,519,267)	(2,364,917,530)	(1,815,760,153)	(1,272,046,558)
Dividend receipts	600,000	32,328,818	24,331,156	12,177,144	2,535,018	1,990,142
Fees and commission receipts	111,164,011	464,488,417	347,300,768	330,456,925	309,712,269	229,151,753
Recoveries of loans previously written off	-	-	-	-	-	-
Cash paid to employees	(264,422,286)	(689,827,211)	(499,650,084)	(365,043,658)	(219,783,175)	(142,626,487)
Cash paid to suppliers	(23,463,894)	(39,605,485)	(36,119,833)	(20,880,652)	(13,138,803)	(9,199,852)
Income Taxes paid	(264,487,850)	(676,644,058)	(510,425,434)	(462,063,306)	(250,944,998)	(135,751,593)
Received from other operating activities (item-wise)	288,920,363	1,675,801,042	967,362,994	495,777,925	349,920,094	163,236,498
Payments for other operating activities (item-wise)	(85,324,677)	(515,430,095)	(382,019,026)	(288,412,670)	(217,847,762)	(129,520,628)
<b>Operating profit before changes in operating Assets and Liabilities</b>	<b>131,414,292</b>	<b>1,592,437,419</b>	<b>1,111,055,178</b>	<b>1,074,716,144</b>	<b>638,132,160</b>	<b>432,530,380</b>
<b>Increase/(Decrease) in operating assets &amp; liabilities</b>						
Statutory Deposits	-	-	-	-	-	-
Net Investment in trading securities	(22,708,227)	(1,173,271,050)	86,371,286	(449,921,819)	407,574,447	(600,000,221)
Loan & advance to other banks	-	-	-	-	-	-
Loan & advance to customers	328,008,758	(7,033,836,171)	(5,054,925,936)	(8,822,700,773)	(5,431,963,906)	(3,438,534,462)
Other assets (item-wise)	(320,759,225)	(2,742,187,255)	(537,570,300)	67,701,762	(152,359,843)	(133,813,102)
Deposits from other banks	106,731,000	128,647,000	66,587,000	31,316,075	332,242,231	(400,157,771)
Deposits from customers	5,145,286,257	1,992,315,314	15,240,286,456	5,691,370,473	7,650,668,344	6,576,507,199
Other liabilities (item-wise)	(52,005,163)	47,223,438	6,577,323	22,247,630	(51,701,048)	(24,483,874)
<b>Net cash from operating activities (A)</b>	<b>5,315,967,692</b>	<b>(7,188,671,305)</b>	<b>10,918,381,007</b>	<b>(2,385,270,508)</b>	<b>3,392,592,385</b>	<b>2,412,048,149</b>
<b>B. Cash flow from investing activities</b>						
Proceeds from sale of securities	-	-	-	-	-	-
Payments for purchase of government securities	(475,614,152)	1,315,338,165	(3,782,123,845)	(712,590,824)	(1,009,327,387)	(212,000,000)
Purchase of property, plant & equipment	(33,455,421)	(157,658,458)	(119,589,279)	(204,462,252)	(80,457,972)	(59,173,146)
Purchase of intangible assets	(2,649,060)	(5,785,279)	(5,408,714)	(2,009,266)	(16,154,326)	(812,241)
Sale of property, plant & equipment	627,126	32,251,124	4,102,927	1,105,950	-	576,700
<b>Net cash from investing activities (B)</b>	<b>(511,091,507)</b>	<b>1,184,145,552</b>	<b>(3,903,018,911)</b>	<b>(917,956,392)</b>	<b>(1,105,939,685)</b>	<b>(271,408,687)</b>
<b>C. Cash flow from financing activities</b>						
Increase/(Decrease) in Borrowing:						
Call loan	-	-	(1,010,000,000)	780,000,000	(190,000,000)	-
Re-purchase Offer (REPO)	-	-	-	-	-	(600,000,000)
Other borrowings	(162,217,819)	310,541,655	32,368,792	106,735,000	8,300,000	(4,000,000)
Share Money Deposits	-	-	-	-	-	-
Share Capital A/c	-	-	-	256,667,400	466,670,000	-
Share Premium A/c	-	-	-	256,667,400	233,335,000	-
<b>Net cash from financing activities (C)</b>	<b>(162,217,819)</b>	<b>310,541,655</b>	<b>(977,631,208)</b>	<b>1,400,069,800</b>	<b>518,305,000</b>	<b>(234,000,000)</b>
<b>D. Net increase in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>4,642,658,366</b>	<b>(5,693,984,098)</b>	<b>6,037,730,888</b>	<b>(1,903,157,100)</b>	<b>2,804,957,700</b>	<b>1,906,639,462</b>
<b>F. Effects of exchange rate changes on cash and cash equivalents</b>	<b>39,383,659</b>	<b>4,249,146</b>	<b>5,084,229</b>	<b>(25,185,213)</b>	<b>514,887</b>	<b>14,104,892</b>
<b>E. Cash and Cash Equivalent at beginning of the year</b>	<b>5,382,476,153</b>	<b>11,072,211,105</b>	<b>5,029,395,988</b>	<b>6,957,738,301</b>	<b>4,152,265,714</b>	<b>2,231,521,360</b>
<b>G. Closing Cash and Cash Equivalent (D+E+F)*</b>	<b>10,064,518,178</b>	<b>5,382,476,153</b>	<b>11,072,211,105</b>	<b>5,029,395,988</b>	<b>6,957,738,301</b>	<b>4,152,265,714</b>
<b>(*) Cash and Cash Equivalents:</b>						
Cash in hand (including foreign currencies)	662,625,930	519,467,958	437,348,059	303,301,936	221,462,945	139,754,152
Balance with Bangladesh Bank and Sonali Bank (Including foreign currencies)	4,013,262,521	4,122,034,251	2,996,480,710	1,834,181,954	1,525,989,971	1,121,385,791
Balance with Other Bank and Financial Institutions	1,236,463,327	738,392,744	4,086,483,436	2,568,931,798	4,999,114,285	2,822,587,571
Call Loan to other Banks	4,150,000,000	-	3,550,000,000	320,000,000	210,000,000	67,500,000
Prize Bond	2,166,400	2,581,200	1,898,900	2,980,300	1,171,100	1,038,200
	<b>10,064,518,178</b>	<b>5,382,476,153</b>	<b>11,072,211,105</b>	<b>5,029,395,988</b>	<b>6,957,738,301</b>	<b>4,152,265,714</b>

2. **Dividend declared**

	Year ended 31.12.2010	Year ended 31.12.2009	Year ended 31.12.2008	Year ended 31.12.2007	Year ended 31.12.2006
Cash dividend	-	-	-	-	Nil
Stock dividend	20%	20%	20%	10%	

3. The Bank has a subsidiary company, namely Trust Bank Investment Limited

Name of the subsidiary	Shareholding by TBL	Percentage	Core area of business
Trust Bank Investment Ltd.	29,999,993	100%	Merchant Banking

4. The Statement of Assets and Liabilities (Statement of Financial Position) as at 31 December 2006 and 2007 of the bank has been duly certified by us and those for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 audited by Howlader Yunus & Co. Chartered Accountants ;
5. The Statement of Operating Results (Statement of Comprehensive Income) for the years ended 31 December 2006 and 2007 has been duly certified by us and those for the years ended 31 December 2008, 2009 and 2010 audited by Howlader Yunus & Co. Chartered Accountants ;
6. The Statement of Cash Flows for the years ended 31 December 2006 and 2007 of the Bank are enclosed and certified by us and those for the years ended 31 December 2008, 2009 and 2010 are also enclosed and certified by Howlader Yunus & Co. Chartered Accountants.

Dhaka,  
19 January 2012

Sd/-  
**ACNABIN**  
Chartered Accountants

## Trust Bank Limited

### Auditor's Report under Section 135(1), Para 24(1) of Third Schedule to the Companies Act 1994

We have examined the financial statements of Trust Bank Limited for the period from 01 January 2011 to 30 September 2011 and for the years ended 31 December 2006 and 2007 audited by us and those for the years ended 31 December 2008, 2009 and 2010 audited by Howlader Yunus & Co. Chartered Accountants. In pursuance of Section 135(1) under Paragraph 24(1) of Part -II of Third Schedule of the Companies Act 1994 our report is as under:

#### 1. A. Consolidated Profit and Loss Statement

(Figure in Taka)

Particulars	01 Jan 11 to 30 Sep 11 30.09.2011	Year ended 31.12.2010	Year ended 31.12.2009	Year ended 31.12.2008	Year ended 31.12.2007	Year ended 31.12.2006
Interest income / Profit on Investment	4,694,128,294	4,737,245,740	4,027,199,131	3,634,651,908	2,614,806,274	1,771,362,525
Less: Interest Paid on						
	3,452,343,816	3,211,610,939	3,112,822,489	2,462,230,880	1,947,001,047	1,371,361,160
<b>Deposits and Borrowings</b>	<b>1,241,784,478</b>	<b>1,525,634,801</b>	<b>914,376,642</b>	<b>1,172,421,028</b>	<b>667,805,227</b>	<b>400,001,365</b>
<b>Net Interest Income</b>						
Income from Investments	546,571,305	963,808,154	785,031,424	394,047,235	299,490,240	170,817,002
Commission, Exchange and Brokerage	450,679,495	466,228,417	355,614,342	306,162,733	307,901,831	247,921,395
Other Operating Income	336,478,433	814,368,948	412,645,488	133,480,091	53,467,566	25,448,275
	1,333,729,233	2,244,405,519	1,553,291,254	833,690,059	660,859,637	444,186,672
<b>Total Operating Income</b>	<b>2,575,513,711</b>	<b>3,770,040,320</b>	<b>2,467,667,896</b>	<b>2,006,111,087</b>	<b>1,328,664,864</b>	<b>844,188,037</b>
Salaries and Allowances	471,170,028	692,880,229	582,320,570	376,879,059	222,548,718	142,239,334
Rent, Taxes, Insurance, Electricity, etc.	127,513,365	155,474,527	127,534,124	83,606,413	61,014,133	49,780,953
Legal Expenses	1,687,295	812,533	1,197,648	956,835	118,407	264,654
Postage, Stamps,						
Telecommunications, etc.	37,804,229	38,669,117	33,434,691	32,042,077	24,272,316	8,390,006
Stationery, Printing, Advertisement, etc.	52,749,124	59,620,654	48,097,074	23,836,251	18,145,148	8,738,028
Managing Director's salary and benefits	7,380,000	10,140,000	8,444,780	8,146,667	7,446,666	5,036,666
Directors' Fees	1,147,000	1,485,800	709,200	663,000	632,000	664,500
Auditors' Fee	201,250	690,000	209,000	188,100	125,400	100,000
Charges on loan losses	-	-	-	-	-	-
Depreciation and repair of bank's assets	102,331,953	120,300,756	91,781,299	67,275,945	40,878,223	33,333,945
Other Expenses	146,554,280	315,387,226	215,585,389	160,073,673	99,770,347	48,740,455
<b>Total Operating Expenses</b>	<b>948,538,524</b>	<b>1,395,460,842</b>	<b>1,109,313,775</b>	<b>753,668,020</b>	<b>474,951,358</b>	<b>297,288,541</b>
<b>Profit before Provisions</b>	<b>1,626,975,187</b>	<b>2,374,579,478</b>	<b>1,358,354,121</b>	<b>1,252,443,067</b>	<b>853,713,506</b>	<b>546,899,496</b>
Provision for loans & advances / Investments	60,678,000	94,411,143	212,426,000	196,900,064	229,445,936	38,555,000
Provision for Diminution in value of Investment	22,906,601	11,134,747	(20,692,205)	21,490,218	-	649,147
Other provision	2,719,455	72,662,701	16,046,017	44,583,452	44,497,104	-
	86,304,056	178,208,591	207,779,812	262,973,734	273,943,040	39,204,147
<b>Total Profit before income Tax for the year</b>	<b>1,540,671,131</b>	<b>2,196,370,887</b>	<b>1,150,574,309</b>	<b>989,469,333</b>	<b>579,770,466</b>	<b>507,695,349</b>
Provision for Taxation						
Current tax	705,383,365	911,344,335	542,500,000	530,000,000	340,500,000	245,000,000
Deferred tax	(8,034,074)	(9,411,751)	(2,831,529)	(3,580,213)	241,773	(455,135)
	697,349,291	901,932,584	539,668,471	526,419,787	340,741,773	244,544,865
<b>Net Profit after Tax for the year</b>	<b>843,321,840</b>	<b>1,294,438,303</b>	<b>610,905,838</b>	<b>463,049,546</b>	<b>239,028,693</b>	<b>263,150,484</b>
<b>Appropriations</b>						
Statutory Reserve (@ 20% on profit before tax except IY-2009)	209,263,098	428,072,760	609,804,384	197,893,867	115,954,093	101,539,070
General reserve	-	-	-	-	-	-
	209,263,098	428,072,760	609,804,384	197,893,867	115,954,093	101,539,070
<b>Retained surplus</b>	<b>634,058,742</b>	<b>866,365,543</b>	<b>1,101,454</b>	<b>265,155,679</b>	<b>123,074,600</b>	<b>161,611,414</b>

Earnings Per Share	31.69	58.37	33.06	31.96	16.93	52.63
Net Assets Value per Share	222.78	227.50	203.18	215.31	184.65	231.00
Earnings Per Share (Per 10 Taka)	3	5.84	3.31	3.20	1.69	5.26
Net Assets Value Per Share (Per 10 Taka)	22	22.75	20.32	21.53	18.47	23.10

#### B. Consolidated Balance Sheet

(Figure in Taka)

Particulars	Period ended 30.09.2011	As on 31.12.2010	As on 31.12.2009	As on 31.12.2008	As on 31.12.2007	As on 31.12.2006
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#### PROPERTY AND ASSETS

##### Cash

Cash in hand (including foreign currencies)	1,071,698,069	519,467,958	437,348,059	303,301,936	221,462,945	139,754,152
Balance with Bangladesh Bank and Sonali Bank as	4,959,623,194	4,122,034,251	2,996,480,710	1,834,181,954	1,525,989,971	1,121,385,791
	6,031,321,263	4,641,502,209	3,433,828,769	2,137,483,890	1,747,452,916	1,261,139,943

##### Balance with other

In Bangladesh	1,088,999,808	318,714,725	3,931,914,972	2,397,355,231	4,902,545,907	2,636,123,081
Outside Bangladesh	576,388,753	419,678,019	154,568,464	171,576,567	96,568,378	186,464,490
	1,665,388,561	738,392,744	4,086,483,436	2,568,931,798	4,999,114,285	2,822,587,571

##### Money at call and short notice

	4,100,000,000	-	3,550,000,000	320,000,000	210,000,000	67,500,000
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##### Investments

Government	7,172,450,256	6,714,007,381	8,032,947,669	4,203,627,193	3,476,340,120	2,405,479,759
Others	1,791,672,107	1,845,932,388	672,661,338	759,032,624	309,110,805	717,334,399
	8,964,122,363	8,559,939,769	8,705,609,007	4,962,659,817	3,785,450,925	3,122,814,158

##### Loans and Advances/Islamic Banking Investments

Loans, Cash Credit, Overdrafts etc./	47,931,724,588	41,501,591,601	31,524,930,342	26,525,518,709	18,022,812,050	12,323,004,330
	1,536,450,201	1,258,841,394	1,138,177,441	1,002,565,678	659,352,604	865,088,555
	49,468,174,789	42,760,432,995	32,663,107,783	27,528,084,387	18,682,164,654	13,188,092,885

##### Fixed assets including premises, furniture & Other assets

	469,502,252	431,006,157	381,919,144	342,392,560	194,224,790	146,054,811
	1,728,303,472	1,229,399,926	1,385,700,468	616,089,124	763,814,711	452,581,799
	-	-	-	-	-	-

##### Non-banking assets

Total Assets	<u>72,426,812,700</u>	<u>58,360,673,800</u>	<u>54,206,648,607</u>	<u>38,475,641,576</u>	<u>30,382,222,281</u>	<u>21,060,771,167</u>
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#### LIABILITIES AND CAPITAL

##### Liabilities

##### Borrowings from other banks, financial institutions & agents

	369,299,290	460,247,719	153,403,792	1,131,035,000	244,300,000	426,000,000
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##### Deposits and other accounts

Current / Al-wadeeah Current Accounts and other Accounts	8,327,361,450	6,247,062,620	4,856,810,829	3,793,749,145	3,550,791,925	2,207,722,062
Bills Payable	683,637,373	656,010,698	602,883,159	514,875,597	344,851,475	122,678,874
Savings Bank / Mudaraba Savings Deposits	5,481,195,591	5,336,185,241	4,230,046,723	2,662,673,386	2,258,599,934	1,456,592,033
Fixed Deposits / Mudaraba Term Deposits	49,334,988,747	38,118,642,723	38,774,898,962	25,948,466,570	20,947,341,767	15,198,958,125
Bearer Certificates of Deposit	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-
	63,827,183,161	50,357,901,282	48,464,639,673	32,919,764,698	27,101,585,101	18,985,951,094

##### Other liabilities

	2,301,778,793	2,497,504,163	1,833,739,086	1,305,188,891	882,045,464	493,820,682
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##### Total Liabilities

	<u>66,498,261,244</u>	<u>53,315,653,164</u>	<u>50,451,782,551</u>	<u>35,355,988,589</u>	<u>28,227,930,565</u>	<u>19,905,771,776</u>
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##### Capital/Shareholders' Equity

Paid up Capital	2,661,127,400	2,217,606,200	1,848,005,200	1,540,004,400	1,166,670,000	500,000,000
Minority Interest	772	705	-	-	-	200,000,000
Share Premium A/c	-	-	182,001,600	490,002,400	233,335,000	-
Statutory Reserve	1,775,666,188	1,566,403,090	1,138,330,330	528,525,946	330,632,079	214,677,986
Other Reserve	158,489,711	118,280,731	122,565,154	74,287,123	61,400,074	-
Retained Earnings	1,333,267,385	1,142,729,910	463,963,772	486,833,118	362,254,563	240,321,405

##### Total Shareholders' Equity

	<u>5,928,551,456</u>	<u>5,045,020,636</u>	<u>3,754,866,056</u>	<u>3,119,652,987</u>	<u>2,154,291,716</u>	<u>1,154,999,391</u>
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##### Total Liabilities and Shareholders' Equity

	<u>72,426,812,700</u>	<u>58,360,673,800</u>	<u>54,206,648,607</u>	<u>38,475,641,576</u>	<u>30,382,222,281</u>	<u>21,060,771,167</u>
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**OFF-BALANCE SHEET ITEMS****Contingent Liabilities**

Acceptances and Endorsements	5,132,609,980	3,733,538,904	2,189,338,630	1,886,474,416	1,694,103,300	1,216,427,993
Letter of Guarantees	3,659,555,211	4,074,580,745	1,527,643,816	1,399,007,585	1,297,608,957	944,363,894
Irrevocable Letters of Credits	8,401,218,650	8,208,530,370	4,592,263,738	3,777,544,509	4,526,846,297	4,394,291,940
Bills for collection	2,732,955,345	2,934,030,510	1,331,102,185	1,713,750,718	1,241,032,335	1,211,554,702
	<b>19,926,339,186</b>	<b>18,950,680,529</b>	<b>9,640,348,369</b>	<b>8,776,777,228</b>	<b>8,759,590,889</b>	<b>7,766,638,529</b>

**Other Contingent Liabilities**

Value of travelers' cheques on hand		-	-	3,526,740	4,864,860	3,795,820
	<b>19,926,339,186</b>	<b>18,950,680,529</b>	<b>9,640,348,369</b>	<b>8,780,303,968</b>	<b>8,764,455,749</b>	<b>7,770,434,349</b>

**Other commitments**

Lease Rental Commitments	-	-	-	-	-	-
Documentary credit & short term trade-related transactions	-	-	-	-	-	-
Forward assets purchased and forward	-	-	-	-	-	-
Undrawn note issuance and revolving facilities	-	-	-	-	-	-
Undrawn formal standby facilities, credit lines and	-	-	-	-	-	-
	-	-	-	-	-	-

**Total Off-Balance Sheet****items including**

<b>contingent liabilities</b>	<b>19,926,339,186</b>	<b>18,950,680,529</b>	<b>9,640,348,369</b>	<b>8,780,303,968</b>	<b>8,764,455,749</b>	<b>7,770,434,349</b>
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**C. Consolidated Cash Flow Statement**

(Figure in Taka)

Particulars	Period ended 31.03.2011	Year ended 31.12.2010	Year ended 31.12.2009	Year ended 31.12.2008	Year ended 31.12.2007	Year ended 31.12.2006
<b>A. Cash flow from operating activities</b>						
Interest received in cash	1,108,266,864	4,778,175,673	4,075,793,904	3,737,621,966	2,493,439,670	1,727,297,105
Interest payments	(739,838,239)	(3,383,906,247)	(2,875,519,267)	(2,364,917,530)	(1,815,760,153)	(1,272,046,558)
Dividend receipts	600,000	32,328,818	24,331,156	12,177,144	2,535,018	1,990,142
Fees and commission receipts in cash	111,164,011	465,583,268	347,300,768	330,456,925	309,712,269	229,151,753
Recoveries of loans previously written off	-	-	-	-	-	-
Cash paid to employees	(264,422,286)	(698,193,857)	(499,650,084)	(365,043,658)	(219,783,175)	(142,626,487)
Cash paid to suppliers	(23,463,894)	(40,593,444)	(36,119,833)	(20,880,652)	(13,138,803)	(9,199,852)
Income Taxes paid	(264,487,850)	(676,644,058)	(510,425,434)	(462,063,306)	(250,944,998)	(135,751,593)
Received from other operating activities (item-wise)	288,920,363	1,748,751,621	967,362,994	495,777,925	349,920,094	163,236,498
Payments for other operating activities (item-wise)	(85,324,677)	(536,146,128)	(382,019,026)	(288,412,670)	(217,847,762)	(129,520,628)
<b>Operating profit before changes in operating Assets and Liabilities Increase/(Decrease) in operating assets &amp; liabilities</b>	<b>131,414,292</b>	<b>1,689,355,646</b>	<b>1,111,055,178</b>	<b>1,074,716,144</b>	<b>638,132,160</b>	<b>432,530,380</b>
Statutory Deposits	-	-	-	-	-	-
Net Investment in trading securities	(22,708,227)	(1,173,271,050)	86,371,286	(449,921,819)	407,574,447	(600,000,221)
Loan & advance to other banks	-	-	-	-	-	-
Loan & advance to customers	328,008,758	(9,994,345,175)	(5,054,925,936)	(8,822,700,773)	(5,431,963,906)	(3,438,534,462)
Other assets (item-wise)	(320,759,225)	152,268,089	(537,570,300)	67,701,762	(152,359,843)	(133,813,102)
Deposits from other banks	106,731,000	128,647,000	66,587,000	31,316,075	332,242,231	(400,157,771)
Deposits from customers	5,145,286,257	1,936,925,625	15,240,286,456	5,691,370,473	7,650,668,344	6,576,507,199
Other liabilities (item-wise)	(52,005,163)	93,733,443	6,577,323	22,247,630	(51,701,048)	(24,483,874)
<b>Net cash from operating activities (A)</b>	<b>5,315,967,692</b>	<b>(7,166,686,422)</b>	<b>10,918,381,007</b>	<b>(2,385,270,508)</b>	<b>3,392,592,385</b>	<b>2,412,048,149</b>
<b>B. Cash flow from investing activities</b>						
Proceeds from sale of securities	-	-	-	-	-	-
Payments for purchase of government securities	(475,614,152)	1,315,338,165	(3,782,123,845)	(712,590,824)	(1,009,327,387)	(212,000,000)
Purchase of property, plant & equipment	(33,455,421)	(175,540,346)	(119,589,279)	(204,462,252)	(80,457,972)	(59,173,146)
Purchase of intangible assets	(2,649,060)	(6,191,246)	(5,408,714)	(2,009,266)	(16,154,326)	(812,241)
Sale of property, plant & equipment	627,126	32,251,124	4,102,927	1,105,950	-	576,700
<b>Net cash from investing activities (B)</b>	<b>(511,091,507)</b>	<b>1,165,857,697</b>	<b>(3,903,018,911)</b>	<b>(917,956,392)</b>	<b>(1,105,939,685)</b>	<b>(271,408,687)</b>
<b>C. Cash flow from financing activities</b>						
Increase/(Decrease) in Call loan	-	-	(1,010,000,000)	780,000,000	(190,000,000)	370,000,000
Re-purchase Offer (REPO)	-	-	-	-	-	(600,000,000)
Other borrowings	(162,217,819)	306,843,927	32,368,792	106,735,000	8,300,000	(4,000,000)
Share Money Deposits	-	-	-	-	-	-
Share Capital A/c	-	700	-	256,667,400	466,670,000	-
Share Premium A/c	-	-	-	256,667,400	233,335,000	-
<b>Net cash from financing activities (C)</b>	<b>(162,217,819)</b>	<b>306,844,627</b>	<b>(977,631,208)</b>	<b>1,400,069,800</b>	<b>518,305,000</b>	<b>(234,000,000)</b>
<b>D. Net increase in Cash &amp; Cash</b>	<b>4,642,658,366</b>	<b>(5,693,984,098)</b>	<b>6,037,730,888</b>	<b>(1,903,157,100)</b>	<b>2,804,957,700</b>	<b>1,906,639,462</b>
<b>E. Effects of exchange rate changes on cash and cash equivalents</b>						
	39,383,659	4,249,146	5,084,229	(25,185,213)	514,887	14,104,892
<b>F. Cash and Cash Equivalent at</b>	<b>5,382,476,153</b>	<b>11,072,211,105</b>	<b>5,029,395,988</b>	<b>6,957,738,301</b>	<b>4,152,265,714</b>	<b>2,231,521,360</b>
<b>G. Closing Cash and Cash Equivalent</b>	<b>10,064,518,178</b>	<b>5,382,476,153</b>	<b>11,072,211,105</b>	<b>5,029,395,988</b>	<b>6,957,738,301</b>	<b>4,152,265,714</b>

**(\*) Cash and Cash Equivalents:**

Cash in hand (including foreign currencies)	662,625,930	519,467,958	437,348,059	303,301,936	221,462,945	139,754,152
Balance with Bangladesh Bank and Sonali Bank (Including foreign currencies)	4,013,262,521	4,122,034,251	2,996,480,710	1,834,181,954	1,525,989,971	1,121,385,791
Balance with Other Bank and Financial Institutions	1,236,463,327	738,392,744	4,086,483,436	2,568,931,798	4,999,114,285	2,822,587,571
Call Loan to other Banks	4,150,000,000	-	3,550,000,000	320,000,000	210,000,000	67,500,000
Prize Bond	2,166,400	2,581,200	1,898,900	2,980,300	1,171,100	1,038,200
	<b>10,064,518,178</b>	<b>5,382,476,153</b>	<b>11,072,211,105</b>	<b>5,029,395,988</b>	<b>6,957,738,301</b>	<b>4,152,265,714</b>

**2. Dividend declared**

	Year ended 31.12.2010	Year ended 31.12.2009	Year ended 31.12.2008	Year ended 31.12.2007	Year ended 31.12.2006
Cash dividend	-	-	-	-	-
Stock dividend	20%	20%	20%	10%	-

**3. The Bank has a subsidiary company, namely Trust Bank Investment Limited**

Name of the subsidiary	Shareholding by TBL	Percentage	Core area of business
Trust Bank Investment Ltd.	29,999,993	100%	Merchant Banking

4. The Statement of Assets and Liabilities (Statement of Financial Position) as at 31 December 2006 and 2007 of the bank has been duly certified by us and those for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 audited by Howlader Yunus & Co. Chartered Accountants ;

5. The Statement of Operating Results (Statement of Comprehensive Income) for the years ended 31 December 2006 and 2007 has been duly certified by us and those for the years ended 31 December 2008, 2009 and 2010 audited by Howlader Yunus & Co. Chartered Accountants ;

6. The Statement of Cash Flows for the years ended 31 December 2006 and 2007 of the Bank are enclosed and certified by us and those for the years ended 31 December 2008, 2009 and 2010 are also enclosed and certified by Howlader Yunus & Co. Chartered Accountants.

Dhaka,  
19 January 2012

Sd/-  
**ACNABIN**  
Chartered Accountants

**Trust Bank Limited**  
**Statement of Ratio Analysis**  
**For the period from 01 January 2006 to 30 September 2011**

The following ratios have been computed from the audited financial statements of Trust Bank Limited for the period from 01 January 2011 to 30 September 2011 and for the years ended 31 December 2010, 2009, 2008, 2007 and 2006:

Name of Ratio	01 Jan 2011 to 30 Sep 2011	2010	2009	2008	2007	2006
	Result	Result	Result	Result	Result	Result
<b>A. Liquidity Ratios</b>						
1 Current Ratio (Times)	0.32	0.61	0.75	0.82	0.91	1.20
2 Quick Ratio (Times)	0.32	0.61	0.75	0.82	0.91	1.20
3 Times Interest Earned Ratio(Times)	0.33	0.71	0.44	0.51	0.44	0.64
4 Debt to Equity Ratio(Times)	11.81	10.61	13.44	11.33	13.10	8.56
<b>B. Operating Ratios</b>						
1 Account Receivable Turnover Ratio	N/A	N/A	N/A	N/A	N/A	N/A
2 Inventory Turnover Ratio (Times)	N/A	N/A	N/A	N/A	N/A	N/A
3 Fixed Assets Turnover Ratio	102.12	96.34	85.52	80.40	96.19	90.30
4 Assets Turnover Ratio (Times)	0.64	0.68	0.60	0.72	0.61	0.63
<b>C. Profitability Ratio</b>						
1 Gross Margin Ratio (%)	4.39%	9%	8%	7%	7%	6%
2 Operating Income Ratio (%)	2.47%	6%	4%	5%	5%	4%
3 Net Income Ratio (%)	1.17%	3%	2%	2%	1%	2%
4 Return on Assets Ratio (%)	0.75%	2%	1%	1%	1%	1%
5 Return on Equity Ratio (%)	9.54%	25%	16%	15%	11%	15%
6 Earning Per Share	20.08	57.48	33.06	31.96	16.93	52.63

We have examined the calculation of the above ratios of Trust Bank Limited for the period from 01 January 2011 to 30 September 2011 and for the years ended 31 December 2010, 2009, 2008, 2007 and 2006. The detail calculation is presented in Annexure-1.

Dhaka,  
19 January 2012

Sd/-  
**ACNABIN**  
Chartered Accountants

**Trust Bank Limited**  
**Detail Calculation of Ratio Analysis**  
for the period from 01 January 2006 to 30 September 2011

Name of Ratio	01 Jan 11 to 30 Sep 11		2010		2009		2008		2007		2006		
	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	
<b>A. Liquidity Ratios</b>													
1 Current Ratio (Times)	$\frac{\text{Current Assets}}{\text{Current Liability}}$	$\frac{20,760,832,187}{64,046,614,533}$	0.32	$\frac{29,551,654,794}{48,754,081,896}$	0.61	$\frac{33,652,974,531}{44,632,801,250}$	0.75	$\frac{25,519,495,033}{30,988,790,920}$	0.82	$\frac{22,689,925,067}{24,892,164,575}$	0.91	$\frac{15,454,459,207}{12,908,303,461}$	1.20
2 Quick Ratio (Times)	$\frac{\text{Current Assets}-\text{Inventory}}{\text{Current Liability}}$	$\frac{20,760,832,187}{64,046,614,533}$	0.32	$\frac{29,551,654,794}{48,754,081,896}$	0.61	$\frac{33,652,974,531}{44,632,801,250}$	0.75	$\frac{25,519,495,033}{30,988,790,920}$	0.82	$\frac{22,689,925,067}{24,892,164,575}$	0.91	$\frac{15,454,459,207}{12,908,303,461}$	1.20
3 Times Interest Earned Ratio(Times)	$\frac{\text{Operating profit}}{\text{Net Interest Expenses}}$	$\frac{1132619546}{3,450,298,327}$	0.33	$\frac{2,277,661,251}{3,213,947,255}$	0.71	$\frac{1,358,354,121}{3,112,822,489}$	0.44	$\frac{1,252,443,067}{2,462,230,880}$	0.51	$\frac{853,713,506}{1,947,001,047}$	0.44	$\frac{733,048,595}{1,149,930,719}$	0.64
4 Debt to Equity Ratio(Times)	$\frac{\text{Total Debt(Total Liabilities)}}{\text{Total Shareholders Equity}}$	$\frac{66,109,860,693}{5,599,915,731}$	11.81	$\frac{53,315,653,164}{5,025,357,187}$	10.61	$\frac{50,451,782,551}{3,754,866,056}$	13.44	$\frac{35,355,988,589}{3,119,652,987}$	11.33	$\frac{28,227,930,565}{2,154,291,716}$	13.10	$\frac{15,096,167,846}{1,764,282,483}$	8.56
<b>B. Operating Ratios</b>													
1 Account Receivable Turnover Ratio	$\frac{\text{Sales /Loan and Advances}}{\text{Average Receivable}}$				N/A		N/A		N/A		N/A		N/A
2 Inventory Turnover Ratio (Times)	$\frac{\text{Cost of Goods Sold}}{\text{Average Inventory}}$				N/A		N/A		N/A		N/A		N/A
3 Fixed Assets Turnover Ratio	$\frac{\text{Sales /Loan and Advances}}{\text{Average Fixed Assets}}$	$\frac{45,821,068,839}{448,702,018}$	102.12	$\frac{39,799,923,991}{413,124,269}$	96.34	$\frac{32,663,107,783}{381,919,144}$	85.52	$\frac{27,528,084,387}{342,392,560}$	80.40	$\frac{18,682,164,654}{194,224,790}$	96.19	$\frac{13,188,092,885}{146,054,811}$	90.30
4 Assets Turnover Ratio (Times)	$\frac{\text{Sales /Loan and Advances}}{\text{Average Total Assets}}$	$\frac{45,821,068,839}{71,709,776,424}$	0.64	$\frac{39,799,923,991}{58,276,332,285}$	0.68	$\frac{32,663,107,783}{54,206,648,607}$	0.60	$\frac{27,528,084,387}{38,475,641,576}$	0.72	$\frac{18,682,164,654}{30,382,222,281}$	0.61	$\frac{13,188,092,885}{21,060,771,167}$	0.63
<b>C. Profitability Ratio</b>													
1 Gross Margin Ratio (%)	$\frac{\text{Gross Profit}}{\text{Sales /Loan and Advances}}$	$\frac{2,011,889,112}{45,821,068,839}$	4.39%	$\frac{3,643,051,455}{39,799,923,991}$	9%	$\frac{2,467,667,896}{32,663,107,783}$	8%	$\frac{2,006,111,087}{27,528,084,387}$	7%	$\frac{1,328,664,864}{18,682,164,654}$	7%	$\frac{844,188,037}{13,188,092,885}$	6%
2 Operating Income Ratio (%)	$\frac{\text{Operating profit}}{\text{Sales /Loan and Advances}}$	$\frac{1132619546}{45,821,068,839}$	2.47%	$\frac{2,277,661,251}{39,799,923,991}$	6%	$\frac{1,358,354,121}{32,663,107,783}$	4%	$\frac{1,252,443,067}{27,528,084,387}$	5%	$\frac{853,713,506}{18,682,164,654}$	5%	$\frac{546,899,496}{13,188,092,885}$	4%
3 Net Income Ratio (%)	$\frac{\text{Profit After Tax}}{\text{Sales /Loan and Advances}}$	$\frac{534,349,564}{45,821,068,839}$	1.17%	$\frac{1,274,775,554}{39,799,923,991}$	3%	$\frac{610,905,838}{32,663,107,783}$	2%	$\frac{463,049,546}{27,528,084,387}$	2%	$\frac{239,028,693}{18,682,164,654}$	1%	$\frac{263,150,484}{13,188,092,885}$	2%
4 Return on Assets Ratio (%)	$\frac{\text{Profit After Tax}}{\text{Average Total Assets}}$	$\frac{534,349,564}{71,709,776,424}$	0.75%	$\frac{1,274,775,554}{58,276,332,285}$	2%	$\frac{610,905,838}{54,206,648,607}$	1%	$\frac{463,049,546}{38,475,641,576}$	1%	$\frac{239,028,693}{30,382,222,281}$	1%	$\frac{263,150,484}{13,188,092,885}$	2%
5 Return on Equity Ratio (%)	$\frac{\text{Profit After Tax}}{\text{Shareholders Equity}}$	$\frac{534,349,564}{5,599,915,731}$	9.54%	$\frac{1,274,775,554}{5,025,357,187}$	25%	$\frac{610,905,838}{3,754,866,056}$	16%	$\frac{463,049,546}{3,119,652,987}$	15%	$\frac{239,028,693}{2,154,291,716}$	11%	$\frac{263,150,484}{1,764,282,483}$	15%
6 Earnings Per Share	$\frac{\text{Profit After Tax}}{\text{Number of Shares}}$	$\frac{534,349,564}{26,611,274}$	20.08	$\frac{1,274,775,554}{22,176,062}$	57.48	$\frac{610,905,838}{18,480,052}$	33.06	$\frac{463,049,546}{14,488,875}$	31.96	$\frac{239,028,693}{12,833,370}$	16.93	$\frac{263,150,484}{5,000,000}$	52.63

**Trust Bank Limited**  
**Statement of Ratio Analysis**  
**For the period from 01 January 2006 to 30 September 2011**

The following ratios have been computed from the audited financial statements of Trust Bank Limited for the period from 01 January 2011 to 30 September 2011 and for the years ended 31 December 2010, 2009, 2008, 2007 and 2006:

Name of Ratio	01 Jan 11 to 30 Sep 11	2010	2009	2008	2007	2006
	Result	Result	Result	Result	Result	Result

**A. Liquidity Ratios**

1 Current Ratio (Times)	0.32	0.68	0.75	0.82	0.91	1.20
2 Quick Ratio (Times)	0.32	0.68	0.75	0.82	0.91	1.20
3 Times Interest Earned Ratio(Times)	0.47	0.71	0.44	0.51	0.44	0.64
4 Debt to Equity Ratio(Times)	11.22	10.61	13.44	11.33	13.10	8.56

**B. Operating Ratios**

1 Account Receivable Turnover Ratio /	N/A	N/A	N/A	N/A	N/A	N/A
2 Inventory Turnover Ratio (Times) /	N/A	N/A	N/A	N/A	N/A	N/A
3 Fixed Assets Turnover Ratio	105.36	103.51	85.52	80.40	96.19	90.30
4 Assets Turnover Ratio (Times)	0.68	0.73	0.60	0.72	0.61	0.63

**C. Profitability Ratio**

1 Gross Margin Ratio (%)	5%	9%	8%	7%	7%	6%
2 Operating Income Ratio (%)	3%	6%	4%	5%	5%	4%
3 Net Income Ratio (%)	2%	3%	2%	2%	1%	2%
4 Return on Assets Ratio (%)	1%	2%	1%	1%	1%	1%
5 Return on Equity Ratio (%)	14%	25%	16%	15%	11%	15%
6 Earning Per Share	31.69	58.37	33.06	31.96	16.93	52.63

We have examined the calculation of the above ratios of Trust Bank Limited for the period from 01 January 2011 to 30 September 2011 and for the years ended 31 December 2010, 2009, 2008, 2007 and 2006. The detail calculation is presented in Annexure-1.

Dhaka,  
19 January 2012

Sd/-  
**ACNABIN**  
**Chartered Accountants**

**Trust Bank Limited**  
**Detail Calculation of Ratio Analysis**  
**for the period from 01 January 2006 to 30 September 2011**

Name of Ratio		01 Jan 11 to 30 Sep 11		2010		2009		2008		2007		2006		
		Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	
<b>A. Liquidity Ratios</b>														
1	Current Ratio (Times)	$\frac{\text{Current Assets}}{\text{Current Liability}}$	0.32	$\frac{20,760,832,187}{64,196,482,451}$	0.68	$\frac{34,370,464,022}{50,570,438,641}$	0.75	$\frac{33,652,974,531}{44,632,801,250}$	0.82	$\frac{25,519,495,033}{30,988,790,920}$	0.91	$\frac{22,689,925,067}{24,892,164,575}$	1.20	$\frac{15,454,459,207}{12,908,303,461}$
2	Quick Ratio (Times)	$\frac{\text{Current Assets}-\text{Inventory}}{\text{Current Liability}}$	0.32	$\frac{20,760,832,187}{64,196,482,451}$	0.68	$\frac{34,370,464,022}{50,570,438,641}$	0.75	$\frac{33,652,974,531}{44,632,801,250}$	0.82	$\frac{25,519,495,033}{30,988,790,920}$	0.91	$\frac{22,689,925,067}{24,892,164,575}$	1.20	$\frac{15,454,459,207}{12,908,303,461}$
3	Times Interest Earned Ratio(Times)	$\frac{\text{Operating profit}}{\text{Net Interest Expenses}}$	0.47	$\frac{1,626,975,187}{3,452,343,816}$	0.71	$\frac{2,277,661,251}{3,213,947,255}$	0.44	$\frac{1,358,354,121}{3,112,822,489}$	0.51	$\frac{1,252,443,067}{2,462,230,880}$	0.44	$\frac{853,713,506}{1,947,001,047}$	0.64	$\frac{733,048,595}{1,149,930,719}$
4	Debt to Equity Ratio(Times)	$\frac{\text{Total Debt(Total Liabilities)}}{\text{Total Shareholders Equity}}$	11.22	$\frac{66,498,261,244}{5,928,551,456}$	10.61	$\frac{53,315,653,164}{5,025,357,187}$	13.44	$\frac{50,451,782,551}{3,754,866,056}$	11.33	$\frac{35,355,988,589}{3,119,652,987}$	13.10	$\frac{28,227,930,565}{2,154,291,716}$	8.56	$\frac{15,096,167,846}{1,764,282,483}$
<b>B. Operating Ratios</b>														
1	Account Receivable Turnover Ratio	$\frac{\text{Sales /Loan and Advances}}{\text{Average Receivable}}$	N/A		N/A		N/A		N/A		N/A		N/A	N/A
2	Inventory Turnover Ratio (Times)	$\frac{\text{Cost of Goods Sold}}{\text{Average Inventory}}$	N/A		N/A		N/A		N/A		N/A		N/A	N/A
3	Fixed Assets Turnover Ratio	$\frac{\text{Sales /Loan and Advances}}{\text{Average Fixed Assets}}$	105.36	$\frac{49,468,174,789}{469,502,252}$	103.51	$\frac{42,760,432,995}{413,124,269}$	85.52	$\frac{32,663,107,783}{381,919,144}$	80.40	$\frac{27,528,084,387}{342,392,560}$	96.19	$\frac{18,682,164,654}{194,224,790}$	90.30	$\frac{13,188,092,885}{146,054,811}$
4	Assets Turnover Ratio (Times)	$\frac{\text{Sales /Loan and Advances}}{\text{Average Total Assets}}$	0.68	$\frac{49,468,174,789}{72,426,812,700}$	0.73	$\frac{42,760,432,995}{58,276,332,285}$	0.60	$\frac{32,663,107,783}{54,206,648,607}$	0.72	$\frac{27,528,084,387}{38,475,641,576}$	0.61	$\frac{18,682,164,654}{30,382,222,281}$	0.63	$\frac{13,188,092,885}{21,060,771,167}$
<b>C. Profitability Ratio</b>														
1	Gross Margin Ratio (%)	$\frac{\text{Gross Profit}}{\text{Sales /Loan and Advances}}$	5%	$\frac{2,575,513,711}{49,468,174,789}$	9%	$\frac{3,770,040,320}{42,760,432,995}$	8%	$\frac{2,467,667,896}{32,663,107,783}$	7%	$\frac{2,006,111,087}{27,528,084,387}$	7%	$\frac{1,328,664,864}{18,682,164,654}$	6%	$\frac{844,188,037}{13,188,092,885}$
2	Operating Income Ratio (%)	$\frac{\text{Operating profit}}{\text{Sales /Loan and Advances}}$	3%	$\frac{1,626,975,187}{49,468,174,789}$	6%	$\frac{2,374,579,478}{42,760,432,995}$	4%	$\frac{1,358,354,121}{32,663,107,783}$	5%	$\frac{1,252,443,067}{27,528,084,387}$	5%	$\frac{853,713,506}{18,682,164,654}$	4%	$\frac{546,899,496}{13,188,092,885}$
3	Net Income Ratio (%)	$\frac{\text{Profit After Tax}}{\text{Sales /Loan and Advances}}$	2%	$\frac{843,321,840}{49,468,174,789}$	3%	$\frac{1,274,775,554}{42,760,432,995}$	2%	$\frac{610,905,838}{32,663,107,783}$	2%	$\frac{463,049,546}{27,528,084,387}$	1%	$\frac{239,028,693}{18,682,164,654}$	2%	$\frac{263,150,484}{13,188,092,885}$
4	Return on Assets Ratio (%)	$\frac{\text{Profit After Tax}}{\text{Average Total Assets}}$	1%	$\frac{843,321,840}{72,426,812,700}$	2%	$\frac{1,274,775,554}{58,276,332,285}$	1%	$\frac{610,905,838}{54,206,648,607}$	1%	$\frac{463,049,546}{38,475,641,576}$	1%	$\frac{239,028,693}{30,382,222,281}$	1%	$\frac{263,150,484}{21,060,771,167}$
5	Return on Equity Ratio (%)	$\frac{\text{Profit After Tax}}{\text{Shareholders Equity}}$	14%	$\frac{843,321,840}{5,928,551,456}$	25%	$\frac{1,274,775,554}{5,045,020,636}$	16%	$\frac{610,905,838}{3,754,866,056}$	15%	$\frac{463,049,546}{3,119,652,987}$	11%	$\frac{239,028,693}{2,154,291,716}$	15%	$\frac{263,150,484}{1,764,282,483}$
6	Earnings Per Share	$\frac{\text{Profit After Tax}}{\text{Number of Shares}}$	31.69	$\frac{843,321,840}{26,611,274}$	58.37	$\frac{1,294,438,303}{22,176,062}$	33.06	$\frac{610,905,838}{18,480,052}$	31.96	$\frac{463,049,546}{14,488,875}$	16.93	$\frac{239,028,693}{12,833,370}$	52.63	$\frac{263,150,484}{5,000,000}$

# CREDIT RATING REPORT ON TRUST BANK LIMITED

## REPORT: RR/708/11

*This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996 and as per BRPD Circular No. 5 of Bangladesh Bank dated on April 29, 2009. CRISL's entity rating is valid one year for long-term rating and 6 months for short term rating. CRISL followed Bank/FI Rating Methodology published in CRISL website [www.crislbd.com](http://www.crislbd.com)*

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**Entity Rating**

Long Term: AA-  
Short Term: ST-2

Outlook: Positive

**TRUST BANK  
LIMITED**

**ACTIVITY**

Commercial  
Banking

**INCORPORATED ON:**

June 17, 1999

**CHAIRMAN**

General Md Abdul  
Mubeen, *ndc,psc*

**MANAGING  
DIRECTOR**

Mr. M Shah Alam  
Sarwar

**TOTAL ASSETS:**

TK.58,360.67 million

**TOTAL EQUITY:**

TK.5,045.02 million

**TOTAL LOANS &  
ADV:**

TK,42,760.43 million

Year	Long Term	Short Term
Surveillance Rating as Commercial Bank 2010	AA-	ST-2
Surveillance Rating as Commercial Bank 2009	AA-	ST-2
Outlook	Positive	
Rating Declaration Date	03 May, 2011	

### 1.0 RATIONALE

CRISL has reaffirmed the Long Term rating of Trust Bank Limited ('TBL') to 'AA-' (pronounced as double A minus) and Short Term rating to 'ST-2' with "Positive Outlook" based on consolidated financials up to December 31<sup>st</sup>, 2010 and other relevant qualitative and quantitative information up to the date of rating.

During the year under our surveillance, the bank maintained good profitability, good asset quality, diversified portfolio base, good corporate management team etc. However, above factors are moderated, to some extent, by marginal capital adequacy, increase in fresh NPL, risk concentration on high risk category business segment etc.

The long term rating implies that Banks rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions. Short-term rating indicates high certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

CRISL viewed the bank with "Positive Outlook" in consideration of the bank's enhanced eligible capital base from proposed rights share as well as subordinated debt. The above moves will likely to support prospective business growth of the bank

### 2.0 CORPORATE PROFILE

#### 2.1 Genesis

TBL, a third generation private commercial bank, is operating since November 29, 1999 under the Bank Companies Act, 1991 with the primary objective of providing all kinds of commercial banking services in and outside Bangladesh. The bank was fully sponsored by the Army Welfare Trust (AWT) after getting special permission from the regulatory bodies. With a wide range of modern corporate and consumer financing products, TBL has achieved considerable public response as a sound bank. Initially, the bank started operation under the name and style, "The Trust Bank Limited" which was subsequently renamed as "Trust Bank Limited" on November 12, 2006. The bank has been operating with a Vision "To provide financial services to meet customer expectations so that customers feel we are always there when they need us, and can refer us to their friends with confidence. We want to be a preferred bank of choice with a distinctive identity." As on December 31, 2010, authorized capital of the bank stood at TK 5000.00 million against which the paid up capital stood at TK. 2217.61 million. TBL is a listed bank of both the bourses of the country. The Head Office of the Bank is located at Peoples' Insurance Bhaban, 36, Dilkusha C/A, Dhaka-1000. This credit rating review report is being released by CRISL after a review of the performance of the bank as on 31<sup>st</sup> December 2010 with due consideration to subsequent events upto the date of reporting.

#### 2.2 Ownership Pattern

There was no major change in the ownership structure of the bank. Initially the bank was owned fully by the Army Welfare Trust (AWT). The bank had undergone significant change in its ownership after going for IPO in 2007. After IPO floatation, the sponsors (AWT)

## CREDIT RATING REPORT ON TRUST BANK LIMITED

shareholding was diluted and stood at 60% which allowed them to continue with absolute control over the governance of the bank. Though a single Group/family cannot hold more than 10% share in a bank, TBL got the permission from the central Bank for such holding. Presently the ownership of TBL is diversified among sponsors, financial institutions, non-resident Bangladeshi and general public. While analyzing the shareholding pattern, as on 31<sup>st</sup> December, 2010, sponsors continued their holding of 60% of total shareholding, while 19.51% shares were held by financial institutions and 20.49% by general shareholders.

*10 new branches added during 2010*

### **2.3 Operational Network**

TBL currently has been operating with 59 branches including 10 new branches added to the network during FY2010. The bank has 7 SME service centers/krishi branches. The branches are located at strategically important areas like Dhaka, Chittagong, Sylhet, Bogra, Comilla, Jessore, Mymensingh, Tangail, Sirajgonj, Moulovibazar, Feni, Narsingdi, Brahmanbaria and Chowmuhoni. The Small and Medium Enterprise (SME) service centre are located in Dhaka, Sylhet and Narsingdi area.

TBL started its Islamic Banking Operation in later part of FY2008. The bank has been operating its Islamic banking through 5 Islamic banking windows at its different branches of Dhaka, Chittagong and Sylhet areas. The Bank maintains separate books of accounts with independent and separate capital as required by Bangladesh Bank. The activities are fenced from normal conventional banking operations.

*No major change in business profile*

### **2.4 Business Profile**

There were no major changes in the business profile of the bank. The bank continues its focus on term deposit in deposit portfolio and corporate and consumer financing product in lending portfolio. TBL provides a full range of financial services to individuals, small and medium sized companies, entrepreneurs and corporate bodies. In addition to the conventional banking products, TBL provides some deposit schemes like Trust Smart Saver Scheme (TSSS), Lakhopoti Savings Scheme (LSS), Monthly Benefit Deposit Scheme (MBDS) Trust Money Double Scheme (TMDS), Trust Money Making Scheme (TMMS), Trust Educare Scheme (TES), etc. During 2010, the bank has introduced 8 new deposit products named Trust Assurance Deposit Scheme, Trust Maxmill Deposit Scheme, Trust Echo, Trust Porua, Trust Jhinuk Deposit Scheme, Trust Shristi, Trust Privilege and Defense Personal Salary Account. During 2010, the bank has introduced 3 new lending products in addition to the conventional lending products named Trust Thikana, Trust Digital Loan and Motor Cycle Loan for defense personnel. The bank is providing other smart services that include SME Banking, VISA Credit Card, Remittance Business, SWIFT Services, Locker Services, SMS Banking, ATM Services etc.

Under the guidance of Shariah Council, the Bank designed all deposits, investment products and services and formulated policy guideline and working procedure for Islamic Banking activities. The council is formed with 4 members including Professor Mufti Mohammad Abdullah, Khateeb, Tatibazar Jame Mosque as chairman. Investment is made through different modes i.e. Musharaka, Bai-Muajjal, Hire purchase (under Shirkatul Melk), IHSAN apartment purchase scheme, BARAKAT home construction scheme, BARAKAT car scheme, HPSM-real estate Murabaha TR and Baisalam. Investment income is shared with the Mudaraba depositors on an agreed ratio, ensuring a reasonably fair rate of return on their deposits based on weightage of individual product. TBL has introduced 01 new Islamic Banking products that is Barakat Hajj Deposit Scheme.

Merchant banking operation of the bank is being operated under the fully owned subsidiary of the bank named "Trust Bank Investment Limited", TBL is focusing on providing quality services to the prospective institutional and individual investors in the capital market since 2008 after receiving the approval from Securities and Exchange Commission. It is providing 3 services that include Portfolio Management Services, Underwriting of Share, and Issue Management Services. The bank has established a well decorated and highly technology based trading facilities for the convenience of the customers in its own premises through enlisted brokerage firms. In addition to conventional merchant banking, TBL have invested a part of its surplus Islamic banking fund (Mudarabah Fund) in the secondary market through Merchant Banking Unit. Investment rules of Islamic banking for secondary market are guided



## CREDIT RATING REPORT ON TRUST BANK LIMITED

by the Sharia Standard 21 issued by AAOIFI (Accounting and Auditing Organization of Islamic Financial Institution) on 1<sup>st</sup> January 2005.

*Average market position*

### **2.5 Market Position (Consolidated basis)**

TBL has faced a marginal fall in market share during FY2010 in terms of both deposits and loans and advances among Private Commercial Banks (PCBs). The banking industry of Bangladesh had a deposit of TK. 3,684.00 billion and loans & advances of TK. 3,145.18 billion as on 31st December, 2010, shared by 47 banks consisting of 4 Nationalized Commercial Banks (NCBs), 4 specialized banks, 9 foreign banks, 25 PCBs and 6 Islamic banks. The TBL's deposit base stood at TK. 50,357.90 million and TK. 43,164.34 million (excluding mutual fund deposit of TK. 5,300.00 million) in YE2010 and YE2009 respectively. The loans and advances (including Islamic banking investment) of TBL stood at TK. 42,760.43 million and TK. 32,663.11 million respectively during the same period. Based on the above, TBL held 1.37% of total market share of deposits and 1.36% of total market share of loan & advances as on 31st December, 2010 against 1.57% and 1.32% of the previous year respectively. The growth rate of deposit of TBL was 16.67% against industry growth rate 19.56% and the growth rate of loan and advances was 30.91% against industry growth rate 27.33% in YE2010. The above scenario reveals the bank's aggressive lending compared to deposit base.

TBL's involvement in non-funded business is good compared to its peer. During FY2010 bank's import business stood at TK. 35,310.00 million showing 49.11% growth over the previous year (TK. 23,680.40 million). The export business were TK. 20,331.00 million and TK. 12,770.40 million in FY2010 and FY2009 respectively showing growth of 59.20% in YE2010. Bank's inward remittance was TK. 9,247.00 million in YE2010. The export and inward remittance in aggregate stood at TK. 29,578.00 million against import bill of TK. 35,310.00 million showing deficit of about TK. 5,732.00 million.

### **3.0 INDUSTRY ANALYSIS**

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#### **3.1 Bangladesh Banking Sector**

Bangladesh banking sector is in the phase of transformation. In order to bring the sector in line with the international banking norms, the Central Bank has taken a number of steps under the Financial Sector Reform Program to improve the governance practice of the sector. The most worth mentioning initiatives during the last couple of years, including others, are limiting the percentage of family shareholding and directorship from the same family, limiting the number of directors in the Board, issuance of core risk management guidelines, replacement of Lending Risk Analysis (LRA) by Credit Risk Grading (CRG) system, mandatory credit rating for banks with yearly surveillance, restriction on purchase of land, floor or physical infrastructure without prior approval from BB, implementation of risk based capital adequacy framework in line with BASEL-II, interest spread calculation procedure, guide line for subordinated debt, stress testing, supervisory review process, environmental risk management etc. Based on the above the banking sector is considered to be the most regulated sector compared to the other sectors in the economy. The banking sector consists of 47 banks covering State Owned Banks (SOBs), Private Commercial Banks (PCBs), Foreign Commercial Banks (FCBs), Specialized Banks (SBs) and Islami Banks operating under general banking system or a mixed system of general banking and shariah based branches or pure Shariah based islami operations.

Banking sector continues to maintain the growth momentum in 2010 having deposit base of over TK.3600 billion and loans and advances base of over TK.3100 billion. The overall banking sector, on an average, was involved in aggressive lending indicating average LD (loan to deposit) ratio of more than 85% at YE 2010 against around 80% of the previous year. Out of the above, islami banks had high LD ratio of around 98% followed by PCBs around 88%, FCBs around 78% and SCBs around 70%. Credit Management performance; however, has considerably improved during the year with net non performing loan (Net NPL) slightly over 1.65% at YE 2010 against 1.73% of the previous year. The country's PCBs witnessed remarkable growth in operating profit during the year which was mainly boosted by the income from capital market operations.

## CREDIT RATING REPORT ON TRUST BANK LIMITED

After one year parallel run, banking industry ultimately moved towards full regime of Basel-II from January 2010. Initially due to inclusion of market and operation risk as well as higher risk weight against unrated clients/exposures, capital adequacy ratio of the banks fell down by 3%-4% compared to Basel-I reporting. In order to ensure smooth compliance, BB instructed to maintain CAR in three phases: 8% from 1st January 2010 to 30<sup>th</sup> June 2010 (Phase-I), 9% from 1<sup>st</sup> July 2010 to 30<sup>th</sup> June 2011 (Phase-II) and thereafter 10% from 1st July 2011 (Phase-III). While reviewing the capital adequacy position as on December 31, 2010, it was found that all the SCBs had less than 10% CAR; two of which had less than 9%. On the other hand, out of the 30 PCBs, 19 banks had more than 10% CAR, 8 banks within the range of 9%-10% while CAR of rest 3 banks were found below 9%. The above scenario reveals the banks' marginal position in terms of maintaining capital adequacy. By this time the banks were given time to bring the capital adequacy ratio to the standard level and the BB imposed restrictions on banks in declaring cash dividend until the minimum capital is maintained. BB recognized the rating agencies (two additional during 2010) as External Credit Assessment Institutions (ECAI) and mapped the scale of the rating agencies with Bangladesh Bank Risk Grade. Under the standardized approach all unrated corporate clients (which contributes major portion of the portfolio) were required to face 125% risk weight. Despite the fact most of the banks were hesitant to approach the clients for rating with the fear that the clients may switchover to other banks in this severe competitive market. Some of the banks took initiative to motivate their clients with positive hope for credit rating. However, the result was not as expected. With the main focus of capital management rather than asset management, many of the banks took initiative to augment the capital base either in the form of rights offer (Tier-I capital) or in the form of issuing subordinated debt (Tier-II capital). Meanwhile, at the end 2010, BB issued revised circular on Basel-II with revised mapping of ECAI's rating scale and BB rating grade. In order to encourage asset management, BB relaxed the mapping which is likely to broaden the periphery of credit rating under standardized approach.

Bangladesh Bank is yet to finalize the guideline for Internal Capital Adequacy Assessment Process (ICAAP) for banks under Pillar-II which might warrant the banks to have more capital considering the risk dynamics. In order to further ensure risk hedged health of a bank as well as whole financial system, BB issued 'Stress Testing' guidelines under which all banks have been asked to submit quarterly reporting (initially it was half yearly) on changes on CAR depending on different risk factors under different scenario analysis. The same will likely to make the banks more cautious in risk management. Over and above ICT facility in many of the banks are not in line with modern banking system of the world. For complete implementation of Basel II system all banks need to have robust ICT platform. Towards this end BB has issued updated "Guideline on ICT Security for Banks and Financial Institutions, 2010" and advised all banks to follow and implement the instructions as laid down in the guidelines. CRISL believes that all the above directives and instructions will solidify the capital base of banks under Basel II regime and will provide them sound footing to meet future banking challenges with all determination and fortitude.

#### **4.0 CORPORATE GOVERNANCE**

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##### **4.1 The Board of Directors**

There was no major change in Board. The 9 members Board of TBL, including the Managing Director as Ex-officio, is chaired by the Chairman Mr. General Md. Abdul Mubeen, ndc, psc. Mr. Helal Uddin Ahmed was appointed as both Depositor Director & Independent Director. The other members of the Board have diverse skills, experience and expertise. The Board is involved in setting key targets for the bank and monitoring the progress, approval of long term strategic plan, expansion of business, appointment of key management people, purchase of bank's property and adopts sufficient risk management systems to mitigate the core risk of the bank. The Board conducted 14 meetings in YE2010 and 21 meetings in YE2009. The board has been looking after the affairs of the bank through two board committees namely Executive Committee (EC) and Audit Committee (AC). The bank also has a Shariah Council as per the guidelines of Bangladesh Bank. The board deals with the policy issues, business philosophy and operating guideline for the management in achieving its desired targets.

*Nine members  
board conducted 14  
meetings in 2010*

# CREDIT RATING REPORT ON TRUST BANK LIMITED

*39 EC meetings*

## **4.2 Board Committees**

In order to facilitate the functions of Board, a five member Executive Committee (EC) has been formed including Managing Director. The EC is chaired by Maj Gen Abu Belal Muhammad Shafiu Huq, ndc, psc, who is the Vice Chairman of the Board. The Committee reviews different operational affairs specially approval or enhancement of existing loans and advances. By virtue of delegation of power the EC held 39 meetings during 2010 against 12 meetings in 2009 to resolve various issues referred to it.

*4 AC meetings*

In line with the guidelines of Bangladesh Bank, a 4 member (including Board Secretary as member secretary) Audit Committee (AC) of the board of directors has been formed to assist the board in matters related to audit and internal control system as well as disclosure system of bank. The committee is headed by Brig Gen Md. Nazrul Hasan (Convener). The members of the committee include Brig Gen KARM Mostafa Kamal, ndc, psc., Mr. Helal Uddin Ahmed (member) and Mr. Farhad Uddin (as member secretary). During FY2010, 4 meetings were held by AC compared to 5 meetings during FY2009. The AC reviews the appropriateness of the bank's accounting policy, existing system and up-gradation of systems, annual audit plan, management's report on risk management and audit committee's own terms of reference within the purview of BRPD Circular No.12 by Bangladesh Bank. The committee also maintains the relationship with external auditors of the company and gives direction to the Internal Control and Compliance Division.

*Proper delegation of power*

## **4.3 Delegation of Power**

The delegation of power remains unchanged during 2010. The Head Office Management and Managing Director along with other management tier have sufficient financial delegation which is considered to be sufficient for smooth operation of the bank. The Board of Directors of Trust Bank Ltd has empowered the Managing Director and other incumbents of different tiers including branch managers of lending authority for ensuring smooth operations and expedient decisions with due diligence on credit matters.

*Good corporate management team*

## **4.4 Corporate Management Team**

TBL's management team is headed by the Managing Director Mr. M Shah Alam Sarwar who has over 28 years experience in the banking sector and other financial institutions in responsible positions. Previously the Managing Director served "Premier Bank Ltd" as Managing Director and CEO. Before joining Premier Bank Mr. Sarwar served Industrial Promotion & Development Company of Bangladesh Ltd as Managing Director & CEO. He also served American Express Bank Ltd and Standard Chartered Bank in responsible positions. During his banking career, Mr. Sarwar gained vast experience and exposure in credit, Trade Finance, Treasury Operation, Correspondent Banking, Asset Management and Foreign Remittance etc. In his management team, Mr. Sarwar is aided by one Deputy Managing Director, two Executive Vice Presidents, nineteen Senior Vice Presidents, and twenty four Vice Presidents. The day-to-day banking functions are handled by these professionals with modern banking knowledge and experience in respective fields.

*Inaugurated 3 new Islamic windows*

## **4.5 Shariah Council**

TBL has 05 Islamic Banking wings at different branches running its business based on the principles of Islamic Banking Shariah. In YE2010 TBL increased its Islamic Banking operation through opening 03 windows. Shariah Council of the Islamic Financial Institutions plays an important role in connection with the compliance and implementation of Islamic Shariah principles and fully separated from conventional banking in every sphere of the operations. Shariah Council of TBL consists of four members to provide the decisions in various banking issues as per Shariah principle. The Council is headed by Mufti. Md. Abdulla, a renowned scholar and Khateeb, Tatibazar Jam-E-Mosque. He was also the Principal, Al-Arafa Momtaj-Ul Ulama, Dhaka. The Council conducted 02 Meetings in FY2010.

## **4.6 Human Resources Management (HRM)**

There was no major change in overall human resource base of the bank. The HR base of TBL stood at 1,040 employees at FY2010 and 1,019 employees at FY2009 respectively. It recruited 155 employees in FY2010 at different level. On the other side 134 employees

## CREDIT RATING REPORT ON TRUST BANK LIMITED

*Low employee turnover*

resigned from different level during 2010. Employee turnover ratio stood at 2.06% in 2010 compared to 4.34% in 2009 which is found in line with industry trend. The turnover in 2010 includes one executive vice president. The bank provides some long term benefits to their employees like contributory provident fund, gratuity, leave encashment facility, group insurance, welfare fund, Group hospitalization scheme, Death risk coverage of staff, House building loan scheme etc. TBL established its own training institute in 2004 at the NSC tower, Motijheel commercial Area, Dhaka, where it takes care of training needs of the employees to augment their working efficiency and banking knowledge. During YE2010, TBL Training Institute conducted 28 training programs which was participated by 885 officers of the bank as against 13 training courses with 1,021 participants in YE2009.

*Adequate use of IT in MIS*

### **4.7 Management Information System (MIS)**

The IT system of Trust Bank Limited is found satisfactory. All the branches of the bank are currently using Centralized Banking Software named Flora System Limited for their daily transactions processing and routine reporting. The bank has the facility of Any-Branch Banking (ABB), ATM Banking, Phone Banking, SMS Banking & Internet Banking. It also has a centralized Data Center where all financial information is centrally and securely preserved. TBL has been generating various reports such as financial statements, summary of customer balances, top loan defaulters list, interest provision list through its IT system. It has an IT Disaster Recovery Site (DRS) in place replicating the Data Center. The DRS is located at Uttara. The DRS of TBL is equipped with compatible hardware and telecommunication equipments to support the live systems in case of any disaster. The bank has its own ATM and POS facilities and also signed contract with BRAC Bank and DutchBangla Bank to share their ATM and POS networks. TBL is providing adequate training to its ICT personnel for making the facilities more up to date.

## **5.0 RISK MANAGEMENT**

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The bank follows structured risk management procedure in all risk areas as according to BB guidelines. As per instruction of BB, TBL has already formed a Risk Management Unit (RMU) with specific term of reference (ToR) to look after six core risk areas in banking operations.

### **5.1 Credit Risk Management**

TBL had introduced the Credit Risk Management (CRM) policy guide as per suggestions/guidelines of core risk management taskforce of Bangladesh Bank in 2005 which is being reviewed annually. All the credit proposals are scrutinized with application of the yardsticks, techniques & judgment in line with CRM policy guideline. The Bank also introduced & implemented the Credit Risk Grading Manual (CRGM) in line with the CRGM guideline of Bangladesh Bank. TBL approves credit facilities upon appraisal, proper scrutiny and due diligence on different aspects including security aspects. In case of extension of any facility, the Bank carries out an in-depth analysis on the collateral securities i.e. nature of securities, its value (present and forced sale value), location of the properties, titles/ownership, enforceability etc. The bank had established an independent Credit Administration Department (CAD) under CRM policy of the Bank in order to maintain quality of the credit, through completion of documentation, monitoring, & follow-up, early signaling system etc. The CAD has strong legal and recovery unit properly staffed with professionally experienced bankers and law officers to expedite the documentation, legal and recovery process. TBL also prepared separate policy guidelines for the investment facilities under Islamic Shariah.

*Portfolio concentration on high risk category business segment*

While reviewing the risk weight wise distribution of on balance sheet exposure under credit risk, it was revealed that 8.53% of the exposures falls under 0% risk category, 3.85% under 20% risk, 6.89% under 50% risk, 4.45% under 75%, 18.21% under 100%, 51.17% under 125% and rest of the 1.22% under 150% risk category. The above reveals the risk concentration on 125% risk category due to unrated corporate client.

### **5.2 Asset Liability Management**

Asset Liability management (ALM) is a strategic management tool to manage interest rate risk and liquidity risk faced by banks, other financial services companies and corporations.

# CREDIT RATING REPORT ON TRUST BANK LIMITED

12 ALCO meetings

The Asset Liability Management Committee (ALCO) of TBL consists of 10 members headed by the Managing Director as Chairman. ALCO meets once in every month to address factors such as the change in interest rate, market conditions, carry out liability maturity gap analysis and re-pricing of products. With their assessment TBL takes effective measures to monitor and control interest rate risks while the Treasury department reviews the trend analysis of market movements and prepare the gap position for proper management of interest rate changes. During FY2010, 12 ALCO meetings were held which are then minuted.

4 members AC

### 5.3 Internal Control and Compliance

TBL has formulated internal control manual, policies and guidelines in order to establish a clear line of responsibilities between each division and sub-division according to Bangladesh Bank core risk management guidelines. The Internal Control and Compliance (ICC) division comprised of three departments; Audit & Inspection Department, Compliance Unit & Monitoring Unit. The ICC deals with the issues like: issuing annual audit plan duly approved by the Managing Director for the submission to the Audit Committee of the Board, internal audit of every branch is submitted to the Audit Committee for review, at the end of the year summary report of the audit findings and corrective actions taken by the respective personnel is forwarded to the Audit Committee for review etc. The Audit Committee consists of 04 members chaired by Brig Gen Md. Nazrul Hasan. TBL has a 12 members Management committee (MANCOM) headed by the Managing Director to manage the overall affairs of the bank.

No suspicious transaction occurred during 2010

### 5.4 Prevention of Money Laundering

TBL strengthen its efforts including maintaining customer's risk profile and enhancing the MIS for prompt reporting of suspicious account. As per central Bank's instruction for proper compliance of the provisions of Anti Money Laundering Act-2009 (AML) and Anti-Terrorism Financing Act 2009 (ATF), TBL has taken effective initiative to prevent money laundering activities. TBL trains all its employees on the issue of AML and ATF and the employees are liable for individual roles and responsibilities. TBL monitors the AML and ATF activities through CAMLCO and Central compliance Unit (CCU) at Head Office and Head of Branch and Branch Anti-Money Laundering Compliance Officer (BAMLCO). The Bank introduced a standard KYC (Know Your customer) profile. KYC programs includes customer acceptance policy, customer identification, on-going monitoring of high risk accounts and identification of suspicious transactions. In FY2010 no transaction has been detected as suspicious by the Bank.

### 5.5 Market Risk

Major market risks arise from Interest rate risk, Equity & Commodity Financing Risk and Foreign Exchange Risk. The position of TBL in terms of market risk is as follows:

Increased the deposit rate

#### 5.5.1 Interest Rate risk

The Asset Liability Management Committee (ALCO) is assigned to monitor and review the interest rates of TBL. The committee in its monthly meeting takes decision in respect of interest rates of the bank. The ALCO has established its own Interest Rate Policy to monitor and for minimization of interest rate risks at an acceptable level. These guidelines and actions are taken in adherence to the policies issued by Bangladesh Bank from time to time. The Bank analyzes different factors such as GAP analysis (Ratio of rate sensitive assets and rate sensitive liabilities), cash flow analysis and duration analysis etc. ALM desk of Treasury Front Office and Credit Division of Head Office analyze and submit a proposal for review of interest rates considering previously mentioned factors, on deposit and loan respectively as and when necessary. In FY2010, the Bank increased interest rates on deposit in different time buckets to increase the deposit base. TBL always observe market scenario and adjusts its interest rate accordingly to retain core depositors.

TK.20.69 million is kept as a provision for capital market investment

#### 5.5.2 Equity and Commodity Financing Risk

At FY2010, the cost price of equity investment (only quoted portion) stood at TK. 792.68 million against an aggregate market value of TK. 1,099.46 million. The bank kept TK. 20.69 million in FY2009 as provision for diminution in value of investment. On the above backdrop and considering the volatile market scenario the bank has equity risk. The bank also has financing risk and commodity risk for investment in industries like RMG, Engineering and Metal, Textile, Food Products & Processing, Agricultural Industries etc.

# CREDIT RATING REPORT ON TRUST BANK LIMITED

*No un-recognized  
credit entries*

## 5.5.3 Foreign Exchange Risk

Foreign Exchange risks are measured and monitored by Treasury Division of the Bank. All foreign exchange activities have been segregated into front office, mid office and back office which are responsible for currency transactions, deal verification, limit monitoring and settlement of transaction separately. There is an internal audit system which controls key issues like FX dealing limits, compliance requirements and statutory management for foreign exchange dealing. Trust Bank follows all the prudential guidelines of foreign exchange risk management set by Bangladesh Bank. Treasury Division always monitors the market scenario of risks and manages the foreign operations in such a way that earnings are not hampered against any adverse movement in market prices. All NOSTRO accounts are reconciled on monthly basis and outstanding entries beyond 30 days are appraised by the management for settlement. The NOSTRO accounts are verified by the external auditor and reports are submitted to Bangladesh Bank. As on December 31, 2010, the bank had no un-reconciled credit entries.

## 6.0 PERFORMANCE

*Good financial  
performance*

### 6.1 Financial Performance (Consolidated)

CRISL evaluates the financial performance in terms of Return on Average Asset (ROAA), Return on Average Equity (ROAE) and Net interest margin (NIM). According to the consolidated account, operating profit before provision increased to TK. 2,374.58 million in FY2010 compared to TK. 1,358.35 million in FY2009 registering 74.81% growth from last year. Net Interest Income also increased by 66.85% during FY2010 of TK. 1,525.63 million compared to TK. 914.38 million in FY2009. The above was mainly driven by considerable increase in loan/investment portfolio. Income from investments as well as other non-operating income had contributed significantly towards the overall income of the bank. Income from investment increased by 22.77% and other operating income increased by 97.35% from previous year. Income from Islamic banking investments increased to TK. 88.23 million in FY2010 compared to TK. 38.58 million in FY2009 indicating 128.69% growth. The bank earned TK. 317.84 million from capital gain of shares which contributed 8.43% of the total operating income. CRISL considers the same as an unstable source of income which might not continue in upcoming years considering the volatile capital market scenario. Net profit before tax increased to TK. 2,196.37 million against TK. 1,150.57 million in FY2009 registering growth of 90.89%. The bank made provision of TK. 178.20 million during 2010 against TK. 207.78 million during 2009. The above reduction was due to de-provision against specific provision resulting from cumulative effect of recovery from NPL and declassification of NPL worth TK. 1,026.60 million during the period. The resultant effect affects positively towards profit before tax. Consequently, Return on Average Assets (after tax) and Return on Average Equity (after tax) stood at 2.30% and 29.42% respectively in FY2010 compared to 1.32% and 17.77% in FY2009. Interest expenses of TBL have increased by 3.17% in FY2010 against an increase of 26.42% in FY2009. Net interest margin (NIM) increased to 4.31% in 2010 compared to 4.02% in 2009.

*Considerable growth  
in operating profit*

#### 6.1.1 Stand Alone Operations

On stand alone basis, operating profit before provision increased to TK. 2,277.66 million in FY2010 compared to TK. 1,358.35 million in FY2009 registering 67.67% growth from last year. Net Interest Income also increased by 61.05% during FY2010 of TK. 1,472.69 million compared to TK. 914.38 million in FY2009. Interest expenses of TBL have increased by 3.24% in FY2010. Net profit before tax increased to TK. 2,140.36 million against TK. 1,150.57 million in FY2009 registering growth of 86.03%.

*Profit from Islamic  
operation stood  
TK.57.65 million*

#### 6.1.2 Islamic Banking Operation

Islamic Banking operation of TBL is gradually improving over time. Total deposits of TBL under Islamic wings stood TK. 1,296.32 million in FY2010 compared to TK. 816.13 million in FY2009. The Islamic wing of the bank still depends on Mudaraba Term Deposits which stood at TK. 1,016.20 million in FY2010. Total operating income from Islamic banking operation has significantly improved during 2010 and stood at TK. 62.11 million compared to TK. 9.14 million in YE2009 due to increasing the demand for Islamic banking operation within the depositors. Profit before provision of the bank under Islamic Operation was TK. 57.65 million.

# CREDIT RATING REPORT ON TRUST BANK LIMITED

*Separation of merchant banking operation*

## 6.1.3 Merchant Banking Operations (subsidiary operations)

Merchant Banking Operation of TBL is in upward trend over the last few years. Total operating income from Merchant Banking Operation stood at TK. 1,008.91 million in FY2010 against TK. 417.69 million in FY2009 registering a growth of 141.55%. Operating profit before provision increased to TK. 915.86 million in FY2010 compared to TK. 366.01 million in FY2009. Without keeping any specific provision, total profit before taxes stood at TK. 915.86 in FY2010 compared to TK. 313.50 million in FY2009.

*Good operating efficiency*

## 6.2 Operating Efficiency

Overall operating efficiency of TBL found good. The operating efficiency is reviewed in terms of operating income, operating expenses, cost-to-income ratio and yield against per TK. 100 staff cost. Operating income of the bank rose to TK. 3,770.04 million (TK. 3,643.05 million as stand alone basis) in 2010 from TK. 2,467.67 million in 2009 registering a growth of 52.78% (47.63%). Operating expense of TBL increased to TK. 1,395.46 million (TK. 1,365.39 million as stand alone basis) in YE2010 from TK. 1,109.31 million in YE2009 showing an increase of 25.80% (23.08%). It appears from the above that the growth of operating income of the bank is higher than the growth of operating expense during YE2010 (significantly contributed by non-operating income) that ultimately increases the efficiency ratio during 2010. The operating cost to income ratio of TBL consequently decreased to 37.01% in YE2010 from 44.95% in YE2009. The yield per TK. 100 staff cost increased to TK. 337.77 in 2010 from TK. 229.93 in 2009.

## 7.0 ASSET MANAGEMENT

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*Fresh NPL of TK.1,018.31 million*

### 7.1 Non Performing Loan (NPL)

Total loans and advances of the bank increased to TK. 42,760.43 million (TK. 39,799.92 million as stand alone basis) in FY2010 compared to TK. 32,663.11 million in the FY2009 indicating an increase of 30.91% (21.85%). The TBL's nonperforming loans (NPL) totaled TK. 960.00 million as on 31st December 2010 from TK. 860.72 million in FY2009 with an increase of TK. 99.28 million (11.53% higher than the previous year). During the year TK. 1,018.31 million was classified as NPL which is compensated by TK. 530.50 million recovery and declassification of TK. 496.10 million during the year. The bank did not write off any portion of non performing debts in the FY2010. Consequent to considerable increase in portfolio base as well as NPL adjustment (according to the consolidated accounts), gross NPL ratio of TBL has decreased to 2.25% in the FY2010 from 2.64% in FY2009. Net NPL ratio of the Bank marginally increased to 0.86% in FY2010 from 0.73% in FY2009 and found at the higher side compared to PCBs. Gross NPL coverage of TBL increased to 162.12% in the FY2010, from 142.70% in the FY2009. As stand alone basis the gross NPL and net NPL ratio stood at 2.41% and 0.91% respectively.

*Textile and garments sector grabs the large portion of portfolio*

### 7.2 Sectoral Concentration

The total credit portfolio of the bank is diversified among some matured and prospective sectors of the country. The Management has defined different lending caps for different sectors depending on the demand for fund and the investment risk thereon. The loan portfolio of the bank shows concentration towards textile and garments which grabs a large portion (15.71%) of the loan portfolio, followed by housing (12.99%), trading (11.19%), steel and engineering (7.50%), personal services (5.83%), and rest are in agriculture sector, automobile sector, cement, chemical, paper, rubber, energy and power, medical services and other general loans. etc. as on December 31, 2010. The concentration towards textile sector has been reduced by the bank to minimize the sectoral risk that the bank faced before. The bank has diversified its investment portfolio in some non traditional sectors. The bank disbursed maximum loans and advances to Dhaka Division (65.35%) followed by Chittagong Division (28.49%), Sylhet Division (2.70%), Khulna Division (1.76%), Rajshahi Division (0.90%) and Rangpur Division (0.79%). The bank has no loan in the Barisal Division.

### 7.3 Large & Director's Loan

TBL has a significant large loan (30.08% of total loan & advances) and they are exposed to large loan risk. Total amount of large loan (above 10% of total capital) exposures of the bank increased to TK. 18.89 billion in FY2010 from TK. 10.33 billion in FY2009. The large loan

## CREDIT RATING REPORT ON TRUST BANK LIMITED

*27 large loan  
accounts*

exposure both funded and non-funded included TK. 10.77 billion and TK. 8.12 billion respectively of the total large loan portfolio as on December 31, 2010. The number of loan exceeding 10% of total capital was concentrated in 27 accounts in FY2010 against 21 accounts in FY2009. As per financial statements of FY2010, it is found that the bank has TK. 13.73 million loan and advances sanctioned to 04 existing directors under the housing scheme. No large loan has been restructured during FY2010.

*28 accounts  
rescheduled during  
2010*

#### **7.4 Rescheduled Loan**

TBL bank had total rescheduled loans and advances amounting TK. 638.91 million (against 28 accounts) in 2010 and TK. 271.46 million (against 13 accounts) in 2009, which respectively represents 1.49% and 0.83% of the total loans and advances during the period. While analyzing the rescheduled accounts, it was found 5 accounts were rescheduled for second times, 2 accounts were rescheduled for third times and remaining for first time at FY2010. Total recovery from the rescheduled loan stood TK. 34.98 million which is 5.43% of total declassified amount. It is found that TK. 212.81 million was rescheduled in the month of December, 2010.

*Considerable growth  
in off-balance sheet  
exposure*

#### **7.5 Off Balance Sheet Exposure**

According to the consolidated account, off-Balance sheet exposure of TBL stood at TK. 18.95 billion and TK. 9.64 billion during the year 2010 and 2009 respectively indicating 96.58% growth. Off balance sheet exposure consists of Acceptance and endorsement TK. 3,733.54 million (19.70%), Letter of Credit TK. 8,208.53 million (43.32%), Bills for collection TK. 2,934.03 million (15.48%) and Letters of guarantee TK. 4,074.58 million (21.50%). Letter of Credit, Letter of guarantees, Bills for collection and Acceptances and endorsements were increased by TK. 3,616.27 million, TK. 2,546.94 million, 1,602.93 million and TK. 1,544.20 million respectively. Off-Balance sheet Risk Weighted Assets to total Risk Weighted Assts stood 14.51% in FY2010. The bank made provision for OBS exposure during FY2010 amounting TK. 71.00 million.

While reviewing the risk weight-wise classification of the credit equivalent of off balance sheet exposure, it was revealed that 3.80% of the exposures falls under 0% risk category, 7.61% under 20% risk, 0.52% under 50% risk, 4.21% under 75%, 0.35% under 100%, 83.51% under 125% and 0% under 150% risk category. The above reveals the risk concentration on 125% risk category due to unrated corporate client.

### **8.0 CAPITAL ADEQUACY**

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*CAR 9.06%*

The capital adequacy of the bank is in line with requirement under risk based capital adequacy framework of Basel-II. The total RWA of the bank stood at TK. 64,104.60 million as on December 31, 2010 of which 85.74% was emanated from credit risk, 6.94% from market risk and rest of the 7.32% from operational risk. Based on the above the minimum capital requirement stood at TK. 5,769.41 million against which the eligible capital stood at TK. 5,804.94 million indicating the RWCAR of 9.06%. The CAR on core capital (Tier-1) stood at 7.69% and on supplementary capital (Tier-II) stood at 1.37%. In order to support additional capital requirement from July 2011 (10% of RWA) along with anticipated portfolio growth, the Board of TBL has recommend to issue one Rights Share for every 5 ordinary shares at an issue price of TK. 200 per share with TK. 100 premium. In addition to the above, The Board of the Directors of the Bank has also decided to issue subordinated bond worth TK. 2500.00 million to strengthen Bank's tier II capital subject to approval of the regulatory authorities. The above moves will likely to strengthen the capital base of the bank.



## CREDIT RATING REPORT ON TRUST BANK LIMITED

*CAR is highly sensitive to increase in NPL*

### Stress Testing Analysis

Based on the actual CAR of 9.06%, the following table shows the sensitivity of risk factors on CAR.

Indicators	Revised CAR (% Change)			Magnitude of Sensitivity
	Scenery 1	Scenery 2	Scenery 3	
Interest Rate Risk	8.85 (1%)	8.61 (2%)	8.38 (3%)	0.21 ~ 0.68
Exchange Rate Risk	9.08 (5%)	9.08 (10%)	9.08 (15%)	0.02 ~ 0.02
Credit Risk	-	-	-	-
i. Increase in NPL.	8.54 (1%)	7.98 (2%)	7.41 (3%)	0.52 ~ 1.65
ii. Shift in NPLs categories	8.94 (50%)	8.78 (80%)	8.67 (100%)	0.12 ~ 0.39
iii. Fall in the FSV of Mortgaged Collateral	9.07 (10%)	9.06 (20%)	9.03 (40%)	0.01 ~ 0.03
iv. Increase in NPL's under Bad/Loss category in 1 or 2 sector	8.58 (5%)	8.33 (7.50%)	8.07 (10%)	0.48 ~ 0.99
v. Increase in NPL's due to 10 large loan borrowers	8.39 (5%)	8.04 (7.50%)	7.69 (10%)	0.67 ~ 1.37
Equity Price Risk	9.00 (10%)	8.91 (20%)	8.72 (40%)	0.06 ~ 0.34

As TBL is maintaining margin capital according to the Basel II capital requirement, any change in the risk indicators can affect the capital adequacy of the bank.

From the above analysis it is revealed that CAR of the bank is highly sensitive to increase in NPL, increase in NPL's under Bad/Loss category in 1 or 2 sectors and increase in NPL due to 10 large loan borrowers.

## 9.0 LIQUIDITY FUNDING (Consolidated)

### 9.1 Liquidity

*Surplus from CRR and SLR stood TK.830.90 million*

The overall liquidity position of TBL has been tightened during FY2010 as the bank increased the portfolio size to a great extent, without having any organic growth in deposit. Consequently, the bank's liquidity ratio decreased to 23.80% at YE2010 compared to 39.29% at YE2009. The loans and advance to deposit ratio stood at 84.91% at YE2010 against 67.40% at YE2009, which indicates flexible approach of investment. Again, loan and advance to deposits and equity ratio stood at 77.17% at YE2010 against 62.52% at YE2009, due to tight liquidity position. Both CRR and SLR were adequately maintained as per requirement of the Bangladesh Bank. The CRR and SLR requirement was TK. 3,102.61 million and TK. 9,824.92 million as on 31<sup>st</sup> December, 2010; against which TBL kept TK. 3,280.50 million and TK. 10,477.92 million respectively. Total surplus from both CRR and SLR stood at TK. 830.90 million. The bank kept CRR of 6.34% against the requirement of 6.00% and SLR 20.26% against the requirement of 19.00%.

The maturity analysis of TBL shows that the bank has TK. 2,649.00 million negative net gap for 1 month maturity bucket having TK. 13,719.72 million assets against TK. 16,368.72 million liabilities. In 1 to 3 months maturity bucket the negative liquidity gap was TK 8,835.15 million and 3 to 12 months maturity bucket with negative liquidity gap of TK. 7,718.28 million. During the year 2010 the bank's average borrowing from money market was TK. 86.73 million per day at an average interest rate of 7.23% against a substantial lending of TK. 1,372.63 million per day at an average interest rate of 4.45%.

### 9.2 Fund Management

TBL funding mix consists of 86.29% deposits and others, 8.64% shareholders equity, 0.79% borrowing from other banks, financial institutions and agents and 4.28% other liabilities. Total deposits consists of fixed deposits of TK. 38,118.64 million (75.70% of total deposit), savings deposit TK. 5,336.19 million (10.60% of total deposit), Current account of TK. 6,247.06 million (12.41% of total deposit) and Bills payable of TK. 656.01 million (1.30% of total deposit). Top 50 depositors are holding 15.69% of total deposit comprising of Term Deposit (10.64%), Savings Deposit (3.34%) and Current Deposit (0.10%). From the size wise classification of term deposits it is observed that 33 accounts are holding TK. 5,620.12 million from the range of TK. 10 to 50 crore and 560 accounts are holding TK. 14,269.72

## CREDIT RATING REPORT ON TRUST BANK LIMITED

million from the range of TK. 1 to 10 crore in FY2010. The bank's cost of fund stood at 6.38% and 7.88% in FY2010 and FY2009 respectively. TBL is mainly dependent of customer deposit which is interest sensitive. Any volatility in the cost of fund will heavily affect profitability of bank.

### 10.0 OBSERVATION SUMMARY

<p><b>Comforts</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Good profitability</li> <li><input type="checkbox"/> Good asset quality</li> <li><input type="checkbox"/> Diversified portfolio base</li> <li><input type="checkbox"/> Good corporate management team</li> <li><input type="checkbox"/> Increase in Islamic banking operation</li> </ul>	<p><b>Concerns</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Marginal capital adequacy</li> <li><input type="checkbox"/> Increase in fresh NPL</li> <li><input type="checkbox"/> Considerable increase in rescheduled assets</li> <li><input type="checkbox"/> Risk concentration on high risk category business segment</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Product diversification</li> <li><input type="checkbox"/> Portfolio diversification in low risk category business segment including SME</li> </ul>	<p><b>Challenges</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Regulatory pressure for maintaining interest spread</li> <li><input type="checkbox"/> Competition in deposit mobilization</li> <li><input type="checkbox"/> Enhancement of capital base in line with Basel II</li> </ul>

### 11.0 PROSPECTS

The financial sector of Bangladesh is already considered to be the most regulated sector compared to other sectors due to various measures taken by regulatory authority from time to time with a view to making the sector more productive, need oriented and in line with the developmental pace of the world. As many as 47 banks are now in operation in the country. Consequently, the financial institutions have been facing tough competition in grabbing market share. The economy of Bangladesh has been passing a crucial time due to many political and economic factors. It had to face several jolts from political disruption, infrastructural constraints, serious power shortage, gas shortage, return of the Bangladeshi workers from abroad etc. Having double digit inflation, recent crush of capital market has significantly affected the confidence of the investors. Although the Government has been trying to make the capital market stable through various favorable Government actions but it did not bring out desired impetus in the banking and financial system. However, in spite of world recession which started at the last quarter of 2008, export earning of Bangladesh from ready made garments showed good growth due to competitive low price. But recent political disturbance in majority of the Middle East and African countries, will seriously affect inward remittance to affect balance of payments of the country. However the RMG export is showing upward trend but facing competition from Pakistan, India and China mainly. The above is being fuelled by increase of commodity price, upward revision of diesel, kerosene, electricity rates by Government. Above all the world financial market debacle in the financial institutions in the western world has yet to come out of the recession. Especially in USA all recovery financial package, advanced by the authority is progressing at slow pace.

Despite different odds in the micro as well as macro economic fundamentals, the Govt. of Bangladesh has given priority on 'financial inclusion' for transitioning from an agrarian system to post industrial modern society. In view central bank has taken a number of steps including focusing on agricultural loan through quick and timely finance, privileged rate of interest for production of import alternative commodities, refinancing scheme against Small and Medium Enterprises (SME) loan, solar energy, bio-gas, effluent treatment plant and automation in banking. As part of the inclusion, initiatives have also been taken to open accounts for farmers, poor people as well as students with a nominal deposit.

In order to ease the inflationary pressure and also to enhance economic activities, BB declared contractionary monetary policy during 2010. CRR and SLR rate were enhanced twice. Banks were advised to form subsidiary and brokerage houses to effectively conduct capital market investment effectively. The banking sector profitability during the period was

## CREDIT RATING REPORT ON TRUST BANK LIMITED

mainly boosted by capital market operation which will not likely to be maintained in consideration of volatile capital market scenario and central bank's conservative attitude towards investment of banks in capital market. Meanwhile, Banks and Financial houses were advised not to invest more than 25% of paid up capital and reserve money into the capital market. The PCBs, in recent times, are facing tough competition to mobilize deposit for maintaining liquidity in line with statutory requirements. Furthermore, the banks are in difficulties in meeting their obligation for settlement of LCs and providing fund to earlier committed clients. Consequently, in order to comply with the above many PCBs were forced to mobilize deposit at a much higher rate which resulted in high cost of fund. Meanwhile, BB has withdrawn the lending cap (excluding particular sectors). However, due to immediate non adjustment capacity of increased funding cost in lending, the banks might face the risk of squeezed spread in near terms.

Under the above back drop CRISL believes that the bank will take appropriate measures to enhance capital base, advise a good number of their clients to complete credit rating as early as possible for mutual benefit, to rearrange investment portfolio to minimize risk, to invest in SME loan (investment) in line with the BB guideline and to go for other investment opportunity to enhance profitability, growth and its franchise value in the competitive market.

### END OF THE REPORT

*(Information used herein is obtained from sources believed to be accurate and reliable. However, CRISL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities. All rights of this report are reserved by CRISL. Contents may be used by news media and researchers with due acknowledgement)*

*[We have examined, prepared, finalized and issued this report without compromising with the matters of any conflict of interest. We have also complied with all the requirements, policy procedures of the SEC rules as prescribed by the Securities and Exchange Commission.]*

## CREDIT RATING REPORT ON TRUST BANK LIMITED

### 12.0 CORPORATE INFORMATION: (As on 31 December, 2010)

**Date of Incorporation:** June 17, 1999  
**Date of Functioning:** November 29, 1999

**Board of Directors:**

General Md. Abdul Mubeen, ndc, psc	Chairman
Maj Gen Abu Belal Muhammad Shafiul Huq, ndc, psc	Vice Chairman
Brig Gen Md. Nazrul Hasan	Director
Brig Gen K A R M Mostafa Kamal, ndc, psc	Director
Brig Gen Tushar Kanti Chakma, ndc, psc	Director
Mrs. Begum Rokeya Din	Director
Mr. Helal Uddin Ahmed	Director and Independent Director
Brig Gen Md. Imamul Huda, psc	Director
Mr. M Shah Alam Sarwar	Managing Director

**Company Secretary:** Mr. Farhad Uddin, ACMA

**Auditor:** Howladar Yunus & Co

**Capital History**

Year	Authorized Capital (Million TK.)	Paid-up Capital (Million TK.)	Rate of Increase	Source of Fund
1999	1,000.00	200.00		Founder Shareholders' fund
2000	1,000.00	200.00		Do
2001	1,000.00	250.00	25.00%	Do
2002	1,000.00	350.00	40.00%	Do
2003	1,000.00	350.00		Do
2004	2,000.00	500.00	42.86%	Do
2005	2,000.00	500.00		Do
2006	2,000.00	500.00		Do
2007	2,000.00	1,166.67	133.33%	IPO
2008	2,000.00	1,540.00	32.00%	Bonus and Right Share
2009	2,000.00	1,848.01	20.00%	Bonus Share
2010	5,000.00	2,217.61	19.99%	Bonus Share

**CREDIT RATING REPORT  
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**13.0 FINANCIALS (Consolidated)**

**A. Balance Sheet as on December 31, 2010**

Figures in Million TK.

Balance Sheet	FY2010	FY2009	FY2008
Cash in Hand	519.47	437.35	303.30
Cash with BB & Other Banks/FIs	4,122.03	2,996.48	1,834.18
Cash with Other Banks/FIs	738.39	4,086.48	2,568.93
Money at Call & Short Notice	0.00	3,550.00	320.00
<b>Total Cash</b>	<b>5,379.89</b>	<b>1,1070.31</b>	<b>5,026.42</b>
Investment in Securities (Govt.)	6,714.01	8,032.95	4,203.63
Investment in Others Securities	1,845.93	672.66	759.03
Total Investment	8,559.94	8,705.61	4,962.66
<b>Total Loans Adv. &amp; Bills</b>	<b>42,760.43</b>	<b>32,663.11</b>	<b>27,528.08</b>
Fixed Assets	431.01	381.92	342.39
Other Asset	1,229.40	1,385.70	675.17
<b>Total Assets</b>	<b>58,360.67</b>	<b>54,206.65</b>	<b>38,534.72</b>
Inter-Bank Borrowing	460.25	153.40	1,131.04
Current A/Cs & Others A/Cs	6,247.06	4,856.81	3,793.75
Bills Payable	656.01	602.88	514.88
Savings Bank Deposits	5,336.19	4,230.05	2,662.67
Bearer Certificates of Deposits	0.00	0.00	0.00
Term Deposits	38,118.64	38,774.90	25,948.47
<b>Total Deposit</b>	<b>50,357.90</b>	<b>48,464.64</b>	<b>32,919.76</b>
Other Liabilities	2497.50	1,833.74	1,364.27
Total Outside Liabilities	53,315.65	50,451.78	35,415.07
Paid Up Capital	2,217.61	1,848.01	1,540.00
Reserves & Others	2,827.41	1,906.86	1,579.65
<b>Shareholders Equity</b>	<b>5,045.02</b>	<b>3,754.87</b>	<b>3,119.65</b>
<b>Total Liability and Shareholders Equity:</b>	<b>58,360.67</b>	<b>54,206.65</b>	<b>38,534.72</b>

**B. Income Statements for the year ended on December 31, 2010**

Figures in Million TK.

Income Statement	FY2010	FY2009	FY2008
Interest Income	4,737.25	4,027.20	3,634.65
Int. Paid on Deposits & Borrowings	3,211.61	3,112.82	2,462.23
<b>Net Interest Income</b>	<b>1,525.63</b>	<b>914.38</b>	<b>1,172.42</b>
Investment Income	963.81	785.03	394.05
Fee Comm. Exchange & Brokerage	466.23	355.61	306.16
Other Non Int. Income	814.37	412.65	133.48
<b>Total Operating Income</b>	<b>3,770.04</b>	<b>2,467.67</b>	<b>2,006.11</b>
<b>Total Non Int. Income</b>	<b>2,244.41</b>	<b>1,553.29</b>	<b>833.69</b>
Salary Allowance & PF	703.02	590.77	385.64
Other Operating Expenses	692.44	518.55	368.02
<b>Total Operating Expenditure</b>	<b>1,395.46</b>	<b>1,109.31</b>	<b>753.67</b>
<b>Profit/Loss before Provisions</b>	<b>2,374.58</b>	<b>1,358.35</b>	<b>1,252.44</b>
Provision for Unclassified Loans	176.42	85.23	110.93
Provision for Classified Loans	-134.25	127.19	85.97
Provision for Investments & Others	136.04	-4.65	66.07
<b>Total Provisions</b>	<b>178.21</b>	<b>207.78</b>	<b>262.97</b>
<b>Net P/L before Taxes</b>	<b>2,196.37</b>	<b>1,150.57</b>	<b>989.47</b>
Provisions for Tax	901.93	539.67	526.42
<b>Net P/L after Tax</b>	<b>1,294.44</b>	<b>610.91</b>	<b>463.05</b>

## CREDIT RATING REPORT ON TRUST BANK LIMITED

### CRISL RATING SCALES AND DEFINITIONS LONG-TERM - BANKS

RATING	DEFINITION
<b>AAA</b> Triple A (Highest Safety)	Banks rated in this category are adjudged to be of best quality, offer highest safety and have highest credit quality. Risk factors are negligible and risk free, nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of banks.
<b>AA+, AA, AA-</b> (Double A) (High Safety)	Banks rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.
<b>A+, A, A-</b> Single A (Adequate Safety)	Banks rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.
<b>BBB+, BBB, BBB-</b> Triple B (Moderate Safety)	Banks rated in this category are adjudged to offer moderate degree of safety for timely repayment of financial obligations. This level of rating indicates that a bank is under-performing in some areas. These entities are however, considered to have the capability to overcome the above-mentioned limitations with special care and cautious operation. Risk factors are more variable in periods of economic stress than those rated in the higher categories.
<b>BB+, BB, BB-</b> Double B (Inadequate Safety)	Banks rated in this category are adjudged to lack of key protection factors, which results in an inadequate safety. This level of rating indicates a bank as below investment grade but deemed likely to meet obligations when due. Overall quality may move up or down frequently within this category.
<b>B+, B, B-</b> Single B (Risky)	Banks rated in this category are adjudged to be with high risk. Timely repayment of financial obligations is impaired by serious problems which the entity is faced with. Whilst an entity rated in this category might be currently meeting obligations in time, continuance of this would depend upon favorable economic conditions or on some degree of external support.
<b>CCC+, CCC, CCC-</b> Triple C (Vulnerable)	Banks rated in this category are adjudged to be with vulnerable protection factors. This rating indicates that the degree of certainty regarding timely payment of financial obligations is doubtful unless circumstances are favourable.
<b>CC+, CC, CC-</b> Double C (Highly Vulnerable)	Banks rated in this category are adjudged to be with high vulnerable position. This rating indicates that the degree of certainty regarding timely payment of financial obligations is quite lower unless overall circumstances are favourable or there is possibility of high degree external support.
<b>C+, C, C-</b> (Near to Default)	Banks rated in this category are adjudged to be with near to default in timely repayment of financial obligations. This type rating may be used to cover a situation where a insolvency petition has been filed or similar action has been taken, but payments on the obligation are being continued with high degree of external support.
<b>D</b> (Default)	Banks rated in this category are adjudged to be either currently in default or expected to be in default. This level of rating indicates that the entities are unlikely to meet maturing financial obligations and calls for immediate external support of a high order.

For long-term ratings, CRISL assigns + (Positive) sign to indicate that the issue is ranked at the upper-end of its generic rating category and - (Minus) sign to indicate that the issue is ranked at the bottom end of its generic rating category. Long-term ratings without any sign denote mid-levels of each group.

### SHORT-TERM - BANKS

<b>ST-1</b>	<b>Highest Grade</b> Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding, Safety is almost like risk free Government short-term obligations.
<b>ST-2</b>	<b>High Grade</b> High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.
<b>ST-3</b>	<b>Good Grade</b> Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
<b>ST-4</b>	<b>Moderate Grade</b> Moderate liquidity and other protection factors qualify issues as to invest grade. Risk factors are larger and subject to more variation.
<b>ST-5</b>	<b>Non-Investment Grade</b> Speculative investment characteristics. Liquidity is not sufficient to insure against disruption in debt service. Operating factors and market access may be subject to a high degree of variation.
<b>ST-6</b>	<b>Default</b> Issuer failed to meet scheduled principal and/or interest payments.



**TRUST BANK LIMITED**

**Registered Office & Head Office**

Peoples Insurance Bhaban, 36 Dilkusha C/A, Dhaka-1000

Folio/BO Account No :  
Name :  
Address :

## LETTER OF OFFER FOR RIGHTS ISSUE

Dear Shareholder (s)

We are pleased to inform you that the Board of Directors in its **5/2011** meeting held on **March 23, 2011** recommended to issue Rights Shares @ 1 (one) Rights share for 5 (Five) shares held, at a price of Tk. 20 each including a premium of Tk. 10 per share. Board's recommendation was approved by the Shareholders in the **12<sup>th</sup>** Annual General Meeting held on **June 07, 2011**. As a registered Shareholder as on **April 03, 2012** (Record date for entitlement), you are entitled to subscribe your rights share(s).

If you wish to accept the above Rights Share(s) in full or in part, you are required to submit completed Application Form-A annexed hereto with necessary payments. You may, however, renounce your rights in respect of all or part of your entitlement in favor of others in which case the Renunciation Form-B and Form-C annexed hereto shall be submitted, duly filled in by you and the renounee(s) along with necessary payments.

The rights cannot be exercised for fraction of a share i.e. below full unit of share.

All the payments for accepted shares are to be made in cash or by P.O./D.D./Cheque @ **Tk. 20.00** each including a premium of **Tk. 10.00** per share and to be deposited with any of the Branches of Bankers to the Issue during Banking hours from **April 22, 2012** to **May 17, 2012** (both days inclusive). Any extension of time will be notified through national dailies. Payments through P.O./D.D./Cheque, must be issued in favor of "**TBL Rights Issue**" and must be drawn on a Bank in the same town, where the branch of Banker to the Issue in which the application form has been submitted, is situated. It is to be noted that all transactions above **Tk.1.00** (one) lac must be effected through Demand Draft/Crossed Cheque/Pay Orders.

The offer will be deemed to have been declined if completed Application Form-A and/or Renunciation Form-B and Form-C with necessary payments have not been received by **May 17, 2012** or by such later date as may be notified through national dailies to that effect.

A self-explanatory Rights Share Offer Document is attached for your kind information and evaluation.

By order of the Board of Directors

Sd/-

**M Shah Alam Sarwar**  
Managing Director


**TRUST BANK LIMITED**
**Registered Office & Head Office**

Peoples Insurance Bhaban, 36 Dilkusha C/A, Dhaka-1000

Rights Offer of **53,222,550** Ordinary Shares of Tk. 100.00 each issuing at **Tk. 20.00** each, including a premium of **Tk. 10.00** per share, totaling **Tk. 1,064,451,000.00** offered on the basis of 1 (one) Rights share for 5 (Five) existing share held on the record date **April 03, 2012**.

**LAST DATE OF ACCEPTANCE AND APPLICATION: MAY 17, 2012**  
**FORM OF ACCEPTANCE AND APPLICATION FOR SHARES**

**The Managing Director**

TRUST BANK LIMITED

Peoples Insurance Bhaban, 36 Dilkusha C/A, Dhaka-1000

**Dated:** ...../...../2012

Dear Sir,

I/We apply for allotment of ordinary shares indicated below in response to your letter of Rights Offer and Subject to the Memorandum and Articles of Association of the Company. I/We hereby agree to accept the shares as may be allotted to me/us on the terms laid down in the letter of offer and enclose the necessary remittance @ Tk.20.00 each (including a premium of Tk. 10.00 per share) in cash or by Draft/Pay order/Cheque on..... dated ..... drawn on ..... Bank.....  
 ..... Branch.

Folio/BO Account No.	No. of Shares held at the close of business on .....2012	No. of Shares offered	No. of Shares Accepted	Total Amount Paid

Yours faithfully,

 1. Name (in block letters) :  
 Address :

 \_\_\_\_\_  
 Signature

 2. Name (in block letters) :  
 Address :

 \_\_\_\_\_  
 Signature

**BO Account No.**

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As per provision of the Depository Act, 1999 and regulations made thereunder, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

**Note: Signature must be the same as furnished earlier. Incomplete or incorrectly filled application form may be rejected.**

**ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY**

Received Tk.....(Taka.....)only from  
 Mr./Ms.....Folio/BO Account No.....  
 for.....no.(s) of rights shares of **TRUST BANK LIMITED** in Cash/Pay Order/ Draft/Cheque  
 No.....date.....of.....Bank.....Branch.

Application Sl. No.

(Bank's Seal)

 Signature of Receiving Officer  
 Date





