

AUDITORS' REPORT & FINANCIAL STATEMENTS

Auditors' Report to the Shareholders of Industrial and Infrastructure Development Finance Company Limited

We have audited the accompanying financial statements of Industrial and Infrastructure Development Finance Company Limited (the Company), namely, Balance Sheet as of 31 December 2009 and the related Profit and Loss Statement, Cash Flow Statement, Statement of Changes in Equity, Statement of Liquidity Analysis and notes thereto for the year ended on that date. Preparation of these financial statements and notes thereto is the responsibility of the Bank's management. Our responsibility, as independent auditors, 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 required that we plan and perform the audit to obtain a reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

Accordingly, we report that, in our opinion, the said financial statements, prepared in compliance with Bangladesh Accounting Standards/Bangladesh Financial Reporting Standards, exhibit a true and fair view of the state of the Company's affairs as at 31 December 2009 and of the results of its operations and its cash flows for the said year ended on that date and have been drawn up in accordance with the requirements of Companies Act 1994, Financial Institutions Act 1993 and other applicable laws and rules and of the said Accounting/Financial Reporting Standards.

We also report that :

- i. we have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit, and made due verification thereof and found them satisfactory;
- ii. in our opinion, proper books of account as required by law were kept by the Company so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- iii. the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- iv. the Balance Sheet, Profit and Loss Statement, Cash Flow Statement, Statement of Changes in Equity and Statement of Liquidity Analysis of the Company dealt with by this report are in agreement with the books of account maintained by the Company;
- v. the financial position of the Company at 31 December 2009 and the operating result for the year then ended have been properly reflected in the financial statements and these were prepared in accordance with generally accepted accounting principles;
- vi. adequate provisions have been made for leases and other assets which are, in our opinion, doubtful of recovery;
- vii. the expenditure incurred and payments made were for the purpose of the Company's business for the year.

House 25, Road 13A, Block D
Banani, Dhaka 1213, Bangladesh
Dated, 26 April 2010


S. F. AHMED & CO
Chartered Accountants

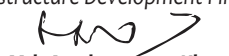
Amounts in Taka

	Notes	As at 31 Dec 2009	As at 31 Dec 2008
PROPERTY AND ASSETS			
Cash	3	81,072,385	53,157,778
In hand (including foreign currencies)		2,990	7,871
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		81,069,395	53,149,907
Balance with other banks and financial institutions	4	874,092,240	506,492,105
In Bangladesh	4.1	874,092,240	506,492,105
Outside Bangladesh	4.2	-	-
Money at call and on short notice	5	-	-
Investments	6	30,800	30,800
Government securities		-	-
Others		30,800	30,800
Laeses, loans and advances		8,336,159,271	6,262,736,041
Loans, cash credits, overdrafts, etc	7	8,336,159,271	6,262,736,041
Bills purchased and discounted	8	-	-
Fixed assets including premises, furniture and fixtures	9	30,159,636	16,378,488
Other assets	10	482,162,367	291,114,155
Non-financial institution assets		-	-
Total Assets		9,803,676,699	7,129,909,367
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	4,159,214,741	3,112,247,289
Deposits and other accounts	12	3,882,807,737	2,899,678,673
Current deposits and other accounts		-	-
Bills payable		-	-
Savings bank deposits		-	-
Fixed/term deposits		3,882,807,737	2,899,678,673
Bearer certificate of deposit		-	-
Other deposits		-	-
Other liabilities	13	1,148,552,031	588,833,533
Total Liabilities		9,190,574,509	6,600,759,495
Capital/ Shareholders' Equity			
Paid-up capital	14	328,780,000	328,780,000
Statutory reserve	15	106,900,000	89,900,000
General reserve	16	42,000,000	41,000,000
Proposed dividend	17	131,512,000	65,756,000
Retained earnings	18	3,910,190	3,713,872
Total Shareholders' Equity		613,102,190	529,149,872
Total Liabilities and Shareholders' Equity		9,803,676,699	7,129,909,367
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements	19	-	-
Letters of guarantee	19.1	17,269,476	170,369,476
Irrevocable letters of credit		9,060,110	21,698,317
Bills for collection		-	-
Other contingent liabilities		-	-
		26,329,586	192,067,793
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Spot and forward foreign exchange contracts		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-Balance Sheet items including contingent liabilities		26,329,586	192,067,793

(The accompanying notes form an integral part of these financial statements).


Md. Matiu Islam
 Chairman

for Industrial and Infrastructure Development Finance Company Limited


Md. Asaduzzaman Khan
 Managing Director


Uzzal Kumar Nandi
 Company Secretary

House 25, Road 13A, Block D
 Banani, Dhaka 1213, Bangladesh
 Dated, 26 April 2010

Signed in terms of our report
 of even date annexed


S. F. AHMED & CO
 Chartered Accountants

Profit and Loss Statement for the year ended 31 December 2009

Amounts in Taka

	Notes	Year ended 31 Dec 2009	Year ended 31 Dec 2008
OPERATING INCOME			
Interest income	20	1,090,108,326	983,138,530
Interest paid on deposits, borrowings, etc	21	(901,229,402)	(793,624,848)
Net interest income		188,878,924	189,513,682
Investment income	22	814	708
Commission on brokerage operation	23	78,933,647	-
Other income	24	44,665,211	45,489,018
		123,599,672	45,489,726
Total operating income (a)		312,478,596	235,003,408
OPERATING EXPENSES			
Salary and allowances	25	61,358,331	35,999,398
Rent, taxes, insurance, electricity, etc	26	15,276,575	5,850,783
Legal expenses	27	1,884,920	2,070,681
Postage, stamps, telecommunication, etc	28	2,997,367	1,267,241
Stationery, printing, advertisement, etc	29	11,517,051	13,325,295
Managing Director's salary and fees	30	6,096,337	4,255,132
Directors' fees	31	696,479	495,538
Auditors' fee	32	300,000	362,700
Depreciation and repair of company's assets	33	8,636,109	6,704,970
Other expenses	34	20,320,281	11,856,970
Total operating expenses (b)		129,083,450	82,188,708
Profit before provision (c = a-b)		183,395,146	152,814,700
Provision against loans and advances	35	63,442,828	33,979,800
Provision for off balance sheet items/ exposure		-	-
Total provision (d)		63,442,828	33,979,800
Profit before taxation (c-d)		119,952,318	118,834,900
Provision for taxation	13.3	36,000,000	34,931,712
Current tax		36,000,000	54,931,712
Deferred tax		-	(20,000,000)
Profit after taxation		83,952,318	83,903,188
Balance of profit, brought forward		3,713,872	4,566,684
Profit available for appropriation		87,666,190	88,469,872
Appropriations			
Statutory reserve		17,000,000	18,000,000
Proposed bonus shares @ 1 share per 5 shares held		65,756,000	65,756,000
General reserve		1,000,000	1,000,000
		83,756,000	84,756,000
Retained earnings		3,910,190	3,713,872
Earnings per share (EPS)	36	25.53	25.52

(The accompanying notes form an integral part of these financial statements).

for Industrial and Infrastructure Development Finance Company Limited


Md. Matiul Islam
Chairman


Md. Asaduzzaman Khan
Managing Director


Uzzal Kumar Nandi
Company Secretary

House 25, Road 13A, Block D
Banani, Dhaka 1213, Bangladesh
Dated, 26 April 2010

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Cash Flow Statement for the year ended 31 December 2009

Amounts in Taka

CASH FLOWS FROM OPERATING ACTIVITIES

	Year ended 31 Dec 2009	Year ended 31 Dec 2008
Interest receipts	966,295,425	1,046,550,126
Interest payments	(846,177,173)	(914,723,925)
Dividend receipts	814	708
Fee and commission receipts	78,933,647	-
Payments to employees	(70,532,604)	(42,781,716)
Payments to suppliers	(15,727,998)	(14,992,092)
Income taxes paid	(77,135,720)	(36,444,041)
Receipts from other operating activities	44,665,211	45,489,018
Payments for other operating activities	(34,672,591)	(18,200,174)
Operating profit before changes in operating assets and liabilities	45,649,011	64,897,904

CHANGES IN OPERATING ASSETS AND LIABILITIES

(Increase)/decrease in operating assets		
Trading securities-debentures and shares	-	-
Loans and advances to customers	(1,954,328,957)	(1,195,182,016)
Other assets	(109,193,864)	(151,472,236)
Deposits from customers	1,371,879,064	(44,789,864)
Deposits and borrowings from other banks	658,217,452	365,467,393
Other liabilities	405,286,048	74,397,538
	371,859,743	(951,579,185)
Net cash from operating activities (a)	417,508,754	(886,681,281)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixed assets	(23,096,604)	(9,215,764)
Proceeds from sale of securities	-	7,723,000
Payment for purchase of securities	-	(600)
Payment against lease obligation	(197,408)	(2,187,151)
Proceeds from sale of fixed assets	1,300,000	596,091
Net cash used in investing activities (b)	(21,994,012)	(3,084,424)

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid	-	-
Net cash used in financing activities (c)	-	-
Net increase in cash and cash equivalents (a+b+c)	395,514,742	(889,765,705)
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	559,649,883	1,449,415,588
Cash and cash equivalents at end of the year (*)	955,164,625	559,649,883
(*) Cash and cash equivalents:		
Cash	2,990	7,871
Balance with Bangladesh Bank and its agents bank(s)	81,069,395	53,149,907
Balance with other banks and financial institutions	874,092,240	506,492,105
	955,164,625	559,649,883

for Industrial and Infrastructure Development Finance Company Limited


Md. Matiu Islam
Chairman


Md. Asaduzzaman Khan
Managing Director


Uzzal Kumar Nandi
Company Secretary

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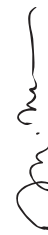
Statement of Changes in Equity

for the year ended 31 December 2009


Amounts in Taka

Particulars	Paid-up Capital	Proposed issue of bonus shares	General Reserve	Statutory reserve	Retained Earnings	Total
FOR THE YEAR 2009						
Balance at 01 January 2009	328,780,000	65,756,000	41,000,000	89,900,000	3,713,872	529,149,872
Effects of changes in accounting policy	-	-	-	-	-	-
Restated balance	328,780,000	65,756,000	41,000,000	89,900,000	3,713,872	529,149,872
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognized in the Profit and Loss Statement	-	-	-	-	-	-
Net profit for the year	-	-	-	-	83,952,318	83,952,318
Proposed issue of bonus shares for 2009 @ 1 share per 5 shares held	-	65,756,000	-	-	(65,756,000)	-
Cash dividend	-	-	-	-	-	-
Transfer to statutory and general reserves	-	-	1,000,000	17,000,000	(18,000,000)	-
Balance at 31 December 2009	328,780,000	131,512,000	42,000,000	106,900,000	3,910,190	613,102,190
FOR THE YEAR 2008						
Balance at 01 January 2008	256,845,600	64,211,400	40,000,000	71,900,000	4,566,684	437,523,684
Effects of changes in accounting policy	-	-	-	-	-	-
Restated balance	-	-	-	-	-	-
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognised in the Profit and Loss Statement	-	-	-	-	-	-
Net profit for the year	-	-	-	-	83,903,188	83,903,188
Issue of bonus shares for 2007 @ 1 share per 5 shares held	64,211,400	(64,211,400)	-	-	-	-
Proposed issue of bonus shares for 2008 @ 1 share per 5 shares held	-	65,756,000	-	-	(65,756,000)	-
Issue of ordinary shares	7,723,000	-	-	-	-	7,723,000
Cash dividend	-	-	-	-	-	-
Transfer to statutory and general reserves	-	-	1,000,000	18,000,000	(19,000,000)	-
Balance at 31 December 2008	328,780,000	65,756,000	41,000,000	89,900,000	3,713,872	529,149,872

for Industrial and Infrastructure Development Finance Company Limited


Md. Matiuil Islam
 Chairman

House 25, Road 13A, Block D
 Banani, Dhaka 1213, Bangladesh
 Dated, 26 April 2010


Md. Asaduzzaman Khan
 Managing Director


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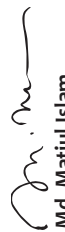
Statement of Liquidity Analysis (Maturity of Assets and Liabilities)


at 31 December 2009

Amounts in Taka

Particulars	Up to 1 month's maturity	1-3 months' maturity	3-12 months' maturity	1-5 years' maturity	More than 5 years' maturity	Total
ASSETS						
Cash	2,990	-	-	-	-	2,990
Balance with Bangladesh Bank and its agent bank(s)	81,069,395	-	-	-	-	81,069,395
Balance with other banks and financial institutions	283,333,620	179,113,224	411,645,396	-	-	874,092,240
Money at call and on short notice	-	-	-	-	-	-
Investments	-	-	-	-	30,800	30,800
Loans and advances	1,394,730,451	443,931,061	2,539,474,803	3,818,596,721	139,426,235	8,336,159,271
Fixed assets including assets taken on lease	391,271	782,542	3,521,437	18,780,998	6,683,388	30,159,636
Other assets	76,464,061	2,983,586	53,001,990	-	349,712,730	482,162,367
Non-financial institution	-	-	-	-	-	-
Total Assets	1,835,991,788	626,810,413	3,007,643,626	3,837,377,719	495,853,153	9,803,676,699
LIABILITIES						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	549,591,994	251,135,123	1,009,591,732	2,263,214,358	85,681,534	4,159,214,741
Deposits and other accounts	16,338,733	143,470,667	884,234,274	2,791,564,063	47,200,000	3,882,807,737
Provision and other liabilities	136,957,613	36,186,616	525,253,372	324,988,399	125,166,031	1,148,552,031
Total Liabilities	702,888,340	430,792,406	2,419,079,378	5,379,766,820	258,047,565	9,190,574,509
Net Liquidity Excess/(Shortage)	1,133,103,448	196,018,007	588,564,248	(1,542,389,101)	237,805,588	613,102,190
Percentage of Net Liquidity Difference	61.72	31.27	19.57	(40.19)	47.96	6.25

for Industrial and Infrastructure Development Finance Company Limited


Md. Matul Islam
 Chairman


Md. Asaduzzaman Khan
 Managing Director


Uzzal Kumar Nandi
 Company Secretary

House 25, Road 13A, Block D
 Banani, Dhaka 1213, Bangladesh
 Dated, 26 April 2010


S. F. AHMED & CO
 Chartered Accountants

Signed in terms of our report
 of even date annexed

1. THE COMPANY AND ITS ACTIVITIES

Industrial and Infrastructure Development Finance Company Limited (IIDFC), a public limited company was incorporated on 19 December 2000 as a non-banking development financial institution under Companies Act 1994 and the Financial Institution Act 1993 to boost investment specially in the spectrum of industrial and infrastructure development. The Company obtained license from Bangladesh Bank on 23 January 2001 to start financing business in Bangladesh. The registered office of the Company is situated at Chamber Building (6th Floor), 122-124, Motijheel Commercial Area, Dhaka 1000, Bangladesh. The Company has not yet listed with any stock exchange in Bangladesh.

IIDFC offers financial services that include promotion and term financing of financially viable industrial undertakings and infrastructure projects, lease financing for all types of machinery and equipment including vehicles for industrial and commercial purposes, financial packaging for syndicated fund arrangement including cross-boarder syndication, acquisition or take over of public sector enterprises, financial or otherwise, slated for privatisation, small and medium enterprise (SME) financing and home loan financing.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern concept under historical cost convention and basically on accrual basis of accounting in accordance with generally accepted accounting principles and after due compliance with International Accounting Standards/International Financial Reporting Standards so far adopted in Bangladesh as Bangladesh Accounting Standards/Financial Reporting Standards by the Institute of Chartered Accountants of Bangladesh, the Financial Institution Act 1993, the Companies Act 1994 and other applicable laws and regulations.

2.2 Revenue recognition

2.2.1 Accounting for leases

The lease transactions are accounted for under finance lease in accordance with BAS -17 as adopted by the Institute of Chartered Accountants of Bangladesh. Leased assets which are under the possession of lessees are accounted for as receivable of the Company. The interest portion of lease rental receivable is recognised as an operational revenue. The aggregate lease receivables including unguaranteed residual value throughout the lease term are recorded as gross receivables while excess of gross receivables over the total acquisition cost including interest during acquisition period of leased assets constitutes the unearned lease income.

2.2.2 Accounting for direct finance

Direct finance consists of long-term, short-term and working capital finance. Interest earned on direct finance is recognised as an operational revenue periodically.

2.2.3 Accounting for treasury operations

Income from treasury operations are recognised on an accrual basis.

2.2.4 Income from structured finance

Income from structured finance is recognised as and when received.

2.2.5 Other operational income

Other operational income is recognised as and when received. Such income comprises of appraisal and documentation fee, commitment fee, supervision fee, delinquent charge, and miscellaneous receipts.

2.2.6 Income from margin loan

Income from margin loan is recognised on an accrual basis. Such income is calculated considering daily margin loan balance of the respective parties.

2.2.7 Books of account of branch office

The Company has 1 (one) branch office at Chittagong as of 31 December 2009, books of account of which are being maintained at the Head Office of the Company at Dhaka.

2.2.8 Property, plant and equipment**Own financed-assets**

Property, plant and equipment (fixed assets) acquired under own finance of the Company are stated at cost less accumulated depreciation. The cost of an items of fixed asset comprising its purchase price and any directly attributable costs associated with bringing the asset to its working condition for its intended use as per BAS - 16 "property, plant and equipment."

Leased assets

Assets acquired under finance lease are capitalised at the inception of the lease at the fair value of the leased property or at the present value of the minimum lease payments, whichever is lower as per BAS - 17 "leases". The corresponding obligation under the lease is accounted for as a liability.

Subsequent expenditure on property, plant and equipment

Subsequent expenditure is capitalised only when it increases the future economic benefits from the assets. All other expenditures are recognised as an expense as and when they are incurred.

Depreciation on fixed assets

Fixed assets are reflected in the financial statements at cost less depreciation. Depreciation on fixed assets under the Company's own use is charged consistently on straight-line method at various rates throughout the estimated useful lives of the assets. Full year's depreciation is charged on assets acquired during the year irrespective of their dates of acquisition while no depreciation is charged on the assets disposed during the year.

The rates of depreciation on various classes of fixed assets are as under:

Asset Category	Rate
▶ Motor vehicles	20%
▶ Furniture and fixtures	10%
▶ Office equipment	18%
▶ Software	18%

Leased assets in the possession and use of the lessees are depreciated in the books of the said lessees over lease terms applying interest method with no residual value.

2.2.9 Provision for bad and doubtful debts/investment

Provision has been made as per provisioning policy of Bangladesh Bank as provided in its FID circular no. 08 dated 03 August 2002. Specific provision against investment is made when the recovery of investment is in doubt or its value is considered impaired. In addition, 1% general provision has been made against loans and leases. Provision @ 5% on the outstanding amount of loans is kept against special mention account after netting off the amount of interest suspense as per FID circular no. 03 dated 03 May 2006.

2.2.10 Current tax

Provision for current tax is made on the basis of profit for the year with necessary adjustments for taxable allowances and disallowances as per tax laws.

2.2.11 Deferred tax

The Company has adopted a policy of recognition of deferred tax in accordance with BAS - 12 "income taxes". Deferred tax is provided using the liability method for temporary differences between the carrying amount of assets and liabilities as per accounts and tax bases. The amount of deferred tax is determined at the effective income tax rate prevailing on the date of balance sheet.

2.2.12 Employee benefit obligation

The Company has an approved contributory provident fund scheme for its employees. The fund consists of contributions both from employees and the employer at a predetermined rate. The fund is administered by a Board of Trustees and invested separately from the Company's assets.

It also has an approved gratuity scheme started from January 2002 which is administered by a Board of Trustees and invested separately from the Company's assets.

2.2.13 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of financial statements. Provisions and accrued expenses are recognised in the financial statement in line with BAS - 37 "provisions, contingent liabilities and contingent assets" when

- ▶ the Company has a present obligation, legal or constructive result of a past event;
- ▶ it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation; and
- ▶ a reliable estimate can be made of the amount of the obligation.

The estimates and associated assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognised in the period in which the estimates are revised.

2.2.14 Liabilities and provisions

All material liabilities and provisions have been included in these financial statements when the Company has a present obligation, legal or constructive result of a past event and it is probable that an outflow of economic benefits will be required to settle that obligation and a reliable estimate can be made thereof.

2.2.15 Bank loans

Interest bearing bank loans are recorded at the proceeds received from a particular bank. Interest on bank loan is accounted for on an accrued basis to Profit and Loss Statement under the head "financial expenses" at the implicit rate of interest. The accrued interest is not added to the carrying amounts of the loans.

2.2.16 Cash flow statement

The cash flow statement is prepared using the direct method as mentioned in BAS - 7 "statement of cash flows."

2.2.17 Consistency

In accordance with the IFRS framework for the presentation of financial statements together with BAS - 1 "presentation of financial statements" and BAS - 8 "accounting policies, changes in accounting estimates and errors", IIDFC applies the accounting principles and disclosure consistently from one period to the next.

2.2.18 Head Office and Branch

The Company's Head Office is located at Chamber Building (6th & 7th floors), 122-124 Motijheel Commercial Area, Dhaka 1000. Its only branch office is located at C&F Tower (4th floor), 122 Sheikh Mujib Road, Agrabad, Chittagong.

2.2.19 Components of financial statements

These financial statements consist of Balance Sheet, Profit and Loss Statement, Cash Flow Statement, Statement of Changes in Equity, Statement of Liquidity Analysis and notes thereto.

2.2.20 Applicable BAS/BFRS:

These financial statements consist of Balance Sheet, Profit and Loss Statement, Cash Flow Statement,

BAS 1:	Presentation of Financial Statements
BAS 7:	Statement of Cash Flows
BAS 8:	Accounting Policies, Changes in Accounting Estimates and Errors
BAS 10:	Events after Reporting Period
BAS 12:	Income Taxes
BAS 16:	Property, Plant and Equipment
BAS 17:	Leases
BAS 18:	Revenue
BAS 19:	Employee Benefits
BAS 24:	Related Party Disclosures
BAS 33:	Earnings Per Share
BAS 37:	Provision, Contingent Liabilities and Contingent Assets
BFRS 7:	Financial Instruments: Disclosures

Amounts in Taka

BALANCE SHEET**3. CASH****Cash in hand**

In local currency

In foreign currency

Balance with Bangladesh Bank and its agent bank(s)

In local currency

In foreign currency

	At 31 Dec 2009	At 31 Dec 2008
	2,990	7,871
	-	-
	2,990	7,871
	81,069,395	53,149,907
	-	-
	81,069,395	53,149,907
	81,072,385	53,157,778

3.1 Statutory deposits**3.1.1 Cash reserve requirement/ ratio (CRR) and statutory liquidity ratio (SLR)**

Cash reserve requirement and statutory liquidity ratio have been calculated and maintained in accordance with section 19 of the Financial Institutions Act 1993, rule 5 of the Financial Institutions Rules 1994 and FID circular no. 6 dated 06 November 2003.

(a) Cash reserve requirement/ratio (CRR)

Required reserve (2.5% of term and other deposits)

Actual reserve maintained

Surplus

(b) Statutory liquid reserve (SLR)

Required reserve (5% of total liabilities)

Actual reserve maintained

Surplus

Total required reserve**Total actual reserve held with Bangladesh Bank****Total surplus**

	46,852,210	13,831,160
	56,889,620	31,883,090
	10,037,410	18,051,930
	114,094,920	38,071,500
	176,646,830	44,185,510
	62,551,910	6,114,010
	160,947,130	51,902,660
	233,536,450	76,068,600
	72,589,320	24,165,940

4. BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS

In Bangladesh (note 4.1)

Outside Bangladesh (note 4.2)

	874,092,240	506,492,105
	-	-
	874,092,240	506,492,105

4.1 In Bangladesh**Current accounts with:**

Agrani Bank Ltd

Pubali Bank Limited

Commercial Bank of Ceylon PLC

Shahjalal Islami Bank Ltd

Social Islami Bank Ltd

National Credit and Commerce Bank Ltd

BRAC Bank Ltd

Uttara Bank Ltd

IFIC Bank Ltd

	874,092,240	506,492,105
	9,625	9,760
	6,046	7,196
	102,740,589	51,825,000
	49,509	15,000,419
	20,009,155	9,650
	10,049,613	50,933
	156,968	222,759
	8,647	9,457
	8,660	9,250
	133,038,812	67,144,424

Amounts in Taka

	At 31 Dec 2009	At 31 Dec 2008
Short-term deposit accounts with:		
United Commercial Bank Ltd	15,001,166	1,794
National Bank Ltd	119,859	122,239
AB Bank Ltd	6,709	8,434
Prime Bank Ltd	1,915,646	681,861
Bank Asia Ltd	203,547,805	61,340,695
Bank Alfalah Ltd	90,097,172	5,099,222
The City Bank Ltd	277,314	471,224
Citibank NA	87,373	89,218
Janata Bank Ltd	79,913	77591
Mutual Trust Bank Ltd	9,750	-
One Bank Ltd	3,224,593	599,221
Sonali Bank Ltd	57,987	56,164
Southeast Bank Ltd	122,629,819	10,000,000
First Security Islami Bank Ltd	233,998,322	195,800,018
EXIM Bank Ltd	20,000,000	-
Lanka Bangla Finance Company Ltd	50,000,000	-
Union Capital Ltd	-	50,000,000
Bangladesh Investment and Finance Company Ltd	-	75,000,000
GSP Finance Ltd	-	40,000,000
	741,053,428	439,347,681

4.2 Outside Bangladesh

-	-
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5. MONEY AT CALL AND ON SHORT NOTICE

-	-
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6. INVESTMENTS

6.1 Government securities

Treasury bills (note 6.1.1)	-	-
Bangladesh government treasury bonds (6.1.2)	-	-
T & T treasury bonds (6.1.3)	-	-
Prize bonds	-	-
Debentures-Bangladesh House Building Finance Corporation	-	-

6.2 Others investments (note 6.2.1)

30,800	30,800
30,800	30,800

6.2.1 Others investments - in shares and debentures

Shares

Name of company	Face value		Cost price	
	2009		2009	2008
Quoted /	-	-	-	-
Unquoted				
Mercantile Bank Ltd	100	250	25,000	25,000
Mutual Trust Bank Ltd	100	39	3,900	3,900
One Bank Ltd	100	19	1,900	1,900
			30,800	30,800

6.3 Valuation of investments

Treasury bills
Government bonds
T & T bonds
Prize bonds
Debentures - House Building Finance Corporation
Others:
Shares (quoted)
Mercantile Bank Ltd
Mutual Trust Bank Ltd
One Bank Ltd

Amounts in Taka	
At 31 Dec 2009	At 31 Dec 2008
At 31 Dec 2009 / Taka	
Cost price	Realisable value
-	-
-	-
-	-
-	-
-	-
-	-
25,000	98,750
3,900	16,060
1,900	8,702
30,800	123,512

7. LEASES, LOANS AND ADVANCES

In Bangladesh

Margin loan
Lease finance
Direct/Term finance
Factoring finance
Secured overdraft
Advance for lease finance

Outside Bangladesh

1,394,730,451	-
3,218,225,086	3,759,203,955
3,289,706,674	1,746,992,524
16,916,484	4,476,738
64,277,470	5,253,119
352,303,106	746,809,705
8,336,159,271	6,262,736,041
-	-
8,336,159,271	6,262,736,041

7.1 Bills purchased and discounted

In Bangladesh

Bills discounted with other banks
Local documentary bills purchased
Loans against accepted bills

Outside Bangladesh

Foreign documentary bills purchased
Foreign bills purchased

-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-

7.2 Maturity grouping / Analysis

Repayable

- on demand
- over 1 month but not more than 3 months
- over 3 months but not more than 6 months
- over 6 months

-	-
-	-
-	-
-	-
-	-

7.3 Significant concentration of leases, loans and advances

Advance to allied concerns of Directors
Advance to the Chief Executive
Advances to other senior executives

-	-
-	-
-	-
-	-

Amounts in Taka

Sector-wise distribution

	At 31 Dec 2009	At 31 Dec 2008
Agriculture sector	56,631,834	48,235,882
Readymade garments	684,047,295	687,619,630
Jute and jute related goods	29,765,802	25,324,452
Plastic industry	72,038,236	34,360,000
Lather and lather goods	4,260,151	4,948,033
Service sector (hotel, hospital and clinic)	398,794,170	324,242,251
Textile industry	1,203,704,022	1,270,023,642
Food and allied	257,965,959	298,903,815
Chemical	810,065,348	583,497,219
Cement	150,225,275	152,159,706
Electronics	25,209,496	66,771,716
Steel	340,257,155	369,909,834
Paper	455,341,592	408,280,691
Real estate	465,605,991	333,605,890
Telecommunication and IT Industries	165,695,162	207,133,857
Glass and ceramic industry	136,429,716	157,276,254
Shipping and ship building industry	460,767,025	172,534,505
Transport and communication	179,810,356	265,593,286
Power, gas, water and sanitary	647,242,389	384,142,759
Others	1,792,302,297	468,172,619
	8,336,159,271	6,262,736,041

7.4 Advances to customers for more than 10% of total capital of the company

Number of clients to whom loans and advance were sanctioned

	10	5
Number of clients	10	5
Amount of outstanding advances	316,051,994	245,181,661
Amount of classified advances	53,545,457	-
Amount of recovery/rescheduling thereon	-	-
	369,597,451	245,181,661

7.5 Geographical location wise leases, loans and advance

Inside Bangladesh

Dhaka division	6,527,769,063	5,014,158,420
Chittagong division	1,369,357,879	1,082,391,852
Rajshahi division	-	-
Sylhet division	179,062,361	-
Khulna division	259,969,968	166,185,769
Sub total	8,336,159,271	6,262,736,041
Outside Bangladesh	-	-
Total	8,336,159,271	6,262,736,041

7.6 Particulars of leases, loans and advances

(i) Financing considered good in respect of which the Company is fully secured;	3,226,411,846	2,306,246,256
(ii) Financing considered good against which the Company holds no security other than the debtors' personal security;	2,697,199,578	2,380,648,265

Amounts in Taka

	At 31 Dec 2009	At 31 Dec 2008
(iii) Financing considered good secured by the personal undertaking of one or more parties in addition to the personal security of the debtors;	2,412,547,847	1,575,841,520
(iv) Financing adversely classified but provision not maintained there against maintained there against;	-	-
	8,336,159,271	6,262,736,041
(v) Financing due by directors or employees of the Company or any of them either separately or jointly with any other persons;	-	-
(vi) Financing due from companies or firms in which the directors of the Company are interested as directors, partners or managing agents or, in case of private companies, as members;	-	-
(vii) Maximum total amount of advances, including temporary advances made any time during the year to directors or employees of the Company or any of them either separately or jointly with any other persons;	-	-
(viii) Maximum total amount of advances, including temporary advances approved during the year to companies or firms in which the directors of the Company are interested as directors, partners or managing agents or, in case of private companies, as members;	-	-
(ix) Amount due from banking companies and other financial institutions	-	-
(x) Amount of classified leases, loans and advances on which interest has not been credited to income	-	-
(a) Increase/decrease in provision (specific)	63,442,828	33,979,782
Amount of loans written off	-	-
Amount realised against loans previously written off	-	-
(b) Provision kept against loans classified as bad /loss on the date of balance sheet	-	-
(c) Interest charged to interest suspense account	55,581,509	16,420,220
(xi) Written off leases, loans and advances	-	-
During the year	-	-
Cumulative to-date	13,030,040	13,030,040
Amount realised against loans previously written off	-	-
Total amount of written off leases, loans and advances for which lawsuits filed	13,030,040	13,030,040

7.7 Classification of leases, loans and advances

Unclassified

Standard	7,606,866,586	5,800,465,041
Special mention account	352,910,860	351,918,000
	7,959,777,446	6,152,383,041

Classified

Substandard	302,228,031	103,297,000
Doubtful	66,677,896	7,056,000
Bad/Loss	7,475,898	-
	376,381,825	110,353,000
	8,336,159,271	6,262,736,041

Amounts in Taka

7.8 Particulars of required provision for leases, loans and advances

Status of classification	Base for provision	Rate (%)	At 31 Dec 2009	At 31 Dec 2008
Unclassified (general provision)				
Standard	7,606,866,586	1	76,068,666	58,004,830
Special mention account	329,646,000	5	16,482,300	16,867,600
			<u>92,550,966</u>	<u>74,872,430</u>
Classified (specific provision)				
Sub-standard	201,808,000	20	40,361,600	18,136,600
Doubtful	53,531,000	50	26,765,500	2,942,000
Bad/Loss	5,871,000	100	5,871,000	-
			<u>72,998,100</u>	<u>21,078,600</u>
Required provision for loans and advances			165,549,066	95,951,030
Total provision maintained (note 13.1)			165,705,568	102,262,740
Excess provision at 31 December			<u>156,502</u>	<u>6,311,710</u>

8. BILLS PURCHASED AND DISCOUNTED

-	-
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9. FIXED ASSETS INCLUDING ASSETS TAKEN ON LEASE

Cost	At 31 Dec 2009	At 31 Dec 2008
Furniture and fixtures	14,320,162	3,696,095
Equipment	15,251,667	11,001,910
Computer Software	1,264,168	2,000,000
Motor vehicles	14,881,279	14,980,529
	<u>45,717,276</u>	<u>31,678,534</u>
Less: Accumulated depreciation	15,557,640	15,300,046
Net book value at the end of the year	<u>30,159,636</u>	<u>16,378,488</u>

Details are shown in Annex-A

10. OTHER ASSETS

Income generating

Investment in shares of subsidiary companies:

In Bangladesh	-	-
Outside Bangladesh	-	-

Non-income generating

Membership of Dhaka Stock Exchange	153,119,000	162,138,274
Advance rent and advertisement	2,646,380	433,472
Interest accrued on investment	14,560,226	9,841,598
Security deposit	150,200	44,200
Preliminary, formation and renovation, development and prepaid expenses	46,144,991	417,883
Others (note 10.1)	265,541,570	118,238,728
	<u>482,162,367</u>	<u>291,114,155</u>

Amounts in Taka

10.1 Others
Advance against/for

	At 31 Dec 2009	At 31 Dec 2008
Corporate income tax	173,689,458	90,966,757
Receivable from Dhaka Stock Exchange	69,117,040	-
Deferred receivables	8,149,121	9,341,546
Interest paid against deposits	6,705,429	12,270,696
Suppliers	3,796,496	1,802,753
Expense receivables	1,627,615	1,627,615
Generator	1,002,600	1,002,600
Bank guarantee	665,066	665,066
Traveling	597,115	415,485
Rupali Bank Ltd	125,000	125,000
Syndication	53,230	21,210
Office staff	13,400	-
	<u>265,541,570</u>	<u>118,238,728</u>

11. BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AGENTS

In Bangladesh (note 11.1)	4,159,214,741	3,112,247,289
Outside Bangladesh	-	-
	<u>4,159,214,741</u>	<u>3,112,247,289</u>

11.1 In Bangladesh

Bangladesh Bank refinance	455,991,600	238,433,053
EXIM Bank Ltd	61,764,317	91,994,840
Dutch Bangla Bank Ltd	120,000,000	-
The Premier Bank Ltd	229,999,754	-
Janata Bank Ltd	9,999,992	31,666,666
Mutual Trust Bank Ltd	177,254,267	-
Dhaka Bank Ltd	56,587,474	74,280,336
Bank Alfalah Ltd	170,581,021	120,949,305
Bank Asia Ltd	125,000,000	66,666,666
Prime Bank Ltd	129,364,550	195,483,250
BASIC Bank Ltd	86,041,942	112,302,451
National Credit & Commerce Bank Ltd	66,001,065	83,066,624
The Trust Bank Ltd	340,107,437	250,658,838
Uttara Bank Ltd	231,338,314	309,805,497
Mercantile Bank Ltd	210,000,000	240,000,000
Shahjalal Islami Bank Ltd	78,344,170	118,965,393
BRAC Bank Ltd	192,500,000	262,500,000
Pubali Bank Ltd	125,000,000	185,000,000
National Bank Ltd	131,311,587	166,133,249
United Commercial Bank Ltd	136,067,624	169,862,380
Bangladesh Commerce Bank Ltd	90,000,000	-
Jamuna Bank Ltd	72,572,789	89,057,809
Commercial Bank of Ceylon PLC	182,389,687	128,801,921
IFIC Bank Ltd	392,651,642	-
Social Islami Bank Ltd	150,000,000	-
First Security Islami Bank Ltd	66,023,335	106,619,011
Eastern Bank Ltd	-	70,000,000
Southeast Bank Ltd	72,322,174	-
	<u>4,159,214,741</u>	<u>3,112,247,289</u>

Amounts in Taka

	At 31 Dec 2009	At 31 Dec 2008
11.2 Analysis by security		
Secured	3,999,214,741	3,032,247,289
Unsecured	160,000,000	80,000,000
	<u>4,159,214,741</u>	<u>3,112,247,289</u>
11.3 Repayment pattern		
Repayable		
- on demand	-	-
- within one month	549,591,994	85,745,556
- more than one month but less than six months	251,135,123	406,393,809
- more than six months but less than one year	1,009,591,732	635,243,401
- more than one year but less than five years	2,263,214,358	1,884,350,200
- more than five years but less than ten years	85,681,534	20,514,323
	<u>4,159,214,741</u>	<u>3,032,247,289</u>
12. DEPOSIT AND OTHER ACCOUNTS		
Deposits from banks	1,757,500,000	2,146,250,000
Deposits from customers	2,125,307,737	753,428,673
	<u>3,882,807,737</u>	<u>2,899,678,673</u>
12.1 Maturity analysis of deposits		
Repayable		
- on demand	-	-
- within one month	16,338,733	11,300,000
- more than one month but less than six months	143,470,667	1,433,197,250
- more than six months but less than one year	884,234,274	10,200,000
- more than one year but less than five years	2,791,564,063	1,442,331,423
- more than five years but less than ten years	47,200,000	2,650,000
- unclaimed deposits for ten years or more	-	-
	<u>3,882,807,737</u>	<u>2,899,678,673</u>
13. OTHER LIABILITIES		
Provision for leases, loans and advances (note 13.1)	165,705,568	102,262,740
Interest suspense account (note 13.2)	82,947,691	27,366,180
Deferred tax	41,015,079	41,015,079
Provision for corporate income tax (note 13.3)	95,061,879	59,061,879
Liabilities for other finance	446,848,647	89,699,184
Lease rental advance	64,331,959	71,642,084
Accrued expenses payable	252,641,208	197,588,979
Lease obligations (note 13.4)	-	197,408
	<u>1,148,552,031</u>	<u>588,833,533</u>
13.1 Provision for leases, loans and advances		
13.1.1 Provision for unclassified leases, loans and advances		
Opening balance	64,316,681	59,303,477
Add: Provision for the year		
General provision for the year	8,889,546	5,013,204
Closing balance	<u>73,206,227</u>	<u>64,316,681</u>

		Amount in Taka	
		At 31 Dec 2009	At 31 Dec 2008
13.1.2	Provision against classified leases, loans and advances		
	Opening balance	37,946,059	8,979,481
	Less: Interest amount fully waived during the year	-	-
	Add: Recovery of advances previously written off	-	-
	Add: Specific provision for the year	54,553,282	28,966,578
	Closing balance	92,499,341	37,946,059
		165,705,568	102,262,740
13.2	Interest suspense account		
	Opening balance	27,366,180	10,945,960
	Addition during the year	252,520,223	97,509,233
	Recovered during the year	(196,938,712)	(81,089,013)
	Closing balance	82,947,691	27,366,180
13.3	Provision for corporate income tax		
	Opening balance	59,061,879	4,130,167
	Add: Provision made during the year for		
	Current tax	36,000,000	54,931,712
	Deferred tax	-	-
		36,000,000	54,931,712
		95,061,879	59,061,879
	Less: Settlement during the year	-	-
	Closing balance	95,061,879	59,061,879

Position of Company's corporate income tax provision is as follows:

Accounting year ended 31 December	Assessment year	Tax provision (including deferred tax) as per accounts	Tax demand as per assessment order	Excess/(Shortage of provision)	Status of assessment/ pending with
2001	2002-2003	1,100,000	1,018,258	81,742	Final assessment completed
2002	2003-2004	124,695	-	124,695	Final assessment completed
2003	2004-2005	2,500,000	1,441,300	1,058,700	Pending at High Court
2004	2005-2006	5,000,000	(6,362,046)	11,362,046	Pending at High Court
2005	2006-2007	25,000,000	(22,245,475)	47,245,475	Hearing held u/s 120 of Income Tax Ordinance 1984
2006	2007-2008	41,315,930	84,744,562	(43,428,632)	Pending at High Court
2007	2008-2009	65,145,246	74,039,986	(8,894,740)	Taxes Appellate Tribunal
2008	2009-2010	100,076,958	-	-	Return filed

13.4 Lease obligation

Office equipment	-	146,054
Computer software	-	51,354
Motor vehicles	-	-
	-	197,408

Amounts in Taka

14. SHARE CAPITAL

14.1 Authorised Capital

10,000,000 shares of Taka 100 each

At 31 Dec 2009	At 31 Dec 2008
-------------------	-------------------

1,000,000,000

1,000,000,000

14.2 Issued, Subscribed and Paid-up Capital

1,487,230 Ordinary shares of Taka 100 each issued for cash

1,800,570 Ordinary shares of Taka 100 each issued as bonus shares

148,723,000

148,723,000

180,057,000

180,057,000

328,780,000

328,780,000

14.3 Percentage of shareholding

Category	At 31 Dec 2009		At 31 Dec 2008	
	No. of shares	%	No. of shares	%
Sponsors	3,287,800	100.00%	3,287,800	100.00%
Non-resident Bangladeshis	-	0.00%	-	0.00%
General public	-	0.00%	-	0.00%
Financial institutions	-	0.00%	-	0.00%
Investment companies	-	0.00%	-	0.00%
Foreigners	-	0.00%	-	0.00%
	<u>3,287,800</u>	<u>100%</u>	<u>3,287,800</u>	<u>100%</u>

14.4 Classification of shareholders by holding

Holding	No. of holders		% of total holding	
	2009	2008	2009	2008
Less than 500	-	-	0.00%	0.00%
501 to 5,000	-	-	0.00%	0.00%
5,001 to 10,000	-	-	0.00%	0.00%
10,001 to 20,000	-	-	0.00%	0.00%
20,001 to 30,000	-	-	0.00%	0.00%
30,001 to 40,000	-	-	0.00%	0.00%
40,001 to 50,000	-	-	0.00%	0.00%
50,001 to 100,000	1	1	3.04%	3.04%
100,001 to 1,000,000	14	14	96.96%	96.96%
Over 1,000,000	-	-	0.00%	0.00%
	<u>15</u>	<u>15</u>	<u>100%</u>	<u>100%</u>

14.5 Names of Sponsors /Directors and their shareholdings as on 31 December 2009

Name of Director	Status	Shareholding	
		At 31 Dec 2009	At 31 Dec 2008
Mr. Md. Matiul Islam	Sponsor	100,000	100,000
Sonali Bank Ltd	Sponsor	227,700	227,700
Janata Bank Ltd	Sponsor	227,700	227,700
Investment Corporation of Bangladesh	Sponsor	227,700	227,700
AB Bank Ltd	Sponsor	227,700	227,700
Bank Asia Ltd	Sponsor	227,700	227,700
BRAC Bank Ltd	Sponsor	227,700	227,700
The City Bank Ltd	Sponsor	227,700	227,700
Mutual Trust Bank Ltd	Sponsor	227,700	227,700
National Bank Ltd	Sponsor	227,700	227,700
ONE Bank Ltd	Sponsor	227,700	227,700
Southeast Bank Ltd	Sponsor	227,700	227,700
Eastland Insurance Co. Ltd	Sponsor	227,700	227,700
National Life Insurance Co Ltd	Sponsor	227,700	227,700
Pragati Insurance Co Ltd	Sponsor	227,700	227,700

Amount in Taka

	At 31 Dec 2009	At 31 Dec 2008
14.6 Capital adequacy ratio (CAR)		
In terms of Bangladesh Bank FID circulars nos. 06 and 09 dated 07 July 2002 and 04 November 2009 respectively, at the close of business on 31 December 2009 core capital was Taka 613,102,190 and supplementary capital of Taka 73,206,227 making a total of Taka 686,308,417 and total risk weighted assets was Taka 8,710,912,416. Details are shown below:		
14.6.1 Core capital (Tier I)		
Paid-up capital	328,780,000	328,780,000
Statutory reserve	106,900,000	89,900,000
General reserve	42,000,000	41,000,000
Proposed issue of bonus shares	131,512,000	65,756,000
Retained earnings	3,910,190	3,713,872
	613,102,190	529,149,872
14.6.2 Supplementary capital (Tier II)		
General provision on unclassified loans and advances	73,206,227	64,316,681
Provision for off-balance sheet exposure	-	-
Exchange equalisation account	-	-
Asset revaluation reserve	-	-
Revaluation loss on investment - held to maturity (HTM) (Up to 50% of the revaluation loss)	-	-
	73,206,227	64,316,681
Total capital maintained (a)	686,308,417	593,466,553
Total assets (excluding off- balance sheet items)	9,803,676,699	30,478,437,542
Total risk-weighted assets	8,710,912,416	19,799,994,973
15. STATUTORY RESERVE		
In Bangladesh		
Opening balance	89,900,000	71,900,000
Addition during the year	17,000,000	18,000,000
Closing balance	106,900,000	89,900,000
16. GENERAL RESERVE		
Opening balance	41,000,000	40,000,000
Addition during the year	1,000,000	1,000,000
Closing balance	42,000,000	41,000,000
17. PROPOSED DIVIDEND		
Opening balance	65,756,000	-
Addition during the year	65,756,000	65,756,000
Closing balance	131,512,000	65,756,000
18. RETAINED EARNINGS	3,910,190	3,713,872

Amounts in Taka

19. CONTINGENT LIABILITIES AND COMMITMENTS

19.1 Claims against the Company not acknowledged as debts

Money for which the Company is contingently liable in respect of guarantee given favouring:

	At 31 Dec 2009	At 31 Dec 2008
Directors	-	-
Government	-	-
Banks and other financial institutions	-	-
Letter of credit	9,060,110	21,698,317
Others	17,269,476	170,369,476
	26,329,586	192,067,793

19.2 Commitments

i Documentary credit and short term business transactions	-	-
ii Forward assets purchased and forward deposits placed	-	-
iii Existing facilities, loan facilities and other commitments not accounted for :		
Less than one year	-	-
More than one year	-	-
iv Spot and forward foreign exchange contracts	-	-
v Other exchange contracts	-	-
	-	-

INCOME STATEMENT

Income

Interest, discount and similar income	1,090,108,326	983,138,530
Dividend income	814	708
Fees, commission and brokerage	78,933,647	-
Gains less losses arising from dealing securities	-	-
Gains less losses arising from investment securities	-	-
Gains less losses arising from dealings in foreign currencies	-	-
Income from non-company's assets	-	-
Other operating income	44,665,211	45,489,018
Profit less losses on interest rate changes	-	-
	1,213,707,998	1,028,628,256

Expenses

Interest, fees and commission	901,229,402	793,624,848
Losses on loans and advances	-	-
Administrative expenses	100,127,060	63,626,768
Other operating expenses	20,320,281	11,856,970
Depreciation on Company's assets	8,636,109	6,704,970
	1,030,312,852	875,813,556
	183,395,146	152,814,700

		Amount in Taka	
		At 31 Dec 2009	At 31 Dec 2008
20.	INTEREST INCOME		
	Interest on loans and advances		
	Lease finance	528,839,672	411,140,715
	Direct finance	403,405,680	478,171,058
	Secured overdraft	5,059,204	272,824
	Bills discounted and purchased	754,612	557,385
	Margin loan	91,453,002	-
		<u>1,029,512,170</u>	<u>890,141,982</u>
	Interest on		
	Accounts with foreign banks	-	-
	Balances with other banks and financial institutions	60,596,156	92,996,548
		<u>1,090,108,326</u>	<u>983,138,530</u>
21.	INTEREST PAID ON DEPOSITS, BORROWINGS, ETC		
	Interest on deposits		
	Fixed deposits	310,706,496	208,117,522
	Short-term deposits	129,672,861	174,412,961
	Other deposits	871,383	1,082,068
		<u>441,250,740</u>	<u>383,612,551</u>
	Interest on borrowings		
	Borrowing from Banks, Financial Institutions and Agents	459,978,662	410,012,297
	Foreign banks	-	-
		<u>901,229,402</u>	<u>793,624,848</u>
22.	INVESTMENT INCOME		
	Dividend on shares	814	708
		<u>814</u>	<u>708</u>
23.	COMMISSION ON BROKERAGE OPERATION		
	Commission on trading securities (*)	78,933,647	-
	Exchange gains less losses arising from dealings in foreign currencies	-	-
		<u>78,933,647</u>	<u>-</u>
	(*) This represents commission received on securities trading, income tax on which was deducted at source which is the final tax liability of the company on this income u/s 82(c) of Income Tax Ordinance 1984.		
24.	OTHER INCOME		
	Syndication fees	39,305,970	38,309,300
	Syndication fees(Operations)	139,130	2,804,347
	Application and processing fees	2,289,045	2,469,662
	Bank gurantee	68,535	1,228,689
	Transfer fees	908,706	169,894
	Notice pay received	168,538	-
	L/C commission	116,613	-
	BO account opening fees and charges	729,600	-
	Profit on sale of car	134,800	34,806
	Cancellation charges	804,274	431,387
	Sundry receipt	-	40,933
		<u>44,665,211</u>	<u>45,489,018</u>

Amounts in Taka

	At 31 Dec 2009	At 31 Dec 2008
25. SALARIES AND ALLOWANCES		
Basic salary	27,013,483	14,710,074
Allowance	17,757,882	12,030,095
Bonus	12,835,139	6,976,535
Gratuity	1,313,367	1,400,000
Provident fund contribution	2,438,460	882,694
	61,358,331	35,999,398
26. RENT, TAXES, INSURANCE, LIGHTING, ETC		
Rent, rates and taxes	12,101,117	4,564,469
Insurance	400,682	348,719
Utilities	2,774,776	937,595
	15,276,575	5,850,783
27. LEGAL EXPENSES		
Legal expenses	704,634	701,128
Professional charges	1,180,286	1,369,553
	1,884,920	2,070,681
28. POSTAGE, STAMP, TELECOMMUNICATION, ETC		
Postage and courier	188,614	94,460
Phone, fax and internet	2,808,753	1,172,781
	2,997,367	1,267,241
29. STATIONERY, PRINTING, ADVERTISEMENTS, ETC		
Stationery and printing	4,998,427	3,524,638
Advertisement	6,518,624	9,800,657
	11,517,051	13,325,295
30. MANAGING DIRECTOR'S SALARY AND FEES		
Basic salary	3,000,000	1,632,460
Bonus	500,000	867,188
House rent allowances	1,500,000	816,231
Medical allowances	150,000	81,623
Entertainment allowances	150,000	81,623
Car allowances	546,337	731,945
Leave fund assistance	250,000	24,479
Earned Leave	-	19,583
	6,096,337	4,255,132
31. DIRECTORS' FEES		
Directors fees @ Taka 4,000 per Director, per meeting	696,479	495,538
	696,479	495,538

Directors' fees/remuneration for attending each board meeting during the year was Taka 4,000 for each board member as per Bangladesh Bank FID Circular No. 4, dated 28 May 2006. No other fees/remuneration were paid to the Directors for any special services rendered.

Amount in Taka

	At 31 Dec 2009	At 31 Dec 2008
32. AUDITOR'S FEES	300,000	362,700
33. DEPRECIATION AND REPAIRS OF COMPANY'S ASSETS		
Repairs		
Motor vehicles	-	77,605
Furniture and fixtures	144,465	412,639
Office equipment	341,387	-
Computer software	-	-
	<u>485,852</u>	<u>490,244</u>
Depreciation		
Motor vehicles	2,976,256	2,566,258
Furniture and fixtures	717,361	281,945
Office equipment	4,177,735	2,746,532
Computer software	278,905	619,991
	<u>8,150,257</u>	<u>6,214,726</u>
	<u>8,636,109</u>	<u>6,704,970</u>
34. OTHER EXPENSES		
Laga and howla charges	6,534,639	-
Car expenses	4,599,906	4,013,543
Travelling expenses	3,077,936	2,527,186
Meeting expenses	2,364,486	3,143,187
Office maintenance	1,213,580	399,556
Entertainment	807,005	96,658
Bank charges and excise duty	475,984	529,682
Training expenses	362,680	658,884
CDBL charges	323,864	-
Fees, license, renewal and registration	284,489	-
Books and periodicals	130,869	60,597
Membership fees and Subscription	125,710	216,310
Reserve for risk fund	16,666	-
Interest on lease obligations	2,467	211,367
	<u>20,320,281</u>	<u>11,856,970</u>
35. PROVISION AGAINST LEASES, LOANS AND ADVANCES		
Unclassified (general provision)	8,889,546	5,013,202
Classified (specific provision)	54,553,282	28,966,598
	<u>63,442,828</u>	<u>33,979,800</u>
36. EARNINGS PER SHARE		
Earnings per share (EPS) as shown in the face of Profit and Loss Statement is calculated in accordance with Bangladesh Accounting Standard (BAS) No. 33 "Earnings Per Share" by dividing the basic earnings by the number of ordinary shares outstanding at 31 December 2009 as per BAS-33.		
Profit after taxation	83,952,318	83,903,188
Number of ordinary shares outstanding	3,287,800	3,287,800
Earnings per share	<u>25.53</u>	<u>25.52</u>
No diluted earnings per share is required to be calculated for the year as there was no convertible securities for dilution during the year.		

37. RELATED PARTY TRANSACTIONS

Parties are considered to be related, if one party has the ability to control the other party/exercise significant influence over the other party, in making financial and operational decisions and include associate company with or without common director and key management position. The Company has entered into transaction with other entities in the normal course of business that fall within the definition of related party as per BAS - 24. Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time of comparable transactions with other customers of similar credentials and do not involve more than normal risk.

Amounts in Taka

Name of the party	Nature of transactions	Nature of relationship	Year ended 31 Dec 2009	Year ended 31 Dec 2008
Sonali Bank Limited	Term deposit	Shareholder	200,000,000	300,000,000
BRAC Bank Limited	Term Loan	Shareholder	192,500,000	262,500,000
Bank Asia Limited	Term deposit	Shareholder	200,000,000	200,000,000
National Bank Limited	Term Loan	Shareholder	131,311,587	166,133,249
BRAC Bank Limited	Term deposit	Shareholder	140,000,000	140,000,000
National Bank Limited	Term deposit	Shareholder	122,500,000	131,300,000
National Life Insurance Co. Limited	Term deposit	Shareholder	230,000,000	130,000,000
Bank Asia Limited	Term Loan	Shareholder	125,000,000	66,666,666
Mutual Trust Bank Limited	Term deposit	Shareholder	160,000,000	50,000,000
The City Bank Limited	Term deposit	Shareholder	140,000,000	50,000,000
Janata Bank Limited	Term Loan	Shareholder	9,999,992	31,666,666
Eastland Insurance Co. Limited	Term deposit	Shareholder	10,681,700	20,974,304
Pragati Insurance Company Ltd	Term deposit	Shareholder	2,000,000	-
Janata Bank Limited	Term deposit	Shareholder	100,000,000	-
Mutual Trust Bank Limited	Term Loan	Shareholder	177,254,267	-
Southeast Bank Ltd	FDR		5,350,872	-
			1,946,598,418	1,549,240,885

38. BOARD MEETING

During the year under reporting, sixteen (16) board meetings were held.

39. OTHERS

39.1 Unacknowledged as debt

The company has no claim against it which has not been acknowledged as debt at the balance sheet date.

39.2 Subsequent events

No material events occurred after the balance sheet date which would affect the financial statements of the company as at 31 December 2009.

There is no employee of the company who gets less than Taka 3,000 per month with his/her employment for the full period or part of the period.

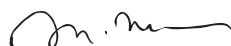
39.3 Written off account

The following accounts become bad and were written off from the book accounts of the company. Law suits have been filed against them for their recovery:

Client's name	Amount disbursed (in Taka)	Amount written off	Board meeting approving the write off
Multibond Adhesive Co. Ltd	2,000,000	1,843,255	38th dated 26 August 2004
Cab Bangladesh Ltd	<u>12,500,000</u>	<u>11,186,785</u>	55th dated 28 December 2005
	<u><u>14,500,000</u></u>	<u><u>13,030,040</u></u>	

40. Figures in these notes and annexed financial statements have been rounded off to the nearest Taka.
41. Previous year's figures have been rearranged wherever considered necessary in order to conform to current year's presentation, without creating any impact on the profit and value of assets and liabilities as reported in the financial statements.
42. These notes form an internal part of these financial statements and accordingly are to be read in conjunction therewith.

for Industrial and Infrastructure Development Finance Company Limited



Md. Matiul Islam
Chairman
Dhaka, 30 April 2009



Md. Asaduzzaman Khan
Managing Director



Uzzal Kumar Nandi
Company Secretary

Fixed Assets- Own Finance

Amounts in Taka

Particulars	C O S T				D E P R E C I A T I O N				Net book value	
	Opening	Additions	Disposal	Closing	Rate	Opening	Charges	Adjustment		Closing
Motor vehicles	13,630,529	3,192,750	1,942,000	14,881,279	20%	5,441,466	2,976,256	776,800	7,640,922	7,240,357
Furniture and fixtures	3,696,095	3,477,503	-	7,173,598	10%	623,112	717,361	-	1,340,473	5,833,125
Office equipment	6,736,048	15,662,183	-	22,398,231	18%	2,166,023	4,031,681	-	6,197,704	16,200,527
Computer software	500,000	764,168	-	1,264,168	18%	150,990	227,551	-	378,541	885,627
Total at 31 December 2009	24,562,672	23,096,604	1,942,000	45,717,276		8,381,591	7,952,849	776,800	15,557,640	30,159,636
Total at 31 December 2008	15,346,908	10,465,764	1,250,000	24,562,672		4,749,844	4,027,575	395,827	8,381,592	16,181,080

Fixed Assets- Lease Finance

Amounts in Taka

Particulars	C O S T				D E P R E C I A T I O N				Net book value
	Opening	Additions	Disposal	Closing	Opening	Charges	Adjustment	Closing	
Motor vehicles	1,350,000	-	-	1,350,000	1,350,000	-	-	1,350,000	-
Office equipment	4,265,862	-	-	4,265,862	4,119,808	146,054	-	4,265,862	-
Computer software	1,500,000	-	-	1,500,000	1,448,646	51,354	-	1,500,000	-
Total at 31 December 2009	7,115,862	-	-	7,115,862	6,918,454	197,408	-	7,115,862	-
Total at 31 December 2008	7,115,862	-	-	7,115,862	4,731,303	2,187,151	-	6,918,454	197,408

Chairman

Mr. Md. Matiul Islam

Vice Chairman

Mr. M. Syeduzzaman, *Bank Asia Ltd.*

Directors

Mr. Muhammad A. (Rume) Ali, *Chairman, BRAC Bank Limited*

Mr. Md. Humayun Kabir, *Managing Director & CEO, Sonali Bank Limited*

Mr. S. M. Aminur Rahman, *Managing Director, Janata Bank Limited*

Mr. Ghulam Rahman, *Executive Director, Eastland Insurance Company Limited*

Mr. Abdur Rahman Sarker, *Managing Director, National Bank Limited*

Dr. Zaidi Sattar, *Director, Southeast Bank Limited*

Mr. Tofazzal Hossain, *Chairman, National Life Insurance Company Limited*

Mr. Sohail R K Hussain, *Deputy Managing Director, The City bank Limited*

Mr. Arif Quadri, *SEVP & Head of Compliance, Audit & HR, ONE Bank limited*

Managing Director

Mr. Md. Asaduzzaman Khan

Representatives of other Promoters

Mr. AKM Rafiqul Islam, *Managing Director, Progati Insurance Company Limited*

Mr. Anis A. Khan, *Managing director & CEO, Mutual Trust Bank Limited*

Mr. Kaiser A Chowdhury, *President & Managing Director, AB Bank Limited*

Mrs. Dina Ahsan, *Managing Director (Additional Charge), Investment Corporation of Bangladesh*

Company Secretary

Mr. Uzzal Kumar Nandi

HIGHLIGHTS

Amounts in Taka

Sl. No.	Particulars	2009	2008
1	Paid-up Capital	328,780,000	328,780,000
2	Total Capital	686,308,415	593,466,553
3	Capital Surplus	107,109,746	165,671,991
4	Total Assets	9,803,676,699	7,129,909,367
5	Total Deposits	3,882,807,737	2,899,678,673
6	Total Leases, Loans and Advances	8,336,159,271	6,262,736,041
7	Total Contingent Liabilities and Commitments	26,329,586	192,067,793
8	Credit Deposit Ratio	214.69%	215.98%
9	Percentage of Classified Loans Against Total Loans and Advances	4.52%	1.76%
10	Profit After Tax and Provision	83,952,318	83,903,188
11	Amount of Classified Loans During Current Year	376,381,825	110,353,333
12	Provisions Kept Against Classified Loans	92,499,341	37,946,059
13	Provision Surplus against classified loan	156,502	6,311,710
14	Cost of Fund	14.11%	14.10%
15	Interest Earnings Assets	9,210,251,511	6,769,228,146
16	Non-interest earning Assets	524,308,148	360,681,221
17	Return on Investment (ROI)	16.30%	16.39%
18	Return on Assets (ROA)	1.72%	2.35%
19	Income from Investment	1,090,108,326	983,138,530
20	Earnings per Share	25.53	25.52
21	Net Income per Share	25.53	25.52
22	Price Earnings Ratio	N/A	N/A