

Auditors' Report of Grameen Bank

We have audited the accompanying Balance Sheet of Grameen Bank as at 31 December 2006 and the related Profit and Loss Account, which have been prepared by the Head Office from the returns submitted by all accounting centres as well as Cash Flow Statement, Statement of Changes in Equity and Notes to the Financial Statements for the year then ended.

Respective Responsibilities of the Bank and Auditors

Grameen Bank management is responsible for preparing these financial statements. Our responsibility is to express an independent opinion based on our audit on those financial statements and to report our opinion to the Board of Directors.

Basis of Audit Opinion

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Our audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Our audit also includes an assessment of the significant estimates and judgments made by the management of the Grameen Bank in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed. We planned and performed our audit so as to obtain all the information and explanations, which we considered necessary to provide with us reasonable assurance that the financial statements are free from material misstatement. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

The financial statements, prepared in accordance with International Accounting Standards (IAS) as adopted by Bangladesh, give a true and fair view of the state of affairs of Grameen Bank as of 31 December 2006 and of the results of its operations and its cash flow for the year then ended and comply with the Grameen Bank Ordinance 1983 (as amended up to 1995) and other applicable laws and regulations.

We also Report that:

1. 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;
2. in our opinion, proper books of accounts as required by the ordinance have been kept by the Bank so far as it appeared from our examination of the books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
3. the Bank's Balance Sheet and Profit and Loss Account together with the annexed notes dealt with by the report are in agreement with the books of accounts and returns;
4. the expenditures incurred and payments made were for the purpose of the Bank's business;
5. the financial position of the Bank as on 31 December 2006 and the profit for the year then ended have been properly reflected in the financial statements and the financial statements have been prepared in accordance with the Generally Accepted Accounting Principles;

6. adequate provisions have been made for loans and advances and other assets which are, in our opinion, doubtful of recovery;
7. the Financial Statements have been drawn up in conformity with Grameen Bank Ordinance 1983 and in accordance with the accounting rules and regulations;
8. the Financial Statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
9. the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
10. the information and explanations required by us have been received and found satisfactory;

GRAMEEN BANK
Profit and Loss Account
for the year ended 31 December 2006

| | Notes | 2006 Taka | 2005 Taka |
|--|-------|----------------------------|----------------------------|
| Operating income | | | |
| Interest income | 15 | 6,335,566,324 | 4,746,095,835 |
| Less: Interest/Profit paid on deposits & borrowings etc. | 16 | (3,471,108,927) | (2,285,683,525) |
| Net Interest Income | | 2,864,457,397 | 2,460,412,310 |
| Income from Investments in fixed deposits | | 1,693,658,097 | 851,952,678 |
| Other income | 17 | 1,401,559,519 | 1,796,728,252 |
| Total operating income | | 5,959,675,013 | 5,109,093,240 |
| Less: Operating expenses | | | |
| Salaries and other related expenses | 18 | 2,024,528,593 | 1,668,479,375 |
| Rent, rates, taxes, vehicle insurance, utilities etc. | 19 | 68,569,867 | 48,714,353 |
| Legal and professional expenses | 20 | 74,844,314 | 45,372,155 |
| Auditors fees | 21 | 804,650 | 537,130 |
| Stationery, printing, advertisement etc. | 22 | 98,110,380 | 72,754,916 |
| Managing Director's salary & allowances | 23 | 471,750 | 408,420 |
| Directors' remuneration | | 78,000 | 168,000 |
| Repairs & maintenance of fixed assets | 24 | 33,671,316 | 22,459,673 |
| Depreciation of fixed assets (Annex-A) | | 51,704,234 | 39,557,019 |
| Other expenses | 25 | 626,028,872 | 480,837,241 |
| Total Operating Expenses | | 2,978,811,976 | 2,379,288,282 |
| Profit before provision | | 2,980,863,037 | 2,729,804,958 |
| Provision for loans and advances | 26 | | |
| Specific Provision | | 1,499,181,910 | 1,476,494,272 |
| General Provision | | 83,526,097 | 252,868,700 |
| | | 1,582,708,007 | 1,729,362,972 |
| Net profit | | 1,398,155,030 | 1,000,441,986 |
| Appropriations: | | | |
| Net profit transferred to | | 1,398,155,030 | 1,000,441,986 |
| Rehabilitation fund | | - | 1,000,441,986 |
| Proposed cash dividend @ 100% for the year 2006 | | 318,000,000 | - |
| Dividend Equalization fund | | 636,000,000 | - |
| General reserve | | 318,000,000 | - |
| Employees Welfare fund | | 1,155,030 | - |
| | | 1,273,155,030 | 1,000,441,986 |
| Retained surplus | | 125,000,000 | - |

The annexed notes 1 to 29 form an integral part of these financial statements.

(M. Shahjahan)
General Manager

Director

Director

(Dr. Muhammad Yunu)
Managing Director

Ahmad & Ahmad
Chartered Accountants

S. F. Ahmed & Co.
Chartered Accountants

Dated: 01 August 2007
Dhaka, Bangladesh

GRAMEEN BANK
Balance Sheet
As at 31 December 2006

| | Notes | <u>2006</u> <u>Taka</u> | <u>2005</u> <u>Taka</u> |
|--|-------|------------------------------|------------------------------|
| PROPERTY AND ASSETS | | | |
| Cash in hand | | 1,215,684 | 2,163,889 |
| Balances with Bangladesh Bank-in local currency | | 281,447 | 1,229,329 |
| Balances with other Banks and Financial Institutions | 4 | 898,562,551 | 976,724,775 |
| Investments-at cost | 5 | 19,744,015,990 | 9,987,216,945 |
| Loans and advances-without collateral | 6 | 34,144,897,122 | 28,896,759,122 |
| Fixed Assets including premises, furniture and fixtures net off accumulated depreciation (Annexure-A) | 7 | 1,045,276,835 | 955,305,291 |
| Other assets | 8 | 3,549,372,099 | 3,804,663,322 |
| | | <u>59,383,621,728</u> | <u>44,624,062,673</u> |
| CAPITAL AND LIABILITIES | | | |
| Borrowings from banks and other institutions | 9 | 1,855,334,397 | 1,917,392,329 |
| Members Deposit | | 27,321,930,824 | 20,277,412,272 |
| Non-Members Deposit | | 17,020,371,677 | 11,493,596,898 |
| Other Funds | | 3,308,399,947 | 2,840,080,214 |
| Deposits and other funds | 10 | 47,650,702,448 | 34,611,089,384 |
| Other liabilities | 11 | 3,766,402,005 | 3,381,398,082 |
| Shareholders' Fund : | | | |
| Paid up Capital | 12 | 318,000,000 | 318,000,000 |
| Capital and other reserves | 13 | 5,793,182,878 | 4,396,182,878 |
| | | <u>6,111,182,878</u> | <u>4,714,182,878</u> |
| | | <u>59,383,621,728</u> | <u>44,624,062,673</u> |
| Contingent Liabilities | | | |
| Guarantee | 14 | 13,541,883 | 16,642,453 |

The annexed notes 1 to 29 form an integral part of these financial statements.

(M. Shahjahan)
General Manager

Director

Director

(Dr. Muhammad Yunu)
Managing Director

Ahmad & Ahmad
Chartered Accountants

S. F. Ahmed & Co.
Chartered Accountants

Dated: 01 August 2007
Dhaka, Bangladesh

GRAMEEN BANK
Cash Flow Statement
for the year ended 31 December 2006

| | Notes | 2006 <u>Taka</u> | 2005 <u>Taka</u> |
|---|-------|------------------------|------------------------|
| A) CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Interest received | | 8,029,224,421 | 5,598,048,513 |
| Interest paid | | (3,471,108,927) | (2,285,683,525) |
| Cash paid to employees | | (2,025,078,343) | (1,669,055,795) |
| Other Expenses | | (902,029,399) | (670,675,468) |
| Other income | | 1,401,559,519 | 1,796,728,252 |
| Cash generated from operating activities | | 3,032,567,271 | 2,769,361,977 |
| | | | |
| Loans and advances | | (5,248,138,000) | (8,050,391,422) |
| Other assets | 27 | 255,291,223 | 72,217,033 |
| Deposits and other funds | | 13,038,458,034 | 11,133,173,240 |
| Other liabilities | 28 | (1,197,704,084) | (1,913,636,778) |
| | | 6,847,907,173 | 1,241,362,073 |
| Net cash received from operating activities | | 9,880,474,444 | 4,010,724,050 |
| | | | |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Investments | | (9,756,799,045) | (2,761,431,003) |
| Additions to Tangible Fixed Assets | | (152,158,397) | (68,181,906) |
| Sales proceeds of Tangible Fixed Assets | | 10,482,619 | (20,192,897) |
| Net cash outflow from investing activities | | (9,898,474,823) | (2,849,805,806) |
| | | | |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Share capital | | - | - |
| Borrowings from Banks and Foreign Institutions | | (62,057,932) | (978,426,256) |
| Capital and other reserves | | - | - |
| Net Cash/(out flow) from financing activities | | (62,057,932) | (978,426,256) |
| D) Net increase/in cash and cash equivalents (A+B+C) | | (80,058,311) | 182,491,988 |
| E) Opening cash and cash equivalents | | 980,117,993 | 797,626,005 |
| F) Cash and bank balances at end of the period | 29 | 900,059,682 | 980,117,993 |

The annexed notes 1 to 29 form an integral part of these financial statements.

(M. Shahjahan)
General Manager

Director

Director

(Dr. Muhammad Yunu)
Managing Director

Grameen Bank
Statement of Changes in Equity
for the year ended 31 December 2006

| Particulars | Paid up Capital | Capital reserve | General reserve | Proposed dividend | Dividend equalization fund | Other reserve | Retained earnings | Total |
|---------------------------------------|---------------------------|-----------------------------|---------------------------|---------------------------|----------------------------|---------------------------|---------------------------|-----------------------------|
| Balance at 1 January 2006 | <u>318,000,000</u> | <u>4,280,409,577</u> | - | - | - | <u>115,773,301</u> | - | <u>4,714,182,878</u> |
| Restated balance | 318,000,000 | 4,280,409,577 | - | - | - | 115,773,301 | - | 4,714,182,878 |
| Net profit for the year | - | - | - | - | - | - | 1,398,155,030 | 1,398,155,030 |
| General reserve | - | - | 318,000,000 | - | - | - | (318,000,000) | - |
| Proposed dividend fund | - | - | - | 318,000,000 | - | - | (318,000,000) | - |
| Employees welfare fund | - | - | - | - | - | - | (1,155,030) | (1,155,030) |
| Dividend equalization fund | - | - | - | - | 636,000,000 | - | (636,000,000) | - |
| Balance as at 31 December 2006 | <u>318,000,000</u> | <u>4,280,409,577</u> | <u>318,000,000</u> | <u>318,000,000</u> | <u>636,000,000</u> | <u>115,773,301</u> | <u>125,000,000</u> | <u>6,111,182,878</u> |

The annexed notes 1 to 29 form an integral part of these financial statements.

(M. Shahjahan)
General Manager

Director

Director

(Dr. Muhammad Yunus)
Managing Director

Grameen Bank
Comparative Value Added Statement
for the year ended 31 December 2006

| Description | 2006 <u>Taka</u> | 2005 <u>Taka</u> |
|--|-----------------------------------|-----------------------------------|
| Income from Banking Services | | |
| Interest income | 6,335,566,324 | 4,746,095,835 |
| Interest income from investment | 1,693,658,097 | 851,952,678 |
| Other operating income | 1,401,559,519 | 1,796,728,252 |
| | <u>9,430,783,940</u> | <u>7,394,776,765</u> |
| Less: Cost of services & Supplies | | |
| Interest paid on deposits & borrowings | 3,471,108,927 | 2,285,683,525 |
| Rent, taxes, insurance & utilities etc | 81,566,424 | 56,719,993 |
| Legal and professional expenses | 74,844,314 | 45,372,155 |
| Auditors' fees | 804,650 | 537,130 |
| Stationery, printing, advertisement etc. | 98,110,380 | 72,754,916 |
| Repairs & maintenance of fixed assets | 33,671,316 | 22,459,673 |
| Directors' remuneration | 78,000 | 168,000 |
| Other expenses | 613,032,315 | 472,831,601 |
| | <u>4,373,216,326</u> | <u>2,956,526,993</u> |
| Value added by the Banking Services | <u>5,057,567,614</u> | <u>4,438,249,772</u> |
| Less: loan loss and provisions | | |
| Provision for bad and doubtful debts | (1,582,708,007) | (1,729,362,972) |
| Value Added | <u>3,474,859,607</u> | <u>2,708,886,800</u> |
| Distribution of value addition | | |
| Employees-as salaries and other related expenses | 2,025,000,343 | 1,668,887,795 |
| Net profit for the year (Appropriationable) | 1,398,155,030 | 1,000,441,986 |
| Depreciation | 51,704,234 | 39,557,019 |
| | <u>3,474,859,607</u> | <u>2,708,886,800</u> |

The annexed notes 1 to 29 form an integral part of these financial statements.

(M. Shahjahan)
General Manager

Director

Director

(Dr. Muhammad Yunus)
Managing Director

GRAMEEN BANK
Statement of Liquidity (analysis of maturity of assets & liabilities)
As at 31 December 2006

| Particulars | Up to 1 month | 1-3 months | 3-12 months | 1-5 years | More than 5 years | Total |
|--|----------------------|----------------------|-----------------------|------------------------|------------------------|-----------------------|
| Assets | | | | | | |
| Cash in hand | 1,215,684 | - | - | - | - | 1,215,684 |
| Balances with Bangladesh Bank | 281,447 | - | - | - | - | 281,447 |
| Balances with other Banks and Financial Institutions | 98,841,881 | 799,720,670 | - | - | - | 898,562,551 |
| Investment at cost | 3,567,219,089 | 2,904,267,719 | 13,252,029,182 | 16,500,000 | 4,000,000 | 19,744,015,990 |
| Loans and advances | 2,120,398,112 | 4,257,868,671 | 19,230,406,059 | 8,194,775,309 | 341,448,971 | 34,144,897,122 |
| Fixed Assets including premises, furniture and fixtures net off accumulated depreciation | - | - | - | 120,206,835 | 925,070,000 | 1,045,276,835 |
| Other assets | 435,507,956 | 63,178,823 | 941,648,418 | 1,572,016,904 | 537,019,998 | 3,549,372,099 |
| Non-Banking Assets | - | - | - | - | - | - |
| Total assets (A) | 6,223,464,169 | 8,025,035,883 | 33,424,083,659 | 9,903,499,048 | 1,807,538,969 | 59,383,621,728 |
| Liabilities | | | | | | |
| Borrowings from banks and other institutions | - | 43,698,136 | 43,698,136 | 174,792,544 | 1,593,145,581 | 1,855,334,397 |
| Deposits and other funds | 1,987,034,292 | 7,099,954,665 | 20,008,529,958 | 12,722,737,553 | 5,832,445,980 | 47,650,702,448 |
| Other liabilities | 485,112,578 | - | 1,014,292,060 | 2,266,997,367 | - | 3,766,402,005 |
| Total liabilities (B) | 2,472,146,870 | 7,143,652,801 | 21,066,520,154 | 15,164,527,464 | 7,425,591,561 | 53,272,438,850 |
| Net Liquidity Gap (A-B) | 3,751,317,299 | 881,383,082 | 12,357,563,505 | (5,261,028,416) | (5,618,052,592) | 6,111,182,878 |

The annexed notes 1 to 29 form an integral part of these financial statements.

(M. Shahjahan)
General Manager

Director

Director

(Dr. Muhammad Yunus)
Managing Director

GRAMEEN BANK
FIXED ASSETS SCHEDULE
As on 31 December, 2006

Annexure-A

| Category of Assets | COST | | | | | Rate of Depreciation | DEPRECIATION | | | | | WDV as at 31 December 2006 Taka |
|-----------------------------------|--------------------------------------|-----------------------------------|-------------------------------------|--|--|----------------------|--------------------------------------|-----------------------------|--|---|-------------------------------------|------------------------------------|
| | Balance as on 1 January 2006 Taka | Additions during the year Taka | Transferred during the year Taka | Disposals/adjustment during the year Taka | Balance as on 31 December 2006 Taka | | Balance as on 1 January 2006 Taka | Charge for the year Taka | Depreciation transferred during the year Taka | Disposals/Adjustments during the year Taka | Balance at 31 December 2006 Taka | |
| | 1 | 2 | 3 | 4 | 5=1+2+3-4 | | 6 | 7 | 8 | 9 | 10=6+7+8-9 | 11=(5-10) |
| Land | 39,694,558 | 3,120,279 | 286,879 | 566,039 | 42,535,677 | - | - | - | - | - | - | 42,535,677 |
| Building | 926,809,480 | 36,403,277 | 9,046,618 | 9,318,494 | 962,940,881 | 1.70% | 170,699,805 | 16,697,117 | 4,100,001 | 2,737,244 | 188,759,679 | 774,181,203 |
| Development of leasehold property | 987,576 | - | - | - | 987,576 | 10% | 987,576 | - | - | - | 987,576 | - |
| Vehicles | 64,488,831 | 39,750,000 | 17,830,411 | 16,440,110 | 105,629,132 | 20% | 34,558,562 | 13,078,978 | 16,758,152 | 15,365,951 | 49,029,740 | 56,599,392 |
| Office equipment | 187,585,531 | 16,586,929 | 8,306,472 | 11,978,605 | 200,500,327 | 15% | 134,820,758 | 10,802,802 | 6,855,869 | 7,268,723 | 145,210,707 | 55,289,620 |
| Electric equipment | 51,583,419 | 5,297,681 | 554,049 | 1,010,924 | 56,424,225 | 10% | 36,959,362 | 3,056,768 | 516,933 | 798,170 | 39,734,894 | 16,689,331 |
| Furniture | 107,063,996 | 50,957,571 | 3,748,384 | 3,416,962 | 158,352,988 | 10% | 67,436,249 | 8,068,570 | 1,896,573 | 2,211,063 | 75,190,329 | 83,162,659 |
| Office library | 9,141 | - | - | - | 9,141 | 10% | 9,141 | - | - | - | 9,141 | - |
| Capital work in progress | 22,554,212 | 44,254 | 38,923,491 | 44,703,003 | 16,818,954 | - | - | - | - | - | - | 16,818,954 |
| Total | 1,400,776,744 | 152,159,991 | 78,696,303 | 87,434,137 | 1,544,198,900 | | 445,471,452 | 51,704,234 | 30,127,529 | 28,381,150 | 498,922,065 | 1,045,276,835 |
| 2005 | 1,324,242,562 | 68,181,906 | 37,488,265 | 29,135,990 | 1,400,776,743 | | 417,755,055 | 39,557,019 | 7,882,377 | 19,722,999 | 445,471,452 | 955,305,291 |

GRAMEEN BANK
Notes to the financial statements
for the year ended 31 December 2006

1.00 BACKGROUND

1.01 Legal form of the enterprise

Grameen Bank was established as a body corporate under the Grameen Bank Ordinance 1983. Initially the authorized capital of the bank was Tk 100 million and paid-up capital was Tk. 30 million. At present the bank's authorized capital is Tk. 500m and paid up capital is Tk. 318 m. Members hold 94.34 percent of Grameen Bank shares. The remaining 5.66 percent is held by the Government of Bangladesh. The board of the bank consists of 13 members: the Managing Director, three members including the chairman nominated by the government and nine members elected from the borrower shareholders.

1.02 Nature of business

The principal activity of the bank is to provide credit without collateral to landless persons for all types of economic activities. The bank also accepts deposits but excluding business in foreign exchange transactions, carries out survey and research, issue publications and maintaining statistics with a view to improving the economic condition of the landless persons. The bank undertakes income-generating projects for landless persons, invests its funds in Government Securities and provides professional counseling to landless persons regarding investments in small business and cottage industries. Grameen Bank now operates 36 Zonal Offices, 238 Areas Offices and 2321 branch offices including 2 sub-branch Offices. The bank offers four types of loans such as basic loans, housing loans, higher education loans and struggling members' loans. Loans and advances and deposits as at 31 December 2006 were Tk. 34,144,897,122 and 44,342,302,501 respectively. As on 31 December 2006, out of 2321 branches 1580 registered profits. The remaining 741 branches were not profitable. However, it must be taken into consideration that during the year the bank opened 574 new branches.

2.00 Risk Management

In the ordinary course of business, the bank is exposed to a variety of risks the most important of which are credit risk, operational risk, and solvency risk. These risks are being identified, measured and monitored through various control mechanisms across the bank in order to assess the quality of products offered.

2.01 Internal audit

Internal audit is a part of the internal control system, which is introduced in large business entities to detect any error or fraud at an early stage. At present, the Internal Audit Division of Grameen Bank is characterized by two-tier structure namely central audit and zonal audit. Central audit conducts the audit of different divisions at the head office, zonal offices and their area offices. Moreover, Central audit office supervises, advises, directs and provides necessary guidance to zonal audit offices. The zonal audit office audits all branches within the zone. Central and zonal audit offices execute complete audits and briefs audits to monitor operations and review compliance of statutory requirements. The Internal Audit Division works under the direct supervision of the Managing Director; however, it is completely independent in its work.

3.00 Significant accounting policies

3.01 Basis of preparation and presentation of financial statements

The accompanying financial statements comprising the Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Comparative Value Added Statement and Notes thereto have been prepared in accordance with *International Accounting Standards (IASs)* on a going concern basis under the historical cost convention.

3.02 Basis of consolidation

A separate set of records for consolidation of the statement of affairs and income & expenditure account of the branches are maintained at the head office of the bank based on which these financial statements have been prepared.

3.03 Tax exemption

Grameen bank is presently enjoying unconditional tax exemptions of income tax, super tax and business profit tax till 30 June 2008. This is contained in the Ministry of Finance notification vide SRO no. 188/Law/2006 dated 30 July 2006.

3.04 Rehabilitation fund

Rehabilitation fund consists of transfer from general reserve and tax provision made for 1997 and 1998 and transfer of entire revenue profit from 1999 to 2005 in order to comply with the requirement for tax exemption allowed by the Ministry of Finance. The Rehabilitation Fund is to be utilized for the purpose of rehabilitation of members affected due to natural disasters.

3.05 Profit Appropriation

Government of the People's Republic of Bangladesh permits Grameen Bank unconditioned income tax exemption from January 1, 2006 to June 30, 2008. This is contained in the Ministry of Finance notification vide SRO no. 188/Law/2006 dated July 30, 2006. Previously Grameen Bank enjoyed income tax exemption from 1997 to 2005 subject to the condition that the Bank will transfer its entire profits to a Rehabilitation Fund. In 2006, Bank has made a net profit of Tk. 1,398,155,030 as per Profit and Loss A/C. At present, there is no condition in this affair, the Bank decided to allocate its profit in the following manner:

| | <u>Amount (Tk.)</u> |
|----------------------------|-----------------------------|
| Proposed Dividend | 318,000,000 |
| Dividend Equalization Fund | 636,000,000 |
| General Reserve | 318,000,000 |
| Employees welfare Fund | 1,155,030 |
| Retain surplus | 125,000,000 |
| | <u>1,398,155,030</u> |

3.06 Foreign fund

Foreign funds were received from the foreign donor agencies (IFAD 161 BA, IFAD 239 BA, NORAD, SIDA, Dutch Grant and JBIC) under the subsidiary loan agreement with the Government of the Peoples Republic of Bangladesh. The terms for repayments, interest rates, grace periods etc. have been set out in those agreements. The funds were disbursed to Grameen Bank in equivalent Taka currencies and were accounted for at cost as and when those funds were received. Consequently, no accounting treatment is required in respect of exchange differences on foreign currencies and Grameen Bank need not to account for exchange rate gain/loss on such differences as well.

3.07 Accruals & deferrals

Deferrals and accruals have been made as per the guidance of the *IAS 1 Presentation of Financial Statements*. In order to meet their objectives, financial statements except for cash flow statement and related information are prepared on accrual basis of accounting. Under the basis, the effects of transactions and other events are recognized when they occur (and not when cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the financial statements of the periods to which they relate.

3.08 Reconciliation of inter branch transactions

Books of account with regard to inter branch are reconciled. Unreconciled entries are caused by mismatching of original figures with corresponding ones, lack of original advice and incomplete advice from branches.

3.09 Cash Flow Statement

IAS 1 presentation of Financial Statement requires that a cash flow statement is to be prepared as it provides information about cash flows of the enterprise that is useful in providing users of financial statements with a basis to assess the ability of the enterprise to generate cash and cash equivalents and the needs of the enterprise to utilize those cash flows.

Cash flow statement has been prepared under the direct method for the period, classified by operating, investing and financing activities as prescribed in paragraph 10 and 18(a) of *IAS 7*.

3.10 Provision for loan impairment

As per the guideline of paragraph 43 of *IAS 30 Disclosures in the Financial Statements of Banks and Similar Financial Institutions*, specific provisions are made against non-performing and problem loans on the basis of best estimate up to such amount as it is expected to cover for the loss from non-performing and impaired loans and advances. No specific credit risk provision for loan impairment is established to provide for management's estimate of loan losses as soon as the recovery of an exposure is identified as doubtful.

As per the requirement of paragraph 49 of *IAS 30 Disclosures in the Financial Statements of Banks and Similar Financial Institutions* when a loan is deemed uncollectible, it is written off against the related provision for impairments. The bank writes off its non-performing and problem loans after one year on overdue loan. Subsequent recoveries of such loans are credited to the income statement.

Provisions for loans & advances are made on the basis of year-end review by the management and instructions contained in board resolution. The calculation rate is given below:

a) Basic loans

Basic loan provision has been made @ 100% on overdue loan;

Basic loan provision has been made @ 1% on regular loan.

b) Flexible loans

Provision has been made on flexible loans at the following rates:

Principal outstanding from the signing of first contract period below 2 years 50%;

Principal outstanding for 2 years and beyond from the signing of first contract period 100%;

Overdue flexible loans 100%.

c) Housing loans (Members)

Housing loan provision has been made @ 100% on overdue loan;

Housing loan provision has been made @ 1% on regular loan.

d) Educational loan

No provision has been made on education loan.

3.11 Provision for interest receivable

a) Interest receivable on basic loans:

Interest receivable on basic loan provision has been made @ 100% on overdue interest of basic loans;

Interest receivable on basic loan provision has been made @ 1% on regular interest of basic loans.

b) Interest receivable on flexible loans:

Provision has been made on interest receivable on flexible loans at the following rates:

Interest receivable outstanding from the signing of first contract period below 2 years 50%;

Interest receivable outstanding for 2 years and beyond from the signing of first contract period 100%;

Interest receivable outstanding of overdue loan 100%.

c) Interest receivable on Housing loans (Members)

Provision has been made on interest receivable on housing loans (Members) at the following rates:

Interest receivable on housing loan provision has been made @ 100% on overdue interest receivable;

Interest receivable on housing loan provision has been made @ 1% on regular interest receivable.

3.12 Bad debt recovery

Fifty percent of Bad debt recovery has been shown in provision and reserve account and the remaining fifty percent has been shown in other income.

3.13 Fixed assets

The major categories of property and equipment held by the bank are property land, buildings & other structures, equipment, furniture and fixtures, vehicles, capital work in progress etc.

As guided in paragraph 28 of *IAS 16 Property Plant and Equipment*: all property and equipment except land are stated at historical cost less accumulated depreciation. No depreciation has been charged on land and the carrying amounts are the same as those were initially recognized. The opening and closing carrying amounts of all property and equipment are presented including the amount of additions, disposals and depreciation charged during the year as required by paragraph 60 (e) of IAS 16.

3.14 Depreciation

As required of IAS 16, property, plant & equipment depreciation has been charged on property and equipment at the following rates using straight-line method.

| Property & Equipment | Depreciation Rate |
|---|--------------------------|
| Building and other structures | 1.7% |
| Office House (Semi- Pucca and Tin shed) | 7.5% |
| Development of leasehold property | 10% |
| Vehicles | 20% |
| Office equipment | 15% |
| Electrical equipment | 10% |
| Furniture & fixtures | 10% |
| Library books | 10% |

Depreciation at the applicable rates is charged proportionately on additions made during the year from the date of their acquisition on straight-line method. Disposal of assets during the year, depreciation charged is required on actual date.

3.15 Investments

Value of investment is presented below:

| Nature of Investments | Applicable Accounting |
|------------------------------|------------------------------|
| FDR | Face Value |
| Shares in CDBL | At cost |
| Grameen Mutual Fund | At cost |

3.16 Revenue recognition

Revenue is recognized on an accrual basis which comply with the conditions of revenue recognition as provided in **IAS 18 Revenue**.

- a) Income on investments is accounted for consistently on an accrual basis.
- b) Interest on loans and advances (including bad and doubtful loans and advances) is accounted for on an accrual basis.
- c) Service charge on guarantees issued by the bank in favour of other institutions is accounted for on cash receipt basis.

3.17 Interest paid and other expenses

In terms of the provision of the *IAS 1 Presentation of Financial Statements*, the interest paid and other expenses are recognized on accrual basis.

3.18 Retirement benefits to the employees

a) Grameen Bank Superannuation fund:

The bank operates a superannuation fund scheme, provision in respect of which is made annually @ 60% of annual basis salary. It is operated by a separate Board of Trustees consisting ten members.

b) Non-contributory provident fund

Provident fund benefits are given to the employees of the bank in accordance with non-contributory provident fund rules. The fund is operated by a Board of Trustees. All confirmed employees of the bank are contributing 10% of their basic salary as subscription of the fund. Interest earned from the investments is credited to the members account on accrual basis.

3.19 Comparative Information

As required by paragraphs 38 and 40 of *IAS 1 Presentation of Financial Statements* comparative information in respect of the previous year have been presented in all numerical information in the financial statements and the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

3.20 General

- i) Previous year's figures have been rearranged, wherever considered necessary, for the purpose of comparison.
- ii) Figures appearing in these accounts have been rounded off to the nearest Taka.

| | 2006 | 2005 |
|--|------------------------------|-----------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 4.00 Balances with other Banks and Financial Institutions | | |
| On short term deposit accounts (in local currency) | 856,102,107 | 918,599,330 |
| On current deposit accounts (in local currency) | 42,460,444 | 58,125,445 |
| | <u>898,562,551</u> | <u>976,724,775</u> |
| 5.00 Investments-at cost | | |
| Fixed deposits with other banks (Note 5.01) | 19,723,515,990 | 9,966,716,945 |
| Grameen Mutual Fund-One (Note 5.02) | 16,500,000 | 16,500,000 |
| Share (Note 5.03) | 4,000,000 | 4,000,000 |
| | <u>19,744,015,990</u> | <u>9,987,216,945</u> |
| 5.01 Fixed deposits with other banks | | |
| Southeast Bank Limited | 2,012,885,821 | 1,520,249,725 |
| Arab Bangladesh Bank Limited | 320,000,000 | - |
| Prime Bank Limited | 2,528,222,363 | 1,221,128,225 |
| Dutch Bangla Bank Limited | 462,451,087 | 1,216,336,098 |
| State Bank of India | 389,675,631 | 438,641,789 |
| NCC Bank Limited | 954,013,517 | 469,849,739 |
| Mercantile Bank Limited | 1,117,356,850 | 264,389,715 |
| One Bank Limited | 947,317,595 | 489,789,504 |
| EXIM Bank Limited | 1,016,947,853 | 930,790,680 |
| First Security Bank Limited | 391,516,382 | 341,606,349 |
| Mutual Trust Bank Limited | 1,171,979,403 | 685,648,231 |
| Standard Bank Limited | 702,712,295 | 463,580,225 |
| Premier Bank Limited | 955,007,858 | 414,256,540 |
| Bank Asia Limited | 900,000,000 | 277,091,953 |
| The Trust Bank Limited | 507,108,961 | 130,795,000 |
| United Commercial Bank Limited | 900,650,000 | - |
| Shahjalal Bank Limited | 465,200,685 | - |
| Dhaka Bank Limited | 1,771,133,533 | 897,063,172 |
| Jamuna Bank Limited | 859,336,156 | 205,500,000 |
| The City Bank Limited | 600,000,000 | - |
| Eastern Bank Limited | 300,000,000 | - |
| BRAC Bank Limited | 450,000,000 | - |
| | <u>19,723,515,990</u> | <u>9,966,716,945</u> |
| 5.02 Grameen Bank has invested Tk. 1.65 crore in Grameen Mutual Fund (GMF)-one as sole sponsor. The fund was listed in Dhaka and Chittagong Stock Exchange as on 04 September 2005. | | |
| 5.03 Four shares of Central Depository Bangladesh Limited (CDBL) which were subscribed @ Tk. 1,000,000 each. | | |
| 5.04 Maturity grouping of investments | | |
| On demand | - | - |
| Upto 1 month | 3,567,219,089 | 672,045,343 |
| Over 1 month but not more than 3 months | 2,904,267,719 | 1,846,515,024 |
| Over 3 months but not more than 1 year | 13,252,029,182 | 7,258,156,578 |
| Over 1 year but not more than 5 years | 16,500,000 | 190,000,000 |
| Over 5 years | 4,000,000 | 20,500,000 |
| | <u>19,744,015,990</u> | <u>9,987,216,945</u> |

| | 2006 | 2005 |
|--|------------------------------|------------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 6.00 Loans and advances-Unsecured (Inside Bangladesh) | | |
| Loans | | |
| Basic loans | 30,669,086,634 | 25,665,086,065 |
| Flexible loans | 1,739,412,453 | 1,465,371,175 |
| Housing loans (Members) | 295,448,324 | 619,792,010 |
| Education loans | 373,865,218 | 206,471,714 |
| Social Venture Capital Fund (SVCF) loans | 32,550,572 | 110,509,380 |
| Center house building loan | 75,832,343 | 16,830,541 |
| Loan freeze | 48,230,034 | 209,832 |
| Other loans | 24,710,835 | 24,298,438 |
| | <u>33,259,136,413</u> | <u>28,108,569,155</u> |
| Advances | | |
| Housing loans (Staff) | 100,677,861 | 113,110,952 |
| Household commodities loans | 242,249,693 | 188,840,436 |
| Salary advances | 47,773 | 52,556 |
| Bicycle advances | 15,148,073 | 9,533,183 |
| Motor cycle advances | 10,664,564 | 6,416,192 |
| Calculator advances | 1,186,692 | 927,751 |
| P.F. advances | 508,363,023 | 463,103,032 |
| Medical loans | 6,022,744 | 4,712,652 |
| Staff welfare loans | 1,400,286 | 1,493,213 |
| | <u>885,760,709</u> | <u>788,189,967</u> |
| | <u>34,144,897,122</u> | <u>28,896,759,122</u> |
| 6.1 Maturity grouping of loans and advances | | |
| Repayable on demand | - | - |
| Upto 1 month | 2,120,398,112 | 1,803,157,769 |
| Over 1 month but not more than 3 months | 4,257,868,671 | 3,603,425,863 |
| Over 3 months but not more than 1 year | 19,230,406,059 | 16,274,654,738 |
| Over 1 year but not more than 5 years | 8,194,775,309 | 6,932,332,513 |
| Over 5 years | 341,448,971 | 283,188,239 |
| | <u>34,144,897,122</u> | <u>28,896,759,122</u> |
| 7.00 Fixed Assets including premises, furniture & fixtures (net off accumulated depreciation) : | | |
| Land | 42,535,677 | 39,694,558 |
| Building and other structures | 774,181,203 | 756,109,675 |
| Vehicles | 56,599,391 | 29,930,269 |
| Office equipment | 55,289,620 | 52,764,773 |
| Electrical equipment | 16,689,331 | 14,624,057 |
| Furniture and fixtures | 83,162,659 | 39,627,747 |
| Capital work in progress | 16,818,954 | 22,554,212 |
| | <u>1,045,276,835</u> | <u>955,305,291</u> |

| | 2006 | 2005 |
|--|-----------------------------|-----------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 8.00 Other assets | | |
| Interest receivable (Note 8.01) | 3,118,918,883 | 3,182,281,303 |
| Advance income tax for employees | - | 2,400,000 |
| Printing stationery on hand | 24,450,785 | 17,283,901 |
| Office stationery on hand | 353,730 | 264,179 |
| Zone/Area control account | 264,094 | 48,614 |
| Advance income tax (Note 8.02) | 201,533,746 | 201,476,872 |
| Security deposits | 590,974 | 583,104 |
| Prepaid expenses | 6,573,790 | 2,520,261 |
| Advance against TA/DA | 254,404 | 157,670 |
| Advance against purchases | 440,153 | 49,435,238 |
| Advance against house rent | 4,549,659 | 2,353,454 |
| Stock & stores (General) | 1,364,971 | 1,799,518 |
| Suspense account | 134,936,529 | 6,245,464 |
| Advances to contractors | 2,460,791 | 2,005,596 |
| Inter-branch adjustments (Note 8.03) | 43,590,184 | 137,833,388 |
| G.B. superannuation fund-current account | - | 6,998,428 |
| Workshop | 176,387 | 268,251 |
| Rent receivables | 8,913,019 | 27,423,847 |
| Service charge receivables | - | 163,284,234 |
| | <u>3,549,372,099</u> | <u>3,804,663,322</u> |

8.01 Interest receivable

From investments

| | | |
|---------------------------------|-------------|-------------|
| Fixed deposits with other banks | 698,498,752 | 674,537,826 |
|---------------------------------|-------------|-------------|

From Lending

| | | |
|-------------------------|---------------|---------------|
| Basic loans | 1,248,834,650 | 1,081,866,526 |
| Flexible loans | 880,123,129 | 966,636,434 |
| Housing loans (Members) | 138,494,240 | 323,994,344 |
| Education loans | 2,360,886 | 1,611,791 |
| Other loans | 19,422,402 | 19,521,550 |
| Interest freeze | 1,531,389 | 11,864 |

From Staff

| | | |
|-----------------------------|-----------------------------|-----------------------------|
| Staff loan and advances | 42,539,040 | 39,852,524 |
| P.F. advances | 48,466,042 | 39,626,572 |
| Medical loans | 2,604,180 | 783,178 |
| Household commodities loans | 36,044,173 | 33,838,694 |
| | <u>3,118,918,883</u> | <u>3,182,281,303</u> |

8.02 Advance income tax

Advance income tax represents tax deducted at source by Scheduled Banks and others from the income of Grameen Bank. Grameen Bank is a non-taxable entity as per Grameen Bank Ordinance 1983 but due to late receipts of the exemption orders from Government, Grameen Bank had faced such deduction. The tax deducted as such, at source remains to be refundable.

8.03 Inter-branch adjustments

Inter-Branch adjustment account balance Tk.43,590,184 represents outstanding in branch and Head Office transactions (Net) originated but not responded at the balance sheet date. However, unadjusted items are being subsequently adjusted.

| | <u>2006</u> <u>Taka</u> | <u>2005</u> <u>Taka</u> |
|--|-----------------------------|-----------------------------|
| 8.04 Maturity grouping of other asset | | |
| On demand | - | - |
| Upto 1 month | 435,507,956 | 466,832,190 |
| Over 1 month but not more than 3 months | 63,178,823 | 67,723,007 |
| Over 3 months but not more than 1 year | 941,648,418 | 1,002,378,751 |
| Over 1 year but not more than 5 years | 1,572,016,904 | 1,685,085,385 |
| Over 5 years | 537,019,998 | 575,645,561 |
| | <u><u>3,549,372,099</u></u> | <u><u>3,797,664,894</u></u> |

9.00 Borrowings from Banks and Foreign Institutions

| | | |
|---|-----------------------------|-----------------------------|
| 2% IFAD 239 BA (Note 9.01) | 264,736,926 | 273,009,955 |
| NORAD (Note 9.02) | 267,918,176 | 267,918,176 |
| SIDA (Note 9.03) | 238,848,625 | 238,848,625 |
| Ford Foundation | 18,075,066 | 18,075,066 |
| Dutch Grant Loan (Note 9.04) | 44,283,298 | 44,283,298 |
| Japan Bank of International Co-operation (OECE) (Note 9.05) | 1,021,472,306 | 1,075,257,209 |
| | <u><u>1,855,334,397</u></u> | <u><u>1,917,392,329</u></u> |

9.01 2% IFAD 239 BA

A subsidiary loan agreement for an amount in taka equivalent of SDR 6,200,000 was made with Government of the People's Republic of Bangladesh on 8 January 1990. The loan received in 1990 and 1992 is repayable on 15 March and 15 September each year in 80 equal semi annual installments commencing on 15 March 1999 and ending on 15 September 2039.

9.02 Norwegian Agency for International Development (NORAD)

A subsidiary loan agreement for an amount in taka equivalent of Netherlands' Kroner 5,500,000 was made with Government of the People's Republic of Bangladesh on 4 August 1986. The loan received in 1986 is payable with interest rate 2% per annum in March and September each year in 40 equal semi annual installments during a period of 30 years including a grace period of 10 years commencing in March 1997.

9.03 Swedish International Development Authority (SIDA)

A subsidiary loan agreement for an amount in taka equivalent of SEK 60,000,000 was made with Government of the People's Republic of Bangladesh on 30 November 1986. The loan received in 1986 is repayable with interest rate 2% per annum in March and September each year in 40 equal semi annual installments during a period of 30 years including a grace period of 10 years commencing in March 1997.

9.04 Dutch Grant Loan

The loan of DFL 2,000,000 equivalent of Tk. 44,283,298 received in 1986 under a subsidiary loan agreement with Bangladesh Bank is repayable on 15 December each year in 15 equal annual installments within 16 years from the date of receiving the loan including a grace period of one year. As per section 11 of the loan agreement the amount of installments of the principal loans amount repaid by Grameen Bank is allowed to be used in perpetuity for financing its housing loan scheme on the same terms and condition as stated above.

| | 2006 | 2005 |
|---|-----------------------------|-----------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 9.05 JBIC (OECF) | | |
| A subsidiary loan agreement for an amount of taka equivalent of Yen 2,986,000,000 was executed with the Government of the Peoples Republic of Bangladesh on 7 March 1996. The loan is repayable on 15 March and 15 September each year with the interest rate of 2% per annum in semi annual installments in 30 years including a grace period of 10 years in accordance with amortization schedule, first installments being due on 15 September 2005. Tk. 393,133,462, Tk. 419,216,041 and Tk. 289,800,159 were received in 1996, 1997 and 1998 respectively. | | |
| 9.06 Maturity grouping of borrowing from banks and financial | | |
| Repayable on demand | - | - |
| Up to 1 month | - | - |
| Over 1 month but not more than 3 months | 43,698,136 | 31,028,966 |
| Over 3 months but not more than 1 year | 43,698,136 | 31,028,966 |
| Over 1 year but not more than 5 years | 174,792,544 | 248,231,730 |
| Over 5 years | 1,593,145,581 | 1,607,102,667 |
| | <u>1,855,334,397</u> | <u>1,917,392,329</u> |

10.00 Deposits and other funds

Members deposit

| | | |
|--|------------------------------|------------------------------|
| Current deposits | 28,854,899 | 25,540,143 |
| Fixed deposit (Note 10.01) | 56,381,592 | 67,554,239 |
| Savings deposit | 4,317,771,415 | 3,631,245,384 |
| Special Savings | - | 30,733 |
| Children welfare fund | - | 73,838 |
| Grameen pension scheme-10 years (Note 10.02) | 13,324,222,125 | 8,937,444,702 |
| Special Savings account | 2,730,531,260 | 2,739,327,152 |
| Double in 7 years deposit (Note 10.03) | 1,156,269,316 | 1,043,117,199 |
| Monthly profit scheme | 59,640,103 | 52,954,776 |
| Polly phone deposit | 1,163,989,458 | 1,088,476,902 |
| Centre welfare fund | 510,710,155 | 486,704,992 |
| Central emergency fund | 119,491,475 | 120,269,587 |
| Loan insurance savings fund | 3,767,136,966 | 1,981,120,345 |
| Grameen pension scheme-5 years | 18,243,960 | 54,042,780 |
| Share money deposit | 68,688,100 | 49,509,500 |
| | <u>27,321,930,824</u> | <u>20,277,412,272</u> |

Non- Members deposit

| | | |
|---|------------------------------|------------------------------|
| Current deposit | 22,417,579 | 19,109,223 |
| Short term deposit | 127,855 | 80,778 |
| Fixed deposit | 677,092,055 | 631,292,938 |
| Saving deposit | 7,299,763,837 | 5,198,977,938 |
| Grameen pension scheme-10 years (for staff) | 318,404,724 | 236,290,967 |
| Double in 7 years deposit | 6,926,525,203 | 4,115,495,259 |
| Monthly profit scheme | 1,734,874,266 | 1,257,407,800 |
| Technology project deposit | 2,878,045 | 3,114,779 |
| Forestation fund | 4,054,873 | 3,509,884 |
| Grameen pension scheme-5 years (for staff) | 723,622 | 1,034,989 |
| Employee loan insurance savings fund | 33,509,618 | 27,282,343 |
| | <u>17,020,371,677</u> | <u>11,493,596,898</u> |

| | 2006 | 2005 |
|-----------------------------------|------------------------------|------------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| Other Funds | | |
| Employees welfare fund | 73,124,025 | 66,220,410 |
| Struggling member welfare fund | 40,708,073 | 48,643,194 |
| Award fund | 82,302,929 | 29,847,287 |
| Maintenance reserve | 48,316,739 | 44,701,205 |
| Cafeteria | 1,856,053 | 1,691,983 |
| Leasing insurance fund | 5,612,440 | 5,612,440 |
| Contingency fund (Note 10.04) | 172,491,591 | 143,919,475 |
| Babsabikash risk coverage fund | 291,733,867 | 163,876,957 |
| Loan repaid by Babsabikash | 5,279,181 | 253,474 |
| Employees loan insurance fund | 5,778,497 | 2,935,810 |
| Loan insurance fund | 302,597,393 | - |
| Animal insurance fund | 24,645,999 | 20,513,138 |
| Grameen Bank Disaster Relief Fund | 2,205,884 | 2,205,884 |
| Members welfare fund | 5,941,220 | 5,941,220 |
| Polly phone risk coverage fund | 46,304,764 | 46,304,764 |
| Revolving fund-special programme | 8,216,940 | 7,994,441 |
| Revolving fund-SIDE | 17,726,540 | 17,632,889 |
| Revolving fund (Note 10.05) | 29,884,496 | 96,243,212 |
| Rehabilitation fund (Note 10.06) | 2,143,673,316 | 2,135,542,431 |
| | <u>3,308,399,947</u> | <u>2,840,080,214</u> |
| | <u>47,650,702,448</u> | <u>34,611,089,384</u> |

10.01 Fixed Deposit

Grameen Bank started "fixed deposit scheme" vide its circular no. 02/2000 dated 16 May 2000 which is for minimum of 1 year and maximum of 3 years. Interest rates of fixed deposit are 8.75%, 9.25% and 9.50% for 1 year, 2 years and 3 years respectively. Depositors can get interest after matured date of fixed deposit.

10.02 Grameen pension scheme

Grameen Bank Started "Grameen pension scheme" of 5 years and 10 years vide its circulars no. 2-06/2000 dated 30 August 2000 for the financial assurance of their members and employees. Under this scheme Grameen Bank motivates their members and employees to small savings by opening "GPS Account" in the respective branches which rate of interest is 10% for 5 years and 12% for 10 years. Both are payable yearly basis.

10.03 Double in 7 years deposit

Grameen Bank started "Double in 7 years deposit" scheme vide its circular no 2-07/2000 dated 30 August 2000 for making financial strengths of rural civil society by increasing saving mentality. Any person can open his/her account by depositing minimum of Tk. 1,000.00 (One thousand) or its general multiplying amount for 7 years. After 7 years account holder for carrying his/her account fulfilling the all criteria will get double amount (consolidated principal and interest) of his/her investment.

10.04 Contingency fund

Grameen Bank has created "Contingency Fund" to cover the loss (if any) arises from forgery, theft, lost, assault, robbery etc.

10.05 Revolving fund

| | | |
|---|-------------------|-------------------|
| Revolving fund from G.T.Z | 14,621,090 | 14,621,090 |
| Revolving fund from K.F.W | 6,729,042 | 6,729,042 |
| Revolving fund for SVCF | 3,708,745 | 70,067,461 |
| Revolving fund for housing rehabilitation | 4,825,619 | 4,825,619 |
| | <u>29,884,496</u> | <u>96,243,212</u> |

| | 2006 | 2005 |
|---|------------------------------|------------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 10.06 Rehabilitation fund | | |
| Opening Balance | 2,135,542,431 | 1,066,779,045 |
| Payment during the year | (6,276,312) | (2,622,138) |
| Reimbursement during the year | 14,407,197 | 70,943,538 |
| Profit for the year | - | 1,000,441,986 |
| | <u>2,143,673,316</u> | <u>2,135,542,431</u> |
| 10.07 Maturity grouping of deposit and other funds | | |
| Repayable on demand | - | - |
| Up to 1 month | 1,987,034,292 | 1,443,282,427 |
| Over 1 month but not more than 3 months | 7,099,954,665 | 5,153,591,209 |
| Over 3 months but not more than 1 year | 20,008,529,958 | 14,536,657,541 |
| Over 1 year but not more than 5 years | 12,722,737,553 | 9,241,160,866 |
| Over 5 years | 5,832,445,980 | 4,236,397,341 |
| | <u>47,650,702,448</u> | <u>34,611,089,384</u> |
| 11.00 Other Liabilities | | |
| Interest payable on borrowings | 10,631,112 | 10,998,360 |
| Interest sundry | 3,606,314 | 1,881,083 |
| Bills payable | 533,935,636 | 574,590,476 |
| P.F. trustee board-current account | 98,236 | 9,903,552 |
| Contributory provident fund | 56,000 | - |
| Accounts for other institutions (Note 11.01) | 5,034,935 | 4,859,763 |
| G.B. superannuation fund-current account | 153,018,974 | - |
| SIDE programme-sundry deposit | 191,160 | 191,160 |
| Retention money | 1,779,751 | 1,031,486 |
| Earnest money | 1,792,120 | 1,921,920 |
| Claimable deposits | 17,899,944 | 12,572,243 |
| Unpaid salary | 169,003 | 76,010 |
| Tax deducted at source | 268,952 | 142,104 |
| Sundry receipts | 155,894 | 90,969 |
| Farewell grant provision for fixed salary staff | 35,111,910 | 14,231,644 |
| Miscellaneous | 174,376,668 | 41,530,987 |
| Advance house rent | 2,619,781 | 2,152,944 |
| Provision reserves (Note 11.02) | 2,825,655,615 | 2,705,223,381 |
| | <u>3,766,402,005</u> | <u>3,381,398,082</u> |
| 11.01 Accounts for other institution | | |
| Grameen Telecom | 999 | 1,000 |
| Grameen Fisheries & Livestock Foundation | 3,682,185 | 3,409,315 |
| Grameen Communications | 16,349 | 104,404 |
| Grameen Shikkha | 524,061 | 554,703 |
| Grameen Kalyan | 790,341 | 790,341 |
| Grameen Krishi Foundation | 20,000 | - |
| Grameen Samogree | 1,000 | - |
| | <u>5,034,935</u> | <u>4,859,763</u> |
| 11.02 Provision reserves | | |
| Total specific provision against loans & advances and Interest receivable (11.02.1) | 1,992,715,688 | 2,271,993,688 |
| Total general provision against loans & advances and Interest receivable (11.02.2) | 832,939,927 | 433,229,693 |
| | <u>2,825,655,615</u> | <u>2,705,223,381</u> |

| | 2006 | 2005 |
|--|----------------------|----------------------|
| | Taka | Taka |
| 11.02.1 Total specific provision against loans & advances and Interest receivable | | |
| Specific provision against loans & advances (a) | 1,396,196,231 | 1,406,936,109 |
| Specific provision against Interest receivable (b) | 596,519,457 | 865,057,579 |
| | 1,992,715,688 | 2,271,993,688 |
| a) Specific provision against loans & advances | | |
| Basic and Flexible loans | 1,325,597,160 | 1,254,490,624 |
| Housing loans | 70,599,071 | 152,445,485 |
| | 1,396,196,231 | 1,406,936,109 |
| b) Specific provision against Interest receivable | | |
| Basic and Flexible loans | 545,935,457 | 736,266,760 |
| Housing loans | 50,584,000 | 128,790,819 |
| | 596,519,457 | 865,057,579 |
| 11.02.2 Total general provision against loans & advances and Interest receivable | | |
| Regular basic loans | 343,837,781 | 265,176,211 |
| Regular housing loans | 169,594,382 | 168,053,482 |
| Reserve for bad debt recovery | 319,507,764 | - |
| | 832,939,927 | 433,229,693 |
| 11.03 Maturity grouping of other liabilities | | |
| Repayable on demand | - | - |
| Up to 1 month | 485,112,578 | 435,524,073 |
| Over 1 month but not more than 3 months | - | - |
| Over 3 months but not more than 1 year | 1,014,292,060 | 903,612,075 |
| Over 1 year but not more than 5 years | 2,266,997,367 | 2,035,263,506 |
| Over 5 years | - | - |
| | 3,766,402,005 | 3,374,399,654 |
| 12.00 Share Capital | | |
| 12.01 Authorized | | |
| 5000000 Ordinary Shares of Tk. 100 each | 500,000,000 | 500,000,000 |
| 12.02 Paid up Capital | | |
| 3,180,000 ordinary shares of Tk. 100 each issued for cash | 318,000,000 | 318,000,000 |

| Shareholders for year ended December 2006 | % | No. of Shares | Nominal value of Share | |
|---|------------|------------------|------------------------|--------------------|
| Government of Bangladesh | 3.78 | 120,000 | 12,000,000 | 12,000,000 |
| Sonali Bank | 0.94 | 30,000 | 3,000,000 | 3,000,000 |
| Bangladesh Krishi Bank | 0.94 | 30,000 | 3,000,000 | 3,000,000 |
| | | | | 18,000,000 |
| Borrowers : | | | | |
| Men | 4.28 | 136,163 | 13,616,300 | 13,616,300 |
| Women | 90.06 | 2,863,837 | 286,383,700 | 286,383,700 |
| Total | 100 | 3,180,000 | 318,000,000 | 318,000,000 |

| | 2006 | 2005 |
|---|-----------------------------|-----------------------------|
| | Taka | Taka |
| 12.03 Capital Adequacy Ratio | | |
| Tire-I (Core Capital) | | |
| Paid up Capital | 318,000,000 | 318,000,000 |
| Capital & other reserves | 5,668,182,878 | 4,396,182,878 |
| Surplus Retained Earnings | 125,000,000 | - |
| | <u>6,111,182,878</u> | <u>4,714,182,878</u> |
| Tire-II (Supplementary capital) | | |
| General Provision | 832,939,927 | 433,229,693 |
| Total Capital (A) | <u>6,944,122,805</u> | <u>5,147,412,571</u> |
| Total Assets | 59,383,621,728 | 44,624,062,673 |
| Total Risk Weighted Assets (B) | 48,292,420,027 | 38,394,920,970 |
| Required Capital based on Risk Weighted Assets (9% of RWA)(C) | 4,346,317,802 | 3,455,542,887 |
| Core Capital (Tire-I) | 6,111,182,878 | 4,714,182,878 |
| Supplementary Capital (Tire-II) | 832,939,927 | 433,229,693 |
| Total | <u>6,944,122,805</u> | <u>5,147,412,571</u> |
| Surplus/(Shortage)-(A-C) | <u>2,597,805,003</u> | <u>1,691,869,684</u> |
| Capital to risk- weighted assets (A/B) | 14.38% | 13.41% |
| 13.00 Capital and Other Reserves | | |
| Capital reserves (Note 13.01) | 4,280,409,577 | 4,280,409,577 |
| General reserve | 318,000,000 | - |
| Proposed dividend | 318,000,000 | - |
| Dividend equalization fund | 636,000,000 | - |
| Retain surplus | 125,000,000 | - |
| Other reserves (Note 13.02) | 115,773,301 | 115,773,301 |
| | <u>5,793,182,878</u> | <u>4,396,182,878</u> |
| 13.01 Capital reserves | | |
| Revolving fund (Note 13.01.1) | 3,732,311,704 | 3,732,311,704 |
| Grants | 527,997,873 | 527,997,873 |
| MED Revolving fund | 20,100,000 | 20,100,000 |
| | <u>4,280,409,577</u> | <u>4,280,409,577</u> |
| Capital reserve includes outstanding balances of revolving funds and grant as at 31 December 1999 which are no longer refundable. | | |
| 13.01.01 Revolving fund | | |
| Revolving fund for G & C | 1,544,811,573 | 1,544,811,573 |
| Revolving fund for house loan | 2,065,346,276 | 2,065,346,276 |
| Revolving fund for staff house loan | 122,153,855 | 122,153,855 |
| | <u>3,732,311,704</u> | <u>3,732,311,704</u> |
| 13.02 Other reserves | | |
| Special reserve | 992,043 | 992,043 |
| Training reserve fund | 3,017,748 | 3,017,748 |
| Training revolving fund | 10,387,868 | 10,387,868 |
| Publication fund | 2,807,045 | 2,807,045 |
| Assets replacement reserve | 49,697,943 | 49,697,943 |
| SIDE programme-sundry deposit | 19,020,037 | 19,020,037 |
| SIDE fund revolving account | 3,238,095 | 3,238,095 |
| Special programme-GTZ | 26,612,522 | 26,612,522 |
| | <u>115,773,301</u> | <u>115,773,301</u> |

2006
Taka

2005
Taka

| | 2006 | 2005 |
|---|-----------------------------|-----------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 15.00 Interest Income | | |
| Loans and advances (Note 15.1) | 6,271,659,145 | 4,726,756,601 |
| Deposits | 63,907,179 | 19,339,234 |
| | <u>6,335,566,324</u> | <u>4,746,095,835</u> |
| 15.01 Interest on loans and advances | | |
| Members loan | | |
| Basic loans | 5,845,680,416 | 4,231,282,248 |
| Flexible loans | 313,309,462 | 327,329,024 |
| Housing loans | 40,646,580 | 79,019,892 |
| Education loans | 1,267,519 | 3,287,959 |
| Other loans | 9,144 | 2,758,375 |
| | <u>6,200,913,121</u> | <u>4,643,677,498</u> |
| Employees Advances | | |
| Staff loans & advances | 11,070,256 | 12,407,555 |
| P.F. advances | 47,433,614 | 41,572,919 |
| Household commodities loans | 12,023,699 | 25,639,922 |
| Medical loans | 218,455 | 3,458,707 |
| | <u>70,746,024</u> | <u>83,079,103</u> |
| | <u>6,271,659,145</u> | <u>4,726,756,601</u> |
| 16.00 Interest expenses | | |
| Interest on deposits (Note 16.01) | 3,433,459,392 | 2,230,790,541 |
| Interest on borrowings (Note 16.02) | 37,649,535 | 54,892,984 |
| | <u>3,471,108,927</u> | <u>2,285,683,525</u> |
| 16.01 Interest on deposits | | |
| Members deposit (Note 16.01.01) | 2,240,159,196 | 1,483,165,078 |
| Non-Members deposit (Note 16.01.02) | 1,168,608,748 | 722,443,807 |
| Others (Note 16.02.03) | 24,691,448 | 25,181,656 |
| | <u>3,433,459,392</u> | <u>2,230,790,541</u> |
| 16.01.01 Members deposit | | |
| Fixed deposit | 6,289,853 | 7,865,044 |
| Saving deposit | 289,385,130 | 225,112,219 |
| Special savings | - | 408,714 |
| Children welfare fund | - | 88,133 |
| Central emergency fund | 13,580,288 | 13,522,973 |
| Centre welfare fund | 39,597,792 | 36,677,400 |
| Polly phone deposit | 89,911,228 | 55,784,736 |
| Grameen pension scheme-10 years | 1,118,877,754 | 701,940,452 |
| Special savings account | 211,514,059 | 190,072,818 |
| Double in 7 year deposit | 102,529,177 | 87,926,849 |
| Monthly profit deposit scheme | 16,441,361 | 14,088,031 |
| Loan insurance savings fund | 348,882,544 | 142,420,928 |
| Grameen pension scheme-5 years | 3,150,010 | 7,256,781 |
| | <u>2,240,159,196</u> | <u>1,483,165,078</u> |

| | 2006 | 2005 |
|---|-----------------------------|-----------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 16.01.02 Non-Members deposit | | |
| Fixed deposit | 58,909,629 | 45,471,367 |
| Savings deposit | 434,386,810 | 274,478,777 |
| Technology project deposit | 184,175 | 974,948 |
| Grameen pension scheme-10 years (for staff) | 30,044,199 | 21,813,926 |
| Double in 7 year deposit | 501,242,782 | 291,633,074 |
| Monthly profit deposit scheme | 139,373,970 | 83,565,175 |
| Grameen pension scheme-5 years (for staff) | 126,563 | 165,479 |
| Loan insurance savings fund | 3,647,590 | 3,384,531 |
| Forestation and other fund | 693,030 | 956,530 |
| | <u>1,168,608,748</u> | <u>722,443,807</u> |
| 16.01.03 Others | | |
| Contingency fund | 12,232,750 | 10,203,805 |
| Struggling member welfare fund | 3,518,980 | 4,294,305 |
| Employees' welfare fund | 5,627,336 | 5,142,041 |
| P.F. Trusty Board-current account | 176,759 | 3,060,308 |
| Grameen award funds | 2,702,694 | 1,987,380 |
| Accounts of other organizations | 247,572 | 368,952 |
| Cafeteria | 135,690 | 124,865 |
| Miscellaneous | 49,667 | - |
| | <u>24,691,448</u> | <u>25,181,656</u> |
| 16.02 Interest on borrowings | | |
| 3% IFAD 41 BA | - | 179,838 |
| 2% IFAD 239 BA | 5,369,535 | 5,534,996 |
| NORAD | 5,358,363 | 5,358,363 |
| SIDA | 4,776,973 | 4,776,973 |
| JBIC (OEFC) | 20,915,720 | 21,883,849 |
| Interest on short term loans | 786,111 | 3,627,857 |
| Dutch grant loan | 442,833 | 442,889 |
| Interest on bond and debentures | - | 13,088,219 |
| | <u>37,649,535</u> | <u>54,892,984</u> |
| 17.00 Other Income | | |
| Service charges | 38,348,301 | 35,568,282 |
| Bad debts recovery | 321,872,382 | 852,491,346 |
| Rent received | 38,164,187 | 25,084,727 |
| Polly phone service charge receipt | 864,036,857 | 793,658,587 |
| Sale proceeds of old newspapers | 537,425 | 518,728 |
| Income from Health Program | 128,092 | 196,842 |
| Rebate from Byabosa Bikash | 13,455,643 | 7,589,282 |
| Sale proceeds of tender forms | 260,300 | 203,050 |
| Miscellaneous receipts (Note 17.1) | 124,756,332 | 81,417,408 |
| | <u>1,401,559,519</u> | <u>1,796,728,252</u> |
| 17.01 Miscellaneous receipts | | |
| Income from properties, | | |
| Profit on sale of plant and equipment | 35,041 | 1,453,338 |
| Income from accounts closing | 83,995,380 | 47,656,970 |
| Income from ROSA Programme | 80,273 | - |
| Others | 40,645,638 | 32,307,100 |
| | <u>124,756,332</u> | <u>81,417,408</u> |

| | 2006 | 2005 |
|--|----------------------|----------------------|
| | Taka | Taka |
| 18.00 Salaries and other Related Expenses | | |
| Salaries | 956,804,772 | 784,055,653 |
| Compensation for surrendering leave | 20,895,344 | 20,655,960 |
| Personal allowances | 20,220 | 16,440 |
| Dearness allowances | (22,359) | 2,284,510 |
| House rent allowances | 289,398,844 | 214,663,929 |
| Medical allowances | 65,648,754 | 53,337,952 |
| Conveyance allowances | 49,640,871 | 39,426,948 |
| Washing allowances | 353,248 | 481,869 |
| P.F. Subscription | 28,000 | 6,775 |
| Overtime | 1,967,485 | 1,361,871 |
| Watch and ward allowances | 162,403 | 161,991 |
| Bonus | 151,121,209 | 117,749,775 |
| Pension & Gratuity | 488,509,802 | 434,275,702 |
| | 2,024,528,593 | 1,668,479,375 |
| 19.00 Rent, Rates, Taxes, Vehicle Insurance, Utilities etc. | | |
| Rent, rates & taxes | 46,949,714 | 30,920,196 |
| Insurance | 948,672 | 695,804 |
| Water, electricity & gas | 20,671,481 | 17,098,353 |
| | 68,569,867 | 48,714,353 |
| 20.00 Legal and Professional Expenses | | |
| Legal expenses | 867,180 | 697,145 |
| Other professional expenses | 73,977,134 | 44,675,010 |
| | 74,844,314 | 45,372,155 |
| 21.00 Auditors' Fees | | |
| Statutory audit | 792,110 | 524,590 |
| Special-PF audit | 12,540 | 12,540 |
| | 804,650 | 537,130 |
| 22.00 Stationery, Printing, Advertisement etc. | | |
| Printing & Stationery | | |
| Printing Stationery | 63,223,082 | 50,072,773 |
| Work Aid | 6,337,365 | 4,810,160 |
| Printing & photocopy | 9,402,677 | 5,550,664 |
| Office Stationery | 18,091,870 | 11,825,443 |
| | 97,054,994 | 72,259,040 |
| Publicity & Advertisement | 1,055,386 | 495,876 |
| | 98,110,380 | 72,754,916 |
| 23.00 Managing Director's Salary & Allowances | | |
| Basic salary | 276,000 | 264,000 |
| House rent allowances | 105,000 | 72,000 |
| Medical allowances | 5,400 | 4,800 |
| Dearness allowances | - | 9,000 |
| Domestic aid allowance & entertainment | 16,350 | 13,620 |
| Bonus | 69,000 | 45,000 |
| | 471,750 | 408,420 |

| | 2006 Taka | 2005 Taka |
|---|----------------------------|----------------------------|
| 24.00 Repair & Maintenance of Fixed Assets | | |
| Property & assets | 15,232,616 | 11,118,187 |
| Vehicles | 13,798,502 | 8,116,406 |
| Office & Electric Equipment | 4,640,198 | 3,225,080 |
| | 33,671,316 | 22,459,673 |
| 25.00 Other Expenses | | |
| Traveling & conveyance expenses | 59,087,755 | 40,938,639 |
| Postage, telegram and telephone | 16,499,140 | 11,603,305 |
| Entertainment | 6,562,656 | 4,507,472 |
| Liveries and uniform | 473,979 | 522,986 |
| Washing expenses | 906,989 | 336,926 |
| Welfare and recreation | 24,708,569 | 15,245,887 |
| Books and journals | 52,870 | 45,542 |
| Computer expenses | 129,094,787 | 92,697,659 |
| Bank charges | 30,243,502 | 21,152,213 |
| Expense for contingency fund | 16,613,974 | 14,032,891 |
| Training expenses | 60,313,318 | 34,329,177 |
| Special programme | 521,968 | 2,106,452 |
| Seminer & conference | 1,200,597 | 1,810,840 |
| Film and development | 1,424,407 | 589,196 |
| Lunch subsidy | 131,277,182 | 117,608,924 |
| Income tax | 8,929,570 | 5,350,654 |
| Group insurance | 4,066,987 | 2,654,986 |
| Holiday work allowance | 328,845 | 227,355 |
| Special subsidy | 2,453,858 | 1,073,685 |
| Felicitatation allowance | 64,436,821 | 40,453,513 |
| Scholarship | 8,897,681 | 7,073,492 |
| Miscellaneous expenses | 57,933,417 | 66,475,447 |
| | 626,028,872 | 480,837,241 |
| 26.00 Provisions | | |
| Total specific provision for loans & advances and interest receivable | 1,499,181,910 | 1,476,494,272 |
| Specific provision for loans and advances (Note 26.01) | 982,850,979 | 781,453,172 |
| Specific provision for interest receivable (Note 26.02) | 516,330,931 | 695,041,100 |
| Total general provision for loans & advances and interest receivable | 83,526,097 | 252,868,700 |
| General provision for regular basic loans | 81,555,455 | 84,815,218 |
| General provision for regular housing loans | 1,970,642 | 168,053,482 |
| | 1,582,708,007 | 1,729,362,972 |
| 26.01 Provision for loans and advances (for specific) | | |
| Basic and Flexible loans | 862,264,194 | 676,722,711 |
| Housing loans | 120,586,785 | 104,730,461 |
| | 982,850,979 | 781,453,172 |
| 26.02 Provision for interest receivable (for specific) | | |
| Basic and Flexible loans | 409,454,356 | 489,906,752 |
| Housing loans | 106,876,575 | 205,134,348 |
| | 516,330,931 | 695,041,100 |

| 27.00 Other Assets (item-wise) | 2006 | 2005 | Increase/ Decrease |
|--|----------------------|----------------------|-----------------------|
| | <u>Taka</u> | <u>Taka</u> | <u>Taka</u> |
| Interest receivable (Note 8.01) | 3,118,918,883 | 3,182,281,303 | (63,362,420) |
| Advance income tax for employees | - | 2,400,000 | (2,400,000) |
| Printing stationery on hand | 24,450,785 | 17,283,901 | 7,166,884 |
| Office stationery on hand | 353,730 | 264,179 | 89,551 |
| Zone/Area control account | 264,094 | 48,614 | 215,480 |
| Advance income tax (Note 8.02) | 201,533,746 | 201,476,872 | 56,874 |
| Security deposits | 590,974 | 583,104 | 7,870 |
| Prepaid expenses | 6,573,790 | 2,520,261 | 4,053,529 |
| Advance against TA/DA | 254,404 | 157,670 | 96,734 |
| Advance against purchases | 440,153 | 49,435,238 | (48,995,085) |
| Advance against house rent | 4,549,659 | 2,353,454 | 2,196,205 |
| Stock & stores (General) | 1,364,971 | 1,799,518 | (434,547) |
| Suspense account | 134,936,529 | 6,245,464 | 128,691,065 |
| Advances to contractors | 2,460,791 | 2,005,596 | 455,195 |
| Inter-branch adjustments (Note 8.03) | 43,590,184 | 137,833,388 | (94,243,204) |
| G.B. superannuation fund-current account | - | 6,998,428 | (6,998,428) |
| Workshop | 176,387 | 268,251 | (91,864) |
| Rent receivables | 8,913,019 | 27,423,847 | (18,510,828) |
| Service charge receivables | - | 163,284,234 | (163,284,234) |
| | 3,549,372,099 | 3,804,663,322 | (255,291,223) |

28.00 Other Liabilities (item wise)

| | | | |
|---|----------------------|----------------------|--------------------|
| Interest payable on borrowings | 10,631,112 | 10,998,360 | (367,248) |
| Interest sundry | 3,606,314 | 1,881,083 | 1,725,231 |
| Bills or other payable | 533,935,636 | 574,590,476 | (40,654,840) |
| P.F. trustee board-current account | 98,236 | 9,903,552 | (9,805,316) |
| Contributory provident fund | 56,000 | - | 56,000 |
| Accounts for other institutions (Note 11.01) | 5,034,935 | 4,859,763 | 175,172 |
| G.B. superannuation fund-current account (Note 11.02) | 153,018,974 | - | 153,018,974 |
| SIDE programme-sundry deposit | 191,160 | 191,160 | - |
| Retention money | 1,779,751 | 1,031,486 | 748,265 |
| Earnest money | 1,792,120 | 1,921,920 | (129,800) |
| Claimable deposits | 17,899,944 | 12,572,243 | 5,327,701 |
| Unpaid salary | 169,003 | 76,010 | 92,993 |
| Tax deducted at source | 268,952 | 142,104 | 126,848 |
| Sundry receipts | 155,894 | 90,969 | 64,925 |
| Farewell grant provision for fixed salary staff | 35,111,910 | 14,231,644 | 20,880,266 |
| Miscellaneous | 174,376,668 | 41,530,987 | 132,845,681 |
| Advance house rent | 2,619,781 | 2,152,944 | 466,837 |
| Provision reserves (Note 11.03) | 2,825,655,615 | 2,705,223,381 | 120,432,234 |
| | 3,766,402,005 | 3,381,398,082 | 385,003,923 |

(1,582,708,007)

(1,197,704,084)

29.00 Cash & Bank Balance (at end of the period)

| | 2006 | 2005 |
|--|--------------------|--------------------|
| | <u>Taka</u> | <u>Taka</u> |
| Cash in hand | 1,215,684 | 2,163,889 |
| Balances with Bangladesh bank (in local currency) | 281,447 | 1,229,329 |
| Balances with other banks and financial institutions | 898,562,551 | 976,724,775 |
| | 900,059,682 | 980,117,993 |