

# [ Annual Report 2014 ]



ট্রাস্ট ব্যাংক

সবসময়, সবখানে, সবার জন্য



# Letter of Transmittal

All shareholders of Trust Bank Limited  
Bangladesh Securities and Exchange Commission  
Dhaka Stock Exchange Limited  
Chittagong Stock Exchange Limited  
Registrar of Joint Stock Companies & Firms

Annual Report for the year ended 31 December 2014

Dear Sir,

We are pleased to present before you a copy of the Annual Report along with Audited Financial Statements including consolidated and separate balance sheet as on 31 December 2014, profit and loss account, statement of cash flow, statement of changes in equity, statement of liquidity for the year ended 31 December 2014 with the notes thereto of Trust Bank Limited (TBL) and its subsidiaries- Trust Bank Investment Limited (TBIL), Trust Bank Securities Limited (TBSL). We have also enclosed separate Financial Statements of subsidiary companies- Trust Bank Investment Limited (TBIL) and Trust Bank Securities Limited (TBSL).

Yours Sincerely,



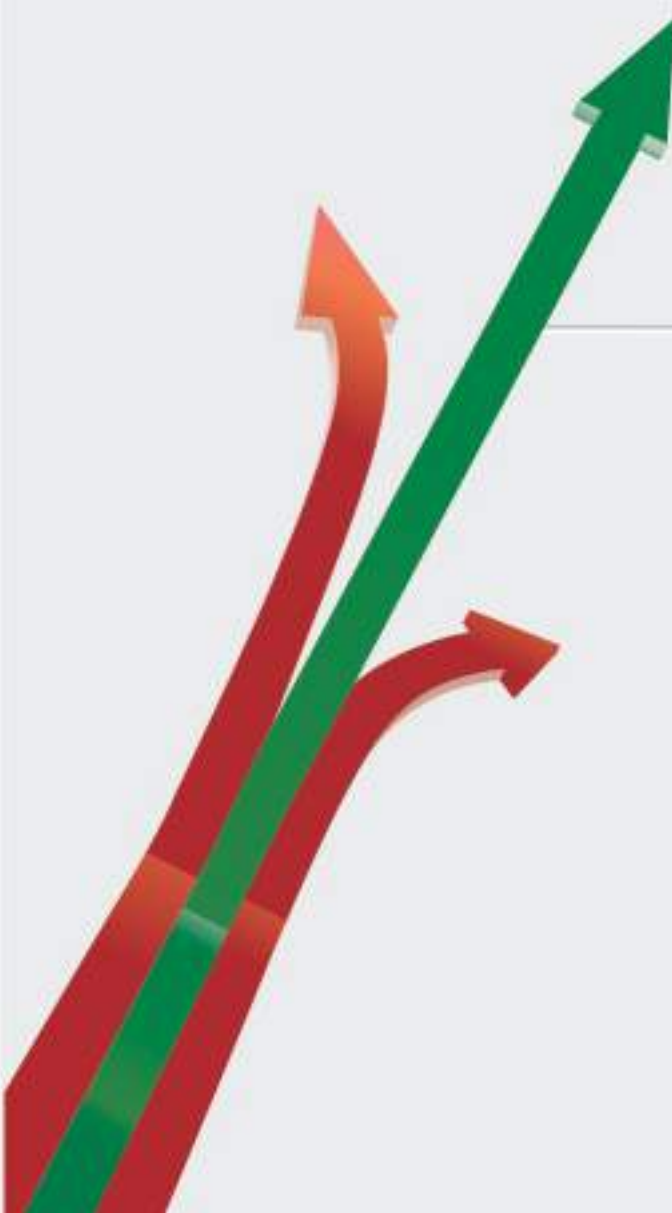
**Khaled Mahbub Morshed, FCA**  
Company Secretary



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## Vision

Build a long term sustainable financial institution through financial inclusion and deliver optimum value to all stakeholders with the highest level of compliance

# Mission



- ❖ Long Term Sustainable Growth- diversified business with robust risk management
- ❖ Financial Inclusion- bring unbanked population into banking network through low cost and technology based service delivery
- ❖ Accountable to all stakeholders- customers, shareholders, employees & regulators
- ❖ Highest level of compliance and transparency at all levels of operation

# Values

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- Fair
- Dependable
- Reliable
- Professional
- Dynamic
- Trustworthy

*This is how we grow*

# Disclaimer on Forward Looking Statements

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This report contains forward-looking statements reflecting management's plans, estimation and beliefs. Actual results could differ materially from those described in these forward-looking statements. Examples of such forward-looking statements include:

Statements of the Company's plans, intentions, positioning, expectations, objectives or goals, including those relating to asset flows, affluent client acquisition strategy, client retention and growth of our client base, financial advisor productivity, retention, recruiting and enrollments, acquisition integration, general and administrative costs, consolidated tax rate, return of capital to shareholders, and excess capital position and financial flexibility to capture additional growth opportunities.

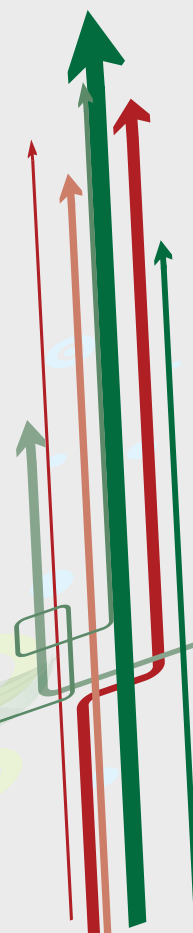
The Bank is not responsible for the forward-looking statements which included but not limited to the following information:

- ▶ assessment of the Bank's future operating and financial results as well as forecasts of the present value of future cash flows and related factors;
- ▶ economic outlook and industry trends;
- ▶ the Bank's anticipated capital expenditures and plans relating to expansion of the Bank's network and development of the new services;
- ▶ the Bank's expectations as to its position on the financial market and plans on development of the market segments within which the Bank operates;

Such forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include:

- ▶ risks relating to changes in political, economic and social conditions in local as well as changes in global economic conditions;
- ▶ risks related to legislation, regulation and taxation;
- ▶ risks relating to the Bank's activity, including the achievement of the anticipated results, levels of profitability and growth, ability to create and meet demand for the Bank's services including their promotion, and the ability of the Bank to remain competitive.

Many of these factors are beyond the Bank's ability to control and predict. Given these and other uncertainties the Bank cautions not to place undue reliance on any of the forward-looking statements contained herein or otherwise.



# Key Milestones





| Date              | Particulars/Events                                                                                       |
|-------------------|----------------------------------------------------------------------------------------------------------|
| 17 June 1999      | Registration number, C-37960(2260)/99                                                                    |
| 17 June 1999      | Date of Incorporation                                                                                    |
| 17 June 1999      | Certificate of Commencement of Business                                                                  |
| 15 July 1999      | Banking License Received                                                                                 |
| 09 August 1999    | First Branch License Received                                                                            |
| 29 November 1999  | Formal Inauguration                                                                                      |
| January 2007      | Online Banking Operations across all the Branches                                                        |
| 17 May 2007       | Publication of Prospectus                                                                                |
| 15 July 2007      | Subscription Opening                                                                                     |
| 19 July 2007      | Subscription Closing                                                                                     |
| 24 September 2007 | Listed with Chittagong Stock Exchange Ltd.                                                               |
| 25 September 2007 | Listed with Dhaka Stock Exchange Ltd.                                                                    |
| 01 October 2007   | Commencement of Trading of Shares at DSE & CSE                                                           |
| 31 May 2009       | Authorized Share Capital Increased to BDT 500 Crore                                                      |
| 27 January 2010   | TBL Mutual Fund Trading Started                                                                          |
| 31 August 2010    | Launching of Trust Bank Mobile Money                                                                     |
| 09 September 2010 | Formation of Trust Bank Investment Limited, a 99.99% Owned subsidiary, to do Merchant Banking Operations |
| 14 November 2010  | Commencement of Merchant Banking Operations                                                              |
| 06 June 2012      | Authorized Share Capital Increased to BDT 1,000 Crore                                                    |
| 28 November 2012  | Allotment of 1 share (membership) of DSE to Trust Bank Securities Limited (TBSL)                         |
| 26 September 2013 | Inception of Business Operation of Trust Bank Securities Limited (TBSL)                                  |
| 15 April 2014     | Observation of "Trust Bank Green Day"                                                                    |
| 01 November, 2014 | Launching of Call Centre                                                                                 |
| 8 December, 2014  | Commencement of iBanking Service                                                                         |

# Corporate Information

## **Registered Name of the Company**

Trust Bank Limited

## **Legal Form**

The Company was incorporated on 17 June 1999 under the Companies Act 1994 as a Public Company Limited by shares for carrying out all kinds of banking activities.

Registration Number & Date: C-37960 (2260)/99, 17 June 1999

Sponsor Shareholder: Army Welfare Trust

Corporate Web Site: [www.trustbank.com.bd](http://www.trustbank.com.bd)

Email: [info@trustbanklimited.com](mailto:info@trustbanklimited.com)

## **Company Secretary**

Mr. Khaled Mahbub Morshed, FCA

## **Chief Financial Officer**

Mr. Khaled Mahbub Morshed, FCA

## **Head of Internal Control & Compliance**

Mr. Mohammad Abdul Motaleb Patwary, SEVP

## **Auditors**

M/S Syful Shamsul Alam & Co.

Chartered Accountants

Paramount Heights (6th Floor)

65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000

## **Corporate Governance Certificate Issuer**

Hoque Bhattacharjee Das & Co.

Chartered Accountants

Suit # 502, Paltan Tower (5th Floor)

87 Purana Paltan Lane, Purana Paltan, Dhaka-1000

## **Tax Consultant**

M/S ADN Associates

Ali's center (8th floor), 40 Bijoy Nagar, Dhaka-1000

## **Legal Counsel**

Dr. Monjur Kader

Advocate, Supreme Court of Bangladesh, Dhaka-1000

## **Rating Agency**

Credit Rating Agency of Bangladesh Ltd.

Sena Kalyan Bhaban, 195 Motijheel C/A, Dhaka-1000

## **Registered Office & Head Office**

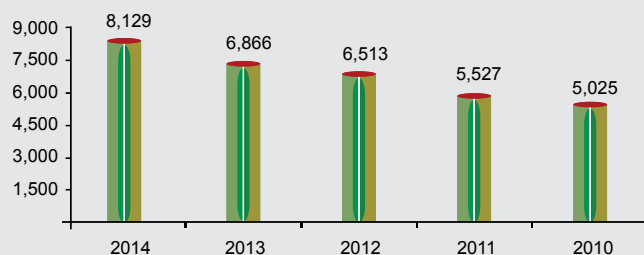
Shadhinata Tower, Bir Srestha Shaheed Jahangir Gate, Dhaka Cantonment, Dhaka-1206



# Performance at a glance

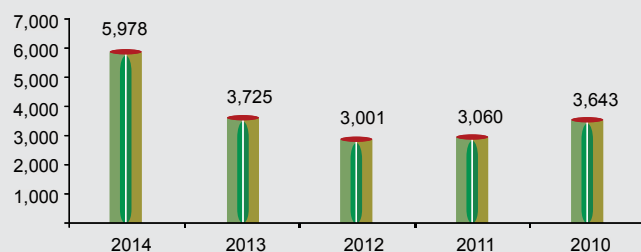
BDT in Million

Shareholders' Equity



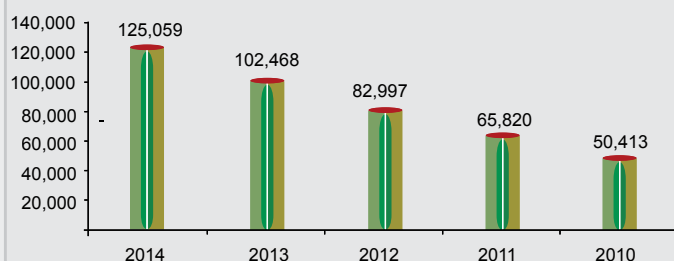
BDT in Million

Total Operating Income



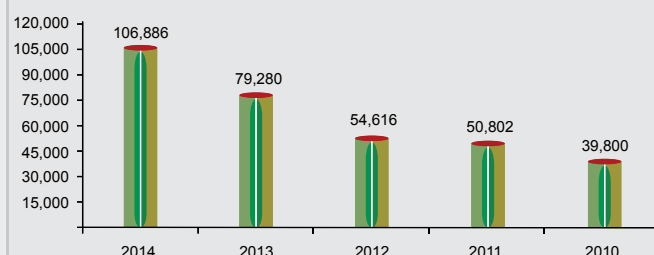
BDT in Million

Deposits



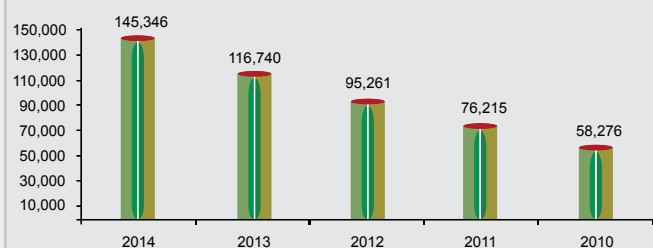
BDT in Million

Loans and Advances



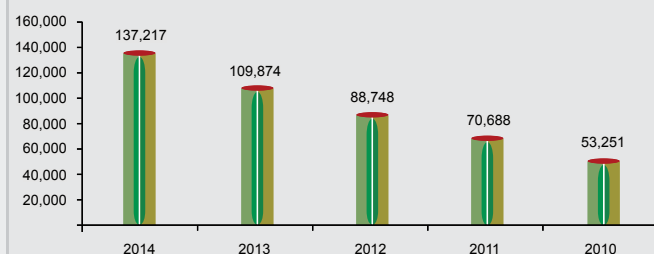
BDT in Million

Total Assets



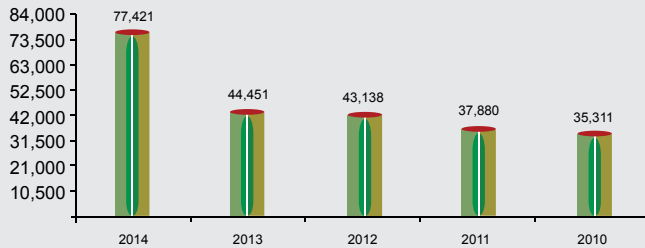
BDT in Million

Total Liabilities



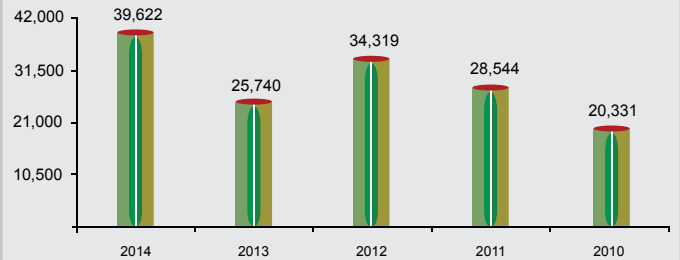
BDT in Million

### Import Business



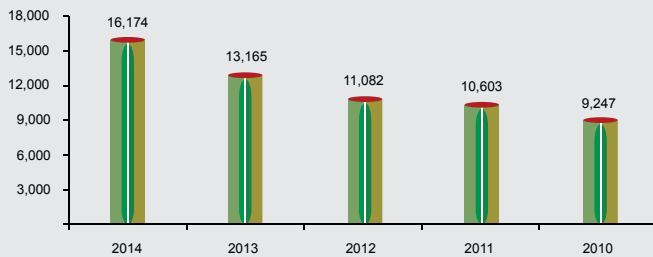
BDT in Million

### Export Business



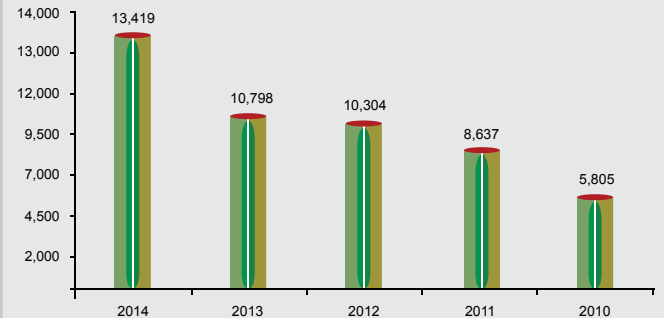
BDT in Million

### Foreign Remittance



BDT in Million

### Total Capital



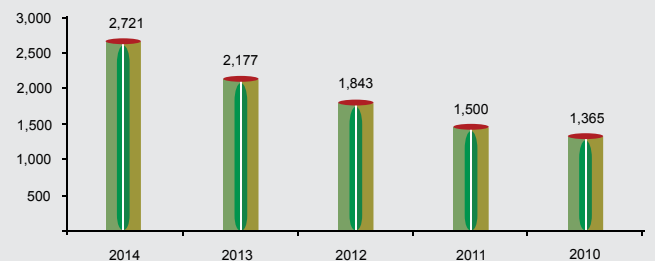
BDT in Million

### Investments



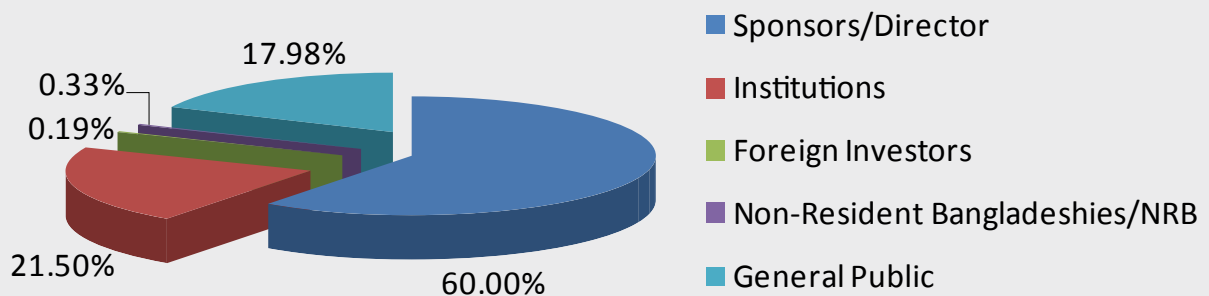
BDT in Million

### Total Operating Expense

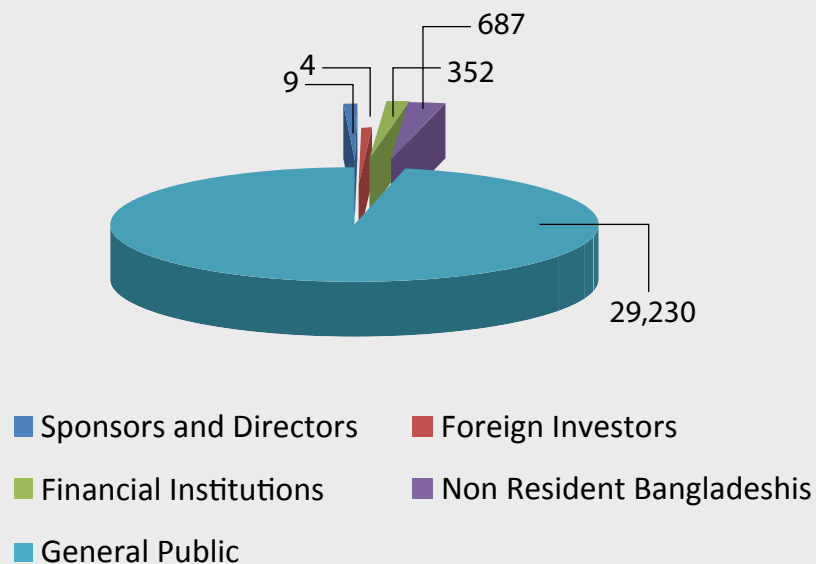


# Our Shareholders

## Shareholding (%)



## No. of Shareholder





Board of Director



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**Chairman**

General Iqbal Karim Bhuiyan

**Vice Chairman**

Major General Md Mahfuzur Rahman

**Directors**

Brig Gen K A R M Mostafa Kamal

Ms. Begum Rokeya Din

Mr. Helal Uddin Ahmed

Brig Gen Abu Mohammad Munir Alim

Brig Gen Md Mehdi Hassan

Brig Gen Kazi A S M Arif

Mr. Ashrafuzzaman Khan

**Managing Director & CEO**

Mr. Ishtiaque Ahmed Chowdhury

# Biography of the Board of Directors



**General Iqbal Karim Bhuiyan, SBP, psc**  
Chief of Army Staff, Bangladesh Army  
Chairman, Trust Bank Limited

General Iqbal Karim Bhuiyan, SBP, psc was born on 02 June 1957 in Comilla, Bangladesh. The General joined Bangladesh Military Academy on 19 March 1976 and was commissioned on 30 November 1976 in the Corps of Infantry.

He has attended several professional courses both at home and abroad. His foreign courses include Company Commander's Course in Malaysia, Course on Peace-keeping for Decision Makers in the Defence Institute of International Legal Studies in Rhode Islands, USA. He is a graduate of Defence Services Command and Staff College, Mirpur and Command and General Staff College, USA. Besides, he took part in a workshop on Initiative for Conflict Management in JFK School of Government, Harvard University and Logistic Support Issues in Freetown, Sierra Leone.

General Karim has a fine mix of all three types of appointment available in the Army i.e. Staff, Instructor and Command. He commanded three Infantry Battalions, an Infantry Brigade and three Infantry Divisions. As staff he served as Colonel Staff in an Infantry Division, Chief of General Staff and Quarter Master General of Bangladesh Army at the Army Headquarters. He was Platoon Commander in Bangladesh Military Academy, Directing Staff of Defence Services Command and Staff College and Commandant of Defence Services Command and Staff College and School of Infantry and Tactics. At present he is serving as Chief of Army Staff, Bangladesh Army.

General Karim actively took part in Counter insurgency Operation in Chittagong Hill Tracts, Bangladesh and participated in "Operation Desert Storm" where he received Liberation of Kuwait Medal. He also served as Commander Sector-4 of UNAMSIL in Sierra Leone.

General Karim has widely traveled around the globe that includes countries like Canada, China, Guinea, Ghana, India, Ivory Coast, Kuwait, Kenya, Liberia, Malaysia, Pakistan, Qatar, Saudi Arab, Singapore, Sierra Leone, Thailand, USA and UK.

Besides, abreast his present responsibility he is representing different concerns of Army Welfare Trust (AWT) as Chairman. General Karim was appointed Director of Trust Bank Limited on 25 June 2012.



**Major General Md Mahfuzur Rahman, rcds, ndc, afwc, psc, PhD**  
Adjutant General, Bangladesh Army  
Vice Chairman, Trust Bank Limited

Major General Md Mahfuzur Rahman, rcds, ndc, afwc, psc, PhD was born on 01 December 1961 in Rajshahi, Bangladesh. The General was commissioned in 1981. He is a graduate of Defence Services Command and Staff College and Armed Forces War Course, Mirpur Bangladesh. He is also an alumnus of National Defence College, India (New Delhi) and Royal College of Defence Studies, UK (London). He completed Masters in Defence Studies (MDS), War Studies (MWS) and Business Administration (MBA). He has also obtained M.Phil from Madras University, India and PhD from Jahangirnagar University, Bangladesh.

Major General Md Mahfuzur Rahman commanded one infantry battalion, two infantry brigades and one infantry division of Bangladesh Army. He has served as Brigade Major and General Staff Officer Grade One and Director Military Operations in Army Headquarters of Bangladesh Army. He has also served as instructor in Bangladesh Military Academy, Directing Staff of War Course at National Defence College, Commandant in Defence Service Command & Staff College and Commandant in School of Infantry & Tactics of Bangladesh Army.

He has edited a book on 'Indo Bangladesh Trade Relations' and his second book on 'Non-Traditional Security Strategy to Address Trans-border Crime' is awaiting for publication.

The General has served in peace support operations under United Nations in Mozambique and Sierra-Leone.





**Brigadier General K A R M Mostafa Kamal, ndc, psc**  
Director

Brigadier General Khan Abu Roushan Mohammad Mostafa Kamal, ndc, psc was commissioned in the Corps of Army Services Corps of Bangladesh Army on 21 December 1980. He served in various command, staff and instructional appointments. He is a graduate of Defence Services Command and Staff College (DSCSC), Mirpur, Dhaka and completed National Defence College Course from Bangladesh. He was on deputation in Kuwait Armed Forces. He attended courses both at home and abroad. Now he is serving as Director, Welfare and Rehabilitation at Army Headquarters. He is also serving as Managing Director, Army Welfare Trust. He has been appointed as Director, Trust Bank Limited since 11 February 2009.



**Ms. Begum Rokeya Din**  
General Shareholder & Independent Director

Ms. Begum Rokeya Din was appointed as Director from General Shareholder of Trust Bank Limited on 28 April 2009. In addition she was appointed as Independent Director also. She obtained her Masters Degree in Political Science from Dhaka University, Dhaka. Through BCS examination, she started her career in 1977 by joining Audit and Accounts cadre of Bangladesh Civil Service. She served the Government of the People's Republic of Bangladesh for 28 years in various capacities both inside and outside of the country. At the time of retirement, she was Deputy Comptroller and Auditor General, Office of the C&AG, Bangladesh Government. She attended numerous trainings, seminars & workshops held in the country and abroad.



**Mr. Helal Uddin Ahmed**  
Depositor & Independent Director

Mr. Helal Uddin Ahmed has a good academic record. He obtained B.A. (Honours) and M.A. degree in Economics from the University of Dhaka. He started his career in the Customs & Excise Cadre of Bangladesh Civil Service in 1977 and worked in various capacities including Commissioner of Customs; President of Customs, Excise and VAT Appellate Tribunal, Dhaka and Member, National Board of Revenue. He retired from public service in the year 2008. At present he is associated with Sabuj Unnayan Limited as Director. He is also associated with a number of social and charitable organizations.

Mr. Helal Uddin Ahmed was appointed as Depositor and Independent Director of Trust Bank Limited on 28 April 2009 and also he is the Chairman of the Audit Committee of the Bank.



**Brigadier General Abu Mohammad Munir Alim, BSP, psc, G**  
Director

Brigadier General Abu Mohammad Munir Alim, BSP, psc, G was born on 18 November 1964 in Comilla, Bangladesh. He was commissioned in the Artillery Regiment of Bangladesh Army on 27 June 1986. During his long 28 years of service the officer attended number of professional courses both at home and abroad. The officer is a graduate of Defence Services Command and Staff College. He completed Master in Defence Studies (MDS), Master in Science (MSC, Tech) and Master in Business Administration (MBA).

Brigadier General Munir commanded an Artillery Regiment and an Artillery Brigade. He was Instructor at prestigious School of Artillery. He performed as a Commandant of Army School of Education and Administration. He served as operational staff at all tiers of Bangladesh Army.

Brigadier General Munir served under blue helmet as Chief of Staff, Sector Headquarter (West), Ivory Coast and Military Observer in Iraq. Presently he is commanding elite 6 Independent Air Defence Artillery Brigade. Also, he is the Chairman of Mirpur Cantonment Public School & College and Mirpur Cantonment Board School. He has been appointed as a Director of Trust Bank Limited on 06 June 2013 and Chairman of Risk Management Committee of Trust Bank Limited on 08 December 2013. He visited a good number of countries.

Brigadier General Munir is happily married and proud father of a daughter. The general has keen interest in tennis and golf.



**Brigadier General Md Mehdi Hassan, ndc, afwc, psc**  
Director

Brigadier General Md Mehdi Hassan, ndc, afwc, psc was commissioned in the East Bengal Regiment of Bangladesh Army in December 1983. During his long 31 years of service the officer attended number of professional courses both at home and abroad including Counter Disaster Staff Training Course in UK. He is a graduate of Defence Services Command and Staff College, Bangladesh and also an alumnus of the Armed Forces War Course and National Defence Course of National Defence College, Bangladesh. He completed Master in Defence Studies (MDS), Master in War Studies (MWS) and Master in Business Administration (MBA). He is undergoing M.Phil on Security and Strategic Studies.

Brigadier General Mehdi commanded two infantry battalions and an Infantry Brigade. He was an instructor of Weapon Wing and Tactics Wing of School of Infantry & Tactics (SI&T). He served as the Directing Staff of Defence Services Command and Staff College (DSCSC) and the Armed Forces War Course (AFWC) at National Defence College (NDC), Bangladesh. The officer has the experience of serving as General Staff Officer-II in Military Operations Directorate, Army Headquarters and Brigade Major of an Infantry Brigade. He also worked as General Staff Officer-I of an Infantry Division.

Brigadier General Mehdi has contributory services in three missions of United Nations namely UNTAES (Croatia), MONUC (Congo) and UNAMID (Darfur-Sudan) as military observer and staff. He was honored with more than one Force Commander's Commendations in UNAMID and was also awarded with a certificate of appreciation by the Ministry of Defence, Sudan for his dynamic peacemaking efforts in Darfur, Sudan. Presently he is the Director, Personnel Administration Directorate of Army Headquarters. He has been appointed as a Director of Trust Bank Limited on 10 November 2013. He visited a good number of countries of all the continents. He is married and proud father of three daughters.





**Brigadier General Kazi A S M Arif, afwc, psc**  
Director

Brigadier General Kazi A S M Arif, afwc, psc was born on 01 January 1962 in Manikgonj, Bangladesh. He was commissioned in the Signals Corps of Bangladesh Army on 10 June 1983. During his long 31 years 07 Months of service the officer served in various command, staff and instructional appointments and attended number of professional courses both at home and abroad. The Officer is a graduate of Defence Services Command and Staff College, Bangladesh and also an alumnus of the Armed Forces War Course of National Defence College, Bangladesh. He completed Master of Defence

Studies (MDS) and Master of War Studies (MWS).

Brigadier General Arif served in various command, staff & instructed operations, the remarkable few are as followings:

- \* Instructor Class B, School of Military Intelligence.
- \* General Staff Officer Second Grade (Planning and Coordination), Defence Services Command and Staff College.
- \* Brigade Major, 86 Independent Signal Brigade.
- \* Commanding Officer, 6 Signal Battalion.
- \* Commanding Officer, 7 Signal Battalion.
- \* General Staff Officer First Grade, Director General of Forces Intelligence.
- \* Chief Instructor, Field Intelligence School, Director General of Forces Intelligence.
- \* Director, National Security Intelligence.
- \* Commandant, Signal Training Centre and School.

Brigadier General Arif has contributory service in United Nation Peace keeping mission namely UNICOM (Kuwait) and MONUC (Congo) as Military observer and staff. Presently he is the Commander, 86 Independent Signal Brigade. He is also Chairman of Cantonment Girls Public School & College. He has been appointed as a Director of Trust Bank Limited on 08 January 2014. He visited a good number of countries around the world.



**Mr. Ashrafuzzaman Khan**  
Independent Director

Mr. Ashrafuzzaman Khan has a very sound scholastic record having Honors and Masters degree in Economics from University of Dhaka. He is a very prominent entrepreneur and success driven figure in business community with diversified business portfolio. At present he is the Managing Director of Executive Attire limited.

Mr. Khan is deeply engaged with different social work group. He is a permanent member of Dhaka Club Limited, Uttara Club Limited and Cadet College Club Limited. He has visited a good number of countries.

Mr. Ashrafuzzaman Khan was appointed as Independent Director of Trust Bank Limited on 23 February 2014.



**Mr. Ishtiaque Ahmed Chowdhury**  
Managing Director & CEO

Mr. Ishtiaque Ahmed Chowdhury was appointed as Managing Director & CEO of Trust Bank Limited on February 04, 2013. He was in current-charge of the office of the Managing Director from December 12, 2012 to February 03, 2013. Prior to assuming this office, he served the Bank as Deputy Managing Director since 2003. Immediate before joining Trust Bank Limited, Mr. Chowdhury worked in the Oriental Bank Limited for one year (now ICB Islamic Bank) as EVP and Regional Manager of Dhaka city branches of the Bank.

Having started his career with Rupali Bank Limited as Probationary Officer in 1977, Mr. Chowdhury gained grounded experiences in many field ranges from rural banking, SME banking, Wholesale Banking, client acquisition, to roll out of loss incurring branches into profitable ones within target time.

Mr. Chowdhury spent half of his career time in AB Bank Limited, first private commercial bank of the country, through 1984 to 2002. He headed major corporate branches of the Bank including Kawran Bazar, Uttara and Motijheel Corporate Branch. He also worked in Financial Control Department of the Bank for almost four years. He won the best manager award and appreciation for his outstanding performance at the Bank.

Over the last 29 years, Mr. Chowdhury's career evolved as a well rounded banker with adequate exposure in Strategic Risk Management, Revenue Growth, Client Acquisition and Operations Management.

Mr. Chowdhury believes in inclusive banking and has always put effort to bring banking services to the doorstep of people at large. He strongly holds that banker has to be trustworthy and dedicated towards serving people in order to uplift their livelihood and socio economic status.

He has also proven to be an effective team player and can get things done by ensuring coherent and integrated management atmosphere. He is one of the proponents of situational leadership approach and can pursue tough goals in any market scenario.

He is a dreamer, humanitarian, organizer and an art connoisseur. He is involved in Rotary club and held position of President of Jahangirnagar, Dhaka unit of Rotary District. He is also Treasurer of Combat Hunger Project Committee of Rotary International District. He is a member of Uttara Club, Kurmitola Golf Club, and Childhood Cancer Foundation, Dhaka. He is presently Executive Member of Association of Bankers Bangladesh (ABB). He was a "Tax Card" holder, a very prestigious status provided by NBR for 2011-2013. Mr. Chowdhury has also won the 13th Rapport Award for Excellence in Human Resource Development – 2013.

With a distinctive academic track record, he passed S.S.C and H.S.C in 1968 and 1970 respectively. He holds MSS degree with Honors in Political Science and Law from the University of Dhaka. He is a DiplomaEd Associate of Institute of Bankers, Bangladesh.

Mr. Chowdhury visited many countries for official purpose as well as personal pleasure. He participated in a good number of professional trainings, workshops, and seminars at home and abroad.

Mr. Chowdhury was born in Sylhet in 1953. His father was a member of Assam Legislative Council of British Period in Assam, India. Mr. Chowdhury is married to Syeda Latifa Ishtiaque. Their only son, Chowdhury Ahmed Tausif Ishtiaque has graduated from Institute of Business Administration (IBA), University of Dhaka and is now studying MBA in INSEAD University, Singapore.

## *Executive Committee*

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## *Audit Committee*

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## ***Risk Management Committee***



## ***Management Committee***



## Executive Committee

- Maj Gen Md Mahfuzur Rahman, rcds, ndc, afwc, psc, PhD
- Brig Gen KARM Mostafa Kamal, ndc, psc
- Ms. Begum Rokeya Din
- Brig Gen Md Mehdi Hassan, ndc, afwc, psc
- Mr. Ishtiaque Ahmed Chowdhury
- Mr. Khaled Mahbub Morshed, FCA

Chairman  
Member  
Member  
Member  
Managing Director & CEO  
Secretary

## Audit Committee

- Mr. Helal Uddin Ahmed
- Brig Gen Kazi A S M Arif, afwc, psc
- Mr. Ashrafuzzaman Khan
- Mr. Khaled Mahbub Morshed, FCA

Chairman  
Member  
Member  
Secretary

## Risk Management Committee

- Brig Gen Abu Mohammad Munir Alim, BSP, psc, G,
- Ms. Begum Rokeya Din
- Mr. Helal Uddin Ahmed
- Mr. Khaled Mahbub Morshed, FCA

Chairman  
Member  
Member  
Secretary

## Senior Executives

- Mr. Ishtiaque Ahmed Chowdhury
- Mr. Abu Zafar Hedaytul Islam
- Mr. Mohammad Abdul Motaleb Patwary
- Mr. S. M. Akram Sayeed
- Mr. Md. Zillur Rahim Chowdhury
- Mr. Shahud Ahmed
- Ms. Musarrat Hossaini Khan
- Mr. Hossain Shah Ali
- Mr. Akhlasur Rahman Bhuiyan
- Mr. Syed Mansur Mustafa
- Ms. Hasna Hena Chowdhury
- Mr. Abul Kalam
- Mr. M. Shafiqul Islam
- Mr. Md. Kamal Hossain Sarker
- Mr. Khaled Mahbub Morshed
- Mr. Gobinda Chandra Podder

MD & CEO  
DMD  
SEVP  
SEVP  
SEVP  
SEVP  
EVP  
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# Chairman's Message





## Dear Esteemed Shareholders

It gives me immense pleasure to welcome you all to the truly amazing event of our 16th Annual General Meeting that is surely an image of our adoring bond for quite a long time. On the eve of this phenomenal event, I am delighted to present before you the Annual Report 2014 of Trust Bank Limited.

The report mainly comprises Directors' Report, Compliance Certificate, Management Analysis and Audited Financial Statements with the notes thereon for the year 2014 of the Bank and its subsidiary companies.

Before I begin to discuss particular issues of your Bank, I would like to give glimpses upon the economic and banking environment in which the Bank rendered its service during the year 2014.

The pace of the global restoration in economics has been disappointing in recent years. With weaker-than-expected global growth for the first half of 2014 and increased downside risks, the projected pickup in growth may again be neglected to materialize or fall short of expectations. This further underscores that in most economies, raising actual and potential growth must remain a priority. Robust demand growth in advanced economies has not yet emerged despite continued very low interest rates and easing of brakes to the recovery, including from fiscal consolidation or tight financial conditions. The Euro zone faces the threat of a triple-dip recession since Geopolitical tensions have risen. So far their macroeconomic effects appear mostly confined to the regions involved, but there are tangible risks of more widespread disruptions with key emerging economies experiencing slowing growth. However, the drop in oil prices since mid-2014 will reduce business and household energy prices and boost macroeconomic conditions in oil-importing countries like Bangladesh.

Bangladesh achieved a growth rate over 6.0 plus per cent even in FY2014 after facing all political odds during 2013. Financial sector indicators in 2014 have shown mixed trends, but with significant improvement on many counts. Inclusive financing helped uphold broad-based domestic output activities, incremental employment and income attendant thereto. Movements of trends in social sector indicators, including poverty incidence, life expectancy, per capita income etc. were in the desired positive direction. The economy has scopes of improving infrastructure and mobilizing revenue which should be addressed in 2015. Attention must be given on the development of power and energy.

The scenario of banking sector in terms of disbursement, recovery and trends of growth of credit to different sectors of the economy is very crucial for the development of the banking sector in particular and the country's overall economic development in general.

The financials of Trust Bank Limited for the year 2014 portray that we have performed quite satisfactorily in many of the key performance parameters such as profit, capital adequacy and asset quality despite many hindrance specially from down trodden business environment and sluggish world economy.

For stability and sustainable development, the Bank maintained a very careful and continuous effort in credit operation. Like previous year, growth of loans and advances through business diversification, product development was continued in the year 2014.

The Bank has concentrated to explore new and diversified avenues for financing with the aim of developing and maintaining a sound and sustainable portfolio with mitigated risk. Apart from, our extensive work was also continued in Agriculture, Green Banking, Islamic Banking, Retail, SME sectors and intensive efforts in Corporate Credit.

The CSR mainstreaming campaign in Bangladesh's financial sector has enthused all banks and financial institutions into a broad range of direct and indirect CSR engagements including humanitarian relief and disaster response to widen of advancement opportunities for disadvantaged population segments with support in areas of healthcare, education and training.

It has been also the vision of your Bank to empower the community through socio-economic development of underprivileged and weaker sections of the society. In its continued efforts to make a difference to the society at large, your Bank further intensified its efforts in this direction in 2014.

With the view of that, Trust Bank Limited provided financial assistance of Tk. 79.50 million in the areas of education, culture, health, sports and others as part of Corporate Social Responsibilities in the year 2014. We also recommend transferring maximum Tk. 120.00 million for the CSR-2015 which is yet to be approved by you.

As we all know, Banking is the business of money belongs not to the Bank but to depositors and whenever one seeks profit s/he must well aware of risk.

Under the Integrated Risk Management direction of Bangladesh Bank, Trust Bank's risk management framework is focused on supporting the day to day business activities of the Bank by building and strengthening its risk management processes at all levels of the organization.

While Trust Bank remains committed to maximizing shareholder's value by growing its business in line with a Board determined risk appetite, the Bank is mindful of achieving this objective in the best interest of all stakeholders. The Bank's risk management strategy is to achieve a sound balance between risk and return to the business, whilst maintaining adequate liquidity and strong capital positions at all times combined with a robust asset quality.

The Bank's management team considers effective risk management to be the foundation of financial stability and a key competitive advantage for the Bank—determining its profitability and share price.

Present scenario implies that the challenges of 2015, prevailing in the realms of society, economy and politics are expected to escalate rather than relaxing. Rise in default loans and rising cost of infrastructure together will leave less comfort for the bankers in the crossroads of business around 2015.

Strong systems of credit origination and credit monitoring should be emphasized. To build a sound credit portfolio, we will drive hard for recovery of classified loans and minimization of NPL. Credit decision will be made on better judgment and evaluation tools. The Board is determined to provide all-out support to management to mitigate core risks and credit risks in particular.

The Bank will remain focused on diversifying its portfolio on sector and segment wise and mobilizing low costs deposits. We will keep up opening new frontiers among SMEs, agriculture, women entrepreneurs, green projects like Bio-gas, Solar Panel, ETP etc. in the year ahead. The Bank will remain all awake in fighting financial turbulence stemming from financial scam and fraud in the banking sector.

All of our actions must lead to an ultimate goal – maximization of shareholders value for what we exist and excel. With this in mind, we will concentrate on enhancing profitability to raise Earnings per Share, Dividend as well as confidence of the Shareholders. Your Bank will focus on sharpening its competitive edge by improving business strategies and by protecting the credibility by delivering on the promises.

I had the intention to touch upon many more subjects but as they have been attended in different sections of the Annual Report, I leave it to you to peruse them.

Therefore, before concluding I like to acknowledge and convey utmost thanks to our valued shareholders, Bangladesh Bank, Bangladesh Securities & Exchange Commission, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd. and other regulatory authorities for continued support and guidance. I also like to convey my utmost thanks to our customers, investors and vendors for their continuous support and trust.

I also like to thank all my colleagues in the Board of Directors, the Management along with entire workforce of the Bank.

Thank you.



General Iqbal Karim Bhuiyan, SBP, psc  
Chairman



# চেয়ারম্যান মহোদয়ের বাণী

## সম্মানিত শেয়ারহোল্ডারবৃন্দ

আমি অত্যন্ত আনন্দের সাথে আপনাদের সবাইকে ট্রাস্ট ব্যাংক লিমিটেড এর ১৬তম বার্ষিক সাধারণ সভার চমৎকার এ আয়োজনে স্বাগত জানাচ্ছি, যা অবশ্যই আমাদের মধ্যে দীর্ঘ সময়ের হৃদয়তারই প্রতিচ্ছবি। এ আনন্দঘন মুহূর্তে ব্যাংকের ২০১৪ সালের বার্ষিক প্রতিবেদন আপনাদের সামনে উপস্থাপন করতে পেরে আমি সম্মানিত বোধ করছি।

এ প্রতিবেদনে মূলতঃ পরিচালনা পর্ষদের প্রতিবেদন, কমপ্লায়েন্স সার্টিফিকেট, ব্যবস্থাপনা কর্তৃপক্ষের পর্যালোচনা এবং ট্রাস্ট ব্যাংক ও এর সাবসিডিয়ারি কোম্পানীগুলোর ২০১৪ সালে সমাপ্ত বছরের নিরীক্ষিত আর্থিক বিবরণী সন্নিবেশিত হয়েছে।

আমি আপনাদের ব্যাংক সম্পর্কিত সুনির্দিষ্ট বিষয়গুলো নিয়ে আলোচনা শুরুর পূর্বে সামগ্রিক অর্থনৈতিক ও ব্যাংকিং খাতে ২০১৪ সালে ব্যাংকের পরিসেবা সম্পর্কে সংক্ষেপে আলোকপাত করতে চাই।

সাম্প্রতিক বছরগুলোতে বিশ্ব অর্থনীতিতে পুণরুদ্ধারের গতি আশাব্যঞ্জক ছিলনা। ২০১৪ সালের প্রথমার্ধে বিশ্ব অর্থনৈতিক প্রবৃদ্ধি আশানুরূপ না হওয়ায় এবং ঝুঁকির মাত্রা বৃদ্ধি পাওয়ায় প্রত্যাশিত প্রবৃদ্ধির লক্ষ্যমাত্রা অর্জন ব্যাহত হতে পারে। এতে প্রতীয়মান হয় যে, বেশীরভাগ অর্থনীতিতেই প্রকৃত এবং সম্ভাব্য প্রবৃদ্ধি অর্জনই প্রাধান্য পাবে। নিম্ন সুদের হার এবং পুণরুদ্ধারের মন্থরগতির ফলে উন্নত অর্থনীতিতে চাহিদার প্রবৃদ্ধি ততটা পরিলক্ষিত হচ্ছেনা। ভূ-রাজনৈতিক উত্তেজনা বৃদ্ধির ফলে ইউরো অঞ্চল পুনরায় অর্থনৈতিক মন্দার দিকে ধাবিত হচ্ছে। এ পর্যন্ত তাদের সামষ্টিক অর্থনৈতিক প্রভাব মূলতঃ নির্দিষ্ট অঞ্চলে সীমাবদ্ধ ছিল; কিন্তু উন্নত দেশগুলোতে নিম্ন প্রবৃদ্ধির প্রভাবে এটি আরো বিস্তৃত হওয়ার সম্ভাবনা রয়েছে। তথাপি ২০১৪ সালের মাঝামাঝি হতে আন্তর্জাতিক বাজারে তেলের মূল্যের নিম্নমুখী প্রবণতার ফলে ২০১৫ সালে ব্যবসায়িক ও গৃহস্থালি পণ্যের দাম কমবে এবং বাংলাদেশের মত তেল আমদানীকারক দেশগুলোর অর্থনৈতিক উন্নতিতে ইতিবাচক ভূমিকা রাখবে।

২০১৩ সালের বিরূপ রাজনৈতিক পরিবেশ মোকাবেলা করেও বাংলাদেশ ২০১৩-২০১৪ অর্থ বছরে ৬ শতাংশের অধিক প্রবৃদ্ধি অর্জন করতে সক্ষম হয়েছে। ২০১৪ সালে অর্থনৈতিক সূচকের মিশ্র প্রবণতা লক্ষ্য করা গেলেও বিভিন্ন ক্ষেত্রে উল্লেখযোগ্য উন্নতি সাধিত হয়েছে। অর্ন্তভুক্তিকরণ অর্থনীতির কারণে দেশীয় উৎপাদন বৃদ্ধি সহ, কর্মসংস্থানের সুযোগ সৃষ্টি এবং আয়ের অনুমিত বৃদ্ধি করা সম্ভব হয়েছে। দারিদ্র্য বিমোচন, জীবনযাত্রার মানোন্নয়ন, মাথাপিছু আয় প্রভৃতি ক্ষেত্রে সামাজিক সূচক পরিবর্তনের ধারা ইতিবাচক ছিল। এরই ধারাবাহিকতায়, ২০১৫ সালে অর্থনৈতিক অবকাঠামোর উন্নয়ন, রাজস্ব আয় বৃদ্ধি, বিদ্যুৎ ও জ্বালানী খাতের উন্নয়ন প্রভৃতি ক্ষেত্রে প্রাধান্য দেয়া উচিত।

ঋণ বিতরণ, আদায়করণ এবং অর্থনীতির বিভিন্ন খাতে ঋণ বৃদ্ধির প্রবণতা প্রভৃতি দেশের ব্যাংকিং খাতের উন্নয়ন তথা জাতীয় অর্থনীতির উন্নয়নের ক্ষেত্রে গুরুত্বপূর্ণ ভূমিকা পালন করে।

ব্যাংকের আর্থিক বিবরণী পর্যালোচনা করলে দেখা যায় যে, বিশ্ব অর্থনৈতিক মন্দা এবং প্রতিকূল ব্যবসায়িক পরিবেশ সত্ত্বেও মুনাফা, মূলধন পর্যাণ্ডতা, সম্পদের মানোন্নয়ন প্রভৃতি ক্ষেত্রে ২০১৪ সালে ট্রাস্ট ব্যাংক উল্লেখযোগ্য প্রবৃদ্ধি অর্জন করতে সক্ষম হয়েছে।

দীর্ঘস্থায়ী ও টেকসই উন্নয়নের লক্ষ্যে ঋণ বিতরণের ক্ষেত্রে ট্রাস্ট ব্যাংক অত্যন্ত সতর্কতা অবলম্বন করে। পূর্ববর্তী বছরের ন্যায় ২০১৪ সালেও ঋণ বিতরণ ও অগ্রিম প্রদান এবং নতুন পণ্য সৃষ্টির মাধ্যমে ব্যাংকের ব্যবসা বহুমুখীকরণের ধারা অব্যাহত ছিল। ঝুঁকির মাত্রা নিয়ন্ত্রণে রেখে একটি সুষ্ঠু ও দীর্ঘমেয়াদী ঋণ পত্রকোষ গঠনের লক্ষ্যে ব্যাংকের অর্থায়নের ধারা অব্যাহত ছিল। এছাড়াও বাণিজ্যিক ঋণ এর পাশাপাশি কৃষি, গ্রীন ব্যাংকিং, ইসলামিক ব্যাংকিং, রিটেইল এবং ক্ষুদ্র ও মাঝারি খাতে অর্থায়ন বৃদ্ধির পদক্ষেপ নেয়া হয়েছে।

সমাজের সুবিধা বঞ্চিত জনগোষ্ঠীর জীবনযাত্রার মান উন্নয়নে বাংলাদেশের ব্যাংক ও আর্থিক প্রতিষ্ঠানসমূহ তাদের সামাজিক দায়বদ্ধতা থেকে শিক্ষা, স্বাস্থ্য, ক্রীড়া, কারিগরী প্রশিক্ষণ দূর্যোগ মোকাবেলায় প্রত্যক্ষ ও পরোক্ষ সহায়তা প্রদান করে আসছে।

সমাজের দুর্বল ও সুবিধা বঞ্চিত অংশের আর্থ-সামাজিক উন্নয়নের মাধ্যমে তাদের ক্ষমতায়ন করাই আমাদের লক্ষ্য। এ লক্ষ্যকে আরও সম্প্রসারিত করার জন্য আপনাদের ব্যাংক পূর্বের ন্যায় ২০১৪ সালেও সচেষ্ট ছিল। এরই অংশ হিসেবে ট্রাস্ট ব্যাংক ২০১৪ সালে ৭৯.৫০ মিলিয়ন টাকা শিক্ষা, সংস্কৃতি, স্বাস্থ্য, ও ক্রীড়া উন্নয়নে আর্থিক সহায়তা প্রদান করেছে। আপনাদের অনুমোদন সাপেক্ষে এ বছর আমরা সর্বোচ্চ ১২০.০০ মিলিয়ন টাকা বিশেষ তহবিলে স্থানান্তর করার সুপারিশ করছি।

আমরা সবাই অবগত আছি যে, ব্যাংক অন্যের অর্থ ধার দিয়ে ব্যবসা পরিচালনা করে তাই এখানে নানাবিধ ঝুঁকি বিদ্যমান। বাংলাদেশ ব্যাংক কর্তৃক প্রবর্তিত সমন্বিত ঝুঁকি ব্যবস্থাপনা নির্দেশনার আলোকে আপনাদের ব্যাংক তার ঝুঁকি ব্যবস্থাপনা কার্যক্রম পরিচালনা করে আসছে। দৈনন্দিন ব্যবসা পরিচালনা থেকে শুরু করে প্রতিষ্ঠানের প্রতিটি পর্যায় শক্তিশালী সমন্বিত ঝুঁকি ব্যবস্থাপনা নীতি গ্রহণ করা হয়েছে। ব্যবসায়িক প্রবৃদ্ধি অর্জনের মাধ্যমে শেয়ারহোল্ডারদের স্বার্থ রক্ষা একই সাথে ঝুঁকি গ্রহণের সক্ষমতা বৃদ্ধির মাধ্যমে ব্যবসায়িক লক্ষ্য পূরণে আপনাদের ব্যাংক প্রতিশ্রুতিবদ্ধ।

ব্যাংকের ঝুঁকি ব্যবস্থাপনা কৌশলের মূল উদ্দেশ্য হল প্রত্যাশিত আয় ও সম্ভাব্য ঝুঁকির মাঝে সমন্বয় সাধনের মাধ্যমে কাম্য মুনাফা অর্জন; দক্ষ তারল্য ব্যবস্থাপনা ও মূলধন পর্যাণ্ডতা বজায় রেখে সম্পদের গুণগত মান অক্ষুণ্ণ রাখা। ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষ মনে করে কার্যকর ঝুঁকি ব্যবস্থাপনা অর্থনৈতিক ব্যবস্থাপনার মূল ভিত্তি এবং ব্যাংকের মুনাফা ও শেয়ারের মূল্য নির্ধারণের ক্ষেত্রে অন্যতম মূল উপাদান হিসেবে কাজ করে।

বিদ্যমান সামাজিক, রাজনৈতিক ও অর্থনৈতিক পরিস্থিতি পর্যালোচনা করলে এটাই প্রতীয়মান হয় যে ২০১৫ সাল ব্যাংকিং খাতের জন্য বেশ ঘটনাবল্য হতে পারে এবং বেশ কিছু প্রতিবন্ধকতা মোকাবেলা করতে হবে। খেলাপি ঋণের উর্ধ্বমুখী প্রবণতা এবং এর সঙ্গে ভৌত অবকাঠামো উন্নয়ন ব্যয় বৃদ্ধি ২০১৫ সালে ব্যাংকারদের জন্য যথেষ্ট চিন্তার কারণ হয়ে দাঁড়াবে।

ঋণ প্রদানের ক্ষেত্রে নির্বাচন এবং ঋণ দান পরবর্তী কার্যক্রম তদারকির ক্ষেত্রে আমাদের আরো বেশি জোর দিতে হবে। একটি সুষ্ঠু ঋণ পত্রকোষ বিনির্মাণের জন্য ঋণ আদায় কার্যক্রম বৃদ্ধি সহ খেলাপি ঋণের পরিমাণ কমিয়ে আনার জন্য আমাদের সচেষ্ট হতে হবে। ঋণ প্রদানের ক্ষেত্রে নির্বাচনে সুক্ষ্ম বিশ্লেষণ এবং মূল্যায়ন পদ্ধতি ব্যবহার করা হবে। মূল ব্যবসায়িক ঝুঁকি ও বিশেষভাবে ঋণ ঝুঁকি কমিয়ে আনার লক্ষ্যে পরিচালকবৃন্দ ব্যবস্থাপনা কর্তৃপক্ষকে প্রয়োজনীয় সহায়তা প্রদানে বদ্ধ পরিকর।

ব্যাংক তার ঋণপত্রকোষ আরও বহুমুখীকরণের লক্ষ্যে খাতওয়ারী বৈচিত্র্য আনার চেষ্টা করছে এবং সাশ্রয়ী আমানত বৃদ্ধির কার্যক্রম চালিয়ে যাচ্ছে। কৃষি, ক্ষুদ্র ও মাঝারি শিল্প, নারী উদ্যোক্তা ও পরিবেশবান্ধব শিল্পে আমাদের বিনিয়োগ বিগত বছরের ন্যায় সামনের বছরেও অব্যাহত থাকবে। আর্থিক প্রতারণা, ফটকাবাজি কারবার, ঋণের অপব্যবহার ও সন্ত্রাসী কার্যক্রমে অর্থায়ন রোধকল্পে প্রয়োজনীয় কার্যক্রম অব্যাহত থাকবে।

আমাদের সমস্ত কার্যক্রম সম্মানিত শেয়ারহোল্ডারদের অর্থনৈতিক সমৃদ্ধিকে লক্ষ্য করে। এই লক্ষ্যকে সামনে রেখেই ব্যাংকের সমস্ত কার্যক্রম কেন্দ্রীভূত হচ্ছে। মুনাফা, শেয়ার প্রতি আয়, লভ্যাংশ ও সর্বোপরি শেয়ারহোল্ডারদের আস্থা বৃদ্ধির লক্ষ্যে সুনির্দিষ্ট ব্যবসায়িক পরিকল্পনা প্রণয়ন, গ্রহণ ও বাস্তবায়নের মাধ্যমে আপনাদের ব্যাংক প্রতিশ্রুতি বাস্তবায়ন করে যাচ্ছে।

ব্যাংকের অন্যান্য বিষয়ে আরো বিস্তারিত আলোচনা করার ইচ্ছে থাকলেও যেহেতু বার্ষিক প্রতিবেদনের বিভিন্ন অধ্যায়ে এসব বিষয়ে বিশদ বর্ণনা রয়েছে সেহেতু এগুলো আপনাদের পঠিত বলে গণ্য করছি।

শেষ করার পূর্বে, আমি অব্যাহত সমর্থন এবং দিক নির্দেশনার জন্য আমাদের সম্মানিত শেয়ারহোল্ডারবৃন্দ, বাংলাদেশ ব্যাংক, বাংলাদেশ সিকিউরিটিস এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লিমিটেড, চট্টগ্রাম স্টক এক্সচেঞ্জ লিমিটেড এবং অন্যান্য নিয়ন্ত্রক সংস্থার প্রতি আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জ্ঞাপন করছি। আমাদের সকল পর্যায়ের গ্রাহক ও বিনিয়োগকারীদের প্রতিও আমি আন্তরিক ধন্যবাদ জ্ঞাপন করছি।

পরিশেষে, আমি পরিচালনা পর্ষদের আমার প্রিয় সহকর্মীবৃন্দ, ব্যবস্থাপনা কর্তৃপক্ষ এবং ব্যাংকের সকল কর্মকর্তা-কর্মচারীদের প্রতি ধন্যবাদ জানাচ্ছি।



জেনারেল ইকবাল করিম ভূইয়া, এসবিপি, পিএসসি  
চেয়ারম্যান

বিঃদ্র: চেয়ারম্যান মহোদয়ের ইংরেজি ও বাংলা বাণীর ক্ষেত্রে কোন বিষয়ে মতদ্বৈততা দেখা দিলে ইংরেজি বাণীই সঠিক বলে বিবেচিত হবে।



*Message from the*  
*Managing Director*  
*& CEO*

## Dear Respected Shareholders

I would avail this auspicious opportunity to present a round up of financial and operating performance of your Bank for the year 2014. To sum up overall activities and performance of the bank keeping in the view of all other industry and economic factors, we shall say that we passed a year of solid performance in 2014. We have achieved new milestones in growth trajectory in our core businesses in the year.

When we entered 2014 in the shadows of a yearlong political turmoil and the Rana Plaza disaster, it seemed Bangladesh may have been bracing for yet another bleak year. But the country's farmers, migrant workers, pharmaceutical sector and garment sector continued to fight as the nation's biggest winners bringing sunshine to the economy. During January-June 2014, the last half of fiscal year 2014, the growth engine exhibited slight progress whereby GDP rose from 6 percent in FY2013 to 6.1 percent in FY2014. The main impetus for higher growth was a rise in public investment that rose from 6.6 percent of GDP in FY2013 to 7.3 percent in FY2014.

The country's FE reserve reached a high of 23 billion USD. Experts attributed the rise in reserve to the slump in internal investment and import of capital goods, which reflected the uncertainty of the investment climate in the country. Remittance staged a strong comeback in 2014 after fall in previous year. It grew by 11.42 percent to \$6.2 billion during the July-November period against \$5.56 billion in the corresponding period a year ago.

The RMG despite many shortcomings continued to flourish with export reaching 25 billion USD up to June 2014. However, export to the USA dropped, a consequence of Rana Plaza that had imposed a constraint on the buyers. A redeeming feature is the effort of the BGMEA to make all RMG factories compliant. Apart from above stated positive signs, negative signs marks are: lurking political uncertainty, persistence infrastructure bottlenecks and rise of default loans and mismanagement in banking sector.

## Another Worrying Year for the Banking Sector

Low pick up of investment led to low credit growth in the banking sector. Till June 2014 domestic credit grew by only 11.6 percent against target of 17.8 percent in MPS. Actual growth of domestic credit up to December 2014 was 13.5 percent while target for December 2014 was 13.8 percent. Lower growth in credit coupled with increasing trend of non-performing loans (NPL) has worsened the performance of banking sector. During 2014 both classified loans and NPL have increased than that of 2013.

## Strategy and Performance

We tried to enhance our lending volume to diversified business and increase advance deposit (A/D) ratio of the Bank. We have also strengthened lending efforts to SME, Retail and Agriculture Sectors. Like previous years, we have tried to maintain a robust liquidity, acquire retail deposits, make cautious lending, and make necessary review existing portfolio. We made significant achievements in terms of growth of profits, loans and advances, deposits, branches, capacity building, risk management, financial inclusion, and improvement in quality of our portfolio.

The year was turned out to be year of solid performance for Trust Bank Limited. We crossed milestone of operating profit of Tk 3000.00 million for the first time in the life of Trust Bank Limited.

All of these have been possible through the able guidance of honourable Chairman, respected member of the Board and support from Shareholders, Depositors, Customers, and Regulators. Your Bank maintained a comfortable liquidity, growth in deposits, loans advances, and network expansions. We ensured prudent lending, mobilized deposits from retail investors, diversified loans to SMEs and other good credit-worthy enterprises, and deliberately kept foreign exchange exposure at a manageable level.

## Consolidated Operating Result

Total deposits stood at Tk 125,163 million in 2014 from Tk 102,524 million in 2013, registering a growth of 22 percent. Loans and advances stood at Tk 111,413 million in 2014 from Tk 83,798 million at the end of 2013, posting a growth of 33 percent compared to last year. That is in last two years i.e. in 2013 & 2014, our Loans and advances grew by 90 percent to Tk 111,413 million from Tk 58,599 million of 2012. Our Advance-

Deposit ratio increased to almost 89 percent from 80 percent in 2013. This resulted in growth of interest income 12,555 million from Tk 10,207 million in preceding year, which registered a growth over 23 percent. Net interest income doubled in 2014 by growing to Tk 2,880 million from Tk 1,439 million in 2013.

The Bank earned consolidated operating profit of Tk 3,485 million which is 80 percent pick up from Tk 1936 million in 2013. However, our net income after tax trebled and grew to Tk 1,298 million from Tk 322 million. Earnings per share stood at Tk 3.05 from Tk 0.76 (restated) in 2013 and Tk 0.55 in 2012.

#### Robust Results in Core Banking

The Bank earned total operating income of Tk 5,978 million in 2014 compared to Tk 3,725 million recording a growth of 60 percent over last year. We earned Tk 3,258 million as operating profit which was Tk 1,549 million in 2013. Our operating profit from core banking grew by 110 percent compared to consolidated rate of 80 percent. On the other hand, the percentage of non-performing loans decreased to 2.45 percent from 3.12 percent in 2013 and 4.28 percent in 2012. This indicates that loans asset quality remained strong in spite of recording robust growth in loans portfolio. This also implies that to enhance our loans and advances, we have not compromised quality and risk mitigating activities. Preceding facts and figures signify that our performance in core banking activities deserve a big hand.

#### Continued Growth in Islami Banking

Our Islami banking activities are growing in a tandem with conventional banking. Deposits under Islami Banking recorded a growth of 46 percent and stood at Tk 7,602 million from Tk 5,189 million in 2013. Investments under Islami Banking stood at Tk 6,419 million in 2014 from Tk 3,841 million in 2013 registering growth of 67 percent. Islami Bank wing earned operating profit of Tk 290 million in the year under review.

#### Capital Adequacy & Solvency

Total consolidated regulatory capital stood at Tk 13,419 million in 2014 as against Tk 10,798 million in 2013. Capital adequacy ratio (consolidated) is maintained at 11.93 percent of total risk weighted assets against minimum regulatory requirement of 10 percent under Basel Capital II Accord. Bank also declared stock dividend in addition to cash dividend to retain capital adequacy proportionate to business growth. The bank successfully floated its second subordinated bond worth Tk 2000 million for strengthening Tier-II capital of the Bank.

#### Other Major Achievements

TBL has aimed at its core to be a Bank for financial inclusion and in this connection, we opened 09 new branches mostly in rural areas in 2014 extending network to 97 branches including 6 SME/Agri branches. We opened 23 ATMs and the number of ATMs stood 142 at end of the year. The Bank is also offering services through T-Lobby and there are 08 T-lobby at the end of 2014. The Bank is offering full fledged mobile banking through service name and style of 'Trust Mobile Money' through the thousands of outlets across the country.

#### Commitments for 2015

Our operating vision is to achieve long term sustainable growth. In line with that we have put more emphasis on liquidity management and long term solvency through keeping our advance deposit ratio within standard range. Moreover, analysis of operating results of 2014 revealed that all profitability measures scaled up significantly. Now we have to stabilize it. We are designing strategies in place to maintain profitability, adequate capital and asset quality as strong as it is now. We also plan to further diversify our portfolio and extend our credit facilities to productive sectors such as agriculture and rural financing, micro financing, micro enterprise financing.

The Bank is reducing dependency on large ticket deposits and trying to get retail deposits through diversified products and services under retail banking. In case of financing, we are focused on providing credits to SME, productive corporate and to those companies which have lower risk. We will remain focused on retail banking for deposits mobilization and SMEs, rural financing, and micro financing for diversified investment, besides



to our core corporate and middle market business. We are also trying to further expand our Islamic Banking services and investments under Islamic banking through centralized operations. This will further enhance our loans and advances in the coming years.

The Bank is going to open 10 new branches and a good number of ATMS and T-Lobby around the country in 2015 to gradually build required network for financial inclusion. We are committed as ever to enhance our service quality and bond relationship with our clients.

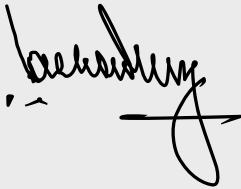
### Thanks and Gratitude

On behalf of Management, I am expressing my sincere thanks and gratitude to the members of the Board of Directors for their policy guidelines and adequate support to the management to implement those. An optimum mixture of Board's support and management's diligent discharge of responsibility made your bank a unique institution in the country. We pledge our commitment to build on this further and take TBL to its new heights of success while complying strictly with all regulatory and internal requirements.

On the occasion of the 16th Annual General Meeting, I would like to extend my heartfelt thanks to the respected shareholders and all other stakeholders for the trust and confidence that you have reposed in the Management of the Bank.

I would conclude by expressing my special thanks and wholehearted gratitude to clients, Government Agencies, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, and my beloved colleagues of Trust Bank Limited.

With best regards,



Ishtiaque Ahmed Chowdhury  
Managing Director & CEO

# ব্যবস্থাপনা পরিচালক মহোদয়ের বাণী

## শ্রদ্ধেয় শেয়ারহোল্ডারগন,

আপনাদের ব্যাংকের ২০১৪ সালের আর্থিক ও পরিচালন সাফল্যের চিত্র তুলে ধরতে পেরে আমি নিজেকে ভাগ্যবান মনে করছি। অর্থনীতির বিভিন্ন সূচক ও আর্থিক শিল্পের বিভিন্ন দিকের সাথে তুলনা করে আমরা সংক্ষেপে বলতে পারি যে, ২০১৪ সাল আপনাদের ব্যাংকের জন্য একটি দারুন সফল বছর ছিল। আমরা মৌলিক ব্যাংকিংকে মুনাফার প্রবৃদ্ধিতে নতুন দিগন্ত স্থাপন করতে সক্ষম হয়েছি।

বছরব্যাপি রাজনৈতিক অস্থিরতা, রানা প্লাজা বিপর্যয়ের মধ্যে যখন আমরা ২০১৪ সাল শুরু করি তখন মনে হচ্ছিল আমরা অর্থনীতির জন্য আরেকটি মন্দ বছর অতিক্রম করতে যাচ্ছি। কিন্তু কৃষি উৎপাদনে প্রবৃদ্ধি, প্রবাসীদের কণ্টার্জিত অর্থ, এবং পোশাক ও ঔষধ শিল্পের রপ্তানী প্রবৃদ্ধির কল্যাণে আমাদের অর্থনীতির স্বাভাবিক গতি বজায় ছিল। অর্থবছরের দ্বিতীয়ার্ধে মোট দেশজ উৎপাদনের (জিডিপি) ৬.১০ শতাংশ প্রবৃদ্ধি আমাদেরকে আশান্বিত করে। দেশের বৈদেশিক মুদ্রার রিজার্ভ ২৩ বিলিয়ন মার্কিন ডলারে উন্নীত হওয়ায় অনেকে অর্থনীতির জন্য শক্তিশালী সূচক হিসেবে বিবেচনা করলেও, রিজার্ভের প্রবৃদ্ধিকে বিনিয়োগ ও মূলধনী পণ্যে আমদানি হ্রাসের কারণ হিসেবে বিবেচনা করা হয়। ফরেন রেমিট্যান্স এর প্রবাহ ২০১৩ সালের ঋণাত্মক প্রবৃদ্ধি থেকে শক্তভাবে ঘুরে দাঁড়ায় এবং জুলাই-নভেম্বর মাসে ১১.৪২ শতাংশ হারে বৃদ্ধি পেয়ে ৬.২০ বিলিয়ন মার্কিন ডলারে উন্নীত হয়। তৈরী পোশাক শিল্পে বিভিন্ন সীমাবদ্ধতা সত্ত্বেও ২০১৪ সালের জুন পর্যন্ত এ খাতের রপ্তানী ২৫ বিলিয়ন ডলারে উন্নীত হয়।

## ব্যাংকিং খাতঃ

বিনিয়োগের স্থবিরতার কারণে ব্যাংকিং খাতের ঋণের প্রবৃদ্ধির হারও আশানুরূপ হয়নি। ২০১৪ সালের জুন পর্যন্ত মুদ্রানীতিতে নির্ধারিত ঋণ প্রবৃদ্ধি লক্ষ্যমাত্রা ১৭.৮ শতাংশের বিপরীতে অর্জিত প্রবৃদ্ধি ছিল মাত্র ১১.৬ শতাংশ। ২০১৪ সালের ডিসেম্বর পর্যন্ত ঋণের প্রবৃদ্ধি ছিল ১৩.৫ শতাংশ। সংক্ষেপে বলা যায় ঋণের নিম্ন প্রবৃদ্ধি ও খেলাপী ঋণের বৃদ্ধি কারণে ব্যাংকিং খাত এর আশানুরূপ পারফরম্যান্সে বাধা সৃষ্টি করেছে। আপনারা জেনে আশ্বস্ত হবেন যে আমরা সার্বিক সংকট থেকে আপনাদের ব্যাংককে মুক্ত রাখতে সক্ষম হয়েছি। ব্যবসায়ের সাফল্যের মূল নির্দেশকগুলিতে অভূতপূর্ব প্রবৃদ্ধি অর্জন করতে সক্ষম হয়েছি। আলোচ্য বছরেও পর্যাপ্ত তারল্য, রিটেইল আমানত সংগ্রহ, সচেতন ঋণ ও অগ্রিম বৃদ্ধি ও বর্তমান ঋণ ও অগ্রিমের প্রয়োজনীয় পর্যালোচনা করা হয়েছে। আমরা আমানত, ঋণ ও অগ্রিম, ঝুঁকি ব্যবস্থাপনা এবং ব্যাংকের শাখা সম্প্রসারণে সন্তোষজনক সাফল্য অর্জনে সক্ষম হয়েছি।

## ব্যবসায়িক কৌশল ও সাফল্যঃ

বছরের শুরু থেকেই আমরা দেশের সার্বিক পরিস্থিতি সম্পর্কে সচেতন ছিলাম। ব্যাংকের শক্তিশালী তারল্যকে কাজে লাগিয়ে আমাদের ঋণ ও অগ্রিম বৃদ্ধির কার্যকর প্রচেষ্টা অব্যাহত ছিল। আমরা আমাদের ঋণ ও অগ্রিম প্রদানের কর্মসূচীকে বিভিন্ন খাত ও শিল্পে বহুমুখীকরণে বিশেষ প্রচেষ্টা নিয়েছিলাম। এই বছর ট্রাষ্ট ব্যাংকের জন্য অন্যতম সফল বছর ছিল। ট্রাষ্ট ব্যাংকের ইতিহাসে প্রথমবারের মত আমরা ব্যাংকের পরিচালন মুনাফা ৩০০০ মিলিয়ন টাকার মাইলফলক অতিক্রম করেছি।

ব্যাংকের সমস্ত সাফল্যের মূলে রয়েছে ব্যাংকের মাননীয় চেয়ারম্যান ও পরিচালনা পরিষদের শ্রদ্ধেয় সদস্যদের দিকনির্দেশনা, এবং সর্বোপরি শেয়ারহোল্ডার, আমানতকারী, গ্রাহকবৃন্দ ও নিয়ন্ত্রনকারী সংস্থার যথাযথ সহযোগিতা।

## পরিচালন সাফল্য :

উক্ত বছরে ব্যাংকের আমানত ২০১৩ সাল শেষে ১০২,৫২৪ মিলিয়ন টাকা থেকে ২২ শতাংশ বৃদ্ধি পেয়ে ২০১৪ সাল শেষে ১২৫,১৬৩ মিলিয়ন টাকায় উন্নীত হয়। ব্যাংকের মোট ঋণ ও অগ্রিম ২০১৩ সাল শেষে ৮৩,৭৯৮ মিলিয়ন টাকা থেকে ৩৩ শতাংশ হারে বৃদ্ধি পেয়ে ২০১৪ সাল শেষে ১১১,৪১৩ মিলিয়ন টাকায় উন্নীত হয়। বিগত দুই বছরে অর্থাৎ



২০১৩ ও ২০১৪ অর্থবছরে ব্যাংকের ঋণ ও অগ্রিমের ৯০ শতাংশ বৃদ্ধির মাধ্যমে ব্যাংক একটি মাইলফলক স্থাপন করতে সক্ষম হয়েছে। আমাদের ঋণ আমানত-হার গত বছর শেষে ৮০ শতাংশ থেকে বৃদ্ধি পেয়ে প্রায় ৮৯ শতাংশে দাঁড়ায়। ফলশ্রুতিতে আমাদের সুদ আয়ের পরিমাণ গত বছরের ১০,২০৭ মিলিয়ন টাকা থেকে বৃদ্ধি পেয়ে ১২,৫৫৫ মিলিয়ন টাকায় দাঁড়ায়। অর্থাৎ ব্যাংক সুদ থেকে আয়ে ২৩ শতাংশ প্রবৃদ্ধি অর্জন করে। ব্যাংকের নীট সুদ আয় গত বছরের ১,৪৩৯ মিলিয়ন টাকা থেকে প্রায় দ্বিগুণ হয়ে ২৮৮০ মিলিয়ন টাকায় দাঁড়ায়।

ব্যাংক আলোচ্য বছরে পরিচালন মুনাফা করেছে ৩,৪৮৫ মিলিয়ন টাকা যা গত বছরের ১,৯৩৬ মিলিয়ন টাকার চেয়ে প্রায় ৮০ শতাংশ বেশী। আমাদের কর পরবর্তী মুনাফায় অভূতপূর্ব প্রবৃদ্ধি ঘটেছে। আমাদের কর পরবর্তী মুনাফা হয় ১,২৯৮ মিলিয়ন টাকা যা গত বছরের ৩২২ মিলিয়ন টাকা থেকে প্রায় তিনগুণ বেশী। শেয়ার প্রতি আয় দাঁড়ায় ৩.০৫ টাকা যা গত বছর ছিল মাত্র ০.৭৬ (সংশোধিত) টাকা।

### মূল ব্যাংকিং-এ সাফল্যঃ

ব্যাংকের মৌলিক ব্যাংকিং পরিচালনা আয় ২০১৩ সালের থেকে ৬০ শতাংশ হারে বৃদ্ধি পেয়ে ৫,৯৭৮ মিলিয়ন টাকায় দাঁড়ায়। পরিচালন মুনাফা হয় ৩,২৫৮ মিলিয়ন টাকা যা ২০১৩ সালে ছিল মাত্র ১,৫৪৯ মিলিয়ন টাকা। ট্রাস্ট ব্যাংকের পরিচালন মুনাফায় সামষ্টিক প্রবৃদ্ধির হার ৮০ শতাংশের বিপরীতে একক পরিচালন মুনাফার ১১০ শতাংশ প্রবৃদ্ধি অর্জন করে, অন্যদিকে ব্যাংকের শ্রেণীকৃত ঋণের হার ২০১৩ সালের ২.৯০ শতাংশ থেকে হ্রাস পেয়ে ২.৪৫ শতাংশে নেমে আসে। ব্যাংকের শ্রেণীকৃত ঋণ হারের হ্রাসের ফলে আমরা বলতে পারি ঋণ ও অগ্রিম বাড়তে গিয়ে ব্যাংক ঋণের ও অগ্রিমের গুণগত মানে ছাড় দেয়নি। উপরিউক্ত তথ্য থেকে আমরা বলতে পারি যে আমাদের মৌলিক ব্যাংকিং এর সার্বিক সাফল্য প্রশংসার দাবী রাখে।

### ইসলামী ব্যাংকিং এ অব্যাহত সাফল্যঃ

কনভেনশনাল ব্যাংকিং এর পাশাপাশী আমাদের ইসলামী ব্যাংকিং কার্যক্রমে আমরা প্রশংসনীয় প্রবৃদ্ধি অর্জন করেছি। উক্ত বছরে ইসলামী ব্যাংকিং এর আওতায় আমানত ২০১৩ সাল শেষে ৫১৮৯ মিলিয়ন টাকা থেকে ৪৬ শতাংশ বৃদ্ধি পেয়ে ২০১৪ সাল শেষে ৭৬০১ মিলিয়ন টাকায় উন্নীত হয়। ইসলামী ব্যাংকিং এর আওতায় মোট বিনিয়োগ ২০১৩ সাল শেষে ৩৮৪১ মিলিয়ন টাকা থেকে ৬৭ শতাংশ হারে বৃদ্ধি পেয়ে ২০১৪ সাল শেষে ৬৪১৯ মিলিয়ন টাকায় উন্নীত হয়। ইসলামী ব্যাংকিং এর আওতায় পরিচালন মুনাফার পরিমাণ দাঁড়ায় ২৯০ মিলিয়ন টাকা।

### মূলধন পর্যা়ুতা :

২০১৪ সালে মূলধন সংশ্লিষ্ট কেন্দ্রীয় ব্যাংকের বিধি মোতাবেক ব্যাংকের মূলধনের পরিমাণ দাঁড়ায় ১৩,৪১৯ মিলিয়ন টাকা যা গত বছর শেষে ছিল ১০,৭৯৮ মিলিয়ন টাকা। অর্থাৎ কেন্দ্রীয় ব্যাংকের বিধি মোতাবেক ন্যূনতম ১০ শতাংশের বিপরীতে ব্যাংক ১১.৯৩ শতাংশ হারে মূলধন সংরক্ষণ করতে সক্ষম হয়। ব্যাংকের মূলধন পর্যা়ুতা বজায় রাখার জন্য আলোচ্য বছরে ব্যাংক নগদ লভ্যাংশের পাশাপাশি শেয়ার লভ্যাংশ ঘোষণা করে। অধিকন্তু ব্যাংক মূলধন বাড়ানোর লক্ষ্যে ব্যাংকের দ্বিতীয় বন্ড ছেড়ে ২০০০ মিলিয়ন টাকা মূলধন সংগ্রহ করেছে।

### অন্যান্য অর্জন :

অন্তর্ভুক্তিমূলক ব্যাংকিং এর সম্প্রসারণের লক্ষ্যে ২০১৪ সালে ব্যাংক ৯টি নতুন শাখা চালু করে যা অধিকাংশ পল্লী এলাকায় অবস্থিত। ২০১৪ সাল শেষে ব্যাংকের মোট শাখা সংখ্যা দাঁড়ায় ৯৭টিতে যার মধ্যে ৬টি এসএমই/কৃষি শাখা রয়েছে। ব্যাংক ২৩টি নতুন এটিএম বুথ স্থাপন করেছে, যার ফলে ব্যাংকের এটিএম বুথের সংখ্যা দাঁড়ায় ১৪২টিতে। মোবাইল ব্যাংকিং সেবা ছাড়াও ব্যাংক ৮টি ‘টি-লবি’ র মাধ্যমে ব্যাংকিং সেবা দিয়ে যাচ্ছে।

অর্থায়নের মাধ্যমে ব্যাংক কম সুবিধা প্রাপ্ত ব্যক্তি ও প্রতিষ্ঠানকে ঋণ সুবিধা প্রদান অব্যাহত রেখেছে। অন্যতম অগ্রাধিকার প্রাপ্ত খাতের মধ্যে রয়েছে এসএমই, কৃষি ও নবায়নযোগ্য গ্যাস উৎপাদন প্রকল্প।

### ভবিষ্যত পরিকল্পনাসমূহ :

ট্রাস্ট ব্যাংক দীর্ঘ মেয়াদে টেকসই প্রবৃদ্ধি অর্জন করার লক্ষ্যে ব্যাংক ঋণ আমানতকে একটি আদর্শ অনুপাতের মধ্যে রেখে সঠিক তারল্য ব্যবস্থাপনা ও দীর্ঘ মেয়াদে আর্থিক স্বচ্ছলতা নিশ্চিত করেছে। আলোচ্য বছরের ব্যাংকের অর্জিত প্রবৃদ্ধি ধরে রাখা ও অন্যান্য সাফল্য সূচকে আরো সফলতা অর্জনে প্রচেষ্টা অব্যাহত রয়েছে।

ব্যাংকের ঋণ-অগ্রিমকে আরো বহুমুখীকরণের লক্ষ্যে এবং উৎপাদনমূলক খাত যেমন- কৃষি, ক্ষুদ্র শিল্প, গ্রামীণ অর্থনীতি ও অন্যান্য আর্থিক প্রতিষ্ঠানের মাধ্যমে ক্ষুদ্র ঋণ প্রদান অব্যাহত রয়েছে। গ্রামীণ, কৃষি, এসএমই ও ক্ষুদ্র ঋণের পাশাপাশি আমরা বৃহৎ প্রতিষ্ঠানকে অর্থায়নের কাজ জোরদার করা হবে। ব্যাংকের আমানতকে ঝুঁকিমুক্ত ও বহুমুখী করার লক্ষ্যে ব্যাংক বৃহৎ আমানতের পরিবর্তে ব্যাপক হারে রিটেইল গ্রাহক থেকে আমানত সংগ্রহ করার প্রচেষ্টা অব্যাহত রেখেছে।

প্রচলিত ব্যাংকিং এর পাশাপাশি ইসলামী ব্যাংকিং এর আওতায় আমানত ও বিনিয়োগ বৃদ্ধির লক্ষ্যে ইসলামী ব্যাংকিং সেবায় আরো প্রসারের জন্য প্রচেষ্টা জোরদার করা হবে। আমরা আশা করি ইনশাল্লাহু অদূর ভবিষ্যতে আমাদের ঋণ ও অগ্রিম এবং বিনিয়োগের পরিমান বৃদ্ধি পাবে।

ব্যাংকের সেবার পরিসর বাড়ানোর লক্ষ্যে আরও ১০টি নতুন শাখা খোলা হবে। এছাড়াও প্রয়োজনীয় এটিএম বুথ ও টি-লবি খোলা হবে। গ্রাহকদের সাথে সম্পর্কনোয়নের লক্ষ্যে সেবার পরিসর ও মান বৃদ্ধির চেষ্টা অব্যাহত থাকবে।

### ধন্যবাদ জ্ঞাপন ও কৃতজ্ঞতা প্রকাশ:

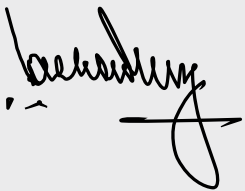
ব্যবস্থাপনা কর্তৃপক্ষের পক্ষ থেকে আমি সম্মানিত পরিচালনা পরিষদের সদস্যদের প্রতি আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছি। পরিচালনা পরিষদের সঠিক দিকনির্দেশনা ও সহযোগিতা ছাড়া ব্যাংকের সাফল্য কোনভাবেই তুরাশ্বিত হতোনা। পরিচালনা পরিষদের বিচক্ষণতা দিকনির্দেশনা এবং ব্যবস্থাপনা কর্তৃপক্ষের পেশাদারিত্বের সাথে দায়িত্ব পালনের ফলে ট্রাস্ট ব্যাংক আজকে দেশের একটি অন্যতম শক্তিশালী আর্থিক প্রতিষ্ঠান হিসাবে আত্মপ্রকাশ করতে সক্ষম হয়েছে।

আমরা ব্যবস্থাপনা কর্তৃপক্ষ এই প্রতিষ্ঠানকে সাফল্যের নতুন পর্যায়ে নিয়ে যাওয়ায় প্রতিশ্রুতিবদ্ধ এবং সাথে সাথে নিয়ন্ত্রনকারী কর্তৃপক্ষের সফল নির্দেশনা পরিপালন নিশ্চিত করার মাধ্যমে ব্যাংকের ঝুঁকিমুক্ত রাখতেও আমরা প্রতিজ্ঞাবদ্ধ।

ব্যাংকের ১৬তম সাধারণ সভার উপস্থিত সকল শেয়ারহোল্ডার ও অন্যান্য সংশ্লিষ্ট পক্ষের প্রতি আন্তরিক ধন্যবাদ জ্ঞাপন করছি। আপনারা আমাদের প্রতি যে বিশ্বাস ও আস্থা রেখেছেন তার জন্য আমরা আপনাদের কাছে কৃতজ্ঞ।

সম্মানিত গ্রাহক, সরকারী সংস্থাসমূহ, পুঁজিবাজার সংশ্লিষ্ট প্রতিষ্ঠান যেমন ঢাকা স্টক এক্সচেঞ্জ ও চট্টগ্রাম স্টক এক্সচেঞ্জ এবং সর্বপরি ট্রাস্ট ব্যাংকের আমার প্রিয় সহকর্মীদের প্রতি বিশেষ ধন্যবাদ ও কৃতজ্ঞতা জ্ঞাপনের মাধ্যমে আমি শেষ করছি।

ধন্যবাদান্তে,



ইশতিয়াক আহমেদ চৌধুরী

ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তা

বিঃদ্র: ব্যবস্থাপনা পরিচালক মহোদয়ের ইংরেজি ও বাংলা বাণীর ক্ষেত্রে কোন বিষয়ে মতদ্বৈততা দেখা দিলে ইংরেজি বাণীই সঠিক বলে বিবেচিত হবে।

# Management Teams



**Anti Money Laundering**



**Board Division**



**Human Resources Division**



# Management Teams



**IC&C Division**



**Training Academy**



**ID & Treasury Back Office**

# Management Teams



**GSS Division**



**Board Auditors**



**Operations Division**



# Management Teams

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***IT, ADC & Mobile Banking Division***







**Credit Risk Management Division**

# Management Teams



***Credit Administration Division***



***SME & Green Banking Division***



***Retail Banking Division***



# Management Teams

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***Foreign Remittance Division***

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***Risk Management Division***

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***ID & Treasury Front Office***

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# Management Teams



***Islamic Banking Division***



***Financial Control and Accounts Division***



# Financial Calendar

## Financial Results of 2014

## Date

First quarter results (un-audited) approved on  
Second quarter results (un-audited) approved on  
Third quarter results (un-audited) approved on  
Annual Financial Statements for the year 2014 approved on

23 April 2014  
15 July 2014  
26 October 2014  
03 March 2015

## 15th Annual General Meeting

## Date

Price Sensitive Disclosure  
Record Date  
Date of AGM  
Credit of Bonus Share on

25 February 2014  
08 April 2014  
22 May 2014  
03 June 2014

## 16th Annual General Meeting

## Date

Price Sensitive Disclosure  
Record Date  
Date of AGM

04 March 2015  
15 March 2015  
30 March 2015

# Corporate Governance

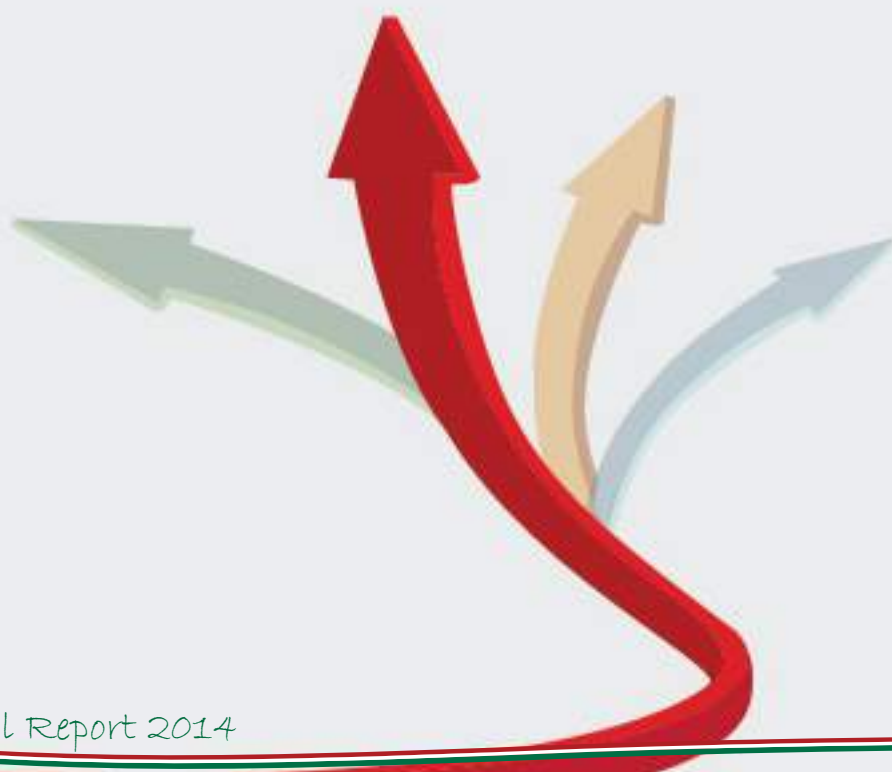
Corporate Governance is defined as a set of systems, processes and principles which ensure that a company is governed for the best interest of all stakeholders. At Trust Bank Limited, it is the system by which the Bank directed and controlled. It is about promoting corporate fairness, transparency and accountability. In other words, good 'Corporate Governance' is simply 'good business'.

We ensure:

- Adequate disclosure and effective decision making to achieve corporate objectives;
- Transparency in business transactions;
- Statutory and legal compliances;
- Protection of shareholder's interest;
- Commitment to values and ethical conduct of business.

## Shareholders' Meetings

The supreme authority in the Bank's affairs, within the limit established by the Articles of Association and statutory law, rests with legitimate shareholders' meetings. The Bank's Annual General Meeting is held within statutorily allowed time every year. Decisions at shareholders' meetings are taken by majority vote unless there are contrary provisions in the Bank's Articles of Association or statutory law.



## The Board of Directors

The Board of Directors is the supreme authority in the Bank's affairs. The Board of Trust Bank Limited (TBL) is committed to the Bank to achieve superior financial performance and long-term prosperity, while meeting stakeholders' expectations of sound Corporate Governance. It handles the Bank's affairs and ensures that the organization and its operation are at all times in correct and appropriate order. The Board is, among other things, responsible for setting business objectives, strategies and business plans, formulating risk policies, confirming key aspects of the Bank's internal organization and making decisions on the establishment of branches. As a mechanism of budgetary control, the Board approves budget and reviews the business plan on quarterly basis so as to give directions as per changing economic and market environment. The Board also reviews the policies and guidelines issued by Bangladesh Bank and gives directions for their due compliance. Furthermore, Board of Directors develops and reviews Corporate Governance framework as well as recommends to shareholders to appoint an external auditor.

## Composition

The Board of Trust Bank Limited consists of 10 (Ten) members including Managing Director as executive director and ex-officio member of the Board. As per the guideline of Bangladesh Bank and in compliance with the Bangladesh Securities and Exchange Commission's corporate governance guideline, the Board consists of 03 (Three) Independent Directors.

## Appointment of New Director

Decision for appointment of a new Director is made in the meeting of Board of Directors. A detailed biography along with other declaration forms prescribed by Bangladesh Bank are submitted to Bangladesh Bank for approval. After obtaining approval from Bangladesh Bank, necessary returns are submitted to RJSC & retained the certified copy.

## Re-election of Directors

As per Regulation 79 of Schedule-I of the Companies Act 1994 and clause 107-109 of Articles of Association of the Bank at the ordinary general meeting in every subsequent year, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from Office. Accordingly, the respective Directors of Trust Bank Limited will retire at the 16th Annual General Meeting.

## Independent Director

To comply with the circular issued by Bangladesh Bank and in compliance with the Bangladesh Securities and Exchange Commission's Corporate Governance guidelines the Board of Directors appointed 03 (Three) Independent Directors on the Board. A full compliance report of the said CG guidelines is provided at annexure IV.

## Board Meetings

During the year 2014, there were 17 meetings of the Board. The attendance of Directors at the Board meeting held during the year is provided at annexure-I.

## Executive Committee

The Executive Committee comprises four members from the Board. The Committee mainly scrutinizes the proposals sent to Board of Directors for decision. However, in order to have functioning and quick disposal of credit proposals, Board has delegated authority to Executive Committee of the Board to approve proposal within certain limit and it is observed to be effective to accelerate the various decisions which otherwise had to wait for Board meeting. The committee met 45 times during the year 2014 and played instrumental role for the Board in approving strategic plans and policy guidelines. Attendance in EC meeting is provided in annexure-II.

## Audit Committee

The Audit Committee maintains regular contact with both external and internal auditors and ensures that complaints and observations from the auditors are acted upon. Furthermore, the Audit Committee discusses accounting principles and changes thereto. The Audit Committee consults and advises the Board on the scope of internal audits. The committee keeps under review the scope and results of the audit and its cost-effectiveness and the independence and objectivity of the auditors. The committee ensures transparency and accountability in the operations of the Bank and the activities of the Bank are conducted within framework of policies, principles and plans as laid down by the Board and the guidelines of the regulatory authorities issued from time to time.

The committee is headed by an Independent Director and comprises two other Directors including another one Independent Director. However, the company secretary is the Secretary of Audit Committee. The committee has unrestricted access to all accounts, books and records to ensure the job is conducted properly. The committee had 6 meetings during the year 2014, based on which the Committee submitted its report to the Board regarding its oversight function. The report is given in this annual report.

## Risk Management Committee

As per Bank Company Act 1991(amended up to 2013) and subsequent circular issued by Bangladesh Bank, a Risk Management Committee has been formed. The committee is headed by a Director and comprises two other Directors. Company secretary is the Secretary of Risk Management Committee. The committee had 04 meeting in the year 2014.

## Directors' Remuneration

The non-executive directors (directors other than Managing Director) of the Board representing shareholders do not take any remuneration or reimbursement of any expenses except fees for attending meetings. The Board members receive only Tk.5000/- for attending the Board/Committee meetings. The fees given to directors are disclosed in the note 28 to the financial statements.

## Management

Managing Director is the CEO of the Bank. The CEO and Board of Directors are jointly responsible for the management of the Bank. The Managing Director is responsible for day-to-day operations and in this respect observes the policy and directions of the Board of Directors. The day-to-day operations do not include measures which are unusual or extraordinary. Such measures are only taken by the Managing Director pursuant to special authorization from the Board of Directors unless waiting for a decision from the Board of Directors would seriously disadvantage the operation of the Bank. In such cases, the Board of Directors is promptly notified of the measures. The Managing Director also ensures that Bank's accounts and finances conform to applicable laws and accepted standards. Therefore, being empowered by the Board, Managing Director leads Management consisting of executives of the Bank. Management performs through several committees headed by Managing Director comprising a number of executives of the Bank. The committees are MANCOM, ALCO, Basel Committee etc. Management enjoys absolute power in respect of recruitment, posting and promotion of manpower in accordance with Bangladesh Bank's guidelines. In addition, Board has delegated adequate administrative, business and financial power to Management for quick and efficient discharge of Bank's activities.

## Financial Reporting, Statutory and Regulatory Reporting

In the preparation of quarterly, half-yearly and annual financial statements, the Bank has complied with the requirements of the Companies Act 1994, Bank Company Act 1991(amended up to 2013) and rules and regulations of Bangladesh Bank, BSEC and Stock Exchanges.

## Internal Control

The Board of Directors acknowledges their overall responsibility for the Bank's system of internal control and for reviewing its effectiveness. Internal control is an ongoing process for identifying, evaluating and managing the significant risks faced by the Bank. The Bank has taken all-out efforts to mitigate all sorts of risk as per guidelines issued by Bangladesh Bank. Internal Control & Compliance Division and Board Audit Cell are working towards mitigation of operational and compliance risk of the Bank.

## External Audit

M/S Syful Shamsul Alam & Co, Chartered Accountants is the statutory auditors of the Bank. They do not provide any other accounting, taxation or advisory services to the Bank except certification of cash incentives payable to exporters.

## Audit and Inspection by Bangladesh Bank

Bangladesh Bank also undertakes audit & inspection at the Bank as per determined intervals. Compliance with observations and recommendations made by Bangladesh Bank help the Bank to improve internal control, risk management, Corporate Governance and regulatory compliance.

## Going Concern Assumption

The Directors confirm that they are satisfied that the Bank has adequate resources to continue to operate for the foreseeable future and is financially sound. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

## Relations and Communication with Shareholders

The Bank acknowledges and takes necessary steps to provide shareholders with all relevant and reliable information. All relevant information is placed in website of the Bank for convenience of the shareholders. Moreover, as per BSEC guidelines all the price sensitive information having possible impact on share prices of the Bank are communicated to the shareholders by publication in the national dailies and to the DSE, CSE and BSEC through official letters for appearance in their website. Quarterly Financial Statements are communicated to all the shareholders through DSE, CSE and BSEC. Half-yearly Financial Statements are directly communicated to all shareholders. Audited yearly financial statements are published in two national dailies. Finally, we arrange Annual General Meeting as our statutory duty to give our shareholders parliamentary session to communicate their assertions about the Bank. All the suggestions or recommendations made by the shareholders in AGM or any time during the year are taken very seriously for compliance and better Corporate Governance of the Bank.

## Compliance of Regulatory Guidelines

Bangladesh Securities and Exchange Commission (BSEC) issued Corporate Governance guidelines (Notification dated 07 August 2012), on 'comply' basis, for the companies listed with stock exchanges. Through the said notification, SEC has asked the listed companies to report the compliance status of the said notification in the annual report.

## Compliance Report on SEC Notification

The Board of Directors of Trust Bank Limited has taken appropriate steps to comply with Corporate Governance guidelines issued by BSEC. The details of the conditions are mentioned in Annexure-I, II, III, IV.



## Annexure-I

17 meetings of the Board of Directors were held in the year 2014; the attendance of the directors is furnished below:

| Sl. | Name of Director                                                                             | Position                                     | Date of appointment | Meeting Held (after appointment) | Attended | Remarks       |
|-----|----------------------------------------------------------------------------------------------|----------------------------------------------|---------------------|----------------------------------|----------|---------------|
| 1   | General Iqbal Karim Bhuiyan, SBP, psc [Representing Army Welfare Trust]                      | Chairman                                     | 25-06-2012          | 17                               | 11       | Leave granted |
| 2   | Maj Gen Md Mahfuzur Rahman, rcds, ndc, afwc, psc, PhD [Nominated by Army Welfare Trust]      | Vice Chairman                                | 26-11-2014          | 02                               | 02       | -             |
| 3   | Brig Gen Khan Abu Roushan Mohammad Mostafa Kamal, ndc, psc [Nominated by Army Welfare Trust] | Director                                     | 11-02-2009          | 17                               | 15       | Leave granted |
| 4   | Ms. Begum Rokeya Din                                                                         | General Shareholders' & Independent Director | 28-04-2009          | 17                               | 15       | Leave granted |
| 5   | Mr. Helal Uddin Ahmed                                                                        | Depositor & Independent Director             | 28-04-2009          | 17                               | 17       | -             |
| 6   | Brig Gen Abu Mohammad Munir Alim, BSP, psc, G [Nominated by Army Welfare Trust]              | Director                                     | 06-06-2013          | 17                               | 15       | Leave granted |
| 7   | Brig Gen Md Mehdi Hassan, ndc, afwc, psc [Nominated by Army Welfare Trust]                   | Director                                     | 10-11-2013          | 17                               | 15       | Leave granted |
| 8   | Brig Gen Kazi A S M Arif, afwc, psc [Nominated by Army Welfare Trust]                        | Director                                     | 08-01-2014          | 17                               | 17       | -             |
| 9   | Mr. Ashrafuzzaman Khan                                                                       | Independent Director                         | 23-02-2014          | 16                               | 16       | -             |
| 10  | Mr. Ishtiaque Ahmed Chowdhury                                                                | Managing Director & CEO                      | 04-02-2013          | 17                               | 17       | -             |

Leave of absence was granted to directors who could not attend some of the Board meetings.

## Annexure-II

45 meetings of the Executive Committee were held in the year 2014; the attendance of the Directors is furnished below:

| Sl. | Name of Director                                                                                | Position | Date of appointment | Meeting Held (after appointment) | Attended | Remarks       |
|-----|-------------------------------------------------------------------------------------------------|----------|---------------------|----------------------------------|----------|---------------|
| 1   | Maj Gen Md Mahfuzur Rahman, rcds, ndc, afwc, psc, PhD<br>[Nominated by Army Welfare Trust]      | Chairman | 26-11-2014          | 5                                | 5        | -             |
| 2   | Brig Gen Khan Abu Roushan Mohammad Mostafa Kamal, ndc, psc<br>[Nominated by Army Welfare Trust] | Member   | 11-02-2009          | 45                               | 44       | Leave granted |
| 3   | Ms. Begum Rokeya Din                                                                            | Member   | 28-04-2009          | 45                               | 41       | Leave granted |
| 4   | Brig Gen Md Mehdi Hassan, ndc, afwc, psc<br>[Nominated by Army Welfare Trust]                   | Member   | 10-11-2013          | 45                               | 43       | Leave granted |
| 5   | Mr. Ishtiaque Ahmed Chowdhury, Managing Director & CEO                                          | Member   | 04-02-2013          | 45                               | 45       | -             |

## Annexure-III

The pattern of shareholding of Trust Bank Limited as of 31 December 2014

i) Shareholding by Parent/Subsidiary/Associated Companies and other related parties: Nil

ii) Shareholding by Directors:

| Name of Director                                                                                | Position                                     | No. of Shares |
|-------------------------------------------------------------------------------------------------|----------------------------------------------|---------------|
| General Iqbal Karim Bhuiyan, SBP, psc<br>(Representing Army Welfare Trust)                      | Chairman                                     | 25,57,20,024  |
| Maj Gen Md Mahfuzur Rahman, rcds, ndc, afwc, psc, PhD<br>[Nominated by Army Welfare Trust]      | Vice Chairman                                | NIL           |
| Brig Gen Khan Abu Roushan Mohammad Mostafa Kamal, ndc, psc<br>[Nominated by Army Welfare Trust] | Director                                     | 255           |
| Ms. Begum Rokeya Din                                                                            | General Shareholders' & Independent Director | 1,443         |
| Mr. Helal Uddin Ahmed (Depositor & Independent Director)                                        | Depositor & Independent Director             | 26,648        |
| Brig Gen Abu Mohammad Munir Alim, BSP, psc, G<br>[Nominated by Army Welfare Trust]              | Director                                     | Nil           |
| Brig Gen Md Mehdi Hassan, ndc, afwc, psc<br>[Nominated by Army Welfare Trust]                   | Director                                     | Nil           |
| Brig Gen Kazi A S M Arif, afwc, psc<br>[Nominated by Army Welfare Trust]                        | Director                                     | Nil           |
| Mr. Ashrafuzzaman Khan (Independent Director)                                                   | Independent Director                         | Nil           |
| Mr. Ishtiaque Ahmed Chowdhury                                                                   | MD & CEO                                     | Nil           |

### III) Shareholding by Executives:

| Name of the Executives                         | No. of Share |
|------------------------------------------------|--------------|
| Chief Executive Officer                        | Nil          |
| Company Secretary                              | Nil          |
| Chief Financial Officer                        | Nil          |
| Head of Internal Audit                         | Nil          |
| Spouses and Minor children of above Executives | Nil          |

IV) Shareholding by Other Senior Executives: Nil

V) Shareholders holding ten percent (10%) or more voting interest in the company as at 31 December 2014: Army Welfare Trust

### Annexure-IV

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

(Report under condition no. 7.00)

| Condition No. | Title                                                                                                                                                                                                                                                                                                                           | Compliance Status (has been Put in the appropriate column) |              | Remarks (if any) |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------|------------------|
|               |                                                                                                                                                                                                                                                                                                                                 | Complied                                                   | Non-complied |                  |
| 1             | <b>Board of Directors</b>                                                                                                                                                                                                                                                                                                       |                                                            |              |                  |
| 1.1           | Board's Size:<br>Number of Board Members shall not be less than 5 (five) and more than 20 (twenty)                                                                                                                                                                                                                              | √                                                          |              |                  |
| 1.2           | <b>Independent Directors</b>                                                                                                                                                                                                                                                                                                    |                                                            |              |                  |
| 1.2 (i)       | At least one fifth (1/5) of the total number of Directors of Board shall be Independent Directors.                                                                                                                                                                                                                              | √                                                          |              |                  |
| 1.2 (ii)      | Independent Directors means a Director                                                                                                                                                                                                                                                                                          |                                                            |              |                  |
| 1.2 (ii) (a)  | Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;                                                                                                                                                                                        | √                                                          |              |                  |
| 1.2 (ii) (b)  | Who is not a sponsor of the company and is not connected with the company's any sponsor or Director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company; | √                                                          |              |                  |
| 1.2 (ii) (c)  | Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;                                                                                                                                                                                              | √                                                          |              |                  |
| 1.2 (ii) (d)  | Who is not a Member, Director or Officer of any Stock Exchange;                                                                                                                                                                                                                                                                 | √                                                          |              |                  |

| Condition No. | Title                                                                                                                                                                                                                                                                                                                                                             | Compliance Status (has been Put in the appropriate column) |              | Remarks (if any) |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------|------------------|
|               |                                                                                                                                                                                                                                                                                                                                                                   | Complied                                                   | Non-complied |                  |
| 1.2 (ii) (e)  | Who is not a shareholder, Director or Officer of any Member of Stock Exchange or an intermediary of the capital market;                                                                                                                                                                                                                                           | √                                                          |              |                  |
| 1.2 (ii) (f)  | Who is not a partner or an Executive or was not a partner or an Executive during the preceding 3 (three) years of the concerned company's statutory audit firm;                                                                                                                                                                                                   | √                                                          |              |                  |
| 1.2 (ii) (g)  | Who shall not be an Independent Director in more than 3 (three) listed companies;                                                                                                                                                                                                                                                                                 | √                                                          |              |                  |
| 1.2 (ii) (h)  | Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a Bank or a Non-Bank Financial Institution (NBFI);                                                                                                                                                                                                       | √                                                          |              |                  |
| 1.2 (ii) (i)  | Who has not been convicted for a criminal offence involving moral turpitude                                                                                                                                                                                                                                                                                       | √                                                          |              |                  |
| 1.2 (iii)     | The Independent Director(s) shall be appointed by the Board of Directors and approved by the Shareholders in the Annual General Meeting (AGM).                                                                                                                                                                                                                    | √                                                          |              |                  |
| 1.2 (iv)      | The post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days.                                                                                                                                                                                                                                                                          | √                                                          |              |                  |
| 1.2 (v)       | The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.                                                                                                                                                                                                                                                 | √                                                          |              |                  |
| 1.2 (vi)      | The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.                                                                                                                                                                                                                            | √                                                          |              |                  |
| 1.3           | <b>Qualification of Independent Directors</b>                                                                                                                                                                                                                                                                                                                     |                                                            |              |                  |
| 1.3 (i)       | Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.                                                                                                                                                          | √                                                          |              |                  |
| 1.3 (ii)      | The person should be a Business Leader/ Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/ Professionals like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/ professional experiences. | √                                                          |              |                  |
| 1.3 (iii)     | In special cases the above qualifications may be relaxed subject to prior approval of the Commission.                                                                                                                                                                                                                                                             |                                                            |              | N/A              |
| 1.4           | <b>Chairman of the Board &amp; Chief Executive Officer (CEO)</b>                                                                                                                                                                                                                                                                                                  |                                                            |              |                  |
| 1.4           | The Chairman of the Board and the Chief Executive Officer shall be different individuals. The Chairman shall be elected from among the directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO                                                                                                   | √                                                          |              |                  |

| Condition No. | Title                                                                                                                                                                                                                                                                                                                                       | Compliance Status (has been Put in the appropriate column) |              | Remarks (if any) |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------|------------------|
|               |                                                                                                                                                                                                                                                                                                                                             | Complied                                                   | Non-complied |                  |
| 1.5           | The Directors' Report to Shareholders                                                                                                                                                                                                                                                                                                       |                                                            |              |                  |
| 1.5 (i)       | Industry outlook and possible future developments in the industry.                                                                                                                                                                                                                                                                          | √                                                          |              |                  |
| 1.5 (ii)      | Segment-wise or product-wise performance.                                                                                                                                                                                                                                                                                                   | √                                                          |              |                  |
| 1.5 (iii)     | Risks and concerns.                                                                                                                                                                                                                                                                                                                         | √                                                          |              |                  |
| 1.5 (iv)      | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.                                                                                                                                                                                                                                                              | √                                                          |              |                  |
| 1.5 (v)       | Discussion on continuity of any Extra-Ordinary gain or loss.                                                                                                                                                                                                                                                                                | √                                                          |              |                  |
| 1.5 (vi)      | Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.                                                                                                                                                                                                               | √                                                          |              |                  |
| 1.5 (vii)     | Utilization of proceeds from public issues, rights issues and/or through any others instruments.                                                                                                                                                                                                                                            | √                                                          |              |                  |
| 1.5 (viii)    | An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.                                                                                                                                                              |                                                            |              | N/A              |
| 1.5 (ix)      | If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.                                                                                                                                                              |                                                            |              | N/A              |
| 1.5 (x)       | Remuneration to Directors including Independent Directors.                                                                                                                                                                                                                                                                                  | √                                                          |              |                  |
| 1.5 (xi)      | The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.                                                                                                                                                              | √                                                          |              |                  |
| 1.5 (xii)     | Proper books of account of the issuer company have been maintained.                                                                                                                                                                                                                                                                         | √                                                          |              |                  |
| 1.5 (xiii)    | Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.                                                                                                                                                   | √                                                          |              |                  |
| 1.5 (xiv)     | International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed. | √                                                          |              |                  |
| 1.5 (xv)      | The system of internal control is sound in design and has been effectively implemented and monitored.                                                                                                                                                                                                                                       | √                                                          |              |                  |



| Condition No. | Title                                                                                                                                                                                                                             | Compliance Status (has been Put in the appropriate column) |              | Remarks (if any) |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------|------------------|
|               |                                                                                                                                                                                                                                   | Complied                                                   | Non-complied |                  |
| 1.5 (xvi)     | There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed          | √                                                          |              |                  |
| 1.5 (xvii)    | Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.                                                                             | √                                                          |              |                  |
| 1.5 (xviii)   | Key operating and financial data of at least preceding 5 (five) years shall be summarized.                                                                                                                                        | √                                                          |              |                  |
| 1.5 (xix)     | Reason for non declaration of dividend                                                                                                                                                                                            |                                                            |              | N/A              |
| 1.5 (xx)      | The number of Board meetings held during the year and attendance by each Director shall be disclosed.                                                                                                                             | √                                                          |              |                  |
| 1.5 (xxi)     | <b>Pattern of shareholding and name wise details (disclosing aggregate number of shares)</b>                                                                                                                                      |                                                            |              |                  |
| 1.5 (xxi) (a) | Parent/Subsidiary/Associated Companies and other related parties                                                                                                                                                                  | √                                                          |              |                  |
| 1.5 (xxi)(b)  | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children                                                                                       | √                                                          |              |                  |
| 1.5 (xxi) (c) | Executives;                                                                                                                                                                                                                       | √                                                          |              |                  |
| 1.5 (xxi) (d) | Shareholders holding ten percent (10%) or more voting interest in the company                                                                                                                                                     | √                                                          |              |                  |
| 1.5 (xxii)    | <b>In case of the appointment/re-appointment of a director the company shall disclose:</b>                                                                                                                                        |                                                            |              |                  |
| 1.5 (xxii)(a) | A brief resume of the director;                                                                                                                                                                                                   | √                                                          |              |                  |
| 1.5 (xxii)(b) | Nature of his/her expertise in specific functional areas;                                                                                                                                                                         | √                                                          |              |                  |
| 1.5 (xxii)(c) | Names of companies in which the person also holds the directorship and the membership of committees of the board.                                                                                                                 | √                                                          |              |                  |
| 2             | <b>Appointment of CFO, HIA and CS</b>                                                                                                                                                                                             |                                                            |              |                  |
| 2.1           | Appointment of CFO, HIA and CS and defining their respective roles, responsibilities & duties                                                                                                                                     | √                                                          |              |                  |
| 2.2           | The CFO and the CS shall attend the meetings of the Board of Directors                                                                                                                                                            | √                                                          |              |                  |
| 3             | <b>Audit Committee</b>                                                                                                                                                                                                            |                                                            |              |                  |
| 3 (i)         | The company shall have an Audit Committee as a sub-committee of the Board of Directors.                                                                                                                                           | √                                                          |              |                  |
| 3 (ii)        | The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. | √                                                          |              |                  |

| Condition No. | Title                                                                                                                                                                                                   | Compliance Status (has been Put in the appropriate column) |              | Remarks (if any) |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------|------------------|
|               |                                                                                                                                                                                                         | Complied                                                   | Non-complied |                  |
| 3 (iii)       | The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.                                                            | √                                                          |              |                  |
| 3.1           | <b>Constitution of Audit Committee</b>                                                                                                                                                                  |                                                            |              |                  |
| 3.1(i)        | The Audit Committee shall be composed of at least 3 (three) members.                                                                                                                                    | √                                                          |              |                  |
| 3.1 (ii)      | The Board of Directors shall appoint Members of the Audit Committee who shall be Directors of the Company and shall include at least 1 (one) Independent Director.                                      | √                                                          |              |                  |
| 3.1 (iii)     | All Members of the Audit Committee should be “financially literate” and at least 1 (one) Member shall have accounting or related financial management experience.                                       | √                                                          |              |                  |
| 3.1 (iv)      | Expiration of the term of service of Audit Committee members making the number lower than 3(three) and fill up the vacancy(ies) by the Board not later than 1 (one) month from the date of vacancy(ies) | √                                                          |              |                  |
| 3.1 (v)       | The Company Secretary shall act as the Secretary of the Committee.                                                                                                                                      | √                                                          |              |                  |
| 3.1 (vi)      | The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) Independent Director.                                                                                           | √                                                          |              |                  |
| 3.2           | <b>Chairman of the Audit Committee</b>                                                                                                                                                                  |                                                            |              |                  |
| 3.2 (i)       | The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an Independent Director.                                                  | √                                                          |              |                  |
| 3.2 (ii)      | Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).                                                                                                               | √                                                          |              |                  |
| 3.3           | <b>Role of Audit Committee</b>                                                                                                                                                                          |                                                            |              |                  |
| 3.3 (i)       | Oversee the financial reporting process.                                                                                                                                                                | √                                                          |              |                  |
| 3.3 (ii)      | Monitor choice of accounting policies and principles.                                                                                                                                                   | √                                                          |              |                  |
| 3.3 (iii)     | Monitor Internal Control Risk management process.                                                                                                                                                       | √                                                          |              |                  |
| 3.3 (iv)      | Oversee hiring and performance of external Auditors.                                                                                                                                                    | √                                                          |              |                  |
| 3.3 (v)       | Review along with the Management, the Annual Financial Statements before submission to the Board for approval.                                                                                          | √                                                          |              |                  |
| 3.3 (vi)      | Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.                                                                       | √                                                          |              |                  |
| 3.3 (vii)     | Review the adequacy of internal audit function.                                                                                                                                                         | √                                                          |              |                  |
| 3.3 (viii)    | Review statement of significant related party transactions submitted by the Management.                                                                                                                 | √                                                          |              |                  |

| Condition No. | Title                                                                                                                                                                                                                                                                                                                                                                                                                     | Compliance Status (has been Put in the appropriate column) |              | Remarks (if any) |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------|------------------|
|               |                                                                                                                                                                                                                                                                                                                                                                                                                           | Complied                                                   | Non-complied |                  |
| 3.3 (ix)      | Review Management Letters/ Letter of Internal Control weakness issued by statutory Auditors.                                                                                                                                                                                                                                                                                                                              | √                                                          |              |                  |
| 3.3 (x)       | Disclosure of Audit Committee about the uses/applications of IPO funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/ prospectus. |                                                            |              | N/A              |
| 3.4           | <b>Reporting of the Audit Committee</b>                                                                                                                                                                                                                                                                                                                                                                                   |                                                            |              |                  |
| 3.4.1         | Reporting to the Board of Directors                                                                                                                                                                                                                                                                                                                                                                                       | √                                                          |              |                  |
| 3.4.1 (i)     | Reporting to the Board of Directors on the activities of the Audit Committee                                                                                                                                                                                                                                                                                                                                              | √                                                          |              |                  |
| 3.4.1(ii) (a) | Reporting to Board of Directors on conflicts of interests                                                                                                                                                                                                                                                                                                                                                                 |                                                            |              | N/A              |
| 3.4.1(ii) (b) | Suspected or presumed fraud or irregularity or material defect in the internal control system;                                                                                                                                                                                                                                                                                                                            |                                                            |              | N/A              |
| 3.4.1(ii) (c) | Suspected infringement of laws, including securities related laws, rules and regulations; and                                                                                                                                                                                                                                                                                                                             |                                                            |              | N/A              |
| 3.4.1(ii) (d) | Any other matter which shall be disclosed to the Board of Directors immediately.                                                                                                                                                                                                                                                                                                                                          |                                                            |              | N/A              |
| 3.4.2         | Reporting to BSEC (if any material impact on the financial condition & results signed by the Chairman and disclosed in the Annual Report)                                                                                                                                                                                                                                                                                 |                                                            |              | N/A              |
| 3.5           | Reporting to the Shareholders of Audit Committee activities, which shall be signed by the Chairman and disclosed in the Annual Report                                                                                                                                                                                                                                                                                     | √                                                          |              |                  |
| 4             | <b>External/Statutory Auditors</b><br>The issuer Company should not engage its external/statutory Auditors to perform the following services of the Company namely:                                                                                                                                                                                                                                                       |                                                            |              |                  |
| 4 (i)         | Appraisal or valuation services or fairness opinions;                                                                                                                                                                                                                                                                                                                                                                     | √                                                          |              |                  |
| 4 (ii)        | Financial information systems design and implementation:                                                                                                                                                                                                                                                                                                                                                                  | √                                                          |              |                  |
| 4 (iii)       | Book-keeping or other services related to the accounting records or Financial Statements;                                                                                                                                                                                                                                                                                                                                 | √                                                          |              |                  |
| 4 (iv)        | Broker-dealer services;                                                                                                                                                                                                                                                                                                                                                                                                   | √                                                          |              |                  |
| 4 (v)         | Actuarial services:                                                                                                                                                                                                                                                                                                                                                                                                       | √                                                          |              |                  |
| 4 (vi)        | Internal audit services; and                                                                                                                                                                                                                                                                                                                                                                                              | √                                                          |              |                  |
| 4 (vii)       | Any other service that the Audit Committee determines.                                                                                                                                                                                                                                                                                                                                                                    | √                                                          |              |                  |

| Condition No. | Title                                                                                                                                                                                        | Compliance Status (has been Put in the appropriate column) |              | Remarks (if any) |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------|------------------|
|               |                                                                                                                                                                                              | Complied                                                   | Non-complied |                  |
| 4 (viii)      | No partner or employees of the external Audit Firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.                  | √                                                          |              |                  |
| 4 (ix)        | Audit/Certification services on compliance of corporate governance as required under (i) of condition No. 7                                                                                  | √                                                          |              |                  |
| 5             | <b>Subsidiary Company</b>                                                                                                                                                                    |                                                            |              |                  |
| 5 (i)         | Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.     | √                                                          |              |                  |
| 5 (iii)       | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.                                                 | √                                                          |              |                  |
| 5 (iv)        | The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.                                           | √                                                          |              |                  |
| 5 (v)         | The Audit Committee of the holding company shall also review the Financial Statements, in particular the investments made by the subsidiary company.                                         | √                                                          |              |                  |
| 6             | <b>Duties of The CEO and CFO</b>                                                                                                                                                             |                                                            |              |                  |
| 6(i)          | The CEO and CFO shall certify to the Board that they have reviewed Financial Statements for the year and that to the best of their knowledge and belief:                                     | √                                                          |              |                  |
| 6. (i) (a)    | These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;                                                    | √                                                          |              |                  |
| 6. (i) (b)    | These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.                                | √                                                          |              |                  |
| 6 (ii)        | There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct      | √                                                          |              |                  |
| 7             | <b>Reporting and Compliance of Corporate Governance</b>                                                                                                                                      |                                                            |              |                  |
| 7 (i)         | Obtaining certificate from a practicing Professional Accountant/Secretary regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report | √                                                          |              |                  |
| 7 (ii)        | Directors statement in the directors' report whether the company has complied with these conditions                                                                                          | √                                                          |              |                  |

## COMPLIANCE CERTIFICATE

### CERTIFICATE OF THE COMPLIANCE OF CONDITIONS OF THE CORPORATE GOVERNANCE GUIDELINES TO THE SHAREHOLDERS OF Trust Bank Limited

We have examined the compliance of conditions to the Bangladesh Securities and Exchange Commission (BSEC) guidelines on Corporate Governance by Trust Bank Limited (the "Bank") for the year ended 31 December 2014. These guidelines relate to the notification no SEC/CMRRCD/2006-138/134/Admin/44 dated 7 August 2012 of BSEC on Corporate Governance.

The compliance of conditions of Corporate Governance as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the Bank's management.

Our examination for the purpose of issuing this certification was limited to the checking of procedures and implementations thereof as adopted by the Bank's management in ensuring the compliance to the conditions of Corporate Governance and corrects reporting of compliance status on the attached statement on the basis of evidence gathered and representation received.

To the best of our information and according to the explanations provided to us, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the above mentioned Guidelines issued by BSEC and reported on the attached status of compliance statement.

*Hoque Bhattacharjee Das & Co.*

Hoque Bhattacharjee Das & Co.  
Chartered Accountants

Dated: Dhaka  
March 04, 2015



*Economic Value*

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*Addition Report*



Trust Bank Limited, at its core, works to enhance the interest of all stakeholders and meet their expectation. A shareholder must get his/her wealth increased via increasing cash flow from dividends and capital gain through price appreciation of shares held by him/her; a depositor must get risk free custody of deposits simultaneously a competitive return on funds; and an employee must get a justified share of income earned by the Bank. Thus, the Bank's overall mission is to deliver optimum value to our customers, employees, shareholders and the nation. Our business strategy is geared towards achieving all of these. The Bank's policy is to deliver optimum value in a manner that is consistent with the highest level of fairness and transparency. Interest of one stakeholder has not been sacrificed on the altar of maximizing interest of another.

For the Bank, it has been a case of building financial value and enhancing the bottom line through fair and ethical means. Building sustainable value of all stakeholders is an important corporate goal.



**Chief of Army Staff, Bangladesh Army & Chairman of Trust Bank Limited General Iqbal Karim Bhuiyan, SBP, psc inaugurating Bank's Maligaon Branch, Comilla.**

## Capital Management

As part of risk management system, it is the policy of TBL to maintain strong capital adequacy ratio to have sufficient cushion to absorb any unforeseen shocks arising from any potential risk, to ensure long term solvency of the Bank and to help sustainable profit growth of the Bank that maximize value for stakeholders.

At the end of 2014, Bank's regulatory capital stood at Tk. 13,419.26 million as against Tk. 10,798.12 million as at 31 December 2013.

### Summary of Total Capital and Capital Adequacy Ratio

*Taka in Million*

| Particulars                                               | 2014             | 2013             | Growth        |
|-----------------------------------------------------------|------------------|------------------|---------------|
| <b>Computation of capital:</b>                            |                  |                  |               |
| Tier I capital                                            | 8,461.25         | 7,163.18         | 18.12%        |
| Tier II capital                                           | 4,958.01         | 3,634.94         | 36.40%        |
| <b>Total capital (Tier I &amp; II)</b>                    | <b>13,419.26</b> | <b>10,798.12</b> | <b>24.27%</b> |
| Risk weighted assets (RWA)                                | 112,448.80       | 91,968.20        | 22.27%        |
| Tier I capital (against minimum requirement of 5%)        | 7.52%            | 7.79%            |               |
| Tier II capital                                           | 4.41%            | 3.95%            |               |
| Total capital (against minimum requirement of 10% of RWA) | 11.93%           | 11.74%           |               |

## Maintenance of Net Income Growth

The Bank Increased its net profit by 300% percent or Tk. 974.75 million to Tk. 1,299.19 million in 2014 from Tk. 324.44 million in 2013. The net profit is analyzed in the following table:

*Taka in Million*

| Source of Income                         | 2014             | 2013             | Growth      |
|------------------------------------------|------------------|------------------|-------------|
| Interest Income                          | 12,435.70        | 9,863.28         | 26%         |
| Income from Investment                   | 1,840.63         | 1,580.53         | 16%         |
| Commission, exchange brokerage           | 981.18           | 723.01           | 36%         |
| Other Operating Income                   | 393.96           | 310.65           | 27%         |
| <b>Total Income</b>                      | <b>15,651.47</b> | <b>12,477.47</b> | <b>25%</b>  |
| <b>Distribution of Income</b>            |                  |                  |             |
| Interest paid on deposits and borrowings | 9,673.23         | 8,752.14         | 11%         |
| Operating expenses                       | 2,600.56         | 2,096.61         | 24%         |
| Contribution to Special Reserve Fund     | 120.00           | 80               | 50%         |
| Total provision                          | 558.56           | 532.66           | 5%          |
| Provision for taxes                      | 1,399.93         | 691.62           | 102%        |
| <b>Total Distribution</b>                | <b>14,352.28</b> | <b>12,153.03</b> | <b>18%</b>  |
| <b>Net profit</b>                        | <b>1,299.19</b>  | <b>324.44</b>    | <b>300%</b> |

## Contribution to National Exchequer

TBL made significant contribution to the government in boosting its revenue collection. As per the prevailing law of the country, the Bank being corporate citizen pays tax and VAT on its own income. Besides, the Bank deducts income tax, VAT and excise duty at source from employees, clients, depositors and suppliers, and deposits the same to the national exchequer. In addition to the Bank's own income tax, the Bank contributed Taka 1,622.98 million to national exchequer as tax, vat, income tax and excise duty deducted at source from employees, clients, and suppliers in the reporting year.

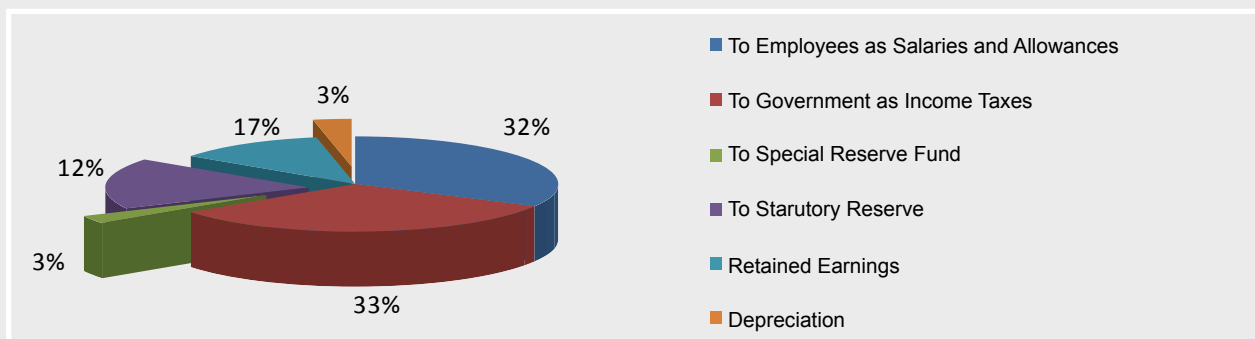
## Value Added Statement

Value added is the wealth created by Trust Bank through its different banking operations. The value added statement of the Bank shows how the value was created and distributed to meet certain obligations, rewards those responsible for its creation and the portion retained for the continued operation and expansion of the Bank.

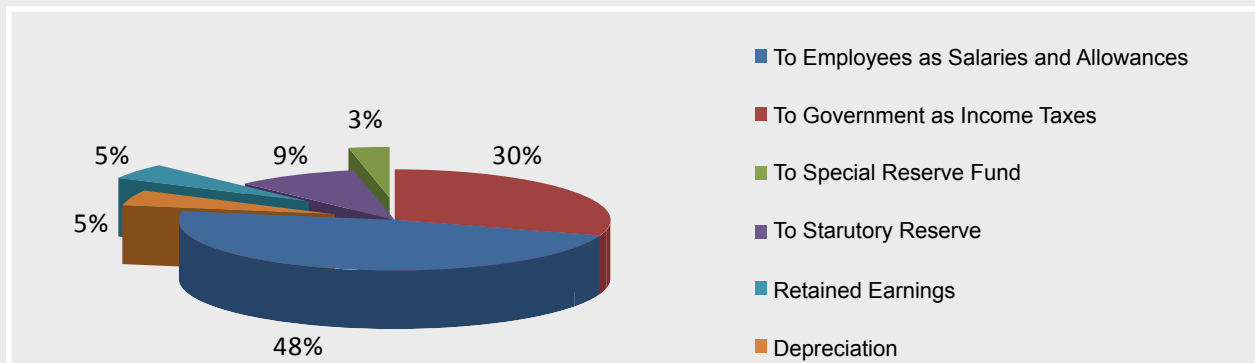
*Taka in million*

| Particulars                                        | 2014            |             | 2013            |             | Growth     |
|----------------------------------------------------|-----------------|-------------|-----------------|-------------|------------|
|                                                    | Taka            | %           | Taka            | %           | %          |
| Income from Banking Services                       | 15,651.47       |             | 12,477.46       |             | 25%        |
| Less: Cost of Services and Supplies                | 10,728.02       |             | 9,596.79        |             | 12%        |
| Add: Deferred Tax Income                           | 20.07           |             | 8.38            |             | 139%       |
| <b>Value added by banking services</b>             | <b>4,943.52</b> |             | <b>2,889.05</b> |             | <b>71%</b> |
| Less: Provision for Loan Loss and other Provisions | 558.56          |             | 532.66          |             | 5%         |
| <b>Total Value Added</b>                           | <b>4,384.96</b> |             | <b>2,356.39</b> |             | <b>86%</b> |
| <b>Distribution of added value</b>                 |                 |             |                 |             |            |
| To Employees as Salaries and Allowances            | 1,407.95        | 32%         | 1,142.80        | 48%         | 23%        |
| To Government as Income Taxes                      | 1,420.00        | 32%         | 700.00          | 30%         | 103%       |
| To Special Reserve Fund                            | 120.00          | 3%          | 80.00           | 3%          | 50%        |
| To Statutory Reserve                               | 539.82          | 12%         | 203.21          | 9%          | 166%       |
|                                                    | <b>3,487.77</b> | <b>80%</b>  | <b>2,126.01</b> | <b>90%</b>  | <b>64%</b> |
| Retained Earnings                                  | 759.37          | 17%         | 121.22          | 5%          | 526%       |
| Depreciation                                       | 137.82          | 3%          | 109.16          | 5%          | 26%        |
| <b>To Expansion &amp; Growth</b>                   | <b>897.19</b>   | <b>20%</b>  | <b>230.38</b>   | <b>10%</b>  |            |
| <b>Total Distribution of Added Value</b>           | <b>4,384.96</b> | <b>100%</b> | <b>2,356.39</b> | <b>100%</b> | <b>86%</b> |

### Distribution of Added Value 2014:



### Distribution of Added Value 2013:



### Economic Value Added (EVA) Statement

Economic Value Added (EVA) is used world-wide to measure the performance of an organization. It indicates how much absolute value has been created by the Bank for its shareholders after deducting the minimum rate of return required by the shareholders i.e. cost of equity. The Bank has been consistently able to depict high EVA to its shareholders:

Taka in Million

| Particulars                                                                                        | 2014             | 2013            |
|----------------------------------------------------------------------------------------------------|------------------|-----------------|
| Shareholders' Equity                                                                               | 8,128.69         | 6,865.78        |
| Add: Provision for loan loss and other provisions                                                  | 2,909.82         | 2,351.27        |
| <b>Total invested fund by Shareholders</b>                                                         | <b>11,038.51</b> | <b>9,217.05</b> |
| <b>Average Shareholders' Equity</b>                                                                | <b>10,127.78</b> | <b>8,774.28</b> |
| Net Profit after taxation                                                                          | 1,299.20         | 324.43          |
| Add: Provision for loan loss and other provisions                                                  | 558.56           | 532.66          |
| Less: Loan written off                                                                             | -                | -               |
| <b>Earning for the year</b>                                                                        | <b>1857.76</b>   | <b>857.09</b>   |
| <b>Cost of Equity</b>                                                                              | <b>12.90%</b>    | <b>12.90%</b>   |
| (Based on weighted average rate of Sanchaya Patra issued by Bangladesh Govt. plus 2% risk premium) |                  |                 |
| <b>Cost of Average Equity</b>                                                                      | <b>1,306.48</b>  | <b>1,131.88</b> |
| <b>Economic Value Added</b>                                                                        | <b>551.28</b>    | <b>-274.79</b>  |

### Market Value Added Statement

Market value added is the difference between the total market value (based on the price quoted in the main bourse of the country) of equity and the total book value of equity of the Bank at the 31 December of the year.

Taka in million

| Particulars                          | 2014            | 2013            |
|--------------------------------------|-----------------|-----------------|
| Total market value of the equity     | 6,179.99        | 7,610.82        |
| Less: Total book value of the equity | 4,262.06        | 3,805.41        |
| <b>Market Value added</b>            | <b>1,917.93</b> | <b>3,805.41</b> |

# Five Years Financial Summary

(Taka in million)

| Particulars                               | 2014       | 2013       | 2012      | 2011      | 2010      |
|-------------------------------------------|------------|------------|-----------|-----------|-----------|
| <b>Operating Results</b>                  |            |            |           |           |           |
| <b>SOLO Basis</b>                         |            |            |           |           |           |
| Total Operating Income                    | 5,978.24   | 3,725.32   | 3,000.84  | 3,060.47  | 3,643.05  |
| Total Operating Expense                   | 2,720.56   | 2,176.61   | 1,843.41  | 1,499.89  | 1,365.39  |
| Operating Profit                          | 3,257.68   | 1,548.71   | 1,157.43  | 1,560.58  | 2,277.66  |
| Provision For Loans, Investment and Other | 558.56     | 532.66     | 463.61    | 256.38    | 137.30    |
| Profit Before Tax                         | 2,699.12   | 1,016.05   | 693.83    | 1,304.20  | 2,140.36  |
| Profit After Tax                          | 1,299.20   | 324.43     | 182.70    | 616.21    | 645.74    |
| <b>Financial Positions</b>                |            |            |           |           |           |
| <b>SOLO Basis</b>                         |            |            |           |           |           |
| Authorized Capital                        | 10,000.00  | 10,000.00  | 10,000.00 | 5,000.00  | 5,000.00  |
| Paid-Up Capital                           | 4,262.06   | 3,805.41   | 3,459.47  | 2,661.13  | 2,217.61  |
| Total Shareholders' Equity                | 8,128.69   | 6,865.78   | 6,512.89  | 5,526.76  | 5,025.36  |
| Deposits                                  | 125,059.13 | 102,467.67 | 82,997.33 | 65,819.51 | 50,413.29 |
| Loans And Advances                        | 106,886.08 | 79,279.58  | 54,616.06 | 50,801.74 | 39,799.92 |
| Total Liabilities                         | 137,217.43 | 109,873.79 | 88,747.89 | 70,688.46 | 53,250.98 |
| Investments                               | 19,352.22  | 19,023.49  | 13,622.11 | 9,654.68  | 8,559.94  |
| Fixed Assets                              | 603.64     | 483.79     | 454.95    | 421.23    | 413.12    |
| Earning Assets                            | 126,283.39 | 99,026.94  | 79,626.50 | 63,120.66 | 47,433.50 |
| Total Assets                              | 145,346.12 | 116,739.57 | 95,260.78 | 76,215.22 | 58,276.33 |
| <b>Other Business</b>                     |            |            |           |           |           |
| Import                                    | 77,421.44  | 44,450.92  | 43,138.39 | 37,879.65 | 35,310.60 |
| Export                                    | 39,622.45  | 25,740.38  | 34,319.48 | 28,543.65 | 20,331.00 |
| Foreign Remittance                        | 16,174.03  | 13,164.65  | 11,082.25 | 10,603.33 | 9,247.00  |
| Guarantee Issued                          | 7,447.73   | 7,367.36   | 2,058.01  | 1,794.58  | 4,783.19  |
| <b>Capital Measures</b>                   |            |            |           |           |           |
| <b>Consolidated Basis</b>                 |            |            |           |           |           |
| Total Risk Weighted Assets                | 112,448.80 | 91,968.20  | 74,339.80 | 72,945.30 | 64,104.60 |
| Core Capital (Tier-I)                     | 8,461.25   | 7,163.18   | 6,841.21  | 5,860.18  | 4,926.74  |
| Supplementary Capital (Tier-II)           | 4,958.01   | 3,634.94   | 3,462.62  | 2,777.22  | 878.20    |
| Total Capital                             | 13,419.26  | 10,798.11  | 10,303.83 | 8,637.40  | 5,804.94  |
| Tier-I Capital Ratio                      | 7.52%      | 7.79%      | 9.20%     | 8.03%     | 7.69%     |
| Tier-II Capital Ratio                     | 4.41%      | 3.95%      | 4.66%     | 3.81%     | 1.37%     |
| Total Capital Ratio                       | 11.93%     | 11.74%     | 13.86%    | 11.84%    | 9.06%     |
| <b>Credit Quality</b>                     |            |            |           |           |           |
| <b>SOLO Basis</b>                         |            |            |           |           |           |
| Non-Performing Loans                      | 2,614.76   | 2,470.36   | 2,503.84  | 1,534.31  | 960.02    |
| % Non-Performing Loans                    | 2.45%      | 3.12%      | 4.58%     | 3.02%     | 2.41%     |
| <b>Share Information</b>                  |            |            |           |           |           |
| Market Price Per Share - before split     | -          | -          | -         | -         | 753.25    |
| Market Price Per Share - after split      | 14.50      | 20.00      | 25.00     | 42.90     | -         |
| Earning Per Share - before split          | -          | -          | -         | -         | 57.48     |
| Earning Per Share                         | 3.05       | 0.76       | 0.55      | 2.33      | -         |
| Price Earning Ratio                       | 4.76       | 26.27      | 2.21      | 5.40      | 7.63      |
| Net Asset Per Share - before split        | -          | -          | -         | -         | 226.61    |
| Net Asset Per Share - after split         | 19.07      | 18.04      | 18.83     | 20.77     | -         |
| <b>Other Information</b>                  |            |            |           |           |           |
| Cost Income Ratio                         | 45.51%     | 58.43%     | 61.43%    | 49.01%    | 37.48%    |
| Return on Average Equity                  | 17.33%     | 4.85%      | 3.02%     | 11.68%    | 29.04%    |
| Return on Average Assets                  | 0.99%      | 0.31%      | 0.21%     | 0.92%     | 2.27%     |
| No of Branches                            | 91         | 82         | 72        | 62        | 52        |
| No of SME/AGRI Branches                   | 6          | 6          | 7         | 7         | 7         |
| No of Foreign Correspondent               | 24         | 24         | 24        | 24        | 24        |





**Adjutant General of Bangladesh Army & Vice Chairman of Trust Bank Limited Maj Gen Md Mahfuzur Rahman, rcds, ndc, afwc, psc, PhD handing over bank's blanket donation to Prime Minister at Gono Bhabon.**



**Executive Committee Members of the Board of Directors and senior management are seen at i banking launching ceremony.**



### **Dear Shareholders**

The Board of Directors has the privilege of welcoming you to the 16th Annual General Meeting of Trust Bank Limited. The Directors take immense pleasure in presenting the Directors' Report, along with the audited financial statements of the Bank for the year ended on 31 December 2014 and the Auditor's Report thereon for your consideration and approval.



## External Environment Review

### Bangladesh Economy

#### Gross Domestic Product (GDP)

In the face of global financial meltdown and internal economic turbulence, Bangladesh has been securing GDP growth rate of more than 6% on an average for the last one decade. On the basis of FY 2005-2006; as per provisional calculation by BBS; GDP growth rate expected to reach at 6.12% in FY 2014. In FY2014, at current market price GDP stood at BDT 1,350,920 crore which is 12.68% higher from last FY2013 GDP. In FY2014, GDP per capita is USD 1,115 and GNI per capita is USD 1,190.



*Ishtiaque Ahmed Chowdhry, Managing Director & CEO of the Bank received the certificate of 14th ICAB National Awards "Merit Award" for best presented Annual Reports 2013.*

#### Agriculture

On the basis of FY 2005-2006, in FY2014, agriculture is expected to acquire 2.46% growth compared to 1.47% in previous fiscal year. Mainly 1.91% growth in food grains and vegetables sector contributed in achieving this target. In FY2014 total production of food grains is estimated to be 377.82 lac metric tons which is 5.17 lac metric tons higher than the previous fiscal year. Boro production is estimated to be 189.16 lac metric tons compared to its production of 187.78 lac metric tons in previous year. Wheat production is estimated to be 12.81 lac metric tons compared to previous fiscal year's production of 12.54 lac metric tons. Maize production in FY2014 is 22.36 lac metric tons which was 21.78 lac metric tons in previous fiscal year. Adequate supply of fertilizer and efficient irrigation process helped to attain the set target.

#### Industry

In FY2014, growth rate in natural gas and petroleum sector is 1.74% and in minerals and coal sector, growth is expected to be 10.72%. On the basis of FY 2005-2006; overall growth in manufacturing sector (large, medium and small) in FY2014 is 8.68% which is 1.63% lower from FY2013. In current fiscal year growth in large & medium and small sector is 9.16% and 6.60% respectively which was 10.65% and 8.81% In FY 2012-2013. Electricity, gas and water sector is expected to attain growth of 7.40% in the current fiscal year on the basis of FY 2005-2006. It was 8.99% in last fiscal year. Although gas and electricity sector faced downward growth trend, growth in water sector increased from 4.75% to 6.62% in FY2014.





**Adjutant General of Bangladesh Army & Vice Chairman of Trust Bank Limited Maj Gen Md Mahfuzur Rahman, rcds, ndc, afwc, psc, PhD inaugurated Banks Kakarail Branch, Dhaka.**

## Service

On the basis of FY 2005-2006; under the broad service, it has been estimated that all sectors are expected to achieve positive growth except post & communication sub-sector under transportation and communication sector and banking sub-sector under financial institutes sector. As per provisional calculation in FY2014 wholesale & retail sector attained 6.57% growth compared to 6.17% growth in last fiscal year. Hotel & restaurant sector is expected to achieve 6.70% growth compared to 6.49% growth in last FY. Significant growth is achieved in air transportation sector which has seen growth of 3.36% from -1.64% in FY 2013-2014. Real estate, rent and other business sectors estimated to reach growth of 4.24% from 4.04% in FY 2012-2013. Other service sub-sectors like: education, health, community, public administration & defence all gained positive growth in FY 2014.

## Inflation

Inflation reduced to 7.46% in April 2014 compared to 8.37% in April 2013 on point to point basis but average inflation increased from 6.41% to 7.38% between FY 2013 and FY 2014. There has been a rise in food inflation since April 2013 and it has affected the average inflation rate although non food inflation has shown downward trend in the same tenor. On the basis of FY 2005-06 in April 2014, food and non food inflation stood at 8.95% and 5.23% respectively. Reduction of oil price in world market, control over investment in non-productive sector has played key role in reducing the inflation. Internal food production during this FY is likely to increase due to timely disbursement of agro-based loans, ease in loan disbursement process and implementation of policy related to agriculture. Additionally monitoring the food market, stocking of food related items expect to contribute in maintaining stability of food inflation.

## Interest Rate

Call money rates fell in H2FY14 but average retail interest rate spreads rose above 5%. Call money rates have declined since their peaks in early 2012 when they were around 20%, and also fell in H2FY13 from around 10% in January 2013 to around 7% in June 2013 and around 7-8% in H1FY14. In H2FY14 call money rates fell further from 7.17% in January 2014 to 6.23% in June 2014. High liquidity levels are also reflected in below average loan to deposit ratios. At the retail level both deposit and lending rates fell in H2FY14 and interest rate spreads have on average increased – from 4.99% in January 2014 to 5.22% in May 2014 as the deposit rates have fallen faster than lending rates. Domestic lending rates have fallen due to lower cost of funds for banks, lower demand for credit as well as due to increasing competition from overseas lenders whose lending rates are in single digits.



## Savings & Investment

Domestic savings & national savings increased from 20.04% and 30.53% of GDP in FY 2013 to 23.43% and 30.54% in FY 2014 respectively. Private sector investment has been sluggish in this fiscal year due to internal economic environment (private sector investment reduced from 21.75% to 21.39% of GDP). Though the investment contribution in GDP has increased thanks to the enhancement of public sector investment (public sector investment increased from 6.64% to 7.30% of GDP). Overall investment to GDP has been increased from 28.39% to 28.69% during the FY2013 to FY2014.

## Export

The world economy has been improving since US and EU took major economic reformation plans to revive the global financial market. Bold decisions regarding the reformation had a positive impact on the economy and hence FY 2013-2014 expected to generate 15% growth in export sector. Up to April 2014 export generated USD 24,654.39 million which is 13.18% more than FY 2012-2013. Export performance during July – November 2014 is USD 12,070.08 million which is 0.92% higher than July – Nov 2013 session. Readymade garment, knitwear, leather & leather products, frozen foods contributed heavily in earning export proceeds while proceeds from petroleum bi products, raw jute and jute products reduced. In order to promote exports, BB has recently increased the Export Development Fund from \$1.2 billion to \$1.5 billion. With a view to attracting foreign investment, BB has relaxed restrictions on foreign investor borrowing from the local market and their ability to access working capital financing from their parent company. Main export partners are EU 53.3%, USA 21%, Canada 4.2%, Turkey 2.7% and Japan 2.2%.

## Import

In March 2014 import expenditure (CIF) was USD 29,773.70 million which was 17.48% higher than the previous fiscal year. Main imported items were food grains, medicine and raw materials for readymade garment industry. Major import payments are being made to China (19.6%), India (16.4%), Singapore (5.9%), Malaysia (5.6%), Japan (3.5%), Indonesia (3.3%), UAE (3.1%), Korea Republic (3%), Kuwait (2.9%) and Taiwan (2.8%).



***Ishtiaque Ahmed Chowdhury, Managing Director & CEO of TBL with Governor and Deputy Governor of Bangladesh Bank in the Opening Ceremony of “Nari Uddakta Shamabesh & Panna Prodarshany 2014” held at Ruposhi Bangla, Dhaka.***

## Remittance

Flow of remittance reduced by 5.63% in July – March of FY 2014 compared to the FY 2013. In 2013, around 4.09 lac Bangladeshis went abroad (mainly to Middle East) for job searching where as this data was 6.08 lac

in 2012. The reduction is due to policy changes by Middle East countries, complications related to legal status of expatriate workers at Malaysia, Saudi Arabia and other Middle East countries.

In July to November under FY 2014-15; we received remittance amounting USD 6,212.09 million (BDT 481,309.6 million) compared to the July – November under FY 2013-14 remittance earning which was USD 5,562.55 million (BDT 432,502.86 million). Government is taking different diplomatic steps to identify new market for skill labor migration, strengthening the 'Prabashi Kalyan Bank' and development of 'National Skill Development Council' to build up strong skilled manpower.

### Foreign Exchange Reserve

Foreign currency reserve is going through growing trend thanks to increased export earnings and controlled growth of import expenditure. In addition, FDIs and portfolio investments are playing facilitating role in the growth of foreign currency reserve. Foreign currency reserve reached at USD 15,315 million in 30th June 2013 from USD 10,364 million in 30th June 2012. On 20th May 2014, foreign currency reserve reached USD 20,032.50 million crossing the USD 20 billion mark.

## Banking Sector in 2014

### Cash Reserve Ratio (CRR)

Cash Reserve Ratio (CRR) is a specified minimum fraction of the total deposits of customers, which commercial banks have to hold as reserves either in cash or as deposits with the central bank.

Cash Reserve Ratio (CRR) for the scheduled banks in Bangladesh was 6.5% which was 0.5% higher than the previous year's requirement 6.00%. This ratio is maintained on the average time & demand liabilities of the bank. According to the latest MPD circular No. 01 of Bangladesh Bank dated June 23, 2014 banks are required to maintained at least 6.00% of the average time & demand liabilities of the on daily basis and minimum 6.5% on bi-weekly basis with effect from July 24, 2014. The percentage of cash i.e., CRR maintained by our bank as on December 31, 2014 was 6.69%.

### Statutory Liquidity Requirement (SLR)

Amount of liquid assets such as precious metals (Gold) or other approved securities, which a financial institution must maintain as reserves other than the cash. Statutory Liquidity Requirement (SLR) for the scheduled banks in Bangladesh, except banks operating under Islamic Shariah and the specialized banks, has been set at 13% of their average demand & time liabilities, excluding inter-bank items, since December, 2013. The percentage of SLR maintained by our bank as on December 31, 2014 was 19.37%.

### Non-Performing Loan (NPL)

The most important indicators intended to identify problems with asset quality in the loan portfolio is the ratio of gross non-performing loans (NPLs) to total loans and net NPLs to total loans. Foreign Commercial Banks (FCBs) have the lowest and Development Financial Institution (DFIS) have the highest ratio of gross NPLs to total loans. The gross NPLs to the total loans of the State-owned Commercial Banks (SCBs), Private Commercial Banks (PCBs), Foreign Commercial Banks (FCBs) and Development Finance Institutions (DFIs) i.e., Specialized Banks were recorded as 23.2%, 6.2%, 5.7%, and 33.1%, respectively at the end of FY 2014. All ratios of NPL to total loans of all banks have been increased compare to the year 2013. The ratio ended up 10.8% at the end of FY 2014.

## Activities of Trust Bank Limited

### Business Operation & Strategy

#### Our Business Focus

The principal activities of the Bank are banking and related businesses under the Bank Company Act 1991(amended up to 2013). The core banking businesses include accepting deposits and granting loans and advances out of those deposits and earning profit through creating value from gap between interest paid on deposits and interest earned on loans and advances. The depositors supply funds for loans and

advances. The Bank collects deposits through deposit mobilization strategy comprising various deposit products under conventional banking and Islamic banking. The Bank's central revenue producing activities include all kinds of commercial banking products and services to the customers including project finance, working capital finance and trade finance for corporate customers, SME loans to small traders & business; house building loan, car loan as well as wide range of life style and need based loans for retail customers. The Bank has been able to develop state-of-the-art IT platform and online banking systems facilitating any branch banking, phone banking, SMS banking, internet banking, any time banking for 24 hours a day and 7 days a week through ATM.

### Client as Trusted & Development Partner

We look after our every client to make him/her a development partner through addressing their needs and wants by providing best services at affordable prices. We put a client in the ladder where he/she climbs customer-supporter-advocate phases and finally becomes development partner of the Bank. Our mission is customer focused and we consider it as the customers' right to get modern, online and full range of banking services at an affordable price at anytime and anywhere. We are promise-bound through our mission to make the banking easy for our customers and support entrepreneurship, social responsibility and economic development of the country.



*Ishtiaque Ahmed Chowdhury, Managing Director & CEO of Trust Bank Limited along with Chairman of Bisshow Shahittyo Kendro Mr. Abdullah Abu Sayeed, Novelist Mr. Imdadul Haq Milon are seen at Bisshow Shahittyo Kendro Book reading enrichment event.*

### Corporate Branding

We are working rigorously to enhance our brand image among public and peer groups. All the employees of the bank are groomed to provide efficient services, thereby upholding the brand image further. Our clients are the key torchbearers of our brand and we believe a delighted client is the best medium of our advertisement to enhance the brand image of the bank. Moreover, image of the bank would be harnessed through participating in festivals like sports, job fair, science fair, and debate competitions; we advertise our product and services in the print and electronic media and sponsor social activities to establish our brand image.

## Cluster Management

Cluster Management is considered as new and highly efficient forms of innovation support providers that provide and channel specialized and customized business support services to enterprises. Our high quality cluster management is important to ensure cluster excellence in the Bank and efficient cluster Managers act as a driving force for clusters. Their performance is very much linked to the professional expertise and the capability of cluster managers, who dispose of good cluster insight, necessary for an efficient support to cluster members.

There are eleven clusters in our Bank. Cluster Managers of those clusters do the following:

- Faster time to cluster readiness
- Manage clusters with unprecedented ease
- Perform risk-free upgrades
- Simplify administration

## Regulatory and Compliance Culture

The Bank's dealings with clients are guided by principle of fair dealings, honesty and integrity. The Bank's objective is to observe all standards of market integrity, good practice and conduct expected by participants in the markets in which it operates. The personal conduct of the staff is driven by high ethical standards. The Bank furthermore places great emphasis on safeguarding the confidentiality of client information. Internal Auditors are entrusted with responsibility to ensure that rules and policies relating to above mentioned issues are in place. Above all, the Bank is committed to prompt and spontaneous compliance of all rules, regulations and guidelines issued by regulators from time to time.

## Financial Performance Review Summary

The Bank earned Consolidated Operating Income of Tk. 6,277.83 million for the year 2014. After keeping Tk. 712.60 million as provision against classified and unclassified Loans and Advances, diminution in the value of Investment, Off-Balance Sheet exposure and other assets, pre-tax profit stood at Tk. 2772.60 million for the year 2014. Though market was extremely volatile during the year 2014, net profit of the Bank after tax stood at Tk. 1,298.07 million for the year 2014.

## Interest Income

Trust Bank earned Consolidated Interest Income plus Profit on Islamic Banking Investment for Tk. 12,555.12 million during the year 2014 as against Tk. 10,206.65 in 2013 registering a growth of 23.01% or Tk. 2,348.47 million. The healthy growth in Interest Income came as a result of maintenance of sound portfolio, high yielding loan products, proper management of placement fund and efficient utilization of fund.

## Interest Expenses

Consolidated Interest and Profit paid on Deposits and Borrowings measured at Tk. 9,675.60 million as against Tk. 8,767.47 million in 2013 showing a rise by 10.36% which was 29.22% in 2013. This year Interest Expenses increased due to increase in deposits amount of the Bank. Significant Interest was paid on Fixed Deposit Receipts (FDR) during the year 2014.

## Net Interest Income

The Consolidated Net Interest Income showed Tk. 2,879.52 million as against Tk. 1,439.18 million in the preceding year. During the year, Net Interest Income increased by Tk. 1,440.34 million representing a positive growth of 100.08% which was the main contributor to the operating income for the year 2014.

## Income from Investment

In the year 2014, Consolidated Income from Investment was Tk. 1,890.21 million where as it was Tk. 1,586.56 million in the year 2013. Tk. 303.65 million increased from last year where main income arises from Treasury Bonds.



## Non-Interest Income

The Non-Interest Income consists of the commission, exchange and other operating income of the Bank. Consolidated Non-Interest Income of the Bank was Tk. 1,508.10 million in 2014 where as it was Tk. 1,148.63 million in 2013 and main reasons of increasing the same was dramatic upturn in Export/Import business.

## Total Operating Expenses

Consolidated Operating Expenses excluding contribution to Special Reserve Fund increased by 24.79% during the year mainly due to increase in number of branches and Salary & Allowances which was triggered by promotion and recruitment. Total Consolidated Operating Expenses shown in Profit and Loss account was amounting to Tk. 2,792.63 million in 2014 compared to Tk. 2,237.81 million in the previous year.

Salary & allowances constituted 51.82% of total of Operating Expenses in 2014 and there was 23.08% increase in Salary & Allowances in the year 2014 compared to the year 2013.

## Income Mix and Growth

| Particulars                                                                                | Taka in Million |           | Growth  |
|--------------------------------------------------------------------------------------------|-----------------|-----------|---------|
|                                                                                            | 2014            | 2013      | %       |
| Interest income / Profit on investment                                                     | 12,555.12       | 10,206.65 | 23.01%  |
| Interest / Profit paid on deposits and borrowings etc.                                     | 9,675.60        | 8,767.47  | 10.36%  |
| Net interest income                                                                        | 2,879.52        | 1,439.18  | 100.08% |
| Investment Income                                                                          | 1,890.21        | 1,586.56  | 19.14%  |
| Non Interest Income                                                                        | 1,508.10        | 1,148.63  | 31.30%  |
| Total operating income                                                                     | 6,277.83        | 4,174.37  | 50.39%  |
| Total operating expenses (Excluding Contribution to Special Reserve Fund)                  | 2,672.63        | 2,157.81  | 23.86%  |
| Profit before provision                                                                    | 3,605.20        | 2,016.56  | 78.78%  |
| Provision for loans & advances / investments, Diminution in value of investment and Others | 712.60          | 772.79    | -7.79%  |
| Contribution to Special Reserve Fund                                                       | 120.00          | 80.00     | 50.00%  |
| Total Profit before Taxes                                                                  | 2,772.60        | 1,163.77  | 138.24% |
| Provision for Taxation (Current & Deferred)                                                | 1,474.53        | 841.48    | 75.23%  |
| Net Profit after Taxation                                                                  | 1,298.07        | 322.29    | 302.76% |

## Profit before Provision

Consolidated Operating Profit before Provision was Tk. 3,605.20 million in the year 2014 where as it was Tk. 2,016.56 million in the year 2013 before considering contribution to Special Reserve Fund. After accounting for contribution to Special Reserve Fund of Tk. 120.00 million in 2014 and 80.00 million in 2013, operating profit stood at Tk.3,485.20 million in 2014 compared to Tk. 1,936.56 million in 2013.

## Provision for Loans and Off-Balance Sheet Exposure

During the year 2014, provision for loans and advances was Tk. 561.40 million compared to Tk. 604.28 million in the year 2013 and decreased by Tk. 42.88 million due to effective credit monitoring policy of the Bank during the year 2014. Provision for Diminution in value of Investment has been decreased by 73.20 million during the year 2014 compared to the year 2013. Provision for unclassified loan is considered a part of Tier-II Capital of the Bank.

## Profit before Taxes

After making above provision, Consolidated Net Profit before Tax of the Bank stood at Tk. 2,772.60 million in 2014 compared to Tk. 1,163.77 million in 2013 which refers 138.24% growth.

## Provision for Income Tax

Consolidated Provision for Income Tax for the current year stood at Tk. 1,495.17 million against Tk. 850.12 million in 2013. However, net provision for Income Tax was Tk. 1,474.53 million after accounting for Deferred Tax of Tk. 20.64 million in 2014.

## Net Profit after Tax

Consolidated Net Profit after Tax stood at Tk.1,298.07 million in the year 2014 from Tk. 322.29 million in the year 2013 and Earnings per Share (after split) was Tk. 3.05 in the year 2014 whereas it was Tk. 0.76 in the year 2013.

## Dividend

The Board of Directors of the Bank recommended 10% stock dividend i.e 10 (Ten) bonus shares for every 100 (One Hundred) shares held and 5% Cash dividend. The proposed dividend will be paid first out of premium and balance from retained earnings for year 2014 considering the results achieved in the year 2014 and to enhance the capital base of the bank required for future business growth.

## Financial position Review

### Summary

Despite various external challenges, Bank's overall businesses grew significantly in 2014 over that of 2013. Deposits of the Bank increased by 22.08% and stood at Tk. 125,163.19 million at the end of year 2014. Consolidated Loans and Advances increased by 32.95% and stood at Tk. 111,412.53 million at the end of the year 2014 compared to year 2013. Investment increased significantly by Tk. 1,266.58 million showing growth of 6.65% compared to year 2013.

## Total Assets

Consolidated Assets of the Bank stood at Tk. 147,893.40 million in 2014 as against Tk. 118,308.50 million in 2013 registering a growth of 25.01%. Increase in Assets was mainly driven by significant growth of customer's deposits. The growth of deposits was used for funding growth in credit and investment. Loans and Advances constituted 75.34% of total assets while investment in government and other instruments held 13.74% of the total assets. Balance with other banks and financial institutions held at 1.59% of total assets. Moreover, other assets which are very current in nature made up 1.63% of total assets leaving only 0.42% of total assets tied up in fixed assets including premises, furniture and fixtures. The above common size analysis showed that almost 92.73% of total assets of the Bank are utilized in different earning assets along with fixed assets and others leaving 7.27% in liquid form for meeting cash withdrawal demand of customers and maintaining Cash Reserve Ratio(CRR) requirement of Bangladesh Bank.

### Summary of Property & Assets:

| Particulars                                                                                      | Taka in Million   |                   | Growth<br>%   | Asset Mix      |                |
|--------------------------------------------------------------------------------------------------|-------------------|-------------------|---------------|----------------|----------------|
|                                                                                                  | 2014              | 2013              |               | 2014           | 2013           |
| Cash in hand & Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) | 10,753.96         | 9,552.83          | 12.57%        | 7.27%          | 8.07%          |
| Balance with other Banks & FIs                                                                   | 2,355.84          | 3,569.56          | -34.00%       | 1.59%          | 3.02%          |
| Money at call and short notice                                                                   | 0.00              | 250.00            | -100.00%      | 0.00%          | 0.21%          |
| Investments                                                                                      | 20,326.73         | 19,060.14         | 6.65%         | 13.74%         | 16.11%         |
| Loans and Advances/Islamic Banking Investments                                                   | 111,412.53        | 83,798.41         | 32.95%        | 75.34%         | 70.83%         |
| Fixed assets including premises, furniture and fixtures                                          | 617.11            | 498.21            | 23.87%        | 0.42%          | 0.42%          |
| Other assets                                                                                     | 2,427.23          | 1,579.34          | 53.69%        | 1.64%          | 1.33%          |
| <b>Total Assets</b>                                                                              | <b>147,893.40</b> | <b>118,308.49</b> | <b>25.01%</b> | <b>100.00%</b> | <b>100.00%</b> |

## Cash in Hand and Balance with Bangladesh Bank & its Agent Banks including Foreign Currencies

As at 31 December 2014, Consolidated Cash in hand and Balance with Bangladesh Bank & its agent banks (including foreign currencies) stood at Tk. 10,753.96 million as against Tk. 9,552.83 Million of 2013 registering a growth by Tk. 1,201.13 Million or 12.57%. This increase in cash attributed to maintaining Cash Reserve Ratio (CRR) with Bangladesh Bank and to providing uninterrupted cash services to our growing customers. However, this asset remains 7.27% of the total assets in the year 2014.

## Balance with Other Banks and Financial Institutions

The International Banking Division of the Bank has to maintain some Short Term Deposit (STD) accounts and Current Deposit (CD) accounts with other banks in and outside the country for smooth functioning of the treasury operations and international trade finance. The Bank also places excess fund with other banks and financial institutions as term deposits for optimizing the profit of the Bank. As at 31 December 2014, to proper use of the fund, consolidated balance outstanding with other banks and financial institutions was Tk. 2,355.84 million as compared to Tk. 3,569.56 million at the end of 2013.

## Investments

At the end of year 2014, Bank's investments stood at Tk. 20,326.73 million showing an increase by 6.65% as compared to that of 2013. The reason for increase was attributable to investment in treasury bonds at maturity and investment in ordinary shares in other companies. Out of total investments, Tk. 18,336.14 million was invested in government securities and the rest amount i.e. Tk. 1,990.59 million was invested in ordinary and preference shares of different listed and unlisted companies.

## Loans and Advances

Consolidated Loans and Advances of the Bank as on 31 December 2014 was Tk. 111,412.53 million as against Tk. 83,798.41 million in the year 2013, showing an increase by almost 32.95% over the preceding year. The Loans and Advances cover up the areas of corporate (based on both Conventional and Islamic Shariah Mode), SME, Retail and Credit Card. The credit portfolio of the Bank also included mix of scheme loans, namely- Renovation & Reconstruction of Dwelling House Loan (RRDH), Consumers Durable Scheme Loan (CDS), Marriage Loan, Car Loan, HBF Loan and Commercial Loan. Corporate lending is still the core business of the Bank and continues to remain the major segment of the business. While providing loans to our customers, the policy of Bangladesh Bank is strictly followed. The portfolio has been further diversified to avoid risk of single industry concentration and remains in line with the Bank's credit norms relating to risk quality. The Customer Relationship has been strengthened and frequent visits to the clients have been ensured for further cementing existing relationship.

## Total Liabilities

Total Liabilities of the Bank comprise of broad three items such as Borrowing from other Banks, Financial Institutions and Agents, Deposits and other liabilities. Consolidated balance of liabilities of the Bank stood at Tk. 139,431.42 million at the end of year 2014 as against Tk. 111,108.30 million in 2013, representing a rise of 25.49%. Deposits constituted 89.76% of total liabilities of the Bank.

## Summary of Liabilities & Capital:

| Particulars                                                          | Taka in Million   |                   | Growth %      | Liability Mix  |                |
|----------------------------------------------------------------------|-------------------|-------------------|---------------|----------------|----------------|
|                                                                      | 2014              | 2013              |               | 2014           | 2013           |
| <b>Liabilities:</b>                                                  |                   |                   |               |                |                |
| Borrowings from other banks, financial institutions and agents       | 6,891.75          | 3,669.28          | 87.82%        | 4.66%          | 3.10%          |
| Deposits and other accounts                                          | 125,163.19        | 102,523.87        | 22.08%        | 84.63%         | 86.66%         |
| Other liabilities                                                    | 7,376.48          | 4,915.14          | 50.08%        | 4.99%          | 4.15%          |
| <b>Total Liabilities/Non Owner's Claims on the Total Assets</b>      | <b>139,431.42</b> | <b>111,108.29</b> | <b>25.49%</b> | <b>94.28%</b>  | <b>93.91%</b>  |
| Capital/Shareholders' Equity                                         | 4,262.06          | 3,805.41          | 12.00%        | 2.88%          | 3.22%          |
| Statutory Reserve                                                    | 2,709.04          | 2,169.22          | 24.89%        | 1.83%          | 1.83%          |
| Other Reserve & Share Premium                                        | 76.31             | 569.25            | -86.59%       | 0.05%          | 0.48%          |
| Retained Earnings                                                    | 1414.57           | 656.32            | 115.53%       | 0.96%          | 0.55%          |
| <b>Total Shareholders' Equity/Owner's Claims on the Total Assets</b> | <b>8,461.98</b>   | <b>7,200.20</b>   | <b>17.52%</b> | <b>5.72%</b>   | <b>6.09%</b>   |
| <b>Total Liabilities &amp; Shareholders' Equity</b>                  | <b>147,893.40</b> | <b>118,308.49</b> | <b>25.01%</b> | <b>100.00%</b> | <b>100.00%</b> |

## Deposit Portfolio

In the year 2014, Consolidated Deposits of the Bank shot up by Tk.125,163.19 million from Tk. 102,523.87 million as recorded in the year 2013. The combination of competitive interest rates, depositor's trust in the Bank and mobilization efforts of the Bank Management resulted in the growth of deposits. Mix of deposits showed that fixed deposits contributed 60.77% total deposits. The Bank's deposits include the deposits from both conventional and Islamic banking deposit.

| Type of Deposits                                         | Taka in Million   |                   | Growth        | Deposit Mix    |                |
|----------------------------------------------------------|-------------------|-------------------|---------------|----------------|----------------|
|                                                          | 2014              | 2013              | %             | 2014           | 2012           |
| Current / Al-wadeeah current accounts and other accounts | 17,780.34         | 13,603.95         | 30.70%        | 14.21%         | 13.27%         |
| Bills payable                                            | 1,036.52          | 1,082.67          | -4.26%        | 0.83%          | 1.06%          |
| Savings bank / Mudaraba savings deposits                 | 11,743.06         | 8,880.85          | 32.23%        | 9.38%          | 8.66%          |
| Fixed deposits / Mudaraba term deposits                  | 76,063.43         | 64,346.62         | 18.21%        | 60.77%         | 62.76%         |
| Short Notice Deposits / Mudaraba Short Notice Deposits   | 7,439.04          | 5,286.95          | 40.71%        | 5.94%          | 5.16%          |
| Special Deposits Scheme                                  | 11,100.80         | 9,322.82          | 19.07%        | 8.87%          | 9.09%          |
| <b>Total</b>                                             | <b>125,163.19</b> | <b>102,523.86</b> | <b>22.08%</b> | <b>100.00%</b> | <b>100.00%</b> |

## Borrowing from Other Banks, Financial Institutions and Agents

Borrowing represents the Long Term Borrowings from Unsecured Subordinated Non-Convertible Bond and Bangladesh Bank Refinance. The balance stood at Tk. 6,891.75 million at the end of year 2014 as against Tk. 3,669.28 million in 2013. Borrowings increased significantly due to issuance of 2nd Subordinated Bond for Tk. 2,000 million.

## Shareholder's Equity

Total Consolidated Shareholder's Equity increased by 17.52% and stood at Tk. 8,461.98 million at the end of year 2014 as against Tk. 7,200.20 million in the year 2013. Item wise details of Shareholder's equity are given below:

| Particulars                                                          | Taka in Million |                 | Changes       |
|----------------------------------------------------------------------|-----------------|-----------------|---------------|
|                                                                      | 2014            | 2013            | %             |
| Capital/Shareholders' Equity                                         | 4,262.06        | 3,805.41        | 12.00%        |
| Statutory Reserve                                                    | 2,709.04        | 2,169.22        | 24.89%        |
| Other Reserve & Share Premium                                        | 76.31           | 569.25          | -86.59%       |
| Retained Earnings                                                    | 1,414.57        | 656.32          | 115.53%       |
| <b>Total Shareholders' Equity/Owner's Claims on the Total Assets</b> | <b>8,461.98</b> | <b>7,200.20</b> | <b>17.52%</b> |

## Statutory Reserve

In accordance with the provision of the Bank Companies Act 1991, minimum 20% of operating profit before tax is required to be transferred to Statutory Reserve. In the year 2014, 20% of Profit before Tax amounting to Tk. 539.82 million was transferred to Statutory Reserve and thus balance of Statutory Reserve stood at Tk. 2,709.04 million at the end of year 2014.

## Asset Quality

Trust Bank Limited has structured approval process in its Head Office level for approving credit facilities. However, some delegation is also conferred to Branches for allowing specific credit facilities with proper documentation formalities and compliance. Our consolidated non-performing asset decreases from 2.95% to 2.35% during the year 2014. The asset quality may be termed as strong. Moreover, our endeavor towards regularization as well as conversion of our existing Non- Performing loans into performing ones for maintaining the assets quality of the bank is continuing through identifying, managing and mitigating risk associated with lending.



## Asset Quality:

| Particulars               | Consolidated      |                  |                | Solo              |                  |                |
|---------------------------|-------------------|------------------|----------------|-------------------|------------------|----------------|
|                           | 2014              | 2013             | Changes%       | 2014              | 2013             | Changes%       |
| <b>Unclassified Loans</b> | <b>108,797.77</b> | <b>81,328.04</b> | <b>33.78%</b>  | <b>104,271.32</b> | <b>76,809.22</b> | <b>35.75%</b>  |
| Standard                  | 104,905.68        | 78,039.37        | 34.43%         | 100,379.23        | 73,520.55        | 36.53%         |
| SMA                       | 3,892.09          | 3,288.67         | 18.35%         | 3,892.09          | 3,288.67         | 18.35%         |
| <b>Classified Loans</b>   | <b>2,614.77</b>   | <b>2,470.37</b>  | <b>5.85%</b>   | <b>2,614.77</b>   | <b>2,470.37</b>  | <b>5.85%</b>   |
| Sub-standard              | 357.54            | 557.21           | -35.83%        | 357.54            | 557.21           | -35.83%        |
| Doubtful                  | 214.77            | 168.43           | 27.51%         | 214.77            | 168.43           | 27.51%         |
| Bad/Loss                  | 2,042.46          | 1,744.73         | 17.06%         | 2,042.46          | 1,744.73         | 17.06%         |
| <b>Total Loan</b>         | <b>111,412.54</b> | <b>83,798.41</b> | <b>32.95%</b>  | <b>106,886.09</b> | <b>79,279.59</b> | <b>34.82%</b>  |
| <b>NPL (%)</b>            | <b>2.35%</b>      | <b>2.95%</b>     | <b>-20.44%</b> | <b>2.45%</b>      | <b>3.12%</b>     | <b>-21.49%</b> |

## Capital Management Plan

The Board of Directors is contemplating to maintain a strong capital base to support business growth to comply with regulatory requirement and to obtain good credit rating as well as CAMELS rating. A strong capital base is also considered as a cushion to absorb any unforeseen shock arising from credit, operations and market risks. The amount of minimum capital that should be maintained by the Bank against its risk-weighted assets is measured by the Capital Adequacy ratio laid down by Basel Capital Accord. Capital Adequacy is measured by the ratio of the Bank's Capital to Risk Weighted Assets both on Balance Sheet and Off Balance Sheet transactions. All assets have been assigned weights ranging from 0% - 100%. Off Balance Sheet items are included in the computation by converting them into Balance Sheet equivalents before being allocated a risk weight. Bank's capital has two components Tier-I (Core Capital) and Tier-II (Supplementary Capital).

### Core Capital (Tier I)

The Consolidated Core Capital Ratio (Tier - I) was 7.52% of total Risk Weighted Assets at the end of the year 2014. Core Capital represents the Paid Up capital, Minority Interest, Statutory Reserve and Retained Earnings. As on 31 December 2014, our Consolidated Core Capital stood at Tk. 8,461.25 million against Tk. 7,163.18 million in 2013. The Core Capital constituted 66.05% of total Capital while Paid up Capital constituted almost 50.37% of total Shareholder's Equity.

### Supplementary Capital (Tier -II)

Supplementary Capital of the Bank represents General Provision, Subordinated Bonds (not exceeding 30% of Tier I Capital) and Revaluation Reserve of Held to Maturity Securities (50% of such Reserve). At the close of business on 31 December 2014, our Consolidated Supplementary Capital stood at Tk. 4,958.01 million as against Tk. 3,634.94 million in 2013.

### Total Regulatory Capital

At the end of 2014, Consolidated Regulatory Capital stood at Tk. 13,419.26 million against Tk. 10,798.12 million in 2013 registering a growth of almost 24.27% over the preceding year. And Consolidated Capital Adequacy Ratios were 11.93% and 11.74% of Total Risk Weighted Assets in 2014 and 2013 respectively against the Regulatory requirement of 10% for each year.

### Credit Rating

Credit Rating Agency of Bangladesh (CRAB) reaffirmed long term credit rating of the Bank at AA3 in 2013 and short term rating ST-2. These ratings imply the strong fundamentals of the Bank in the areas of stability of fund, profitability, business growth, diversified-portfolio and loan loss coverage etc. Long term rating of AA3 indicates very high investment grade and short term rating ST-2 indicates high certainty of timely payment of financial obligations.

The credit rating of Trust Bank Limited based on financial statements for year ended 31 December 2014 is under process and will be published in due course.

## SME Banking

Small and Medium sized Enterprises (SMEs) have drawn a lot of interest among policy makers, academics, businessmen and people in general. There is a broad consensus that a vibrant SME sector is one of the principal driving forces in the development of the economy of Bangladesh.



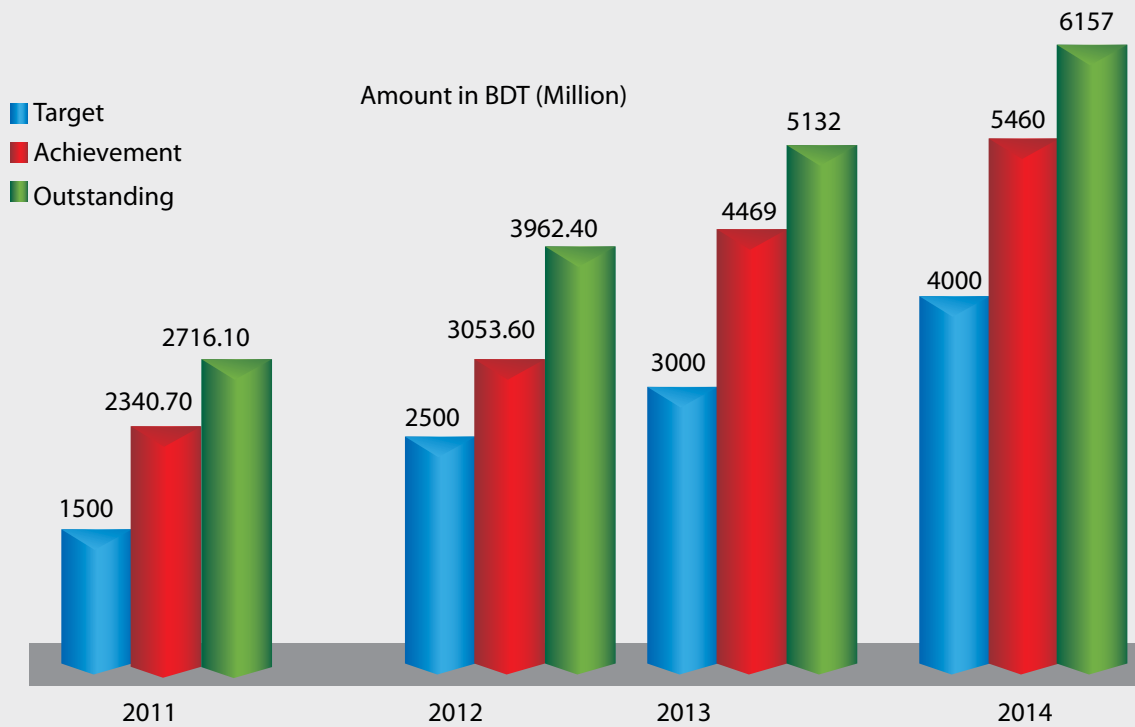
***SME Foundation and Trust Bank Limited, Rangamati Branch jointly organized a Matchmaking Program for Women Entrepreneurs on 20 September, 2014 at Rangamati, where the Deputy Commissioner of Rangamati was present as Chief Guest. Mr. Md. Abdul Motaleb Patwary, SEVP & Head of IC & C Division and Mr. Retanti Talukder, SVP & In Charge of SME & Green Banking Division, Bangladesh Bank and SME Foundation representatives were also present.***

It is worthwhile to note that only few years back, almost 50% of banks deposits sourced from small and medium depositors, but, small and medium enterprises only obtained 30% of the loans. In this backdrop of capital scarcity—SMEs particularly small enterprises have had to rely significantly on informal credit sources—which are often inadequate and costly. Thus, small and medium enterprises can be referred to as the ‘missing middle’—neither small enough for microcredit from micro finance institutions, nor big enough to be considered bankable by lenders in the formal financial sector.

Considering the importance of SME sector in the economy of Bangladesh and understanding the constraints under which such enterprises operate and also as the most cost-effective means of fast industrialization and employment generation, Central Bank has adopted policy strategies for smooth and sustainable development of SMEs in all over the country and considered it as one of the vehicles for poverty alleviation, and generation of more employment.

With the directives of Bangladesh Bank, Trust Bank Limited initiated its SME program in the year 2009 by formulating an individual SME policy. We also introduced SME Help Desk and Women Entrepreneur Dedicated Desk. Currently, TBL has 7 SME Branches out of its 98 branches. Since inception, the growth of SME loans and advances in TBL is depicted as below:

## SME Portfolio for Last Four Years



Trust Bank has undertaken a number of activities towards growth and development of SME products. We have as many as 15 SME products; of which 3 cluster based products, 2 products are designed specifically targeting the women entrepreneurs and 02 products are for the new entrepreneurs and the small farmers. TBL all through the year actively participated in a number of seminars, fairs, workshops associated with SME activities.

### Pictures of SME promotional activities of TBL



Bangladesh Bank Governor Dr. Atiur Rahman, Ishtiaque Ahmed Chowdhury, Managing Director & CEO of TBL visited the TBL's stall in the SME Finance Fair- 2014, organized by SME Foundation & Bangladesh Bank jointly at Pan Pacific Sonargaon Hotel, Dhaka.



## At a Glance of TBL SME Financing, 2014

**01.SME portfolio: BDT 6,156.80 million(Small BDT.3,465.60 million, Medium BDT. 2,691.20 million).**

a.Manufacturing: BDT 1,135.20 million (506 projects)

b.Service: BDT 513.30 million (305 clients)

c.Trading: BDT 4,328.20 million (2,136 clients)

**02.Total number of clients :2,947**

a. Small: 2,227

b. Medium: 720

**3. Total number of women entrepreneur : 239, Amount BDT. 221.20 million**

**4. Total Number of products : 15**

**5. Total number of clusters : 07**

## Agriculture Financing

Bangladesh is mainly called an agricultural country. Most of the people of the country are directly or indirectly involved in agricultural related activities to earn their livelihood. Agriculture has a great contribution to the Gross Domestic Product (GDP) of Bangladesh. The contribution of the agriculture sector is 19% of the GDP.



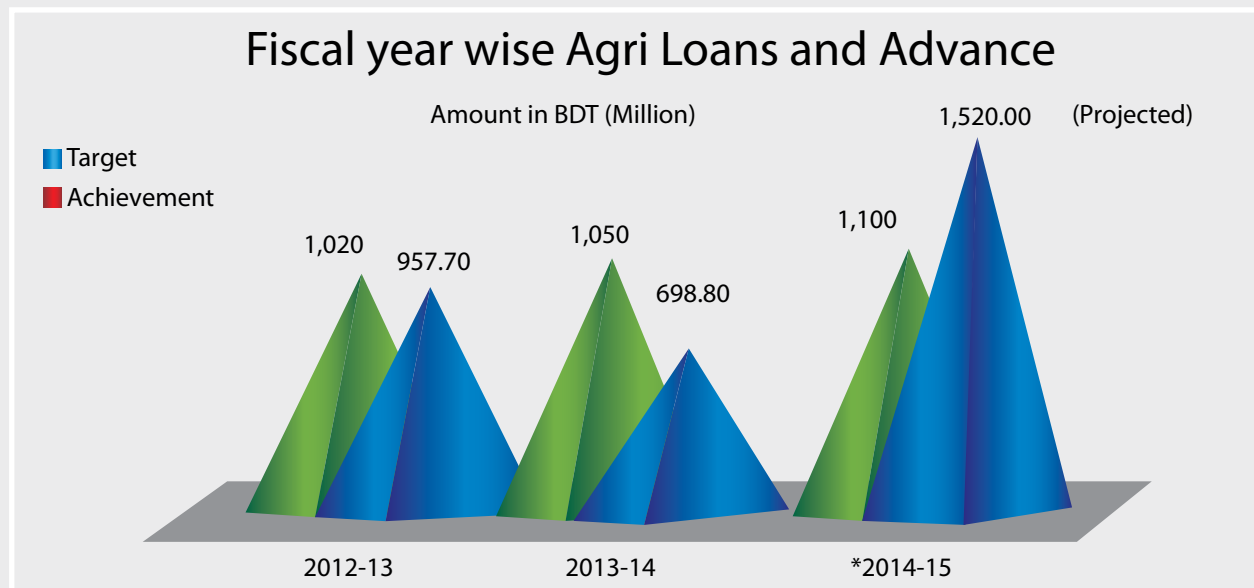
**Governor Dr. Atiur Rahman, Deputy Governor S. K. Sur Chowdhury of Bangladesh Bank and Ishtiaque Ahmed Chowdhury, Managing Director and CEO of Trust Bank Ltd. hand over the cheque of BDT 1.50 crore for 10 Tk. Account holder to the representative of MFI-SOJAG. Retanti Talukder, In charge of SME & Green Banking Division of Trust Bank Limited were arranged the Program.**

The Government of Bangladesh has provided top most priority to the agriculture sector specially on food crops to increase the production of cereals by giving subsidy to the farmers on different inputs such as fertilizer, irrigation etc. to achieve self sufficiency in food. Poverty cannot be reduced to a desired level excepting increasing productivity of agriculture sector and at the same time it is to be assured that farmers get fair price of the crops. Natural calamity like drought, flood, cyclone, tornado etc. is a very regular phenomenon which hinders the production of agriculture to a great extent.

In line with Government efforts Bangladesh Bank also continued its proactive policy and program support to boost up agricultural production. BB declared its annual agricultural/ rural credit policy and program for FY14 with disbursement target. It has continued its earlier decision relating to 2.5 per cent mandatory farm-credit disbursement by banks. The Bangladesh Bank, the intensive monitoring of the whole system to reach the targets.



In order to achieve desired growth in agriculture sector of the country, Trust Bank is committed to increase loan portfolio in agricultural sector. We are offering Agriculture Loan products popularly known as Trust Sufola - for Bio Gas, Solar



Energy, Live Stock, Poultry and Fisheries for rural finance. We also allow loans for irrigation equipments, for fruit orchard for individuals & group at micro level.

Agricultural credit has been provided to the small, marginal farmers and share-croppers individually or in a group following easy process. A product named “Trust Prantic” has been launched targeting the Taka-10/- account holders.

Successful farmers have been provided with necessary credit so that other farmers may get encouragement with their success. Providing credit to establish solar energy driven irrigation pumps. Women borrowers have been given priority in disbursing agricultural/rural credit. Use of IT and mobile phone has been encouraged to ensure 100 percent achievement in agricultural credit disbursement and recovery. High value crops have been given priority in extending credit facility. Banks has established separate recovery cell for recovery of loans in order to avoid liquidity crisis and to ensure best use of the fund. Agriculture loan target will also be considered as a positive parameter for the approval of opening new branches, authorised dealer branches, exchange houses and to determine CAMELS rating.

## Green Banking

Under the guideline of our prudential and visionary Central Bank, Trust Bank Ltd. has started its green journey



Trust Bank SME & Green Banking Division organized a rally “Trust Bank Green Day” as part of Green Event on 15th April, 2014 to create awareness among the people about use of Renewable Energy and reduction of Carbon emission. Among others, Ishtiaque Ahmed Chowdhury, Managing Director & CEO, Deputy Managing Director and other Senior Executives and officers took part in the rally.



*In a Green Banking Seminar, Mr. S.K.Sur Chowdhury, Deputy Governor, Bangladesh Bank as the Chief Guest, Dr.Cecep Effendi, DG, CIRDAP and Mr. David Hancock, Program Manager, GiZ special guests and Ishtiaque Ahmed Chowdhury, Managing Director & CEO and A.Z. Hedaytul Islam Deputy Managing Director of Trust Bank were also present.*

after having received the Green Banking and Environmental Risk Management Guidelines of Bangladesh Bank in 2011. Trust Bank Ltd. extends no finance without evaluation of impact of Environmental Risk on the credit as well as the society and arrangement of appropriate management and mitigation for that risk. Being encouraged by dream of Green Bangladesh, Trust bank Ltd. so far has extended BDT 31,664.06 million credit facility to industry, zigzag brick kiln, most mentionable product Bio-gas plant and Solar panel towards mitigating the Carbon- di-Oxide emission.

Trust Bank Ltd. has an Environmental Policy Manual for overall guidelines to be followed for mitigating the environmental risk and conservation of environment while providing financial facility to the customers. Now, subject specific sectoral policy is prepared on the basis of Environmental Conservation Act, 1995, Environmental Rule, 1997 of GOB and Bangladesh Bank's policy guideline for green banking.

### **Retail Banking Activities:**

Year 2014 was the year of success & encouraging improvements for the Retail Banking Division. We have achieved several significant milestones in terms of business diversification, product development, process reengineering and market initiatives which had helped the bank to further build a strong business platform and earn revenue.



**MoU Signing Ceremony between Trust Bank & ICTD.**

Retail Banking Division of Trust Bank Ltd has started its journey in the arena of commercial banking since 2006. Throughout this span of time it has been working to build capacity in terms of technology, human resources and business process. In the year 2014 we have developed a good number of products both in deposit and asset, designed campaigns and started journey of centralization of retail sales to cater different stratum of customer from the industry.

## Major Retail Activities

### Asset:

In the year 2014 Retail Banking Division changed its concentration from deposit to asset business, in this process it had declared an asset campaign named 'Eid Bonanza'. Moreover Retail Banking Division had also signed a MoU with bti (Building Technology & Ideas) Ltd. as a promotional offer with discounts & special benefits for the TBL clients. It also accelerated the success of our asset campaign. Total retail asset portfolio stood at BDT 21,513 million which is 12.63% growth from previous year i.e. BDT 19,153 million.

Retail Banking has a growing number of Direct Sales Representative (DSR) in the business team. They have successfully engaged themselves in bringing new customers on board; as well as contributing in enhancing the brand image of the bank. To monitor their performance & provide them accurate guidance backed by rational feedback, Retail has incorporated new software which will analyze individual DSR business performance on a continuous basis.

### Asset Campaign: Eid Bonanza

Retail Banking Division had successfully completed asset campaign 'Eid Bonanza'. The target was fresh disbursement of 50 crores retail loans within 04 (Four) months. Amazing success of the campaign created a positive vibe in the industry about the image of the bank.

### Deposit Campaigns:

We planned two deposit campaigns in 2014. The yearend deposit campaign 'Winter Heat' is a great success. Target was, growth of fund by BDT 120 crore. Target was to achieve fresh fund of BDT 120 crore and we ended up achieving 342 crore.

### Payroll Banking:

Payroll Banking played a significant role in increasing low cost deposit growth of Trust Bank Limited in the year 2014. At present we have 9,921 nos of customers with balance of BDT 191.16 million.

**Loyalty:** Signed MoU with 3(Three) new loyalty partners in 2014.

### School Banking Conference:

Students are the future of our country. To create banking habit to the students Trust Bank had coordinated and participated School Banking Conference organized by Bangladesh Bank at Rangpur, Khulna, Chittagong, Sylhet and Rajshahi. At the same time Trust Bank Ltd managed 10 school banking campaigns at different parts of country through the help of our branches. As of 31st December, 2014 balance under school banking product is BDT 60.00 Million.

### Credit Card:

It is high time for Trust Bank to work on the credit card service. Retail Banking Division has already taken couple of contemporary positive steps (For example: Trust Youniverse) to make the product more lucrative in the market. At the close of business on 31 December 2014; bank has 2617 Credit Card Holders with an outstanding of BDT 96.96 million. Last year Trust Bank has introduced Trust Platinum Card to cater niche customers of Trust Bank.

### Product Development:

In the year 2014 retail banking division has developed a number of new products both in asset and deposit segment.

Revision & review of Product Program Guideline (PPG) of Loan Against Salary, Car Loan Scheme, Apon Nibash Loan (House Finance), House Building Loan against Registered Mortgage for Defence Officers, Trust Digital Loan has been made.

New asset product name 'Trust Futuretech' for purchasing of laptop for freelancers, developed under "Earning & Learning Program" of Ministry of Post, Telecommunication & Technology. Trust Digital Loan under "Amar Desh Amar Gram" project of Future Solution for Bangladesh was also a remarkable prospect of Retail Banking Division. These products are also aligned with the government policy of 'Digital Bangladesh' as well as bank's contribution to build 'Human Capital' of the country.

Introduced 2(Two) new liability products 'Trust Shohopathi' & "Trust Pothokoli". Modified 'Trust Payroll Banking', 'Trust Sristi' and 'School Banking' wallet to capture the appropriate segment.

### Process Reengineering:

Retail Banking Division has redefined few processes to ensure better customer services, recovery & collection of retail loans.

### Service Quality:

To ensure & measure the service quality and to know the need or to solicitation of any grievance or complaint of our customers, we have developed 'Customer Suggestion Form' for our customers.

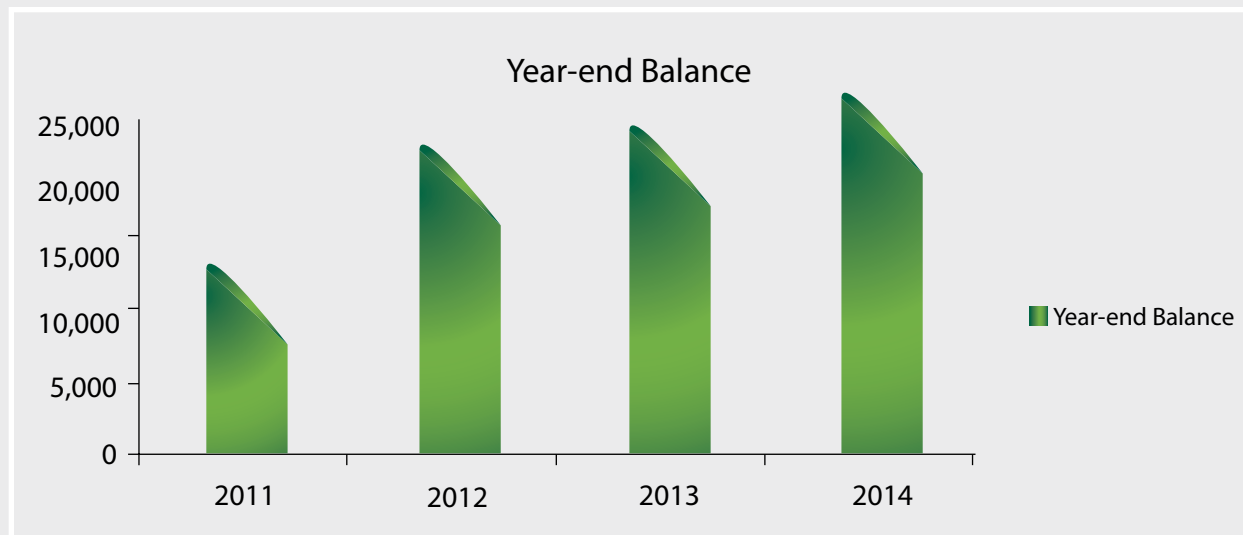
### Collection & Recovery:

Collection is an essential part of the retail asset portfolio. To reach the highest collection ability & nurture the classified accounts Retail Banking Division centralized the Collection & Recovery team. Retail collection team has showed their tremendous success to keep healthy portfolio both in retail loans & credit card.

### Roll out of Partial Centralization of Asset business:

One of the remarkable successes of the department of this year is the implementation of centralization process of asset business procured by the direct sales force.

### Asset:



\*Figures in BDT Million

| Year               | 2011  | 2012   | 2013   | 2014   |
|--------------------|-------|--------|--------|--------|
| Year - end balance | 8,210 | 17,470 | 19,080 | 21,513 |

### Retails Banking Products At A Glance

#### Deposit Products

- **Savings Accounts:** Savings Bank Account, Trust Porua Account, Trust Sristi Account, Trust Privilege Account, Trust Unfixed Deposit, Trust Payroll, Trust Sohopathi & Trust Pothokoli.



- **Current Account:** Current Deposit Account, Defence Personnel Salary Account (DPSA)
- **Deposit Scheme Account:** Trust Assurance Deposit Scheme (TADS), Trust Maxmill, Trust Echo, Trust Jhinuk, Trust Smart Savers Scheme (TSSS), Lakhopoti Saving Scheme, Trust Money Double Scheme (TMDS) and Trust Kotipati Scheme.
- **Fixed Deposit Receipt (FDR)** with several convenient Tenors
- **Student File**
- **Trust Mobile Money**



*MOU Signing Ceremony between Trust Bank & “Amar Desh Amar Gram” Project under Future solution to Business (FSB).*

### Loan Products

- **Unsecured Loan:** Personal Loan, Loan Against Salary, Education Loan, Doctor's Loan, Trust Digital Loan, Trust Futuretech, Any Purpose Loan for Defence Officers, Motor Cycle Loan for Defence Personnel, Marriage Loan for Defence Personnel, House Hold Durable Loan for Defence Officers, CNG Conversion Loan Defence Officers, OD Against Salary for Defence Officers, RRDH for JCO's and Others.
- **Secured Loan:** Car Loan, Apon Nibash Loan (House Finance), HBL against Registered Mortgage for Defence Officers, Army Officers Housing Loan Scheme, Trust Thikana- Home Loan, Loan against Commutation Benefits for Defence Personnel.

### Credit Card

- **Credit Card Local:** VISA Classic, VISA Gold & VISA Platinum
- **Credit Card International:** VISA Classic and VISA Gold/Dual/Platinum

Trust Retail Banking is constantly evolving in a dynamic manner with its variety of product lines & focusing on service quality to maintain & grow a 'satisfied' customer base



*Trust Bank Shariah Supervisory committee.*

## ISLAMIC BANKING

Islamic banking now becomes a globally acclaimed mode of banking which attaches ethical & religious issues while conducting financial transactions. A phenomenal rise from a back-lane niche market to an acknowledged banking mode proves the strength & acceptability of Islamic banking. As per statistics almost 25% of the banking activities of Bangladesh are conducted in Islamic mode.

The defining characteristic of Islamic banking is the prohibition of interest (Riba) from all transactions and dealing in businesses that are allowed (halal) in Shariah. Islamic banking is governed by a set of strict rules derived from the holy book, the Qur'an & Sunnah of Prophet (pbuh). In compliance of Shariah guidelines for conducting business, Islamic banking practices a strong documentary record keeping system eliminating all vagueness regarding business & responsibilities of the parties involved. Islam strongly recommends that the terms of financial agreements be put in writing.

### Trust Islamic Banking (TIB):

In the backdrop of strong public demand and support for the system along with its religious compliance issue and gradually increasing popularity across the world Trust Bank Ltd. started its Islamic banking operations through 'window' mechanism as per Bangladesh Bank approval. Trust Islamic Banking (TIB), the brand name of the operation, has started its operation from latter part of 2008 through 5 (five) Islamic banking windows at the TBL-Principal Br., Millennium Br., Dilkusha Br. in Dhaka, CDA Br. in Chittagong & Sylhet Corporate branch in Sylhet. In addition to the above mentioned 5 (five) branches all TBL branches can now provide Islamic banking services through centralized on-line banking system.

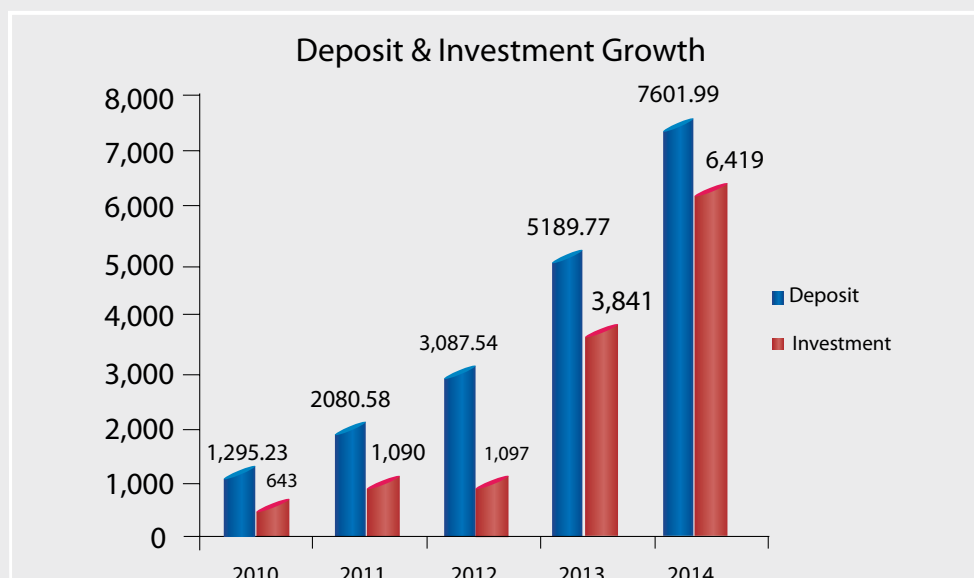
In addition to the Shariah guidelines, Trust Islamic banking operations are strictly complied with the Bangladesh Bank instructions regarding Islamic banking operations and adheres to the followings:

- Completely Separate Fund management – no mingling of fund with the conventional banking deposits of the Bank.
- Separate book-keeping, Profit & Loss Account by Islamic banking module of Bank's CBS.
- TIB has a distinguished Shariah Supervisory Committee (SSC) for supervision of Shariah related issues
- Investments are made from the Islamic banking deposits only.
- Profit sharing ratio (Depositor: Bank) is 70:30.
- Profit distributions are executed as per approved weightage table.

A dedicated team of resources with skill & commitment in Islamic finance & banking, trade & investment, product development at Head Office closely monitors and supervises the entire operations of TIB to ensure compliance, development and growth of Islamic Banking business. TIB offers the full range deposit & investment products & services available under Islamic Banking for corporate, retail & SME sectors.

### Deposit & Investment

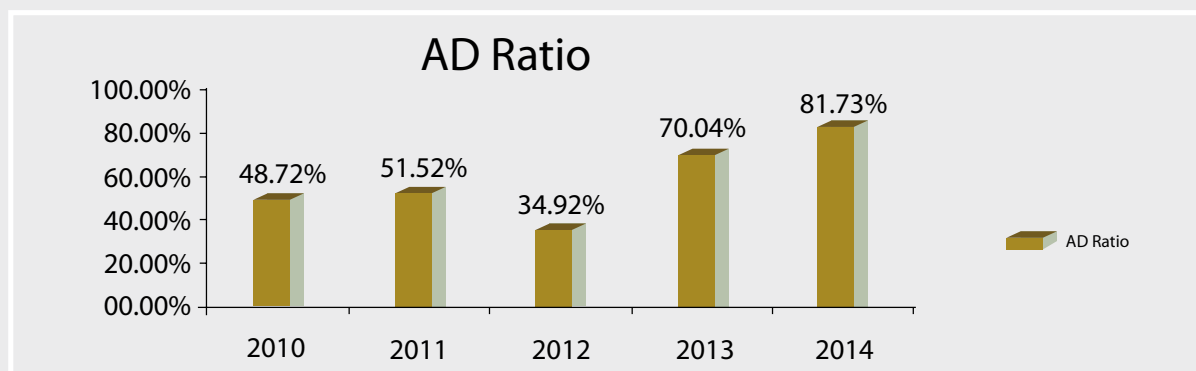
As of Dec. 30, 2014, total deposits of TIB stands at Tk.7,601.99 million & investments Tk. 6,418.52 million showing a growth of 46.48% & 67.09% respectively from the corresponding position of 2013.



### Growth of AD ratio:

In the year 2014, TBL has enhanced its investment portfolio and AD ratio has reached at 81.73% level which ensured a significant return for the depositor as well as for the bank.

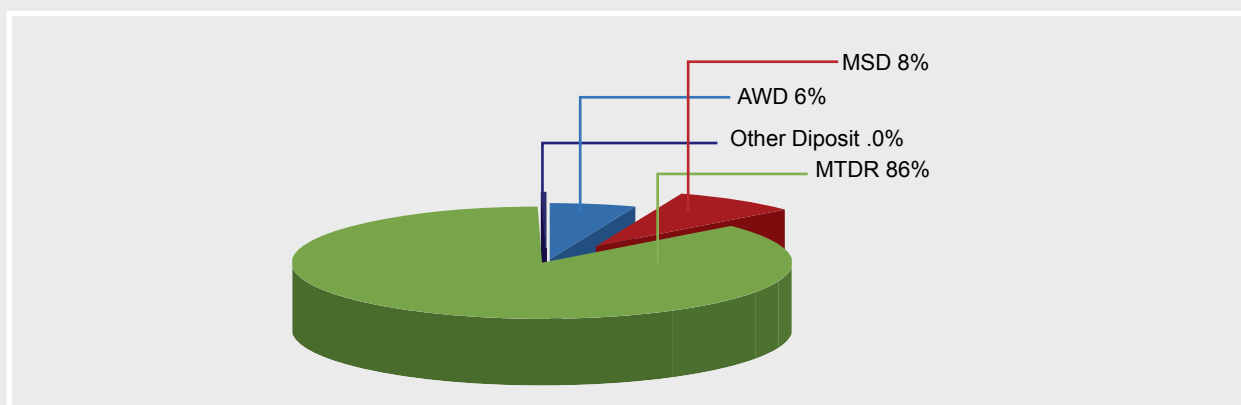
Fig. in Million



### Deposit Mix of TIB:

Fig. in Million

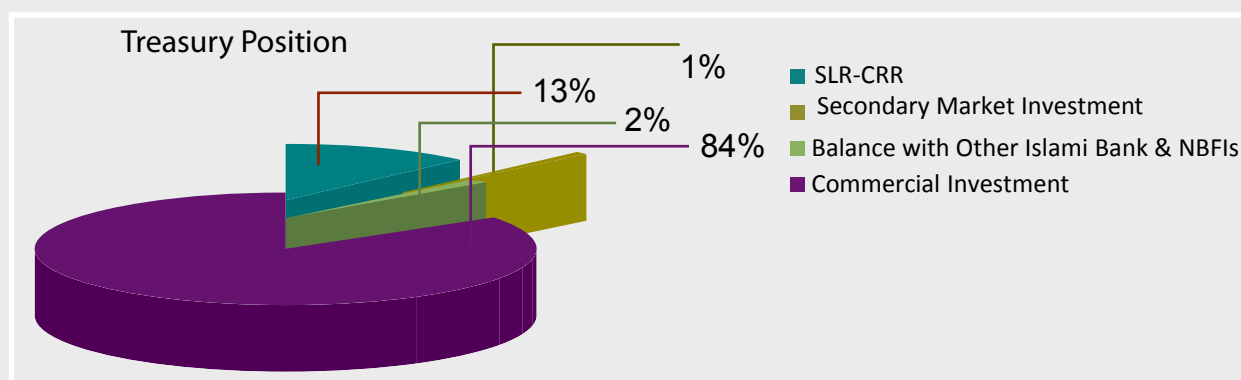
| Al-Wadiah Deposit (AWD) | Mudaraba Savings Deposit (MSD) | Mudaraba Term Deposit Receipt (MTDR) | Other Deposit |
|-------------------------|--------------------------------|--------------------------------------|---------------|
| 422.77                  | 613.27                         | 6,565.94                             | 0.01          |



### Treasury Management:

Fig. in Million

| SLR-CRR | Secondary Market Investment | Balance with Other Islamic Bank & NBFIs | Commercial Investment |
|---------|-----------------------------|-----------------------------------------|-----------------------|
| 945.45  | 67.79                       | 170.23                                  | 6,418.52              |

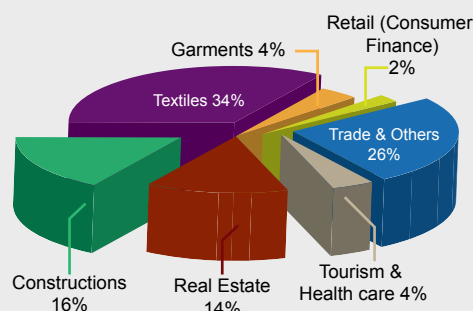


## Sectoral Exposure of Investment:

Fig. in Million

| Garments | Textiles | Constructions | Real estate | Tourism & Health care | Trade & Others | Retail (Consumer Finance) |
|----------|----------|---------------|-------------|-----------------------|----------------|---------------------------|
| 285.99   | 2,160.86 | 1,024.52      | 897.42      | 225.93                | 1,683.46       | 140.34                    |

Sector wise exposure of TIB investment



A separate Balance-sheet, Profits & Loss account and statement of Cash-Flows are shown in the Annexure-D of this report. The figures appears in the Annexure have been incorporated in the related heads of financial statement as recommended by the Bangladesh Bank.

## Foreign Remittance Drawing Arrangement

With a view to meet up internal demand of foreign currency, the bank has been striving for fetching homebound remittance since 2006. With this end in view, the bank has established drawing arrangement with different overseas exchange houses over the world. At present, the bank has remittance drawing arrangement with the countries like USA, UK, UAE, CANADA, ITALY, SPAIN, KUWAIT, OMAN & BAHRAIN. In the meantime, the bank has established drawing arrangement with 16 reputed exchange houses including 4 global money transfer services like Western Union, Xpress Money, Wall Street Global Instant Cash and Turbo Cash. The bank continues its efforts to establish remittance arrangement with potential countries worldwide.

The bank has also established sub-agent agreement with 10 local banks to enhance non funded business. The growth rate of commission earning from sub-agent banks is sustainable and significant. The sub agency agreement for paying out inward foreign remittance in favor of the bank is one of the best decisions of the Management and thereby the head office has become extra income generating source. In the current year, the bank has earned TK.0.55 Million from sub-agent banks and which is non funded business based on inward foreign remittance.

The bank has deputed its Representative in Bahrain, in collaboration of Zenj Exchange LLC, one of the best counterparts of the bank, for mobilizing inward foreign remittance and to facilitate other banking services to the expatriate Bangladeshis working over there.

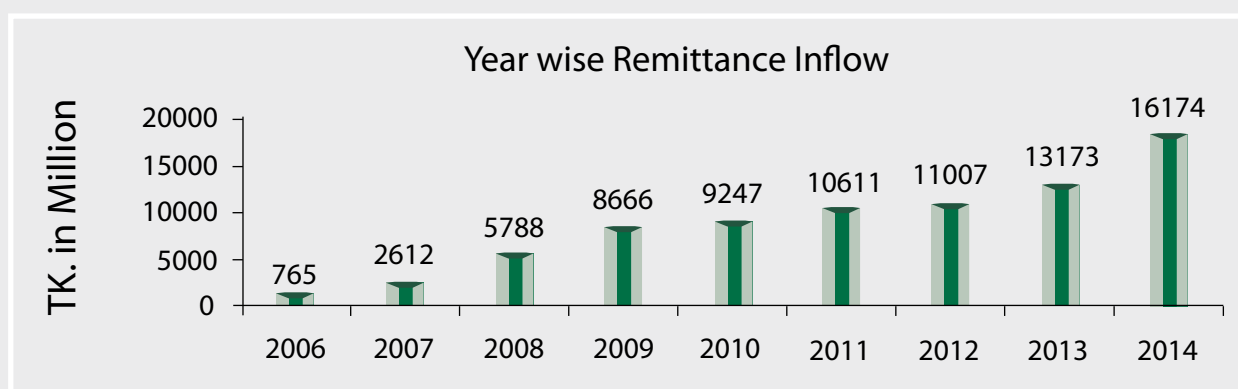


## Reward and award achievement

The bank has achieved financial reward of USD 5985 for complying with Western Union's payment target. Besides this, Comilla Cantonment Branch received award from Western Union in top 30 Platinum Category among all banks and NGOs in Bangladesh. Feni Branch received award from Western Union in top 30 Silver Category among all banks and NGOs in Bangladesh. Apart from these, Uttara Corporate Branch received a promotional Motor Bike from Western Union which was handed over to the lottery winner in a befitting manner and in this occasion a congratulations speech of honorable Managing Director & CEO of the bank was broadcasted in the electronic media. By achieving these reward and award, the bank has proved itself as a competitor among other banks in Bangladesh in channeling and paying of inward foreign remittance as well as one of the contributors in the country's economy.

## Total Inflow of Foreign Remittance at a Glance

Since inception in 2006, the growth rate of Inward Foreign Remittance is sustainable. In the current year, the bank has received USD 186.5 Million equivalents to TK. 16328 Million which is higher by 24% with compared to previous year 2013 of remittance USD 162 Million equivalents to TK.13173 Million. Year-wise remittance inflow at a glance is furnished below.



## Treasury Operation:

All investment securities are initially recognized at cost, being fair value of the consideration given, including acquisition charges associated with the investments. Premiums are amortized and discounts are accredited, using the effective yield method. In accordance with BRPD circular No. 15 dated October 31, 2005 issued by Bangladesh Bank, Government Securities purchased to maintain SLR requirement are categorized either as HTM (Held to Maturity) or as HFT (Held for Trading). The securities categorized as HFTs are revalued at least once in a week at the market rate of interest. As per DOS circular 05 of January 28, 2009 Treasury Bills in HFTs are also revalued at least once in a week and the gain in amortization received due to proceed to the date of maturity is taken in income. As half yearly coupon interest is received from Treasury Bonds, income is taken into account in each month as accrual basis.

Value of investments in government securities and investment as placement in private bonds of our bank as on December 31, 2014 has been enumerated as follows:

| Items                           | Applicable Accounting Value |                       |
|---------------------------------|-----------------------------|-----------------------|
|                                 | Year 2014                   | Year 2013             |
| Government Treasury Bills       | Tk. 4,588,832,550.90        | Tk. 5,739,683,009.00  |
| Government Treasury Bonds       | Tk. 13,333,139,923.00       | Tk. 10,546,956,051.00 |
| Investment in Subordinate Bonds | Tk. 322,000,000.00          | Tk. 530,000,000.00    |
| Islamic Investment Bond         | Tk. 410,000,000.00          | Tk. 240,000,000.00    |

### Investment Income:

Investment income represents interest earned on Treasury Bills, Bangladesh Bank Bills, Treasury Bonds, half yearly interest from investment as placement in private bonds, income on Reverse Repo, etc.

| Items                         | Income Earned        |                    |
|-------------------------------|----------------------|--------------------|
|                               | Year 2014            | Year 2013          |
| Income from Treasury Bills    | Tk. 502,281,501.60   | Tk. 484,342,311.60 |
| Income from Treasury Bonds    | Tk. 1,240,928,508.00 | Tk. 934,147,803.10 |
| Income from Subordinate Bonds | Tk. 48,901,297.67    | Tk. 73,827,391.41  |
| Income from Reverse Repo      | Tk. 1,035,616.44     | Tk. 172,602.74     |

### Offshore Banking Unit (OBU)

To meet the contemporary banking business demand, Trust Bank Ltd. started its Offshore Banking Unit (OBU) operation located in Dilkusha Corporate Branch, 36 Dilkusha C/A, Dhaka -1000 on December 04, 2013. Within a very short period OBU, TBL has become a profitable unit and makes significant contributions to bank's profit and business.

For the year ended December 31, 2014 business position of TBL, OBU is as follows:

| Business area               | In USD      | In Tk.          |
|-----------------------------|-------------|-----------------|
| Total Deposits & Borrowings | USD 39.40mn | Tk. 3,102.85 mn |
| Total Advances              | USD 39.70mn | Tk. 3,126.77 mn |
| Profit - OBU                | USD 0.38mn  | Tk. 29.37 mn    |

### Export

Our Export earnings touched its pick in September 2014 which was USD. 50.16 million. The total export earnings during the first, second and third quarter were USD. 105.43 million, USD.96.99 million, USD. 130.32 million respectively. After the cumulative achievement of USD. 332.74 million up to the end of third quarter of 2014 the export earning shows the lower trend at the starting of last quarter which ended up with a higher trend of USD. 119.05 million. During the year 2014 the total cumulative export stood USD. 451.79 million.

### Import

Our import expenditure reaches its pick in January 2014 which was USD.134.33 million. The total Import Expenditure during the first, second and third quarter were USD. 281.93 million, USD.247.67 million, USD. 245.98 million respectively. The cumulative import expenditure of USD. 775.58 million up to the end of third quarter of 2014. The import expenditure shows the higher trend which ended up with USD. 217.38 million in December quarter. During the year 2014 the total cumulative import expenditure stood USD. 992.96 million.

### Information Technology

Information Technology (IT) plays a crucial role in ensuring competitive and innovative financial services for advancement in banking industry. In January 2007, Trust Bank Limited successfully launched Online Banking Services which facilitate any branch banking, ATM banking, Phone banking, SMS banking & iBanking. All the branches of the Bank are currently using Centralized Banking Software for their daily transaction processing and routine reporting. The Bank has subscribed to ATM, VISA Debit and Credit cards which is an important milestone in automation of banking services. The Bank has also launched Mobile Financial Services. With the introduction of modern technology, the Bank has been able to render better and efficient services to its customers, resulting in image enhancement of the Bank.

## Introduction of Trust Bank iBanking Service

The new version of Internet Banking service has come up with new features wrapped more securely than before. It has enlarged its e-Services for fund transfer, utility bill payment and made internet banking experience simple and secure for customers.

Our energetic and innovative In-House Software Development Team has developed eService Request Portal to process various online requests. The team has developed the software keeping in mind for minimizing use of paper and maximizing employee efficiency. Currently this portal is using to process iBanking service requests.

Our simple and user friendly interface of iBanking will add features like account balance query, multiple account summary, Account statement, secured fund transfer with OTP, un cleared fund status, Utility Bill Payment, credit card bill payment etc.



Abu Zafar Hedaytul Islam, Deputy Managing Director of Trust Bank Limited seen at Agreement Signing Ceremony for Online Electric Bill Collection through TBMM between Dhaka Power Distribution Company Limited and Trust Bank Limited. Ishtiaque Ahmed Chowdhury, Managing Director & CEO of the Bank was also present.

## Launching Platinum and RFCD Card

TBL has launched Platinum and RFCD cards for the elite clients. RFCD is an international debit card for FC account holders only. Platinum card holders can avail priority pass along with maximum credit limit; immediate cash advance facility and emergency card replacement. Priority pass will also be facilitating 600+ airport lounges facilities around the world. Moreover, Platinum card holders can empower their world



Executive Committee Members of the Board of Directors and senior management are seen at Platinum Card, RFCD International Debit card launching ceremony.

with great discounts, auto debit facility and personalized customer care service. Offering will also reach up to three supplementary cards and convenient payment option through new iBanking service.

**Debit cards** (VISA or Q-Cash Branded) require electronic authorization for every transaction and the debits are reflected in the user's account immediately. The transaction may be additionally secured with the personal identification number (PIN) authentication system. Customers may directly access their savings/current/short term deposit accounts with the card through ATM, POS and Internet etc. Approximately 270,000 customers have debit cards as on 31 December 2014 and this number is increasing day by day.

## VISA Credit Card

Trust Bank Limited has introduced Visa Credit Cards, both local and international, to serve its existing and potential valued customers. Credit cards can now be used at shops & restaurants in Bangladesh and even internationally. Customers can also withdraw cash from ATM machines and can purchase products and services in Bangladesh and even internationally by using these cards. Trust Bank Limited has recently introduced SMS notification for monthly credit card statement and also for every transaction. The bank has issued approximately 4,500 credit cards to the eligible customers. This number is also growing day by day.

## Local and International Prepaid card

In order to fulfill customer needs and TC arrangement & related services Trust Bank Limited has launched International Prepaid cards against travel quota entitlement. In addition, the local prepaid card has been launched to drag then on-account holders of the bank under the service of plastic card. Moreover the prepaid card has given an alternative collection method of remitted money by Western Union.

Trust Bank Limited was the first bank to enable all the cardholders to pay Tax online through National Board of Revenue website. A Prepaid card has been specially designed to pay Tax online with added security.

## Paperless Billing System of Credit Cards:

Paperless green banking has been introduced for generating bills of credit cards. E-Bill system of credit cards have not only made billing system more convenient to customers but also ensured paperless billing system.

## ATM

ATM's now allow customers to access their account, check account balance and withdraw cash 24x7 hours. ATM's located on the premises of financial institutions or elsewhere, through which customers' may withdraw their



*Ishtiaque Ahmed Chowdhury Managing Director & CEO of Trust Bank Limited inaugurating ATM booth at NAVY Headquarters.*

fund as they would through a bank teller. At present total number of ATM's are 144 as on 31 December 2014.

Automated cash loading application has reduced errors and enables hassle free cash loading of ATMs. The number of ATMs is increasing so as the frequent loading of ATMs. Such application has increase manpower efficiency enormously.

## TBL as the Settlement Bank for Q-Cash Network

Trust Bank Limited is a member of Q-Cash network which is a consortium of ATM network of more than 37 member banks in Bangladesh. Trust Bank Limited has established itself as the settlement bank for the entire Q-Cash network along with settlement with Dutch-Bangla Bank and BRAC Bank on behalf of all the member banks of Q-Cash.



## Interface with other ATM networks

Being the Settlement Bank for Q-Cash network, Trust Bank Limited plays a lead role for expansion and sharing ATM network with different Banks at a competitive rate. Customers of Trust Bank Limited may also use most of the bank's ATMs in Bangladesh along with Dutch Bangla & BRAC Bank ATMs for a nominal fee. This arrangement makes 24 hour banking transactions flexible for the customers of all banks involved in this expanded network.

## Expansion of ATM Network & Bank POS Deployment

In order to adopt the automated banking TBL has extended the ATM network (144 ATMs) all over Bangladesh. TBL is selecting the ATM locations to reach the valued customers round the clock which will indirectly add value to the existing services. At the same time the deployment of Bank's POS in every branch is enabling the customer to withdraw cash, deposit cash and also transfer fund with the help of Card. Bank's POS is established with the view of making the teller system automated.

TBL has also placed POS terminals to some educational institutions and implemented 86 numbers of Merchant POS at different location of Bangladesh Including CSD's of different Cantonment Areas.

## E-Commerce

Trust Bank Limited has recently started acquiring E-Commerce Merchants. All cardholders of the Trust Bank Limited and most of the Q-Cash member bank cardholders will be able to purchase products and services from these Merchant websites. Trust Bank Limited has setup this environment with much higher security than practiced in the market. Cardholders who want to purchase product or services from these sites using Q-Cash channel will be requested to provide a separate PIN (i-PIN) which only the cardholder should know.

Currently cardholders can buy BPL match tickets, Movie Tickets, Recharge Mobile Airtime, Internet Prepaid Card, Gift items, Dresses and Jewelry from most renowned brand shops of the country etc. Trust Bank Limited is increasing the list of merchants to offer the cardholders with more services and products on regular basis.

## Defense Digital Salary

In line with the commitment of implementing Digital Bangladesh, Trust Bank Limited has taken a noteworthy step to automate the Defense Personal Salary System. By the digital salary system the Defense personnel are provided with a debit card by which they can access to their salary account round the clock. As per the project requirement Trust Bank Limited has also extended the ATM network all over Bangladesh to make the salary system successful.

Trust Bank Limited disburses around Tk. 2000 million each month as part of the project to Defense personnel.



*Ishtiaque Ahmed Chowdhury Managing Director & CEO of Trust Bank Limited inaugurated Bank's first Passport fees collection booth at Agargaoan, Dhaka.*

## Inauguration of Passport Fee Collection Booth

TBL has enriched its passport fees collection channel by introducing regional collection booth at Agargaon. Customers will have access to nearby Trust Bank Passport Collection Booth from Agargaon Regional Passport Office (RPO) with time saving and hassle free payment system experience.

## Phone Banking:

TBL customers can access to their accounts information using any phone even after regular banking hours. A customer can have the following information through the phone banking services like Balances in accounts, Information about bank products, Currency rates, Account statements, Blocking/unblocking VISA cards, Credit card information.

## SMS Banking

SMS Banking is a mobile technology that allows customer to request and receive banking information from bank on customer mobile phone via Short Message Service (SMS). Individuals or corporate bodies can manage their bank accounts, check their account balances and last few transactions (Mini Statement) using their mobile phones. With SMS banking, convenience can be achieved 24 hours a day. This service enables safe and easy Check-up of customer account balance - at request and upon movement. The service security of using SMS banking services is based on a PIN and customer mobile telephone number, as well as on pre-defined and registered account numbers to which payments are possible.

## SMS Alerts

SMS Alerts is a service that allows customer to stay updated on his/her account transactions through mobile. To receive these alerts you have to register for the service. The system generates alerts for the following types of transactions and send to the customer's mobile.

## Mobile Banking Services

Trust Bank Limited launched "Trust Bank Mobile Money (TBMM)" on 31 August 2010 for the banked & unbanked people to materialize the motto "A Bank for financial Inclusion". In Bangladesh most of the rural people are not educated and cannot write bank cheque or give signature. Also they need to maintain a minimum balance in their accounts to pay various charges which tends to be difficult for the rural people.

Mobile Banking is a process of no-branch banking which provides appropriate financial services to unbanked communities in both urban and rural areas at affordable cost.

Since it is not possible to have bank branches in every village, Bank can also reach its 68,000 villages through Paypoint (Agent) of Mobile banking. There are around 160 million people of which only 16 per cent are bank account holders, but more than 65 per cent are mobile phone users. Bank can now conveniently offer the banking services to rural and unbanked population through mobile phones.

TBMM is a Bank-Led model complying all the rules and regulation of Bangladesh Bank. It enables subscribers to quickly, easily, and securely transfer balances to other subscribers via their mobile phones (SMS & USSD) or Internet. Any mobile subscriber can avail TBMM services using any mobile handset from low end to high end.

Customer of TBMM can avail the service at all Trust Bank Limited (TBL) Branches, SME Centers, T-Lobby and accredited Paypoints. At present TBL accredited 20,000 no of Paypoint. Trust Bank is deploying its Pay point Network through different distributor such as Teletalk, Robi Axiata Limited, Third Eye NC Limited, Citycel, North South Mobilink, Online Trade Link Limited (OLTL), Deshmati IT nable Services Limited (DITES), Arena, Quantum Dots Ltd and A2i (UISC,PISC).

The Services of Trust Bank Mobile Money (TBMM) are as follows:

1. A/C Registration, Cash Deposit & Withdraw at Paypoint/TBL Branches
2. Person to Person fund transfer
3. Payment at Point of Sale
4. Student Banking
  - i. Admission Fees Collection (MIST, BUP, Cadet College)

ii. Tuition Fees Collection:

- Military Institute of Science & Technology (MIST)
- Rajuk Uttara Model College (RUMC),
- Shaheed Anwar Girls' College (SAGC),
- Adventist International Mission School (AIMS),
- Adamjee Cantonment College (ACC),
- Adarsha Bidda Niketon School (ABNS),
- Rajshahi Cantonment Public School & College (RCPSC),
- Cantonment Public School & College Rangpur (CPSCR),
- BN College Dhaka (BNCD), Millenium Stars School)

5. Bangladesh Navy Requirement Fund Collection (BNRF)

6. Bangladesh Army Officer Requirement Fund Collection

7. Utility payment

- i. Air time recharge(All Telco)
- ii. MetLife Alico Insurance premium
- iii. Meghna Life Insurance premium
- iv. Prime Islamic Life Insurance premium
- v. DESCO, DPDC Electricity Bill Collection
- vi. Passport Fee

8. A/C Balance check

9. A/C Statement (Last 3 transaction check)

10. Online Merchant Payment (Bangladesh Brand, Buy Dell Online)

### **BRTA Service Portal & Utility Bill Payment:**

TBL has launched Collection of BRTA fees and taxes from January 2014. Currently 36 branches are engaged in collecting BRTA fees and taxes.

Presently, the bank is collecting payment in real time of DESCO and WASA.

### **Disaster Recovery (DR) Site:**

TBL IT Division has successfully implemented DR Site in Jessore. The DR site will work as a backup body for the bank's backbone in force majeure.

### **Introduction of Call Center:**

The banking industry has changed the way they provide services to their customers and process information in recent years. In modern banking, call center has become an important wing. Call centers are increasingly popular in modern banking system, in which centralized customer service and support functions is being included. Everything in the present world needs an innovative concept so that the specialty is always appreciated by a community that is related to your specialization. Today's banking business is purely based on a formula that has to rule customer's mind at any condition. Therefore, to meet this demand, proper call center support is a necessity.

Better call center support will definitely help bank to providing a satisfied customer experience in near future. A Bank is not only a profit earning organization but also a sector of customer service. So, in banking sector a call center can help over all the customers for solving their problem in easiest possible way.

The Benefits Call Center's automated phone system offers a menu of choices to respond to customers' query about the benefits they are receiving. Eligibility call agents are also available 24/7 during normal business hours to provide assistance if the automated phone system does not meet the caller's needs.

## Bangladesh Electronic Funds Transfer Network (BEFTN)

BEFTN has started here with the objective to decrease paper-based payment methods and encourage paper-less payment methods for secured, faster & cost-effective transactions.

It facilitates the transmission of payments between the banks electronically, which makes it faster and efficient means of inter-bank clearing over the existing paper-based system i.e. BACPS. It is able to handle a wide variety of credit transfers such as payroll, foreign and domestic remittances, social security, cash & fractional dividends, retirement, expense reimbursement, bill payments, corporate payments, government tax payments, veterans payments, government license fees and person to person payments as well as debit transfers such as mortgage payments, membership dues, loan payments, insurance premiums, utility bill payments, company cash concentration, government tax payments, government licenses and fees etc.

### Following are in-house complete solutions which are used in live:

- Introduce E-Request Portal for branches. Such portal will encourage paperless green banking and fully automated request to ensure error free request.
- Develop Integration module for WASA, DESCO and DPDC. The integration module is currently being used for collecting of utility bills.
- Develop OFAC list.
- Develop Checkout system for Passport Payment.

### Priorities in 2014:

- Mobile Banking
- BRTA service portal
- Call Center
- Launching new card products
- I-banking with e-request process

## SWIFT Automation: For Branch Connectivity & Global Sanction Screen:

SWIFT stands for “Society for Worldwide Interbank Financial Telecommunication”. Our bank started SWIFT operation in the year 2003. SWIFT is playing a crucial role in the area of international and local payment/settlements of the trade service related activities. SWIFT is the one and only authenticated, unified payment settlement that is accepted globally.

Currently a total of 16 Authorized Dealer Branches is using SWIFT. A total of 50 users from 16 AD branches is operating SWIFT with the 10 concurrent SWIFT user license. With the 10 concurrent user license a maximum of 10 users can run the SWIFT operation at any given time, and all other users must wait till a license becomes available, with no predictable time. This has an adverse effect on our operations and causes unnecessary delay in foreign exchange & SWIFT related activities, not mention the reputational impact it has with our clients. In this backdrop, Head Office, ID has undertaken SWIFT automation Project to facilitate unlimited branch connectivity and fulfil Bangladesh Bank’s compliance in respect of global sanction screening.

SWIFT automation project is a huge task. SWIFT up-gradation requires to analyze, design & development, integration testing, user acceptance testing, implementation of series of MTs etc. Though this project was supposed to be ended earlier, its inherent nature consumes time to implement successfully. Finally pains turn to gain and hopefully we may start within the first quarter, 2015 with new, versatile, automated SWIFT connectivity.

Through automation we will be able to overcome the key shortcoming of existing SWIFT: the connectivity issue. Now we can avail unlimited SWIFT connectivity, including Non-AD branches without additional cost. Besides, automated SWIFT will strengthen our security, help prevent any unwanted financial fraud, ease L/C message processing, automated sanction screening to comply with Anti Money Laundering issues of Bangladesh Bank.

## Operational Strategy of TBL:

Operations Division is entrusted with overall operational risk Management of the Bank. The primary objective of operations is to ensure a high level of product and service delivery from all branches within a control



culture. Like the previous years, the division undertook different initiative in the year 2014 such as revision of operation manual, policy guideline for USER ID and limit management, system and process improvement, developing and instilling a compliance culture and improvement of service delivery standard.

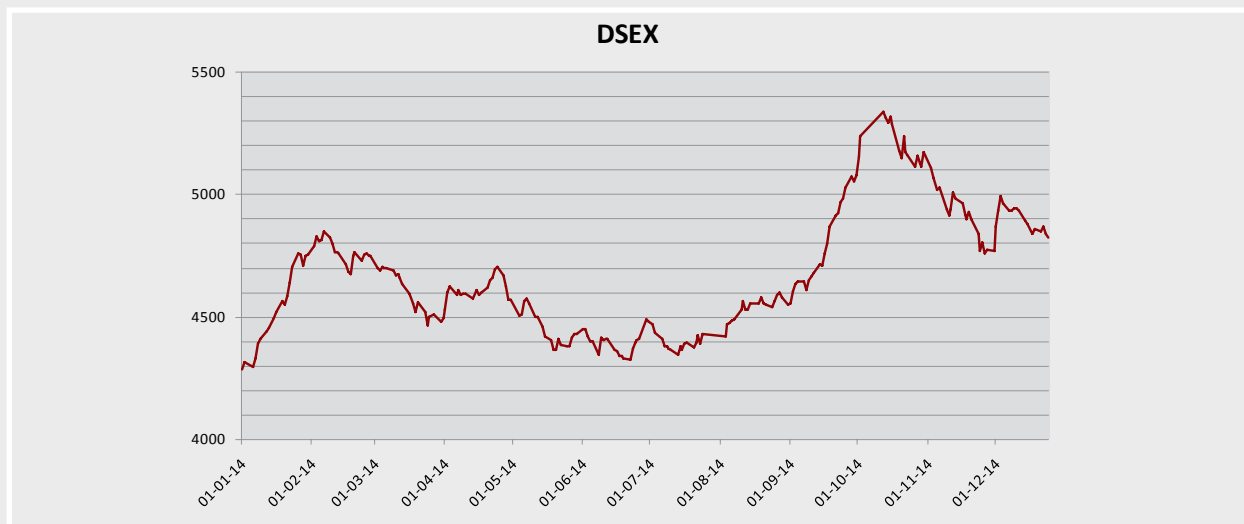
In 2014, Head office, Operations undertook and successfully implemented the following initiatives:

- Reengineering of process to improve operational efficiency and control
- Digitalization of defense personnel salary disbursement process through the country through a centralized system.
- Formulation and implementation of standard operating procedures i.e. crisis management at branches, HO& ATM, Control mechanism to prevent cheque forgery, matrix for documentations of A/C Opening.
- Rolling out strong supervision over the branches to mitigate operational risk
- Establishing booth at cattle markets at Kamlapur, Dhaka and other part of country to detect fake notes during Eid-ul-Azha.
- Improvement of Bank's cash Management efficiency.
- Improvement of facility Management
- Policy guideline regarding obtaining cash insurance for vault beyond approved limit.
- Arranging training program for concerned employees to prevent cheque forgery as per directive of Bangladesh Bank
- Improvement of quality of payment system through central clearing cheque processing unit in line with Bangladesh Automated Clearing House (BACH)

### Trust Bank Investment Limited

Trust Bank Investment Limited (TBIL), a fully owned subsidiary of Trust Bank Limited, was formed and incorporated on September 09, 2010 as a public limited company under the companies act, 1994 in Bangladesh to handle the capital market operations. The company received permission from the Bangladesh Securities and Exchange Commission on October 25, 2010 as a full-fledged Merchant Bank and started its operation on November 14, 2010 by taking over the assets and liabilities of the Merchant Banking Division of TBL. As a full-fledged merchant bank, TBIL is entitled to undertake all merchant banking activities viz, portfolio management, underwriting, issue management & corporate advisory services.

After three years of bearish trend since 2010, the capital market of Bangladesh passed a somewhat promising year in 2014. After the index fell by 47% in the period from 2011 to 2013, DSEX was up by 13% in 2014 and the average daily trade volume also rose to Tk. 5,000mn from Tk. 4,000mn the year before.



Though the market was up, it was not sufficient for the merchant banks and most of their clients to recover from the brunt of the fall that started in the end of 2010. TBIL has been ardently working to contain the negative impact of that period and towards the recovery of the clients' portfolio as well as its own financial health. For the year 2014, operating profit (profit before tax and provision) of TBIL was Tk. 226.49mn against Tk. 389.88mn in 2013. The decline in operating profit reflects the greater risk provision made as safeguard against any potential loss which may arise from the non-performing margin loan accounts.

Till date portfolio management services are the major sources of earnings for TBIL. TBIL is providing "Portfolio Management Services" to its clients through IDA, BDA, and NIDA accounts. TBIL manages investors' portfolio of its clients valuing Tk. 5,806.63mn against margin lending of Tk. 4,578.90mn as on December 31, 2014. Revenue generating from portfolio management services include Interest on Margin Loan, Portfolio Transaction Fee, Portfolio Management Fee and Annual Charges.

Underwriting is another source of revenue for Merchant Banking Operations. As on December 31, 2014, TBIL has underwriting commitments with 6 (six) issues for a total amount of Tk. 319.77mn. TBIL has successfully concluded the IPO of Ratanpur Steel Re-rolling Mills Ltd (RSRMSTEEL) as Co-issue Manager in 2014. Managing own investment portfolio is a regulatory requirement and also a core business objective of TBIL to ensure higher return on equity. TBIL has established an investment process and has been maintaining its own portfolio in compliance with the TBIL Investment Policy approved by the Board of Directors. In the year 2014, TBIL has realized a profit of Tk. 49.58mn from its own portfolio investments.

#### Business Position of TBIL as on 31st December 2014:

| SL | Particulars                                          | As on December 31, 2014 |
|----|------------------------------------------------------|-------------------------|
| 1  | No. of Accounts                                      | 5,060                   |
| 2  | Total Loan against Securities (Taka million)         | 4,578.90                |
| 3  | Total Portfolio Value at Market Price (Taka million) | 5,806.63                |
| 4  | Average Daily Trade Volume (Taka million)            | 105.94                  |
| 5  | Average Daily Trade Volume as % of that of DSE       | 2.13                    |
| 6  | Operating Profit (Taka million)                      | 226.49                  |

The overall economy and different business sectors of Bangladesh are slowly turning around and are expected to gain further momentum in 2015. Lending rate has been coming down progressively and may have positive impact on further economic activities. From both fundamental and technical point of view, the capital market is very much poised to go up in 2015. TBIL is well equipped to capture this potential uptrend as well as to safeguard itself against any adverse movement in the market.

#### Trust Bank Investment Limited at a glance

| BDT in million |                         |          |          |
|----------------|-------------------------|----------|----------|
| Sl. No.        | Particulars             | 2014     | 2013     |
| 1              | Deposit                 | 108.22   | 90.47    |
| 2              | Loans                   | 4,578.90 | 4,881.90 |
| 3              | Total Income            | 337.25   | 521.12   |
| 4              | Total Expenditure       | 110.76   | 131.24   |
| 5              | Operating Profit/(Loss) | 226.49   | 389.88   |
| 6              | Borrowing               | 58.49    | 368.33   |

## Trust Bank Securities Limited

Trust Bank Securities Limited (TBSL) is a 100% owned subsidiary of Trust Bank Limited (TBL). TBSL is a corporate shareholder of Dhaka Stock Exchange Ltd. (DSE) and full service depository participant (DP) of Central Depository Bangladesh Ltd. (CDBL). The Company has an authorized share capital of Tk. 200,00,00,000.00 (Taka Two hundred crore) only divided into 20,00,00,000 ordinary shares of Tk. 10/- each and a paid up capital of Tk. 35,00,00,000.00 (Taka thirty five crore) only divided into 3,50,00,000 ordinary shares of Tk. 10/- each. The Head Office of the Company is located at 28, DCC North Kafrul, Dhaka Cantonment, Dhaka-1206 and Extension of Main Office is at 98, Shaheed Sarani, Dhaka Cantonment, Dhaka-1206.

TBSL offers full-fledged brokerage services that include BO account and trading account opening; securities trading for individual as well as institutional clients; Demat, Remat, pledging, un-pledging and confiscation of securities; Settlement, Transfer and Transmission of Securities and other DP services etc. The Company maintains its own portfolio in dealer account. TBSL has a rich and competent Board of Directors and the company is operated by a team of highly skilled and qualified professionals.

After the Demutualization of Dhaka Stock Exchange Ltd.(DSE), TBSL was allotted 72,15,106 nos ordinary shares of DSE amounting to Tk. 7,21,51,060.00. Among the total shares, 40% ordinary shares i.e. 28,86,042 shares of Tk. 10.00 each was credited to TBSL BO account and 60% ordinary shares i.e. 43,29,064 shares of Tk. 10.00 each was credited to the "DSE Demutualization Blocked Account" maintained by DSE. As a result, TBSL will get all the corporate benefits declared by DSE as a shareholder of DSE.

TBSL has prepared its own Policy on prevention on Money Laundering & Combating Financing of Terrorism based on Money Laundering Prevention Act 2011 and Anti Terrorism Act-2009 (Including Amendment of 2012) considering business expansion, opportunity, nature, functions and risks. All transactions are now being scrutinized following the guideline. Corporate Governance has been ensured in every aspects of the company.

The domestic capital market was very eventful in the year 2014 showed significantly lower trend. The turnover of TBSL remained steady in terms of turnover percentage with the prime bourse through the active participation of both institutional as well as retail investors. Trading took place on 238 days throughout the year and average daily turnover of DSE was Tk. 497.47 crore. Proportion of TBSL in total turnover of DSE is 0.35%. Total market capitalization of DSE stood at Tk. 3,24,440 crore as at 30 December 2014 while it was Tk. 2,65,777 crore as at 31 December 2013. Total no. listed securities in DSE is 546 of which 274 companies, 40 mutual funds, 8 debentures, 221 treasury bonds and 3 corporate bonds (as at 31 December, 2014).

The overall performance of TBSL is shown in the following table:

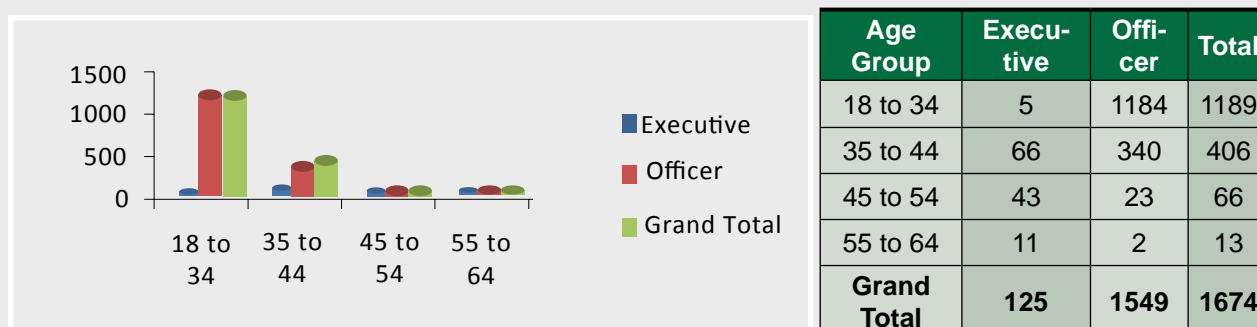
| Sl | Particulars                                     | 01.01.2014 to<br>31.12.2014 | 01.09.2013 to<br>31.12.2013 |
|----|-------------------------------------------------|-----------------------------|-----------------------------|
| 1  | Total no of Individual BO A/C                   | 168                         | 57                          |
| 2  | Total no of Institutional BO A/C                | 06                          | 04                          |
| 3  | Total No. of BO A/C                             | 174                         | 61                          |
| 4  | Total buy value (Tk)                            | 234,68,69,660               | 9,58,33,218                 |
| 5  | Total sale value (Tk)                           | 178,07,09,140               | 13,35,98,770                |
| 6  | Total turnover (Tk) of TBSL                     | 412,75,78,799.50            | 22,94,31,988                |
| 7  | Total turnover (Tk) of DSE                      | 1,18,852,14,28,000          | 2,64,94,16,10,000           |
| 8  | Proportion of TBSL in total turnover of DSE (%) | 0.35                        | 0.09                        |
| 9  | Total No. of Employees                          | 7                           | 7                           |
| 10 | Total operating income (Tk)                     | 1,19,38,267                 | 7,10,975                    |
| 11 | Direct expenses (Tk)                            | 10,78,086                   | 61,108                      |
| 12 | Profit before operating exp. (Tk)               | 1,08,60,181                 | 6,49,867                    |
| 13 | Total operating expenses (Tk)                   | 98,45,535                   | 30,04,521                   |
| 14 | Net profit before tax (Tk)                      | 10,14,646                   | (23,54,654)                 |
| 15 | Provision for income tax (Tk)                   | (21,43,711)                 | (1,14,718)                  |
| 16 | Net profit/(loss) after tax (Tk)                | (11,29,065)                 | (24,69,372)                 |

## Human Resources Division – Towards a culture of performance

### 1. Manpower Status

For a service based organization like bank, customers' impression matters most in creating and enhancing brand value. We believe in People along with process. Our people are our source of competitive advantage. Our performance driven culture, quality of working relationships, healthy work life balance, recognition for the performers, investment for Human Capital Development, best practices to attract, sharpen, and retain top talents and especially our "Together we achieve more" policy and practices strengthen the bank position as employer of choice in the corporate arena of the country. The bank has already established itself not only in the corporate arena but also as deserving employer in the job market. TBL Human Resources Division is a 13 member's team serving 1,674 member's family. Our satisfaction is in customer delight. Our encouragement is TBL's success. A Comparative position of last four years on number of employees is as follows:

Total Workforce by Age group:



Year-wise Gender position:

| Year | Male |            | Female |            | Total |
|------|------|------------|--------|------------|-------|
|      | Nos. | Percentage | Nos.   | Percentage |       |
| 2011 | 829  | 73.49 %    | 299    | 26.51 %    | 1,128 |
| 2012 | 956  | 73.60 %    | 343    | 26.40 %    | 1,299 |
| 2013 | 1108 | 74.97 %    | 370    | 25.03 %    | 1,478 |
| 2014 | 1254 | 74.91 %    | 420    | 25.09 %    | 1,674 |

### 2. Recruitment

In Trust Bank Limited, we give emphasis on attitude over skill. We hire people to fill up the gap for creating an enabling environment by putting the 'best fit' people in right place on right time. Because we believe recruiting decision has a major impact on our business performance. In the year 2014, the Bank recruited fresh 37 Trainee Assistant Officers, 124 Trainee Assistant Cash Officers, 82 Junior Officers and 48 officials recruited as lateral entry out of 291 officials newly joined for building home grown talents.

#### Recruitment Strategy

Trust Bank Limited is an equal opportunity employer. Here we recognize the importance of having the right people working for us to achieving our organizational goal. Our recruitment and selection process are designed in such a way that attracts suitable candidates. We recruits and selects only those people who demonstrate an alignment with our company values and philosophy. Our recruitment and selection is governed by the following principles:

- **Equal Employment Opportunity** – we ensure equal opportunity for all applicants for the position.
- **Fairness** – We use the same process for all candidates for a particular position.
- **Transparency**- The process for the recruitment is documented and information provided to all individuals involved.
- **Diversity** – We welcome candidates with diverse backgrounds and use a variety of sources to attract talented people.



## Last two years Recruitment

| Employment   | Year       |            | Changes         |
|--------------|------------|------------|-----------------|
|              | 2014       | 2013       |                 |
| Permanent    | 291        | 280        | 3.93 %          |
| Temporary    | 23         | 9          | 155.56 %        |
| <b>Total</b> | <b>314</b> | <b>289</b> | <b>159.48 %</b> |

## 3. Training & Development

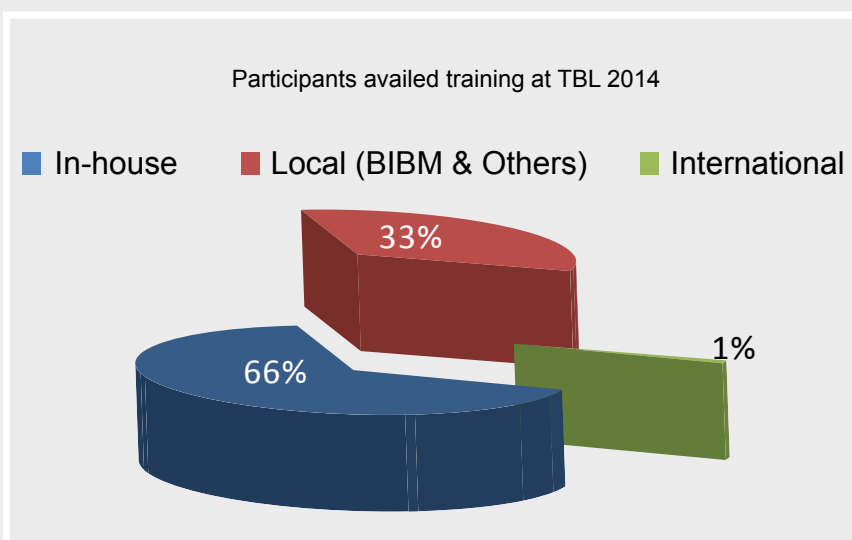
We believe training and development is one of the ways to enhance people's capability towards personal skill and business goal. Since, different types of employees recruited here depending on the functional needs, uniform training cannot be designed for all. We have our own training academy which is furnished with all modern amenities as well as up-to-date training materials. Therefore, we arrange trainings for the fresher's along with experienced personnel in the main core banking areas like General Banking, Credit and Foreign Trade. Besides this, customize training i.e. Corporate Banking, Retail Banking, SME Banking, Anti-Money laundering, Islamic Banking, International Trade, Treasury, BASEL II and other trainings in terms of fundamentally & case study basis are arranged both in our TBL Training Academy and external sources. This year we have sent employees to overseas for attending international training / conference to know international Banking practice and procedures.

### History – year wise (2 years Local and Foreign Training)

| Training                        | Year 2014        |              | Year 2013        |              |
|---------------------------------|------------------|--------------|------------------|--------------|
|                                 | Training Program | Participants | Training Program | Participants |
| In-house (TBL Training Academy) | 25               | 799          | 110              | 523          |
| Local (BIBM & others)           | 129              | 395          | 105              | 672          |
| Foreign                         | 4                | 11           | 4                | 4            |
| <b>Total</b>                    | <b>158</b>       | <b>1205</b>  | <b>219</b>       | <b>1199</b>  |

### Leadership training for MTOs

Knowledge & skill development is a continuous process. We ensure to provide training among each and every employees of the bank, depending on specific business need. In this connection, TBL always puts the utmost priority on adequate training of its employees as a continuous process of human resources development. As a part of one year MTO development program called "eVolve", our HR team also organized a successful leadership development training program (soft-skill) on March, 2014 at BIPSOT, Rajendrapur Cantonment for our MTO Batch-2013 for making leaders of tomorrow which is for the first time ever in TBL training history. It helps the participants to improve their personality, self-confidence, personal relationship, communication skill, self management. They learnt how to solve problems immediately in a possible way, take necessary steps towards archiving success.



#### 4. Employee Engagement

##### **Town hall Meeting – Nurturing Performance Oriented Culture:**

The idea of conducting Town hall Meeting through cluster approach radically changes the business performance of the Bank. This new initiative has bridges the gap between the top management and first line employees. Our Honorable MD & CEO, DMD along with the other senior Management of the Bank use this platform as a gateway of direct communication with the employees who work in different



*Ishtiaque Ahmed Chowdhury, Managing Director & CEO of Trust Bank Limited delivering speech at Town Hall Meeting 2014.*



*Town Hall Meeting 2014 of Trust Bank Limited*



*Town Hall Meeting 2014 of Trust Bank Limited*

Divisions / Branches of the Bank. These employees more often than not desire for the opportunities of sharing their experience and thinking related to on and off the job. But it is such a concept where they directly Interact with them and give their valuable inputs regarding where we are right now, what are opportunities in near future, what are the major challenges (both within and outside the organization) we might face in the coming years.

Honorable MD & CEO clearly describes his vision and mission, sets both short and long term goals, ways and means to achieve those goals. He also praised those who accelerated their business performance beyond the target, gave valuable tips and motivation to those who fell short of achieving the desired target. The result of this relentless journey is pretty obvious as we have excelled more in 2014 in terms of profit margin which is far better than 2013. This becomes possible only employees are now much more dedicated to develop themselves to do better than before which ultimately results in a truly performance oriented culture!

##### **Organizing Events – work life balance**

Employees in the Bank pass five (5) busy week days in a week. They hardly get enough time to enjoy leisure with their friends and families. It is a common phenomenon among bankers that most of them suffer from job related anxiety and frustration. To break through such clutter, Trust Bank is always one step ahead than others to make a sound balance between personal & professional life. Our Bank is always committed to ensure improved personal life as one can't perform to his/her fullest level if he/she doesn't have enough scope for recreational activities.



***Victory Day Cricket Match 2014 organized by Trust Bank Limited.***

Participating in Corporate Indoor Cricket and Football League, arranging Trust Victory Day Cricket Match-2014 are some of instances that how much our senior management is aware of balancing between work and leisure. Moreover, Management of the Bank always thinks of new ideas and events which will be implemented in the coming days.

### **Communication through Newsletter**

Effective, timely and accurate communication across all levels of an organization is a key to success. Our Management is no different in this regard. HRD on behalf the Management has been playing a pivotal role by planning, organizing, implementing effective ways and means communication through Trust Timeline, E-mail, Intra-messaging etc. HRD works with a vision to develop a performance oriented culture with maintenance of necessary compliance through establishing effective channel of communication.

Trust Timeline is one of the biggest ventures to communicate mass employees. Trust Timeline – the newsletter that is published half-yearly to ensure three sixty (360<sup>0</sup>) degree communication to employees at all levels of the Bank. It covers all the important aspects of Banks, recent trends in banking industry, employees' personal achievements, Health & hygiene tips, quiz competition etc. Response of this effort is immense as employees participate with a whole heart in the quiz competition and also praise other aspects as they get the opportunity to be better informed about Bank's recent activities. Furthermore, In-house circular related to Banking Operations, Bangladesh Bank's Circular, Condolence message, blessing message etc are also circulated to the concerned through Intra-message on regular basis.

Surely these endeavors engage the employees with the Bank's desired goal!

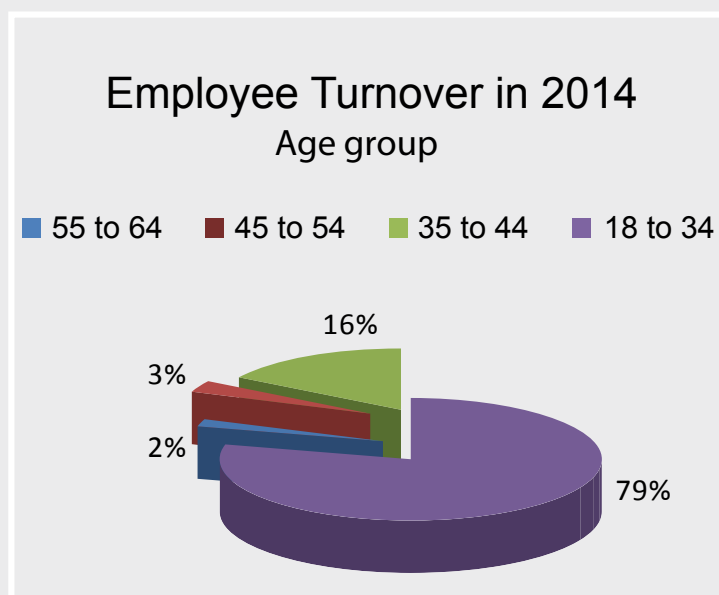
### **5. Employee Turnover**

Trust Bank limited has a diversified team in terms of gender and age group. In 2014, 75 employees separated from the bank. 78.67% of them fall into the age group of 18 to 34.



## Employee Turnover History – 2 years gender wise

| Gender             | Age Group    | 2014      | 2013       |
|--------------------|--------------|-----------|------------|
| Female             | Over 65      | 0         | 0          |
|                    | 55 to 64     | 0         | 0          |
|                    | 45 to 54     | 2         | 2          |
|                    | 35 to 44     | 6         | 4          |
|                    | 18 to 34     | 8         | 12         |
|                    | <b>Total</b> | <b>16</b> | <b>18</b>  |
| Male               | Over 65      | 0         | 0          |
|                    | 55 to 64     | 2         | 4          |
|                    | 45 to 54     | 0         | 3          |
|                    | 35 to 44     | 6         | 12         |
|                    | 18 to 34     | 51        | 66         |
|                    | <b>Total</b> | <b>59</b> | <b>85</b>  |
| <b>Grand Total</b> |              | <b>75</b> | <b>103</b> |



## 6. Compensation & Benefit Strategy

Our compensation and benefits combines the need to maintain a high performance culture along with market competitiveness. Bank offers performance bonus / annual increment strictly based on their previous year's performance. In addition to the market driven compensation package, we also offer series of other benefits, including credit facilities e.i. Staff-Any Purpose loan, Loan against salary, loan against Provident Fund, Staff House Building loan, Staff Car facilities (for executives ) etc. We also provide Provident Fund, Gratuity, Superannuation Fund, and Employees' Hospitalization Benefit etc. as long term benefits.

## 7. Employee Relation Philosophy

Human Resources Division of the bank is dedicated to excel the performance, continuous quality improvement of our services, and to meet the needs of our customers. Our commitment for achieving business goal in the banking sector is to accomplish these goals and uphold these values; we have a commitment to providing a professional, caring work environment dedicated equally to both individual and team achievement. We strive to focus on each individual's need and successes as well as the spirit and rewards of teamwork. Our employees play a vital role in all of our past accomplishments and many more coming in the future.

## 8. Succession Planning Strategy

Our approach to talent management begins with our overall business strategy and ends with refined people and leadership plan. Keeping this on our mind, we work together with the help of our superior management; we have taken some effective project for succession planning in the upcoming years. We (HR team) work with other Divisions / Departments to build customized Leaders who will lead and take the banking sector in a next level.

## 9. Other Initiatives

Trust Bank Human Resources Division is always conscious about the contemporary HR practices. Along with this, it pursues to provide market competitive benefits and facilities to the employees – in course of this, the Travelling/Travelling Allowances and Promotion Policy have been revised in 2014. Some other important policies are in process of revision at present.

Human Resources Division has also developed a justified Workforce Plan for the Branches and Head Office – which is allocated through a professionally designed Organogram. These are expected to be approved by the honorable Board of Directors in 2015.



## Risk Management System

Effective management of risk is integral part of banking business and the objective of risk management is to balance the tradeoff between risk and return and ensure optimum return on capital. Business and revenue growth have to be weighed in the context of the risks implicit in the Bank's business strategy. Risk management function attempts to anticipate vulnerabilities at the transaction level or at the portfolio level, as appropriate through quantitative or qualitative examination of the embedded risks.

Trust Bank has in place a sound Risk Management Architecture established by the active involvement and supervision of Board of Directors. The Bank continues to focus on refining and improving its risk measurement systems. The Risk Management Committee of the Board is the apex body which lays down the parameters and establishing the frame work of risk management. Under the Board level Committee, the Risk Management Committee of Executives functions to ensure the guidelines approved by the Board are implemented and adhered to.

The Bank is BASEL II compliant from 1<sup>st</sup> January, 2009. The Bank has to implement the BASEL III Capital Regulations from January, 2015 by computing the Capital and Risk weighted Assets as per (Guidelines on Risk Based Capital Adequacy) guidelines. The Bank presently adopts standardized approach for credit and market risks and Basic Indicator Approach for operational risks.

The Risk Management Systems are in place to identify measure, analyze and control the risks at the early stage, set and maintain prudential limits and manage them to face the changing risk environment. Credit Risk Rating Mechanism is in place to assess the risk rating of borrowers to ensure credit quality. Loan Review Mechanism initiates timely action to prevent slippage of standard assets to non performing assets. The disclosures on Annual Basis as per the Disclosure Policy are incorporated in the Bank's website and Annual Report for stakeholders to assess the position of the bank.

## Issues of Risk and Concern

Risk is an integral ingredient of return and return is maximized through mitigation of risk. But, the issue is complex; as banks have to concern on clear understanding of various systematic & unsystematic risks, appropriate identification, disciplined assessment as well as measurement procedure and continuous monitoring.

### Credit risk Management:

Financial institutions have faced difficulties over the years for a multitude of reasons, the major cause of solemn banking problems continues to be directly related to lax credit standards for clients and counterparties, poor portfolio risk management, or a lack of attention to changes in economic or other circumstances that can lead to a weakening in the credit standing of a bank's counterparties. Credit risk is most simply defined as the potential that a bank's borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The target of credit risk management is to maximize a bank's risk adjusted rate of return by maintaining credit risk exposure within acceptable parameters. Banks need to manage the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions. Banks should also consider the relationship between credit risk and other risks. The effective management of credit risk is a critical component of a comprehensive approach to risk management and essential to the long-term success of any banking organization.

The sound practices set out in this regard specifically address the following areas:

- Establish an appropriate credit risk management environment;
- Operating under a sound credit granting process;
- Maintaining an appropriate credit administration, measurement and monitoring process;
- Ensuring adequate controls over credit risk.

Establishing an appropriate credit risk management environment under a sound credit sanctioning process Bank identifies and manages credit risk inherent in all products and activities. Bank ensures that the risks of products and activities new to them are subject to adequate procedures and control before being introduced or undertaken, and approved in advance by the Board of Directors or its appropriate committee in order to streamline risk control features in a more effective manner.

Credit facilities are allowed in a manner so that credit expansion goes on ensuring optimum asset quality i.e., bank's standard of excellence shall not be compromised;

TBL carefully avoids name lending. Credit facility is being allowed absolutely on business consideration after conducting due diligence; Risks inherent in a credit proposal are being identified and appropriate mitigating factors are applied; Collateral offered against a credit facility is properly and professionally valued and verified.

A thorough credit risk assessment is done before sanctioning loan. The credit risk assessment includes borrower risk analysis, industry risk analysis, historical financial analysis, projected financial performance, the conduct of the account and security against the loan.

- **Maintaining an appropriate credit administration, measurement and monitoring process with adequate controls over credit risk**

The bank has in place a system for monitoring the condition of individual credits, including determining the adequacy of provisions and reserves. For NPL provisioning and write-off, the guidelines established by Bangladesh Bank for CIB reporting, provisioning and write-off of bad and doubtful debts, and suspension of interest are followed in all cases.

TBL has established a system of independent, ongoing credit review. TBL ensures that the credit-sanctioning function is being properly managed and that credit exposures are within levels consistent with prudential standards.

Along with this management principle in our 2014 journey, we were more alert for mitigating compliant risk and NPL risk and we have achieved the control on it.

### **Credit Operation Approach/plan**

Amid downward trend of credit growth in the country, Trust Bank's Credit operation approach in the year 2014 was to expand credit within judicious limit. Trust Bank has developed a sound and robust credit risk management system to avoid risks aiming to provide adequate credit-flow to the productive sectors.

Trust Bank's annual credit plan in the year 2014 was based on prudent mix of various client segments and products, economic sectors, geographical location, currency and maturity with a view to avoid undue concentration in any client segment, economic sector or geographical location.

The Credit Policy of Trust Bank Limited is devised in accordance with Bangladesh Bank's guidelines to ensure that effective credit risk management practices are followed, which will contribute towards the achievement of the overall business collectives or the bank while ensuring compliance with the regulatory framework set out by the regulators.

### **Corporate Finance**

As one of the market leaders, the Bank provides full range of integrated banking products and services for large-cap and mid-cap corporate clients including financial institutions. In the year 2014, the Bank continued to deliver optimal corporate banking services through its tailor-made comprehensive and innovative banking solutions. For our strong customer orientation blended with superior product delivery, the leading corporate houses of Bangladesh have built up valuable and trusted relationship with the Bank for their financial requirements. Bank's dedicated relationship-based platform takes into account clients' risk profiles and specific needs.

### **Credit Monitoring, Early Alert and Management of Non-Performing Loans**

Credit Monitoring is a continuous process to nurture and foster the health of Credit portfolio of the Bank starting just after the disbursement of any loan. To secure the interest of the shareholders, depositors and customers, our Bank has strengthened/intensified its monitoring and follow-up activities by delegating the responsibilities among the related executives/officers based on the status of credit portfolio.

In general, the Credit Administration Division together with branch executives and officers constantly monitor the quality of Credit portfolio, identifies problems and takes steps to correct deficiencies through a comprehensive loan monitoring system. In this system, the credit officials of the Bank monitor the loans of the borrower under their supervision up to the status of Special Mention Accounts (SMA) and the executives & officers of Legal Cell and Recovery Monitoring Unit monitor the Non-performing loans. The credit Administration Division restricts any unauthorized disbursement of credit facilities. The process involves the disbursement procedures, utilization of funds, and behavior of transactions, preparing early alert list / down-gradation and steps taking for the improvement of quality of the assets. The objectives of the division are to arrest slippage of performing accounts to non-performing category and also to comply with the guidelines of regulatory authorities. Furthermore, the accounts are also monitored by higher level executives depending upon the size of the exposures in order to minimize the Non-Performing Loans. With all these concerted and coordinated efforts, the Bank could keep its Non-performing loans restricted to BDT2614.76 million amid heterogeneous condition of the country.

## Credit Quality/ Credit Portfolio Performance

TBL utmost care and attempt was to bring down NPL position. Targeting our aim, we worked constantly with all stake-holder as per strategy and finished 2014 with NPL ratio of 2.45% leaving behind 3.12% of previous year. This indicates that our risk management practice and prudent credit policy are working fruitfully, where the strength of a policy or strategy lies. Our treatment for the non-performing asset was not normal but professional according to nature and need of that A/c(s). This indicates our rise in credit risk management capability and prudence credit policy working effectively.

## Internal Control & Compliance Risk Management

The bank has set up Internal Control & Compliance (IC&C) Division at Head Office to ensure that the internal control processes are in place. As per instruction of Bangladesh Bank the Audit Committee of the Board has been constituted to assist the board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plans set by the board for effective functioning of the bank. The committee reviews the financial reporting process, the system of internal control and management of financial risks, the audit process, health report of the bank and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct. In the year 2014, 06 meetings of the Audit Committee were held. The bank has introduced 'Risk Based Internal Audit (RBIA)' to assess the business risk as well as control risk associated with the branches, and determines how much follow up, monitoring & periodicity of internal audit would be required to bring a particular branch back to normalcy, if it is found that the performance of the branch is not satisfactory, and which may pose a potential threat for the bank.

Each year the IC&C Division sets out an audit plan (internal) for the year which is approved by the Managing Director. In 2014 IC&C Division conducted comprehensive audit in 88 branches and 16 divisions /departments at Head Office of the Bank. In the same year the internal audit team of IC&C division carried out 49 Spot Inspections and 20 IT Audits in different branches. In addition, audit was also conducted in 06 TBIL branches & Trust Bank Investment Ltd, Head Office and 657 nos. pay points for Mobile Banking operations in the year 2014.

With the regular spot inspection on different areas of banking operations, bank has also carried out 'Spot Inspection on 'Anti Fraud Internal Control' (AFIC) to develop Risk & Fraud awareness culture among the employees & reduce the likelihood of fraud occurring in Bank.

IC&C Division, Head Office monitor, supervise and ensure the total process of data uploading in the Web portal of Bangladesh Bank under Integrated Supervision System (ISS) introduced by Bangladesh Bank in the year 2014. The Bank regularly reports data/information of both the Head Office and AD Branches through ISS form in the web-portal of Bangladesh Bank.

IC&C Division looks after the activities of Complaint Cell of Head Office and handles the complaints of the customers received directly from FICSD (Financial Integrity & Customer Services Department), Bangladesh Bank and other sources. IC&C Division also provides operational and managerial guidance uniformly to all personnel of TBL family to handle and manage the customer's complaints satisfactorily, quickly, effectively and efficiently. In the year 2014, 24 nos. complaints were received from different sources (like Bangladesh Bank, Individual Customers etc) and all complaints were settled / resolved.

In setting out a strong internal control framework within the organization, the bank has already brought out its Internal Control Manual, which focuses on monitoring the functions of various departments/divisions of Head Office and branches of the bank periodically on regular basis.

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

At the end of the year a summary report on audit findings and corrective action taken, is placed in a meeting of the Audit Committee of the Board for information and necessary advice/suggestions. To comply with the directives of Bangladesh Bank a special meeting of the Board of Directors was held on 20 August, 2014 to review the compliance / implementation status on the observations of Bangladesh Bank's comprehensive inspection report, where the representatives of Bangladesh Bank were also present.

## Anti-money Laundering Risk Management

Money Laundering is no more a local or regional issue that cannot be ignored – with the globalization of economy, we are living in a global village and are not immune to others problem. Money laundering & CFT

is an issue that affects our nation, business, society and ultimately even the livelihood of individuals. As a member country of Asia Pacific & Egmont Group Bangladesh is committed to comply with the recommendations of Financial Action Task Force (FATF).

Bangladesh has enacted the Money Laundering Prevention Act, 2012 & Anti-Terrorism Act, 2012 which covers all the international standards and requirements and assigned BFIU of BB to discharge the regulatory responsibility of implementation & monitoring of the AML & CFT activities to keep the financial system of the country safe & compliance.

Trust Bank Limited (TBL) is a compliant & responsible institution committed to the highest standards of Anti-Money Laundering (AML) compliance and adheres to the set rules & declared standards to prevent use of our products and services for money laundering purposes. In addition to the legal compliance, Trust Bank Limited considers AML & CFT compliance as part of its social responsibility & commitment.

Like other banks and FSI (Financial Services Industry) across the globe TBL reckons that prevention of Money Laundering & Combating Terrorist Financing is the two challenges that confront the financial sector today.

The TBL Anti Money Laundering Policy Guidelines which is drafted in line with the Bangladesh Bank Guidance notes on Prevention of Money Laundering and Terrorist Financing encompasses the following major issues as part of its AML measures;

- Mandatory maintenance of KYC (Know Your Customer) Forms for all types of accounts.
- Maintenance & monitoring the TP (Transaction Profile) of the accounts/client. Monitoring of unusual/suspicious transaction and report to Bangladesh Bank if required.
- Submission of Cash Transaction Report (CTR) to Bangladesh Bank as per regulatory requirement.
- Appointment of Compliance Officer in every branch and Chief Compliance Officer at Head Office.
- Adequately train officials on Anti-Money Laundering and Combating Financing of Terrorism.
- Classification of customers on the basis of risk.
- Declared Customer Acceptance Policy.
- Reporting of STR/SAR to Bangladesh Bank as and when detected.
- Prohibition of opening of any anonymous or fictitious account.
- Prohibition of any numbered account.
- Prohibition of establishing banking relationship with any shell company.
- Compliance of UN sanction list.

For mitigating the risks the bank has a designated Chief Anti-Money Laundering Compliance Officer (CAMLCO) & Deputy Chief Anti Money Laundering Compliance Officer (DCAMLCO) at Head Office and Branch Anti Money laundering Compliance Officers (BAMLCO) at branches, who independently review the transactions on the accounts to verify suspicious transactions and other AML measures.

### Asset Liability Management Risk

Asset Liability Management (ALM) especially focuses on “Risk Management”. It covers the widest range of the banking activities in day-to-day operation. Introduction of ALM in a bank simply ensures the existence of healthy and prudent asset liability management system in the institute. In the complex banking era, there are so many risk factors, any one of which is good enough to a negative growth. Therefore, identification of factors and effective control over them are important and essential. Under the ALM system, it is ensured that senior management would be attentive to balance sheet items for the greater interest of the bank. As per Bangladesh Bank guideline, TBL (Trust Bank Limited) has formed a committee of Assets and Liability Management called ALCO (Assets Liability Management Committee).

ALM has been designed under main 4 (four) broader heads including (i) Understanding of Asset Liability Management (ALM), (ii) Strategic policy for ALM, (iii) Operational policy for ALM and (iv) Review, Monitoring & Control.

Understanding part has described the ALM from different angle along with the major risk forces prevailing in



the financial market. Strategic policy includes the policy guideline that the Bank has set on some particular issues such as LD Ratio (Loan Deposit ratio), MCO (Maximum Cumulative Outflow), determination of interest rate on deposits, determination of Interest rate on Inter Bank General Account (TBL Gen A/C), Wholesale Deposit Guideline (WDG), Commitments, Placement Limit with other Banks, Liquidity Contingency Plan, Regulatory Compliance etc. Moreover a good number of specific reporting formats have been embodied covering almost every corner of information sector that will help the management to take their decision. Operational policy explains the structure of ALCO along with meeting, Agendas, ALCO papers etc. need to be followed on regular basis by the Bank. Finally, last part includes overall monitoring and control measure purview of the stated policy guidelines of the Asset Liability Management of Trust Bank Limited.

### Liquidity Risk Management

The risk that bank or business will be unable to meet its commitment as they fall due leading to bankruptcy or rise in funding cost. It is the solvency of business and which has special reference to the degree of readiness in which assets can be converted into cash without loss. Banks traditionally use the statutory liquidity reserve and their borrowing capacity in the volatile interbank money market as the source of liquidity. But a conscious approach to measure and monitor the liquidity is somewhat lacking in our market. We can learn and draw immense benefit by sharing the best practices, tools and techniques of liquidity management. Liquidity Risk arises from funding of long term assets by short term liabilities, thereby making the liabilities subject to rollover or refinancing Risk.

### Interest Rate Risk Management

Interest rate risk is the exposure of a bank's financial condition to adverse movements in interest rates. Accepting this risk is a normal part of banking and can be an important source of profitability and shareholders' value. However, excessive interest rate risk can pose a significant threat to a bank's earnings and capital base. Changes in interest rates affect a bank's earnings by changing its net interest income and the level of other interest-sensitive income and operating expenses. Changes in interest rates also affect the underlying value of the bank's assets, liabilities and off-balance sheet instruments because the present value of future cash flows (and in some cases, the cash flows themselves) change when interest rates change. Accordingly, an effective risk management process that maintains interest rate risk within prudent levels is essential to the safety and soundness of banks.

### Corporate Social Responsibility

Bangladesh Bank has recently issued Indicative Guidelines for expenditure allocation and end use oversight under Financial sector Corporate Social Responsibility. In introductory note, Bangladesh Bank noted that direct and indirect budgetary CSR commitments of banks and financial institutions have increased several fold since 2008, the already substantial and further increasing levels of financial involvements in CSR engagements have understandably raised concerns about ensuring allocation of the budgetary resources on an arm's length basis, free of insider interests connected to members of the boards and senior managements, as also about proper end use monitoring. The following are summary of suggested under Guidelines:



*Blanket distribution program by Bangladesh Army sponsored by TBL*

## 1. Administrative setup, budgetary allocation process:

- i) Annual CSR programs in terms of broad approved CSR policies of a bank/financial institution will be drawn up and implemented by a dedicated CSR unit set up its head office; or in case of larger programs, by a foundation set up specially for this purpose. Activities of the dedicated CSR units/foundations will be under oversight of BB's CSR and supervision departments, besides that of the bank's own internal audit and internal controls.
- ii) The dedicated CSR unit/foundation will propose budgetary allocations for CSR programs annually for approval of the board of the bank; the board will approve allocations by appropriations from annual post tax net profits. The proposals for board approval must scrupulously avoid any allocation in favor of any entity directly or indirectly connected with directors or senior management.

## CSR practices of Trust Bank in 2014

Trust Bank has board approved CSR policies and CSR activities are carried out by a dedicated CSR Desk which will be transferred to CSR unit. Every year CSR activities of TBL are audited by Internal Control and Compliance (IC&C) division of the bank.

Contributing to the society through financial assistance to the cause of social concern is of prime responsibility of Trust Bank Limited. As part of CSR through direct participation program, the Bank established a special reserve fund named 'Trust Bank Limited Special Reserve Fund' in 2009. An amount not exceeding 5 percent of Bank's operating income every year is transferred to the fund. Year wise donations to CSR fund is provided in the below table.



*Ishtiaque Ahmed Chowdhury Managing Director & CEO of Trust Bank Limited handed over Ambulance key to the Rotary District Governor 3281 Safina Rahman for Cancer Hospital as a part of CSR.*

Taka in million

| Year  | Transferred to the Fund | Contribution from the fund |
|-------|-------------------------|----------------------------|
| 2009  | 59.08                   | 55.10                      |
| 2010  | 64.20                   | 41.49                      |
| 2011  | 115.60                  | 81.46                      |
| 2012  | 80.00                   | 122.05                     |
| 2013  | 60.00                   | 75.88                      |
| 2014  | 80.00                   | 79.50                      |
| Total | 458.88                  | 455.48                     |

As per approved policy of the Bank, 5 percent of total profit of 2013 amounting to Tk.80.00 million was transferred to the Special Reserve Fund for conducting CSR activities during 2014. We proudly contributed to various benevolent and philanthropic activities from the fund like previous years. We provided financial assistance of Tk.79.50 million in 2014.

Health sector followed by Education and Training dominates in getting major donations from under our CSR activities. Under the education and training, we provide core donation to Trust Technical Training Institute. In 2014, TTTI received financial assistance of Tk.20.00 million for running their full year operating expenses. TTTI is actually providing vocational training to retired and civil young people of the country.

PROYASH, Gatail Area, a school for autistic children received financial assistance worth Tk.3.00 million in

2014. Under health sector, Combined Military Hospital (CMH) received Tk.25.00 million for providing medical support to needy patients and Tk.10.00 million for refurbishing CMH-2. We also provided financial assistance of Tk.10.00 million to Bangladesh Government for arranging 'Lakho Konthe Sonar Bangla Program'. Seven unwell persons were provided financial assistance of Tk.2.63 million for medical treatment at home and abroad. We distributed blanket worth Tk.0.90 million to the cold affected people of the country.

## 2. Range/coverage of allocations for CSR initiatives:

Bangladesh Bank in its above mentioned Guideline has suggested the following allocation to different sectors or social causes:

| Sectors                                       | Medium                                                                                                                                                                                                                                                                                                                                                                                                              | % of total CSR expenditure |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Education and job focused vocational training | For scholarships/stipends for students from low income family & for support towards upgrading of facilities in academic and vocational training institutions                                                                                                                                                                                                                                                        | 30%                        |
| Preventive and curative healthcare            | Support assistance would include direct grants towards costs of curative treatment of individual patient, cost of running hospitals and diagnostic centers for under-privileged population, and costs of preventive public health.                                                                                                                                                                                  | 20%                        |
| others                                        | Emergency disaster relief, promoting adoption of environmentally sustainable output practices and lifestyles, promoting artistic, cultural, literacy, sports and recreational facilities for under-privileged, upgrading facilities and lifesavings equipment in emergency rescue services like fire brigades etc., infrastructure improvement for disadvantaged communities in remote far flung areas and so forth | 50%                        |

## Sector wise allocation of CSR donations of Trust Bank Limited in 2014

| Sectors                                       | Taka in million | % of Total Donations |
|-----------------------------------------------|-----------------|----------------------|
| Education and Training                        | 23.30           | 29.30                |
| Health                                        | 41.62           | 52.35                |
| Arts & Culture<br>(Lakho Konthe Sonar Bangla) | 10.00           | 12.58                |
| Disasters                                     | 1.87            | 2.35                 |
| Sports                                        | 1.50            | 1.89                 |
| Others                                        | 1.21            | 1.52                 |
| Total                                         | 79.50           | 100%                 |

## 3. End use monitoring of CSR expenditure allocations:

Every bank shall be responsible for monitoring of proper utilization of the CSR support assistance for the intended purposes. In case of CSR assistances to institutions/organizations, it would be advisable for the concerned dedicated CSR unit to get into Memorandums of Understanding (MOUs) with the assistance recipients stipulating phased disbursements commensurate with progress in proper end use, withholding the assistance in unsatisfactory cases. The board of banks should review reports of CSR allocation end use monitoring annually before approving fresh allocations for subsequent years; and all end use monitoring records should be kept available for inspection by internal and external audit and BB supervision officials.

End use of expenditure under CSR program of Trust Bank Limited is very satisfactory. Because organizations that received major contributions under CSR activities of Trust Bank are well reputed organizations and are managed by senior members of Bangladesh Army. Organizations to be named among others are: Trust Technical Training Institute, Combined Medical Hospital (CMH), and Proyash, and different Cantonment Schools. End use of funds donated for medical treatment of individuals is assumed to be properly utilized in their medical treatment.

## Corporate Governance

The Bank has complied with Bangladesh Securities and Exchange Commission (BSEC) notification no. BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 for ensuring Corporate Governance in the Company. As per mentioned notification of BSEC, the compliance status of the Bank has been reported in this Annual Report for information.

## Rotation/Appointment of Directors

As per clause 107 & 108 of Articles of Association of the Bank at the ordinary general meeting in every subsequent year, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from Office. Accordingly, the respective Directors of Trust Bank Limited will retire at the 16th Annual General Meeting.

As per clause 109 of the Articles of Association of the Company and as per Company Act, 1994, the retiring Directors are eligible for re-election.

## Auditors' Report

The Board of Directors' reviewed the Auditors Report issued by the Bank's Auditor M/S Syful Shamsul Alam & Co., Chartered Accountants based on their audit of Financial Statements for the year ended 31 December 2014. The Auditor didn't mention about any material misstatement or significant disagreement regarding review of the Bank's Financial Statements. The auditor issued an unqualified opinion on the Financial Statements of the year 2014.

## Appointment of Auditors

Our existing Auditors Syful Shamsul Alam & Co., Chartered Accountants has completed their first year audit with due care and efficiency. They are eligible to be re-appointed as auditors for next term and they have expressed their interest for re-appointment which is required to be approved by the shareholders in the AGM.

## Directors' responsibility for Internal Control & Financial Reporting

The Board of Directors of the Bank is responsible for bank's system of internal control. It has set appropriate policies on internal control and seeks regular assurance that the system is functioning effectively. Through the establishment of the "Audit Committee" the Board of Directors regularly monitors the adequacy & effectiveness of internal control system of the bank.

The MANCOM also reviews the overall effectiveness of the control system of the bank & provide a certificate on yearly basis to the Board of Directors on the effectiveness of internal control policies, practices & procedures.

As per directives of Bangladesh Bank a special meeting of the Board of Directors is arranged annually for reviewing the compliance/implementation status of the observations/recommendations of Bangladesh Bank's comprehensive inspection report of the Bank.

In accordance with Company Law, the directors are responsible for the preparation of the annual financial statements. The annual financial statements conform to Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and fairly present the affairs of the Trust Bank and its subsidiary as at the end of the financial year, profit & loss and cash flows for that period.

Accounting policies supported by judgments, estimates and assumptions in compliance with BAS and BFRS are applied on the basis that the bank shall continue as a going concern. Systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

Based on the information and explanations given by management and the internal auditors, the directors are of the opinion that the internal financial controls are adequate and that the financial records may be relied upon for preparing the financial statements in accordance with BFRS and to maintain accountability for the bank's assets and liabilities.

The directors have a reasonable expectation that the bank and its subsidiary will have adequate resources to continue in operational existence and as a going concern for the foreseeable future.



The 2014 annual financial statements were approved by the Board of Directors on 03 March 2015 and signed on its behalf directors.

### Responsibilities of the Chairman of the Board of Directors

As the Chairman of the Board of Directors (or Chairman of any Committee formed by the Board of Directors) does not personally possess the jurisdiction to apply policy making or executive authority, he shall not participate in or interfere into the administrative or operational and routine affairs of the bank.

The chairman may conduct on-site inspection of any bank-branch or financing activities under the purview of the oversight responsibilities of the board. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the board or the executive committee and if deemed necessary, with the approval of the board, he shall effect necessary action thereon in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised to Bangladesh Bank through the board along with the statement of the CEO.

### Responsibilities and Authorities of the Managing Director

The Managing Director & CEO of the bank discharges the responsibilities and effect the authorities in terms of the financial, business and administrative authorities vested upon him by the Board of Directors. He discharges his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management. He will ensure compliance of the Bank Company Act 1991 (amended upto 2013) and or other relevant laws and regulations in discharge of routine functions of the bank.

### Thanks and Gratitude

The Bank closed the year 2014 displaying substantial improvement in core areas of operation in terms of volume of business and net profit. This was possible due to the dedicated efforts of the employees of the Bank and sincere cooperation of all concerned. Above all strong liquidity base, prudent fund & credit management, continued guidance and inspiration to the Management by the members of the Board immensely contributed to the overall development. The Board of Directors is indebted to the valued clients, shareholders, business associates, and numerous well wishers at home and abroad for their continued support, patronage and trust they reposed on the Bank. The Board of Directors expresses gratitude and thanks to the Government of Bangladesh, Ministry of Finance, Bangladesh Bank, Bangladesh Securities & Exchange Commission, Registrar of Joint Stock Companies and Firms, Dhaka Stock Exchange, Chittagong Stock Exchange and other regulatory bodies for their valuable guidance from time to time.

The Board of Directors also like to place on record the warm appreciation for sincere and dedicated service rendered by the executives, officers and staffs of the Bank that played an instrumental role for sustaining the growth of the Bank.

The Bank aspires to do better in future and with this expectation we place before the esteemed shareholders the accounts of the Bank for the year 2014 for approval.

On behalf of the Board of Directors,



**General Iqbal Karim Bhuiyan, SBP, psc**  
Chairman

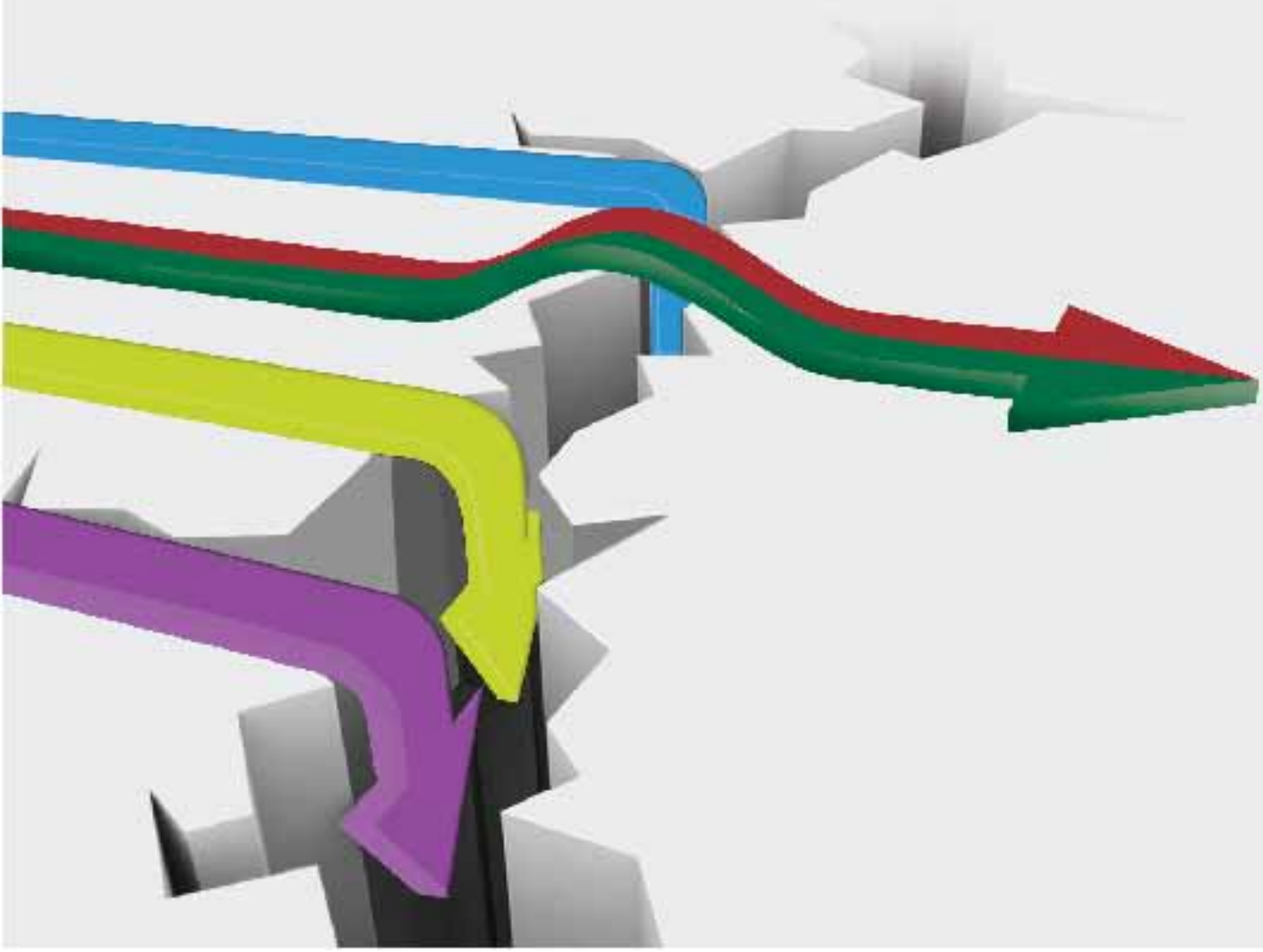


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# *Risk Management*

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## *Report*



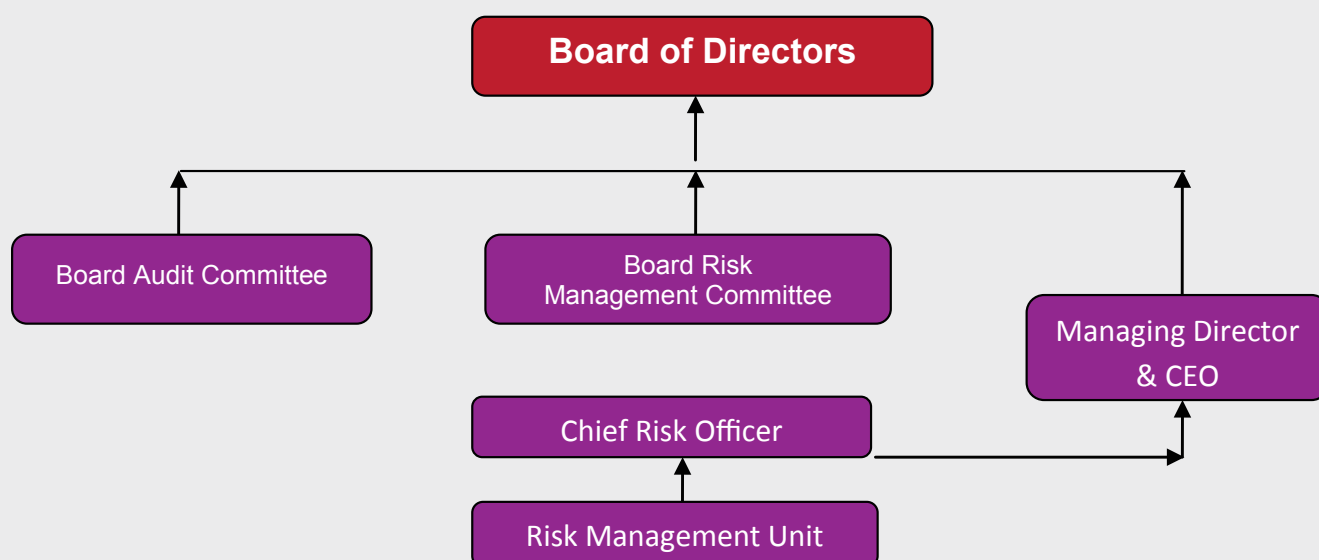
The changing nature of today's business environment is increasing both the scope and potential impact of the risks we face in our day-to-day operations. Managing risk therefore constantly requires innovation and reinvention.

Under the Integrated Risk Management Direction of Bangladesh Bank, Trust Bank's risk management framework is focused on supporting the day to day business activities of the Bank by building and strengthening its risk management processes at all levels of the organization.

While Trust Bank Ltd. remains committed to maximizing shareholder value by growing its business in line with a Board determined risk appetite, the Bank is mindful of achieving this objective in the best interest of all stakeholders. The Bank's risk management strategy is to achieve a sound balance between risk and return to the business, whilst maintaining strong liquidity and adequate capital positions at all times combined with a robust asset quality.

Trust Bank Ltd. has continuously investing in risk and capital management resources and infrastructure to support the Bank's growing credit portfolio. The implemented programmes have helped us to streamline our business processes, contributed towards improving our risk monitoring capabilities to meet a more demanding regulatory environment and supported the decision making process by providing faster access to critical information.

### Risk Governance Structure:





### Board Risk Management Committee:

As per instruction of Bangladesh Bank, Board of Directors of the Bank formed Risk Management Committee with 3 (three) nos. of Directors from the Board. Risk Management Committee of the Board to oversee the activities of Management Level Risk Management Committees of the Bank as well as to oversee the implementation status of Investment (Credit) Risk, Foreign Exchange Risk, Internal Control & Compliance Risk, Money Laundering Information & Communication Technology (ICT) Risk, Operational Risk, Profit (Interest) Rate Risk, Liquidity Risk, Risk Based Capital Requirement, Provisioning (Required & Maintained); etc. The Committee meet at least 4 (four) times during each year.

### Executive Risk Management Committee:

There is high-powered Risk Management Committee comprising of divisional head of 06 core risk areas and chaired by the Deputy Managing Director. Risk Management Unit prepares the monthly Risk Management papers as required by Bangladesh Bank which is discussed in the monthly Risk Management meeting. The committee sits at least once in a month or more when necessary. In the meeting of RMC, all the existing/identified and foreseeable/potential risks issues are discussed and recommendations to the concerned risk taking organs to address, measure and take the required steps to mitigate the risk factors. The minutes of the Risk Management meetings along with the monthly Risk Management papers are submitted to Bangladesh Bank quarterly.

### Credit Risk Management:

Credit risk is defined as the potential for loss due to the failure of a customer or counterparty to meet its obligations to pay in accordance with agreed terms and conditions. Credit risk arises from bank's lending activities and other areas such as international trade, treasury and off balance sheet activities such as guarantees. Consequently, credit risk is the highest contributor to overall risk exposure of the Bank and credit risk management is an activity that is critical for the sustainable growth and profitability of the Bank.

Credit risk is managed through a framework of policies and procedures covering the identification, measurement and management of credit risk. There is clear segregation of duties between transaction originators in the business units, risk management, compliance and internal audit in line with the 3 lines of defense model. All credit exposure limits are approved and managed within the Delegation of Authority, taking into account the Risk Appetite approved by the Board. Credit exposures are managed following the principle of diversification across products, geographies, industry /sector client and customer segments.

### Credit Risk Management Policy

The Credit Risk Management policy of the Bank is based on the Integrated Risk Management Guidelines issued by Central Bank, Basel II guidelines, international best practice and the risk appetite of the Bank. It is reviewed, updated and approved by the Board of Directors on recommendation of the Board Risk Management Committee, at least on an annual basis. Implementation of credit risk management policy is monitored by the Credit Administration Department.

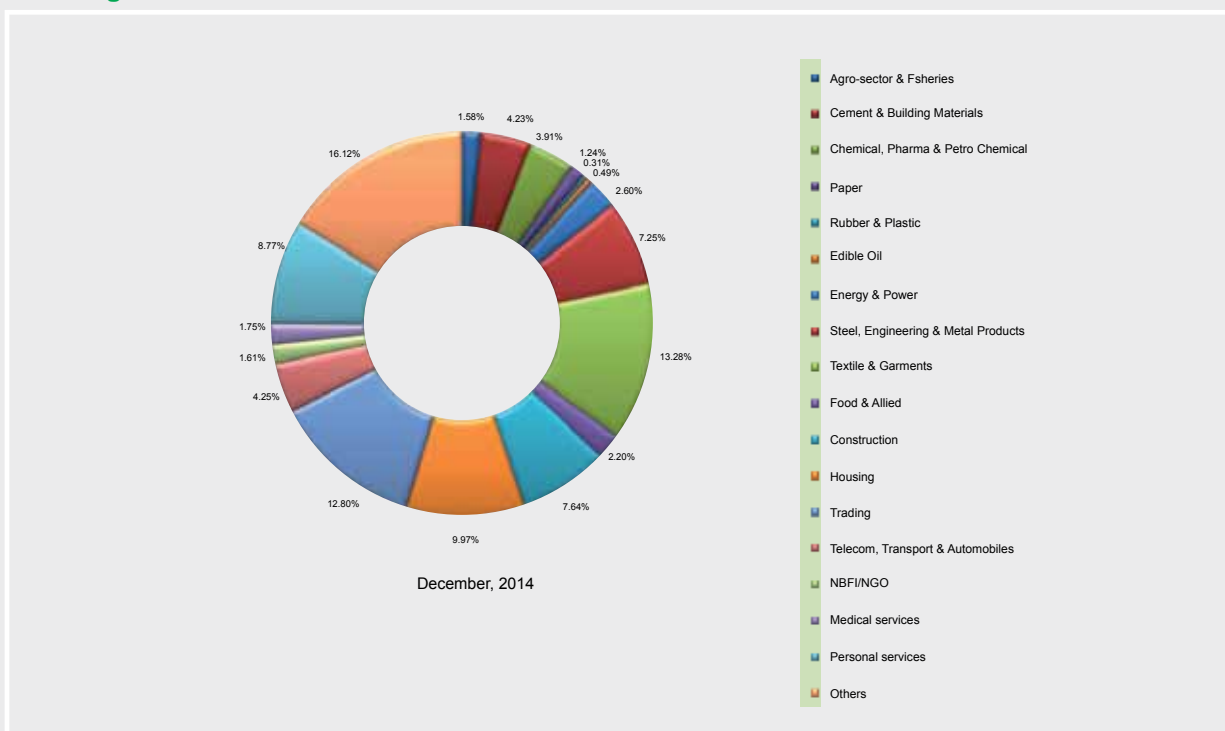
|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Credit risk environment                       | <ul style="list-style-type: none"><li>• Nurture a culture of risk awareness</li><li>• Effective risk governance structure</li><li>• Comprehensive training programme for all risk initiators, reviewers, monitors and policy makers.</li><li>• Clear segregation of credit approval, risk management, administration, control and audit.</li></ul>                                                                     |
| Credit granting processes                     | <ul style="list-style-type: none"><li>• Clear segregation of duties between transaction originators and approving committees.</li><li>• Structured and standardized credit appraisal process</li><li>• Specialists in assessing credit appraisal process</li><li>• Facilitates prudent client selection and due diligence</li><li>• Independent pre-credit review by CRM for large and higher risk exposures</li></ul> |
| Ensuring an adequate control over credit risk | <ul style="list-style-type: none"><li>• Authority is delegated by the Board of Directors, Executive Committees and Branch Managements.</li><li>• The Bank's portfolio is rated by External Credit Rating Agency.</li></ul>                                                                                                                                                                                             |

|                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Maintaining an appropriate credit administration, measurement and monitoring process | <ul style="list-style-type: none"> <li>The Bank has established procedures for Post Credit Risk identification, monitoring and management. Branch and Relationship Managers have primary responsibility for identifying internal and external Early Warning Signals (EWS) that may impact credit quality and notifying their respective Credit Committees. Facilities and clients indicating large number of Early Warning Signals and deteriorating credit quality would be Watch Listed with the approval of the respective Credit Committees for more stringent monitoring.</li> <li>Evaluation of top 20 borrower exposure &amp; reporting to Board Credit Committee on a regular basis.</li> </ul> |
| Concentration Risk Management                                                        | <ul style="list-style-type: none"> <li>Managing the Concentration risk on a portfolio basis to ensure that the Bank's lending is well diversified.</li> <li>Credit Risk concentration positions are reported to the Board Risk Management Committee on a periodic basis.</li> <li>Analytical tools such as the Herfindahl-Hirschman Index, Gini Coefficient are used to quantify Concentration Risk.</li> <li>Development Banking criteria include environmental criteria to integrate sustainability principles into the normal business activities of the Bank.</li> </ul>                                                                                                                            |
| Credit Risk Mitigation                                                               | <ul style="list-style-type: none"> <li>Collaterals used for risk mitigation include cash, residential and commercial property, fixed assets such as plant and machinery, marketable securities, Inventories and bank guarantees.</li> <li>Reliability of mitigates is carefully assessed taking into account the legal enforceability, market value correlation and the counterparty risk of guarantors.</li> <li>Procedures have been implemented to ensure that the value of the collateral is recorded, reviewed and updated regularly.</li> </ul>                                                                                                                                                   |

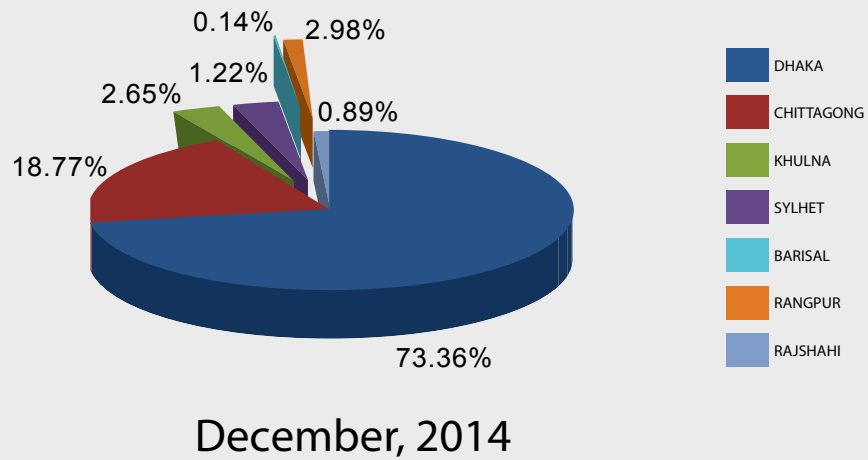
### Managing Portfolio Credit Risk:

Effective discussions take place at various meeting and presentation to mitigate risks of the credit portfolio. Apart from the economic sector and area concentration, Growth of loans and Advances, Non-performing Assets, Rescheduling, recovery etc for Portfolio level monitoring.

### Percentage of Sector Concentration:

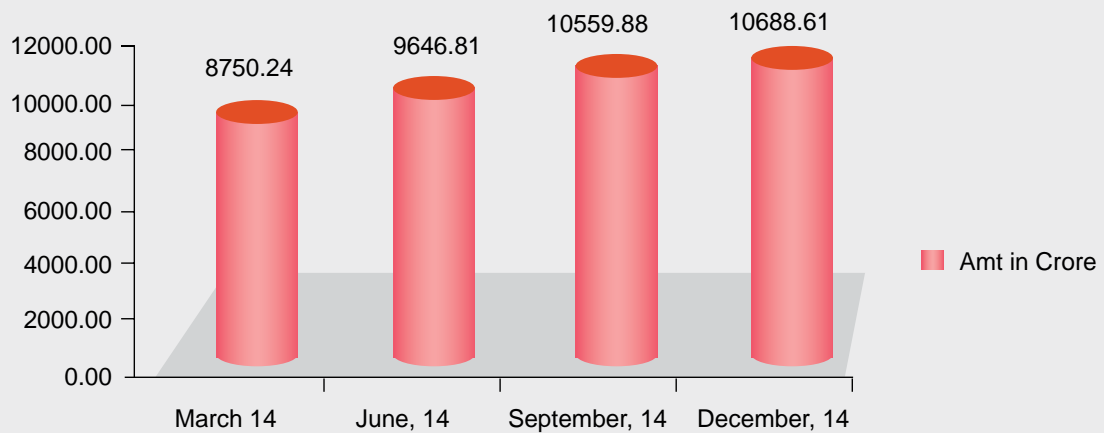


### Percentage of Area Concentration:



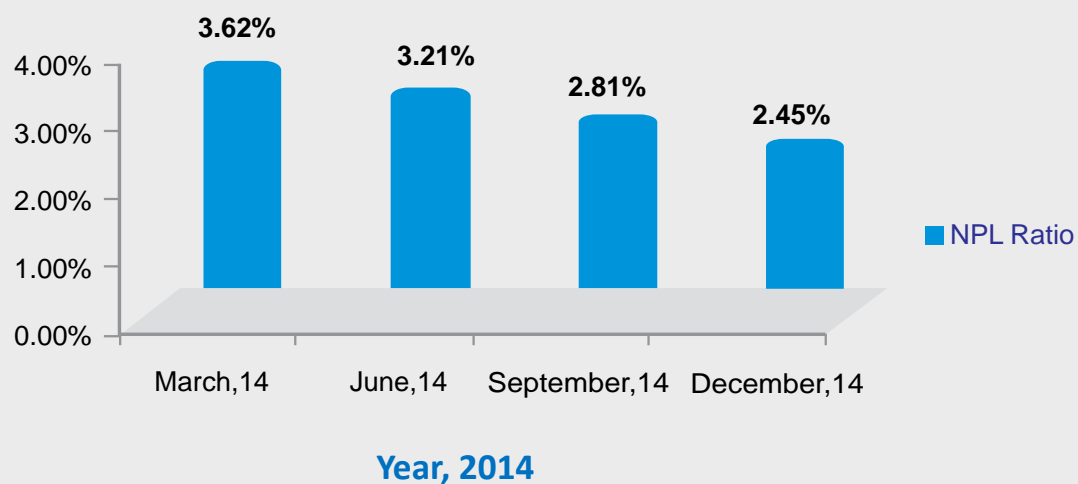
Year, 2014

### Loans & Advances of TBL

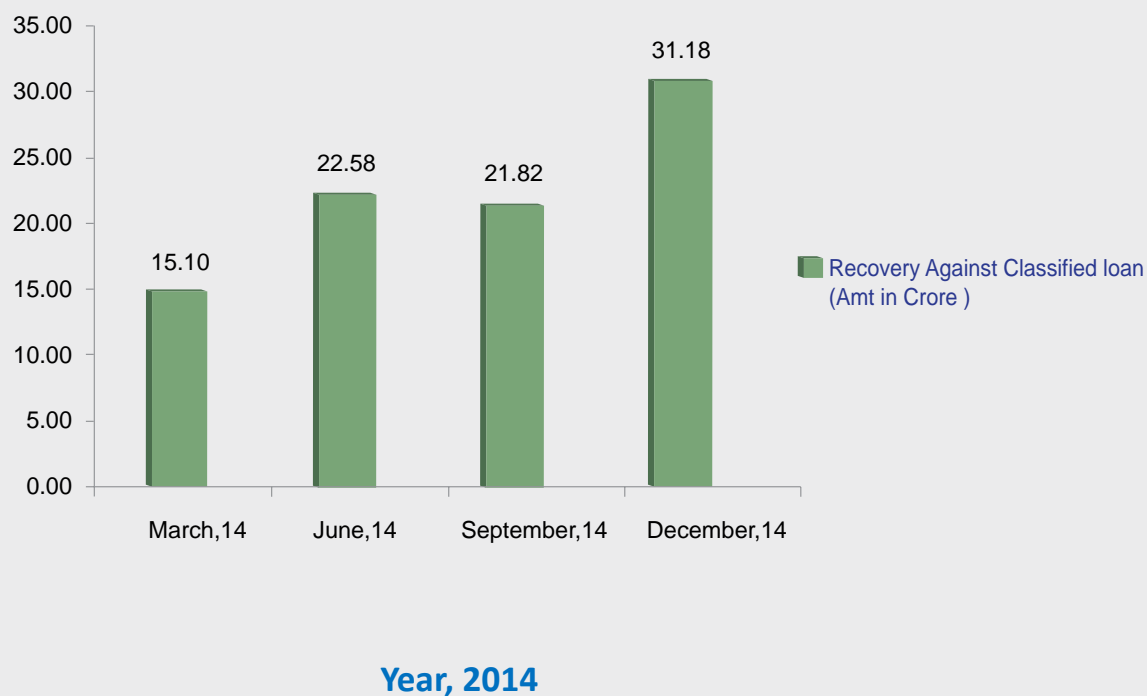


Year, 2014

## Non-Performing Loans



## Recovery Against Classified Loans





## Market Risk Management:

Market risk can be defined as the risk of losses in on and off-balance sheet positions arising from adverse movements in market prices. Market risk stems from all the positions included in the Bank's trading book, foreign exchange risk as well as from commodity positions. The Bank is susceptible to market risk due to movement in the interest rates, equity prices and exchange rates and the Bank has no exposure to commodity risk.

### Market Risk Management Framework:

Market risk management is a systematic function on risk identification, measurement and monitoring relating to interest rates (both deposit and lending), foreign exchange and equity in order to manage/ mitigate adverse impacts. The Bank manages the market risk based on the market risk related policies, guidelines and the limit structure approved by the Board. Management of the interest rate risk and the exchange rate risk is the responsibility of the Asset and Liability Management Committee, while the Investment Committee is responsible for managing the equity risk.

### Market Risk Identification and Assessment:

**Interest Rate Risk:** Interest rate risk is the risk that an investment's value will change due to a change in the absolute level of interest rates, in the spread between two rates, in the shape of the yield curve or in any other interest rate relationships. The changes in interest rates will affect the net interest income of the Bank and the value of on balance sheet rate sensitive assets & liabilities and off balance sheet positions.

Interest rate risk is one of the most significant aspects in the market risk as the changes in interest rates affect both the earnings value and the economic value of equity of the Bank. Therefore, the interest rate risk is measured in both these perspectives.

The Bank uses several techniques such as rate sensitive gap analysis, duration gap analysis under stress testing to assess the interest rate risk.

Under the earnings perspective, maturity gap of Rate Sensitive Assets (RSAs) and Rate Sensitive Liabilities (RSLs) are assessed considering the re-pricing which is used to measure the Interest Rate Risk in the Banking Book (IRRBB). This is the simplest technique to measure the interest rate risk.

### Interest Rate Risk under Simple Sensitivity Analysis:

| Particulars                    | Duration   |          |            |              |
|--------------------------------|------------|----------|------------|--------------|
|                                | 3 months   | 6 months | 1 year     | Above 1 year |
| Interest Sensitive Assets      | 3,050.24   | 1,104.81 | 2,209.63   | 6,249.08     |
| Interest Sensitive liabilities | 4,597.94   | 1,612.13 | 3,224.26   | 1,984.30     |
| Net Gap                        | (1,547.70) | (507.32) | (1,014.63) | 4,264.78     |

#### *A summary of rate sensitive assets and liabilities*

The sensitivity of bank profits to changes in interest rate can be directly measured by gap analysis. Gap analysis is essentially a cash flow analysis of the gap between the interest revenue earned on an FI's assets and the interest paid on its liabilities over a particular period of time. Under this approach, banks report the gaps between the rate sensitive asset (RSA) and rate sensitive liabilities (RSL) in each maturity bucket on its balance sheet. Rate sensitivity means the asset or liability is re-priced at current market interest rates within the certain maturity bucket.

### Duration Gap Analysis:

| Particulars                                        | In years |                     |                        |                     |
|----------------------------------------------------|----------|---------------------|------------------------|---------------------|
| Weighted average duration of assets                | 1.86     |                     |                        |                     |
| Weighted average duration of liabilities           | 0.61     |                     |                        |                     |
| Duration Gap                                       | 1.28     |                     |                        |                     |
| Impact on earnings due to change in interest rates |          | Minor Shock<br>(1%) | Moderate Shock<br>(2%) | Major Shock<br>(3%) |
| Change in equity                                   |          | (166.92)            | (333.85)               | (500.77)            |
| After shock Equity (CAR)                           |          | 10.04%              | 8.47%                  | 6.90%               |
| Net profit before provision and tax                |          | 326.85              | 326.85                 | 326.85              |
| Adjusted net income                                |          | 159.93              | (7.00)                 | (173.92)            |

### Equity Risk:

Equity risk is the risk that the individual's equity/debt investments will depreciate because of stock market dynamics causing one to lose money. The Bank is conscious of systematic and unsystematic risks of the equity portfolio. The Bank has a limit structure to monitor and minimize the equity risk in the trading portfolio. Value at Risk (VaR) and stress testing techniques are used by the Bank to measure the equity risk in the trading portfolio.

### Equity Price Risk:

| As on 31.12.2014                          |            |              |              |                    |                  |                             |
|-------------------------------------------|------------|--------------|--------------|--------------------|------------------|-----------------------------|
| Name Stock                                | Cost Price | Market Value | Profit/ Loss | Required Provision | Actual Provision | Provision Excess/ Shortfall |
| Own Portfolio                             | 49.94      | 39.29        | (10.65)      | 10.65              | 10.65            | -                           |
| Quoted Share                              | 49.94      | 39.29        | (10.65)      | 10.65              | 10.65            | -                           |
| Non- quoted Share                         | 3.47       | 3.47         |              |                    |                  |                             |
| Loan to own brokerage house/ subsidiary   | 5.25       | -            | -            | 0.10               | 0.10             | -                           |
| Loan to other brokerage house/ subsidiary | 8.10       | -            | -            | 0.16               | 0.16             | -                           |
| Total Capital market Exposure             | 13.35      | -            | -            | 0.27               | 0.27             | -                           |

### Foreign Exchange Risk:

It is the risk that the bank may suffer losses as a result of adverse exchange rate movements during a period in which it has an open position in an individual foreign currency. In addition, the bank is also exposed to interest rate risk and settlement risk on account of its foreign exchange business. Foreign exchange risks are measured and monitored by Treasury Division. To control currency risks, the Bank utilizes the following tools:

- ❖ Estimating currency risks based on the VaR method for open currency positions, carrying out stress-testing;
- ❖ Establishing and controlling the observance of limits on currency risks: stop-loss limits, limits on the volume of open positions, limits on the volume of potential bank losses, connected with changes in currency risk factors (VaR-limits);
- ❖ System indicators for early warnings about potential financial market crises;

### Liquidity Risk Management:

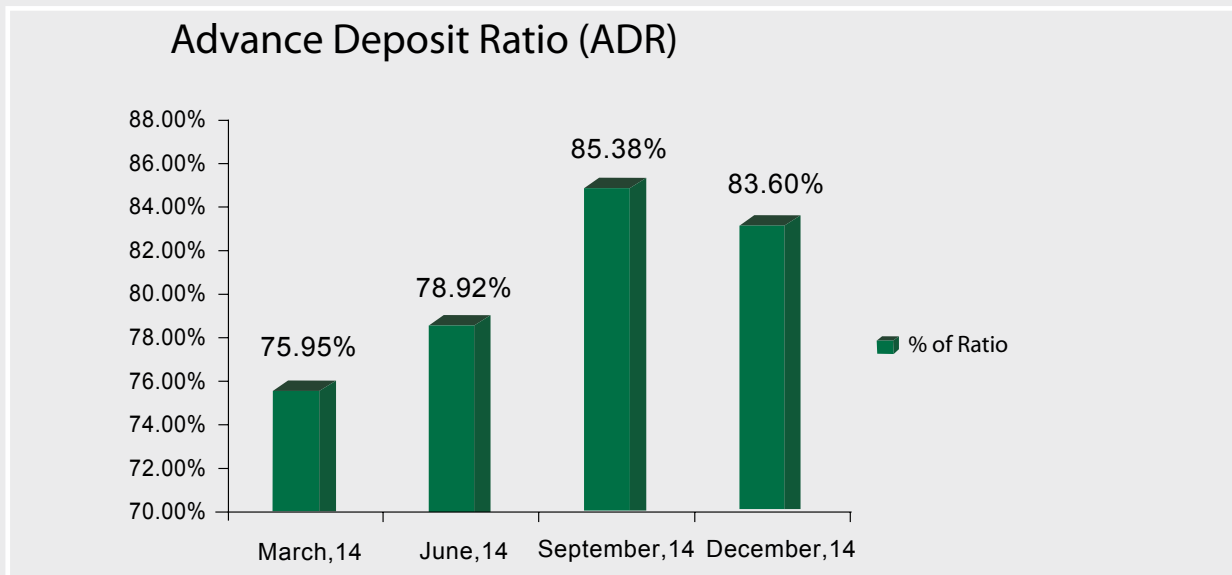
Liquidity risk arises when the Bank cannot maintain or generate sufficient funds to meet its payment obligations as they fall due or can only do so at a material loss. This can arise when counterparties who provide funding to the Bank withdraw or do not roll over a line of funding or as a result of a general disruption in financial markets which lead to normal liquid assets becoming illiquid. The main sources of the Bank's funding are capital, core deposits from retail and commercial clients, wholesale deposits and access to borrowed funds from the interbank money market. Trust Bank manages liquidity risk in accordance with regulatory guidelines and international best practices.

Contractual maturity of assets and liabilities, liquidity ratios to include adherence to regulatory requirements and monthly liquidity forecasts generated from the ALM system are reviewed at ALCO meetings. Furthermore liquidity stress tests are carried out to assess the impact of extreme events.

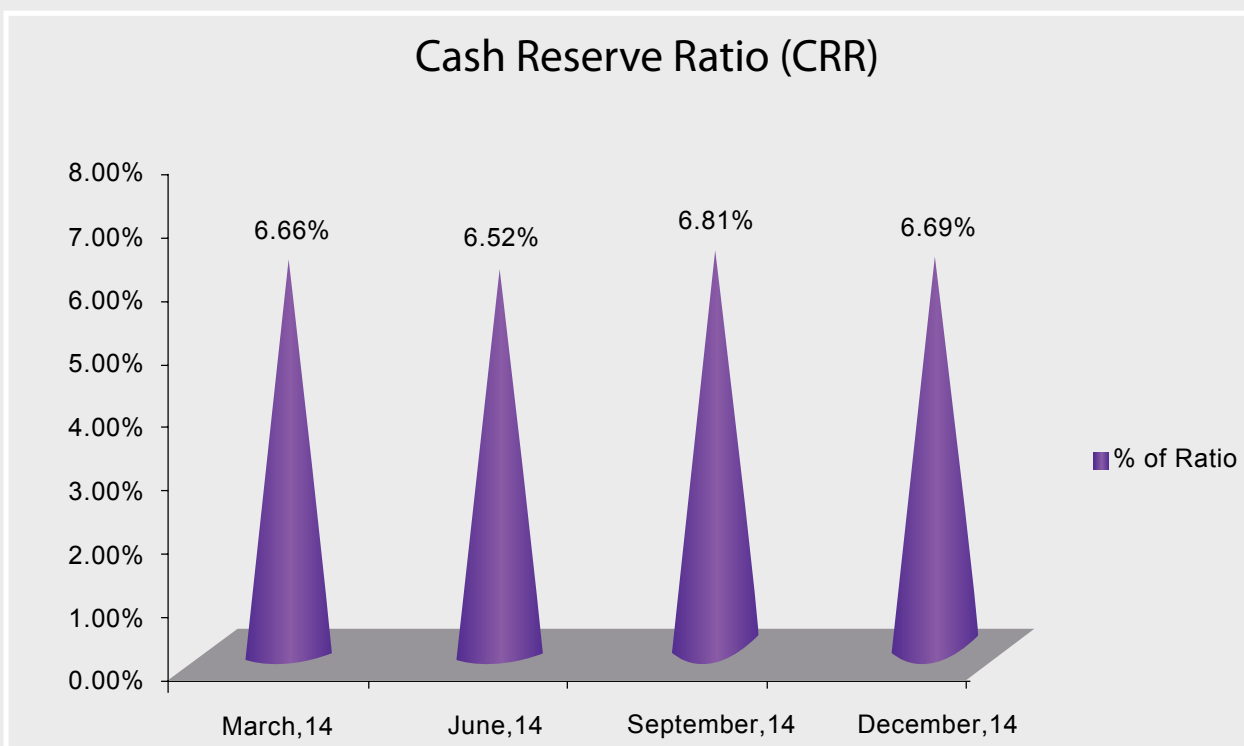
#### To control liquidity risks, the Bank shapes the structure of its assets and liabilities:

- ❖ Maintains the ability to fully, in an appropriate timeframe, and at minimum costs fulfill financial obligations;
- ❖ Satisfies clients' current demand for the Bank's assets and liabilities;
- ❖ Realizes its own plans with respect to maintaining and developing business.

**Key Indicator of Liquidity Risk Management:**

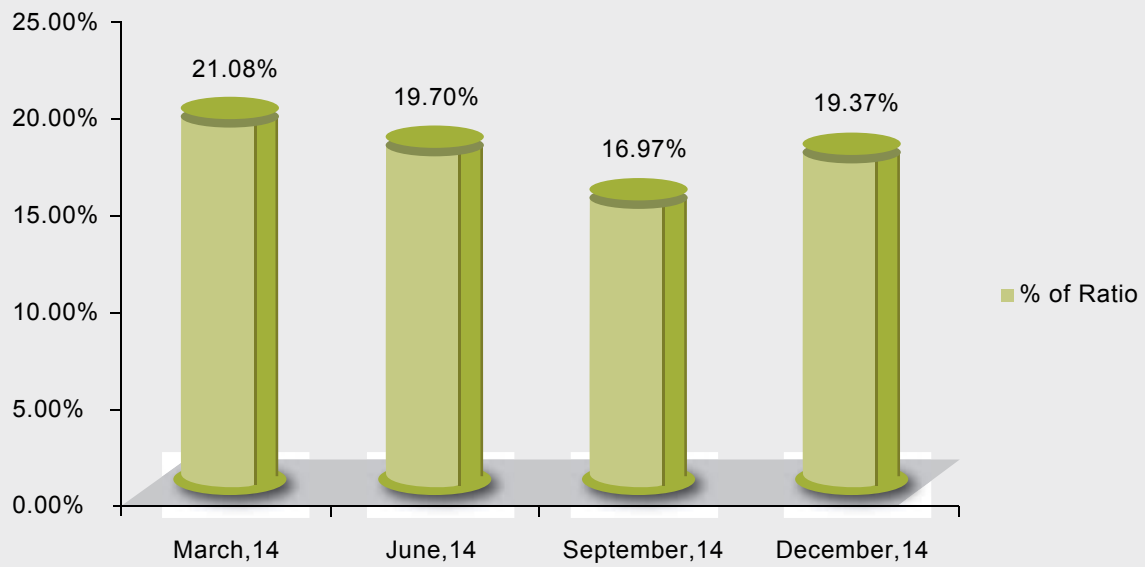


**Year, 2014**



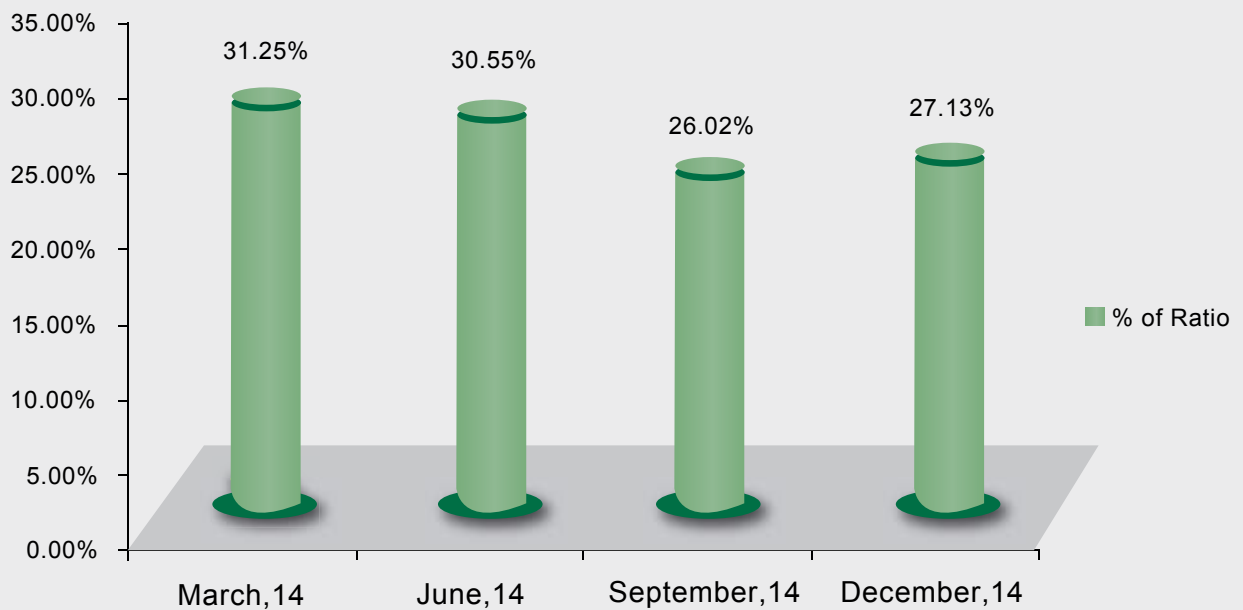
**Year, 2014**

### Statutory Liquidity Ratio (SLR)



**Year, 2014**

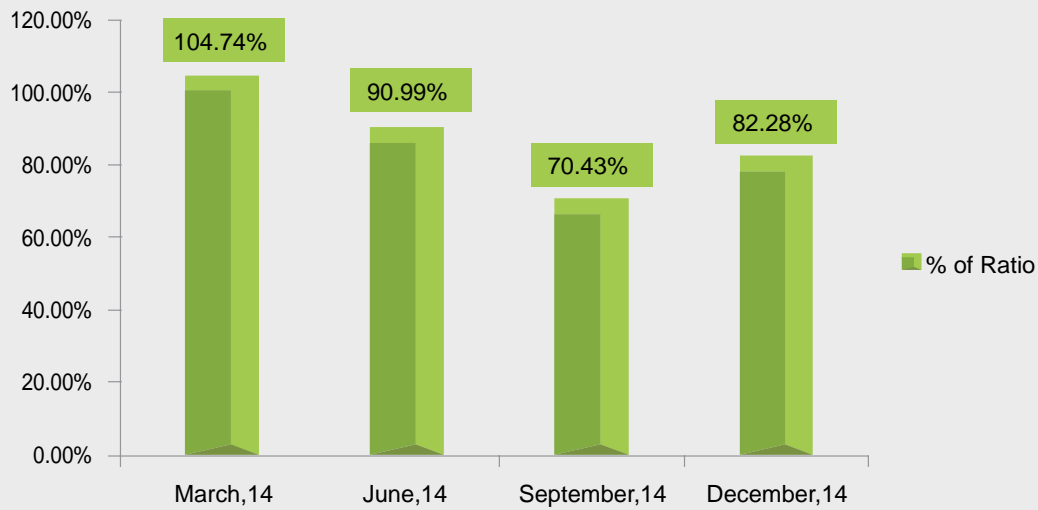
### Liquid Asset to Total Deposit



**Year, 2014**

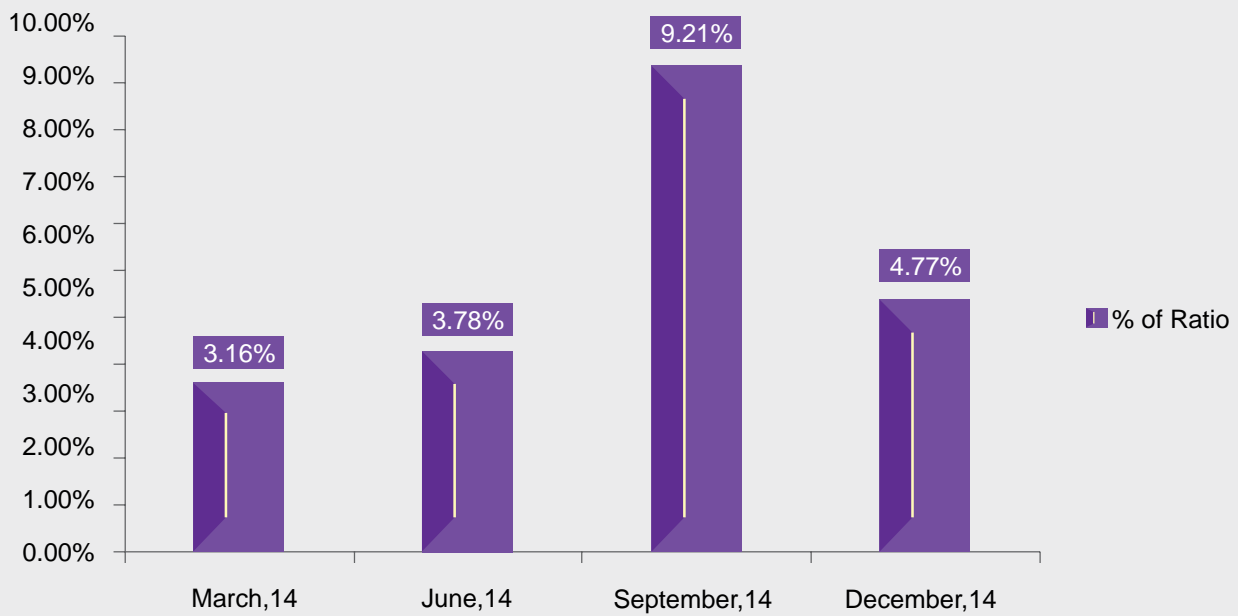


## Liquid Asset to Short Term Liabilities



Year, 2014

## Borrowed Funds to Total Assets



Year, 2014

## Operational Risk Management:

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's involvement with financial instruments, including processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

### Objective of Operational Risk Management Policy:

- Define Bank level operational risk appetite;
- Establish clear ownership and accountability for management and mitigation of operational risk;
- Help business and operations to improve internal controls, reduce likelihood of occurrence of operational risk incidents and minimize potential impact of losses.
- Minimize losses and customer dissatisfaction due to failure in processes;
- Develop comprehensive operational risk loss database for effective mitigation;
- Meet regulatory requirements as set out in the guidance note on management of operational risk.
- Compute capital charge for operational risk as per the guidelines issued by the Bangladesh Bank.

### Operational Risk Cause Factors:

A summary of the operational risk cause factors are presented in the table given below:

| Risk Cause Factor | Details of Risk Cause Factors                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Process           | <ul style="list-style-type: none"><li>▪ Inadequate/inappropriate guidelines, policies &amp; procedures</li><li>▪ Inadequate/ failure of communication</li><li>▪ Erroneous data entry</li><li>▪ Inadequate reconciliation</li><li>▪ Poor customer/ legal documentation</li><li>▪ Inadequate security control</li><li>▪ Inadequate change management process</li><li>▪ Inadequate back up/ contingency plan</li></ul> |
| People            | <ul style="list-style-type: none"><li>▪ Breach of internal guidelines, policies &amp; procedures</li><li>▪ Breach of delegated authority</li><li>▪ Criminal acts (internal)</li><li>▪ Inadequate segregation of duties/ dual control</li><li>▪ Inexperienced staff</li><li>▪ Staff oversight</li><li>▪ Unclear roles &amp; responsibilities</li><li>▪ High turnover</li></ul>                                       |
| System            | <ul style="list-style-type: none"><li>▪ Inadequate hardware / network/ server maintenance</li></ul>                                                                                                                                                                                                                                                                                                                 |
| External          | <ul style="list-style-type: none"><li>▪ Criminal acts</li><li>▪ Vendor mis-performance</li><li>▪ Man-made disaster</li><li>▪ Natural disaster</li><li>▪ Political/ legislative/ regulatory cause.</li></ul>                                                                                                                                                                                                         |

### Operational Risk mitigating policies and process of TBL:

To mitigate operational risk, TBL has established a suitable operational risk management governance structure and framework of processes to:

- I. Ensure an appropriate understanding and awareness of operational risk at all levels in the Bank;
- II. Effectively anticipate operational risks and implement appropriate mitigation in line with the Bank's operational risk appetite;
- III. Effectively manage operational risk events to minimize their recurrence; and
- IV. Implement the Bank's operational risk capital strategy to ensure the Bank is adequately capitalized for operational risk requirements.

## Internal Control & Compliance Risk Management

Internal control is broadly defined as a process, affected by an entity's board of directors, management and other personal, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations.

### Audit Procedure:

- Each year the Head of Internal Control will set out an audit plan for the year. This would be high level plan which will be approved by the Managing Director and should have concurrence of the Audit Committee.
- This will be a risk based plan where sensitive areas will be provided with priority.
- The deficiencies identified during the audits should be notified to the appropriate level and significant audit findings should be reported to the Managing Director of the Bank.
- At the end of the year there should be a summary report on the audit finding and corrective actions taken which should be forwarded to the Audit Committee of the Board of Directors and the Managing Director.
- Based on the review of monitoring reports the audit team should also conduct surprise check on the branches where regular gaps are identified.

### In 2014 IC&C Division conducted following No. of audit:

|                                                       |                                                                   |
|-------------------------------------------------------|-------------------------------------------------------------------|
| No. of Comprehensive Audit on branches                | 88 Branches                                                       |
| No. of Comprehensive Audit at Head Office             | 16 Divisions/ Departments                                         |
| No. of Spot audits                                    | a) 25 Spot Audit<br>b) 20 IT Audit<br>c) 657 no. pay point audits |
| No. of Spot Inspection on Anti Fraud Internal Control | 24 spot inspection report on Anti Fraud Internal Control          |

### Compliance Culture Procedure:

- Regulatory requirements are to be incorporated into the work process to ensure full compliance.
- The bank has to ensure that all guidelines received from the regulatory authority are properly disseminated among the relevant departments.
- A particular unit (if possible internal control) should be responsible of receiving regulatory guidelines, maintaining proper record and distribution among all relevant units.
- If required this unit would contact regulatory authorities for proper clarifications on a particular issue and notify the concerned departments accordingly.
- When regulatory inspection is conducted on the operation of the bank this division should work as point of contact.
- Once the audit report is received they must ensure that corrective measures are taken and the appropriate response is made on a time frame.
- If any major lapse is identified by the regulatory authority they must ensure that the Audit Committee of the board is also notified along with the senior management of the branch.
- This Division must arrange appropriate training for employees so that employees are aware of the regulations that are necessary to accomplish their jobs.

To comply with the directives of Bangladesh Bank a special meeting of the Board of Directors was held on 20<sup>th</sup> August, 2014 to review the compliance/implementation status on the observations of Bangladesh Bank's comprehensive inspection report, where the representatives of Bangladesh Bank were also present.

## ICT SECURITY RISK MANAGEMENT:

As banks adopt technology as part of their ongoing strategic tool to face challenges in the emerging realities of business, they are increasingly exposed to technology risks. It is therefore imperative for each bank to

work out appropriate IT risk management strategies to secure its most vital information asset and ensure that related risk management systems and processes are strengthened on continual basis to secure both present and future banking activities.

Trust Bank Limited, with the approval of the Board, has adopted an ICT policy in compliance with ICT security guidelines of Bangladesh Bank covering various aspect of ICT risk management. ICT Risk Management is emerging separate practice because of the unique role that IT plays in today's organizations. Trust Bank Limited follows a robust, effective and efficient Information Technology with its Centralized Core Banking System, Mobile Banking application, In-House developed systems and others applications.

Trust bank is on the process to upgrade existing Network Infrastructure, Data Center and Disaster Recovery Site with efficient fall back plan and utmost security measures.

**Trust Bank has taken necessary following stages to implement the process of ICT Security risk assessment:**

- a) Identify informational assets and their values;
- b) Identify threats and vulnerabilities to information security;
- c) Evaluate and analyze the risks;
- d) Plan the means and methods to minimize information risks;
- e) Control measures implementation;
- f) IT risks monitoring and control;
- g) Build a risk-aware culture;
- h) Develop manpower and
- i) Managing IT risk using the effective, efficient and right tools.

IT Risk Management helps to reduce service costs and achieve greater compliance by effectively assessing classifying IT risk. Moreover, IT Risk Management enables the management to initiate effective management decision to ensure smooth the business operations.

## ENVIRONMENTAL RISK MANAGEMENT:

Environmental risk is a facilitating element of credit risk arising from such environmental issues. These can be due to environmental impacts caused by and / or due to the prevailing environmental conditions. These increase risks as they bring an element of uncertainty or possibility of loss in the context of a financing transaction. Environmental and climate change risk can hamper the business stability of the borrowers in respect of both- (i) profitability and (ii) reputation. The Bank is complying with Bangladesh Bank Guidelines to the above effect from time to time and reporting activities on ERM and Green Banking every quarter.

Environmental Risk Management (ERM) has incorporated into the CRM guidelines of Trust Bank Limited as per Bangladesh Bank Circular no: 01 dated 30 January 2011 through environmental due diligence checklists. This environmental risk evaluation process enables the bank to judge whether the client is capable of managing the environmental risk in a way that limits the bank's exposure. Banks need to reduce their exposure to credit risks arising from environmental and climate changes issues that lead to lower NPLs. ERM improved borrower's environmental performance implies greater acceptance, particularly in international markets. For sustainable development and growth, the Bank discourage to finance any project which has direct or indirect adverse effect on environment. Trust Bank Limited maintains the following two (2) guidelines for credit approval procedures:

- i. Credit Risk Management including Credit Risk Grading as borrower analysis.
- ii. Environmental Risk Management due diligence checklists for Environmental Risk Rating (EnvRR).

Furthermore we facilitate the environment friendly business project or green finance like Bio- Gas Plants, Solar energy, ETP etc. Present exposure in this sector is as below as on December, 2014:

| SL | Type of Loan | Exposure      |
|----|--------------|---------------|
| 1  | Boi- Gas     | 7.14 Crore    |
| 2  | Solar Energy | 1.10 Crore    |
| 3  | ETP (Having) | 2047.44 Crore |



# Disclosures on Risk Based Capital (Basel II)



The capital of a bank acts as a “cushion” or “buffer” to the extent of its size, in absorbing potential losses arising from these risks, thereby safeguarding the depositors’ funds, at least to that extent. Hence, capital adequacy is an essential requisite for banks to maintain over and above the stipulated requirements under the integrated risk management system.

Trust Bank Ltd. is subject to the Basel II framework with effect from January 1, 2010 as stipulated by the Bangladesh Bank (BB). The Basel II framework consists of three-mutually reinforcing pillars:

**Pillar 1** - Minimum capital requirements for credit risk, market risk and operational risk

**Pillar 2** - Supervisory review process

**Pillar 3** - Market discipline

Market discipline (Pillar 3) comprises a set of disclosures on the capital adequacy and risk management framework of the Bank. Pillar 3 disclosures as per Bangladesh Bank master circular on Basel-II Capital Regulations are set out in the following sections for information as a regulatory compliance.

#### a) Scope of application

| Qualitative Disclosures                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) The name of the top corporate entity in the group to which this guidelines applies                                                                                                                                                                                                                                                       | <b>Trust Bank Limited (TBL)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (i) that are fully consolidated; (ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted). | <p>Trust Bank Limited prepared its RBCA report on ‘Solo Basis’ as well as ‘Consolidated Basis’ where two (02) subsidiaries belongs to Trust Bank Ltd.</p> <p>A brief description of the Bank and its subsidiary are given below:</p> <p><b>Trust Bank Limited</b></p> <p>The bank was established as a Public Limited Company (Banking Company) as on the 17<sup>th</sup> June 1999 under the Companies Act 1994 for carrying out all kinds of banking activities and commenced its operation on the 17<sup>th</sup> June, 1999 with the permission of Bangladesh Bank. It was listed with Dhaka Stock Exchange Limited as on 24<sup>th</sup> September, 2007 and Chittagong Stock Exchange Limited as on 25<sup>th</sup> September, 2007 respectively. Presently the Bank is operating its business through head office having 91 branches, 06 (six) SME centers, 4 Trust Bank T-Lobby &amp; CDMs (Cash Deposit Machine) and 144 ATM booths all over Bangladesh.</p> <p><b>Off-shore Banking Unit (OBU):</b></p> <p>The Off-shore Banking Unit (OBU) of the Bank is the separate business entity governed by the applicable rules &amp; regulations and guidelines of Bangladesh Bank. The number of OBU was 1 (One) as on reporting date 31 December 2014 located at Dilkusha Corporate Branch Dhaka.</p> <p>Investments in OBUs are risk weighted with the exposure of the Bank.</p> <p><b>There are 2 (Two) Subsidiaries of Trust Bank which are as under:</b></p> <p><b>1. Trust Bank Investment Ltd:</b></p> <p>Trust Bank Investment Limited was incorporated as on 9<sup>th</sup> September, 2010 as a Public Limited Company bearing registration No. C-86981/10 under the Companies Act, 1994 in Bangladesh. The company accorded consent from the Securities and Exchange Commission on 25<sup>th</sup> October, 2010 as a full fledged Merchant Bank bearing Certificate No. MB-45/10. The Company started its operation on 14<sup>th</sup> November, 2010. The registered office of the Company is located at 36, Dilkusha Commercial Area, Dhaka - 1000.</p> <p><b>2. Trust Bank Securities Limited:</b></p> <p>Trust Bank Securities Limited was incorporated as on 7<sup>th</sup> February, 2013 as a Private Limited Company bearing registration No: C-107267/13 under the companies Act, 1994. The registered office of the company is located at 28, North Kafrul, Dhaka-1206.</p> <p>The main objective of the company is carry on business of stock broker/dealers in relation to shares and securities dealings and other services as mentioned in the Memorandum and Articles of Association of the Company.</p> |

|                                                                                                                                                           |                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group                                              | Not applicable |
| <b>Quantitative Disclosures</b>                                                                                                                           |                |
| d) The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and name(s) of such subsidiaries. | Not applicable |

## b) Capital Structure

| <b>Qualitative Disclosures</b>                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                          |          |                                                                                             |          |                                                                                    |          |                                                                                            |          |                                                                                                                                                                                                                                                                                            |                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|----------|---------------------------------------------------------------------------------------------|----------|------------------------------------------------------------------------------------|----------|--------------------------------------------------------------------------------------------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or in Tier 2.                                                                                           | <p>As per RBCA guidelines of Bangladesh Bank:</p> <p><b>Tier-1 Capital</b> : It is called 'Core Capital' comprises of highest quality of capital elements consists of -</p> <p><b>i)</b> Fully Paid-up Capital <b>ii)</b> Statutory Reserve <b>iii)</b> Non-repayable Share premium account <b>iv)</b> General Reserve <b>v)</b> Retained Earnings <b>vi)</b> Minority Interest in Subsidiaries <b>vii)</b> Non-Cumulative Irredeemable Preferences Shares <b>viii)</b> Dividend Equalization Account</p> <p><b>Tier-2 Capital</b> : It is called 'Supplementary Capital' represents other elements which fall short of some of the characteristics of the core capital consists of-</p> <p><b>i)</b> General Provision <b>ii)</b> Assets Revaluation Reserves up to 50% <b>iii)</b> Revaluation Reserves for Securities up to 50% <b>iv)</b> All other preference shares <b>v)</b> Subordinated debt shall be limited to a maximum of 30% of the amount of Tier-1 capital <b>vi)</b> 10% revaluation reserves for equity instruments eligible for Tier- 2 capital</p> <p><b>Tier-3 Capital</b> : It is called 'Additional Supplementary Capital' consists of short-term subordinated debt (original maturity less than or equal to five years but greater than or equal to two years) would be solely for the purpose of meeting a proportion of the capital requirements for market Risk.</p> |                                                                                          |          |                                                                                             |          |                                                                                    |          |                                                                                            |          |                                                                                                                                                                                                                                                                                            |                                                                        |
|                                                                                                                                                                                                                                                                                            | <p><b>Compliance status of TBL as per condition for maintaining regulatory capital:</b></p> <table> <tr> <td>1. The amount of Tier 2 capital will be limited to 100% of the amount of Tier 1 capital.</td><td>Complied</td></tr> <tr> <td>2. 50% of revaluation reserves for fixed assets and securities eligible for Tier 2 capital.</td><td>Complied</td></tr> <tr> <td>3. 10% of revaluation reserves for equity instruments eligible for Tier 2 capital.</td><td>Complied</td></tr> <tr> <td>4. Subordinated debt shall be limited to a maximum of 30% of the amount of Tier 1 capital.</td><td>Complied</td></tr> <tr> <td>5. Limitation of Tier 3: A minimum of about 28.5% of market risk needs to be supported by Tier 1 capital. Supporting of Market Risk from Tier 3 capital shall be limited up to maximum of 250% of a bank's Tier 1 capital that is available after meeting credit risk capital requirement.</td><td>As on year end 2014, there was no Tier III component of capital at TBL</td></tr> </table>                                                                                                                                                                                                                                                                                                                                                                    | 1. The amount of Tier 2 capital will be limited to 100% of the amount of Tier 1 capital. | Complied | 2. 50% of revaluation reserves for fixed assets and securities eligible for Tier 2 capital. | Complied | 3. 10% of revaluation reserves for equity instruments eligible for Tier 2 capital. | Complied | 4. Subordinated debt shall be limited to a maximum of 30% of the amount of Tier 1 capital. | Complied | 5. Limitation of Tier 3: A minimum of about 28.5% of market risk needs to be supported by Tier 1 capital. Supporting of Market Risk from Tier 3 capital shall be limited up to maximum of 250% of a bank's Tier 1 capital that is available after meeting credit risk capital requirement. | As on year end 2014, there was no Tier III component of capital at TBL |
| 1. The amount of Tier 2 capital will be limited to 100% of the amount of Tier 1 capital.                                                                                                                                                                                                   | Complied                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                          |          |                                                                                             |          |                                                                                    |          |                                                                                            |          |                                                                                                                                                                                                                                                                                            |                                                                        |
| 2. 50% of revaluation reserves for fixed assets and securities eligible for Tier 2 capital.                                                                                                                                                                                                | Complied                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                          |          |                                                                                             |          |                                                                                    |          |                                                                                            |          |                                                                                                                                                                                                                                                                                            |                                                                        |
| 3. 10% of revaluation reserves for equity instruments eligible for Tier 2 capital.                                                                                                                                                                                                         | Complied                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                          |          |                                                                                             |          |                                                                                    |          |                                                                                            |          |                                                                                                                                                                                                                                                                                            |                                                                        |
| 4. Subordinated debt shall be limited to a maximum of 30% of the amount of Tier 1 capital.                                                                                                                                                                                                 | Complied                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                          |          |                                                                                             |          |                                                                                    |          |                                                                                            |          |                                                                                                                                                                                                                                                                                            |                                                                        |
| 5. Limitation of Tier 3: A minimum of about 28.5% of market risk needs to be supported by Tier 1 capital. Supporting of Market Risk from Tier 3 capital shall be limited up to maximum of 250% of a bank's Tier 1 capital that is available after meeting credit risk capital requirement. | As on year end 2014, there was no Tier III component of capital at TBL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                          |          |                                                                                             |          |                                                                                    |          |                                                                                            |          |                                                                                                                                                                                                                                                                                            |                                                                        |

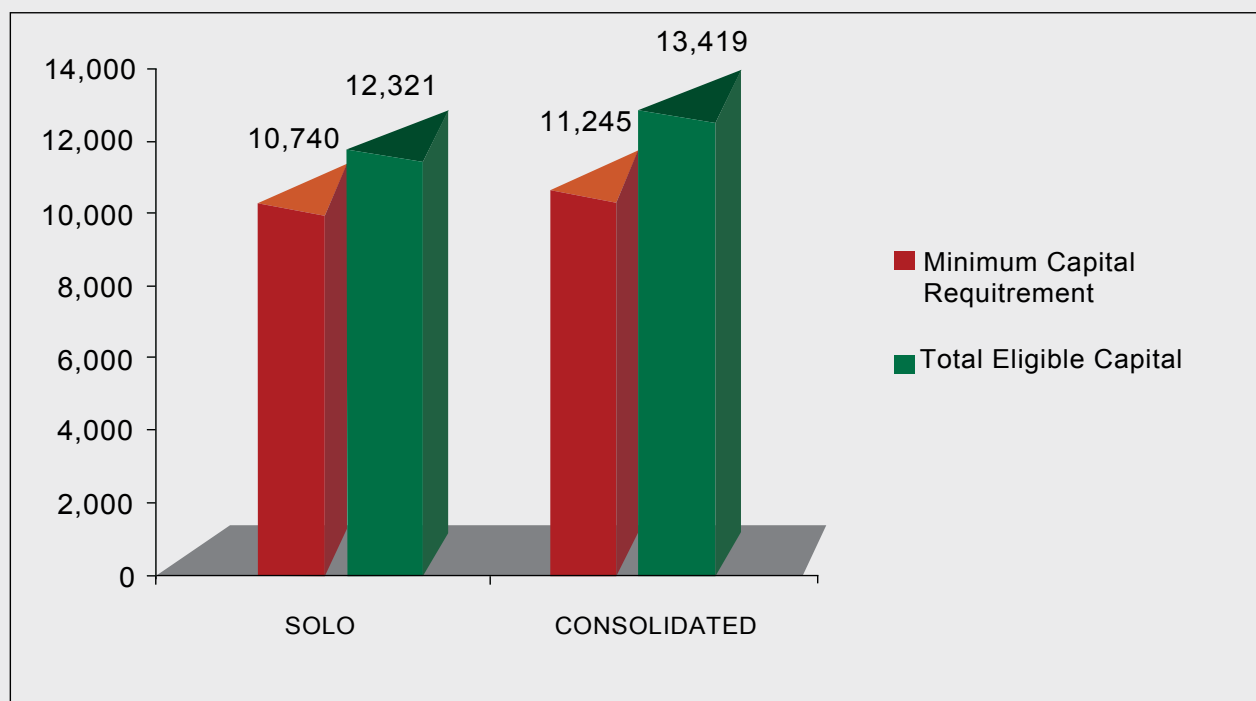
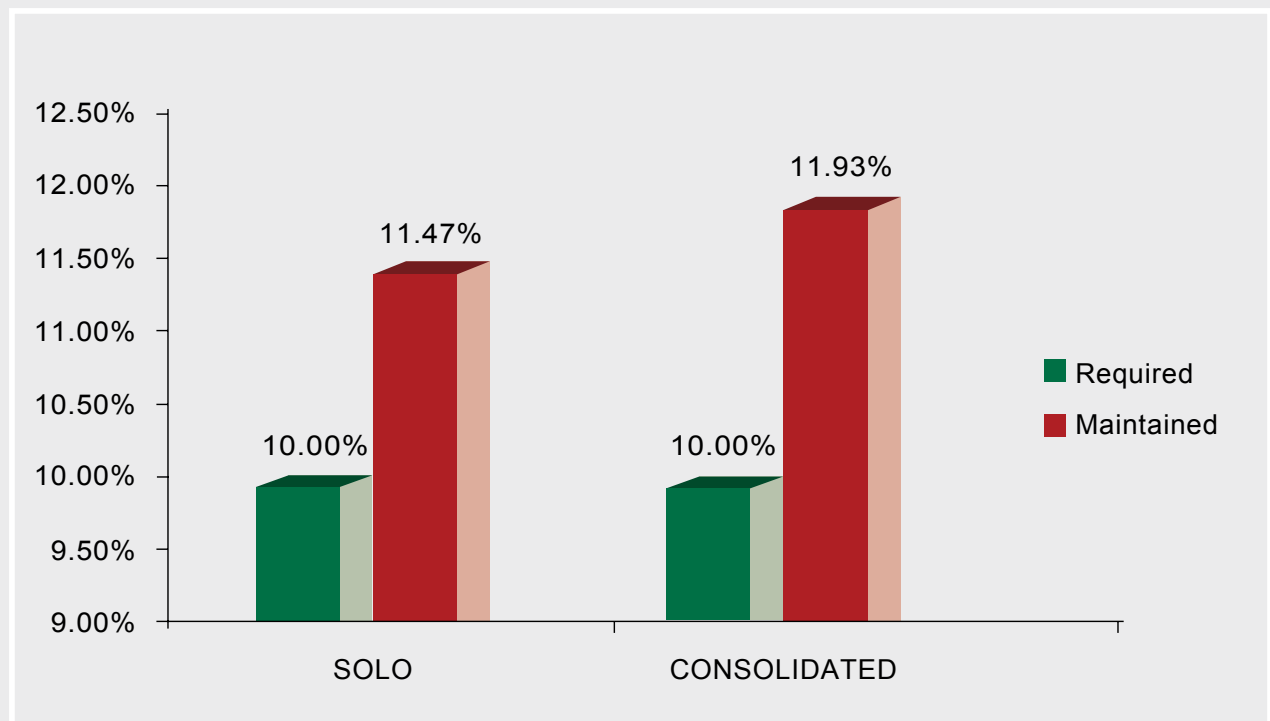
| Quantitative Disclosures                                                      |                 |                 |
|-------------------------------------------------------------------------------|-----------------|-----------------|
| b) Capital Adequacy of Trust Bank Limited under Basel-II during 2014 as below |                 |                 |
| 1. Tier-1 (Core Capital )                                                     | Solo            | Consolidated    |
| Amount in Million                                                             |                 |                 |
| Fully Paid-up Capital/Capital Deposited with BB                               | 4,262.06        | 4,262.06        |
| Statutory Reserve                                                             | 2709.04         | 2709.04         |
| Non-repayable Share premium account                                           | 75.58           | 75.58           |
| Retained Earnings                                                             | 1081.27         | 1414.57         |
| <b>Total Eligible Tier-1 Capital</b>                                          | <b>8127.96</b>  | <b>8461.25</b>  |
| 2. Tier-2 (Supplementary Capital)                                             |                 |                 |
| General Provision                                                             | 1754.56         | 2419.36         |
| Revaluation Reserves for Securities up to 50%                                 | 0.27            | 0.27            |
| Subordinated debt                                                             | 2438.39         | 2538.37         |
| <b>Total Eligible Tier-2 Capital</b>                                          | <b>4193.22</b>  | <b>4958.01</b>  |
| <b>Total Eligible Capital</b>                                                 | <b>12321.18</b> | <b>13419.26</b> |

### c) Capital Adequacy

| Qualitative Disclosures                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) A summary discussion of the bank's approach to assess the adequacy of its capital to support current and future activities. | <p>The Bank is exposed to Credit risk, market risk, Operational risk and other Pillar II risks. Based on the scale of business, operations approaches have been put in place to compute the required capital of the bank and controls that are commensurate the risk profile of the bank.</p> <p>In line with the guidelines of the Bangladesh Bank, the Bank has adopted the following approaches for computing the capital charge.</p> <p>For Credit Risk – Standardized Approach</p> <p>For Market Risk – Standardized Approach</p> <p>Operational Risk – Basic Indicator Approach</p> <ul style="list-style-type: none"><li>▪ The Business projections, capital requirement, Assessment methodology, controlling mechanism, etc., have been discussed in ICAAP document and it has been reviewed on yearly basis.</li><li>▪ CAR has been computed based on the Basel II guidelines and it is well above the regulatory minimum level of 10%.</li></ul> |
| Quantitative Disclosures                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Amount in Million                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Capital requirement under following Risk:                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                                                                                | Solo                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                | Consolidated                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| a) Capital requirement for Credit Risk                                                                                         | 9957.78                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| b) Capital requirement for Market Risk                                                                                         | 130.78                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| c) Capital requirement for Operational Risk                                                                                    | 651.35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Total Capital Requirement (a+b+c)                                                                                              | 10739.91                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Minimum Capital Requirement (MCR) & Capital Adequacy Ratio (CAR) of TBL:                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Eligible Capital :                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 1. Tier-1 (Core Capital )                                                                                                      | 8127.96                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |



|                                           |          |          |
|-------------------------------------------|----------|----------|
| 2. Tier-2 (Supplementary Capital)         | 4193.22  | 4958.01  |
| 3. Tier-3 (eligible for market risk only) | -        | -        |
| 4. Total Eligible Capital                 | 12321.18 | 13419.26 |
| ▪ Capital Adequacy Ratio (CAR)            | 11.47%   | 11.93%   |
| ▪ Core Capital to RWA                     | 7.57%    | 7.52%    |
| ▪ Supplementary Capital to RWA            | 3.90%    | 4.41%    |
| ▪ Minimum Capital Requirement (MCR)       | 10739.91 | 11244.90 |
| ▪ Excess Capital                          | 1581.27  | 2,174.38 |



**d) Credit Risk:**

| Qualitative Disclosures                                                     |                                                                                                        | a) The general qualitative disclosure requirement with respect to credit risk:                                                                                                                    |          |                                            |  |
|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------------------------------------|--|
| i) Definitions of past due and impaired                                     | Categories                                                                                             | Definition of past due                                                                                                                                                                            |          | When started                               |  |
|                                                                             | Continuous Loan                                                                                        | If not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue.                                                             |          | From the following day of the expiry date. |  |
|                                                                             | Demand Loan                                                                                            | If not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue                                                                      |          | As above                                   |  |
|                                                                             | Fixed Term Loan                                                                                        | In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue. |          | As above                                   |  |
|                                                                             | Short-term Agricultural and Micro-Credit                                                               | If not repaid within the fixed expiry date for repayment will be considered past due/overdue.                                                                                                     |          | After 6 months of the expiry date.         |  |
|                                                                             | IMPAIRED LOAN:<br>All classified loan are treated as impaired loans, impaired can be defined as above: |                                                                                                                                                                                                   |          |                                            |  |
|                                                                             | Type of loan                                                                                           | Sub standard                                                                                                                                                                                      | Doubtful | Bad / Loss                                 |  |
|                                                                             | Continuous Loan                                                                                        | 3≤O<6                                                                                                                                                                                             | 6≤O<9    | O≥9                                        |  |
|                                                                             | Demand Loan                                                                                            | 3≤O<6                                                                                                                                                                                             | 6≤O<9    | O≥9                                        |  |
|                                                                             | Fixed Term Loan (Upto 10.00 Lac)                                                                       | 6≤O<9                                                                                                                                                                                             | 9≤O<12   | O≥12                                       |  |
|                                                                             | Fixed Term Loan (More than 10.00 Lac)                                                                  | 3≤O<6                                                                                                                                                                                             | 6≤O<9    | O≥9                                        |  |
|                                                                             | SAC/MC                                                                                                 | 12<O≤36                                                                                                                                                                                           | 36<O≤60  | O>60                                       |  |
| ▪ Note : O = Overdue, SAC= Short term Agricultural Credit, MC= Micro Credit |                                                                                                        |                                                                                                                                                                                                   |          |                                            |  |
| General Provision:                                                          |                                                                                                        |                                                                                                                                                                                                   |          |                                            |  |
| Bank maintains general provision in the following way-                      |                                                                                                        |                                                                                                                                                                                                   |          |                                            |  |
| For Unclassified Loan:                                                      |                                                                                                        |                                                                                                                                                                                                   |          |                                            |  |
| Type of Loan                                                                |                                                                                                        |                                                                                                                                                                                                   |          | Rate of Provision                          |  |
| Small & Medium Enterprise Financing (SMEF)                                  |                                                                                                        |                                                                                                                                                                                                   |          | 0.25%                                      |  |
| Consumer Financing (Other than HF & LP)                                     |                                                                                                        |                                                                                                                                                                                                   |          | 5%                                         |  |
| Consumer Financing (House Financing, HF)                                    |                                                                                                        |                                                                                                                                                                                                   |          | 2%                                         |  |
| Consumer Financing (Loans for Professional to setup business, LP)           |                                                                                                        |                                                                                                                                                                                                   |          | 2%                                         |  |
| Loans to BHs/ MBs/ Sds against Shares etc.                                  |                                                                                                        |                                                                                                                                                                                                   |          | 2%                                         |  |
| All Other Credit                                                            |                                                                                                        |                                                                                                                                                                                                   |          | 1%                                         |  |
| Short Term Agri Credit & Micro Credit                                       |                                                                                                        |                                                                                                                                                                                                   |          | 2.5%                                       |  |

|                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                  |                          |
|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------|
| ii) Description of approaches followed for specific and general allowances and statistical methods | <b>Special Mention Account:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                  |                          |
|                                                                                                    | <b>Type of Loan</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                  | <b>Rate of Provision</b> |
|                                                                                                    | Small & Medium Enterprise Financing (SMEF)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                  | 0.25%                    |
|                                                                                                    | Consumer Financing (Other than HF & LP)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                  | 5%                       |
|                                                                                                    | Consumer Financing (House Financing, HF)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                  | 2%                       |
|                                                                                                    | Consumer Financing (Loans for Professional to setup business, LP)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                  | 2%                       |
|                                                                                                    | Loans to BHs/ MBs/ Sds against Shares etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                  | 2%                       |
|                                                                                                    | All Other Credit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                  | 1%                       |
|                                                                                                    | Short Term Agri Credit & Micro Credit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                  | 2.5%                     |
|                                                                                                    | <b>Specific Provision:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                  |                          |
| iii) Discussion of the Bank's Credit risk management policy.                                       | Bank maintain specific provision in respect of Continuous, Demand and Fixed Term Loans-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                  |                          |
|                                                                                                    | <b>Loan Status</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Type of Loan</b>                              | <b>Rate of Provision</b> |
|                                                                                                    | <b>Substandard</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Short Term Agri Credit & Micro Credit            | 5%                       |
|                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Other than Short Term Agri Credit & Micro Credit | 20%                      |
|                                                                                                    | <b>Doubtful</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Short Term Agri Credit & Micro Credit            | 5%                       |
|                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Other than Short Term Agri Credit & Micro Credit | 50%                      |
|                                                                                                    | <b>Bad/Loss</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                  | 100%                     |
|                                                                                                    | <b>Eligible Collateral:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                  |                          |
|                                                                                                    | As per Bangladesh Bank the following collateral will be included as eligible collateral in determining base for provision:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                  |                          |
|                                                                                                    | <ul style="list-style-type: none"> <li>100% of deposit under lien against the loan.</li> <li>100% of the value of government bond/savings certificate under lien.</li> <li>100% of the value of guarantee given by Government or Bangladesh Bank.</li> <li>100% of the market value of gold or gold ornaments pledged with the bank.</li> <li>50% of the market value of easily marketable commodities kept under control of the bank.</li> <li>Maximum 50% of the market value of land and building mortgaged with the bank.</li> <li>50% of the average market value for last 06 months or 50% of the face value, whichever is less, of the shares traded in stock exchange.</li> </ul> |                                                  |                          |

### Quantitative Disclosures:

#### b) Total gross credit risk exposures broken down by major types of credit exposure:

(Amount in Million)

| Major Types                                                   | Continuous Loan | Demand Loan | Fixed Term Loan | Short Term Agri. Credit & Micro Credit | Total            |
|---------------------------------------------------------------|-----------------|-------------|-----------------|----------------------------------------|------------------|
| Small & Medium Enterprise Financing                           | 3480.66         | 1216.53     | 1460.34         |                                        | 6157.53          |
| Consumer Financing                                            | 1105.17         | 132.54      | 3279.99         |                                        | 4517.69          |
| Loans to BHs/MBs/Sds against Share                            | 132.15          |             | 1.31            |                                        | 133.46           |
| Other than SMEF, CF, BHs/MBs/Sds                              |                 |             |                 |                                        |                  |
| Housing Finance                                               |                 |             | 9850.30         |                                        | 9850.30          |
| Loan for Professionals to setup business (LP)                 |                 |             | 4.48            |                                        | 4.48             |
| Others                                                        | 14755.92        | 27160.88    | 40440.33        | 22.27                                  | 82379.40         |
| Staff Loan                                                    |                 |             |                 |                                        | 724.71           |
| <b>Total exposure in Trust Bank Limited (TBL)</b>             |                 |             |                 |                                        | <b>103767.58</b> |
| <b>Total exposure in Trust Bank Investment Limited (TBIL)</b> |                 |             |                 |                                        | <b>4578.90</b>   |
| <b>Total exposure in Offshore Banking</b>                     |                 |             |                 |                                        | <b>3126.77</b>   |

#### c) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure of TBL:

(Amount in Million)

| Geographical Distribution | Amount   | Grand Exposure   |
|---------------------------|----------|------------------|
| <b>Urban</b>              |          |                  |
| Dhaka                     | 73329.42 | <b>96035.30</b>  |
| Chittagong                | 17979.58 |                  |
| Sylhet                    | 2115.43  |                  |
| Rajshahi                  | 221.11   |                  |
| Barishal                  | 144.43   |                  |
| Khulna                    | 2202.04  |                  |
| Rangpur                   | 43.29    |                  |
| <b>Rural</b>              |          |                  |
| Dhaka                     | 2793.10  | <b>7732.28</b>   |
| Chittagong                | 1495.40  |                  |
| Sylhet                    | 630.19   |                  |
| Rajshahi                  | 1047.63  |                  |
| Barishal                  |          |                  |
| Khulna                    | 889.66   |                  |
| Rangpur                   | 876.30   |                  |
| <b>Total</b>              |          | <b>103767.58</b> |



**d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure of TBL:**

(Amount in Million)

| Industry Type                        | Amount           |
|--------------------------------------|------------------|
| Agriculture                          | 1202.60          |
| RMG                                  | 7733.42          |
| Textile                              | 5772.79          |
| Ship Building                        | 0.00             |
| Ship Breaking                        | 2453.55          |
| Other Manufacturing Industry         | 23645.39         |
| SME loan                             | 4137.60          |
| Construction                         | 7599.43          |
| Power, Gas                           | 2269.23          |
| Transport, Storage and Communication | 3055.78          |
| Trade Service                        | 10748.30         |
| Commercial real estate financing     | 6319.64          |
| Residential real estate financing    | 5701.17          |
| Consumer Credit                      | 8018.47          |
| Capital Market                       | 133.46           |
| Non-bank financial Institutions      | 142.85           |
| Others                               | 14833.90         |
| <b>Total Exposure</b>                | <b>103767.58</b> |

**e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure of TBL:**

(Amount in Million)

| Time band      | Continuous Loan | Demand Loan     | Term Loan       | Agricultural Credit | Total            |
|----------------|-----------------|-----------------|-----------------|---------------------|------------------|
| Up to 1 month  | 2967.87         | 9876.46         | 817.72          | 4.91                | 13666.96         |
| 1 to 3 months  | 3828.39         | 9275.80         | 156.29          | 0.95                | 13261.43         |
| 3 to 6 months  | 4575.65         | 7168.15         | 1810.96         | 1.91                | 13556.67         |
| 6 to 12 months | 8101.99         | 2189.54         | 2843.69         | 14.50               | 13149.72         |
| 1 to 2 years   |                 |                 | 4862.98         |                     | 4862.98          |
| 2 to 3 years   |                 |                 | 3965.89         |                     | 3965.89          |
| 3 to 4 years   |                 |                 | 9171.01         |                     | 9171.01          |
| 4 to 5 years   |                 |                 | 11877.50        |                     | 11877.5          |
| 5 to 7 years   |                 |                 | 9832.54         |                     | 9832.54          |
| 7 to 10 years  |                 |                 | 3359.36         |                     | 3359.36          |
| Over 10 years  |                 |                 | 7063.52         |                     | 7063.52          |
| <b>Total</b>   | <b>19473.90</b> | <b>28509.95</b> | <b>55761.47</b> | <b>22.27</b>        | <b>103767.58</b> |

f) By major industry or counterparty type of TBL:

• Amount of impaired loans and if available, past due loans, provided separately:

(Amount in Million)

| Industry                                  | Impaired       | Past due        |
|-------------------------------------------|----------------|-----------------|
| Small & Medium Enterprise Financing       | 940.95         | 1325.03         |
| Consumer Financing                        | 167.11         | 401.79          |
| Housing Finance                           | 374.61         | 1105.97         |
| Loans for Professionals to setup business |                | 0.18            |
| Loans to BHs/MBs/SDs against Shares etc.  |                | 5.34            |
| Other Corporate Credit                    | 1130.49        | 7557.12         |
| Short Term Agri Credit & Micro Credit     | 1.01           | 1.86            |
| Staff Loan                                | 0.60           |                 |
| <b>Total</b>                              | <b>2614.76</b> | <b>10397.28</b> |

• Specific and general provision (Required)

(Amount in Million)

| Sector                                    | General Provision | Specific Provision |
|-------------------------------------------|-------------------|--------------------|
| Small & Medium Enterprise Financing       | 13.04             | 379.90             |
| Consumer Financing                        | 217.53            | 79.70              |
| Housing Finance                           | 189.51            | 81.11              |
| Loans for Professionals to setup business | 0.09              | 0                  |
| Loans to BHs/MBs/SDs against Shares etc.  | 2.67              | 0                  |
| Other Corporate Credit                    | 812.27            | 496.88             |
| Short Term Agri Credit & Micro Credit     | 0.53              | 0.05               |
| <b>TBL Total</b>                          | <b>1235.64</b>    | <b>1037.64</b>     |
| <b>Off-shore Banking Unit</b>             | <b>31.26</b>      | <b>-</b>           |
| <b>Grand Total</b>                        | <b>1266.90</b>    | <b>1037.64</b>     |

• Charges for specific allowances and charge-offs during the period.

| Against Classified Loans & Advances          | Taka in Million |
|----------------------------------------------|-----------------|
| Provision held on 1 January                  | 907.66          |
| Fully provided debts written off             | 0               |
| Recoveries from previously written off debts | 0               |
| Provisions made during the year              | 129.98          |
| Net Charge to the Profit & Loss Account      | 129.98          |
| Provision held at end of year                | 1037.64         |
| Against Unclassified Loans & Advances        | Taka in Million |
| Provision held on 1 January                  | 921.73          |
| Provisions made during the year              | 281.79          |
| <b>Provision held at end of year</b>         | <b>1203.52</b>  |
| Against Special Mention Accounts             |                 |
| Provision held on 1 January                  | 35.77           |
| Provisions made during the year              | 7.99            |
| <b>Provision held at end of year</b>         | <b>43.76</b>    |

| General Provision for Off Balance Sheet Exposures | Taka in Million |
|---------------------------------------------------|-----------------|
| Provision held on 1 January                       | 316.75          |
| Provisions made during the year                   | 159.25          |
| Provision held at end of year                     | 476.00          |

| Provision for Off-shore Banking Units | Taka in Million |
|---------------------------------------|-----------------|
| Provision held on 1 January           | 1.45            |
| Provisions made during the year       | 29.82           |
| Provision held at end of year         | 31.27           |

**g) Gross Non Performing Assets (NPAs) of TBL:**

(Amount in Million)

| Gross Non Performing Assets (NPAs)                           |                |
|--------------------------------------------------------------|----------------|
| Non Performing Assets (NPAs) to outstanding loans & advances | 2614.76        |
| Movement of Non Performing Assets for NPAs                   |                |
| Opening balance                                              | 2470.36        |
| Additions                                                    | 1051.16        |
| Reductions                                                   | (906.76)       |
| Closing Balance                                              | 2614.76        |
| Movements of specific provisions for NPAs                    |                |
| Opening balance                                              | 907.66         |
| Provision made during the period                             | 129.98         |
| Write-off                                                    | 0              |
| Write back of excess provisions                              | 0              |
| <b>Closing Balance</b>                                       | <b>1037.64</b> |

**e) Equities: Disclosures for Banking Book Position**

| Qualitative Disclosures:                                                                                                                                          | a) The general qualitative disclosure requirement with respect to equity risk, including:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and | <p>Investment of TBL in equity securities is broadly categorized into two parts:</p> <p>❑ <b>Quoted Securities:</b><br/>Securities (Ordinary shares, Mutual Fund) that are traded in the secondary market (trading book assets). These securities include Common share, Preference shares and Mutual funds.</p> <p>❑ <b>Unquoted Securities:</b><br/>Unquoted securities are categorized as banking book equity exposures which are further subdivided into two groups: unquoted securities which are invested without any expectation that these will be quoted in near future (i.e. held to maturity HTM) and securities that are acquired under private placement or IPO and are going to be traded in the secondary market after completing required formalities. Usually these securities are held for trading (HFT) or investment for making capital gains.</p> |

|                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Discussion of important policies covering the valuation and accounting of equity holdings in the banking book, This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices. | The primary aim is capital gain or dividend income. Dividends received from these equity securities are accounted for as and when received. Both quoted and un-quoted equity securities are valued at cost, and necessary provisions are maintained if the prices fall below the cost price. As per Bangladesh Bank (BB) guidelines, Held For Trading (HFT) equity securities are marked-to-market (revaluated) once a week, and HTM equity securities are amortized annually. HTM securities are revaluated if reclassified to HFT. The quoted shares of the bank are valued at cost or market price, whichever is lower. |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| Quantitative Disclosures:                                                                                                                                                                                                                                         |                                                          |                                                                                      |             |          |                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------------------------------|-------------|----------|----------------|
| a) Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.                        |                                                          | Value of Investments in Balance Sheet                                                |             | Amount   | in             |
|                                                                                                                                                                                                                                                                   |                                                          | Shares in Listed Companies (Valuation at average cost price)                         |             | 1,473.88 |                |
|                                                                                                                                                                                                                                                                   |                                                          | Fair Market Value of shares in Listed Securities                                     |             | 1,156.27 |                |
| b) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.                                                                                                                                                            |                                                          | Tk. 3.34 million                                                                     |             |          |                |
|                                                                                                                                                                                                                                                                   | * Total unrealized gains (losses)                        | Tk. (317.61) million                                                                 |             |          |                |
| c)                                                                                                                                                                                                                                                                | * Total latent revaluation gains (losses)                | Nil                                                                                  |             |          |                |
|                                                                                                                                                                                                                                                                   | * Any amounts of the above included in Tier – 2 capital. | Nil                                                                                  |             |          |                |
| d) Capital requirements broken down by appropriate equity groupings, consistent with the bank’s methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements. |                                                          | The capital requirements for equity investments as of 31 December 2014 was as under: |             |          |                |
|                                                                                                                                                                                                                                                                   |                                                          | (Amount in Million)                                                                  |             |          |                |
|                                                                                                                                                                                                                                                                   |                                                          | Particulars                                                                          | Amount (MV) | Weight   | Capital Charge |
|                                                                                                                                                                                                                                                                   |                                                          | Specific Risk                                                                        | 1,156.27    | 10%      | 115.63         |
|                                                                                                                                                                                                                                                                   |                                                          | General Market Risk                                                                  | 1,156.27    | 10%      | 115.63         |
|                                                                                                                                                                                                                                                                   |                                                          | Total                                                                                |             | 231.26   |                |

## f) Interest rate risk in the banking book (IRRBB)

| Qualitative Disclosures:                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement. | <p>Interest rate risk in the banking book (IRRBB) refers to the potential adverse financial impact on the Bank's Banking Book from changes in interest rates. The Interest Rate Risk is measured and monitored through following analysis:</p> <ul style="list-style-type: none"> <li>• <b>Interest Rate Sensitivity Report:</b> Measures mismatches between rate sensitive liabilities and rate sensitive assets (including off-balance sheet positions) in various tenor buckets based on re-pricing or maturity, as applicable.</li> <li>• <b>Duration Gap Analysis:</b> The gap or mismatch risk as at a given date, is measured by calculating gaps over different time intervals. Gap analysis measures mismatches between rate sensitive liabilities (RSL) and rate sensitive assets (RSA). The report is prepared by grouping liabilities and assets into time buckets according to maturity. The Gap report provides a good framework for determining the earnings impact.</li> <li>• <b>Stress Testing :</b> Trust Bank has also been exercising the Stress Testing for measuring the Interest Rate Risk on its on-balance sheet exposure for estimating the impact of the net change in the market value of equity on the Capital Adequacy Ratio (CAR) due to change in interest rates only on its on-balance sheet positions (as the bank holds no interest bearing off -balance sheet positions and/or derivatives) under the assumption of different interest rate changes as per Bangladesh Bank guideline.</li> </ul> |

### Quantitative Disclosures:

(b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method of measuring IRRBB, broken down by currency.

(Amt in Crore)

| Interest Rate Risk in the banking book | Residual maturity bucket |           |           |              |
|----------------------------------------|--------------------------|-----------|-----------|--------------|
|                                        | 3months                  | 6months   | 1 year    | Above 1 year |
| Interest Sensitive Assets (A)          | 3050.24                  | 1104.81   | 2209.63   | 6249.08      |
| Interest Sensitive Liabilities (B)     | 4597.94                  | 1612.13   | 3224.26   | 1984.30      |
| GAP (A-B)                              | (1547.70)                | (507.32)  | (1014.63) | 4264.78      |
| Cumulative GAP                         | 1547.70)                 | (2055.01) | (3069.64) | 1195.14      |

### CAR before Shock:

(Amt in Crore)

| Magnitude of Shock                                                           | Situation-1<br>1% | Situation-2<br>2% | Situation-3<br>3% |
|------------------------------------------------------------------------------|-------------------|-------------------|-------------------|
| Regulatory Capital (After shock)                                             | 1066.59           | 899.67            | 732.74            |
| RWA (After shock)                                                            | 10627.02          | 10627.02          | 10627.02          |
| CAR (After shock)                                                            | 10.04%            | 8.47%             | 6.90%             |
| Total Assets                                                                 | 14453.83          | 14453.83          | 14453.83          |
| Duration Gap in years                                                        | 1.28              | 1.28              | 1.28              |
| Changes in Market value of Equity due to an increase in interest Rate, Δ MVE | (166.92)          | (333.85)          | (500.77)          |



**g) Market Risk:**

| Qualitative Disclosures:                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Views of BOD on trading/ investment activities     | The Board of Directors approves all policies related to the market risk components, reviews compliance and set limits on regular basis to check key performance indicators of trading and investment activities of the bank. The objective is to provide cost effective funding to finance assets growth and trade related transactions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Methods used to measure Market risk                | <p>In Standardized Approach, the capital requirement for various market risks (interest rate risk, equity price risk, commodity price risk, and foreign exchange risk) is determined separately. The total capital requirement in respect of market risk is the sum of capital requirement calculated for each of these market risk sub-categories. The methodology to calculate capital requirement under Standardized Approach for each of these market risk categories is as follows:</p> <p><b>a) Capital charges for interest rate risk=</b><br/>Capital Charge for General Market Risk</p> <p><b>b) Capital charges for Equity Position Risk=</b><br/>Capital Charge for Specific Risk+ Capital Charge for General Market Risk</p> <p><b>c) Capital charges for Foreign Exchange Risk=</b> Capital Charge for General Market Risk</p> <p><b>d) Capital charges for Commodity Position Risk=</b> Capital Charge for General Market Risk</p>                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Market Risk Management System                      | The Treasury Division manage market risk covering liquidity, interest rate and foreign exchange risks with oversight from Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. ALCO meets at least once in a month.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Policies and processes for mitigating market risk: | <p>There are approved limits for Market risk related instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risks. Following tools are used to minimize several market risks:</p> <p><b>A. Measurement of Foreign Exchange Risk Position:</b></p> <ol style="list-style-type: none"> <li>Currency wise holding review</li> <li>Instances of limit breaches</li> <li>Sensitivity analysis</li> <li>Un-reconciled Nostro accounts over 90 days</li> </ol> <p><b>B. Measurement of Interest Rate Risk Position:</b></p> <ol style="list-style-type: none"> <li>Maturity Gap analysis</li> <li>Duration Gap Analysis</li> <li>Value at Risk</li> </ol> <p><b>C. Measurement of Liquidity Risk Position:</b></p> <ol style="list-style-type: none"> <li>Indicators <ul style="list-style-type: none"> <li><input type="checkbox"/> Statutory Liquidity Requirement (SLR)</li> <li><input type="checkbox"/> Cash Reserve Ratio (CRR)</li> <li><input type="checkbox"/> Advance Deposit Ratio</li> <li><input type="checkbox"/> Structural Liquidity Profile</li> <li><input type="checkbox"/> Liability Concentration</li> <li><input type="checkbox"/> Category-wise growth of Deposit</li> <li><input type="checkbox"/> Wholesale Borrowing Guideline</li> </ul> </li> </ol> |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <input type="checkbox"/> Maximum Cumulative Outflow (MCO)<br><input type="checkbox"/> Medium Term Funding Ratio (MTF)<br><input type="checkbox"/> Volatile Liability Dependence<br><input type="checkbox"/> Liquid Asset to Total Deposit<br><input type="checkbox"/> Liquid Assets to Short Term Liabilities<br><input type="checkbox"/> Borrowed Funds to Total Assets<br><input type="checkbox"/> Liquidity Coverage Ratio (LCR)<br><input type="checkbox"/> Net Stable Funding Ratio (NSFR)<br><br>II. Maturity Mismatch Analysis<br>III. Cash Flow Projections<br>IV. Stock of Liquid Assets |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

#### Quantitative Disclosures:

The Capital requirements for specified risk are as follows:

(Amount in Million)

| SL | Market Risk                       | Capital Requirement |
|----|-----------------------------------|---------------------|
| A  | Interest Rate Related instruments | 13.22               |
| B  | Equities                          | 231.25              |
| C  | Foreign Exchange Position         | 38.97               |
| D  | Commodities                       | -                   |
|    | <b>Total</b>                      | <b>283.45</b>       |

#### h) Operational Risk:

| Qualitative Disclosures:                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i) Views of BoD on system to reduce Operational Risk        | The policy for operational risks including internal control & compliance risk is approved by Board taking into account relevant guidelines of Bangladesh Bank. Audit Committee of the Board directly oversees the activities of Internal Control & Compliance Division (ICCD) for managing operational risk.                                                                                                                                                                                                                                                                          |
| ii) Performance gap of executives and staffs                | TBL has a policy to provide competitive package and best working environment to attract and retain the most talented people available in the industry. TBL's strong brand image plays an important role in employee motivation. As a result, there is no significant performance gap.                                                                                                                                                                                                                                                                                                 |
| iii) Potential external events                              | No potential external events are expected to expose the Bank to significant operational risk.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| iv) Policies and Processes for mitigating operational risk: | The policy for operational risks including internal control & compliance risk is approved by Board taking into account relevant guidelines of Bangladesh Bank. The Bank developed a Risk Management Committee and supervisory review Committee for review and managing operation risk as well as evaluating of the adequacy of the capital. For mitigating operational risk Internal Control and compliance division undertakes periodical and special audit of the branches and departments at the Head Office for review of the operation and compliance of statutory requirements. |

|                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                   |
|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
|                                                                 | In 2014 IC & C Division conducted following No. of audit:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                   |
|                                                                 | No. of Comprehensive Audit on branches                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 88 Branches                                                       |
|                                                                 | No. of Comprehensive Audit at Head Office                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 16 Divisions/ Departments                                         |
|                                                                 | No. of Spot audits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | a) 25 Spot Audit<br>b) 20 IT Audit<br>c) 657 no. pay point audits |
|                                                                 | No. of Spot Inspection on Anti Fraud Internal Control                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 24 spot inspection report on Anti Fraud Internal Control          |
| v) Approach for calculating capital charge for operational risk | The Bank follows the Basic Indicator Approach (BIA) in terms of BRPD Circular No. 35 dated 29 December 2010 [Guidelines on ‘Risk Based Capital Adequacy for Banks’ (Revised regulatory capital framework in line with Basel II)]. The BIA stipulates the capital charge for operational risk is a fixed percentage, denoted by α (alpha) of average positive annual gross income of the Bank over the past three years. It also states that if the annual gross income for any year is negative or zero, that should be excluded from both the numerator and denominator when calculating the average gross income. The capital charge for operational risk is enumerated by applying the following formula:<br><br>$K = [(GI_1 + GI_2 + GI_3) \alpha]/n$ |                                                                   |
| Quantitative Disclosures:                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                   |
| b)The capital requirements for operational risk                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                   |
| (Amount in Million)                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                   |
| Particulars                                                     | RWA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Capital Requirement                                               |
| Minimum Capital Requirement: Operation Risk                     | 8195.33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 819.53                                                            |

Green

Banking





Green banking is a new initiative throughout the world. The leading bankers and entrepreneurs have come forward to save man from environmental disasters. In the context of Bangladesh, our people have little awareness about environment, air and water pollution, industrial and medical, and household wastes.

Bangladesh is one the least developed countries (LDCs) where natural calamities are a common phenomenon, which often causes huge losses. Even climate change impacts are high in our country, which needs proper dealing and management, effective guidance from all quarters, especially from banks. Green banking involves pursuing financial and business policies that are friendly to environment. It calls for banking business in such areas and in such a manner that helps the overall reduction of external carbon emission and internal carbon footprint. In line with global development and response to the environmental degradation, financial sector in Bangladesh should play an important role as one of the key stakeholders. Therefore, to adopt green banking, bank should adopt technology, process, and products which result in substantial reduction of their carbon footprint as well as develop sustainable business.

Bangladesh Bank has formulated guidelines in this respect, and encourages the scheduled banks to take measures to create a congenial atmosphere through 'green banking methodology'. Green banking can also reduce the need for expensive branch-banking and customer services.

In cohesion with Bangladesh Bank, Trust Bank as part of financial sector of Bangladesh, is also responsible for safeguarding the environment. It has formulated Green Banking Policy in 2011 with a view to exercise a responsible banking while taking lending decisions.

Some important features of green banking operations are as follows:

- \* To help environment through automation and online banking.
- \* To focus on social safety and security through changing the negative impacts of the society
- \* To give priority to investments/loans which consider risk factors regarding environmental conditions.
- \* To care for sustainable and green growth in industrialization and for social purposes.
- \* To create a congenial atmosphere inside and outside the bank.
- \* To consider the clients as our family members, and as such, guide and supervise the projects to reduce pollution and thus implement scientific methods in the real sense by implementing environmental due diligence (EDD) checklist.
- \* To reduce cost and energy, thus saving money and increasing GDP of a country.
- \* To change the mental faculties of the officials and customers, in line with green sensibilities.
- \* To help institutions; men and the nation in general live with dignity.



Managing Director & CEO Ishtiaque Ahmed Chowdhury deliver his speech In an International Seminar on "Sustainable SME Development in Bangladesh" where Chief guest Dr. Atiur Rahman, Governor Bangladesh Bank was present.



Trust Bank Ltd. has developed innovative green banking financial products named 'Trust Sufala' and 'Trust Prantik' which can directly or indirectly contribute to the reduction of carbon emissions and increase financial inclusion. The Board of Directors of Trust Bank Limited has approved budget for "Green Finance" and "Climate Risk Fund with a view to achieve the objective of sustainable banking. The bank is sincerely looking for financing green projects such as ETP, Hybrid Hoffman Kiln (HHK), Zigzag or equivalent Technology in Brick Field, Bio-Gas Plant, Solar Power System etc. The Bank has signed participation agreement with Bangladesh Bank for Refinancing in Hybrid Hoffman Kiln (HHK) or equivalent Technology of Brick Field". Under this agreement, Trust Bank Limited is financing in brick field using environment friendly technology. Besides, our in-house activities, the bank organized a 'Trust Bank GreenDay' in April, 2014 for creation of awareness among the mass population.

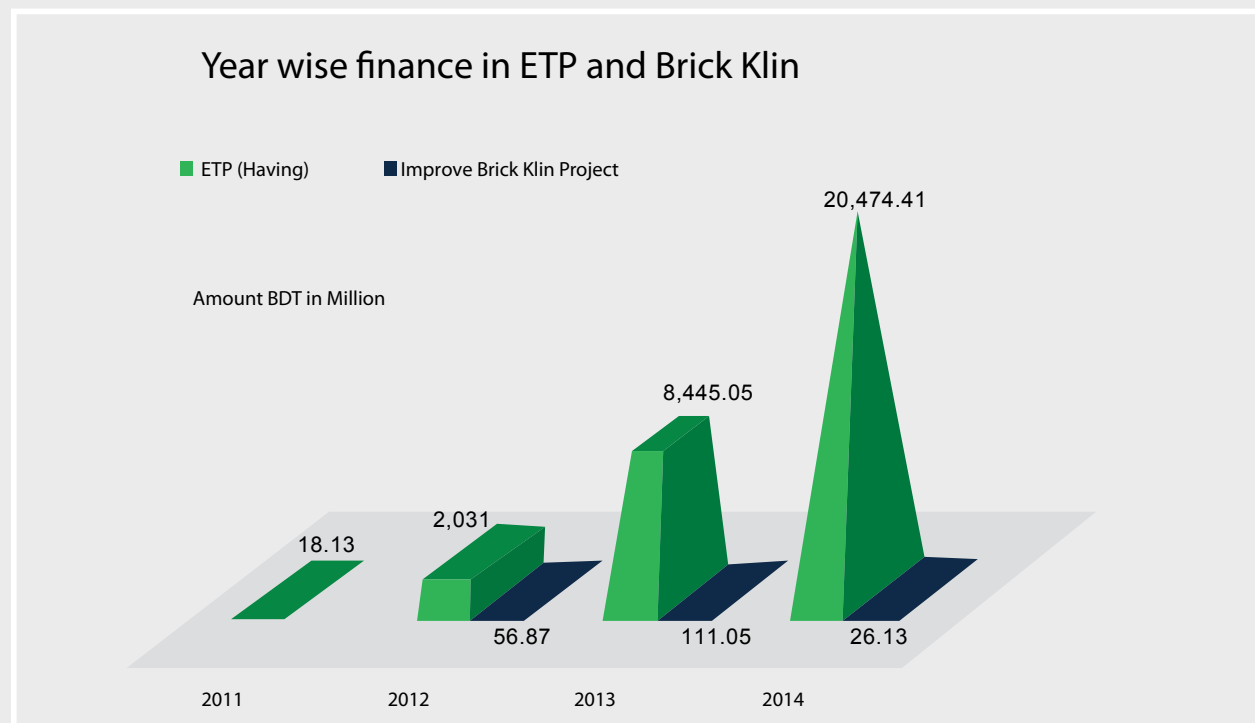
### Trust Bank's Green Financing

Trust Bank believes that green growth cannot be achieved without green investment. Shifting the investment from fossil-fuel to green energy is the only way for transforming economic growth paths. It is mentionable that Trust Bank has started contributing in the renewable energy sector through financing on Bio gas plants and Solar-home system. We are said to be the pioneer in the financing of biogas plants among the banks.

Our finance in this sector has been recorded at Tk. 489.99 million against 1,693 bio gas plants in different locations of the country, under 4 cow model of Bangladesh Bank. Consequently, 1,693 rural families are able to meet their domestic energy demand. Farmers are largely benefited from each bio-gas plant with gas, milk, slurry and organic fertilizer. Recently, we have signed an agreement with LPEP, an organization working on renewable energy for financing a biogas village in Faridpur. We also approved a loan for Tk.100.00 million favoring a MFI (SOJAG) for financing of a cluster-base bio gas plants at Dhamrai.

This is not the all, Trust bank has also financed for installation of 607 solar-home systems in the district of Jenaidah and Jessore through a NGO named ARS Bangladesh Limited. More than 100 families are directly benefited out of this system and the village is yet to be declared as solar village. Besides, TBL opened 2(two) solar-base branch in the district of Lalmonirhat and Kishoregonj respectively.

TBL is equally concerned with environmental issues. Keeping this in mind, we have extended credit facility Tk. 20,474.41 million against 54 business entities, having ETTPs and Tk. 200.00 million against 20 business organizations for conversion of conventional brick field to modern Zig Zag system.





*A foreign delegation team accompanied by Bangladesh Bank representatives visited the Bio-Gas plants financed by TBL at Joydevpur. SME and Green Banking officials along-with the Manager of Joydevpur Branch guided the visiting team.*

On top of these, we also financed a 17th-storied building named 'City Skype Building' located at Gulshan, which is popularly known as 'Green Building'.

Trust Bank is also committed to practice digital, nearly paperless, sustainable, green banking operations by making best use of the information technology and related professional skills. We widely practice using online banking, mobile banking, internet banking, e-mailing and SMS banking. Added deposit alert to mobile banking solution (MBS). Besides, we arranged Green Seminar on "Renewable Energy :an eco friendly investment for green living"

### **At a Glance TBL Green Finance as of December,2014**

- 01.Having Effluent Treatment Plant (ETP) 30,968.59 million
- 02. Bio-gas Plant 489.99 million, number 1,693
- 03 Solar Panel/Renewal Energy Plants no.607 and amount disbursed BDT.11.21 million.
- 04 Improved Brick Klin-20 Nos. amount disbursed BDT194.05 million.
- 05 Green Finance at reduced rate of interest BDT0.04 million.

### **B. Online Banking**

- 01 No of ATMs (own ATM ) 144
- 02 Shared ATMs 1,341.
- 03 No of Branches with online coverage 97.
- 04 No of total accounts 6,93,609.
- 05 No of accounts facilitated with internet banking 56,271.
- 06 No of accounts facilitated with Mobile/SMS Banking 68,106.

## C. Awareness Building

01 Training Programs on Green Banking (In-house) 04

02 Participants in the Training 223

### In-house Green Banking Awareness Program

In light of Green Banking Policy of Trust Bank Limited, a general instruction has been issued on the followings green activities/practices as part of in-house environment management and to promote Green Banking within the bank:

#### Electricity Consumption:

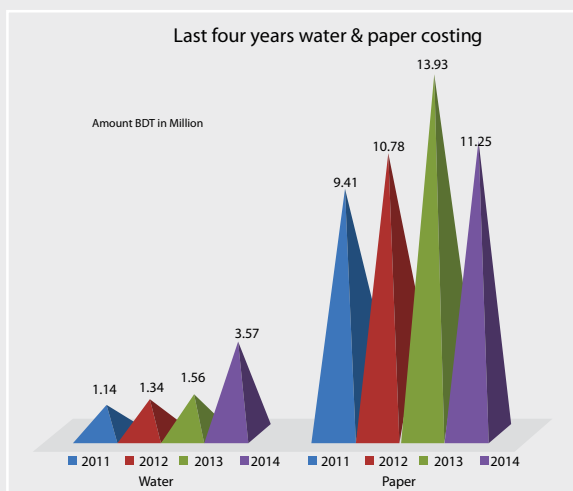
- Ensure economic use of electricity;
- Use energy saving lights in bank premises;
- Shutdown the computer properly and switch off the computer monitor before leaving office each day;
- Ensure that light, fans, air conditioner have been switched off before leaving office each day; and
- Use energy efficient electronic equipments;

#### Fuel Consumption:

- Ensure economic use of fuel;
- Incouraged to use energy efficient cars to reduce gas and petroleum consumption.

#### Paper Consumption:

- Where possible use online communication (e-mail, intra message etc.) instead of printed communication;
- Think twice before taking a print;
- Take print on the both side of paper to save paper consumption;
- Use scrap paper for taking draft print and as note pads;



#### Water Consumption:

Do not misuse drinking water; and

Ensure economic use of water in all other cases.

Avoid use of disposable cups/glasses to become more eco-friendly;

Environmental Risk Rating: Environmental Risk Rating of projects is being carried out to assess its impact on environment at large.

Trust Bank Ltd. offers discount rate of interest to the borrower who provides mortgage of land and buildings against greener financing. Trust Bank does not accept the land as mortgage that is prone to environmental impacts by virtue of its geographical location and polluted by the operation business

activities. Mortgage preference is given to the buildings those are designed and constructed with energy efficient items such as solar panels and improved insulation. Carbon Footprint Reduction: Trust Bank has taken the following measures to reduce the carbon footprint:

- (a) Paperless banking
- (b) Energy consciousness,
- (c) Establishment of green building for its own use etc.

# Report of the Audit Committee

In compliance with BRPD circular # 12 dated 23 December 2002 of Bangladesh Bank, Audit Committee of the Board of Directors was at first formed on 5 February 2003 in the 64<sup>th</sup> Board meeting. Major objectives of Audit Committee are:

The Audit Committee will assist the Board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plans set by the Board for effective functioning of the Bank. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.

## Composition of Audit Committee

As per Corporate Governance Guideline of BSEC, the Committee was reconstituted with the consistence of the following members of Board:

|                                             |                   |
|---------------------------------------------|-------------------|
| <b>Helal Uddin Ahmed</b>                    | Chairman          |
| <b>Brig Gen Kazi A S M Arif</b> , afwc, psc | Member            |
| <b>Ashrafuzzaman Khan</b>                   | Member            |
| <b>Khaled Mahbub Morshed</b> FCA            | Company Secretary |

In compliance with Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, Mr. Helal Uddin Ahmed, Independent Director of the Bank has been appointed as Chairman of the Committee. The Company Secretary also acts as the Secretary of the Audit Committee.

## Roles and Responsibilities of Audit Committee

The purpose, authority, duties and responsibilities of the Audit Committee are clearly mentioned in the Audit Committee Charter. To recognize the importance of oversight responsibilities of the Board enunciated in the aforementioned BRPD circular with special emphasis on ensuring compliance in the light of all applicable legislations, the prime responsibilities of the Audit Committee, among other things, are as follows:

### Internal Control

1. Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have understanding of their roles and responsibilities;
2. Review the arrangements made by the management for building a suitable Management Information System (MIS) including computerization system and its applications;
3. Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management;
4. Review the existing risk management procedures for ensuring an effective internal check and control system;
5. Review the corrective measures taken by the management as regards the reports relating to fraud-forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and inform the Board on a regular basis;
6. Review Management Letters/Letter of Internal Control weakness issued by statutory auditors
7. Monitor choice of accounting policies and principles, internal control risk management process, hiring of external auditors and its' performance;

8. When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus;
9. Review the Norms/Practices/Investigation on the current issue of trading of foreign currency;
10. Review activities of any division/department/unit of head office and recommend to the Board to set better layout/guideline for improvement;
11. Review CSR activities;
12. Review the financial statements, in particular the investments made by the subsidiary company.

### Financial Reporting

1. Review along with the management, the annual, half yearly and quarterly financial statements before submission to the Board for approval and determine whether they are complete and consistent with the accounting standards set by the regulatory authority;
2. Meet with management and the external auditors to review the financial statements before their finalization.

### Reporting to the Board of Directors

1. The Audit Committee shall report on its activities to the Board of Directors.
2. The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-
  - a) report on conflicts of interests;
  - b) suspected or presumed fraud or irregularity or material defect in the internal control system;
  - c) suspected infringement of laws, including securities related laws, rules and regulations;
  - d) Any other matter which shall be disclosed to the Board of Directors immediately.

### Reporting to the Authorities

If the Audit Committee has reported to the Board of Directors about material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.

### Reporting to the Shareholders and General Investors

Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition of Corporate Governance guideline, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.

### Internal Audit

1. Review the activities and organizational structure of the internal audit function and ensure that no unjustified restrictions or limitations is made ;
2. Review the efficiency and effectiveness of internal audit function ;
3. Review that findings and recommendations made by the internal auditors for removing the irregularities detected and also running the affairs of the Bank are duly considered by the management.

### External Audit

1. Review the auditing performance of the external auditors and their audit reports;
2. Review that findings and recommendations made by the external auditors for removing the irregularities detected and also running the affairs of the Bank are duly considered by the management.;



3. Make recommendations to the Board regarding the appointment of the external auditors.

### Compliance with existing laws and Regulations

Review whether the laws and regulations framed by the regulatory authorities (Bangladesh Bank, BSEC and other bodies) and internal regulations approved by the Board have been complied with.

### Other Responsibilities

1. Place compliance report before the Board on quarterly basis regarding regularization of the errors & omissions, fraud and forgeries and other irregularities as detected by the internal and external auditors and inspectors of regulatory authorities ;
2. Perform other oversight functions as requested by the Board and evaluate the committee's own performance on a regular basis.

### Meetings of the Committee

During the year 2014, 6 (Six) meetings of the committee were held. In these meetings Managing Director, Head of IC&C, Head of Credit Administration and Chief Financial Officer were invited to attend as and when the Committee required their presence. The Committee had another meeting in 2015 to deal in the Auditors' Report and financial statements of 2014, wherein external auditors of the Bank were present.

### Functioning of Audit Committee

The Board of Directors has an auditor under the designation 'Board Auditor', who assists the Audit Committee in discharging its oversight function. Board Auditor reviews the audit reports of internal and external auditors, inspection reports of regulatory authorities and submits his findings to Audit Committee. Besides, he also conducts audit of different branches and divisions/departments of head office and submits his report to the Committee.

### Activities

During the year under review, the Audit Committee focused on the following major issues:

1. Review and approval/concurrence of annual audit plan of the Board Auditor and also of IC&C;
2. Review of significant audit reports of different branches and divisions/departments of Head Office (both from Board Audit and IC&C) and compliance thereof by Management;
3. Review the status of classified loans of the Bank;
4. Review the external auditors' report and their Management Letter and compliance thereof by Management;
5. Review of Bank's Health report (prepared by IC&C) at quarterly rest;
6. Review the gradual expansion of financing the SME Sector including Green Banking;
7. Review the summary report on Internal Audits of different Branches & Divisions of Head Office.

### Review of Financial Statements of 2014

The Committee in its 51 (01/2015) meeting held on 02 March 2015 reviewed the annual financial statements for the year 2014 wherein representative of external auditors were present. The external auditors expressed their opinion before the Committee that they have observed much improvement in the quality of Bank's assets in their 1 year period. The representatives further opined that quality of Bank's financial reporting has also improved and assured the Audit Committee that the financial statements for the year 2014 prepared by Management represent a true and fair view of the state of affairs of the Bank. The Audit Committee, therefore, recommended those for approval by the Board of Directors.



**Helal Uddin Ahmed**

Chairman, Audit Committee

# শরীয়াহ সুপারভাইজরী কমিটি

## চেয়ারম্যান মহোদয়ের বাণী

বিসমিল্লাহির রাহমানির রাহিম।

সকল প্রশংসা আলাহ সুবহানাহু-ওয়া-তায়ালার জন্য যিনি এক ও অদ্বিতীয়, দয়াবান এবং ক্ষমাশীল।

ট্রাস্ট ইসলামিক ব্যাংকিং বিগত ২০১৪ সালে আমানত ও বিনিয়োগসহ ব্যবসায়িক ক্ষেত্রে প্রশংসনীয় প্রবৃদ্ধি অর্জন করায় এবং ইসলামিক ব্যাংকিং কার্যক্রম পরিচালনায় শরীয়াহ নীতিমালা বাস্তবায়নে ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষ ও ইসলামী ব্যাংকিং বিভাগের স্বচেষ্টতা ও আন্তরিকতায় শরীয়াহ সুপারভাইজরী কমিটির পক্ষ থেকে সবাইকে আন্তরিক অভিবাদন জানাচ্ছি। বিগত বৎসরে ব্যাংকের ইসলামিক ব্যাংকিং কার্যক্রম সমূহে শরীয়াহ সুপারভাইজরী কমিটি তাদের বিবেচনা প্রসূত সিদ্ধান্ত এবং দিকনির্দেশনা স্বাধীনভাবে প্রদান করেছে, সর্বোপরি ব্যাংকের ইসলামিক ব্যাংকিং কার্যক্রম পর্যালোচনায় সন্তোষ প্রকাশ করেছে। শরীয়াহ সুপারভাইজরী কমিটি ব্যাংকের পরিচালনা পর্ষদ এবং ব্যবস্থাপনা কর্তৃপক্ষকে ট্রাস্ট ইসলামিক ব্যাংকিং এর সার্বিক কার্যক্রম ও এর ব্যবসায়িক অগ্রগতির জন্য আন্তরিক মোবারকবাদ জ্ঞাপন করছে।

সম্মানিত শেয়ারহোল্ডারবৃন্দ, ট্রাস্ট ইসলামিক ব্যাংকিং এর সেবার মান, প্রবৃদ্ধি ও আপনাদের আস্থার জন্য মহান আল্লাহ তা'লার শুকরিয়া আদায় করছি। মহান আল্লাহ সুবহানাহু-ওয়া-তায়ালার আমাদের সকলকে শরীয়াহ নীতি পরিপালনে শক্তি দান করুন।

মা আসসালাম



মুফতী ড: মুহাম্মদ আবদুল্লাহ  
চেয়ারম্যান, শরীয়াহ সুপারভাইজরী কমিটি  
ট্রাস্ট ব্যাংক লিমিটেড

# শরীয়াহ সুপারভাইজরী কমিটির প্রতিবেদন

বিস্মিল্লাহির রাহমানির রাহিম।

সম্মানিত শেয়ারহোল্ডারবৃন্দ

আসসালামু আলাইকুম ওয়া রাহমাতুল্লাহ।

ট্রাস্ট ব্যাংকের ২০১৪ সালের ইসলামিক ব্যাংকিং এর সার্বিক কার্যক্রম ও এর ব্যবসায়িক উন্নতির জন্য আমি মহান আল্লাহ তা'লার শুকরিয়া আদায় করছি। শুরুতেই ট্রাস্ট ব্যাংক লি: এর ইসলামিক ব্যাংকিং কার্যক্রমে আপনাদের আস্থা সহ এর উন্নয়নের জন্য পরিচালনা পর্ষদ এবং ব্যবস্থাপনা কর্তৃপক্ষকে সর্বাত্মক সমর্থন, দিকনির্দেশনা ও উদ্যোগের জন্য আমরা আন্তরিক মোবারকবাদ জ্ঞাপন করছি।

## শরীয়াহ পরিপালন

ট্রাস্ট ইসলামিক ব্যাংকিং এর সকল পণ্য এবং সেবাসমূহ শরীয়াহ নীতিমালার আলোকে শরীয়াহ সুপারভাইজরী কমিটি কর্তৃক অনুমোদন সাপেক্ষে চালু করা হয়েছে। ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক উত্থাপিত ইসলামিক ব্যাংকিং কার্যক্রম সমূহে শরীয়াহ সুপারভাইজরী কমিটি তাদের বিবেচনা প্রসূত সিদ্ধান্ত এবং দিকনির্দেশনা স্বাধীনভাবে প্রদান করেছে এবং ব্যাংকের ইসলামিক ব্যাংকিং কার্যক্রম পর্যালোচনা করেছে।

ট্রাস্ট ব্যাংক লি: এর ইসলামিক ব্যাংকিং কার্যক্রমের লাভ-ক্ষতির হিসাব পৃথকভাবে করা হয় এবং তহবিল পরিচালনায় ব্যাংকের প্রচলিত (Conventional) অংশের সাথে এর কোন সম্পর্ক নেই। আলোচ্য বছর আমরা চার (০৪) টি শরীয়াহ সুপারভাইজরী কমিটি মিটিং করেছি যা ইসলামী ব্যাংকিং পরিচালনায় শরীয়াহ পরিপালনে যথাপোযুক্ত ও কার্যকরী ভূমিকা রেখেছে।

## শরীয়াহ অডিট

ট্রাস্ট ইসলামিক ব্যাংকিং কার্যক্রমে শরীয়াহ পরিপালন নিশ্চিতকল্পে ব্যাংকের ৫টি শাখায় (উইন্ডো) শরীয়াহ অডিট পরিচালনা করা হয়েছে। ব্যাংক কর্তৃক মনোনীত "মুরাকীব" (Auditor) এ সকল অডিট পরিচালনা করেছেন এবং ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষ ও শরীয়াহ সুপারভাইজরী কমিটিতে তার প্রতিবেদন উপস্থাপন করেছেন। শরীয়াহ অনিয়ম গুলির বিষয়ে কেন্দ্রীয় শরীয়াহ কাউন্সিল প্রদত্ত নীতিমালা ও ট্রাস্ট ব্যাংক শরীয়াহ সুপারভাইজরী কমিটি অনুমোদিত নীতিমালার আলোকে প্রণীত শরীয়াহ গাইড লাইনের ভিত্তিতেই শরীয়াহ অডিট পরিচালনা করা হয়েছে। যার ফলে শরীয়াহ নীতিমালার পরিপালন আরও আস্থা ও গতিশীলতা অর্জন করেছে।

## ধন্যবাদ জ্ঞাপন ও কৃতজ্ঞতা প্রকাশ

সম্মানিত শেয়ারহোল্ডারবৃন্দ, আমরা ট্রাস্ট ইসলামিক ব্যাংকিং ২০১৪ সালে আমানত ও বিনিয়োগসহ ব্যবসায়িক প্রবৃদ্ধি অর্জন করায় এবং ইসলামিক ব্যাংকিং কার্যক্রম পরিচালনায় শরীয়াহ নীতিমালা বাস্তবায়নে স্বচ্ছতা ও আন্তরিকতার জন্য ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষ ও ইসলামী ব্যাংকিং বিভাগকে আন্তরিক মোবারকবাদ জ্ঞাপন করছি এবং একই সাথে আপনাদের সকল উদ্যোগ ও সহযোগিতার জন্য ধন্যবাদ ও কৃতজ্ঞতা জ্ঞাপন করছি। মহান আল্লাহ সুবহানাহু-ওয়া-তায়ালা আমাদের সকলকে শরীয়াহ নীতি পরিপালনে শক্তি দান করুন এবং তাঁর রহমতের ছায়াতলে আশ্রয় দান করুন।

মা আসসালাম



মুফতী ড: মুহাম্মদ আবদুল্লাহ


চেয়ারম্যান, শরীয়াহ সুপারভাইজরী কমিটি

ট্রাস্ট ব্যাংক লিমিটেড

## Positive Indicators in 2014


| Particulars                          | Consolidated    | Growth in % |
|--------------------------------------|-----------------|-------------|
| Loans And Advances                   | 111,412,530,693 | 32.95%      |
| Investments                          | 20,326,729,391  | 6.65%       |
| Total Assets                         | 147,893,405,896 | 25.01%      |
| Deposits                             | 125,163,189,464 | 22.08%      |
| Total Capital                        | 13419255702     | 24.27%      |
| Paid-Up Capital                      | 4,262,061,660   | 12.00%      |
| Core Capital (Tier-I)                | 8461247775      | 18.12%      |
| Total Shareholders' Equity           | 8,461,982,760   | 17.52%      |
| Statutory Reserve                    | 2,709,042,761   | 24.89%      |
| Total Interest /Profit on Investment | 12,555,121,182  | 23.01%      |
| Net Asset Value (NVA)                | 8,461,982,760   | 17.52%      |
| Total Operating Income               | 6277826353      | 50.39%      |
| Total Profit before Tax              | 2772599813      | 138.24%     |
| Earnings per Share (EPS)             | 3.05            | 303.17%     |
| Credit Deposit Ratio                 | 89.01%          | 8.90%       |
| NPL Ratio                            | 2.45%           | 21.49%      |
| Return of Investment (ROI)           | 9.67%           |             |





Independent Auditor's Report  
To The Shareholders  
Of

Trust Bank Limited





# Independent Auditors' Report

## to the Shareholders of Trust Bank Limited

We have audited the accompanying consolidated financial statements of Trust Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of Trust Bank Limited (the "Bank"), which comprise the consolidated balance sheet and the separate balance sheet as at 31 December 2014, and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements and Internal Controls*

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also the separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Companies Act, 1991 as amended and the Bangladesh Bank regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and the separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also the separate financial statements of the Bank.

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

### *Opinion*

In our opinion, the consolidated financial statements of the Group and also the separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2014, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.

### *Report on Other Legal and Regulatory Requirements*

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Companies Act, 1991 as amended and the rules and regulations issued by Bangladesh Bank, we also report the following:

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

- (b) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
- i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 2.22.4 appeared to be adequate with immaterial control deficiencies as identified in management report.
  - ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities .
- (c) financial statements of subsidiary companies of the Bank namely Trust Bank Investment Limited and Trust Bank Securities Limited have been audited by A. Qasem & Co., Chartered Accountants and Hussain Farhad & Co. respectively as on 31 December 2014. These accounts have been properly reflected in the consolidated financial statements;
- (d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (f) the expenditure incurred was for the purposes of the Bank's business;
- (g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and Bangladesh Financial Reporting Standards as explained in note 2 as well as with related guidance, circulars issued by Bangladesh Bank and also the decision taken in tripartite meeting amongst Inspection Team of Bangladesh Bank, External Auditors and the Management, Trust Bank Limited held on February 25, 2015.
- (h) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- (i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (j) the information and explanation required by us have been received and found satisfactory; and
- (k) we have reviewed over 80% of the risk weighted assets covering 10 out of the 99 branches of the Bank and we have spent around 3,840 person hours for the audit of the books and accounts of the Bank.

**Date: 03 March 2015**

**Place: Dhaka**



**Syful Shamsul Alam & Co.**

Chartered Accountants

**TRUST BANK LIMITED**  
and its subsidiaries  
**Consolidated Balance Sheet**  
As at 31 December 2014

|                                                                                      | Notes  | 31.12.2014<br>Taka     | 31.12.2013<br>Taka     |
|--------------------------------------------------------------------------------------|--------|------------------------|------------------------|
| <b>PROPERTY AND ASSETS</b>                                                           |        |                        |                        |
| <b>Cash</b>                                                                          | 3      |                        |                        |
| Cash in hand (including foreign currencies)                                          |        | 2,762,710,234          | 2,437,947,691          |
| Balance with Bangladesh Bank and its agent bank(s)<br>(including foreign currencies) |        | 7,991,254,036          | 7,114,882,019          |
|                                                                                      |        | 10,753,964,270         | 9,552,829,710          |
| <b>Balance with other banks and financial institutions</b>                           | 4 (a)  |                        |                        |
| In Bangladesh                                                                        |        | 1,516,679,276          | 2,297,984,760          |
| Outside Bangladesh                                                                   |        | 839,161,699            | 1,271,572,444          |
|                                                                                      |        | 2,355,840,975          | 3,569,557,204          |
| <b>Money at call and short notice</b>                                                | 5      | -                      | 250,000,000            |
| <b>Investments</b>                                                                   | 6 (a)  |                        |                        |
| Government                                                                           |        | 18,336,141,874         | 17,179,471,760         |
| Others                                                                               |        | 1,990,587,517          | 1,880,672,683          |
|                                                                                      |        | 20,326,729,391         | 19,060,144,443         |
| <b>Loans and Advances/Islami Banking Investments</b>                                 | 7 (a)  |                        |                        |
| Loans, Cash Credit, Overdrafts etc./ Investment                                      |        | 106,798,730,599        | 82,337,313,951         |
| Bills purchased and discounted                                                       |        | 4,613,800,094          | 1,461,099,297          |
|                                                                                      |        | 111,412,530,693        | 83,798,413,248         |
| <b>Fixed assets including premises, furniture and fixtures</b>                       | 8 (a)  | 617,110,896            | 498,214,234            |
| <b>Other assets</b>                                                                  | 9 (a)  | 2,427,229,671          | 1,579,339,428          |
| <b>Non-banking assets</b>                                                            |        | -                      | -                      |
| <b>Total Assets</b>                                                                  |        | <b>147,893,405,896</b> | <b>118,308,498,267</b> |
| <b>LIABILITIES AND CAPITAL</b>                                                       |        |                        |                        |
| <b>Liabilities</b>                                                                   |        |                        |                        |
| Borrowings from other banks, financial institutions and agents                       | 10 (a) | 6,891,749,294          | 3,669,284,921          |
| Deposits and other accounts                                                          | 11 (a) |                        |                        |
| Current / Al-wadeeah Current Accounts and other Accounts                             |        | 17,780,338,054         | 13,603,953,133         |
| Bills Payable                                                                        |        | 1,036,516,066          | 1,082,668,864          |
| Savings Bank / Mudaraba Savings Deposits                                             |        | 11,743,061,753         | 8,880,854,696          |
| Fixed Deposits / Mudaraba Term Deposits                                              |        | 94,603,273,591         | 78,956,397,391         |
| Bearer Certificates of Deposit                                                       |        | -                      | -                      |
| Other Deposits                                                                       |        | -                      | -                      |
|                                                                                      |        | 125,163,189,464        | 102,523,874,084        |
| <b>Other liabilities</b>                                                             | 12 (a) | 7,376,484,378          | 4,915,136,514          |
| <b>Total Liabilities</b>                                                             |        | <b>139,431,423,136</b> | <b>111,108,295,519</b> |
| <b>Capital/Shareholders' Equity</b>                                                  |        |                        |                        |
| Paid up Capital                                                                      | 13.2   | 4,262,061,660          | 3,805,412,200          |
| Minority Interest                                                                    | 13 (a) | 789                    | 789                    |
| Foreign Currency Transaction Reserve                                                 |        | 187,663                | -                      |
| Share Premium Account                                                                |        | 75,576,040             | 532,225,500            |
| Statutory Reserve                                                                    | 14     | 2,709,042,761          | 2,169,218,210          |
| Other Reserve                                                                        | 15     | 547,322                | 37,023,453             |
| Retained Earnings                                                                    | 16 (a) | 1,414,566,525          | 656,322,596            |
| <b>Total Shareholders' Equity</b>                                                    |        | <b>8,461,982,760</b>   | <b>7,200,202,748</b>   |
| <b>Total Liabilities and Shareholders' Equity</b>                                    |        | <b>147,893,405,896</b> | <b>118,308,498,267</b> |

|                                                                       | Notes | 31.12.2014<br>Taka    | 31.12.2013<br>Taka    |
|-----------------------------------------------------------------------|-------|-----------------------|-----------------------|
| <b>OFF-BALANCE SHEET ITEMS</b>                                        |       |                       |                       |
| <b>Contingent Liabilities</b>                                         | 17    |                       |                       |
|                                                                       |       | <b>47,597,345,303</b> | <b>31,672,787,874</b> |
| Acceptances and endorsements                                          |       | 14,109,389,575        | 8,657,249,978         |
| Letter of Guarantees                                                  |       | 7,781,974,598         | 7,935,554,690         |
| Irrevocable Letter of Credits                                         |       | 22,064,771,620        | 12,234,899,460        |
| Bills for collection                                                  |       | 3,641,209,510         | 2,845,083,746         |
| <b>Other Contingent Liabilities</b>                                   |       |                       |                       |
| Value of travelers' cheques in hand                                   |       | -                     | -                     |
| Total:                                                                |       | <b>47,597,345,303</b> | <b>31,672,787,874</b> |
| <b>Other commitments</b>                                              |       |                       |                       |
| Documentary Credit and short term trade -related transactions         |       | -                     | -                     |
| Forward assets purchased and forward deposits placed                  |       | -                     | -                     |
| Undrawn note issuance and revolving facilities                        |       | -                     | -                     |
| Undrawn formal standby facilities, credit lines and other commitments |       | -                     | -                     |
| <b>Total Off-Balance Sheet items including contingent liabilities</b> |       | <b>47,597,345,303</b> | <b>31,672,787,874</b> |

The annexed notes 1-45 form an integral part of the Financial Statements.



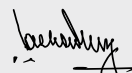
Vice Chairman



Director



Director



Managing Director

Signed as per annexed report of same date

Dated: Dhaka  
03 March, 2015



Syful Shamsul Alam & Co.  
Chartered Accountants

**TRUST BANK LIMITED**  
and its subsidiaries  
**Consolidated Profit and Loss Account**  
As at 31 December 2014

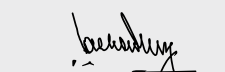
|                                                        | Notes    | 2014<br>Taka         | 2013<br>Taka         |
|--------------------------------------------------------|----------|----------------------|----------------------|
| Interest income / Profit on Investment                 | 19 (a)   | 12,555,121,182       | 10,206,650,839       |
| Interest / Profit paid on deposits and borrowings etc. | 20 (a)   | 9,675,600,613        | 8,767,472,123        |
| <b>Net interest income</b>                             |          | <b>2,879,520,569</b> | <b>1,439,178,716</b> |
| Income from investments                                | 21(a)    | 1,890,210,128        | 1,586,562,050        |
| Commission, exchange and brokerage                     | 22 (a)   | 993,176,813          | 723,926,881          |
| Other operating income                                 | 23 (a)   | 514,918,843          | 424,705,686          |
|                                                        |          | 3,398,305,784        | 2,735,194,617        |
| <b>Total operating income</b>                          |          | <b>6,277,826,353</b> | <b>4,174,373,333</b> |
| Salaries and allowances                                | 24 (a)   | 1,437,045,406        | 1,165,592,962        |
| Rent, taxes, insurance, electricity, etc.              | 25 (a)   | 376,488,292          | 293,007,330          |
| Legal expenses                                         |          | 1,001,125            | 652,180              |
| Postage, stamps, telecommunications, etc.              | 26 (a)   | 113,395,925          | 92,311,461           |
| Stationery, printing, advertisement etc.               | 27 (a)   | 79,451,850           | 78,203,116           |
| Managing Director's salary and benefits                |          | 10,230,000           | 10,286,159           |
| Directors' fees                                        | 28 (a)   | 1,744,600            | 1,586,100            |
| Auditors' fee                                          |          | 517,500              | 653,250              |
| Charges on loan losses                                 |          | -                    | -                    |
| Depreciation and repair of bank's assets               | 29 (a)   | 198,985,863          | 144,597,399          |
| Other expenses                                         | 30 (a)   | 573,765,047          | 450,923,388          |
| <b>Total operating expenses</b>                        |          | <b>2,792,625,608</b> | <b>2,237,813,345</b> |
| <b>Profit before provision</b>                         |          | <b>3,485,200,745</b> | <b>1,936,559,988</b> |
| Provision for loans & advances / Investments           | 31 (a)   | 561,394,516          | 604,277,620          |
| Provision for Diminution in value of Investment        | 32(a)    | (6,413,792)          | 66,783,479           |
| Other provision                                        | 33       | 157,620,208          | 101,723,911          |
|                                                        |          | 712,600,932          | 772,785,010          |
| <b>Total Profit before Taxes</b>                       |          | <b>2,772,599,813</b> | <b>1,163,774,978</b> |
| Provision for Taxation                                 |          |                      |                      |
| Current tax                                            | 12.5 (a) | 1,495,174,004        | 850,114,718          |
| Deferred tax                                           |          | (20,642,671)         | (8,633,364)          |
|                                                        |          | 1,474,531,333        | 841,481,354          |
| <b>Net Profit after Taxation</b>                       |          | <b>1,298,068,480</b> | <b>322,293,624</b>   |
| <b>Appropriations</b>                                  |          |                      |                      |
| Statutory Reserve                                      | 14.1     | 539,824,551          | 203,210,113          |
| General reserve                                        |          | -                    | -                    |
|                                                        |          | 539,824,551          | 203,210,113          |
| <b>Retained surplus</b>                                |          | <b>758,243,929</b>   | <b>119,083,511</b>   |
| Earning per share (EPS)                                | 35 (a)   | 3.06                 | 0.76                 |

The annexed notes 1-45 form an integral part of the Financial Statements.

  
Vice Chairman


  
Director

  
Director

  
Managing Director

Signed as per annexed report of same date

Dated: Dhaka  
03 March, 2015

  
Syful Shamsul Alam & Co.  
Chartered Accountants



**TRUST BANK LIMITED**  
and its subsidiaries  
**Consolidated Statements of Cash Flow**  
As at 31 December 2014

|                                                                            | Notes  | 31.12.2014<br>Taka     | 31.12.2013<br>Taka     |
|----------------------------------------------------------------------------|--------|------------------------|------------------------|
| <b>A. Cash flow from operating activities</b>                              |        |                        |                        |
| Interest received in cash                                                  |        | 12,584,490,339         | 10,529,340,872         |
| Interest payments                                                          |        | (9,278,427,084)        | (8,677,622,077)        |
| Dividend receipts                                                          |        | 44,739,603             | 26,678,268             |
| Fees and commission receipts in cash                                       |        | 970,171,150            | 757,324,083            |
| Recoveries of loans previously written off                                 |        | -                      | -                      |
| Cash paid to employees                                                     |        | (1,395,810,074)        | (1,105,023,966)        |
| Cash paid to suppliers                                                     |        | (51,148,724)           | (49,464,246)           |
| Income Taxes paid                                                          |        | (1,050,946,638)        | (867,900,242)          |
| Received from other operating activities (item-wise)                       | 36 (a) | 2,302,934,153          | 2,105,815,201          |
| Payments for other operating activities (item-wise)                        | 37 (a) | (1,202,847,544)        | (964,752,510)          |
| <b>Operating profit before changes in operating Assets and Liabilities</b> |        | <b>2,923,155,181</b>   | <b>1,754,395,383</b>   |
| <b>Increase/(Decrease) in operating assets &amp; liabilities</b>           |        |                        |                        |
| Statutory Deposits                                                         |        | -                      | -                      |
| Net Investment in trading securities                                       |        | (109,914,834)          | (45,082,639)           |
| Loan & advance to other banks                                              |        | -                      | -                      |
| Loan & advance to customers                                                |        | (27,050,123,355)       | (24,728,092,558)       |
| Other assets (item-wise)                                                   | 38 (a) | (654,240,254)          | 655,511,997            |
| Deposits from other banks                                                  |        | 214,911,449            | (69,539,853)           |
| Deposits from customers                                                    |        | 22,104,235,300         | 19,439,037,191         |
| Other liabilities account of customers                                     |        | -                      | -                      |
| Trading liabilities                                                        |        | -                      | -                      |
| Other liabilities (item-wise)                                              | 39 (a) | 899,851,698            | (16,426,849)           |
| <b>Net cash from operating activities (A)</b>                              |        | <b>(1,672,124,815)</b> | <b>(3,010,197,328)</b> |
| <b>B. Cash flow from investing activities</b>                              |        |                        |                        |
| Proceeds from sale of securities                                           |        | -                      | -                      |
| Payments for purchase of government securities                             |        | (1,841,809,545)        | (4,983,021,598)        |
| Purchase of property, plant & equipment                                    |        | (261,721,979)          | (149,049,241)          |
| Purchase of intangible assets                                              |        | (2,873,132)            | (3,269,075)            |
| Sale of property, plant & equipment                                        |        | 3,579,013              | 4,660,943              |
| <b>Net cash from investing activities (B)</b>                              |        | <b>(2,102,825,643)</b> | <b>(5,130,678,971)</b> |
| <b>C. Cash flow from financing activities</b>                              |        |                        |                        |
| Increase/(Decrease) in Borrowing:                                          |        |                        |                        |
| Call loan                                                                  |        | -                      | -                      |
| Re-Purchase agreement (REPO)                                               |        | -                      | -                      |
| Other borrowings                                                           |        | 2,859,396,084          | 329,476,013            |
| Share Capital A/c                                                          |        | -                      | 10                     |
| Share Premium A/c                                                          |        | -                      | -                      |
| Dividend paid in cash                                                      |        | -                      | -                      |
| <b>Net cash from financing activities (C)</b>                              |        | <b>2,859,396,084</b>   | <b>329,476,023</b>     |
| <b>D. Net increase in Cash and Cash Equivalent (A+B+C)</b>                 |        | <b>(915,554,374)</b>   | <b>(7,811,400,276)</b> |
| <b>E. Effects of exchange rate changes on cash and cash equivalents</b>    |        | <b>4,309,405</b>       | <b>(37,116,924)</b>    |
| <b>F. Opening Cash and Cash Equivalent</b>                                 |        | <b>14,025,219,614</b>  | <b>21,873,736,814</b>  |
| <b>G. Cash and cash equivalents at end of year (D+E+F)</b>                 |        | <b>13,113,974,645</b>  | <b>14,025,219,614</b>  |

**TRUST BANK LIMITED**  
and its subsidiaries  
**Consolidated Statement of changes in Equity**  
As at 31 December 2014

| Particulars                                                | Paid up Capital      | Share Premium Account | Minority Interest | Foreign Currency Translation Reserve | Statutory Reserve    | Other Reserve     | Retained Earnings    | Total                |
|------------------------------------------------------------|----------------------|-----------------------|-------------------|--------------------------------------|----------------------|-------------------|----------------------|----------------------|
|                                                            | Taka                 | Taka                  | Taka              | Taka                                 | Taka                 | Taka              | Taka                 | Taka                 |
| <b>Balance as at 01 January 2014</b>                       | 3,805,412,200        | 532,225,500           | 789               | -                                    | 2,169,218,210        | 37,023,453        | 656,322,596          | 7,200,202,748        |
| Changes in accounting policy                               | -                    | -                     | -                 | -                                    | -                    | -                 | -                    | -                    |
| <b>Restated Balance</b>                                    | <b>3,805,412,200</b> | <b>532,225,500</b>    | <b>789</b>        | <b>-</b>                             | <b>2,169,218,210</b> | <b>37,023,453</b> | <b>656,322,596</b>   | <b>7,200,202,748</b> |
| Surplus/Deficit on revaluation of properties               | -                    | -                     | -                 | -                                    | -                    | -                 | -                    | -                    |
| Surplus/Deficit on revaluation of investment               | -                    | -                     | -                 | -                                    | -                    | (36,476,131)      | -                    | (36,476,131)         |
| Currency transaction difference                            | -                    | -                     | -                 | 187,663                              | -                    | -                 | -                    | 187,663              |
| Net gain and losses not recognized in the income statement | -                    | -                     | -                 | -                                    | -                    | -                 | -                    | -                    |
| Net profit/(loss) for the year after tax                   | -                    | -                     | -                 | -                                    | -                    | -                 | 1,298,068,480        | 1,298,068,480        |
| Statutory reserve                                          | -                    | -                     | -                 | -                                    | 539,824,551          | -                 | (539,824,551)        | -                    |
| Dividends (Bonus Share)                                    | 456,649,460          | (456,649,460)         | -                 | -                                    | -                    | -                 | -                    | -                    |
| Dividends (Cash)                                           | -                    | -                     | -                 | -                                    | -                    | -                 | -                    | -                    |
| Issue of Share Capital                                     | -                    | -                     | -                 | -                                    | -                    | -                 | -                    | -                    |
| <b>Balance as at 31 December 2014</b>                      | <b>4,262,061,660</b> | <b>75,576,040</b>     | <b>789</b>        | <b>187,663</b>                       | <b>2,709,042,761</b> | <b>547,322</b>    | <b>1,414,566,525</b> | <b>8,461,982,760</b> |
| <b>Balance as at 01 January 2013</b>                       | 3,459,465,640        | 532,225,500           | 779               | -                                    | 1,966,008,097        | 8,567,858         | 883,514,075          | 6,849,781,949        |
| Changes in accounting policy                               | -                    | -                     | -                 | -                                    | -                    | -                 | -                    | -                    |
| <b>Restated Balance</b>                                    | <b>3,459,465,640</b> | <b>532,225,500</b>    | <b>779</b>        | <b>-</b>                             | <b>1,966,008,097</b> | <b>8,567,858</b>  | <b>883,514,075</b>   | <b>6,849,781,949</b> |
| Surplus/Deficit on revaluation of properties               | -                    | -                     | -                 | -                                    | -                    | -                 | -                    | -                    |
| Surplus/Deficit on revaluation of investment               | -                    | -                     | -                 | -                                    | -                    | 28,455,595        | -                    | 28,455,595           |
| Currency transaction difference                            | -                    | -                     | -                 | -                                    | -                    | -                 | -                    | -                    |
| Net gain and losses not recognized in the income statement | -                    | -                     | -                 | -                                    | -                    | -                 | -                    | -                    |
| Net profit/(loss) for the year after tax                   | -                    | -                     | -                 | -                                    | -                    | -                 | 321,965,194          | 321,965,194          |
| Statutory reserve                                          | -                    | -                     | -                 | -                                    | 203,210,113          | -                 | (203,210,113)        | -                    |
| Dividends (Bonus Share)                                    | 345,946,560          | -                     | -                 | -                                    | -                    | -                 | (345,946,560)        | -                    |
| Dividends (Cash)                                           | -                    | -                     | -                 | -                                    | -                    | -                 | -                    | -                    |
| Issue of Share Capital                                     | -                    | -                     | 10                | -                                    | -                    | -                 | -                    | 10                   |
| <b>Balance as at 31 December 2013</b>                      | <b>3,805,412,200</b> | <b>532,225,500</b>    | <b>789</b>        | <b>-</b>                             | <b>2,169,218,210</b> | <b>37,023,453</b> | <b>656,322,596</b>   | <b>7,200,202,748</b> |

**TRUST BANK LIMITED**  
**Balance Sheet**  
As at 31 December 2014

|                                                                                      | Notes | 31.12.2014<br>Taka     | 31.12.2013<br>Taka     |
|--------------------------------------------------------------------------------------|-------|------------------------|------------------------|
| <b>PROPERTY AND ASSETS</b>                                                           |       |                        |                        |
| <b>Cash</b>                                                                          | 3     |                        |                        |
| Cash in hand (including foreign currencies)                                          |       | 2,762,710,234          | 2,437,947,691          |
| Balance with Bangladesh Bank and its agent bank(s)<br>(including foreign currencies) |       | 7,991,254,036          | 7,114,882,019          |
|                                                                                      |       | 10,753,964,270         | 9,552,829,710          |
| <b>Balance with other banks and financial institutions</b>                           | 4     |                        |                        |
| In Bangladesh                                                                        |       | 1,484,572,665          | 2,296,044,905          |
| Outside Bangladesh                                                                   |       | 839,161,699            | 1,271,572,444          |
|                                                                                      |       | 2,323,734,364          | 3,567,617,349          |
| <b>Money at call and short notice</b>                                                | 5     | -                      | 250,000,000            |
| <b>Investments</b>                                                                   | 6     |                        |                        |
| Government                                                                           |       | 18,336,141,874         | 17,179,471,760         |
| Others                                                                               |       | 1,016,077,687          | 1,844,021,486          |
|                                                                                      |       | 19,352,219,561         | 19,023,493,246         |
| <b>Loans and Advances/Islami Banking Investments</b>                                 | 7     |                        |                        |
| Loans, Cash Credit, Overdrafts etc./ Investment                                      |       | 102,272,282,607        | 77,631,514,303         |
| Bills purchased and discounted                                                       |       | 4,613,800,094          | 1,648,063,304          |
|                                                                                      |       | 106,886,082,701        | 79,279,577,607         |
| <b>Fixed assets including premises, furniture and fixtures</b>                       | 8     | 603,640,075            | 483,785,223            |
| <b>Other assets</b>                                                                  | 9     | 5,426,477,422          | 4,582,270,713          |
| <b>Non-banking assets</b>                                                            |       | -                      | -                      |
| <b>Total Assets</b>                                                                  |       | <b>145,346,118,393</b> | <b>116,739,573,848</b> |
| <b>LIABILITIES AND CAPITAL</b>                                                       |       |                        |                        |
| <b>Liabilities</b>                                                                   |       |                        |                        |
| Borrowings from other banks, financial institutions and<br>agents                    | 10    | 6,885,709,829          | 3,664,026,268          |
| <b>Deposits and other accounts</b>                                                   | 11    |                        |                        |
| Current / Al-wadeeah Current Accounts and other<br>Accounts                          |       | 17,676,280,741         | 13,547,752,319         |
| Bills Payable                                                                        |       | 1,036,516,066          | 1,082,668,864          |
| Savings Bank / Mudaraba Savings Deposits                                             |       | 11,743,061,753         | 8,880,854,696          |
| Fixed Deposits / Mudaraba Term Deposits                                              |       | 94,603,273,591         | 78,956,397,391         |
| Bearer Certificates of Deposit                                                       |       | -                      | -                      |
| Other Deposits                                                                       |       | -                      | -                      |
|                                                                                      |       | 125,059,132,151        | 102,467,673,270        |
| <b>Other liabilities</b>                                                             | 12    | 5,272,586,223          | 3,742,093,197          |
| <b>Total Liabilities</b>                                                             |       | <b>137,217,428,203</b> | <b>109,873,792,735</b> |
| <b>Capital/Shareholders' Equity</b>                                                  |       |                        |                        |
| Paid up Capital                                                                      | 13.2  | 4,262,061,660          | 3,805,412,200          |
| Share Premium Account                                                                |       | 75,576,040             | 532,225,500            |
| Foreign Currency Translation Reserve                                                 |       | 187,663                | -                      |
| Statutory Reserve                                                                    | 14    | 2,709,042,761          | 2,169,218,210          |
| Other Reserve                                                                        | 15    | 547,322                | 37,023,453             |
| Retained Earnings                                                                    | 16    | 1,081,274,744          | 321,901,750            |
| <b>Total Shareholders' Equity</b>                                                    |       | <b>8,128,690,190</b>   | <b>6,865,781,113</b>   |
| <b>Total Liabilities and Shareholders' Equity</b>                                    |       | <b>145,346,118,393</b> | <b>116,739,573,848</b> |

|                                                                       | Notes | 31.12.2014<br>Taka    | 31.12.2013<br>Taka    |
|-----------------------------------------------------------------------|-------|-----------------------|-----------------------|
| <b>OFF-BALANCE SHEET ITEMS</b>                                        |       |                       |                       |
| <b>Contingent Liabilities</b>                                         | 17    |                       |                       |
| Acceptances and endorsements                                          |       | 14,109,389,575        | 8,657,249,978         |
| Letter of Guarantees                                                  |       | 7,781,974,598         | 7,935,554,690         |
| Irrevocable Letter of Credits                                         |       | 22,064,771,620        | 12,234,899,460        |
| Bills for collection                                                  |       | 3,641,209,510         | 2,845,083,746         |
|                                                                       |       | <b>47,597,345,303</b> | <b>31,672,787,874</b> |
| <b>Other Contingent Liabilities</b>                                   |       |                       |                       |
| Value of travelers' cheques in hand                                   |       | -                     | -                     |
| <b>Total:</b>                                                         |       | <b>47,597,345,303</b> | <b>31,672,787,874</b> |
| <b>Other commitments</b>                                              |       |                       |                       |
| Documentary Credit and short term trade -related transactions         |       | -                     | -                     |
| Forward assets purchased and forward deposits placed                  |       | -                     | -                     |
| Undrawn note issuance and revolving facilities                        |       | -                     | -                     |
| Undrawn formal standby facilities, credit lines and other commitments |       | -                     | -                     |
|                                                                       |       | -                     | -                     |
| <b>Total Off-Balance Sheet items including contingent liabilities</b> |       | <b>47,597,345,303</b> | <b>31,672,787,874</b> |

The annexed notes 1-45 form an integral part of the Financial Statements.



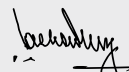
Vice Chairman



Director




Director



Managing Director

Signed as per annexed report of same date

Dated: Dhaka  
03 March, 2015

  
**Syful Shamsul Alam & Co.**  
**Chartered Accountants**

**TRUST BANK LIMITED**  
**Profit and Loss Account**  
For the year ended 31 December 2014

|                                                        | Notes  | 31.12.2014<br>Taka   | 31.12.2013<br>Taka   |
|--------------------------------------------------------|--------|----------------------|----------------------|
| Interest income / Profit on Investment                 | 19     | 12,435,701,898       | 9,863,277,066        |
| Interest / Profit paid on deposits and borrowings etc. | 20     | 9,673,233,639        | 8,752,142,555        |
| Net interest income                                    |        | <b>2,762,468,259</b> | <b>1,111,134,511</b> |
| Income from investments                                | 21     | 1,840,632,093        | 1,580,528,080        |
| Commission, exchange and brokerage                     | 22     | 981,180,763          | 723,006,672          |
| Other operating income                                 | 23     | 393,955,321          | 310,646,629          |
|                                                        |        | 3,215,768,177        | 2,614,181,381        |
| Total operating income                                 |        | <b>5,978,236,436</b> | <b>3,725,315,892</b> |
| Salaries and allowances                                | 24     | 1,397,718,418        | 1,132,518,634        |
| Rent, taxes, insurance, electricity, etc.              | 25     | 366,257,818          | 283,052,846          |
| Legal expenses                                         |        | 828,625              | 652,180              |
| Postage, stamps, telecommunications, etc.              | 26     | 111,195,498          | 90,280,954           |
| Stationery, printing, advertisement etc.               | 27     | 78,871,158           | 77,431,168           |
| Managing Director's salary and benefits                |        | 10,230,000           | 10,286,159           |
| Directors' fees                                        | 28     | 1,642,600            | 1,403,100            |
| Auditors' fee                                          |        | 287,500              | 287,500              |
| Charges on loan losses                                 |        | -                    | -                    |
| Depreciation and repair of bank's assets               | 29     | 194,751,593          | 140,560,989          |
| Other expenses                                         | 30     | 558,774,595          | 440,132,229          |
| Total operating expenses                               |        | <b>2,720,557,805</b> | <b>2,176,605,759</b> |
| Profit before provision                                |        | <b>3,257,678,631</b> | <b>1,548,710,133</b> |
| Provision for loans & advances / Investments           | 31     | 449,594,000          | 358,006,000          |
| Provision for Diminution in value of Investment        | 32     | (48,658,333)         | 72,929,656           |
| Other provision                                        | 33     | 157,620,208          | 101,723,911          |
|                                                        |        | 558,555,875          | 532,659,567          |
| Total Profit before Taxes                              |        | <b>2,699,122,756</b> | <b>1,016,050,566</b> |
| Provision for Taxation                                 |        |                      |                      |
| Current tax                                            | 12.5.1 | 1,420,000,000        | 700,000,000          |
| Deferred tax                                           |        | (20,074,789)         | (8,384,000)          |
|                                                        |        | 1,399,925,211        | 691,616,000          |
| Net Profit after Taxation                              |        | <b>1,299,197,545</b> | <b>324,434,566</b>   |
| Appropriations                                         |        |                      |                      |
| Statutory Reserve                                      | 14.1   | 539,824,551          | 203,210,113          |
| General reserve                                        |        | -                    | -                    |
|                                                        |        | <b>539,824,551</b>   | <b>203,210,113</b>   |
| Retained surplus                                       |        | <b>759,372,994</b>   | <b>121,224,453</b>   |
| Earning per share (EPS)                                | 35     | 3.05                 | 0.76                 |

The annexed notes 1-45 form an integral part of the Financial Statements.



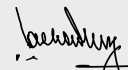
Vice Chairman



Director



Director



Managing Director

Signed as per annexed report of same date

Dated: Dhaka  
03 March, 2015

  
**Syful Shamsul Alam & Co.**  
Chartered Accountants



**TRUST BANK LIMITED**  
**Cash Flow Statements**  
For the year ended 31 December 2014

|                                                                            | Notes | 31.12.2014<br>Taka     | 31.12.2013<br>Taka     |
|----------------------------------------------------------------------------|-------|------------------------|------------------------|
| <b>A. Cash flow from operating activities</b>                              |       |                        |                        |
| Interest received in cash                                                  |       | 12,465,071,055         | 9,828,899,592          |
| Interest payments                                                          |       | (9,276,060,110)        | (8,662,292,509)        |
| Dividend receipts                                                          |       | 44,739,603             | 26,678,268             |
| Fees and commission receipts in cash                                       |       | 968,753,573            | 757,091,246            |
| Recoveries of loans previously written off                                 |       | -                      | -                      |
| Cash paid to employees                                                     |       | (1,361,339,777)        | (1,075,273,293)        |
| Cash paid to suppliers                                                     |       | (50,685,506)           | (48,999,807)           |
| Income Taxes paid                                                          |       | (962,951,231)          | (618,550,669)          |
| Received from other operating activities (item-wise)                       | 36    | 2,122,009,045          | 1,985,621,986          |
| Payments for other operating activities (item-wise)                        | 37    | (1,169,569,363)        | (938,953,014)          |
| <b>Operating profit before changes in operating Assets and Liabilities</b> |       | <b>2,779,967,289</b>   | <b>1,254,221,800</b>   |
| <b>Increase/(Decrease) in operating assets &amp; liabilities</b>           |       |                        |                        |
| Statutory Deposits                                                         |       | -                      | -                      |
| Net Investment in trading securities                                       |       | 827,943,799            | (62,072,841)           |
| Loan & advance to other banks                                              |       | -                      | -                      |
| Loan & advance to customers                                                |       | (27,405,579,293)       | (24,695,244,137)       |
| Other assets (item-wise)                                                   | 38    | (653,646,000)          | 305,863,842            |
| Deposits from other banks                                                  |       | 214,911,449            | (69,539,853)           |
| Deposits from customers                                                    |       | 22,056,378,801         | 19,450,253,838         |
| Other liabilities account of customers                                     |       | -                      | -                      |
| Trading liabilities                                                        |       | -                      | -                      |
| Other liabilities (item-wise)                                              | 39    | <b>112,497,418</b>     | <b>(17,418,989)</b>    |
| <b>Net cash from operating activities (A)</b>                              |       | <b>(2,067,526,537)</b> | <b>(3,833,936,340)</b> |
| <b>B. Cash flow from investing activities</b>                              |       |                        |                        |
| Proceeds from sale of securities                                           |       | -                      | -                      |
| Payments for purchase of government securities                             |       | (1,841,809,545)        | (4,661,301,598)        |
| Purchase of property, plant & equipment                                    |       | (258,785,579)          | (147,850,303)          |
| Purchase of intangible assets                                              |       | (2,673,132)            | (3,269,075)            |
| Sale of property, plant & equipment                                        |       | 3,390,102              | 3,797,901              |
| <b>Net cash from investing activities (B)</b>                              |       | <b>(2,099,878,154)</b> | <b>(4,808,623,075)</b> |
| <b>C. Cash flow from financing activities</b>                              |       |                        |                        |
| Increase/(Decrease) in Borrowing:                                          |       |                        |                        |
| Call loan                                                                  |       | -                      | -                      |
| Re-Purchase agreement (REPO)                                               |       | -                      | -                      |
| Other borrowings                                                           |       | 3,221,683,561          | 829,219,284            |
| Share Capital A/c                                                          |       | -                      | -                      |
| Share Premium A/c                                                          |       | -                      | -                      |
| Dividend paid in cash                                                      |       | -                      | -                      |
| <b>Net cash from financing activities (C )</b>                             |       | <b>3,221,683,561</b>   | <b>829,219,284</b>     |
| <b>D. Net increase in Cash and Cash Equivalent (A+B+C)</b>                 |       | <b>(945,721,130)</b>   | <b>(7,813,340,131)</b> |
| <b>E. Effects of exchange rate changes on cash and cash equivalents</b>    |       | <b>4,309,405</b>       | <b>(37,116,924)</b>    |
| <b>F. Opening Cash and Cash Equivalent</b>                                 |       | <b>14,023,279,759</b>  | <b>21,873,736,814</b>  |
| <b>G. Cash and cash equivalents at end of year (D+E+F)</b>                 | 40    | <b>13,081,868,034</b>  | <b>14,023,279,759</b>  |

**TRUST BANK LIMITED**  
**Statement of changes in Equity**  
For the year ended 31 December 2014

| Particulars                                                | Paid up Capital      | Share Premium Account | Foreign Currency Translation Reserve | Statutory Reserve    | Other Reserve     | Retained Earnings    | Total                |
|------------------------------------------------------------|----------------------|-----------------------|--------------------------------------|----------------------|-------------------|----------------------|----------------------|
|                                                            | Taka                 | Taka                  | Taka                                 | Taka                 | Taka              | Taka                 | Taka                 |
| <b>Balance as at 01 January 2014</b>                       | 3,805,412,200        | 532,225,500           | -                                    | 2,169,218,210        | 37,023,453        | 321,901,750          | 6,865,781,113        |
| Changes in accounting policy                               | -                    | -                     | -                                    | -                    | -                 | -                    | -                    |
| <b>Restated Balance</b>                                    | <b>3,805,412,200</b> | <b>532,225,500</b>    | <b>-</b>                             | <b>2,169,218,210</b> | <b>37,023,453</b> | <b>321,901,750</b>   | <b>6,865,781,113</b> |
| Surplus/Deficit on revaluation of properties               | -                    | -                     | -                                    | -                    | -                 | -                    | -                    |
| Surplus/Deficit on revaluation of investment               | -                    | -                     | -                                    | -                    | (36,476,131)      | -                    | (36,476,131)         |
| Currency transaction difference                            | -                    | -                     | 187,663                              | -                    | -                 | -                    | 187,663              |
| Net gain and losses not recognized in the income statement | -                    | -                     | -                                    | -                    | -                 | -                    | -                    |
| Net profit/(loss) for the year after tax                   | -                    | -                     | -                                    | -                    | -                 | 1,299,197,545        | 1,299,197,545        |
| Statutory reserve                                          | -                    | -                     | -                                    | 539,824,551          | -                 | (539,824,551)        | -                    |
| Dividends (Bonus Share)                                    | 456,649,460          | (456,649,460)         | -                                    | -                    | -                 | -                    | -                    |
| Dividends (Cash)                                           | -                    | -                     | -                                    | -                    | -                 | -                    | -                    |
| Issue of Share Capital ( Rights Share)                     | -                    | -                     | -                                    | -                    | -                 | -                    | -                    |
| <b>Balance as at 31 December 2014</b>                      | <b>4,262,061,660</b> | <b>75,576,040</b>     | <b>187,663</b>                       | <b>2,709,042,761</b> | <b>547,322</b>    | <b>1,081,274,744</b> | <b>8,128,690,190</b> |
| <b>Balance as at 01 January 2013</b>                       | 3,459,465,640        | 532,225,500           | -                                    | 1,966,008,097        | 8,567,858         | 546,623,857          | 6,512,890,952        |
| Changes in accounting policy                               | -                    | -                     | -                                    | -                    | -                 | -                    | -                    |
| <b>Restated Balance</b>                                    | <b>3,459,465,640</b> | <b>532,225,500</b>    | <b>-</b>                             | <b>1,966,008,097</b> | <b>8,567,858</b>  | <b>546,623,857</b>   | <b>6,512,890,952</b> |
| Surplus/Deficit on revaluation of properties               | -                    | -                     | -                                    | -                    | -                 | -                    | -                    |
| Surplus/Deficit on revaluation of investment               | -                    | -                     | -                                    | -                    | 28,455,595        | -                    | 28,455,595           |
| Currency transaction difference                            | -                    | -                     | -                                    | -                    | -                 | -                    | -                    |
| Net gain and losses not recognized in the income statement | -                    | -                     | -                                    | -                    | -                 | -                    | -                    |
| Net profit/(loss) for the year after tax                   | -                    | -                     | -                                    | -                    | -                 | 324,434,566          | 324,434,566          |
| Statutory reserve                                          | -                    | -                     | -                                    | 203,210,113          | -                 | (203,210,113)        | -                    |
| Dividends (Bonus Share)                                    | 345,946,560          | -                     | -                                    | -                    | -                 | (345,946,560)        | -                    |
| Dividends (Cash)                                           | -                    | -                     | -                                    | -                    | -                 | -                    | -                    |
| Issue of Share Capital ( Rights Share)                     | -                    | -                     | -                                    | -                    | -                 | -                    | -                    |
| <b>Balance as at 31 December 2013</b>                      | <b>3,805,412,200</b> | <b>532,225,500</b>    | <b>-</b>                             | <b>2,169,218,210</b> | <b>37,023,453</b> | <b>321,901,750</b>   | <b>6,865,781,113</b> |

**TRUST BANK LIMITED**  
**Liquidity Statement**  
(Asset and Liability Maturity Analysis)  
As at 31 December 2014

Amount in Taka

| Particulars                                                                    | Up to 01 Month          | 1- 3 Months            | 3-12 Months           | 1- 5 Years            | More than 5 Years     | Total                  |
|--------------------------------------------------------------------------------|-------------------------|------------------------|-----------------------|-----------------------|-----------------------|------------------------|
| <b>Assets:</b>                                                                 |                         |                        |                       |                       |                       |                        |
| Cash in Hand                                                                   | 2,762,710,234           | -                      | -                     | -                     | -                     | 2,762,710,234          |
| Balance with Bangladesh Bank and Sonali Bank                                   | 929,477,951             | -                      | -                     | -                     | 7,061,776,085         | 7,991,254,036          |
| Balance with other banks and financial institutions                            | 2,123,734,364           | 80,000,000             | 120,000,000           | -                     | -                     | 2,323,734,364          |
| Money at call and short notice                                                 | -                       | -                      | -                     | -                     | -                     | -                      |
| Investments                                                                    | 178,547,226             | 3,873,572,785          | 1,681,679,860         | 4,886,918,510         | 8,731,501,180         | 19,352,219,561         |
| Loans and Advances                                                             | 13,241,052,992          | 18,264,340,744         | 40,712,709,344        | 26,000,136,219        | 8,667,843,402         | 106,886,082,701        |
| Fixed Assets including premises, furniture and fixtures                        | -                       | -                      | -                     | -                     | 603,640,075           | 603,640,075            |
| Other assets                                                                   | 505,563,264             | 892,430,606            | 472,979,454           | 158,890,292           | 3,396,613,806         | 5,426,477,422          |
| Non-banking assets                                                             | -                       | -                      | -                     | -                     | -                     | -                      |
| <b>Total Assets</b>                                                            | <b>19,741,086,031</b>   | <b>23,110,344,135</b>  | <b>42,987,368,658</b> | <b>31,045,945,021</b> | <b>28,461,374,548</b> | <b>145,346,118,393</b> |
| <b>Liabilities:</b>                                                            |                         |                        |                       |                       |                       |                        |
| Borrowing from Bangladesh Bank, other banks, financial institutions and agents | 804,347,590             | 1,044,696,362          | 941,679,186           | 3,294,986,691         | 800,000,000           | 6,885,709,829          |
| Deposits                                                                       | 31,216,167,172          | 25,707,216,468         | 27,837,453,463        | 11,833,873,884        | 21,536,343,170        | 118,131,054,157        |
| Other accounts                                                                 | 6,928,077,994           | -                      | -                     | -                     | -                     | 6,928,077,994          |
| Provision and other liabilities                                                | 755,073,808             | 640,696,602            | 2,628,492,584         | 901,750,650           | 346,572,579           | 5,272,586,223          |
| <b>Total Liabilities</b>                                                       | <b>39,703,666,564</b>   | <b>27,392,609,432</b>  | <b>31,407,625,233</b> | <b>16,030,611,225</b> | <b>22,682,915,749</b> | <b>137,217,428,203</b> |
| <b>Net Liquidity Gap</b>                                                       | <b>(19,962,580,533)</b> | <b>(4,282,265,297)</b> | <b>11,579,743,425</b> | <b>15,015,333,796</b> | <b>5,778,458,799</b>  | <b>8,128,690,190</b>   |

Net result of the Liquidity Statement represents the “Shareholders’ Equity” of the Bank

**TRUST BANK LIMITED**  
**Notes to the Financial Statements**  
For the year ended 31 December 2014

**1 The Bank and its Activities**

Trust Bank Limited is a scheduled commercial bank established under the Bank Company Act, 1991 and incorporated as a Public Limited Company under the Companies Act, 1994 in Bangladesh on 17 June 1999 with the primary objective to carry on all kinds of banking business in and outside Bangladesh. The Bank has Ninety Two (92) branches and six (6) SME Service Centers/Krishi Branch are operating in Bangladesh as at 31 December 2014. The Bank has no overseas branches as at 31 December 2014. The bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company for its general class of shares.

The registered office of the Bank is located at Shadhinata Tower, Bir Srestha Shaheed Jahangir Gate, Dhaka Cantonment, Dhaka - 1206.

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

The Principal activities of the Bank to provide full range of banking services that include deposit banking, loans & advances, export, import and financing national and international remittance facilities etc.

**1.1 Off-shore Banking Unit**

The Bank obtained Off-shore Banking Unit Permission vide letter no. BRPB(P-3)744(116)/2010-2462 dated 2 June 2010. The Bank commenced its operation from 24 October 2013 through our Dilkusha Corporate Branch in Gulshan Corporate & CDA Avenue Branch. The Off-shore banking units are governed under the rules and guidelines of Bangladesh Bank. Separate financial statements of Off-shore banking are shown in Annex-E

**1.1.1 Subsidiaries of the Bank**

The Bank has 2 (Two) Subsidiaries and details of which are given below:

**1.1.2 Trust Bank Investment Limited**

Trust Bank Investment Limited, is fully owned subsidiary of Trust Bank Limited was incorporated on 9 September 2010 with an initial paid up capital of Taka 300 million upon receiving consent from SEC on 25 October 2010.

**1.1.3 Trust Bank Securities Limited**

Trust Bank Securities Limited, is fully owned subsidiary of Trust Bank Limited was incorporated on 7 February 2013 with an initial paid up capital of Taka 35 million having registered office is located at 28, Kafrul, Dhaka - 1206.

Trust Bank Securities Limited offers full range of Business of Stock Brokers that includes buy and sell of shares & securities, fixed income securities, Bonds Debenture etc.

**1.2 Islami Banking Activities**

Trust Bank Ltd. started its Islamic banking operations through 'window' mechanism as per Bangladesh Bank approval. Trust Islamic Banking (TIB), the brand name of the operation, has started its operation from latter part of 2008 through 5 (five) Islamic banking windows at TBL-Principal Br., Millennium Br., Dilkusha Br. in Dhaka, CDA Br. in Chittagong & Sylhet Corporate Branch in Sylhet. In addition to the above mentioned 5 (five) branches all TBL branches can now provide Islamic banking services through on-line banking system.

Core issue of Islamic Banking is avoidance of interest and compliance of Sharia in its business process & practice. In addition to the Sharia guidelines, Trust Islamic banking operations are strictly complied with the Bangladesh Bank instructions regarding Islamic banking operations and adheres to the followings:

- Completely Separate Fund management
- Separate book-keeping, Profit & Loss Account by Islamic banking module of Bank's CBS.
- Investments are made from the Islamic banking deposits only.
- Profit sharing ratio (Depositor: Bank) is 70:30
- Profit distributions are executed as per approved weightage table.

A dedicated team of resources with skill in Islamic finance & banking, trade & investment, product development at Head Office closely monitors and supervises the entire operations of TIB to ensure compliance, development and growth of Islamic Banking business. TIB offers the full range deposit & investment products & services for corporate, retail & SME sectors.

A separate Balance-sheet, Profits & Loss account and statement of Cash-Flows are shown in the Annexure-D. The figures appears in the Annexures have been incorporated in the related heads of financial statement as recommended by the Bangladesh Bank.

### 1.3 Retail Banking Activities

Retail Banking Division of Trust Bank Ltd has started its journey in the arena of commercial banking since 2006. Throughout this span of time it has been working to build capacity in terms of technology, human resources and business process. In the year 2014 we have developed a good number of products both in deposit and asset, designed campaigns and started journey of centralization of retail sales to cater different stratum of customer from the industry.

In the year 2014 Retail Banking Division changed its concentration from deposit to asset business, in this process it had declared an asset campaign named 'Eid Bonanza'. Moreover Retail Banking Division had also signed a MoU with bti (Building Technology & Ideas) Ltd. as a promotional offer with discounts & special benefits for the TBL clients. It also accelerated the success of our asset campaign. Total retail asset portfolio stood at BDT 21,513 million which is 12.63% growth from previous year i.e. BDT 19,153 million.

#### Major Retail Activities: Asset

In the year 2014 Retail Banking Division changed its concentration from deposit to asset business, in this process it had declared an asset campaign named 'Eid Bonanza'. Moreover Retail Banking Division had also signed a MoU with BTI (Building Technology & Ideas) Ltd. as a promotional offer with discounts & special benefits for the TBL clients. It also accelerated the success of our asset campaign. Total retail asset portfolio stood at BDT 21,513 million which is 12.63% growth from previous year i.e. BDT 19,153 million.

Retail Banking has a growing number of Direct Sales Representative (DSR) in the business team. They have successfully engaged themselves in bringing new customers on board; as well as contributing in enhancing the brand image of the bank. To monitor their performance & provide them accurate guidance backed by rational feedback, Retail has incorporated new software which will analyze individual DSR business performance on a continuous basis.

#### Asset Campaign: Eid Bonanza

Retail Banking Division had successfully completed asset campaign 'Eid Bonanza'. The target was fresh disbursement of 50 crores retail loans within 04 (Four) months. Amazing success of the campaign created a positive vibe in the industry about the image of the bank.



**Liability/Deposit:**

Deposit is always a core part of a bank. Though Retail Banking Division shifted its concentration of business to asset at the end of last year total deposit stood as BDT 123,217 million, which is 31% growth from previous year.

**Deposit Campaigns:**

Planned two deposit campaigns in 2014. The yearend deposit campaign 'Winter Heat' is a great success. Target was, growth of fund by BDT 120 crore; achievement was growth of fresh fund by BDT 311 crore, which is 2.71% growth from the given target.

**Payroll Banking:**

Payroll Banking played a significant role in increasing low cost deposit growth of Trust Bank Limited in the year 2014. At present we have 9921 nos of customers with balance of BDT 191.16 million.

Loyalty: Signed MoU with 3(Three) new loyalty partners in 2014.

**School Banking Conference:**

Students are the future of our country. To create banking habit to the students Trust Bank had coordinated and participated School Banking Conference organized by Bangladesh Bank at Rangpur, Khulna, Chittagong, Sylhet and Rajshahi. At the same time Trust Bank Ltd managed 10 school banking campaigns at different parts of country through the help of our branches. As of 31st December, 2014 balance under school banking product is BDT 60.00Million.

**Credit Card**

It is high time for Trust Bank to work on the credit card service. Retail Banking Division has already taken couple of contemporary positive steps (For example: Trust Youniverse) to make the product more lucrative in the market. At the close of business on 31 December 2014; bank has 2617 Credit Card Holders with an outstanding of BDT 96,964,472.93. Last year Trust Bank introduced Trust Platinum Card to cater niche customers of Trust Bank.

**Product Development:**

In the year 2014 retail banking division has developed a number of new products both in asset and deposit segment. Revision & review of Product Program Guideline (PPG) of Loan Against Salary, Car Loan Scheme, Apon Nibash Loan (House Finance), House Building Loan against Registered Mortgage for Defence Officers, Trust Digital Loan has been made. New asset product name 'Trust Futuretech' for purchasing of laptop for freelancers, developed under "Earning & Learning Program" of Ministry of Post, Telecommunication & Technology. Trust Digital Loan under "Amar Desh Amar Gram" project of Future Solution for Bangladesh was also a remarkable prospect of Retail Banking Division. These products are also aligned with the government policy of 'Digital Bangladesh' as well as bank's contribution to build 'Human Capital' of the country. Introduced 2(Two) new liability products 'Trust Shohopathi' & "Trust Pothokoli". Modified 'Trust Payroll Banking', 'Trust Sristi' and 'School Banking' wallet to capture the appropriate segment.

**Policy Development:**

Credit Card Policy: Like other bank Trust Bank Ltd also has credit card since 2006. But since the beginning it has no separate policy with operational guideline. In order to fulfill the Bangladesh Bank compliance as well as to provide an accurate guideline in line with Bangladesh bank prudential guideline, in the year 2014 Retail Banking Division has introduced a comprehensive policy guideline for Credit Card. Last year RBD had also circulated detail Process flow of Credit Card approval / decline / Documentation (Branch to Retail Credit & Card Division), which was very important for smooth operation of credit card.

## Loan Products

• Unsecured Loan: Personal Loan, Loan Against Salary, Education Loan, Doctor's Loan, Trust Digital Loan. Any Purpose Loan for Defence Officers, Motor Cycle Loan for Defence Personnel, Marriage Loan for Defence Personnel, House Hold Durable Loan for Defence Officers, CNG Conversion Loan Defence Officers, OD Against Salary for Defence Officers, RRDH for JCO's and Others.

Review of Retail Credit Policy: RBD has reviewed the retail credit card policy with some amendment.

## Process Reengineering:

Retail Banking Division has taken some few new moves to ensure better customer services, recovery & collection of retail loans & credit card customers and partial centralization of retail loan process.

Service Quality: To ensure & measure the service quality and to know the need or to solicitation of any grievance or complaint of our customers, we have developed 'Customer Suggestion Form' for our customers.

Collection & Recovery: Collection of EMI is an essential part of the retail asset portfolio. To reach the highest collection ability & nurture the classified accounts Retail Banking Division incorporated Collection & Recovery team. Retail collection team has showed their tremendous success to keep healthy portfolio both in retail loans & credit card.

Roll out of Partial Centralization of Asset business: One of the remarkable successes of the department this year to implementation of centralization process of asset business procured by the direct sales force.

## 1.4 SME Financing

Small and Medium Enterprises (SMEs) has an important role to play that is indispensable for overall economic development of a country particularly for developing countries like Bangladesh. It is capable of increasing national income as well as rapid employment generation; achieving eradication of extreme poverty and hunger, gender equality and women empowerment since this sector is labor intensive with short gestation period. SMEs typically harness more workers per unit of output for production, relatively lower levels of labour productivity and lower rates of wages having smaller degrees of risk compared with larger enterprises. Considering all positive indicators, SME is recognized as engine of economic growth. As such, the Bank is moving forward to SME customer segment with market approach to meet the credit need & considering the business potentials and return on investment. The business expansion and monitoring is carried out through its 91 no. countrywide branches and 06 SME/Krishi Branch/Service Centers with the full support of dedicated SME business division in order to involve banks in financing priority sector like SME and Agriculture.

Trust Bank has launched different products based on BB policy with cluster / area approach and marketing these products through matching with the customer need. Its special emphasis is on:

"Trust-Muldhon" Loan for Shopkeepers and Traders

"Trust-Projukti" Loan for Light Engineering

"Trust-Bunon" Loan for power loom and handloom and other allied industries,

"Trust- Shofola" Loan for Bio-Gas, Solar panel, Livestock, Fisheries & Agro- Processing units,

"Trust- Ekota" Group Loan with Cluster approach,

"Trust-Sukannya" Group Loan with Cluster approach for Women Entrepreneurs

"Trust-Nandini" Loan for Women Entrepreneurship

“Trust- Easy pay” Loan for Contractors to encourage service sectors,  
“Trust-Nobeen” Loan for new entrepreneurs for innovative sectors  
“Trust-Prantik” Loan for Tk.10/- Account Holders for marginal people  
“Peak season loan” and SME (others)

The bank is also financing under refinancing scheme of Bangladesh Bank, namely, ADB, JAICA, WE fund.

During 2013-2014, Trust Bank’s strategy was to focus on marketing the products to cluster wise financing under the agreement with SME Foundation through branches network and outsourcing agent on area/group approach to manufacturing, service, Agri and renewable energy sector to meet the requirement of business plan, growth and profitability and ultimately for the expansion of SME portfolio. Banks exposure is thus well diversified to different sectors viz. power loom, Handloom, Light engineering, handicrafts, Nakshi khatha, garments accessories, Bio-Gas, Bio-fertilizer, Irrigation by Bio-Gas, Fisheries, Poultry and other agri-business.

This extension of SME financing has increasingly created the employment opportunity directly or indirectly throughout the country and expanding small enterprise and help minimizing the financial risk.

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

### **Basis of preparation**

#### **2.1 Statement of Compliance**

The consolidated financial statements of the group (comprising the Bank and its subsidiaries) financial statements of Trust Bank Limited as at and for the year ended 31 December 2013 have been prepared under the historical cost convention, except for Government Securities which are stated at fair value and in accordance with Bangladesh Financial Reporting Standards (BFRSs), the First Schedule (Section 38) of the Bank Companies Act 1991, as amended by the BRPD Circular 14 dated 25 June 2003, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987, Stock Exchanges’ listing regulations and other rules and regulations are applicable in Bangladesh. In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of BFRS are as follows:

#### **i) Investment in shares and securities**

BFRS: As per requirements of BAS 39 investment in shares and securities generally falls either under “at fair value through profit and loss account” or under “available for sale” where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision has been made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

#### **ii) Revaluation gains/losses on Government securities**

BFRS: As per requirement of BAS 39 where securities will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognised through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method and interest income is recognised through the profit and loss account.

**Bangladesh Bank:** According to DOS Circular 05 dated 26 May 2008 and subsequently clarification in DOS Circular 05 dated 28 January 2009, HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

**iii) Provision on loans and advances/investments**

**BFRS:** As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

**Bangladesh Bank:** As per BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

**iv) Recognition of interest in suspense**

**BFRS:** Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

**v) Other comprehensive income**

**BFRS:** As per BAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

**Bangladesh Bank:** Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

**vi) REPO transactions**

**BFRS:** When an entity sells a financial assets and simultaneously enters into an agreement to repurchase the same (or a similar assets) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a collateralized borrowing and underlying assets continues to be recognized in the entity's financial statements. This transaction will be treated as borrowing and difference between selling price and repurchase price will be treated as interest expense.

**Bangladesh Bank:** As per BB Circulars/guidelines, when a Bank sells a financial assets and simultaneously enters into an agreement to repurchase the same (or a similar asset) at fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a normal sale transaction and the financial assets should be derecognized in the seller's book and recognized in the buyer's book.

**vii) Financial instruments – presentation and disclosure**

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in BAS 39. As such full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

**viii) Financial guarantees**

**BFRS:** As per BAS 39, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

**Bangladesh Bank:** As per BRPD 14, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin.

**ix) Cash and cash equivalent**

**BFRS:** Cash and cash equivalent items should be reported as cash item as per BAS 7.

**Bangladesh Bank:** Some cash and cash equivalent items such as 'money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.

**x) Non-banking asset**

**BFRS:** No indication of Non-banking asset is found in any BFRS.

**Bangladesh Bank:** As per BRPD 14, there must exist a face item named Non-banking asset.

**xi) Cash flow statement**

**BFRS:** The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

**Bangladesh Bank:** As per BRPD 14, cash flow is the mixture of direct and indirect methods.

**xii) Balance with Bangladesh Bank: (Cash Reserve Requirement)**

**BFRS:** Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per BAS 7.

**Bangladesh Bank:** Balance with Bangladesh Bank is treated as cash and cash equivalents.

**xiii) Presentation of intangible asset**

**BFRS:** An intangible asset must be identified and recognised, and the disclosure must be given as per BAS 38.

**Bangladesh Bank:** There is no regulation for intangible assets in BRPD 14.



**xiv) Off-balance sheet items**

**BFRS:** There is no concept of off-balance sheet items in any BFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

**Bangladesh Bank:** As per BRPD 14, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

**xv) Loans and advances/Investments net of provision**

**BFRS:** Loans and advances/Investments should be presented net of provision.

**Bangladesh Bank:** As per BRPD 14, provision on loans and advances/investments are presented separately as liability and can not be netted off against loans and advances.

**2.2 Basis of Consolidation**

The consolidated financial statements include the financial statements of Trust Bank Limited and its subsidiaries Trust Bank Investment Limited and Trust Bank Securities Limited made up to the end of the financial year. The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard 27: Consolidated and Separate Financial Statements.

**2.3 Subsidiary**

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

**2.4 Use of estimates and judgments**

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

**2.5 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the entities.

**2.6 Transactions eliminated on consolidation**

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

**2.7 Foreign currency Transactions and Translations**

Functional and Presentation Currency

The Consolidated Financial Statements of the Group and the separate Financial Statements of the Bank are presented in Bangladesh Taka (BDT) which is the Group's and the Bank's functional currency except OBU where functional currency is US Dollar (USD).

## **Foreign Currency transactions**

Transactions/Day end balances in foreign currencies are converted into respective functional currencies ( Bangladeshi Taka in case of TBL Main Operations in foreign currencies are translated into reporting currency at the rates of exchange prevailing on the date of such transactions and resulting gains or losses are credited or charged to profit & loss account as per BAS-21” The Effects of Changes in Foreign Exchange Rates”.

The assets and liabilities of foreign operations are translated to Bangladeshi Taka at exchange rates prevailing at the balance sheet date. The income and expenses of foreign operations are translated at average rate of exchange for the year.

## **2.8 Reporting Period**

These financial statements of the Bank and its subsidiaries cover one calendar year from 1 January to 31 December 2014.

## **2.9 Statements of Cash Flows**

Statements of Cash flow has been prepared in accordance with Bangladesh Accounting Standard (BAS) 7 “Statement of Cash Flows” and under the guideline of Bangladesh Bank BRPD Circular no.14 dated 25 June 2003. The Statement shows the structure of changes in cash and cash equivalents during the financial year.

## **2.10 Statements of Changes in equity**

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth. Statement of changes in equity has been prepared in accordance with Bangladesh Accounting Standard (BAS) 1 “Presentation of Financial Statements” and relevant guidelines of Bangladesh Bank.

## **2.11 Statement of liquidity**

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

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

## **2.12 Taxation**

The expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity.

## **Current Tax**

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

## **Deferred taxation**

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

### **2.13 Provision and accrued expenses**

In compliance with BAS-37, provisions and accrued expenses are recognised in the financial statements when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### **2.14 Provision for off-balance sheet exposures**

In compliance with Bangladesh Bank guidelines, off-balance sheet items have been disclosed under contingent liabilities. As per BRPD Circular no.10, dated 18 September 2007, the bank is required to maintain provision @ 1% against off-balance sheet exposures

### **2.15 Provision for nostro accounts**

The Bank does not require to maintain provision for nostro accounts for the year 2014 in accordance with the guideline of Foreign Exchange Policy Department of Bangladesh Bank, FEPD Circular no. FEPD (FEMO) / 01/2005-677 dated 13 September 2005.

### **2.16 Assets and basis of their valuation**

#### **2.16.1 Cash and cash equivalents**

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Bank management for its short-term commitments.

#### **2.16.2 Loans and advances / Investments**

For solid growth of loans and advances as well as inclusion of new ventures in the clientele base of the Bank towards steady and sustainable development, Bank's prudent and continuous efforts in credit operation continued in 2014 like the previous years. In spite of various uncertainties in 2014, consolidated loans and advances of the bank grew positively and stood at BDT 103767.59 million (Excluding OBU) as on 31 December 2014 as against BDT 79138.88 million showing a growth of 31.12% over the previous year. But, in this journey, no compliance and risk management was spared to have quality asset & retain strong credit portfolio. We have proved ourselves one of the leading banks in place beside the entrepreneur with financial solution according to necessity. During the year, Bank concentrated to explore new and diversified avenues for financing specially in SME and Agri sector with the aim of developing and maintaining a sound and sustainable portfolio and risk mitigation. In this flight, we have been partner in progress providing credit support to farmers of TK.10.00 account holders, solar power, aromatic rice processing etc.

### 2.16.3 Loan Classification and Provisioning

The Bank classifies its loan portfolio and maintains adequate provisions in a professional way and in accordance with the rules and regulations set by Bangladesh Bank from time to time. In case of need, the Bank classifies some loans on qualitative judgment too. Our Bank Management always remains vigilant to arrest new loans from being classified and minimize the existing non-performing loans by way of cash recovery and regularization through rescheduling to the deserving cases under the purview of Bangladesh Bank's guidelines. The executives/officers of Credit Administration Division and Credit Risk Management Division involve themselves to minimize the NPLs and required provisions through exercising prudent decision on, both pre-sanctioning and post sanctioning stages. At the end of 2014, the classified loans of the Bank has stood at BDT 2614.76 million and the bank kept total provisions against classified, unclassified loans and off-balance sheet and offshore banking business for BDT 2792.20 million against required provision of BDT 2780.40 million.

| General provision on                                 | Provision Rate |
|------------------------------------------------------|----------------|
| a. Consumer Financing (House Financing)              | 2%             |
| b. Consumer Financing (Loans to Professional)        | 2%             |
| c. Consumer Financing ( Other than a & b)            | 5%             |
| d. Small and Medium Enterprise Financing (SMEF)      | 0.25%          |
| e. Short Term Agriculture & Micro Credit             | 2.5%           |
| f. Loans to BHs/ MBs/ Sds against Shares etc         | 2%             |
| g. All other Credit                                  | 1%             |
| h. Special Mention Account                           | 0.25% to 5%    |
| <b>Specific provision on</b>                         |                |
| a. Substandard Loans and Advances                    |                |
| i. Short Term Agri Credit & Micro Credit             | 5%             |
| ii. Other than Short Term Agri Credit & Micro Credit | 20%            |
| b. Doubtful Loans and Advances                       |                |
| i. Short Term Agri Credit & Micro Credit             | 5%             |
| ii. Other than Short Term Agri Credit & Micro Credit | 20%            |
| c. Bad/Loss Loans and Advances                       | 100%           |

### 2.16.4 Provision for off balance sheet exposures

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

### 2.17 Investments

Investments have been initially recognised at cost, including acquisition charges associated with the investment. Premiums have been amortised and discount accredited, using the effective or historical yield method. Government treasury Bills and Bonds (categorized as HFT or/and HTM) are accounted for as per Bangladesh Bank DOS circular letter no.05 dated 26 May 2008 and DOS circular no. 05 dated 28 January 2009.

The valuation methods of investment used are:

#### 2.17.1 Held to maturity

Investments which have 'fixed or determinable payments', and are intended to be 'held to maturity' other than those which are floating and/or free to trade in the market at prevailing prices are classified as held to maturity. The securities in HTM are to be held up till maturity. These securities in HTM must be amortized at the end of the year before maturity and the increase/decrease is to be accounted in the 'statement of changes in equity' (as Revaluation Reserve-HTM). According to Bangladesh Bank DOS Circular Letter No. 01 dated January 19, 2014 a bank can only hold securities of maximum 110% of the total SLR requirement (usually kept as approved government securities) as HTM category the compliance of which came into effect from February 01, 2014. These investment securities can be transferred to and/or re-categorized as HFT any time after getting approval from the Board of Directors of the Bank.

### 2.17.2 Held for trading

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

Value of investments has been enumerated as follows :

| Investment Class        | Initial recognition | Subsequent Mesurement | Recording of changes                                                    |
|-------------------------|---------------------|-----------------------|-------------------------------------------------------------------------|
| Treasury Bill/Bond(HFT) | At Present Value    | Market Value          | Lossto Profit & Loss Account, gain to revaluation reserve               |
| Treasury Bill/Bond(HTM) | At Present Value    | Amortized Value       | Increaseinvaluetoequityanddecreaseinvalue to Profit & Loss Account      |
| Debenture               | At cost             | None                  | None                                                                    |
| Prize bond              | At cost             | None                  | None                                                                    |
| Shares                  | At cost             | Cost                  | Anyloss,chargedinProfit&Loss,Unrealized gain, not recorded in accounts. |

### 2.18 Fixed assets and depreciation

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

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

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

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

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

#### 2.18.1 Intangible assets

Intangible asset is an identifiable non-monetary asset without physical substance. An intangible asset is recognised if it is probable that the future economic benefits that are attributable to the assets will flow to the entity and the cost of the asset can be measured reliably in accordance with BAS 38: “Intangible Assets”.

Subsequent expenditure on intangible asset is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.



The software used by TBL represents the value of computer application software licensed for the use of the bank. Software is carried at cost less accumulated amortisation and any impairment losses. Initial cost comprises license fees paid at the time of purchase and other directly attributable expenditure that are carried in customising the software for its intended use. Software is amortised using the straight line method over the estimated useful life in case of value of software up to Tk 50,000 (Taka Fifty Thousand) amortized within 1 year (One year) and above Tk 50,000 (Taka Fifty Thousand) amortized within 3 years (Three years) commencing from the month at which the application software is made available for use.

### **2.18.2 Non-Banking Assets**

As on balance sheet date TBL has no Non-Banking Assets failure from borrower to repay the loan/ Investments.

### **2.18.3 Offsetting**

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Advance tax paid and provision for tax of the bank is presented on net basis as a liability item if the liability is higher than asset and as an asset item if the asset is higher than liability.

## **2.19 Liabilities and Provisions**

### **2.19.1 Retirement benefits to the employees**

#### **i) Provident fund**

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

#### **ii) Gratuity fund**

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

#### **iii) Super annuation fund**

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

### **2.19.2 Minority interest in subsidiaries**

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

## **2.20 Revenue recognition**

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

In terms of the provisions of the BAS-18 “Revenue”, the interest income is recognized on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified. It is then kept in interest suspense in a memorandum account. Interest on classified advances is accounted for on a cash receipt basis.

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

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

### **iii) Fees and commission income**

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

### **iv) Dividend income**

Dividend income from investments is recognised at the time when it is declared, ascertained and right to receive the payment is established.

### **v) Interest paid on borrowings and deposits**

Interest paid on borrowings and deposits are calculated on 360 days in a year and recognised on accrual basis

### **vi) Management and other expenses**

Expenses incurred by the Bank are recognised on actual and accrual basis.

## **2.21 Reconciliation of inter-bank and inter-branch account**

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

## **2.22 Risk Management**

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

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

### **2.22.1 Credit risk management**

The bank believes that risk management is the core area of concern that makes its business sustainable. Ability to produce profit consistently and sustainably is a function of risk management and the bank is breaklessly pursuing nonstop development in this vicinity. One of the key risks the bank is uncovered, arises from credit facility allowed to customers. In this regard, objective of risk management is to maximize risk-adjusted returns durable within own risk appetite. TBL Risk management approach is based on a transparent understanding of various risk, regimented assessment, measurement and uninterrupted monitoring of such risks. The policies and procedures designed for the purpose are regularly reviewed to assume regulatory changes and improvements. Bank’s Board of Directors is first and foremost responsible for deciding risk appetites, approving related strategies and policies and administering its compliance and the competence of the risk management framework through

reports from Internal Control and Compliance Division. Credit risk policy covers large to small enterprise exposure as well as retail exposure. Policies and procedures together have structured and standardized credit risk management practice both in obligor and portfolio point.

### **Frame-Work**

In today's rapid changing economic and financial environment, effective risk management is a must for sustainable growth and for maximizing share-holders wealth. Banking business is in fact a business of risk taking and risk managing. So, it is very vital to manage all possible risks efficiently in effective way to emerge as winner out of risk ventures. TBL has always prioritized adopting different credit risk management tools & techniques as "prevention is better than cure" for all type of credits in all the stages i. e. from receiving application to approval level for more safe and sound credit portfolio.

Credit risk originates from the – Market Risk, Supplier's Risk, Financial Risk, Business Risk, Management Risk, Structural Risk, Security Risk, Infrastructural Risk, Information/Data Risk, Technological Risk, Interest Rate Risk, Security Risk etc.

Bank considers all relevant information and financials of the customers, their business performances, sectoral conditions, arrangement & strength of supply chain, succession status etc for assessment and analyses all factors and results of it in order to adopting appropriate risk mitigation if the client's proposal is viable for financing.

#### **2.22.2 Asset liability risk management**

Asset Liability Management (ALM) especially focuses on "Risk Management". It covers the widest range of the banking activities in day-to-day operation. Introduction of ALM in a bank simply ensures the existence of healthy and prudent asset liability management system in the institute. In the complex banking era, there are so many risk factors, any one of which is good enough to a negative growth. Therefore, identification of factors and effective control over them are important and essential. Under the ALM system, it is ensured that senior management would be attentive to balance sheet items for the greater interest of the bank. As per Bangladesh Bank guideline, TBL (Trust Bank Limited) has formed a committee of Assets and Liability Management called ALCO (Assets Liability Management Committee).

ALM has been designed under main 4 (four) broader heads including (i) Understanding of Asset Liability Management (ALM), (ii) Strategic policy for ALM, (iii) Operational policy for ALM and (iv) Review, Monitoring & Control.

Understanding part has described the ALM from different angle along with the major risk forces prevailing in the financial market. Strategic policy includes the policy guideline that the Bank has set on some particular issues such as LD Ratio (Loan Deposit ratio), MCO (Maximum Cumulative Outflow), determination of interest rate on deposits, determination of Interest rate on Inter Bank General Account (TBL Gen A/C), Wholesale Deposit Guideline (WDG), Commitments, Placement Limit with other Banks, Liquidity Contingency Plan, Regulatory Compliance etc. Moreover a good number of specific reporting formats have been embodied covering almost every corner of information sector that will help the management to take their decision. Operational policy explains the structure of ALCO along with meeting, Agendas, ALCO papers etc. need to be followed on regular basis by the Bank. Finally, last part includes overall monitoring and control measure purview of the stated policy guidelines of the Asset Liability Management of Trust Bank Limited.

### 2.22.3 Foreign exchange risk management

Foreign Exchange Risk represents the fluctuation in exchange rate movements which may affect the bank's open position on some currency. Foreign exchange risk arises when the Bank deals in foreign currency transactions which lead to overbought or oversold foreign exchange position such as foreign exchange transaction, investments, loans, borrowings, contractual commitments, and the use of foreign exchange related derivatives. The Bank may incur gains or losses as a result of changes in foreign exchange rates.

Foreign exchange rate risk factors relate to the increasing volatility of foreign exchange rates for various reasons, such as global trade imbalance, the pace and size of international capital movements, fragile global economic recovery and foreign money market stress as well as the economic and political situation in Bangladesh.

International Division independently conducts the transactions relating to Foreign Exchange and is responsible for verification of deals and passing of their entries in the books of account. Foreign exchange risk are measured and monitored by treasury division of our Bank. To address the issue, all foreign exchange activities have been segregated between front office, mid office, and back office which are responsible for currency transactions, deal verification, limit monitoring and settlement of transactions separately. Mid office acts to bridge between the front office and back office in terms of providing MIS, analytical observation/recommendation, projection of market trends, budget planning, contingency planning of both local and foreign currency. All foreign exchange transactions should be revalued at Market rate as determined by Bangladesh Bank in the daily basis. All nostro accounts are reconciled on monthly basis and outstanding entry is reviewed by the management for its settlement. The F.Ex position maintained by the bank at the end of the day has to be within the limit prescribed by the Bangladesh Bank.

### 2.22.4 Internal control and compliance risk management

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

The bank has set up Internal Control & Compliance (IC&C) Division at Head Office to ensure that the internal control processes are in place. As per instruction of Bangladesh Bank the Audit Committee of the Board has been constituted to assist the board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plans set by the board for effective functioning of the bank. The committee reviews the financial reporting process, the system of internal control and management of financial risks, the audit process, health report of the bank and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct. In the year 2014, 06 meetings of the Audit Committee were held. The bank has introduced 'Risk Based Internal Audit (RBIA)' to assess the business risk as well as control risk associated with the branches, and determines how much follow up, monitoring & periodicity of internal audit would be required to bring a particular branch back to normalcy, if it is found that the performance of the branch is not satisfactory, and which may pose a potential threat for the bank.

Each year the IC&C Division sets out an audit plan (internal) for the year which is approved by the Managing Director. In 2014 IC&C Division conducted comprehensive audit in 88 branches and 17 divisions /departments at Head Office of the Bank. In the same year the internal audit team of IC&C division carried out 49 Spot Inspections and 20 IT Audits in different branches. In addition, audit was also conducted in 06 TBIL branches & Trust Bank Investment Ltd, Head Office and 292 nos. pay points for Mobile Banking operations in the year 2014.

With the regular spot inspection on different areas of banking operations, bank has also carried out 'Spot Inspection on 'Anti Fraud Internal Control' (AFIC) to develop Risk & Fraud awareness culture among the employees & reduce the likelihood of fraud occurring in Bank.

IC&C Division, Head Office monitor, supervise and ensure the total process of data uploading in the Web portal of Bangladesh Bank under Integrated Supervision System (ISS) introduced by Bangladesh Bank in the year 2014. The Bank regularly reports data/information of both the Head Office and AD Branches through ISS form in the web-portal of Bangladesh Bank.

IC&C Division looks after the activities of Compliant Cell of Head Office and handles the complaints of the customers received directly from FICSD (Financial Integrity & Customer Services Department), Bangladesh Bank and other sources. IC&C Division also provides operational and managerial guidance uniformly to all personnel of TBL family to handle and manage the customer's complaints satisfactorily, quickly, effectively and efficiently. In the year 2014, 24 nos. complaints were received from different sources (like Bangladesh Bank, Individual Customers etc) and all complaints were settled / resolved.

In setting out a strong internal control framework within the organization, the bank has already brought out its Internal Control Manual, which focuses on monitoring the functions of various departments/divisions of Head Office and branches of the bank periodically on regular basis. IC&C Division of the bank ensures its Internal Control Process through review of Departmental Control Function Checklist (DCFCL), Loan Documentation Checklist (LDCL) and Quarterly Operations Report (QOR) of the branches and other mechanisms.

At the end of the year a summary report on audit findings and corrective action taken, is placed in a meeting of the Audit Committee of the Board for information and necessary advice/suggestions. To comply with the directives of Bangladesh Bank a special meeting of the Board of Directors was held on 20 August, 2014 to review the compliance / implementation status on the observations of Bangladesh Bank's comprehensive inspection report, where the representatives of Bangladesh Bank were also present.

#### **2.22.5 Money laundering risk management**

Money Laundering is no more a local or regional issue & cannot be ignored – with the globalization of economy, we are living in a global village and are not immune to others problem. Money laundering & CFT is an issue that affects our nation, business, society and ultimately even the lively hood of individuals. As a member country of Asia Pacific & Egmont Group Bangladesh is committed to comply with the recommendations of Financial Action Task Force (FATF).

Bangladesh has enacted the Money Laundering Prevention Act, 2012 & Anti-Terrorism Act, 2012 which covers all the international standards and requirements and assigned BFIU of BB to discharge the regulatory responsibility of implementation & monitoring of the AML & CFT activities to keep the financial system of the country safe & compliance. Trust Bank Limited (TBL) as a compliant & responsible institution committed to the highest standards of Anti-Money Laundering (AML) compliance and adhere to the set rules & declared standards to prevent use of our products and services for money laundering purposes. In addition to the legal compliance, Trust Bank Limited considers AML & CFT compliance as part of its social responsibility & commitment.

Like other banks and FSI (Financial Services Industry) across the globe, TBL reckons that prevention of Money Laundering & Combating Terrorist Financing is the two challenges that confront the financial sector today

In compliance of BFIU guidelines, TBL has emphasized the following major issues as part of its AML measures;

1. Mandatory maintenance of KYC (Know Your Customer) Forms for all types of accounts
2. Maintenance & monitoring the TP (Transaction Profile) of the accounts/client. Monitoring of unusual/suspicious transaction and report to Bangladesh Bank if required



3. Introducing GoAML web for submission of Cash Transaction Report (CTR) & Suspicious Transaction Report (STR) to Bangladesh Bank as per regulatory requirement
4. Keeping of records for 05 (five) years from the date of closing of any type of account.
5. Appointment of Compliance Officer in every branch and Chief Compliance Officer at Head Office
6. Adequately train officials on Anti-Money Laundering and Combating Financing of Terrorism
7. Classification of customers on the basis of risk
8. Declared Customer Acceptance Policy.
9. Reporting of STR/SAR to Bangladesh Bank as and when detected.
10. Prohibition of any numbered account
11. Prohibition of establishing banking relationship with any shell company
12. Compliance of UN sanction list

For mitigating the risks the bank has a designated Chief Anti-Money Laundering Compliance Officer (CAMLCO) & Deputy Chief Anti Money Laundering Compliance Officer (DCAMLCO) at Head Office and Branch Anti Money laundering Compliance Officers (BAMLCO) at branches, who independently review the transactions on the accounts to verify suspicious transactions and other AML measures

#### 2.22.6 IT risk management

The advancement of information and communicative technology (ICT) is given credit for the evolution of banking services, in particular, online banking. Information Technology (IT) Risk is a growing component of total Operational Risk. As business increasingly depend on IT to automate processes and store information, IT Risk Management is emerging as a separate practice. Organizations across sectors and industries have begun to consolidate functions to develop a more comprehensive, focused approach to IT Risk. IT Risk includes security, availability, performance and compliance elements. IT risk management is related to IT, such as network failure, lack of skills, hacking, virus attack & poor integration of system.

IT Risk management requires a disciplined approach that includes IT Risk awareness, quantification of business impacts, solution design and implementation across people, process, and technology, and creation of a sustained IT Risk Management program complete with performance measurement and a model for continuous improvement

- a) Data Protection - securing confidentiality of private and personal information, for example against identity theft.
- b) Data Retention - ensuring that enterprise data is stored securely and retained for access by legitimate users.
- c) Corporate Governance - assuring that public disclosures accurately reflect corporate performance.
- d) National Security - protecting citizens and national infrastructure from terrorism, war, or national disaster.
- e) Civil & Criminal legal Framework - assuring that IT systems and network systems support legal infrastructure through electronic signatures, data movement and use of IT resources.
- f) Intellectual Property Protection - protecting individual and corporate intellectual property

The four dimensions of Enterprise IT Risk correspond to four enterprise-level objectives of IT:

- i) Availability: keeping existing processes running, and recovering from interruptions.

ii) Access: Ensuring that people have appropriate access to information and facilities they need, but that unauthorized people do not gain access.  
Deliver complex material throughout the institution.

iii) Accuracy: Providing accurate, timely and complete information that meets requirements of management, staff, customers, suppliers and regulators.

iv) Agility: Implementing new strategic initiatives, such as acquiring a firm, completing a major business process redesign or launching a new product/service.

IT Risk profile of the department:

Trust Bank Limited follows a robust, effective and efficient Information Technology with its Centralized Core Banking System. Trust Bank's IT has been designed to achieve the following goals:

Enhance communication among employees.

Deliver complex material throughout the institution.

Provide an objective system for recording and aggregating information.

Reduce expenses related to labor-intensive manual activities.

Support the organization's strategic goals and direction.

Since the automation of the Bank and centralization of information system, all the branches of the bank are connected to the Head Office IT department in Dhaka through a dedicated link and Disaster Recover site at Jessore. The infrastructure design is up to standard and completely secure. Trust Bank uses Active Directory Service to control the user access into the workstation throughout the organization. The Active Directory Configuration Structure is good and efficient and provides optimum security.

#### **2.22.7 Liquidity risk management**

The risk that bank or business will be unable to meet its commitment as they fall due leading to bankruptcy or rise in funding cost. It is the solvency of business and which has special reference to the degree of readiness in which assets can be converted into cash without loss. Banks traditionally use the statutory liquidity reserve and their borrowing capacity in the volatile interbank money market as the source of liquidity. But a conscious approach to measure and monitor the liquidity is somewhat lacking in our market. We can learn and draw immense benefit by sharing the best practices, tools and techniques of liquidity management. Liquidity Risk arises from funding of long term assets by short term liabilities, thereby making the liabilities subject to rollover or refinancing Risk

#### **2.23 Interest rate risk management**

Interest rate risk is the exposure of a bank's financial condition to adverse movements in interest rates. Accepting this risk is a normal part of banking and can be an important source of profitability and shareholders' value. However, excessive interest rate risk can pose a significant threat to a bank's earnings and capital base. Changes in interest rates affect a bank's earnings by changing its net interest income and the level of other interest-sensitive income and operating expenses. Changes in interest rates also affect the underlying value of the bank's assets, liabilities and off-balance sheet instruments because the present value of future cash flows (and in some cases, the cash flows themselves) change when interest rates change. Accordingly, an effective risk management process that maintains interest rate risk within prudent levels is essential to the safety and soundness of banks.

## 2.24 Operation risk management

Operation is one of the most crucial areas of banking. Even regulators put greater emphasis on operational risk along with other core risk areas of banking. Operational risk is the risk of direct or indirect losses resulting from human resources, inadequate or failed internal process and system or from external event. Major sources of operational risk include: procedure consistency of operational activities, IT system and security, implementation of strategic changes, fraud, human error, service quality, regulatory compliance, social and environmental impacts. Trust Bank is committed to the advanced prediction, management and mitigation of operational risks. In brief, Trust Bank has established an effective operational risk management framework to mitigate the risk through strengthening the internal control (process and system), setting rules and procedures with the changed scenario, maintaining adequate clarification & documentation and establishing anti-fraud mechanism and improving service quality.

## 2.25 Basel II

In Bangladesh, the Central Bank (Bangladesh Bank) started to transit (in phases) from Basel I to Basel II during 2009-10 and Basel III from 2015. In view to shift towards Basel II, currently, the Bangladesh Bank requires all the relevant financial institutes, irrespective of their individual risk exposures, to maintain a capital base that is 10% of risk weighted assets. This new stringent requirement is 2% more than that of the previous requirement, 8%.

### Implementation of Basel II:

The Bank is Basel II compliant in terms of the Capital Adequacy Framework (Basel II) guidelines issued by Bangladesh Bank. Bank has adopted Standardized Approach for Credit Risk and Market Risk, Basic indicator approach for Operational Risk as per Bangladesh Bank guidelines for capital adequacy computation. External credit ratings from approved rating agencies are used for risk weighting of corporate and SME exposure as required under Basel II.

### Internal Capital Adequacy Assessment Process (ICAAP):

In compliance with the Bangladesh Bank guideline on Basel II – Pillar 2 Supervisory Review and Evaluation Process (SREP), the Internal Capital Adequacy Assessment Process (ICAAP) Policy has been formulated to assess the capital requirement commensurate with the size, level of complexity, risk profile and scope of operations of the Bank. Various residual risks are assessed and additional capital is provided for wherever required. The capital adequacy of the Bank is assessed based on the analysis of current and projected financial/capital position.

Stress Testing exercises are also undertaken to assess the likely impact of various stress situations in relation to capacity of Bank's profitability to absorb the shock and consequent impact on Bank's capital.

### Disclosure:

The Bank has adhered to disclosure norms as stipulated in the guidelines of Bangladesh Bank to meet Pillar 3 requirements of Basel II. The year-end disclosures as on December 30, 2014 are part of the Annual Report and also displayed on the Bank's website

### Implementation of Basel III:

Bangladesh Bank has issued a guideline to elevate the capital base of banks in line with Basel III requirements, the global regulatory standard set to take effect from January 1, 2015. As per the roadmap, the banks' minimum capital adequacy ratio will have to be raised to 12.50 percent of their risk-weighted assets by December 2019 from the existing 10 percent. The central bank plans to raise the CAR (capital adequacy ratio) to 10 percent by 2015, 10.625 percent by 2016, 11.25 percent by 2017 and 11.875 percent by 2018. Finally in 2019, it will hit the desired 12.50 percent. Basel III guidelines also introduced i) a minimum Leverage Ratio as an additional standard of riskiness of a Bank's balance sheet ii) Liquidity standards by way of two liquidity ratios namely Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

## 2.26 Earning per share (EPS)

The Company Calculates Earning per Share (EPS) in accordance with BAS-33: Earning per Share, which has been shown on the face of Profit & loss Account and the computation of EPS is stated in Note 35.

## 2.27 Non controlling interest

Non controlling interest is that portion of the profit or loss and net assets of the subsidiaries (Trust Bank Investment Limited and Trust Bank Securities Limited) attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Parent (Trust Bank Limited).

## 2.28 Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) in context of Bangladesh from the standards adopted by International Federation of Accountants Committee (IFAC) as International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). While preparing the financial statements, Trust Bank Limited applied most of the BAS and BFRS, details of which are given below:

| Name of BAS                                                              | BAS No. | Status   |
|--------------------------------------------------------------------------|---------|----------|
| Presentation of Financial Statements                                     | 1       | *Applied |
| Inventories                                                              | 2       | N/A      |
| Statements of Cash Flow                                                  | 7       | Applied  |
| Accounting Policies, Changes in Accounting Estimates and Errors          | 8       | Applied  |
| Events after the Reporting Period                                        | 10      | Applied  |
| Construction Contracts                                                   | 11      | N/A      |
| Income Taxes                                                             | 12      | Applied  |
| Property, Plant and Equipment                                            | 16      | Applied  |
| Lease                                                                    | 17      | N/A      |
| Revenue                                                                  | 18      | Applied  |
| Employee Benefits                                                        | 19      | Applied  |
| Accounting for Government Grants and Disclosure of Government Assistance | 20      | N/A      |
|                                                                          |         |          |
| The effects of Changes in Foreign Exchange Rate                          | 21      | Applied  |
| Borrowing Cost                                                           | 23      | Applied  |
| Related Party Disclosures                                                | 24      | Applied  |
| Accounting and Reporting by Retirement Benefit Plans                     | 26      | N/A      |
| Consolidated and Separate Financial Statements                           | 27      | Applied  |
| Investment in Associates                                                 | 28      | N/A      |
| Interest in Joint Ventures                                               | 31      | N/A      |
| Financial Instruments: Presentation                                      | 32      | *Applied |
| Earnings per Share                                                       | 33      | Applied  |

|                                                                 |                 |               |
|-----------------------------------------------------------------|-----------------|---------------|
| Interim Financial Reporting                                     | 34              | Applied       |
| Impairment of Assets                                            | 36              | Applied       |
| Provisions, Contingent Liabilities and Contingent Assets        | 37              | *Applied      |
| Intangible Assets                                               | 38              | Applied       |
| Financial Instruments: Recognition and Measurement              | 39              | *Applied      |
| Investment Property                                             | 40              | N/A           |
| Agriculture                                                     | 41              | N/A           |
|                                                                 |                 |               |
| <b>Name of BFRS</b>                                             | <b>BFRS No.</b> | <b>Status</b> |
| First-time Adoption of Bangladesh Financial Reporting Standards | 1               | N/A           |
| Share-based Payment                                             | 2               | N/A           |
| Business Combinations                                           | 3               | N/A           |
| Insurance Contracts                                             | 4               | N/A           |
| Non-current assets Held for Sale and Discontinued Operations    | 5               | N/A           |
| Exploration for and Evaluation of Mineral Resources             | 6               | N/A           |
| Financial Instruments: Disclosures                              | 7               | *Applied      |
| Operating Segments                                              | 8               | Applied       |
| Consolidated Financial Statements                               | 10              | Applied       |
| Joint Arrangements                                              | 11              | N/A           |
| Disclosure of Interest in Other Entities                        | 12              | Applied       |
| Fair Value Measurement                                          | 13              | *Applied      |

\* Subject to departure described in note 2.1

N/A= Not Applicable

## 2.29 Auditors' work-hour

The external auditors, M/s Syful Shamsul Alam & Co., Chartered Accountants, an independent member of UHY International, the UHY network is a member of the forum of Firms, of the Bank worked about in excess 3,840 work-hours at the Bank's Head Office and different branches. During their audit, they audited above 80% of the Bank's risk weighted assets as of the reporting date.

## 2.30 General

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



|                                                                          | 31.12.2014<br>Taka   | 31.12.2013<br>Taka   |
|--------------------------------------------------------------------------|----------------------|----------------------|
| <b>3 CASH</b>                                                            |                      |                      |
| <b>3.1 Cash in hand</b>                                                  |                      |                      |
| In local currency                                                        | 2,666,911,119        | 2,332,850,696        |
| In foreign currencies                                                    | 95,799,115           | 105,096,995          |
|                                                                          | <b>2,762,710,234</b> | <b>2,437,947,691</b> |
| <b>3.2 Balance with Bangladesh Bank and its agent bank(s)</b>            |                      |                      |
| Balance with Bangladesh Bank                                             |                      |                      |
| In local currency                                                        | 7,745,197,402        | 5,492,166,401        |
| In foreign currencies                                                    | 88,471,673           | 1,374,581,048        |
|                                                                          | 7,833,669,075        | 6,866,747,449        |
| Balance with Sonali Bank in local currency (as agent of Bangladesh Bank) | 157,584,961          | 248,134,570          |
|                                                                          | <b>7,991,254,036</b> | <b>7,114,882,019</b> |

### 3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 33 sub-section (2) of the Bank Companies Act 1991 and amendment made in 2013 on such act and MPD circular nos.02, Dated: December 10, 2013 and notification # MPD-116/2013-757 Dated: December 10, 2013 issued by Bangladesh Bank.

The Cash Reserve Requirement (CRR) has been calculated @ 6% on the Bank's time & demand liabilities of the month earlier of the previous month and 13% Statutory Liquidity Ratio (SLR) for Conventional Banking and 5.5% on Islamic Banking on the same liabilities components includes surplus of CRR including Balance with Bangladesh Bank and easily convertible assets kept by Bank in Bangladesh both reserves have been maintained during the year by the Bank. The position of CRR and SLR as on 31 December 2014 are shown below:

#### 3.3.1 Cash Reserve Requirement (CRR) for Conventional Banking

Average Demand and Time Liabilities of the month earlier of the previous month

##### 3.3.1.1 Average Required Reserve (6% of Average Demand and Time Liabilities)

Average Reserve held (6.69% of Average Demand and Time Liabilities)

**Surplus**

##### 3.3.1.2 Minimum Required Reserve (6.5% of Average Demand and Time Liabilities)

Actual Reserve held with B. Bank (6.69% of Average Demand and Time Liabilities)

**Surplus**

|  | 108,642,709,000    | 90,762,000,000     |
|--|--------------------|--------------------|
|  |                    |                    |
|  | 6,518,562,540      | 5,445,720,000      |
|  | 7,270,940,982      | 5,555,743,572      |
|  | <b>752,378,442</b> | <b>110,023,572</b> |
|  |                    |                    |
|  | 7,061,776,085      | 4,991,910,000      |
|  | 7,270,940,982      | 5,108,676,055      |
|  | <b>209,164,897</b> | <b>116,766,055</b> |

|                                                                                                 | 31.12.2014<br>Taka    | 31.12.2013<br>Taka    |
|-------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| <b>3.3.2 Statutory Liquidity Ratio for Coventional Banking (SLR)</b>                            |                       |                       |
| Required Reserve (13% of Average Demand and Time Liabilities )                                  | 14,123,552,170        | 17,244,780,000        |
| Actual Reserve held with B. Bank as on year end                                                 | 21,043,311,080        | 24,734,254,075        |
| <b>Surplus</b>                                                                                  | <b>6,919,758,910</b>  | <b>7,489,474,075</b>  |
| <b>3.3.3 Components of Statutory Liquidity Requirement (SLR)</b>                                |                       |                       |
| Cash in Hand                                                                                    | 2,750,410,345         | 2,437,971,690         |
| Balance with B. Bank and its agent Bank(s)                                                      | 157,593,961           | 5,356,810,625         |
| Excess Reserve                                                                                  | 209,164,900           | -                     |
| Government Bills                                                                                | 4,588,832,551         | 5,739,683,009         |
| Government Bonds                                                                                | 13,333,139,923        | 10,546,956,051        |
| Reverse Repo                                                                                    | -                     | 650,000,000           |
| Other Approved Securities (Prize Bond)                                                          | 4,169,400             | 2,832,700             |
|                                                                                                 | <b>21,043,311,080</b> | <b>24,734,254,075</b> |
| <b>3.3.4 Cash Reserve Ratio (CRR) for Islamic Banking</b>                                       |                       |                       |
| Average Demand and Time Liabilities of the month earlier of the previous month                  | <b>7,141,822,000</b>  | <b>4,741,485,000</b>  |
| <b>3.3.4(a) Average Required Reserve (6% of Average Demand and Time Liabilities)</b>            |                       |                       |
| Average Reserve held (7.5% of Average Demand and Time Liabilities)                              | 428,509,320           | 284,489,100           |
|                                                                                                 | 535,450,336           | 792,795,220           |
| <b>Surplus</b>                                                                                  | <b>106,941,016</b>    | <b>508,306,120</b>    |
| <b>3.3.4(b) Minimum Required Reserve (6.5% of Average Demand and Time Liabilities)</b>          |                       |                       |
| Actual Reserve held with B. Bank (7.5% of Average Demand and Time Liabilities)                  | 464,218,430           | 260,781,675           |
|                                                                                                 | 535,450,336           | 451,920,000           |
| <b>Surplus</b>                                                                                  | <b>71,231,906</b>     | <b>191,138,325</b>    |
| <b>3.3.2(a) Statutory Liquidity Requirement for Islamic Banking (SLR)</b>                       |                       |                       |
| Required Reserve (5.5% of Average Demand and Time Liabilities )                                 | 392,800,210           | 545,270,775           |
| Actual Reserve held with B. Bank ( 6.91% of Average Demand and Time Liabilities) as on year end | 493,658,800           | 691,920,000           |
| <b>Surplus</b>                                                                                  | <b>100,858,590</b>    | <b>146,649,225</b>    |
| <b>3.3.5 Components of Statutory Liquidity Requirement (SLR)</b>                                |                       |                       |
| Cash in Hand                                                                                    | 12,426,890            | -                     |
| Excess Reserve                                                                                  | 71,231,910            | -                     |
| Balance with B. Bank and its agent Bank(s)                                                      | -                     | 451,920,000           |
| Government Bills                                                                                | -                     | -                     |
| Government Islamic Investment Bonds                                                             | 410,000,000           | 240,000,000           |
|                                                                                                 | <b>493,658,800</b>    | <b>691,920,000</b>    |

|                                                              | 31.12.2014<br>Taka | 31.12.2013<br>Taka |
|--------------------------------------------------------------|--------------------|--------------------|
| <b>4 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS</b> |                    |                    |
| <b>4.1 In Bangladesh</b>                                     |                    |                    |
| Current Deposits                                             |                    |                    |
| Sonali Bank Ltd.                                             | 58,862,457         | 45,160,381         |
| Rupali Bank Ltd.                                             | 85,255             | 86,525             |
| The City Bank Ltd.                                           | 38,616             | 40,306             |
| Janata Bank Ltd.                                             | 54,633             | 56,598             |
| Agrani Bank Ltd. Ltd.                                        | 55,835             | 56,646             |
| Brac Bank Ltd. Ltd.                                          | 18,968,950         | 85,989,433         |
| Sonali Bank Ltd. (TAX Settlement A/C)                        | 466,320            | 584,558            |
| Social Islamic Bank Limited                                  | 508,275            | -                  |
|                                                              | <b>79,040,341</b>  | <b>131,974,447</b> |
| <b>Short Term Deposits</b>                                   |                    |                    |
| Sonali Bank Ltd.                                             | 106,553,266        | 13,757,256         |
| AB Bank Ltd.                                                 | 3,858,368          | 3,672,649          |
| Rupali Bank Ltd.                                             | 1,113,683          | 8,705,822          |
| Janata Bank Ltd.                                             | 2,113,327          | 22,015,822         |
| Prime Bank Ltd.                                              | 1,518,598          | 42,231             |
| Standard Chartered Bank                                      | 31,807,581         | 21,731,520         |
| Dutch Bangla Bank Ltd.                                       | 37,015,223         | 25,759,452         |
| Bank Asia Limited                                            | 289,768,322        | 194,662,809        |
| Standard Bank Limited                                        | 2,722,878          | 2,588,202          |
| Al Arafah Islami Bank Limited                                | 335,169            | 3,107,811          |
| NCC Bank Limited                                             | 51,165             | 49,422             |
| Southeast Bank Limited                                       | 7,303              | 48,728             |
|                                                              | <b>476,864,883</b> | <b>296,141,724</b> |
| <b>Mudaraba Short Term Deposit</b>                           |                    |                    |
| AB Bank Ltd.                                                 | 206,054,920        | 162,689,909        |
| The City Bank Limited                                        | 1,052,295          | 1,024,589          |
| EXIM Bank Ltd                                                | 46,155,807         | 3,702,809          |
| Bank Asia Ltd.                                               | 524,515            | 511,427            |
| Union Bank Ltd.                                              | 24,879,904         | -                  |
|                                                              | <b>278,667,441</b> | <b>167,928,734</b> |
| <b>Fixed Deposits in local Currency</b>                      |                    |                    |
| <b>Fixed With Bank</b>                                       |                    |                    |
| Southeast Bank Limited                                       | -                  | 100,000,000        |
| Standard Bank Ltd.                                           | -                  | 500,000,000        |
|                                                              | -                  | <b>600,000,000</b> |
| <b>Fixed With NBFI</b>                                       |                    |                    |
| Prime Finance Ltd.                                           | -                  | 100,000,000        |
| GSP Finance Ltd.                                             | -                  | 100,000,000        |
| Union Capital Ltd.                                           | 150,000,000        | 150,000,000        |
| Fareast Finance Ltd.                                         | -                  | 100,000,000        |
|                                                              | <b>150,000,000</b> | <b>450,000,000</b> |

|                                                 | 31.12.2014<br>Taka   | 31.12.2013<br>Taka   |
|-------------------------------------------------|----------------------|----------------------|
| Mudaraba Term Deposits                          |                      |                      |
| Union Bank Ltd.                                 | 200,000,000          | 500,000,000          |
| Islami Finance & Investment Ltd                 | -                    | 20,000,000           |
| EXIM Bank Limited                               | 100,000,000          | -                    |
| Hajj Finance Company Ltd.                       | 200,000,000          | 130,000,000          |
|                                                 | 500,000,000          | 650,000,000          |
|                                                 | <b>1,484,572,665</b> | <b>2,296,044,905</b> |
| <b>4.2 Outside Bangladesh</b>                   |                      |                      |
| <b>Current Account</b>                          |                      |                      |
| <b>Dollar Account</b>                           |                      |                      |
| Mashreqbank psc, USA                            | 24,333,095           | 95,854,134           |
| Standard Chartered Bank, USA                    | 39,108,528           | 246,842,291          |
| HSBC Bank, USA                                  | 60,065,213           | 403,094,386          |
| ICICI Bank Ltd., Hongkong                       | 24,669,157           | 70,731,996           |
| Conimez Bank, AG Germany                        | 511,992,075          | 113,887,000          |
| Habib Bank Limited                              | 13,132,132           | 25,885,076           |
| United Bank Of India                            | 10,320,480           | 12,619,436           |
| Sonali Bank Ltd. UK                             | 42,779,260           | 61,073,038           |
| <b>GBP Account</b>                              |                      |                      |
| Standard Chartered Bank, UK                     | 5,883,484            | 7,887,975            |
| Sonali Bank Ltd. UK                             | 4,301,555            | 1,294,521            |
| HSBC, PLC, UK                                   | 18,335,838           | 8,720,864            |
| <b>Japanese Yen Account</b>                     |                      |                      |
| Standard Chartered Bank, Japan                  | 1,737,589            | 3,468,505            |
| Commerzbank Ag, Frankfurt, Germany (Jpy)        | 1,100,501            | -                    |
| <b>Australian Dollar Account</b>                |                      |                      |
| Commerzbank Ag, Frankfurt, Germany              | 1,296,660            | -                    |
| <b>EURO Account</b>                             |                      |                      |
| HSBC, PLC, UK                                   | 6,212,192            | 13,635,610           |
| Standard Chartered Bank, UK                     | 1,990,636            | 2,711,172            |
| ICICI Bank Ltd., Mumbai, India                  | 487,917              | 557,159              |
| Sonali Bank Ltd. UK                             | 3,611,598            | 6,523,207            |
| Commerzbank AG, Germany                         | 10,552,523           | 60,058,031           |
| <b>ACUD Account</b>                             |                      |                      |
| Citibank N.A., Mumbai, India                    | -                    | -                    |
| ICICI Bank Ltd., Mumbai, India                  | 24,337,010           | 41,247,300           |
| HSBC Bank, Mumbai, India                        | -                    | 18,185,680           |
| AB Bank, Mumbai, India                          | 1,324,771            | 27,287,480           |
| Mashreqbank, Mumbai, India                      | 6,162,270            | 21,168,733           |
| Standard Chartered Bank, Mumbai, India          | 18,371,446           | 26,643,338           |
| <b>CHF Account</b>                              |                      |                      |
| Habib Bank, Zurich                              | 7,055,769            | 2,195,512            |
| <i>For details please refer to Annexure - A</i> | <b>839,161,699</b>   | <b>1,271,572,444</b> |
|                                                 | <b>2,323,734,364</b> | <b>3,567,617,349</b> |

|              |                                                                                           | 31.12.2014<br>Taka    | 31.12.2013<br>Taka    |
|--------------|-------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| <b>4.3</b>   | <b>Remaining maturity grouping of balance with other banks and financial institutions</b> |                       |                       |
|              | On demand                                                                                 | 918,202,040           | 1,403,546,891         |
|              | Upto 1 month                                                                              | 1,205,532,324         | 464,070,458           |
|              | Over 1 month but not more than 3 months                                                   | 80,000,000            | 1,180,000,000         |
|              | Over 3 months but not more than 1 Year                                                    | 120,000,000           | 520,000,000           |
|              | Over 1 Year but not more than 5 Years                                                     | -                     | -                     |
|              | Over 5 Years                                                                              | -                     | -                     |
|              |                                                                                           | <b>2,323,734,364</b>  | <b>3,567,617,349</b>  |
| <b>4 (a)</b> | <b>CONSOLIDATED BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS</b>                   |                       |                       |
|              | <b>In Bangladesh</b>                                                                      |                       |                       |
|              | Trust Bank Limited Note-4.1                                                               | 1,484,572,665         | 2,296,044,905         |
|              | Trust Bank Securities Limited                                                             | 32,745,706            | 24,809,409            |
|              | Trust Bank Investment Limited                                                             | 3,522,115             | 11,398,671            |
|              |                                                                                           | 1,520,840,486         | 2,332,252,985         |
|              | Less : Inter Company Transaction                                                          | 4,161,210             | 34,268,225            |
|              |                                                                                           | <b>1,516,679,276</b>  | <b>2,297,984,760</b>  |
|              | Outside Bangladesh Note-4.2                                                               | 839,161,699           | 1,271,572,444         |
|              |                                                                                           | <b>2,355,840,975</b>  | <b>3,569,557,204</b>  |
| <b>5</b>     | <b>MONEY AT CALL AND SHORT NOTICE</b>                                                     |                       |                       |
|              | <b>Banking company</b>                                                                    |                       |                       |
|              | Standard Bank Ltd.                                                                        | -                     | 250,000,000           |
|              |                                                                                           | -                     | 250,000,000           |
|              |                                                                                           | -                     | <b>250,000,000</b>    |
| <b>6</b>     | <b>INVESTMENTS</b>                                                                        |                       |                       |
|              | Government Securities Note-6.1                                                            |                       |                       |
|              | Treasury Bills                                                                            |                       |                       |
|              | Treasury Bills -HTM                                                                       | -                     | -                     |
|              | Treasury Bills-HFT                                                                        | 4,588,832,551         | 5,739,683,009         |
|              |                                                                                           | 4,588,832,551         | 5,739,683,009         |
|              | Treasury Bonds Note-6.2                                                                   |                       |                       |
|              | Treasury Bond - HFT                                                                       | -                     | -                     |
|              | Treasury Bond - HTM                                                                       | 13,333,139,923        | 10,546,956,051        |
|              | Bangladesh Govt. Islamic Investment Bond - HTM                                            | 410,000,000           | 240,000,000           |
|              |                                                                                           | 13,743,139,923        | 10,786,956,051        |
|              | Reverse REPO                                                                              | -                     | 650,000,000           |
|              | Prize Bond                                                                                | 4,169,400             | 2,832,700             |
|              |                                                                                           | <b>18,336,141,874</b> | <b>17,179,471,760</b> |
|              | <b>Other Investment</b>                                                                   |                       |                       |
|              | <b>Preference Share</b>                                                                   |                       |                       |
|              | 16,000,000 Shares United Power Generation & Distribution Co. Ltd.@ Tk. 10 each            | 160,000,000           | 200,000,000           |
|              | 20,000 Shares of Khulna Power Company Ltd. @ Tk.1000 each                                 | -                     | 20,000,000            |
|              |                                                                                           | <b>160,000,000</b>    | <b>220,000,000</b>    |



|                                       |          | 31.12.2014<br>Taka    | 31.12.2013<br>Taka    |
|---------------------------------------|----------|-----------------------|-----------------------|
| Ordinary Shares                       | Note-6.3 |                       |                       |
| Quoted                                |          | 499,369,357           | 1,069,313,156         |
| Unquoted                              |          | 34,708,330            | 24,708,330            |
|                                       |          | 534,077,687           | 1,094,021,486         |
| Debentures and Bond                   |          | 322,000,000           | 530,000,000           |
|                                       |          | <b>1,016,077,687</b>  | <b>1,844,021,486</b>  |
|                                       |          | <b>19,352,219,561</b> | <b>19,023,493,246</b> |
| <b>6 (a) Consolidated Investments</b> |          |                       |                       |
| <b>Government Securities</b>          |          |                       |                       |
| Trust Bank Limited                    |          | 18,336,141,874        | 17,179,471,760        |
| Trust Bank Securities Limited         |          | -                     | -                     |
| Trust Bank Investment Limited         |          | -                     | -                     |
|                                       |          | <b>18,336,141,874</b> | <b>17,179,471,760</b> |
| <b>Other Investment</b>               |          |                       |                       |
| Trust Bank Limited                    |          | 1,016,077,687         | 1,844,021,486         |
| Trust Bank Securities Limited         |          | -                     | -                     |
| Trust Bank Investment Limited         |          | 974,509,830           | 36,651,197            |
|                                       |          | 1,990,587,517         | 1,880,672,683         |
| Less : Inter Company Transaction      |          | -                     | -                     |
|                                       |          | <b>20,326,729,391</b> | <b>19,060,144,443</b> |

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

| Particulars                    | 31.12.2014        |               |              | 31.12.2013        |               |               |
|--------------------------------|-------------------|---------------|--------------|-------------------|---------------|---------------|
|                                | No. of Securities | At Cost       | Market Value | No. of Securities | At Cost       | Market Value  |
| Listed Securities              | 14                | 499,369,357   | 392,908,847  | 19                | 1,069,313,156 | 914,194,313   |
| Unlisted Securities :          |                   |               |              |                   |               |               |
| Bond                           | 5                 | 322,000,000   | 322,000,000  | 5                 | 530,000,000   | 530,000,000   |
| Ordinary Share                 | 3                 | 34,708,330    | 34,708,330   | 2                 | 24,708,330    | 24,708,330    |
| Preference Share               | 1                 | 160,000,000   | 160,000,000  | 2                 | 220,000,000   | 220,000,000   |
| Balance as on 30 December 2014 | 23                | 1,016,077,687 | 909,617,177  | 28                | 1,844,021,486 | 1,688,902,643 |

### Listed Securities

Investment has been recorded at cost and adequate provision for probable future losses as per Bangladesh Bank guideline has been made. Market value of securities has been determined on the basis of the value of securities at the last trading date of the year (Last trading date for the year was 30 December 14).

### 6.1 Sector wise investment in listed securities at cost

|                                    |                    |                      |
|------------------------------------|--------------------|----------------------|
| Banking Companies                  | 16,374,933         | 16,374,084           |
| Manufacturing Companies and others | 1,641,586          | 92,650,540           |
| Power Sector                       | 405,611,418        | 21,690,180           |
| IBBL Bond                          | 54,051,240         | 81,658,383           |
| Mutual Fund                        | 21,690,180         | 856,939,969          |
|                                    | <b>499,369,357</b> | <b>1,069,313,156</b> |

31.12.2014

Taka

31.12.2013

Taka

**Unlisted Securities****Ordinary Share**

Investment in ordinary share includes Tk 20 million in ITCL, Tk.4.71 Million in Central Depository Bangladesh Limited (CDBL) and Tk.10 million in CAPM Unit Fund. The unlisted investments are shown at cost.

**Preference Share**

Trust Bank Limited hold preference shares of United Power Generation & Distribution Co. Ltd. for Tk. 160 million, representing 2.28% of their Total Shareholders' equity (Share Capital and Retained Earnings).

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

**6.2 Treasury Bills-at Present Value**

|                         |                      |                      |
|-------------------------|----------------------|----------------------|
| 28 days Treasury Bills  | -                    | -                    |
| 91 days Treasury Bills  | 200,716,055          | 112,976,297          |
| 182 days Treasury Bills | 3,247,200,944        | 289,304,137          |
| 364 days Treasury Bills | 1,140,915,552        | 5,337,402,575        |
|                         | <b>4,588,832,551</b> | <b>5,739,683,009</b> |

**6.3 Treasury Bonds-at Present Value**

|                                  |                       |                       |
|----------------------------------|-----------------------|-----------------------|
| 01 years Islamic Investment Bond | 410,000,000           | 240,000,000           |
| 02 years Treasury Bonds          | 494,280,744           | 147,422,970           |
| 05 years Treasury Bonds          | 2,118,066,266         | 5,135,498,178         |
| 10 years Treasury Bonds          | 6,226,090,587         | 3,976,483,803         |
| 15 years Treasury Bonds          | 3,123,775,451         | 1,156,008,045         |
| 20 years Treasury Bonds          | 1,370,926,875         | 131,543,055           |
|                                  | <b>13,743,139,923</b> | <b>10,786,956,051</b> |

Repo & Reverse Repo Transactions during the year ended on 31 December 2014

Disclosure required as per Bangladesh Bank DOS Circular No.-06 Dated: 15 July 2010 regarding of repo and reverse repo during the year ended on 31 December 2014.

a. (i) Disclosure regarding outstanding REPO as on 31 December 2014

| Sl No | Counter Party | Agreement Date | Reversal Date | Amount (1st Leg Cash Consideration) |
|-------|---------------|----------------|---------------|-------------------------------------|
| 1     | -             | -              | -             | -                                   |

(ii) Disclosure regarding outstanding Reverse REPO as on 31 December 2014

| Sl No | Counter Party | Agreement Date | Reversal Date | Amount (1st Leg Cash Consideration) |
|-------|---------------|----------------|---------------|-------------------------------------|
| 1     | -             | -              | -             | -                                   |

b. Disclosure regarding overall transaction of REPO and Reverse REPO:

|                                  | Minimum Outstanding | Maximum       | Daily Average |
|----------------------------------|---------------------|---------------|---------------|
| Securities sold under REPO:      |                     |               |               |
| i) with Bangladesh Bank          | 186,575,000         | 4,322,500,000 | 2,361,538,167 |
| ii) with other Banks & Fis       |                     |               |               |
| Securities purchased under REPO: |                     |               |               |
| i) with Bangladesh Bank          | 400,000,000         | 1,100,000,000 | 691,666,667   |
| ii) with other Banks & Fis       |                     |               |               |

|            |                                                      | 31.12.2014<br>Taka    | 31.12.2013<br>Taka    |
|------------|------------------------------------------------------|-----------------------|-----------------------|
| <b>6.4</b> | <b>Investment in Corporate Bonds</b>                 |                       |                       |
|            | Rate of Interest                                     |                       |                       |
|            | Prime Bank Ltd. Subordinated Bond                    | 130,000,000           | 130,000,000           |
|            | Dhaka Bank Ltd. Subordinated Bond                    | 50,000,000            | 50,000,000            |
|            | National Bank Ltd. Subordinated Bond                 | 32,000,000            | 40,000,000            |
|            | Orascom Telecom Bangladesh Ltd.                      | -                     | 200,000,000           |
|            | MTBL Partly Convertible Subordinated Bond            | 110,000,000           | 110,000,000           |
|            |                                                      | <b>322,000,000</b>    | <b>530,000,000</b>    |
| <b>6.5</b> | <b>Investment in Ordinary Share - Quoted</b>         |                       |                       |
|            | Under Conventional Banking                           | 431,578,615           | 940,438,907           |
|            | Under Islamic Banking                                | 67,790,742            | 128,874,249           |
|            |                                                      | <b>499,369,357</b>    | <b>1,069,313,156</b>  |
| <b>6.6</b> | <b>Remaining maturity grouping of Investments</b>    |                       |                       |
|            | On demand                                            | 4,169,400             | 652,832,700           |
|            | Upto 1 month                                         | 174,377,826           | 252,104,165           |
|            | Over 1 month but not more than 3 months              | 3,873,572,785         | 4,519,009,230         |
|            | Over 3 months but not more than 1 Year               | 1,681,679,860         | 5,616,467,477         |
|            | Over 1 Year but not more than 5 Years                | 4,886,918,510         | 2,719,044,771         |
|            | Over 5 Years                                         | 8,731,501,180         | 5,264,034,903         |
|            |                                                      | <b>19,352,219,561</b> | <b>19,023,493,246</b> |
| <b>7</b>   | <b>LOANS AND ADVANCES/ISLAMI BANKING INVESTMENTS</b> |                       |                       |
|            | <b>Loans And Advances Under Coventional Banking</b>  |                       |                       |
|            | Repair & Recon. of Dwelling House (RRDH)             | 3,300,459,821         | 1,776,045,475         |
|            | Consumer Durable Scheme Loans (CDS)                  | 2,983,524             | 3,536,108             |
|            | Marriage Loans (ML)                                  | 542,811,266           | 75,424,666            |
|            | Car Loans (CL)                                       | 60,005,908            | 107,717,935           |
|            | House Building Loans (HBL)                           | 5,283,238,509         | 5,179,134,115         |
|            | Term Loans                                           | 37,974,652,964        | 21,638,311,669        |
|            | Other Retail Loans                                   | 1,742,477,078         | 1,303,890,520         |
|            | Time Loan                                            | 12,813,327,014        | 17,225,748,873        |
|            | Other Loans                                          | 4,596,808,772         | 3,638,058,369         |
|            | Staff Loans                                          | 730,134,834           | 478,642,276           |
|            | Loans against Credit Card                            | 111,897,109           | 104,133,968           |
|            | Loans against Trust Receipts (LTR)                   | 7,709,972,234         | 6,461,083,893         |
|            | Payment Against Documents (PAD)                      | 1,683,271,209         | 694,737,920           |
|            | Packing Credit (Loan agt. Packing Credit)            | 210,765,593           | 152,734,276           |
|            |                                                      | <b>76,762,805,835</b> | <b>58,839,200,063</b> |
|            | <b>Loans And Advances under Islamic Banking</b>      |                       |                       |
|            | Bai-Muajjal                                          | 3,228,006,103         | 1,960,419,940         |
|            | Hire Purchase under Shirkatul Melk                   | 704,870,735           | 880,991,842           |
|            | IHSAN Apartment Purchase Scheme                      | 28,357,333            | 18,262,656            |
|            | BARAKAT Home Construction Scheme                     | 32,496,865            | 22,640,718            |

|                                                                                                      | 31.12.2014<br>Taka     | 31.12.2013<br>Taka    |
|------------------------------------------------------------------------------------------------------|------------------------|-----------------------|
| BARAKAT Car Scheme                                                                                   | 4,391,859              | 13,583,967            |
| HPSM-Real Estate                                                                                     | 183,581,162            | 41,872,169            |
| Murabaha TR                                                                                          | 1,035,569,911          | 367,805,946           |
| Bai-Salam                                                                                            | 68,174,499             | 78,716,658            |
| TIB House Building Scheme-HBL (RM)                                                                   | 72,434,126             | 70,816,693            |
| TIB Household Durable Scheme( Household Durable)                                                     | 909,839                | -                     |
| Household Durable & others scheme                                                                    | 806,679                | -                     |
| MIB- EDF - TIB                                                                                       | 398,557,937            | -                     |
| HPSM General                                                                                         | 378,207,856            | -                     |
|                                                                                                      | <b>6,136,364,904</b>   | <b>3,455,110,589</b>  |
| <b>Cash Credit</b>                                                                                   |                        |                       |
| Cash Credit                                                                                          | 1,917,772,476          | 1,807,486,430         |
| Cash Collateral                                                                                      | 1,861,320,691          | 979,169,550           |
|                                                                                                      | <b>3,779,093,167</b>   | <b>2,786,655,980</b>  |
| <b>Overdraft</b>                                                                                     |                        |                       |
| Overdrafts                                                                                           | 6,108,040,349          | 3,827,926,775         |
| Secured Overdrafts                                                                                   | 9,485,978,352          | 8,722,620,896         |
|                                                                                                      | <b>15,594,018,701</b>  | <b>12,550,547,671</b> |
| <b>Total Loans, Cash Credits and Overdrafts</b>                                                      | <b>102,272,282,607</b> | <b>77,631,514,303</b> |
| <b>Bills Purchased and Discounted</b>                                                                |                        |                       |
| Under Conventional banking                                                                           | 4,331,646,041          | 1,261,883,682         |
| Under Islamic banking                                                                                | 282,154,053            | 386,179,622           |
|                                                                                                      | <b>4,613,800,094</b>   | <b>1,648,063,304</b>  |
|                                                                                                      | <b>106,886,082,701</b> | <b>79,279,577,607</b> |
| <b>7.1 Residual maturity grouping of Loans and Advances including Bills Purchased and Discounted</b> |                        |                       |
| Repayable on demand                                                                                  | 5,758,515,634          | 7,927,957,761         |
| Upto 1 month                                                                                         | 7,482,537,358          | 4,138,969,621         |
| Over 1 month but not more than 3 months                                                              | 18,264,340,744         | 14,471,678,677        |
| Over 3 months but not more than 1 Year                                                               | 40,712,709,344         | 28,874,440,366        |
| Over 1 Year but not more than 5 Years                                                                | 26,000,136,219         | 15,804,937,893        |
| Over 5 Years                                                                                         | 8,667,843,402          | 8,061,593,289         |
|                                                                                                      | <b>106,886,082,701</b> | <b>79,279,577,607</b> |
| <b>7.2 Loans and Advances including Bills Purchased and Discounted</b>                               |                        |                       |
| <b>Inside Bangladesh</b>                                                                             |                        |                       |
| Loans                                                                                                | 82,899,170,739         | 62,481,274,659        |
| Cash Credit                                                                                          | 3,779,093,167          | 2,786,655,980         |
| Overdraft                                                                                            | 15,594,018,701         | 12,550,547,671        |
| Bills purchased and discounted                                                                       | 4,613,800,094          | 1,461,099,297         |
|                                                                                                      | <b>106,886,082,701</b> | <b>79,279,577,607</b> |
| <b>Outside Bangladesh</b>                                                                            | -                      | -                     |
|                                                                                                      | <b>106,886,082,701</b> | <b>79,279,577,607</b> |

### 7.3 Loans and Advances on the basis of significant concentration

#### 7.3.1 Advances to Directors and Others

|                                                | 31.12.2014<br>Taka     | 31.12.2013<br>Taka    |
|------------------------------------------------|------------------------|-----------------------|
| Advance to Directors and their allied concerns | 18,173,936             | 44,962,730            |
| Advances to CEO and Senior Executives          | 202,944,040            | 250,549,358           |
| Advances to Customers (Group wise)             | 32,462,208,952         | 20,201,505,120        |
| Industrial Advances ( Project finance)         | 17,512,644,853         | 10,425,065,317        |
| Other Staff Loan                               | 730,134,834            | 478,642,276           |
| Other Customers                                | 55,959,976,086         | 47,878,852,806        |
|                                                | <b>106,886,082,701</b> | <b>79,279,577,607</b> |

#### 7.3.2 Disclosure of Large Loan

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

|                                                  |                |                |
|--------------------------------------------------|----------------|----------------|
| Total Capital                                    | 12,321,175,428 | 9,722,968,387  |
| Total Large Loan                                 | 52,081,386,508 | 33,865,409,324 |
| No. of Customers                                 | 29             | 21             |
| Classified amount thereon                        | Nil            | Nil            |
| Measures taken for recovery of classified loans: | N/A            | N/A            |

#### Details of Large Loans

| SL | Name of the Client                                                       | CL<br>Status | Outstanding Loan |               | Total<br>31.12.2014   | Total<br>31.12.2013   |
|----|--------------------------------------------------------------------------|--------------|------------------|---------------|-----------------------|-----------------------|
|    |                                                                          |              | Funded           | Non-Funded    |                       |                       |
| 1  | Sena Kalyan Sangstha & allied                                            | UC           | 2,487,706,166    | 705,761,174   | 3,193,467,340         | -                     |
| 2  | SQ Celcius Limited                                                       | UC           | 1,711,212,890    | 1,341,810,839 | 3,053,023,729         | 3,083,199,497         |
| 3  | Pretty Sweater Ind. Ltd.                                                 | UC           | 239,527,904      | 2,577,257,259 | 2,816,785,163         | -                     |
| 4  | Jolshiri Abashon                                                         | UC           | 2,785,615,602    | -             | 2,785,615,602         | -                     |
| 5  | Army Welfare Trust and its' sister concern                               | UC           | 2,688,452,262    | 47,136,326    | 2,735,588,588         | -                     |
| 6  | GPH Ispat Ltd.                                                           | UC           | 1,227,528,104    | 1,436,140,148 | 2,663,668,252         | 1,756,008,360         |
| 7  | Scandex Textile Ind. Ltd.                                                | UC           | 1,259,267,061    | 1,345,058,546 | 2,604,325,607         | 1,359,898,155         |
| 8  | Masud & Brothers                                                         | UC           | 1,228,858,353    | 1,060,700,000 | 2,289,558,353         | 3,040,094,776         |
| 9  | Barakatullah Electro Dynamics Ltd.,<br>Baraka Patenga Power Ltd.etc      | UC           | 1,665,729,864    | 225,163,925   | 1,890,893,789         | 1,699,709,538         |
| 10 | The ACME Laboratories Ltd.                                               | UC           | 1,141,478,264    | 743,813,048   | 1,885,291,312         | 1,176,213,275         |
| 11 | Abul Khair Group                                                         | UC           | 1,373,700,058    | 488,197,932   | 1,861,897,990         | 1,659,756,422         |
| 12 | ACI Group                                                                | UC           | 962,460,564      | 787,369,791   | 1,749,830,355         | -                     |
| 13 | Santana Enterprise                                                       | UC           | 1,483,055,667    | 170,897,865   | 1,653,953,532         | 1,017,416,635         |
| 14 | Anwar Group of Industries                                                | UC           | 1,298,016,065    | 235,881,952   | 1,533,898,017         | 1,116,002,057         |
| 15 | Opex-Sinha Group                                                         | UC           | 1,003,003,998    | 473,251,188   | 1,476,255,186         | -                     |
| 16 | Walton Hi-Tech Industries Ltd.                                           | UC           | 228,276,922      | 1,208,037,000 | 1,436,313,922         | -                     |
| 17 | BRAC                                                                     | UC           | 1,022,999,501    | 402,029,028   | 1,425,028,529         | 2,442,116,589         |
| 18 | Bangladesh Machine Tools Factory Ltd.                                    | UC           | 334,815,834      | 1,010,953,221 | 1,345,769,055         | -                     |
| 19 | Dhaly Construction Ltd.                                                  | UC           | 1,022,295,912    | 298,655,962   | 1,320,951,874         | 1,071,764,588         |
| 20 | Friends Traders & AG Hi-Tech Ltd.                                        | UC           | 431,661,156      | 886,996,000   | 1,318,657,156         | -                     |
| 21 | KYCR Coil Industries Ltd., Steel<br>Accessories Ltd., KDS Logistics Ltd. | UC           | 668,540,508      | 636,623,488   | 1,305,163,996         | -                     |
| 22 | Danish Condensed Milk Ltd. &<br>Danish Foods Ltd.                        | UC           | 1,018,407,318    | 273,843,956   | 1,292,251,274         | 1,384,472,536         |
| 23 | Rising Steel Limited                                                     | UC           | 1,263,118,190    | 13,140,630    | 1,276,258,820         | 1,304,094,430         |
| 24 | Sena Paribar Kallyan Samity                                              | UC           | 1,262,147,050    | -             | 1,262,147,050         | -                     |
| 25 | Kabir Group                                                              | UC           | 583,169,615      | 613,891,963   | 1,197,061,578         | 1,561,085,379         |
| 26 | RSRM Group                                                               | UC           | 994,351,262      | 200,427,184   | 1,194,778,446         | 1,893,778,281         |
| 27 | 7B Associates                                                            | UC           | 796,902,872      | 386,805,495   | 1,183,708,367         | -                     |
| 28 | Pacific Group                                                            | UC           | 1,120,335,775    | 45,424,974    | 1,165,760,749         | 1,223,486,673         |
| 29 | Joy Enterprise & allied                                                  | UC           | 1,117,960,199    | 45,522,678    | 1,163,482,877         | 1,011,659,500         |
| 30 | Summit Group                                                             | UC           | -                | -             | -                     | 1,682,066,161         |
| 31 | Simtex Industries Ltd.                                                   | UC           | -                | -             | -                     | 1,515,677,002         |
| 32 | Teletalk Bangladesh Ltd.                                                 | UC           | -                | -             | -                     | 1,030,110,581         |
| 33 | Shabnam Vegetable Oil Ind. Ltd.                                          | UC           | -                | -             | -                     | 1,836,798,889         |
|    |                                                                          |              |                  |               | <b>52,081,386,508</b> | <b>33,865,409,324</b> |



|                                                                             | 31.12.2014<br>Taka     | 31.12.2013<br>Taka    |
|-----------------------------------------------------------------------------|------------------------|-----------------------|
| <b>7.3.3 Industry-wise concentration of Loans and Advances</b>              |                        |                       |
| Agro-sector                                                                 | 1,627,685,181          | 1,303,264,574         |
| Automobiles                                                                 | 1,175,415,761          | 279,510,811           |
| Cement & Building Materials                                                 | 4,389,962,507          | 1,201,138,732         |
| Chemical & Pharma                                                           | 4,058,378,568          | 1,608,025,595         |
| Paper                                                                       | 1,286,002,565          | 1,038,061,074         |
| Rubber & Plastic                                                            | 319,192,273            | 1,106,008,593         |
| Edible Oil                                                                  | 511,728,512            | 1,329,854,818         |
| Energy & Power                                                              | 2,695,392,879          | 3,950,471,350         |
| Fisheries                                                                   | 16,959,149             | 31,730,202            |
| Steel & Engineering                                                         | 7,522,741,181          | 6,216,976,574         |
| Textile & Garments                                                          | 13,782,482,518         | 9,363,040,458         |
| Food & Allied                                                               | 2,280,119,011          | 2,440,093,740         |
| Construction                                                                | 7,926,825,724          | 2,718,556,052         |
| Housing                                                                     | 10,345,985,265         | 9,426,866,906         |
| Trading                                                                     | 13,282,517,845         | 10,619,726,658        |
| Telecom & Transport                                                         | 3,232,332,333          | 3,821,449,116         |
| NBFI/NGO                                                                    | 1,618,378,990          | 1,278,846,356         |
| Medical services                                                            | 1,819,516,395          | 1,242,109,214         |
| Personal services                                                           | 9,096,165,954          | 4,757,147,741         |
| Trust Bank Investment Limited                                               | 52,452,665             | 363,068,289           |
| Others                                                                      | 19,845,847,425         | 15,183,630,754        |
|                                                                             | <b>106,886,082,701</b> | <b>79,279,577,607</b> |
| <b>7.3.4 Geographical location-wise concentration of Loans and Advances</b> |                        |                       |
| <b>Inside Bangladesh</b>                                                    |                        |                       |
| Dhaka Division                                                              | 79,429,352,090         | 54,627,996,065        |
| Chittagong Division                                                         | 19,474,683,558         | 18,701,311,707        |
| Khulna Division                                                             | 3,091,691,591          | 2,115,794,748         |
| Sylhet Division                                                             | 2,745,627,710          | 2,503,651,648         |
| Rangpur Division                                                            | 919,589,499            | 416,627,870           |
| Barisal Division                                                            | 155,993,722            | 73,871,473            |
| Rajshahi Division                                                           | 1,069,144,531          | 840,324,096           |
|                                                                             | 106,886,082,701        | 79,279,577,607        |
| Outside Bangladesh                                                          | -                      | -                     |
|                                                                             | <b>106,886,082,701</b> | <b>79,279,577,607</b> |
| <b>7.3.5 Nature wise Loans and Advances</b>                                 |                        |                       |
| Continuous                                                                  | 22,592,390,544         | 15,580,487,048        |
| Demand Loan                                                                 | 28,509,948,245         | 26,940,830,831        |
| Term Loans                                                                  | 55,036,759,850         | 36,258,576,103        |
| Short Term Agri. Credit & Micro Credit                                      | 22,274,818             | 21,041,349            |
| Staff Loan                                                                  | 724,709,244            | 478,642,276           |
|                                                                             | <b>106,886,082,701</b> | <b>79,279,577,607</b> |

|            |                                                                                                                                                                                                                                                           | 31.12.2014<br>Taka     | 31.12.2013<br>Taka    |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-----------------------|
| <b>7.4</b> | <b>Classification of Loans and Advances including Bills Purchased and Discounted</b>                                                                                                                                                                      |                        |                       |
| a          | Unclassified Loans and Advances (including staff loan)                                                                                                                                                                                                    |                        |                       |
| 1          | Consumer Financing (House Financing, HF)                                                                                                                                                                                                                  | 9,108,684,700          | 7,484,600,769         |
| 2          | Consumer Financing (Loans for Professional, LP)                                                                                                                                                                                                           | 4,476,123              | 4,900,305             |
| 3          | Consumer Financing (Other than HF & LP)                                                                                                                                                                                                                   | 4,287,404,560          | 3,285,290,442         |
| 4          | Small & Medium Enterprise Financing (SMEF)                                                                                                                                                                                                                | 5,033,867,539          | 4,530,153,502         |
| 5          | Loans to BHs/ MBs/ Sds against Shares etc                                                                                                                                                                                                                 | 133,462,050            | 432,641,319           |
| 6          | All Other Credit                                                                                                                                                                                                                                          | 81,065,966,084         | 57,284,682,042        |
| 7          | Short Term Agri Credit                                                                                                                                                                                                                                    | 21,265,453             | 20,683,106            |
| 8          | Staff Loans                                                                                                                                                                                                                                               | 724,107,515            | 477,595,975           |
|            |                                                                                                                                                                                                                                                           | 100,379,234,024        | 73,520,547,460        |
| b          | Special Mentioned Accounts                                                                                                                                                                                                                                | 3,892,085,792          | 3,288,665,351         |
| c          | Classified Loans and Advances                                                                                                                                                                                                                             |                        |                       |
| 1          | Sub-Standard Loans and Advances                                                                                                                                                                                                                           | 357,535,947            | 557,213,581           |
| 2          | Doubtful Loans and Advances                                                                                                                                                                                                                               | 214,769,004            | 168,425,611           |
| 3          | Bad /Loss Loans and Advances                                                                                                                                                                                                                              | 2,042,457,934          | 1,744,725,604         |
|            |                                                                                                                                                                                                                                                           | 2,614,762,885          | 2,470,364,796         |
|            |                                                                                                                                                                                                                                                           | <b>106,886,082,701</b> | <b>79,279,577,607</b> |
| <b>7.5</b> | <b>Particulars of Loans and Advances</b>                                                                                                                                                                                                                  |                        |                       |
| (I)        | Debts considered good in respect of which the bank is fully secured.                                                                                                                                                                                      | 63,238,917,436         | 50,812,710,322        |
| (ii)       | Debts considered good for which the bank holds no other security than the debtor's personal security.                                                                                                                                                     | 2,007,584,680          | 1,227,450,656         |
| (iii)      | Debts considered good and secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtors.                                                                                                                    | 35,132,731,908         | 21,480,386,482        |
| (iv)       | Debts considered doubtful or bad not provided for                                                                                                                                                                                                         | -                      | -                     |
| (v)        | Debts due by directors or officers of the bank or any of them either severally or jointly with any other person.                                                                                                                                          | 951,252,810            | 774,154,364           |
| (vi)       | Debts due by companies or firms in which the directors of the bank are interested as directors, partners or managing agents or, in the case of private companies as members.                                                                              | -                      | -                     |
| (vii)      | Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons.                             | 951,252,810            | 774,154,364           |
| (viii)     | Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private company. | -                      | -                     |

|                                                                                                                  | 31.12.2014<br>Taka   | 31.12.2013<br>Taka   |
|------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| (ix) Due from Banking Companies.                                                                                 | -                    | -                    |
| (x) Amount of classified loan on which no interest has been charged:                                             |                      |                      |
| a) Increase/(Decrease) in provision                                                                              | 124,375,000          | 144,307,000          |
| Amount of loan written off                                                                                       | -                    | -                    |
| Amount realized against loan previously written off                                                              | -                    | -                    |
| b) Provision kept against loans classified as bad debts                                                          | 963,337,000          | 838,594,000          |
| c) Interest credited to interest Suspense Account                                                                | 585,800,675          | 384,874,874          |
| (xi) Cumulative amount of written off loans                                                                      |                      |                      |
| Opening Balance                                                                                                  | -                    | 2,700                |
| Amount written off/(recovery) during the year                                                                    | -                    | (2,700)              |
|                                                                                                                  | -                    | -                    |
| The amount of written off loans for which law suit has been filed                                                | -                    | -                    |
| <b>7.6 Bills purchased and discounted</b>                                                                        |                      |                      |
| Payable in Bangladesh                                                                                            | 4,311,489,120        | 1,246,588,425        |
| Payable out side Bangladesh                                                                                      | 302,310,974          | 401,474,879          |
|                                                                                                                  | <b>4,613,800,094</b> | <b>1,648,063,304</b> |
| <b>7.7 Remaining maturity grouping of bills purchased and discounted</b>                                         |                      |                      |
| Payable with in one month                                                                                        | 2,444,783,351        | 181,943,747          |
| Over one month but less than three months                                                                        | 1,279,531,825        | 908,603,995          |
| Over three months but less than 01 year                                                                          | 889,484,918          | 370,551,555          |
| More than 01 year                                                                                                | -                    | -                    |
|                                                                                                                  | <b>4,613,800,094</b> | <b>1,461,099,297</b> |
| <b>7.8 Litigation filed by the Bank</b>                                                                          |                      |                      |
| As of the responding date, the Bank filed lawsuit against recovery of its defaulted loans and advances as under: |                      |                      |
| <b>Name of the Branch</b>                                                                                        |                      |                      |
| Principal Branch                                                                                                 | 152,841,076          | 75,171,711           |
| Sena Kalyan Bhaban Branch                                                                                        | 675,483,543          | 674,650,543          |
| Bogra Cantonment Branch                                                                                          | 1,044,807            | 1,044,807            |
| Jessore Cantt. Branch                                                                                            | 21,969,000           | 39,644,000           |
| Agrabad Branch                                                                                                   | 413,550,778          | 345,689,777          |
| Dhanmondi Branch                                                                                                 | 65,826,421           | 54,554,143           |
| Dilkusha Corporate Branch                                                                                        | 3,389,637            | 6,389,637            |
| RWGH Branch                                                                                                      | 1,812,050            | 603,000              |
| CDA Avenue Branch                                                                                                | 163,991,544          | -                    |
| Sylhet Corp.Br                                                                                                   | 10,613,025           | 9,832,025            |
| Millenum Corporate Branch                                                                                        | 13,225,000           | 550,000              |

|                              | 31.12.2014<br>Taka   | 31.12.2013<br>Taka   |
|------------------------------|----------------------|----------------------|
| Halishar Branch              | 347,040,769          | 40,946,919           |
| Gulshan Corporate Branch     | -                    | 81,415,051           |
| Beani Bazar Branch           | 23,307,426           | 8,973,575            |
| Goala Bazar Branch           | 78,329,324           | -                    |
| Mirpur Branch                | 7,616,825            | 1,552,718            |
| Karwan Bazar Branch          | 2,795,240            | 1,445,240            |
| Madhobdi SME Branch          | 10,500,000           | -                    |
| Jublee Road Branch           | 158,379,517          | 808,000              |
| Ashugonj Branch              | 466,2309             | -                    |
| Rajendrapur Branch           | 820,382              | -                    |
| Elephant Road Branch         | 150,000              | -                    |
| Dholikhal SME Service Centre | 6,830,356            | -                    |
| Norshingdi Branch            | 636,043              | -                    |
|                              | <b>2,164,815,072</b> | <b>1,343,271,146</b> |

#### 7 (a) Consolidated Loans and Advances/Islami Banking Investments

##### Loans And Advances

|                                  |                        |                       |
|----------------------------------|------------------------|-----------------------|
| Trust Bank Limited               | 102,272,282,607        | 77,818,478,310        |
| Trust Bank Securities Limited    | -                      | -                     |
| Trust Bank Investment Limited    | 4,578,900,657          | 4,881,903,930         |
|                                  | 106,851,183,264        | 82,700,382,240        |
| Less : Inter Company Transaction | 52,452,665             | 363,068,289           |
|                                  | <b>106,798,730,599</b> | <b>82,337,313,951</b> |
| Bills purchased and discounted   |                        |                       |
| Trust Bank Limited               | 4,613,800,094          | 1,461,099,297         |
| Trust Bank Securities Limited    | -                      | -                     |
| Trust Bank Investment Limited    | -                      | -                     |
|                                  | 4,613,800,094          | 1,461,099,297         |
|                                  | <b>111,412,530,693</b> | <b>83,798,413,248</b> |

#### 8 FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES

##### Cost

|                                |                      |                      |
|--------------------------------|----------------------|----------------------|
| Leasehold Land                 | 160,469              | 160,469              |
| Office Building                | 12,680,000           | 12,680,000           |
| Furniture and fixtures         | 168,182,869          | 152,038,034          |
| Office equipment               | 674,152,321          | 506,602,925          |
| Motor vehicles                 | 79,680,132           | 66,095,233           |
| Office renovation              | 338,400,656          | 296,289,863          |
|                                | <b>1,273,256,447</b> | <b>1,033,866,524</b> |
| Less: Accumulated depreciation | Note - 8.1           | 550,081,301          |
|                                | <b>603,640,075</b>   | <b>483,785,223</b>   |

##### 8.1 Accumulated depreciation

|                        |                    |                    |
|------------------------|--------------------|--------------------|
| Leasehold Land         | 1,991,256          | 1,611,443          |
| Office Building        | 80,374,826         | 71,350,334         |
| Furniture and fixtures | 394,648,588        | 315,689,802        |
| Office equipment       | 48,092,498         | 40,348,843         |
| Motor vehicles         | 144,509,204        | 121,080,879        |
| Office renovation      | <b>669,616,372</b> | <b>550,081,301</b> |

For details please refer to Annexure - B

|              |                                                                             | 31.12.2014<br>Taka | 31.12.2013<br>Taka |
|--------------|-----------------------------------------------------------------------------|--------------------|--------------------|
| <b>8 (a)</b> | <b>Consolidated Fixed assets including premises, furniture and fixtures</b> |                    |                    |
|              | Trust Bank Limited Note-8                                                   | 603,640,075        | 483,785,223        |
|              | Trust Bank Securities Limited                                               | 2,979,506          | 900,762            |
|              | Trust Bank Investment Limited                                               | 10,491,315         | 13,528,249         |
|              |                                                                             | <b>617,110,896</b> | <b>498,214,234</b> |

*For details please refer to Annexure - B*

## **9 OTHER ASSETS**

|       |                                                                                                                                                      |                      |                      |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| i)    | Investment in shares of subsidiary companies (In Bangladesh and outside)                                                                             |                      |                      |
|       | In Bangladesh                                                                                                                                        | 3,349,999,290        | 3,349,999,290        |
|       | Outside Bangladesh                                                                                                                                   | -                    | -                    |
| ii)   | Stationery, stamps, printing materials in stock etc.;                                                                                                | 30,180,841           | 32,624,118           |
| iii)  | Advance Rent and Advertisement                                                                                                                       | 336,555,869          | 215,133,744          |
| iv)   | Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable; Note-9.1 | 457,519,201          | 403,997,457          |
| v)    | Security Deposits                                                                                                                                    | 9,295,279            | 8,926,581            |
| vi)   | Preliminary, formation and organization expenses, renovation/ development expenses and prepaid expenses; Note-9.2                                    | 29,043,407           | 23,576,605           |
| vii)  | Branch Adjusting (net)                                                                                                                               | -                    | -                    |
| viii) | Suspense Account                                                                                                                                     | 562,325,548          | 135,300,060          |
| ix)   | Adjusting Account for Online GL                                                                                                                      | -                    | -                    |
| x)    | Silver                                                                                                                                               | -                    | -                    |
| xi)   | Others Note-9.3                                                                                                                                      | 651,557,987          | 412,712,858          |
|       |                                                                                                                                                      | <b>5,426,477,422</b> | <b>4,582,270,713</b> |

### **9.1 Interest/Profit accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable;**

|                                              |            |                    |                    |
|----------------------------------------------|------------|--------------------|--------------------|
| Interest accrued on investments and deposits | Note-9.1.1 | 439,941,356        | 394,725,060        |
| Interest accrued on Loans & advances         | Note-9.1.2 | -                  | -                  |
| Commission Receivable on SP & WEDB           |            | 17,577,845         | 9,272,397          |
|                                              |            | <b>457,519,201</b> | <b>403,997,457</b> |

#### **9.1.1 Interest accrued on investments and deposits**

|                                              |              |                    |                    |
|----------------------------------------------|--------------|--------------------|--------------------|
| Interest accrued on Fixed Deposits           | Note-9.1.1.1 | 12,664,983         | 41,986,918         |
| Interest accrued on Short Term Deposits      |              | 50,000             | -                  |
| Interest accrued on Money at Call            |              | -                  | 97,222             |
| Interest accrued on Bonds                    |              | 9,999,111          | 23,742,605         |
| Interest accrued on Government Treasury Bond |              | 417,227,262        | 328,898,315        |
|                                              |              | <b>439,941,356</b> | <b>394,725,060</b> |

#### **9.1.1.1 Interest/Profit accrued on Fixed Deposits/MTDR**

|                                    |  |                   |                   |
|------------------------------------|--|-------------------|-------------------|
| Interest accrued on Fixed Deposits |  | 12,664,983        | 41,986,918        |
| Profit accrued on MTDR             |  | -                 | -                 |
|                                    |  | <b>12,664,983</b> | <b>41,986,918</b> |



|              |                                                                                                                  | 31.12.2014         | 31.12.2013         |
|--------------|------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
|              |                                                                                                                  | Taka               | Taka               |
| <b>9.1.2</b> | <b>Interest accrued on Loans &amp; advances</b>                                                                  |                    |                    |
|              | Interest accrued on Conventional Loans & advances                                                                | -                  | -                  |
|              | Profit Receivable on TIB Investment                                                                              | -                  | -                  |
|              |                                                                                                                  | -                  | -                  |
| <b>9.2</b>   | <b>Preliminary, formation and organization expenses, renovation / development expenses and prepaid expenses;</b> |                    |                    |
|              | Pre-opening Expenses                                                                                             | -                  | -                  |
|              | Prepaid Expenses                                                                                                 | 29,043,407         | 23,576,605         |
|              |                                                                                                                  | <b>29,043,407</b>  | <b>23,576,605</b>  |
| <b>9.3</b>   | <b>Others</b>                                                                                                    |                    |                    |
|              | Deferred Tax Asset Note-9.3.1                                                                                    | 65,661,260         | 45,586,471         |
|              | Intangible Assets                                                                                                | 4,776,251          | 12,257,725         |
|              | Intl. Credit Report Agency Charge                                                                                | 1,367,859          | 1,367,859          |
|              | Encashment of Sanchaya patra awaiting reimbursement-Principal                                                    | 123,542,376        | 51,470,943         |
|              | Encashment of Sanchaya patra awaiting reimbursement-Interest                                                     | 130,925,349        | 65,357,207         |
|              | Encashment of WEDB awaiting reimbursement-Principal                                                              | 28,122,344         | 36,898,925         |
|              | Encashment of WEDB awaiting reimbursement-Interest                                                               | 89,988,385         | 103,513,660        |
|              | US\$ Premium Bond - Interest                                                                                     | 1,578,735          | 520,425            |
|              | US\$ Investment Bond - Principal                                                                                 | 1,575,000          | 3,590,300          |
|              | US\$ Investment Bond - Interest                                                                                  | 1,875,530          | 2,554,381          |
|              | Advance against Capital Expenditure                                                                              | 160,655,304        | 58,624,000         |
|              | Clearing Adjustment                                                                                              | 25,555,606         | 18,779,159         |
|              | Receivable on Death Risk Benefit-WEDB                                                                            | -                  | 120,000            |
|              | Receivable from Exchange House                                                                                   | 15,933,988         | 12,071,803         |
|              |                                                                                                                  | <b>651,557,987</b> | <b>412,712,858</b> |
| <b>9.3.1</b> | <b>Deferred tax Asset</b>                                                                                        |                    |                    |
|              | Balance as on 1 January                                                                                          | 45,586,471         | 37,202,471         |
|              | Addition during the year                                                                                         | 20,074,789         | 8,384,000          |
|              | Closing Balance                                                                                                  | <b>65,661,260</b>  | <b>45,586,471</b>  |
|              | Cosolidated Deferred tax Asset                                                                                   |                    |                    |
|              | Trust Bank Limited                                                                                               | 20,074,789         | 8,384,000          |
|              | Trust Bank Securities Limited                                                                                    | 30,293             | -                  |
|              | Trust Bank Investment Limited                                                                                    | 537,589            | 249,364            |
|              |                                                                                                                  | <b>20,642,671</b>  | <b>8,633,364</b>   |

As per BRPD Circular # 11 Dated: 12 December 2011 regarding accounting for Deferred Tax policy are as follows:

|              |             |             | 31.12.2014<br>Taka                           | 31.12.2013<br>Taka                 |
|--------------|-------------|-------------|----------------------------------------------|------------------------------------|
| Particulars  | Book Value  | Tax Base    | (Deductible)/Taxable<br>Temporary Difference | (Deferred Tax<br>Assets)/Liability |
| Fixed Assets | 603,641,075 | 735,306,313 | (131,665,238)                                | (55,957,726)                       |

|                                                                               |            |            |
|-------------------------------------------------------------------------------|------------|------------|
| Balance as at 31 December                                                     |            |            |
| Deferred Tax Asset                                                            | 45,586,471 | 37,202,471 |
| Deferred Tax Liability                                                        | -          | -          |
| Net Deferred Tax Assets                                                       | 45,586,471 | 37,202,471 |
| Increase of deferred Tax Assets recognized<br>in to the P&L Account           | 20,074,789 | 8,384,000  |
| Decreased of deferred Tax Liability<br>recognized in to the P&L Account       | -          | -          |
| Total Deferred tax Income recognized into<br>P&L Account during the year 2014 | 65,661,260 | 45,586,471 |

Trust Bank Limited recognise deferred tax liability where it has identified a taxable temporary difference between an asset's or liability's carrying amount for accounting purposes and its value for tax purposes. A deferred tax liability arises where the carrying amount of an assets/(Liability) for accounting purposes is greater (less) than its tax value as per BAS -12 section 12.15 A deferred tax assets arises where the carrying amount of an assets/(Liability) for accounting purposes is less(greater) than its tax value.

**9.3.1.1 To maintain the deferred tax Asset of Tk.65,661,260 as on 31 December 2014, a deferred tax Income of Tk.-20,642,671 has been made for the year ended 31 December 2014 as per BAS-12 -Income Taxes**

**9.4 Break-up of Other Assets**

|                                   |               |               |
|-----------------------------------|---------------|---------------|
| Income generating other assets    | 3,349,999,290 | 3,349,999,290 |
| Non income generating other asset | 2,076,478,132 | 1,232,271,423 |
|                                   | 5,426,477,422 | 4,582,270,713 |

**9.5 As on 31 December 2014 there were no outstanding balance with inter Branch adjustment Account of the Bank, Hence no disclouser is provided here.**

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

**9 (a) Cosolidated other assets**

|                                           |        |               |               |
|-------------------------------------------|--------|---------------|---------------|
| Trust Bank Limited                        | Note-9 | 5,426,477,422 | 4,582,270,713 |
| Trust Bank Securities Limited             |        | 324,723,386   | 323,676,263   |
| Trust Bank Investment Limited             |        | 26,028,153    | 23,391,742    |
|                                           |        | 5,777,228,961 | 4,929,338,718 |
| Less: Investment in Subsidiaries Company. |        | 3,349,999,290 | 3,349,999,290 |
|                                           |        | 2,427,229,671 | 1,579,339,428 |

|                                                                          | 31.12.2014<br>Taka   | 31.12.2013<br>Taka   |
|--------------------------------------------------------------------------|----------------------|----------------------|
| <b>10 BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AGENTS</b> |                      |                      |
| <b>In Bangladesh</b>                                                     |                      |                      |
| <b>Call loans</b>                                                        |                      |                      |
| Call Loan from Banks                                                     | -                    | -                    |
| Call Loan from Leasing Co.                                               | -                    | -                    |
| Call Loan from Insurance Co.                                             | -                    | -                    |
| Call Loan from Other Institutions                                        | -                    | -                    |
| <b>Other Borrowings</b>                                                  |                      |                      |
| Borrowing from Bangladesh Bank - EDF                                     | 1,585,831,417        | 478,717,463          |
| Borrowing from SME Foundation                                            | 23,000,000           | 23,000,000           |
| Borrowing from Bangladesh Bank - IPFF                                    | 499,503,750          | 452,283,500          |
| Borrowing from Bangladesh Bank - IPFF (BDT)                              | 596,473,652          | -                    |
| Borrowing from JICA A/c                                                  | 14,184,265           | 9,324,900            |
| Trust Bank Subordinated Bond                                             | 1,600,000,000        | 2,000,000,000        |
| Trust Bank Limited Subordinated Bond II                                  | 2,000,000,000        | -                    |
| Bangladesh Bank: Re-finance                                              | 566,716,745          | 700,700,405          |
|                                                                          | <b>6,885,709,829</b> | <b>3,664,026,268</b> |
| <b>Outside Bangladesh</b>                                                | -                    | -                    |
|                                                                          | <b>6,885,709,829</b> | <b>3,664,026,268</b> |

As per Bangladesh Bank letter ref # BRPD (BIC)661/14B(P)/2011-264 dated: May 31, 2011 & Guidelines on Risk Based Capital Adequacy (December 2010) {Annex A}: Unsecured Subordinated Non-Convertible Bond shown as long term borrowings.

#### Unsecured Subordinated Non-Convertible Bond (I & II)

Trust Bank Limited Issued Two Unsecured Subordinated Non-Convertible Bond of Taka 2,000,000,000 each for a term of Seven years (7) to strengthen the capital base of the Bank. First Bond issued on October 2011 and Second Bond issued on September 2014 on the consent of SEC vide letter ref # SEC/CI/CPLC-48/2001-339 date: May 03, 2011 & BSEC/CI/DS-211/2014/444 date: June 24, 2014 & Bangladesh Bank permission letter ref # BRPD (BIC)661/14B(P)/2011-264 date: May 31, 2011 & BRPD (BIC)661/14B(P)/2014/4723 date: July 21, 2014 for consideration of 30% of Tire-I capital as a component of Supplementary Capital (Tire-II) of the Bank. The interest rate of both bond is 12.5% per annum. 20% repayment of First Bond already paid on 30 October 2014 to the respective Bond holder. And repayment of Second Bond will start after three years from the date of issue.

#### 10.1 Security wise borrowings

|                      |                      |                      |
|----------------------|----------------------|----------------------|
| Secured Borrowings   | -                    | -                    |
| Unsecured Borrowings | 6,885,709,829        | 3,664,026,268        |
|                      | <b>6,885,709,829</b> | <b>3,664,026,268</b> |

#### 10.2 Repayment nature wise borrowings

|                     |                      |                      |
|---------------------|----------------------|----------------------|
| Repayment on Demand | -                    | -                    |
| Others              | 6,885,709,829        | 3,664,026,268        |
|                     | <b>6,885,709,829</b> | <b>3,664,026,268</b> |

|                                                                                                           | 31.12.2014<br>Taka   | 31.12.2013<br>Taka   |
|-----------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>10.3 Remaining maturity grouping of Borrowings from other banks, financial institutions and agents</b> |                      |                      |
| Payable                                                                                                   |                      |                      |
| On demand                                                                                                 | -                    | -                    |
| Upto 1 month                                                                                              | 804,347,590          | 401,697,107          |
| Over 1 month but within 3 months                                                                          | 1,044,696,362        | 392,335,539          |
| Over 3 months but within 1 Year                                                                           | 941,679,186          | 785,385,222          |
| Over 1 Year but within 5 Years                                                                            | 3,294,986,691        | 2,084,608,400        |
| Over 5 Years                                                                                              | 800,000,000          | -                    |
|                                                                                                           | <b>6,885,709,829</b> | <b>3,664,026,268</b> |

**10 (a) Consolidated borrowings from other Banks, financial institutions and agents**

|                                 |         |                      |                      |
|---------------------------------|---------|----------------------|----------------------|
| Trust Bank Limited              | Note-10 | 6,885,709,829        | 3,664,026,268        |
| Trust Bank Securities Limited   |         | -                    | -                    |
| Trust Bank Investment Limited   |         | 58,492,130           | 368,326,942          |
|                                 |         | 6,944,201,959        | 4,032,353,210        |
| Less: Inter company transaction |         | 52,452,665           | 363,068,289          |
|                                 |         | <b>6,891,749,294</b> | <b>3,669,284,921</b> |

**11 DEPOSITS AND OTHER ACCOUNTS**

|                                                          |           |                        |                        |
|----------------------------------------------------------|-----------|------------------------|------------------------|
| Current / Al-wadeeah Current Accounts and other Accounts | Note-11.2 | 17,676,280,741         | 13,547,752,319         |
| Bills Payable                                            | Note-11.3 | 1,036,516,066          | 1,082,668,864          |
| Savings Bank Deposits/Mudaraba Savings Deposits          | Note-11.4 | 11,743,061,753         | 8,880,854,696          |
| Fixed Deposits/Mudaraba Term Deposits                    | Note-11.5 | 94,603,273,591         | 78,956,397,391         |
|                                                          |           | <b>125,059,132,151</b> | <b>102,467,673,270</b> |

**11.1 Remaining maturity grouping of Deposits and other accounts**

|                                  | Inside Bangladesh | Banks       | Other than Banks |                 |
|----------------------------------|-------------------|-------------|------------------|-----------------|
| Payable                          |                   |             |                  |                 |
| On demand                        |                   | 37,588,846  | 19,732,083,519   | 19,769,672,365  |
| Upto 1 month                     |                   |             | 18,374,572,801   | 18,374,572,801  |
| Over 1 month but within 3 months | 107,782,750       |             | 25,599,433,718   | 25,707,216,468  |
| Over 3 months but within 1 Year  |                   |             | 27,837,453,463   | 27,837,453,463  |
| Over 1 Year but within 5 Years   |                   |             | 11,833,873,884   | 11,833,873,884  |
| Over 5 Years                     |                   |             | 21,536,343,170   | 21,536,343,170  |
|                                  |                   | 145,371,596 | 124,913,760,555  | 125,059,132,151 |
| Outside Bangladesh               |                   |             |                  |                 |
|                                  |                   | 145,371,596 | 124,913,760,555  | 125,059,132,151 |
|                                  |                   |             |                  | 102,467,673,270 |

**Unclaimed deposits over 10 years or more**

|                         |              |          |
|-------------------------|--------------|----------|
| <b>Current Deposits</b> | <b>5,582</b> | <b>-</b> |
|                         | <b>5,582</b> | <b>-</b> |

**11.2 Current / Al-wadeeah Current Accounts and other Accounts**

|                            |             |                       |                       |
|----------------------------|-------------|-----------------------|-----------------------|
| Under Conventional Banking | Note-11.2.1 | 17,253,506,725        | 13,226,446,938        |
| Under Islamic Banking      | Note-11.2.2 | 422,774,016           | 321,305,381           |
|                            |             | <b>17,676,280,741</b> | <b>13,547,752,319</b> |

|                                                             |             | 31.12.2014<br>Taka    | 31.12.2013<br>Taka    |
|-------------------------------------------------------------|-------------|-----------------------|-----------------------|
| <b>11.2.1 Under Conventional Banking</b>                    | Note-11.2.3 |                       |                       |
| Current Account                                             |             | 10,325,428,731        | 8,583,475,264         |
| Other Accounts                                              |             | 6,928,077,994         | 4,642,971,674         |
|                                                             |             | <b>17,253,506,725</b> | <b>13,226,446,938</b> |
| <b>11.2.2 Under Islamic Banking</b>                         |             |                       |                       |
| Al-wadeeah Current Accounts                                 |             | 110,053,890           | 99,851,425            |
| Foreign Currency Deposits                                   |             | 23,412,573            | 6,753,064             |
| Sundry Deposits                                             |             | 177,077,682           | 129,013,723           |
| Other Accounts                                              |             | 112,229,871           | 85,687,169            |
|                                                             |             | <b>422,774,016</b>    | <b>321,305,381</b>    |
| <b>11.2.3 Other Accounts</b>                                |             |                       |                       |
| Foreign Currency Deposits                                   |             | 3,404,754,626         | 1,972,157,933         |
| Interest Payable on Deposits                                |             | 1,948,960,334         | 1,655,334,405         |
| Sundry Deposits                                             |             | 1,574,363,034         | 1,015,479,336         |
|                                                             |             | <b>6,928,077,994</b>  | <b>4,642,971,674</b>  |
| <b>11.3 Bills Payable</b>                                   |             |                       |                       |
| <b>Under Conventional Banking</b>                           |             |                       |                       |
| Demand Draft payable                                        |             | 4,252,416             | 15,385,646            |
| Pay Order payable                                           |             | 1,032,257,982         | 1,067,283,218         |
|                                                             |             | 1,036,510,398         | 1,082,668,864         |
| <b>Under Islamic Banking</b>                                |             |                       |                       |
| Demand Draft payable                                        |             | -                     | -                     |
| Pay Order payable                                           |             | 5,668                 | -                     |
|                                                             |             | 5,668                 | -                     |
|                                                             |             | <b>1,036,516,066</b>  | <b>1,082,668,864</b>  |
| <b>11.4 Savings Bank Deposits/Mudaraba Savings Deposits</b> |             |                       |                       |
| Savings Bank Deposits                                       |             | 11,129,787,810        | 8,457,145,901         |
| Mudaraba Savings Deposits                                   |             | 613,273,943           | 423,708,795           |
|                                                             |             | <b>11,743,061,753</b> | <b>8,880,854,696</b>  |
| <b>11.5 Fixed Deposits/Mudaraba Term Deposits</b>           |             |                       |                       |
| <b>11.5.1 Under Conventional Banking</b>                    |             |                       |                       |
| Fixed Deposits                                              |             | 69,780,385,655        | 60,059,002,584        |
| Short Notice Deposits                                       |             | 7,422,265,711         | 5,278,124,369         |
| Scheme Deposits                                             |             | 10,834,682,638        | 9,174,934,621         |
|                                                             |             | <b>88,037,334,004</b> | <b>74,512,061,574</b> |
| <b>11.5.2 Under Islamic Banking</b>                         |             |                       |                       |
| Mudaraba Term Deposits                                      |             | 6,283,043,951         | 4,287,619,781         |
| Mudaraba Short Notice Deposits                              |             | 16,774,741            | 8,827,607             |
| Mudaraba Scheme Deposits                                    |             | 266,120,895           | 147,888,429           |
|                                                             |             | <b>6,565,939,587</b>  | <b>4,444,335,817</b>  |
|                                                             |             | <b>94,603,273,591</b> | <b>78,956,397,391</b> |



### 11.5.3 Fixed Deposits

|                      |       | 31.12.2014<br>Taka    | 31.12.2013<br>Taka    |
|----------------------|-------|-----------------------|-----------------------|
|                      | Banks |                       |                       |
| One month            |       | 848,117,659           | 1,643,258,661         |
| Three months         |       | 41,259,507,790        | 39,021,632,858        |
| Six months           |       | 3,613,925,515         | 4,917,578,974         |
| One year             |       | 22,946,345,195        | 13,496,465,370        |
| Two years            | -     | 76,693,773            |                       |
| Three years          |       | 264,956,291           | 666,611,097           |
| Four years           |       | 1,328,377             | -                     |
| Five Years           |       | 50,912,657            | 95,478,339            |
| More than five years |       | 718,598,398           | 217,977,285           |
|                      |       | <b>69,780,385,655</b> | <b>60,059,002,584</b> |

### 11.5.3(a) Mudaraba Term Deposits

|              | Banks | Other than Banks     |                      |                      |
|--------------|-------|----------------------|----------------------|----------------------|
| One month    | -     | 36,119,476           | 36,119,476           | 18,921,063           |
| Three months |       | 4,659,665,664        | 4,659,665,664        | 3,337,782,523        |
| Six months   | -     | 507,420,818          | 507,420,818          | 278,522,476          |
| One year     | -     | 1,065,320,163        | 1,065,320,163        | 640,950,969          |
| Three years  | -     | 12,754,786           | 12,754,786           | 9,842,750            |
| Five Years   | -     | 1,763,044            | 1,763,044            | 1,600,000            |
|              |       | <b>6,283,043,951</b> | <b>6,283,043,951</b> | <b>4,287,619,781</b> |

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

#### Inside Bangladesh

|                           |                        |                        |
|---------------------------|------------------------|------------------------|
| Dhaka Division            | 96,537,896,245         | 78,082,610,430         |
| Chittagong Division       | 15,754,629,796         | 13,604,478,203         |
| Khulna Division           | 3,954,284,615          | 3,358,969,239          |
| Sylhet Division           | 4,215,745,461          | 3,552,726,372          |
| Rangpur Division          | 1,803,840,567          | 1,486,651,927          |
| Barisal Division          | 344,790,184            | 193,151,181            |
| Rajshahi Division         | 2,447,945,283          | 2,189,085,918          |
|                           | <b>125,059,132,151</b> | <b>102,467,673,270</b> |
| <b>Outside Bangladesh</b> | <b>-</b>               | <b>-</b>               |
|                           | <b>125,059,132,151</b> | <b>102,467,673,270</b> |

### 11 (a) CONSOLIDATED DEPOSITS AND OTHER ACCOUNTS

#### Current / Al-wadeeah Current Accounts and other Accounts

|                                                 |                        |                        |
|-------------------------------------------------|------------------------|------------------------|
| Trust Bank Limited                              | 17,676,280,741         | 13,547,752,319         |
| Trust Bank Securities Limited                   | -                      | -                      |
| Trust Bank Investment Limited                   | 108,218,523            | 90,469,039             |
|                                                 | <b>17,784,499,264</b>  | <b>13,638,221,358</b>  |
| Less: Inter Company Transaction                 | 4,161,210              | 34,268,225             |
|                                                 | <b>17,780,338,054</b>  | <b>13,603,953,133</b>  |
| Bills Payable                                   | 1,036,516,066          | 1,082,668,864          |
| Savings Bank Deposits/Mudaraba Savings Deposits | 11,743,061,753         | 8,880,854,696          |
| Fixed Deposits/Mudaraba Term Deposits           | 94,603,273,591         | 78,956,397,391         |
|                                                 | <b>125,163,189,464</b> | <b>102,523,874,084</b> |

|    |                                                  | 31.12.2014 | 31.12.2013    |               |
|----|--------------------------------------------------|------------|---------------|---------------|
|    |                                                  | Taka       | Taka          |               |
| 12 | OTHER LIABILITIES                                |            |               |               |
|    | Provision for Loans and Advances                 | Note-12.1  | 2,792,200,000 | 2,183,354,000 |
|    | Provision for Investment                         | Note-12.2  | 106,460,510   | 155,118,843   |
|    | Provision for Other Asset                        |            | 11,163,285    | 12,795,077    |
|    | Provision for CSR Fund                           |            | 120,000,000   | 80,000,000    |
|    | Unearned profit on TIB Investment                |            | 217,216,578   | 207,262,735   |
|    | Interest Suspense Account                        | Note-12.3  | 585,800,675   | 384,874,874   |
|    | Provision for Income Tax Less Advance Income Tax | Note-12.4  | 679,719,691   | 222,670,922   |
|    | Interest Payable on Unsecured Subordinated Bonds |            | 121,170,035   | 44,165,137    |
|    | Accrued Expenses                                 |            | 308,428,560   | 233,922,138   |
|    | Audit Fees Payable                               |            | 287,500       | 287,500       |
|    | Sundry Creditors                                 |            | 327,214,347   | 216,691,729   |
|    | Others                                           |            | 2,925,042     | 950,242       |
|    |                                                  |            | 5,272,586,223 | 3,742,093,197 |

### 12.1 Provision for Loans and Advances/Islami Banking Investments

|                                       |                      |                      |
|---------------------------------------|----------------------|----------------------|
| Specific Provision                    |                      |                      |
| Against Classified Loans & Advances   | 1,037,640,000        | 907,655,000          |
| General Provision                     |                      |                      |
| Against Unclassified Loans & Advances | 1,234,795,000        | 923,176,000          |
| Against Special Mention Accounts      | 43,765,000           | 35,775,000           |
| Against Off Balance Sheet Exposures   | 476,000,000          | 316,748,000          |
|                                       | <b>1,754,560,000</b> | <b>1,275,699,000</b> |
|                                       | <b>2,792,200,000</b> | <b>2,183,354,000</b> |

#### 12.1.1 Against Classified Loans & Advances

|                                              |                      |                    |
|----------------------------------------------|----------------------|--------------------|
| Provision held on 1 January                  | 907,655,000          | 763,348,000        |
| Fully provided debts written off             | -                    | -                  |
| Recoveries from previously written off debts | -                    | -                  |
| Provisions made during the year              | 129,985,000          | 144,307,000        |
| Net Charge to the Profit Loss Account        | 129,985,000          | 144,307,000        |
| Provision held at end of year                | <b>1,037,640,000</b> | <b>907,655,000</b> |

#### 12.1.2 Against Unclassified Loans & Advances

|                                 |                      |                    |
|---------------------------------|----------------------|--------------------|
| Provision held on 1 January     | 923,176,000          | 677,405,000        |
| Provisions made during the year | 311,619,000          | 245,771,000        |
| Provision held at end of year   | <b>1,234,795,000</b> | <b>923,176,000</b> |

### 12.1.3 Against Special Mention Accounts

Provision held on 1 January  
Provisions made during the year  
Provision held at end of year

| 31.12.2014<br>Taka | 31.12.2013<br>Taka |
|--------------------|--------------------|
| 35,775,000         | 67,847,000         |
| 7,990,000          | (32,072,000)       |
| <b>43,765,000</b>  | <b>35,775,000</b>  |

### 12.1.4 Required Provision against Loans and Advances

| Particulars                                          | Base for Provision | Rate    |               |               |
|------------------------------------------------------|--------------------|---------|---------------|---------------|
| Unclassified                                         |                    |         |               |               |
| a. Consumer Financing (House Financing)              | 9,108,684,700      | 2.00%   | 182,174,000   | 149,692,000   |
| b. Consumer Financing (Loans to Professional)        | 4,476,123          | 2.00%   | 90,000        | 98,000        |
| c. Consumer Financing ( Other than a & b)            | 4,287,404,560      | 5.00%   | 214,370,000   | 164,265,000   |
| d. Small & Medium Enterprise Financing               | 5,033,867,539      | 0.25%   | 12,585,000    | 11,325,000    |
| e. Loans to BHs/ MBs/ Sds against Shares etc         | 133,462,050        | 2.00%   | 2,669,000     | 8,653,000     |
| f. Short Term Agriculture & Micro Credit             | 21,265,453         | 2.50%   | 532,000       | 1,034,000     |
| g. All other Credit                                  | 81,074,239,117     | 1.00%   | 810,742,000   | 571,440,000   |
|                                                      | 99,663,399,542     | 17.25%  | 1,223,162,000 | 906,507,000   |
| Special Mention Account                              |                    |         |               |               |
| a. Consumer Financing (House Financing)              | 367,011,051        | 2.00%   | 7,340,000     | 3,951,000     |
| b. Consumer Financing (Loans to Professional)        | -                  | 2.00%   | -             | -             |
| c. Consumer Financing ( Other than a & b)            | 63,182,367         | 5.00%   | 3,159,000     | 2,986,000     |
| d. Small & Medium Enterprise Financing               | 182,726,474        | 0.25%   | 457,000       | 494,000       |
| e. Loans to BHs/ MBs/ Sds against Shares etc         | -                  | 2.00%   | -             | -             |
| f. Short Term Agriculture & Micro Credit             | -                  | 2.50%   | -             | -             |
| g. All other Credit                                  | 3,279,165,900      | 1.00%   | 32,792,000    | 28,327,000    |
|                                                      | 3,892,085,792      | 17.25%  | 43,748,000    | 35,758,000    |
| Classified                                           |                    |         |               |               |
| a. Substandard                                       |                    |         |               |               |
| i. Short Term Agri Credit & Micro Credit             | 919,155            | 5.00%   | 46,000        | 16,000        |
| ii. Other than Short Term Agri Credit & Micro Credit | 152,786,257        | 20.00%  | 30,557,000    | 32,561,000    |
| b. Doubtful                                          |                    |         |               |               |
| i. Short Term Agri Credit & Micro Credit             | -                  | 5.00%   | -             | -             |
| ii. Other than Short Term Agri Credit & Micro Credit | 75,860,322         | 50.00%  | 37,930,000    | 36,480,000    |
| c. Bad/Loss                                          | 969,107,142        | 100.00% | 969,107,000   | 838,594,000   |
|                                                      | 1,198,672,876      |         | 1,037,640,000 | 907,651,000   |
|                                                      | 104,754,158,210    |         | 2,304,550,000 | 1,849,916,000 |

### 12.1.5 General Provision for Off Balance Sheet Exposures

Provision held on 1 January  
Provisions made during the year

|                    |                    |
|--------------------|--------------------|
| 316,748,000        | 220,747,000        |
| 159,252,000        | 96,001,000         |
| <b>476,000,000</b> | <b>316,748,000</b> |

### 12.1 (a) Consolidated General Provision for Loans and Advances

Trust Bank Limited  
Trust Bank Securities Limited  
Trust Bank Investment Limited

|                      |                      |
|----------------------|----------------------|
| 1,754,560,000        | 1,275,699,000        |
| -                    | -                    |
| 664,799,933          | 738,321,654          |
| <b>2,419,359,933</b> | <b>2,014,020,654</b> |

|                 |                                                                                                                                                                                                                                                                                                                                                         | 31.12.2014<br>Taka    | 31.12.2013<br>Taka    |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| <b>12.2</b>     | <b>Provision for Other Asset</b>                                                                                                                                                                                                                                                                                                                        |                       |                       |
|                 | Balance on 1 January                                                                                                                                                                                                                                                                                                                                    | 12,795,077            | 7,072,166             |
|                 | Provisions made during the year                                                                                                                                                                                                                                                                                                                         | (1,631,792)           | 5,722,911             |
|                 |                                                                                                                                                                                                                                                                                                                                                         | <b>11,163,285</b>     | <b>12,795,077</b>     |
| <b>12.3</b>     | <b>Interest Suspense Account</b>                                                                                                                                                                                                                                                                                                                        |                       |                       |
|                 | Balance on 1 January                                                                                                                                                                                                                                                                                                                                    | 384,874,874           | 416,601,462           |
|                 | Amount transferred during the year                                                                                                                                                                                                                                                                                                                      | 426,065,639           | 551,411,885           |
|                 | Amount recovered during the year                                                                                                                                                                                                                                                                                                                        | (210,591,806)         | (492,238,783)         |
|                 | Amount written off / waived during the year                                                                                                                                                                                                                                                                                                             | (14,548,032)          | (90,899,690)          |
|                 |                                                                                                                                                                                                                                                                                                                                                         | <b>585,800,675</b>    | <b>384,874,874</b>    |
| <b>12.4</b>     | <b>Provision for Income Tax Less Advance Income Tax</b>                                                                                                                                                                                                                                                                                                 |                       |                       |
|                 | Provision for Income Tax                                                                                                                                                                                                                                                                                                                                |                       |                       |
|                 | Balance on 1 January                                                                                                                                                                                                                                                                                                                                    | 3,867,500,000         | 3,167,500,000         |
|                 | Provision made during the year                                                                                                                                                                                                                                                                                                                          | 1,420,000,000         | 700,000,000           |
|                 | Settlement for previous year(s)                                                                                                                                                                                                                                                                                                                         | 2,085,745,897         | -                     |
|                 |                                                                                                                                                                                                                                                                                                                                                         | 7,373,245,897         | 3,867,500,000         |
|                 | Less: Advance Income Tax                                                                                                                                                                                                                                                                                                                                |                       |                       |
|                 | Balance on 1 January                                                                                                                                                                                                                                                                                                                                    | 3,644,829,078         | 3,026,278,409         |
|                 | Paid during the year                                                                                                                                                                                                                                                                                                                                    | 962,951,231           | 618,550,669           |
|                 | Settlement for previous year(s)                                                                                                                                                                                                                                                                                                                         | 2,085,745,897         | -                     |
|                 |                                                                                                                                                                                                                                                                                                                                                         | 6,693,526,206         | 3,644,829,078         |
|                 | Net Closing Balance                                                                                                                                                                                                                                                                                                                                     | <b>679,719,691</b>    | <b>222,670,922</b>    |
| <b>12.5 (a)</b> | <b>Consolidated tax expenses</b>                                                                                                                                                                                                                                                                                                                        |                       |                       |
|                 | Trust Bank Limited                                                                                                                                                                                                                                                                                                                                      | 1,420,000,000         | 700,000,000           |
|                 | Trust Bank Securities Limited                                                                                                                                                                                                                                                                                                                           | 2,174,004             | 114,718               |
|                 | Trust Bank Investment Limited                                                                                                                                                                                                                                                                                                                           | 73,000,000            | 150,000,000           |
|                 |                                                                                                                                                                                                                                                                                                                                                         | <b>1,495,174,004</b>  | <b>850,114,718</b>    |
| <b>12.4.1</b>   | Provision for current tax of Tk.1,420,000,000 has been made @ 42.50% on Business Income, @ 20% on Dividend Income and @ 10% on capital gain on sale of shares of the accounting profit made by the Bank during the year after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance and Rules, 1984. |                       |                       |
| <b>12 (a)</b>   | <b>Consolidated other liabilities</b>                                                                                                                                                                                                                                                                                                                   |                       |                       |
|                 | Trust Bank Limited                                                                                                                                                                                                                                                                                                                                      | 5,272,586,223         | 3,742,093,197         |
|                 | Trust Bank Securities Limited                                                                                                                                                                                                                                                                                                                           | 14,047,035            | 1,855,806             |
|                 | Trust Bank Investment Limited                                                                                                                                                                                                                                                                                                                           | 2,089,851,120         | 1,171,187,511         |
|                 |                                                                                                                                                                                                                                                                                                                                                         | 7,376,484,378         | 4,915,136,514         |
|                 | Less: Inter company transaction                                                                                                                                                                                                                                                                                                                         | -                     | -                     |
|                 |                                                                                                                                                                                                                                                                                                                                                         | <b>7,376,484,378</b>  | <b>4,915,136,514</b>  |
| <b>13</b>       | <b>CAPITAL</b>                                                                                                                                                                                                                                                                                                                                          |                       |                       |
| <b>13.1</b>     | <b>Authorized Capital</b>                                                                                                                                                                                                                                                                                                                               |                       |                       |
|                 | 1,000,000,000 Ordinary shares of Tk. 10 each                                                                                                                                                                                                                                                                                                            | <b>10,000,000,000</b> | <b>10,000,000,000</b> |

### 13.2 Issued, Subscribed and Paid Up Capital

|                                                                 | 31.12.2014<br>Taka   | 31.12.2013<br>Taka   |
|-----------------------------------------------------------------|----------------------|----------------------|
| 116,667,000 Ordinary shares of Tk. 10 each issued for cash      | 1,166,670,000        | 1,166,670,000        |
| 11,666,700 Ordinary shares of Tk. 10 each issued bonus shares   | 116,667,000          | 116,667,000          |
| 25,666,740 Ordinary shares of Tk. 10 each issued for right 1R:5 | 256,667,400          | 256,667,400          |
| 30,800,080 Ordinary shares of Tk. 10 each issued bonus shares   | 308,000,800          | 308,000,800          |
| 36,960,100 Ordinary shares of Tk. 10 each issued bonus shares   | 369,601,000          | 369,601,000          |
| 44,352,120 Ordinary shares of Tk. 10 each issued bonus shares   | 443,521,200          | 443,521,200          |
| 26,611,274 Ordinary shares of Tk. 10 each issued bonus shares   | 266,112,740          | 266,112,740          |
| 53,222,550 Ordinary shares of Tk. 10 each issued for right 1R:5 | 532,225,500          | 532,225,500          |
| 34,594,656 Ordinary shares of Tk. 10 each issued bonus shares   | 345,946,560          | 345,946,560          |
| 45,664,946 Ordinary shares of Tk. 10 each issued bonus shares   | 456,649,460          | -                    |
| <b>426,206,166</b>                                              | <b>4,262,061,660</b> | <b>3,805,412,200</b> |

### 13.3 Capital Adequacy Ratio

In terms of section 13 (2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD circulars no. 1, 14, 10, 7, 5 and 3 dated January 08, 1996, November 16, 1996, November 25, 2002, August 28, 2006, May 14, 2007 and March 12, 2008 respectively, required capital, available core capital and supplementary capital of the Bank for the year 31 December 2014 is shown below:

#### 13.3.1 Capital Adequacy Ratio under SOLO basis

##### Tier – I (Core Capital)

|                       |                      |                      |
|-----------------------|----------------------|----------------------|
| Paid up Capital       | 4,262,061,660        | 3,805,412,200        |
| Share Premium Account | 75,576,040           | 532,225,500          |
| Statutory Reserve     | 2,709,042,761        | 2,169,218,210        |
| Retained Earnings     | 1,081,274,744        | 321,901,750          |
|                       | <b>8,127,955,205</b> | <b>6,828,757,660</b> |

##### Tier –II (Supplementary Capital)

|                                            |                      |                      |
|--------------------------------------------|----------------------|----------------------|
| General Provision                          | 1,754,560,000        | 1,275,699,000        |
| Bond (30% of Tier-1)                       | 2,438,386,562        | 1,600,000,000        |
| Revaluation reserves (50% of such reserve) | 273,661              | 18,511,727           |
|                                            | <b>4,193,220,223</b> | <b>2,894,210,727</b> |

##### A. Total Capital (Tier-I + Tier-II)

##### B. Total Risk Weighted Assets (RWA)

##### C. Required Capital based on RWA @ 10% on B

##### D. Surplus Capital as per Bank weighted Assets (A - C)

##### Capital Adequacy Ratio

##### Core Capital to RWA

##### Supplementary Capital to RWA

|  |                 |                |
|--|-----------------|----------------|
|  | 12,321,175,428  | 9,722,968,387  |
|  | 107,399,100,000 | 89,107,200,000 |
|  | 10,739,910,000  | 8,910,720,000  |
|  | 1,581,265,428   | 812,248,387    |
|  |                 |                |
|  | 7.57%           | 7.66%          |
|  | 3.90%           | 3.25%          |
|  | <b>11.47%</b>   | <b>10.91%</b>  |



### 13.3 (a) Capital Adequacy Ratio under Consolidated basis

#### Tier – I (Core Capital)

|                       | 31.12.2014<br>Taka   | 31.12.2013<br>Taka   |
|-----------------------|----------------------|----------------------|
| Paid up Capital       | 4,262,061,660        | 3,805,412,200        |
| Minority Interest     | 789                  | 789                  |
| Share Premium Account | 75,576,040           | 532,225,500          |
| Statutory Reserve     | 2,709,042,761        | 2,169,218,210        |
| Retained Earnings     | 1,414,566,525        | 656,322,596          |
|                       | <b>8,461,247,775</b> | <b>7,163,179,295</b> |

#### Tier –II (Supplementary Capital)

|                                            |                      |                      |
|--------------------------------------------|----------------------|----------------------|
| General Provision                          | 2,419,359,933        | 2,016,423,961        |
| Bond (30% of Tier-1)                       | 2,538,374,333        | 1,600,000,000        |
| Revaluation reserves (50% of such reserve) | 273,661              | 18,511,727           |
|                                            | <b>4,958,007,927</b> | <b>3,634,935,688</b> |

#### A. Total Capital (Tier-I + Tier-II)

|  |                       |                       |
|--|-----------------------|-----------------------|
|  | <b>13,419,255,702</b> | <b>10,798,114,983</b> |
|--|-----------------------|-----------------------|

#### B. Total Risk Weighted Assets (RWA)

|  |                 |                |
|--|-----------------|----------------|
|  | 112,448,800,000 | 91,968,200,000 |
|--|-----------------|----------------|

#### C. Required Capital based on RWA @ 10%

|  |                |               |
|--|----------------|---------------|
|  | 11,244,880,000 | 9,196,820,000 |
|--|----------------|---------------|

#### D. Surplus Capital as per Bank weighted Assets (A - C)

|  |               |               |
|--|---------------|---------------|
|  | 2,174,375,702 | 1,601,294,983 |
|--|---------------|---------------|

#### Capital Adequacy Ratio

|                              |               |               |
|------------------------------|---------------|---------------|
| Core Capital to RWA          | 7.52%         | 7.79%         |
| Supplementary Capital to RWA | 4.41%         | 3.95%         |
|                              | <b>11.93%</b> | <b>11.74%</b> |

#### Total Risk Weighted Assets (RWA)

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

### 13.4 Percentage of shareholdings at the closing date

|                          | Amount (in Taka)     |                      | Percentage (%) |                |
|--------------------------|----------------------|----------------------|----------------|----------------|
|                          | 31.12.2014           | 31.12.2013           | 31.12.2014     | 31.12.2013     |
| Sponsors                 | 2,557,483,700        | 2,283,474,170        | 60.00%         | 60.00%         |
| Financial Institutions   | 916,534,550          | 776,040,820          | 21.50%         | 20.39%         |
| Foreign Investors        | 7,959,070            | 10,226,850           | 0.19%          | 0.27%          |
| Non-Resident Bangladeshi | 13,936,050           | 14,331,130           | 0.33%          | 0.38%          |
| General Public           | 766,148,290          | 721,339,230          | 17.99%         | 18.97%         |
| <b>Total</b>             | <b>4,262,061,660</b> | <b>3,805,412,200</b> | <b>100.00%</b> | <b>100.00%</b> |

31.12.2014

Taka

31.12.2013

Taka

**13.5 Shareholding Range on the basis of shareholdings as on 31 December 2014**

| Shareholding Range |          |           | No. of<br>Sh. Holders | Number of<br>Shares | %              |
|--------------------|----------|-----------|-----------------------|---------------------|----------------|
| 1                  | to       | 500       | 13,108                | 2,116,280           | 0.50%          |
| 501                | to       | 5,000     | 14,855                | 24,484,605          | 5.74%          |
| 5,001              | to       | 10,000    | 1,167                 | 8,463,191           | 1.99 %         |
| 10,001             | to       | 20,000    | 597                   | 8,624,040           | 2.02%          |
| 20,001             | to       | 30,000    | 169                   | 4,131,379           | 0.97%          |
| 30,001             | to       | 40,000    | 89                    | 3,140,008           | 0.74%          |
| 40,001             | to       | 50,000    | 61                    | 2,783,422           | 0.65%          |
| 50,001             | to       | 100,000   | 111                   | 8,216,940           | 1.93%          |
| 100,001            | to       | 1,000,000 | 103                   | 27,116,356          | 6.36%          |
| 1,000,001          | and More |           | 22                    | 337,129,945         | 79.10%         |
| <b>Total</b>       |          |           | <b>30,282</b>         | <b>426,206,166</b>  | <b>100.00%</b> |

**13 (a) MINORITY INTEREST**

Share Capital (7 nos. shares of Trust Bank Investment Limited @ Tk.100 each & 1 no Share of TBSL @ Tk.10)

Profit as of 1 January 2014

Profit for the year

|            |            |
|------------|------------|
| 789        | 710        |
| -          | 79         |
| -          | -          |
| -          | 79         |
| <b>789</b> | <b>789</b> |

**14 STATUTORY RESERVE**

Balance on 1 January

Reserve made during the year

Closing Balance

|                      |                      |
|----------------------|----------------------|
| 2,169,218,210        | 1,966,008,097        |
| 539,824,551          | 203,210,113          |
| <b>2,709,042,761</b> | <b>2,169,218,210</b> |

**14.1 Reserve for current year was made @ Tk. 20% on the net profit before tax under section 24 of the Bank Companies Act 1991.****15 OTHER RESERVE**

Revaluation Reserve

Balance on 1 January

Reserve made/(adjusted) during the year

Closing Balance

|                |                   |
|----------------|-------------------|
| 37,023,453     | 8,567,858         |
| (36,476,131)   | 28,455,595        |
| <b>547,322</b> | <b>37,023,453</b> |

Investments which have 'fixed or determinable payments', and are intended to be 'held to maturity' other than those which are floating and/or free to trade in the market at prevailing prices are classified as held to maturity and must be amortized at the end of the year before maturity. Investments classified in the category of 'Held for Trading' are held indeed selling or purchasing –in short- trading as decided by the management of the bank or treasury. After initial recognition, investments of such categories are measured at their fair value once in a week. The increase in case of amortization of Investment under 'Held to maturity' and any change in the fair value in case of Investment under 'held for Trading' is to be accounted for in the 'Statement of changes in Equity' under the head Other Reserve as Surplus/Deficit on revaluation of investment.

|               |                                                                                                  | 31.12.2014<br>Taka    | 31.12.2013<br>Taka    |
|---------------|--------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| <b>16</b>     | <b>RETAINED EARNINGS</b>                                                                         |                       |                       |
|               | Balance on 1 January                                                                             | 321,901,750           | 546,623,857           |
|               | Issue of Bonus Shares                                                                            | -                     | (345,946,560)         |
|               | Cash Dividend                                                                                    | -                     | -                     |
|               |                                                                                                  | 321,901,750           | 200,677,297           |
|               | Net Profit for the year transferred from Profit and Loss Account                                 | 1,299,197,545         | 324,434,566           |
|               | Less: Transferred to Statutory Reserve                                                           | 539,824,551           | 203,210,113           |
|               |                                                                                                  | 759,372,994           | 121,224,453           |
|               | Closing Balance                                                                                  | <b>1,081,274,744</b>  | <b>321,901,750</b>    |
| <b>16 (a)</b> | <b>Consolidated retained earnings</b>                                                            |                       |                       |
|               | Trust Bank Limited                                                                               | 1,081,274,744         | 321,901,750           |
|               | Trust Bank Securities Limited                                                                    | (3,598,437)           | (2,469,372)           |
|               | Trust Bank Investment Limited                                                                    | 336,890,297           | 336,890,297           |
|               |                                                                                                  | 1,414,566,604         | 656,322,675           |
|               | Less minority interest                                                                           | 79                    | 79                    |
|               | Closing Balance                                                                                  | <b>1,414,566,525</b>  | <b>656,322,596</b>    |
| <b>17</b>     | <b>CONTINGENT LIABILITIES</b>                                                                    |                       |                       |
| <b>17.1</b>   | <b>Acceptances and endorsements</b>                                                              |                       |                       |
|               | Acceptance Bills - Local                                                                         | 2,256,512,498         | 2,095,871,071         |
|               | Acceptance Bills - Foreign                                                                       | 10,759,976,629        | 5,702,116,084         |
|               | Acceptance Liabilities - Back to Back L/C                                                        | 1,092,900,448         | 859,262,823           |
|               |                                                                                                  | <b>14,109,389,575</b> | <b>8,657,249,978</b>  |
| <b>17.2</b>   | <b>Letters of Guarantee</b>                                                                      |                       |                       |
|               | Letters of Guarantee - Local                                                                     | 7,754,565,170         | 7,927,492,262         |
|               | Letters of Guarantee -Foreign                                                                    | 27,409,428.00         | 8,062,428.00          |
|               |                                                                                                  | <b>7,781,974,598</b>  | <b>7,935,554,690</b>  |
| <b>17.2.1</b> | <b>Money for which the bank is contingently liable in respect of guarantees given favoring :</b> |                       |                       |
|               | Directors or Officers                                                                            | -                     | -                     |
|               | Government                                                                                       | 2,462,730,490         | 2,175,736,817         |
|               | Banks and other financial institutions                                                           | 1,779,568,126         | 2,888,492,862         |
|               | Others                                                                                           | 3,539,675,982         | 2,871,325,011         |
|               |                                                                                                  | <b>7,781,974,598</b>  | <b>7,935,554,690</b>  |
| <b>17.3</b>   | <b>Irrevocable Letter of Credits</b>                                                             |                       |                       |
|               | Letter of Credit - Local                                                                         | 1,008,695,142         | 242,669,567           |
|               | Letter of Credit - Foreign                                                                       | 13,124,494,317        | 7,788,402,620         |
|               | Letter of Credit - Back to Back L/C                                                              | 2,843,298,253         | 2,170,186,633         |
|               | Letter of Credit - Usance (Foreign)                                                              | 5,039,946,908         | 2,033,640,640         |
|               | Letter of Credit - Back to Back (EDF) - Foreign                                                  | 48,337,000            | -                     |
|               |                                                                                                  | <b>22,064,771,620</b> | <b>12,234,899,460</b> |

|                                                              | 31.12.2014<br>Taka    | 31.12.2013<br>Taka    |
|--------------------------------------------------------------|-----------------------|-----------------------|
| <b>17.4 Bills for Collection</b>                             |                       |                       |
| Outward Bills for Collection                                 | 13,555,274            | 27,999,904            |
| Local Documentary Bill for Collection                        | 2,123,136,835         | 1,897,195,062         |
| Foreign Documentary Bills for Collection                     | 1,504,517,401         | 918,676,030           |
|                                                              | <b>3,641,209,510</b>  | <b>2,845,083,746</b>  |
| <b>18 INCOME STATEMENTS</b>                                  |                       |                       |
| <b>Income:</b>                                               | <b>2014<br/>Taka</b>  | <b>2013<br/>Taka</b>  |
| Interest/Profit, discount and similar income                 | 14,228,254,836        | 11,396,345,637        |
| Dividend income                                              | 44,739,603            | 26,678,268            |
| Fees, commission and brokerage                               | 981,180,763           | 723,006,672           |
| Gains less losses arising from dealing in securities         | 3,339,552             | 20,781,241            |
| Gains less losses arising from investment securities         | -                     | -                     |
| Gains less losses arising from dealing in foreign currencies | -                     | -                     |
| Income from non-banking assets                               | -                     | -                     |
| Other operating income                                       | 393,955,321           | 310,646,629           |
| Profit less losses on interest rate changes                  | -                     | -                     |
|                                                              | <b>15,651,470,075</b> | <b>12,477,458,447</b> |
| <b>Expenses:</b>                                             |                       |                       |
| Interest / profit paid on deposits, borrowings etc,          | 9,673,233,639         | 8,752,142,555         |
| Losses on loans and advances                                 | -                     | -                     |
| Administrative expenses                                      | 2,104,846,974         | 1,705,077,095         |
| Other operating expenses                                     | 558,774,595           | 440,132,229           |
| Depreciation on banking assets                               | 56,936,236            | 31,396,435            |
|                                                              | <b>12,393,791,444</b> | <b>10,928,748,314</b> |
|                                                              | <b>3,257,678,631</b>  | <b>1,548,710,133</b>  |
| <b>19 INTEREST INCOME</b>                                    |                       |                       |
| <b>19.1 Interest Income under Conventional banking</b>       |                       |                       |
| <b>Interest from Loans and Advances</b>                      |                       |                       |
| Interest on Repair & Recon. of Dwelling House (RRDH)         | 234,948,012           | 149,123,992           |
| Interest on Consumer Durable Scheme                          | 161,207               | 70,126                |
| Interest on Marriage Loans                                   | 3,169,951             | 2,587,969             |
| Interest on Car Loans                                        | 11,011,411            | 20,260,447            |
| Interest on House Building Loans                             | 460,172,595           | 409,772,860           |
| Interest on Term Loans                                       | 3,940,828,247         | 2,447,462,276         |
| Interest on Other Loans                                      | 2,692,033,140         | 2,453,238,137         |
| Interest on SME Loan                                         | 292,230,407           | 192,172,636           |
| Interest on PAD - EDF                                        | 55,363,757            | 19,120,901            |
| Interest on Staff Loan                                       | 34,743,991            | 24,513,517            |
| Interest on LTR                                              | 1,033,077,604         | 881,938,003           |

|                                                             | 2014<br>Taka          | 2013<br>Taka         |
|-------------------------------------------------------------|-----------------------|----------------------|
| Interest on Payment Against Documents (PAD)                 | 37,583,910            | 38,397,974           |
| Interest on Cash Credit                                     | 250,819,903           | 236,272,067          |
| Interest on Cash Collateral                                 | 159,235,975           | 89,615,636           |
| Interest on Overdraft                                       | 673,061,003           | 412,727,652          |
| Interest on SOD                                             | 1,292,647,953         | 1,292,698,006        |
| Interest on Inland Bills Purchased and Discounted           | 258,923,138           | 164,198,915          |
| Interest on Foreign Bills Purchased and Discounted          | 10,695,791            | 14,457,685           |
|                                                             | <b>11,440,707,995</b> | <b>8,848,628,799</b> |
| <b>Interest from Banks and Other Financial Institutions</b> |                       |                      |
| Interest on FDR Account                                     | 68,423,335            | 205,367,817          |
| Interest on Bangladesh Bank Foreign Currency Accounts       | 905,704               | 876,697              |
| Interest on SND Account                                     | 2,401,009             | 1,640,662            |
| Interest on Call Deposits                                   | 133,814,792           | 475,785,700          |
|                                                             | <b>205,544,840</b>    | <b>683,670,876</b>   |
| Interest received from Foreign Banks                        | 1,370,491             | 135,898              |
|                                                             | <b>11,647,623,326</b> | <b>9,532,435,573</b> |
| <b>19.2 Profit under Islamic banking</b>                    |                       |                      |
| Profit on Murabaha (RM)                                     | -                     | -                    |
| Profit on Bai-Muajjal                                       | 404,559,745           | 98,064,900           |
| Profit on HPSM-Capital Machinery                            | 121,151,000           | 65,947,404           |
| Profit on IHSAN Apartment Purchase Scheme                   | 3,271,252             | 1,742,218            |
| Profit on BARAKAT Home Construction Scheme                  | 4,058,789             | 2,327,674            |
| Profit on BARAKAT Car Scheme                                | 1,335,514             | 2,346,467            |
| Profit on HPSM- Real Estate                                 | 16,708,141            | 5,728,509            |
| Profit on Murabaha TR                                       | 81,262,996            | 50,735,153           |
| Profit on Bai-Salam                                         | 9,970,214             | 20,679,220           |
| Profit on Murabaha Import Bills (MIB)                       | 1,750,911             | 1,216,006            |
| Profit on TIB House Building Scheme-HBL (RM)                | 5,955,202             | 4,918,900            |
| Profit on TIB Household Durable Scheme( Household Durable)  | 193,013               | -                    |
| Profit on MIB - EDF - TIB                                   | 6,146,194             | -                    |
| Profit on HPSM General                                      | 39,434,942            | 13,015,289           |
| Profit on PAD - EDF                                         | -                     | -                    |
| Profit on FDBP - TIB                                        | -                     | 1,240,533            |
| Profit on Musharaka agt. IBP                                | 42,026,995            | 4,915,065            |
|                                                             | <b>737,824,908</b>    | <b>272,877,338</b>   |
| <b>Profit from Banks and Other Financial Institutions</b>   |                       |                      |
| Profit on Mudaraba Term Deposits                            | 50,253,664            | 57,964,155           |
|                                                             | <b>788,078,572</b>    | <b>330,841,493</b>   |
|                                                             | <b>12,435,701,898</b> | <b>9,863,277,066</b> |



|                                                                 |         | 2014<br>Taka          | 2013<br>Taka          |
|-----------------------------------------------------------------|---------|-----------------------|-----------------------|
| <b>19 (a) Consolidated Interest Income/profit on investment</b> |         |                       |                       |
| Trust Bank Limited                                              | Note-19 | 12,435,701,898        | 9,863,277,066         |
| Trust Bank Securities Limited                                   |         | -                     | -                     |
| Trust Bank Investment Limited                                   |         | 166,648,159           | 400,817,831           |
|                                                                 |         | <b>12,602,350,057</b> | <b>10,264,094,897</b> |
| Less : Inter Company Transaction                                |         | 47,228,875            | 57,444,058            |
|                                                                 |         | <b>12,555,121,182</b> | <b>10,206,650,839</b> |
| <b>20 INTEREST PAID ON DEPOSITS AND BORROWINGS</b>              |         |                       |                       |
| <b>20.1 Interest paid on deposits</b>                           |         |                       |                       |
| Interest on SND Account                                         |         | 229,505,166           | 166,787,386           |
| Interest on FDR Account                                         |         | 6,716,637,650         | 6,499,393,139         |
| Interest on Foreign Currency Deposit                            |         | 38,663,324            | 22,931,557            |
| Interest on Savings Account                                     |         | 362,439,137           | 299,475,672           |
| Interest on Scheme Deposits                                     |         | 1,207,784,333         | 1,036,899,930         |
|                                                                 |         | <b>8,555,029,610</b>  | <b>8,025,487,684</b>  |
| <b>20.2 Profit paid on Islamic Banking Deposits</b>             |         |                       |                       |
| Profit Paid on Mudaraba Savings Account                         |         | 22,383,726            | 17,355,578            |
| Profit Paid on Mudaraba SND                                     |         | 464,826               | 602,960               |
| Interest Paid on Mudaraba TDR                                   |         | 524,838,261           | 399,788,211           |
| Profit Paid on Mudaraba TDR - 1 Month                           |         | 1,380,954             | 595,093               |
| Prifit Paid on TBL Barakat Hajj Deposit Scheme                  |         | 357,137               | 248,115               |
| Profit on Mudaraba Kotipati Scheme (MKS)                        |         | 1,799,706             | 389,653               |
| Profit on Mudaraba Millionaire Scheme (MMS)                     |         | 2,205,375             | 489,571               |
| Profit on Mudaraba Money Double Scheme (MMDS)                   |         | 1,997,723             | 895,764               |
| Profit Paid on DPMSA                                            |         | 41,246                | 1,553                 |
| Profit Paid on TEMSA                                            |         | 949,657               | 97,475                |
| Profit Paid on Mudaraba Monthly Savings Scheme                  |         | 12,880,343            | 10,039,455            |
| Profit paid on Trust Bank Mudaraba Cash Waqf                    |         | 274                   | -                     |
| Profit paid on MMPS                                             |         | 540,197               | -                     |
|                                                                 |         | <b>569,839,425</b>    | <b>430,503,428</b>    |
| <b>20.3 Interest paid on borrowings</b>                         |         |                       |                       |
| <b>20.3.1 Under Conventional Banking</b>                        |         |                       |                       |
| Interest on Call Deposits                                       |         | 39,572,583            | 5,892,431             |
| Interest on Repo                                                |         | 28,620,878            | -                     |
| Interest on Other Borrowings                                    |         | 478,782,478           | 290,259,012           |
|                                                                 |         | <b>546,975,939</b>    | <b>296,151,443</b>    |
| <b>20.3.1 Under Islamic Banking</b>                             |         |                       |                       |
| Profit paid on Bangladesh Bank Borrowings                       |         | <b>1,388,665</b>      | -                     |
|                                                                 |         | <b>9,673,233,639</b>  | <b>8,752,142,555</b>  |

|               |                                                                                       | 2014<br>Taka         | 2013<br>Taka         |
|---------------|---------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>20 (a)</b> | <b>Consolidated Interest / profit paid on deposits, borrowings etc. on investment</b> |                      |                      |
|               | Trust Bank Limited Note-20                                                            | 9,673,233,639        | 8,752,142,555        |
|               | Trust Bank Securities Limited                                                         | -                    | -                    |
|               | Trust Bank Investment Limited                                                         | 49,595,849           | 72,773,626           |
|               |                                                                                       | <b>9,722,829,488</b> | <b>8,824,916,181</b> |
|               | Less : Inter Company Transaction                                                      | 47,228,875           | 57,444,058           |
|               |                                                                                       | <b>9,675,600,613</b> | <b>8,767,472,123</b> |
| <b>21</b>     | <b>INCOME FROM INVESTMENTS</b>                                                        |                      |                      |
| <b>21.1</b>   | <b>Income from Conventional Banking</b>                                               |                      |                      |
|               | Income from Treasury bills                                                            | 502,281,502          | 30,489,643           |
|               | Income on Bangladesh Bank Bill                                                        | -                    | 6,451,000            |
|               | Income from Treasury bonds                                                            | 1,239,781,324        | 1,418,065,704        |
|               | Income from Reverse REPO                                                              | 1,035,616            | 172,603              |
|               | Income from Debentures & Bond                                                         | 48,901,298           | 73,827,391           |
|               | Dividend Income                                                                       | 36,157,933           | 18,101,011           |
|               | Gain from sale of shares                                                              | -                    | 7,561,588            |
|               |                                                                                       | <b>1,823,157,673</b> | <b>1,554,668,940</b> |
| <b>21.2</b>   | <b>Income from Islamic Banking Investments</b>                                        |                      |                      |
|               | Dividend Income                                                                       | 8,581,670            | 8,577,257            |
|               | Profit on Bangladesh Govt. Islamic Investment Bond                                    | 5,553,198            | 4,062,230            |
|               | Profit on Sale of Shares                                                              | 3,339,552            | 13,219,653           |
|               |                                                                                       | <b>17,474,420</b>    | <b>25,859,140</b>    |
|               |                                                                                       | <b>1,840,632,093</b> | <b>1,580,528,080</b> |
| <b>21(a)</b>  | <b>Consolidated Income from Investment</b>                                            |                      |                      |
|               | Trust Bank Limited                                                                    | 1,840,632,093        | 1,580,528,080        |
|               | Trust Bank Securities Limited                                                         | -                    | -                    |
|               | Trust Bank Investment Limited                                                         | 49,578,035           | 6,033,970            |
|               |                                                                                       | <b>1,890,210,128</b> | <b>1,586,562,050</b> |
| <b>22</b>     | <b>Commission, exchange and brokerage</b>                                             |                      |                      |
|               | Demand Draft, Money Transfer, Telegraphic Transfer, Pay Order etc.                    | 5,344,081            | 4,383,994            |
|               | Travelers Cheque                                                                      | -                    | 507                  |
|               | Bills                                                                                 | 27,280,721           | 17,400,408           |
|               | Letter of Guarantees                                                                  | 90,833,440           | 77,163,481           |
|               | Letter of Credits                                                                     | 304,469,612          | 198,169,006          |
|               | Foreign Remittances                                                                   | 6,468,478            | 5,267,740            |
|               | Commission on Sale of Government Securities                                           | 19,007,658           | 9,758,870            |
|               | Fund Transfer Commission                                                              | 10,400               | 12,200               |
|               | Commission on Sale & Purchase of Shares                                               | 403,647              | 151,712              |
|               | Under writing Commission                                                              | 2,292,083            | 1,016,958            |
|               | Acceptance Commission                                                                 | 146,651,555          | 97,669,840           |
|               | Foreign Correspondence Charges                                                        | 1,120                | 6,750                |
|               | Miscellaneous Commission                                                              | 28,827,260           | 14,561,866           |
|               |                                                                                       | <b>631,590,055</b>   | <b>425,563,332</b>   |
|               | Foreign Currency Exchange Gain                                                        | 349,590,708          | 297,443,340          |
|               |                                                                                       | <b>981,180,763</b>   | <b>723,006,672</b>   |

|                                                               |         | 2014<br>Taka       | 2013<br>Taka       |
|---------------------------------------------------------------|---------|--------------------|--------------------|
| <b>22 (a) Consolidated Commission, exchange and brokerage</b> |         |                    |                    |
| Trust Bank Limited                                            | Note-22 | 981,180,763        | 723,006,672        |
| Trust Bank Securities Limited                                 |         | 10,578,473         | 687,372            |
| Trust Bank Investment Limited                                 |         | 1,417,577          | 232,837            |
|                                                               |         | <b>993,176,813</b> | <b>723,926,881</b> |
| <b>23 OTHER OPERATING INCOME</b>                              |         |                    |                    |
| Locker Rent                                                   |         | 1,611,500          | 1,478,050          |
| Swift Charge (Net)                                            |         | 36,985,341         | 24,311,559         |
| Postage Charge (Net)                                          |         | 1,086,571          | -                  |
| Sale Proceeds of Forms                                        |         | 991,770            | 573,430            |
| Service Charges                                               |         | 56,203,110         | 51,069,595         |
| Service Compensation                                          |         | 1,473,116          | 790,400            |
| Front End Fees                                                |         | 66,173,396         | 74,312,761         |
| Notice Pay                                                    |         | 2,574,590          | 3,449,533          |
| Closing Charge                                                |         | 1,286,408          | 912,311            |
| Sale Proceeds of Cheque books                                 |         | 129,500            | 118,500            |
| Income form Mobile Banking                                    |         | 519,942            | 71,060             |
| O/W Cheque Processing Fees                                    |         | 546,670            | 438,071            |
| EFTN Org Processing Fees                                      |         | 508                | 30,109             |
| Service Charge - Transaction Agent (TA)                       |         | 57                 | -                  |
| Syndication Fees                                              |         | 3,025,000          | 7,920,450          |
| Income through Credit & ATM Card                              |         | 44,421,235         | 30,338,425         |
| Profit on sale of Fixed Assets                                |         | 2,274,732          | -                  |
| Insurance Premium Income                                      |         | 19,854             | 33,180             |
| SMS Notification Fees                                         |         | 403,368            | 50,624             |
| Service Charges on e-GP                                       |         | 2,103,718          | 10,500             |
| Service Charge on Passport                                    |         | 2,700              | -                  |
| Miscellaneous Foreign Exchange Income                         |         | 97,448,141         | 62,675,480         |
| Trustee Fees                                                  |         | 1,000,000          | -                  |
| Service Charge on BRTA Transaction                            |         | 645,000            | -                  |
| Miscellaneous Earnings                                        |         | 73,029,094         | 52,062,591         |
|                                                               |         | <b>393,955,321</b> | <b>310,646,629</b> |
| <b>23 (a) Consolidated other oprating income</b>              |         |                    |                    |
| Trust Bank Limited                                            | Note-23 | 393,955,321        | 310,646,629        |
| Trust Bank Securities Limited                                 |         | 1,359,794          | 23,603             |
| Trust Bank Investment Limited                                 |         | 119,603,728        | 114,035,454        |
|                                                               |         | <b>514,918,843</b> | <b>424,705,686</b> |
| <b>24 Salaries and allowances</b>                             |         |                    |                    |
| Basic Salary                                                  |         | 499,761,680        | 395,256,525        |
| House Rent Allowances                                         |         | 249,704,895        | 197,341,223        |
| Conveyance Allowances                                         |         | 27,077,250         | 21,782,897         |
| Medical Allowances                                            |         | 98,015,989         | 74,802,795         |
| Leave Fare Assistances                                        |         | 39,631,342         | 30,742,777         |
| Leave Encashment                                              |         | 4,291,433          | 6,665,806          |

|               |                                                               | 2014<br>Taka         | 2013<br>Taka         |
|---------------|---------------------------------------------------------------|----------------------|----------------------|
|               | Utility Allowances                                            | 3,543,616            | 3,092,586            |
|               | Telephone Allowance                                           | 330,092              | 282,290              |
|               | Club Membership Allowance                                     | 1,204,098            | 1,047,576            |
|               | Contractual Staffs Salary                                     | 10,774,060           | 13,594,368           |
|               | Managers' Charge Allowance                                    | 2,182,776            | 1,987,179            |
|               | Key Holding Allowance                                         | 1,049,882            | 967,500              |
|               | Festival Bonus                                                | 92,860,900           | 73,619,750           |
|               | Incentive Bonus                                               | 235,400,000          | 186,393,452          |
|               | Bank's Contribution to Provident Fund                         | 47,346,630           | 36,555,669           |
|               | Bank's Contribution to Superannuation Fund                    | 4,205,667            | 1,600,000            |
|               | Bank's Contribution to Employees' Gratuity Fund               | 80,338,108           | 86,786,241           |
|               |                                                               | <b>1,397,718,418</b> | <b>1,132,518,634</b> |
| <b>24 (a)</b> | <b>Consolidated salaries and allowances</b>                   |                      |                      |
|               | Trust Bank Limited Note-24                                    | 1,397,718,418        | 1,132,518,634        |
|               | Trust Bank Securities Limited                                 | 4,856,691            | 1,455,460            |
|               | Trust Bank Investment Limited                                 | 34,470,297           | 31,618,868           |
|               |                                                               | <b>1,437,045,406</b> | <b>1,165,592,962</b> |
| <b>25</b>     | <b>RENT, TAXES, INSURANCE, ELECTRICITY, ETC.</b>              |                      |                      |
|               | Rent                                                          | 212,089,243          | 164,452,609          |
|               | Electricity and Lighting                                      | 47,858,866           | 35,291,494           |
|               | Insurance                                                     | 86,829,679           | 70,055,806           |
|               | Rates, Taxes & Excise Duty                                    | 504,585              | 563,409              |
|               | Fees & Renewals                                               | 12,018,901           | 5,195,426            |
|               | Generator Fuel                                                | 5,145,345            | 6,045,958            |
|               | Gas/Water Bill                                                | 1,811,199            | 1,448,144            |
|               |                                                               | <b>366,257,818</b>   | <b>283,052,846</b>   |
| <b>25 (a)</b> | <b>Consolidated rent,taxes,insurance, electricity,etc.</b>    |                      |                      |
|               | Trust Bank Limited Note-25                                    | 366,257,818          | 283,052,846          |
|               | Trust Bank Securities Limited                                 | 558,351              | 247,900              |
|               | Trust Bank Investment Limited                                 | 9,672,123            | 9,706,584            |
|               |                                                               | <b>376,488,292</b>   | <b>293,007,330</b>   |
| <b>26</b>     | <b>POSTAGE, STAMPS, TELECOMMUNICATION, ETC.</b>               |                      |                      |
|               | Postage                                                       | -                    | 3,350,361            |
|               | Stamp                                                         | 174,728              | 177,237              |
|               | ATM Connectivity Charges                                      | 1,074,504            | 761,613              |
|               | ATM Maintenance Charges                                       | 5,126,638            | 1,514,900            |
|               | Online Expenses                                               | 90,716,787           | 66,498,079           |
|               | ATM Card Expenditure                                          | 945,370              | 4,081,948            |
|               | Internet Charge                                               | 1,166,808            | 2,350,823            |
|               | Router Charge                                                 | 2,439,361            | 2,447,917            |
|               | Telegram, Telex, Telephone, Trunk Call etc. (Net)             | 9,551,302            | 9,098,076            |
|               |                                                               | <b>111,195,498</b>   | <b>90,280,954</b>    |
| <b>26 (a)</b> | <b>Consolidated postages, stamps, telecommunication, etc.</b> |                      |                      |
|               | Trust Bank Limited Note-26                                    | 111,195,498          | 90,280,954           |
|               | Trust Bank Securities Limited                                 | 845,129              | 140,548              |
|               | Trust Bank Investment Limited                                 | 1,355,298            | 1,889,959            |
|               |                                                               | <b>113,395,925</b>   | <b>92,311,461</b>    |

|               |                                                                   | 2014<br>Taka       | 2013<br>Taka       |
|---------------|-------------------------------------------------------------------|--------------------|--------------------|
| <b>27</b>     | <b>STATIONERY, PRINTING, ADVERTISEMENT, ETC.</b>                  |                    |                    |
|               | Printing and Stationery (Net)                                     | 54,326,418         | 52,231,102         |
|               | Publicity and Advertisement                                       | 24,544,740         | 25,200,066         |
|               |                                                                   | <b>78,871,158</b>  | <b>77,431,168</b>  |
| <b>27 (a)</b> | <b>Consolidated stationery, printing, advertisement, etc etc.</b> |                    |                    |
|               | Trust Bank Limited Note-27                                        | 78,871,158         | 77,431,168         |
|               | Trust Bank Securities Limited                                     | 90,858             | 208,415            |
|               | Trust Bank Investment Limited                                     | 489,834            | 563,533            |
|               |                                                                   | <b>79,451,850</b>  | <b>78,203,116</b>  |
| <b>28</b>     | <b>DIRECTORS' FEES</b>                                            |                    |                    |
|               | Meeting fees                                                      | 1,642,600          | 1,403,100          |
|               | Other benefits                                                    | -                  | -                  |
|               |                                                                   | <b>1,642,600</b>   | <b>1,403,100</b>   |
|               | Each Director is paid Tk. 5,000/- per meeting per attendance      |                    |                    |
| <b>28 (a)</b> | <b>Consolidated directors fees</b>                                |                    |                    |
|               | Trust Bank Limited Note-28                                        | 1,642,600          | 1,403,100          |
|               | Trust Bank Securities Limited                                     | -                  | -                  |
|               | Trust Bank Investment Limited                                     | 102,000            | 183,000            |
|               |                                                                   | <b>1,744,600</b>   | <b>1,586,100</b>   |
| <b>29</b>     | <b>Depreciation and repair of bank's assets</b>                   |                    |                    |
|               | Depreciation                                                      |                    |                    |
|               | Fixed assets (For details please refer to Annexure - B)           | 137,815,357        | 109,164,554        |
|               | Repairs                                                           |                    |                    |
|               | Building                                                          | 283,044            | 981,759            |
|               | Furniture and fixtures                                            | 4,917,215          | 1,469,998          |
|               | Office equipment                                                  | 15,797,335         | 13,584,740         |
|               | Bank's vehicles                                                   | 3,892,243          | 3,344,291          |
|               | Maintenance                                                       | 32,046,399         | 12,015,647         |
|               |                                                                   | <b>56,936,236</b>  | <b>31,396,435</b>  |
|               |                                                                   | <b>194,751,593</b> | <b>140,560,989</b> |
| <b>29 (a)</b> | <b>Consolidated depreciation and repair of bank's assets</b>      |                    |                    |
|               | Trust Bank Limited Note-29                                        | 194,751,593        | 140,560,989        |
|               | Trust Bank Securities Limited                                     | 773,453            | 33,726             |
|               | Trust Bank Investment Limited                                     | 3,460,817          | 4,002,684          |
|               |                                                                   | <b>198,985,863</b> | <b>144,597,399</b> |
| <b>30</b>     | <b>OTHER EXPENSES</b>                                             |                    |                    |
|               | Business Development Expenses                                     | 28,327,300         | 31,917,377         |
|               | Clearing House Charge                                             | 99,200             | 102,318            |
|               | Conveyance                                                        | 10,783,418         | 10,527,142         |
|               | Entertainment                                                     | 31,410,465         | 21,443,012         |
|               | Car Expenses                                                      | 69,444,113         | 61,583,298         |
|               | Cash Handling Charge                                              | 2,555,198          | 2,441,530          |
|               | Bank Charges                                                      | 195,244            | 216,941            |
|               | Meeting Expenses                                                  | 6,285,212          | 8,417,413          |
|               | Donation, Subscription and Membership Fees                        | 16,290,490         | 23,860,770         |



|               |                                                           | 2014<br>Taka       | 2013<br>Taka       |                    |
|---------------|-----------------------------------------------------------|--------------------|--------------------|--------------------|
|               | News Paper and Periodicals                                | 752,014            | 712,513            |                    |
|               | Oil and Lubricant                                         | 8,102,732          | 5,981,228          |                    |
|               | Remittance Charges                                        | 2,227,932          | 4,018,392          |                    |
|               | Other Contractual Service                                 | 157,256,903        | 122,028,322        |                    |
|               | Internship Allowances                                     | 1,949,237          | 1,712,193          |                    |
|               | Honorarium for Banking Diploma                            | 631,000            | 505,000            |                    |
|               | Training & Recruitment Expenses                           | 9,845,960          | 7,946,117          |                    |
|               | Traveling Expenses                                        | 16,902,834         | 11,888,353         |                    |
|               | Up Keep of Office Premises                                | 7,003,989          | 6,291,850          |                    |
|               | Washing Charges                                           | 1,614,571          | 1,320,401          |                    |
|               | Loss on Sale of Fixed Assets                              | -                  | 6,048,312          |                    |
|               | Loss on sale of Share                                     | 1,164,936          | -                  |                    |
|               | Car Leasing Expenses                                      | 5,387,844          | 1,509,732          |                    |
|               | Penalty                                                   | 1,869,000          | -                  |                    |
|               | Outsource Agency Fees                                     | 897,185            | -                  |                    |
|               | Foreign Correspondence Expenses                           | 4,653,765          | 3,220,191          |                    |
|               | Amortization of Intangible Assets                         | 10,154,606         | 16,090,490         |                    |
|               | Special Reserve Fund                                      | 120,000,000        | 80,000,000         |                    |
|               | CDBL Charges                                              | 127,768            | 586,810            |                    |
|               | Security Expenses                                         | 99,571             | 1,381,056          |                    |
|               | Foreign Remittance Expenses                               | -                  | 42,989             |                    |
|               | Broker's Expenses                                         | -                  | 4,059              |                    |
|               | Share/Bond Issue Expense                                  | 32,104,727         | 153,222            |                    |
|               | Sales Commission                                          | 3,204,634          | 3,437,282          |                    |
|               | Cash Carrying Charges                                     | 5,543,109          | 3,014,303          |                    |
|               | Wages paid to daily Labor                                 | 290,306            | 211,838            |                    |
|               | Purchase of Utensils                                      | 892,613            | 843,249            |                    |
|               | Medical Expenses                                          | 4,124              | 6,729              |                    |
|               | Contact Point Verification Fees (RB)                      | 137,500            | 125,600            |                    |
|               | Miscellaneous Expenses                                    | 565,095            | 542,197            |                    |
|               |                                                           | <b>558,774,595</b> | <b>440,132,229</b> |                    |
| <b>30 (a)</b> | <b>Consolidated other expenses</b>                        |                    |                    |                    |
|               | Trust Bank Limited                                        | Note-30            | 558,774,595        | 440,132,229        |
|               | Trust Bank Securities Limited                             |                    | 3,726,533          | 922,080            |
|               | Trust Bank Investment Limited                             |                    | 11,263,919         | 9,869,079          |
|               |                                                           |                    | <b>573,765,047</b> | <b>450,923,388</b> |
| <b>31</b>     | <b>PROVISION FOR LOANS AND ADVANCES / INVESTMENTS</b>     |                    |                    |                    |
|               | Specific Provisions-against classified loans & advances   | 129,985,000        | 144,307,000        |                    |
|               | General Provisions-against un-classified loans & advances | 311,619,000        | 245,771,000        |                    |
|               | General Provisions-against special mentioned accounts     | 7,990,000          | (32,072,000)       |                    |
|               |                                                           | <b>449,594,000</b> | <b>358,006,000</b> |                    |

|               |                                                                     | 2014<br>Taka       | 2013<br>Taka       |
|---------------|---------------------------------------------------------------------|--------------------|--------------------|
| <b>31 (a)</b> | <b>Consolidated Provision for Loans &amp; Advances / Investment</b> |                    |                    |
|               | Trust Bank Limited                                                  | 449,594,000        | 358,006,000        |
|               | Trust Bank Securities Limited                                       | -                  | -                  |
|               | Trust Bank Investment Limited                                       | 111,800,516        | 246,271,620        |
|               |                                                                     | <b>561,394,516</b> | <b>604,277,620</b> |

**32 PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS:**

**Decline in value of investment should consist of the following divisions:**

(a) Dealing securities

- Quoted

- Unquoted

(b) Investment securities

- Quoted

- Unquoted

|                     |                   |
|---------------------|-------------------|
| -                   | -                 |
| -                   | -                 |
| -                   | -                 |
| (48,658,333)        | 72,929,656        |
| -                   | -                 |
| <b>(48,658,333)</b> | <b>72,929,656</b> |
| <b>(48,658,333)</b> | <b>72,929,656</b> |

Provision for Investment in Share has been made as per BRPD Circular No. 14 dated 25 June 2001 issued by Bangladesh Bank.

**32(a) Consolidated Provision for diminution in value of investments**

|                               |                    |                   |
|-------------------------------|--------------------|-------------------|
| Trust Bank Limited            | (48,658,333)       | 72,929,656        |
| Trust Bank Securities Limited | 15,106             | -                 |
| Trust Bank Investment Limited | 42,229,435         | (6,146,177)       |
|                               | <b>(6,413,792)</b> | <b>66,783,479</b> |

**33 OTHER PROVISION**

|                                                   |                    |                    |
|---------------------------------------------------|--------------------|--------------------|
| General Provision for Off Balance Sheet Exposures | 159,252,000        | 96,001,000         |
| Provision for Other Assets                        | (1,631,792)        | 5,722,911          |
|                                                   | <b>157,620,208</b> | <b>101,723,911</b> |

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

**34 The Bank has no secured liabilities on the reporting date and therefore the Bank has no asset pledged as security against such liabilities.**

**35 EARNING PER SHARE (EPS)**

|                                                           |               |             |
|-----------------------------------------------------------|---------------|-------------|
| Profit attributable to outstanding ordinary share holders | 1,299,197,545 | 324,434,566 |
| Nos of Ordinary Outstanding Share                         | 426,206,166   | 426,206,166 |
| Basic Earning per Share                                   | 3.05          | 0.76        |

|                                                           | 2014<br>Taka       | 2013<br>Taka       |
|-----------------------------------------------------------|--------------------|--------------------|
| <b>35 (a) Consolidated Earning per Share (EPS)</b>        |                    |                    |
| Profit attributable to outstanding ordinary share holders | 1,298,068,480      | 321,965,194        |
| Nos of Ordinary Outstanding Share                         | <b>426,206,166</b> | <b>426,206,166</b> |
| Earning per Share                                         | 3.05               | 0.76               |

**36 INCOME RECEIVED FROM OTHER OPERATING ACTIVITIES**

|                                           |                      |                      |
|-------------------------------------------|----------------------|----------------------|
| Locker Rent                               | 1,611,500            | 1,478,050            |
| Swift Charge (Net)                        | 36,052,917           | 24,329,911           |
| Postage Charge (Net)                      | 1,086,571            | -                    |
| Sale Proceeds of Forms                    | 991,770              | 573,430              |
| Service Charges                           | 56,203,110           | 51,069,595           |
| Service Compensation                      | 1,473,116            | 790,400              |
| Front End Fees                            | 66,173,396           | 74,312,761           |
| Notice Pay                                | 2,574,590            | 3,449,533            |
| closing Charge                            | 1,286,408            | 912,311              |
| Sale Proceeds of Cheque books             | 129,500              | 118,500              |
| Income form Mobile Banking                | 519,942              | 71,060               |
| O/W Cheque Processing Fees                | 546,670              | 438,071              |
| EFTN Org Processing Fees                  | 508                  | 30,109               |
| Service Charge - Transaction Agent (TA)   | 57                   | -                    |
| Syndication Fees                          | 3,025,000            | 7,920,450            |
| Income through Credit & ATM Card          | 44,421,235           | 30,338,425           |
| Income from Government Securities         | 1,673,466,832        | 1,576,286,143        |
| Interest on Debentures & Bond             | 48,901,298           | 73,827,391           |
| Profit on Investment in Islamic Bank Bond | 5,553,198            | 4,062,230            |
| Income from sale proceed of shares        | 3,339,552            | 20,781,241           |
| Insurance Premium Income                  | 19,854               | 33,180               |
| SMS Notification Fees                     | 403,368              | 50,624               |
| Service Charges on e-GP                   | 2,103,718            | 10,500               |
| Service Charge on Passport                | 2,700                | -                    |
| Miscellaneous Foreign Exchange Income     | 97,448,141           | 62,675,480           |
| Trustee Fees                              | 1,000,000            | -                    |
| Service Charge on BRTA Transaction        | 645,000              | -                    |
| Miscellaneous Earnings                    | 73,029,094           | 52,062,591           |
|                                           | <b>2,122,009,045</b> | <b>1,985,621,986</b> |

**36 (a) Consolidated Income from Other Operating Activities**

|                               |         |                      |                      |
|-------------------------------|---------|----------------------|----------------------|
| Trust Bank Limited            | Note-36 | 2,122,009,045        | 1,985,621,986        |
| Trust Bank Securities Limited |         | 169,181,763          | 123,791              |
| Trust bank Investment Limited |         | 11,743,345           | 120,069,424          |
|                               |         | <b>2,302,934,153</b> | <b>2,105,815,201</b> |

### 37 EXPENSES PAID FOR OTHER OPERATING ACTIVITIES

|                                            | 2014<br>Taka           | 2013<br>Taka         |
|--------------------------------------------|------------------------|----------------------|
| Business Development Expenses              | (28,327,300)           | (31,917,377)         |
| Clearing House Charge                      | (99,200)               | (102,318)            |
| Conveyance                                 | (10,783,418)           | (10,527,142)         |
| Entertainment                              | (31,371,154)           | (21,402,162)         |
| Car Expenses                               | (69,444,113)           | (61,583,298)         |
| Cash Handling Charge                       | (2,555,198)            | (2,441,530)          |
| Bank charges                               | (195,244)              | (216,941)            |
| Meeting Expenses                           | (6,285,212)            | (8,417,413)          |
| Donation, Subscription and Membership Fees | (16,290,490)           | (23,860,770)         |
| News Paper and Periodicals                 | (765,257)              | (700,772)            |
| Oil and Lubricant                          | (7,979,939)            | (5,995,642)          |
| Remittance Charges                         | (2,077,129)            | (3,816,684)          |
| Other Contractual Service                  | (157,342,708)          | (121,955,229)        |
| Internship Allowances                      | (1,949,237)            | (1,712,193)          |
| Honorarium for Banking Diploma             | (631,000)              | (505,000)            |
| Training Expenses                          | (9,845,960)            | (7,946,117)          |
| Traveling Expenses                         | (16,902,834)           | (11,888,353)         |
| Up Keep of Office Premises                 | (7,003,989)            | (6,291,850)          |
| Washing Charges                            | (1,614,571)            | (1,320,401)          |
| Loss on sale of Share                      | (1,164,936)            | -                    |
| Car Leasing Expenses                       | (5,387,844)            | (1,509,732)          |
| Penalty                                    | (1,869,000)            | -                    |
| Outsource Agency Fees                      | (897,185)              | -                    |
| Foreign Correspondence Expenses            | (4,653,765)            | (3,220,191)          |
| Special Reserve Fund                       | (80,000,000)           | (60,000,000)         |
| CDBL Charges                               | (127,768)              | (586,810)            |
| Security Expenses                          | (99,571)               | (1,381,056)          |
| Foreign Remittance Expenses                | -                      | (42,989)             |
| Broker's Expenses                          | -                      | (4,059)              |
| Share/Bond Issue Expense                   | (32,104,727)           | (153,222)            |
| Sales Commission                           | (3,204,634)            | (3,437,282)          |
| Cash Carrying Charges                      | (5,543,109)            | (3,014,303)          |
| Wages paid to daily Labor                  | (290,306)              | (211,838)            |
| Purchase of Utensils                       | (892,613)              | (843,249)            |
| Medical Expenses                           | (4,124)                | (6,729)              |
| Contact Point Verification Fees (RB)       | (137,500)              | (125,600)            |
| Miscellaneous Expenses                     | 17,060,779             | (18,284,637)         |
| Publicity and Advertisement                | (24,344,740)           | (25,180,066)         |
| Rent, Taxes, Insurance, Lighting etc.      | (481,108,812)          | (371,438,904)        |
| Legal Expenses                             | (4,523,041)            | (3,990,002)          |
| Postage, Telegram, Telephone               | (109,946,178)          | (89,834,118)         |
| Audit Fee                                  | (287,500)              | (287,500)            |
| Directors Fee                              | (1,642,600)            | (1,403,100)          |
| Repairs and maintenance of Fixed Assets    | (56,936,236)           | (31,396,435)         |
|                                            | <b>(1,169,569,363)</b> | <b>(938,953,014)</b> |

|                                                                         |         | 2014<br>Taka           | 2013<br>Taka         |
|-------------------------------------------------------------------------|---------|------------------------|----------------------|
| <b>37 (a) Consolidated Expenses paid for Other Operating Activities</b> |         |                        |                      |
| Trust Bank Limited                                                      | Note-37 | (1,169,569,363)        | (938,953,014)        |
| Trust Bank Securities Limited                                           |         | (10,106,509)           | (2,935,263)          |
| Trust Bank Investment Limited                                           |         | (23,171,672)           | (22,864,233)         |
|                                                                         |         | <b>(1,202,847,544)</b> | <b>(964,752,510)</b> |

### 38 CHANGES IN OTHER OPERATING ASSETS

|                                                               |  |                      |                    |
|---------------------------------------------------------------|--|----------------------|--------------------|
| Security Deposits                                             |  | (368,698)            | 661,372            |
| Intl. Credit Report Agency Charge                             |  | -                    | 1,383,352          |
| Investment in Subsidiary Company                              |  | -                    | (349,999,990)      |
| Encashment of Sanchaya patra awaiting reimbursement-Principal |  | (72,071,433)         | 139,381,195        |
| Encashment of Sanchaya patra awaiting reimbursement-Interest  |  | (65,568,142)         | 56,545,276         |
| Encashment of WEDB awaiting reimbursement-Principal           |  | 8,776,581            | 12,019,463         |
| Encashment of WEDB awaiting reimbursement-Interest            |  | 13,525,275           | 4,480,688          |
| US\$ Premium Bond - Interest                                  |  | (1,058,310)          | (520,425)          |
| US\$ Investment Bond - Principal                              |  | 2,015,300            | (3,590,300)        |
| US\$ Investment Bond - Interest                               |  | 678,851              | (1,440,475)        |
| Receivable on Death Risk Benefit-WEDB                         |  | 120,000              | (120,000)          |
| Receivable from Exchange House                                |  | (3,862,185)          | (12,071,803)       |
| Advance against Capital Expenditure                           |  | (102,031,304)        | (20,579,587)       |
| Clearing Adjustment                                           |  | (6,776,447)          | (3,125,068)        |
| Suspense Account                                              |  | (427,025,488)        | 482,840,144        |
|                                                               |  | <b>(653,646,000)</b> | <b>305,863,842</b> |

### 38 (a) Consolidated Changes in Other Operating Assets

|                                  |         |                      |                    |
|----------------------------------|---------|----------------------|--------------------|
| Trust Bank Limited               | Note-38 | (653,646,000)        | 305,863,842        |
| Trust Bank Securities Limited    |         | 1,352,096            | (1,841,545)        |
| Trust Bank Investment Limited    |         | (1,946,350)          | 1,489,710          |
|                                  |         | <b>(654,240,254)</b> | <b>305,512,007</b> |
| Less : Inter Company Transaction |         | -                    | (349,999,990)      |
|                                  |         | <b>(654,240,254)</b> | <b>655,511,997</b> |

### 39 CHANGES IN OTHER LIABILITIES

|                  |  |                    |                     |
|------------------|--|--------------------|---------------------|
| Sundry Creditors |  | 110,522,618        | (16,961,835)        |
| Others           |  | 1,974,800          | (457,154)           |
|                  |  | <b>112,497,418</b> | <b>(17,418,989)</b> |

### 39 (a) Consolidated Changes in Other Operating Liabilities

|                               |         |                    |                     |
|-------------------------------|---------|--------------------|---------------------|
| Trust Bank Limited            | Note-39 | 112,497,418        | (17,418,989)        |
| Trust Bank Securities Limited |         | 9,899,219          | 1,630,088           |
| Trust bank Investment Limited |         | 777,455,061        | (637,948)           |
|                               |         | <b>899,851,698</b> | <b>(16,426,849)</b> |



**40 CLOSING CASH AND CASH EQUIVALENT**

|                                                        | 2014<br>Taka          | 2013<br>Taka          |
|--------------------------------------------------------|-----------------------|-----------------------|
| Cash in hand (including foreign currencies)            | 2,762,710,234         | 2,437,947,691         |
| Balance with Bangladesh Bank & Sonali Bank (Incl. FCs) | 7,991,254,036         | 7,114,882,019         |
| Balance with Other Bank and Financial Institutions     | 2,323,734,364         | 3,567,617,349         |
| Call Loan to other Banks                               | -                     | 250,000,000           |
| Reverse REPO                                           | -                     | 650,000,000           |
| Prize Bond                                             | 4,169,400             | 2,832,700             |
|                                                        | <b>13,081,868,034</b> | <b>14,023,279,759</b> |

**40.a CONSOLIDATED CLOSING CASH AND CASH EQUIVALENT**

|                               |                       |                       |
|-------------------------------|-----------------------|-----------------------|
| Trust Bank Limited            | 13,081,868,034        | 14,023,279,759        |
| Trust Bank Securities Limited | 32,106,611            | 1,939,855             |
| Trust bank Investment Limited | -                     | -                     |
|                               | <b>13,113,974,645</b> | <b>14,025,219,614</b> |

**41 EXPENDITURE INCURRED FOR EMPLOYEES**

Salaries, allowances and benefits

Number of employees at 31 December 2014 was 1673; (31 December 2013 was 1364) who were in receipt of remuneration for that period which in the aggregate was not less than Tk 36,000 and those employed for a part of that year who were in receipt of remuneration of remuneration of not less than TK. 3,000 per month.

**42 AUDIT COMMITTEE****42.a Particulars of Audit Committee**

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

As on 31 December 2014 the Honorable Members of the committee were as follows:

| Name                                | Status with Bank     | Status with committee | Educational Qualification |
|-------------------------------------|----------------------|-----------------------|---------------------------|
| Mr. Helal Uddin Ahmed               | Independent Director | Chairman              | MA                        |
| Brig Gen Kazi A S M Arif, afwc, psc | Nominated Director   | Member                | MDS, MWS                  |
| Mr. Ashrafuzzaman Khan              | Independent Director | Member                | M.A.                      |
| Mr. Khaled Mahbub Morshed           | Company Secretary    | Member Secretary      | M.Com, FCA                |

**42.b** During the year end as on 31 December 2014, the following number of meetings of the Audit Committee held with the bank's Senior Management to consider and review the Bank's Financial Statements and Risk Management:

| Meeting Number | Date of Meeting |
|----------------|-----------------|
| 1st            | 24-Feb-14       |
| 2nd            | 25-Mar-14       |
| 3rd            | 22-Apr-14       |
| 4th            | 14-Jul-14       |
| 5th            | 22-Oct-14       |
| 6th            | 29-Dec-14       |

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

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

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

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

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

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

Formulation of HRM policy and other operating procedures.

## Related Party Disclosures

Parties are considered to be related if one party has been able to control the other party or to exercise significant influence over the other party in making financial and operating decision. Related party informations are given below:

i) Directors' interest in different entities:

| SL # | Name of the Directors                                 | Status with Bank                               | Entities where they have interest                                                                                                | % of Interest |
|------|-------------------------------------------------------|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|---------------|
| 1    | General Iqbal Karim Bhuiyan, SBP, psc                 | Chairman<br>(Representing Army Welfare Trust)  | Sena Kalyan Sangstha – Chairman, Board of Trustees                                                                               | Nominated     |
|      |                                                       |                                                | Sena Hotel Development Ltd. – Chairman, Board of Directors                                                                       | Nominated     |
|      |                                                       |                                                | Bangladesh Machine Tools Factory Ltd.- Chairman, Board of Directors                                                              | Nominated     |
|      |                                                       |                                                | Army Welfare Trust – Chairman, Board of Trustees                                                                                 | Nominated     |
|      |                                                       |                                                | Trust Bank Investment Limited (TBIL), Chairman, Board of Directors (TBIL is a fully owned subsidiary of Trust Bank Limited)      | Nominated     |
|      |                                                       |                                                | Military Institute of Science & Technology, Vice Chairman                                                                        | Nominated     |
|      |                                                       |                                                | Council of the College, Armed Forces Medical College, Chairman                                                                   | Nominated     |
|      |                                                       |                                                | Sena Paribar Kalyan Samiti, Chief Patron                                                                                         | Nominated     |
|      |                                                       |                                                | Advisory Committee of Proyash, President                                                                                         | Nominated     |
|      |                                                       |                                                | Bangladesh Olympic Association, President                                                                                        | Nominated     |
|      |                                                       |                                                | National Defence College & Defence Services Command and Staff College Governing Body, Vice Chairman                              | Nominated     |
|      |                                                       |                                                | All Golf Clubs, President                                                                                                        | Nominated     |
|      |                                                       |                                                | Defence Officers Housing Scheme Committee, Chairman                                                                              | Nominated     |
| 2    | Maj Gen Md Mahfuzur Rahman, rcds, ndc, afwc, psc, PhD | Vice Chairman<br>(Nominated Director)          | Sena Kalyan Sangstha- Vice Chairman, Board of Trustees                                                                           | Nominated     |
|      |                                                       |                                                | Sena Kalyan Sangstha- Chairman, Management Committee                                                                             | Nominated     |
|      |                                                       |                                                | Sena Hotel Development Ltd. - Vice Chairman, Board of Directors                                                                  | Nominated     |
|      |                                                       |                                                | Jolshiri Abashon Limited, Chairman, Board of Directors                                                                           | Nominated     |
|      |                                                       |                                                | Army Welfare Trust - Vice Chairman, Board of Trustees                                                                            | Nominated     |
|      |                                                       |                                                | Trust Transport Services, Chairman, Board of Directors                                                                           | Nominated     |
|      |                                                       |                                                | Army Housing Scheme, Chairman, Board of Directors                                                                                | Nominated     |
|      |                                                       |                                                | Governing Bodies of Cadet Colleges, Chairman                                                                                     | Nominated     |
|      |                                                       |                                                | Trust Technical Training Institute, Chairman, Board of Directors                                                                 | Nominated     |
|      |                                                       |                                                | Trust Bank Investment Limited (TBIL), Vice-Chairman, Board of Directors (TBIL is a fully owned subsidiary of Trust Bank Limited) | Nominated     |
| 3    | Brig Gen K A R M Mostafa Kamal, ndc, psc              | Director<br>(Nominated Director)               | Army Welfare Trust - Managing Director                                                                                           | Ex-Officio    |
|      |                                                       |                                                | Trust Bank Investment Limited (TBIL), Director, Board of Directors (TBIL is a fully owned subsidiary of Trust Bank Limited)      | Nominated     |
|      |                                                       |                                                | Trust Bank Securities Limited (TBSL)-Director, Board of Directors (TBSL is a fully owned subsidiary of Trust Bank Limited)       | Nominated     |
|      |                                                       |                                                | Trust Technical Training Institute, Director, Board of Directors                                                                 | Nominated     |
|      |                                                       |                                                | Sena Hotel Development Ltd. - Director, Board of Directors                                                                       | Nominated     |
|      |                                                       |                                                | Sena Kalyan Sangstha- Member, Management Committee                                                                               | Nominated     |
|      |                                                       |                                                | Army Housing Scheme (AHS) -Managing Director                                                                                     | Nominated     |
| 4    | Ms. Begum Rokeya Din                                  | General Shareholders' and Independent Director | Trust Bank Investment Limited (TBIL), Director, Board of Directors (TBIL is a fully owned subsidiary of Trust Bank Limited)      | Nominated     |
| 5    | Mr. Helal Uddin Ahmed                                 | Depositor and Independent Director             | Sabuj Unnayan Limited- Director                                                                                                  | -             |
|      |                                                       |                                                | Trust Bank Investment Limited (TBIL), Director, Board of Directors (TBIL is a fully owned subsidiary of Trust Bank Limited)      | Nominated     |
|      |                                                       |                                                | Trust Bank Securities Limited (TBSL), Director, Board of Directors (TBSL is a fully owned subsidiary of Trust Bank Limited)      | Nominated     |
| 6    | Brig Gen Abu Mohammad Munir Alim, BSP, psc, G         | Director<br>(Nominated Director)               | Cantonment Board High School, Mirpur, Chairman                                                                                   | Nominated     |
|      |                                                       |                                                | Mirpur Cantonment Public School & College, Chairman                                                                              | Nominated     |
| 7    | Brig Gen Md Mehdi Hassan, ndc, afwc, psc              | Director<br>(Nominated Director)               | Trust Bank Investment Limited (TBIL), Director, Board of Directors (TBIL is a fully owned subsidiary of Trust Bank Limited)      | Nominated     |
|      |                                                       |                                                | Trust Bank Securities Limited (TBSL)- Director, Board of Directors (TBSL is a fully owned subsidiary of Trust Bank Limited)      | Nominated     |
| 8    | Brig Gen Kazi A S M Arif, afwc, psc                   | Director<br>(Nominated Director)               | Dhaka Cantt. Girls Public School & College, Chairman                                                                             | Nominated     |
| 9    | Mr. Ashrafuzzaman Khan                                | Independent Director                           | Executive Attire Limited, Managing Director                                                                                      | -             |

ii) Significant contracts where Bank is a party and wherein Directors have interest:

| Nature of Contract                              | Branch Name                                                | Name of Directors and related by                        |
|-------------------------------------------------|------------------------------------------------------------|---------------------------------------------------------|
| Lease Agreement with Army Welfare Trust         | Principal Branch                                           | General Iqbal Karim Bhuiyan, SBP,psc                    |
|                                                 |                                                            | Chairman, Board of Trustees, Army Welfare Trust         |
|                                                 |                                                            | Maj Gen Md Mahfuzur Rahman, rcds, ndc, afwc, psc, PhD   |
|                                                 |                                                            | Vice- Chairman, Board of Trustees, Army Welfare Trust   |
| Lease Agreement with Sena Kalyan Sangstha       | Sena Kalyan Bhaban Branch<br>Khulna Branch<br>Tongi Branch | Brig Gen K A R M Mostafa Kamal, ndc, psc                |
|                                                 |                                                            | Managing Director, Army Welfare Trust                   |
|                                                 |                                                            | General Iqbal Karim Bhuiyan, SBP,psc                    |
|                                                 |                                                            | Chairman, Board of Trustees, Sena Kalyan Sangstha       |
| Advertisement Agreement with Army Welfare Trust | Head Office                                                | Maj Gen Md Mahfuzur Rahman, rcds, ndc, afwc, psc, PhD   |
|                                                 |                                                            | Vice chairman, Board of Trustees, Sena Kalyan Sangstha. |
|                                                 |                                                            | General Iqbal Karim Bhuiyan, SBP,psc                    |
|                                                 |                                                            | Chairman, Board of Trustees, Army Welfare Trust         |
|                                                 |                                                            | Maj Gen Md Mahfuzur Rahman, rcds, ndc, afwc, psc, PhD   |
|                                                 |                                                            | Vice- Chairman, Board of Trustees, Army Welfare Trust   |
|                                                 |                                                            | Brig Gen K A R M Mostafa Kamal, ndc, psc                |
|                                                 |                                                            | Managing Director, Army Welfare Trust                   |

iii) Shares issued to Directors and Executives without consideration or exercisable at discount:

Nil

iv) Related party Transactions:

1. The significant Related party transactions during the year were as follows:

a) Transactions relating to rent

| Name of the Company/Person | Nature of Relation ship | Nature of Transactions | Amount of transaction made during the year |
|----------------------------|-------------------------|------------------------|--------------------------------------------|
| Army Welfare Trust         | Common Director         | Office Rent            | 8,502,000                                  |
| Sena Kalyan Sangstha       | Common Director         | Office Rent            | 6,231,312                                  |

b) Transactions with Subsidiaries:

Bank balance of subsidiaries with Trust Bank Limited

| Name of the Subsidiaries   | Nature of Account                                | Balance as on |
|----------------------------|--------------------------------------------------|---------------|
| Trust Bank Investmetn Ltd. | Special Notice Deposit (SND) and Current Account | 12,267,780    |
| Trust Bank Securines Ltd.  | Special Notice Deposit (SND) and Current Account | 639,095       |

v) Lending Policies to related Parties:

Related parties are allowed Loans & Advances as per General Loan Policy of the Bank.

vi) Loan and Advances to Directors and their related concern:

18,173,936

vii) Business other than banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act - 1991:

| Name of Party                            | Relationship    | Name of transaction             | Amount      |
|------------------------------------------|-----------------|---------------------------------|-------------|
| Trust Securities & Logistic Support Ltd. | Common Director | Securities Services to the Bank | 157,256,903 |

viii) Investments in the Securities of Directors and their related concern:

Nil

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

#### 44 Event After the Reporting Date

The Board of Directors in its 233 (02/2015) Meeting held on 03 March, 2015 recommended 10% Stock Dividend i.e 10 (Ten) Bonus shares for every 100 (One Hundred) Shares held and 5% Cash Dividend. The Proposed dividend will be paid first out of premium and balance from retained earning for the year 2014, subject to the approval of the shareholders at the next Annual General Meeting (AGM).

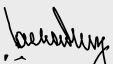
#### 45 FINANCIAL HIGHLIGHTS

As per BRPD Circular # 14, dated 25 June 2003, Financial Highlights of the Bank for the year ended on 31 December 2014 has been shown in Annexure - C.

  
Vice Chairman

  
Director

  
Director

  
Managing Director

Dated: Dhaka  
03 March, 2015

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

| Name of the Bank                         | Name of the foreign currency | 31.12.2014                 |                           |                                 | 31.12.2013                 |                           |                                 |
|------------------------------------------|------------------------------|----------------------------|---------------------------|---------------------------------|----------------------------|---------------------------|---------------------------------|
|                                          |                              | Amount in foreign currency | Excehange rate 31.12.2014 | Total amount equivalent to Taka | Amount in foreign currency | Excehange rate 31.12.2013 | Total amount equivalent to Taka |
| Mashreqbank psc, USA                     | USD                          | 308,991.68                 | 78.75                     | 24,333,095                      | 1,228,111.91               | 78.05                     | 95,854,134                      |
| Standard Chartered Bank, USA             | USD                          | 496,616.23                 | 78.75                     | 39,108,528                      | 3,162,617.44               | 78.05                     | 246,842,291                     |
| HSBC Bank, USA                           | USD                          | 762,732.86                 | 78.75                     | 60,065,213                      | 5,164,566.12               | 78.05                     | 403,094,386                     |
| ICICI Bank Ltd., Hongkong                | USD                          | 313,259.14                 | 78.75                     | 24,669,157                      | 906,239.54                 | 78.05                     | 70,731,996                      |
| Commerz Bank, AG Germany                 | USD                          | 6,501,486.67               | 78.75                     | 511,992,075                     | 1,459,154.39               | 78.05                     | 113,887,000                     |
| Habib Bank Limited                       | USD                          | 166,757.23                 | 78.75                     | 13,132,132                      | 331,647.36                 | 78.05                     | 25,885,076                      |
| Sonali Bank Ltd. UK                      | USD                          | 543,228.70                 | 78.75                     | 42,779,260                      | 782,486.07                 | 78.05                     | 61,073,038                      |
| United Bank Of India                     | USD                          | 131,053.71                 | 78.75                     | 10,320,480                      | 161,683.98                 | 78.05                     | 12,619,436                      |
| Commerzbank Ag, Frankfurt, Germany (Aud) | AUD                          | 19,689.56                  | 65.86                     | 1,296,660                       |                            | -                         |                                 |
| Standard Chartered Bank, UK              | GBP                          | 47,509.29                  | 123.84                    | 5,883,484                       | 60,573.48                  | 130.22                    | 7,887,975                       |
| Sonali Bank Ltd. UK,GBP                  | GBP                          | 34,735.17                  | 123.84                    | 4,301,555                       | 9,940.91                   | 130.22                    | 1,294,521                       |
| HSBC, PLC, UK                            | GBP                          | 148,062.38                 | 123.84                    | 18,335,838                      | 66,838.30                  | 130.48                    | 8,720,864                       |
| Standard Chartered Bank, Japan           | YEN                          | 2,539,964.00               | 0.68                      | 1,737,589                       | 4,497,543.00               | 0.77                      | 3,468,505                       |
| Commerzbank Ag, Frankfurt, Germany (Jpy) | YEN                          | 1,608,685.00               | 0.68                      | 1,100,501                       | -                          | -                         | -                               |
| HSBC, PLC, UK                            | EURO                         | 63,972.85                  | 97.11                     | 6,212,192                       | 125,354.60                 | 108.78                    | 13,635,610                      |
| Standard Chartered Bank, UK              | EURO                         | 20,499.47                  | 97.11                     | 1,990,636                       | 24,924.29                  | 108.78                    | 2,711,172                       |
| ICICI Bank Ltd., Mumbai, India           | EURO                         | 5,024.55                   | 97.11                     | 487,917                         | 5,122.05                   | 108.78                    | 557,159                         |
| Sonali Bank Ltd. UK, EURO                | EURO                         | 37,192.06                  | 97.11                     | 3,611,598                       | 59,969.00                  | 108.78                    | 6,523,207                       |
| Commerz Bank, AG Germany                 | EURO                         | 108,669.36                 | 97.11                     | 10,552,523                      | 552,124.22                 | 108.78                    | 60,058,031                      |
| ICICI Bank Ltd., Mumbai, India           | ACU                          | 309,041.40                 | 78.75                     | 24,337,010                      | 528,472.77                 | 78.05                     | 41,247,300                      |
| HSBC Bank, Mumbai, India                 | ACU                          | -                          |                           | -                               | 233,000.39                 | 78.05                     | 18,185,680                      |
| AB Bank, Mumbai, India                   | ACU                          | 16,822.49                  | 78.75                     | 1,324,771                       | 349,615.39                 | 78.05                     | 27,287,480                      |
| Mashreqbank, Mumbai, India               | ACU                          | 78,251.05                  | 78.75                     | 6,162,270                       | 271,220.15                 | 78.05                     | 21,168,733                      |
| Standard Chartered Bank, Mumbai, India   | ACU                          | 233,288.20                 | 78.75                     | 18,371,446                      | 341,362.43                 | 78.05                     | 26,643,338                      |
| Habib Bank, Zurich                       | CHF                          | 87,927.60                  | 80.25                     | 7,055,769                       | 24,875.39                  | 88.26                     | 2,195,512                       |
|                                          |                              |                            |                           |                                 |                            |                           |                                 |
| <b>Total</b>                             |                              |                            |                           | <b>839,161,699</b>              |                            |                           | <b>1,271,572,444</b>            |



**Schedule of Fixed Assets**  
As at 31 December 2014

| PARTICULARS             | COST                      |                           |                                      |                             | DEPRECIATION                  |                     |                                      |                             | WRITTEN DOWN VALUE at 31 December 2014 |
|-------------------------|---------------------------|---------------------------|--------------------------------------|-----------------------------|-------------------------------|---------------------|--------------------------------------|-----------------------------|----------------------------------------|
|                         | Balance on 1 January 2014 | Additions during the year | Disposal/ adjustment during the year | Balance at 31 December 2014 | “ Balance on 1 January 2014 “ | Charge for the year | Disposal/ adjustment during the year | Balance at 31 December 2014 |                                        |
|                         | Taka                      | Taka                      | Taka                                 | Taka                        | Taka                          | Taka                | Taka                                 | Taka                        |                                        |
|                         |                           |                           |                                      |                             |                               |                     |                                      |                             |                                        |
|                         |                           |                           |                                      |                             |                               |                     |                                      |                             |                                        |
| Leasehold Land          | 160,469                   | -                         | -                                    | 160,469                     | -                             | -                   | -                                    | -                           | 160,469                                |
|                         |                           |                           |                                      |                             |                               |                     |                                      |                             |                                        |
| Office Building         | 12,680,000                | -                         | -                                    | 12,680,000                  | 1,611,443                     | 379,813             | -                                    | 1,991,256                   | 10,688,744                             |
|                         |                           |                           |                                      |                             |                               |                     |                                      |                             |                                        |
| Furniture and Fixtures  | 152,038,034               | 18,684,860                | 2,540,025                            | 168,182,869                 | 71,350,334                    | 10,918,747          | 1,894,255                            | 80,374,826                  | 87,808,043                             |
|                         |                           |                           |                                      |                             |                               |                     |                                      |                             |                                        |
| Office Equipment        | 506,602,925               | 181,274,372               | 13,724,977                           | 674,152,321                 | 315,689,802                   | 92,244,463          | 13,285,678                           | 394,648,588                 | 279,503,733                            |
|                         |                           |                           |                                      |                             |                               |                     |                                      |                             |                                        |
| Motor Vehicles          | 66,095,233                | 16,715,554                | 3,130,655                            | 79,680,132                  | 40,348,843                    | 10,844,009          | 3,100,354                            | 48,092,498                  | 31,587,634                             |
|                         |                           |                           |                                      |                             |                               |                     |                                      |                             |                                        |
| Office Renovation       | 296,289,863               | 42,110,793                | -                                    | 338,400,656                 | 121,080,879                   | 23,428,325          | -                                    | 144,509,204                 | 193,891,452                            |
|                         |                           |                           |                                      |                             |                               |                     |                                      |                             |                                        |
| <b>31 December 2014</b> | <b>1,033,866,524</b>      | <b>258,785,579</b>        | <b>19,395,657</b>                    | <b>1,273,256,447</b>        | <b>550,081,301</b>            | <b>137,815,357</b>  | <b>18,280,287</b>                    | <b>669,616,372</b>          | <b>603,640,075</b>                     |
| <b>31 December 2013</b> | <b>912,375,561</b>        | <b>147,850,303</b>        | <b>26,359,340</b>                    | <b>1,033,866,524</b>        | <b>457,429,874</b>            | <b>109,164,554</b>  | <b>16,513,127</b>                    | <b>550,081,301</b>          | <b>483,785,223</b>                     |

## Financial Highlights

| Sl No | Particulars                                                     | Base  | 31.12.2014      | 31.12.2013      |
|-------|-----------------------------------------------------------------|-------|-----------------|-----------------|
| 1     | Paid up Capital                                                 | Taka  | 4,262,061,660   | 3,805,412,200   |
| 2     | Total Capital                                                   | Taka  | 13,419,255,702  | 10,798,114,983  |
| 3     | Capital surplus/(deficit)                                       | Taka  | 2,174,375,702   | 1,601,294,983   |
| 4     | Total Assets                                                    | Taka  | 145,346,118,393 | 116,739,573,848 |
| 5     | Total Deposits                                                  | Taka  | 125,059,132,151 | 102,467,673,270 |
| 6     | Total Loans and Advances                                        | Taka  | 106,886,082,701 | 79,279,577,607  |
| 7     | Total Contingent Liabilities and Commitments                    | Taka  | 47,597,345,303  | 31,672,787,874  |
| 8     | Credit Deposit Ratio                                            | %     | 85.47           | 77.37           |
| 9     | Percentage of classified loans against total loans and advances | %     | 2.45            | 3.12            |
| 10    | Profit after tax and provision                                  | Taka  | 1,299,197,545   | 324,434,566     |
| 11    | Amount of classified loans during current year                  | Taka  | 144,398,089     | 969,531,639     |
| 12    | Provisions kept against classified loan                         | Taka  | 1,037,640,000   | 907,655,000     |
| 13    | Provision surplus/(deficit)                                     | Taka  | 11,650,000      | 118,284         |
| 14    | Cost of fund                                                    | %     | 7.90            | 9.18            |
| 15    | Interest earning Assets                                         | Taka  | 126,283,391,731 | 99,026,939,439  |
| 16    | Non-interest earning Assets                                     | Taka  | 19,062,726,662  | 17,712,634,409  |
| 17    | Return on Investment (ROI)                                      | %     | 9.68            | 3.00            |
| 18    | Return on Asset (ROA)                                           | %     | 0.89            | 0.28            |
| 19    | Income from Investment                                          | Taka  | 1,840,632,093   | 1,580,528,080   |
| 20    | Earning per Share (EPS)                                         | Taka  | 3.05            | 0.76            |
| 21    | Net income per Share                                            | Taka  | 3.05            | 0.76            |
| 22    | Price Earning Ratio                                             | Times | 4.76            | 26.27           |
| 23    | Net Asset Value (NAV)                                           | Taka  | 8,128,690,190   | 6,865,781,113   |
| 24    | Net Operating Cash Flow Per Share (NOCFPS)                      | Taka  | (4.85)          | (10.07)         |

**Balance Sheet of Islami Banking Division**  
As at 31 December 2014

|                                                                                      | Notes | 31.12.2014<br>Taka   | 31.12.2013<br>Taka   |
|--------------------------------------------------------------------------------------|-------|----------------------|----------------------|
| <b>PROPERTY AND ASSETS</b>                                                           |       |                      |                      |
| <b>Cash</b>                                                                          |       |                      |                      |
| Cash in hand (including foreign currencies)                                          |       | 12,426,890           | -                    |
| Balance with Bangladesh Bank and its agent bank(s)<br>(including foreign currencies) |       | 535,450,336          | 418,128,138          |
|                                                                                      |       | 547,877,226          | 418,128,138          |
| <b>Balance with other banks and financial institutions</b>                           |       |                      |                      |
| In Bangladesh                                                                        |       | 778,667,439          | 817,928,734          |
| Outside Bangladesh                                                                   |       | -                    | -                    |
|                                                                                      |       | 778,667,439          | 817,928,734          |
| <b>Placement with banks and other financial institution</b>                          |       |                      |                      |
| Investments in Shares and Securities                                                 |       | -                    | -                    |
| Government                                                                           |       | 410,000,000          | 240,000,000          |
| Others                                                                               |       | 67,790,742           | 128,874,249          |
|                                                                                      |       | 477,790,742          | 368,874,249          |
| <b>Investments</b>                                                                   |       |                      |                      |
| General Investments etc.                                                             |       | 6,136,364,905        | 3,674,926,987        |
| Bills purchased and discounted                                                       |       | 282,154,053          | 166,363,224          |
|                                                                                      |       | 6,418,518,958        | 3,841,290,211        |
| <b>Fixed assets including premises</b>                                               |       |                      |                      |
|                                                                                      |       | -                    | -                    |
| <b>Other assets</b>                                                                  |       |                      |                      |
|                                                                                      |       | 278,642,860          | 84,347,620           |
| <b>Non-banking assets</b>                                                            |       |                      |                      |
|                                                                                      |       | -                    | -                    |
| <b>Total Assets:</b>                                                                 |       | <b>8,501,497,225</b> | <b>5,530,568,952</b> |
| <b>LIABILITIES AND CAPITAL</b>                                                       |       |                      |                      |
| <b>Liabilities:</b>                                                                  |       |                      |                      |
| Placement from banks and other financial institutions                                |       | 347,953,108          | -                    |
| <b>Deposits and other accounts:</b>                                                  |       |                      |                      |
| Al-wadeeah Current Accounts and Other Deposit Accounts                               |       | 422,774,016          | 321,305,381          |
| Mudaraba Savings Deposits                                                            |       | 613,273,943          | 423,708,795          |
| Mudaraba Term Deposits                                                               |       | 6,565,939,587        | 4,444,335,817        |
| Other Mudaraba Deposits                                                              |       | -                    | -                    |
| Bills Payable                                                                        |       | 5,668                | 426,975              |
|                                                                                      |       | 7,601,993,214        | 5,189,776,968        |
| <b>Other liabilities</b>                                                             |       |                      |                      |
|                                                                                      |       | 551,550,903          | 340,791,984          |
| <b>Total Liabilities:</b>                                                            |       | <b>8,501,497,225</b> | <b>5,530,568,952</b> |

**Profit and Loss Account of Islami Banking Division**  
For the year ended 31 December 2014

| Notes                                             | 31.12.2014<br>Taka | 31.12.2013<br>Taka  |
|---------------------------------------------------|--------------------|---------------------|
| Investment Income                                 | 788,078,572        | 330,841,493         |
| Profit paid on deposits                           | 571,228,090        | 430,503,427         |
| <b>Net Investment Income</b>                      | <b>216,850,482</b> | <b>(99,661,934)</b> |
| Income from investments in Shares/Securities      | 17,474,420         | 25,983,940          |
| Commission, exchange and brokerage                | 52,201,727         | 28,456,708          |
| Other operating income                            | 19,119,918         | 10,670,808          |
|                                                   | 88,796,065         | 65,111,456          |
| <b>Total operating income</b>                     | <b>305,646,547</b> | <b>(34,550,478)</b> |
| Salaries and allowances                           | 15,350,988         | 7,116,340           |
| Rent, taxes, insurance, electricity, etc.         | 110,000            | 144,538             |
| Legal expenses                                    | -                  | -                   |
| Postage, stamps, telecommunications, etc.         | 4,255              | 34,921              |
| Stationery, printing, advertisement etc.          | -                  | 2,400               |
| Chief Executive's Salary & Fees                   | -                  | -                   |
| Directors' Fees and Expenses                      | 14,400             | 30,800              |
| Shariah Supervisory Committee's Fees and Expenses | -                  | -                   |
| Auditors' Fees                                    | -                  | -                   |
| Changes in Investment Losses                      | -                  | -                   |
| Depreciation and repair to bank's assets          | -                  | -                   |
| Zakat Expenses                                    | -                  | -                   |
| Other expenses                                    | 42,832             | 71,026              |
| <b>Total operating expenses</b>                   | <b>15,522,475</b>  | <b>7,400,025</b>    |
| <b>Profit before provision</b>                    | <b>290,124,072</b> | <b>(41,950,503)</b> |

**Cash Flow Statements of Islami Banking Division**  
For the year ended 31 December 2014

|                                                                         | 31.12.2014<br>Taka   | 31.12.2013<br>Taka   |
|-------------------------------------------------------------------------|----------------------|----------------------|
| <b>A. Cash flow from operating activities</b>                           |                      |                      |
| Interest/Investment Income received in cash                             | 799,165,120          | 309,833,712          |
| Interest/Profit paid on Deposits                                        | (571,228,090)        | (430,503,427)        |
| Dividend receipts                                                       | 8,581,670            | 8,577,257            |
| Fees and commission receipts in cash                                    | -                    | -                    |
| Recoveries of written off Loans/Investments                             | -                    | -                    |
| Cash paid to employees                                                  | (15,350,988)         | (7,116,340)          |
| Cash paid to suppliers                                                  | -                    | -                    |
| Income Taxes paid                                                       | -                    | -                    |
| Received from other operating activities                                | 80,214,395           | 56,534,199           |
| Payments for other operating activities                                 | (171,487)            | (7,400,025)          |
| Operating profit before changes in operating Assets and Liabilities     | <b>301,210,620</b>   | <b>(70,074,624)</b>  |
| Increase/(Decrease) in operating assets & liabilities                   |                      |                      |
| Statutory Deposits                                                      | -                    | -                    |
| Net Investment in trading securities                                    | 61,083,507           | (10,664,742)         |
| Loan & advance/Investments to other banks                               | -                    | -                    |
| Loan & advance/Investments to customers                                 | (2,577,228,747)      | (2,744,581,049)      |
| Other assets                                                            | (205,381,788)        | 1,465,518,597        |
| Deposits from other banks                                               | -                    | -                    |
| Deposits from customers                                                 | 2,412,216,246        | 2,102,240,959        |
| Other liabilities account of customers                                  | -                    | -                    |
| Trading liabilities                                                     | -                    | -                    |
| Other liabilities                                                       | (79,365,153)         | 304,973,399          |
| Net cash from operating activities (A)                                  | <b>(87,465,315)</b>  | <b>1,047,412,540</b> |
| <b>B. Cash flow from investing activities</b>                           |                      |                      |
| Proceeds from sale of securities                                        | -                    | -                    |
| Payments for purchase of government securities                          | (170,000,000)        | (120,000,000)        |
| Purchase of property, plant & equipment                                 | -                    | -                    |
| Purchase of intangible assets                                           | -                    | -                    |
| Sale of property, plant & equipment                                     | -                    | -                    |
| Net cash from investing activities (B)                                  | <b>(170,000,000)</b> | <b>(120,000,000)</b> |
| <b>C. Cash flow from financing activities</b>                           |                      |                      |
| Increase/(Decrease) in Borrowing:                                       |                      |                      |
| Call loan                                                               | -                    | -                    |
| Other borrowings                                                        | 347,953,108          | -                    |
| Share Capital A/c                                                       | -                    | -                    |
| Share Premium A/c                                                       | -                    | -                    |
| Net cash from financing activities (C)                                  | <b>347,953,108</b>   |                      |
| <b>D. Net increase in Cash and Cash Equivalent (A+B+C)</b>              | <b>90,487,793</b>    | <b>927,412,540</b>   |
| <b>E. Effects of exchange rate changes on cash and cash equivalents</b> | <b>-</b>             | <b>-</b>             |
| <b>F. Opening Cash and Cash Equivalent</b>                              | <b>1,236,056,872</b> | <b>308,644,332</b>   |
| Cash and cash equivalents at end of period (D+E+F)                      | <b>1,326,544,665</b> | <b>1,236,056,872</b> |



TRUST BANK LIMITED  
Offshore Banking Unit  
Balance Sheet  
as of 31 December 2014

|                                                                                      | 31.12.2014        |                      | 31.12.2013         |
|--------------------------------------------------------------------------------------|-------------------|----------------------|--------------------|
|                                                                                      | USD               | Taka                 | Taka               |
| <b>PROPERTY AND ASSETS</b>                                                           |                   |                      |                    |
| <b>Cash</b>                                                                          |                   |                      |                    |
| Cash in hand (including foreign currencies)                                          | -                 | -                    | -                  |
| Balance with Bangladesh Bank and its agent bank(s)<br>(including foreign currencies) | -                 | -                    | -                  |
| <b>Balance with other banks and financial institutions</b>                           |                   |                      |                    |
| In Bangladesh                                                                        | -                 | -                    | -                  |
| Outside Bangladesh                                                                   | 71,543            | 5,634,011            | 123,397            |
|                                                                                      | 71,543            | 5,634,011            | 123,397            |
| <b>Money at call and short notice</b>                                                | -                 | -                    | -                  |
| Investments                                                                          |                   |                      |                    |
| Government                                                                           | -                 | -                    | -                  |
| Others                                                                               | -                 | -                    | -                  |
| <b>Loans and Advances/Islami Banking Investments</b>                                 |                   |                      |                    |
| Loans, Cash Credit, Overdrafts etc./ Investment                                      | 1,702,630         | 134,082,113          | 43,239,700         |
| Bills purchased and discounted                                                       | 38,002,366        | 2,992,686,323        | 97,489,914         |
|                                                                                      | 39,704,996        | 3,126,768,436        | 140,729,614        |
| <b>Fixed assets including premises, furniture and fixtures</b>                       | -                 | -                    | -                  |
| <b>Other assets</b>                                                                  | -                 | -                    | -                  |
| <b>Non-banking assets</b>                                                            | -                 | -                    | -                  |
| <b>Total Assets</b>                                                                  | <b>39,776,539</b> | <b>3,132,402,447</b> | <b>140,853,011</b> |
| <b>LIABILITIES AND CAPITAL</b>                                                       |                   |                      |                    |
| <b>Liabilities</b>                                                                   |                   |                      |                    |
| Borrowings from other banks, financial institutions and agents                       | -                 | -                    | -                  |
| <b>Deposits and other accounts</b>                                                   |                   |                      |                    |
| Current / Al-wadeeah Current Accounts and other Ac-<br>counts                        | -                 | -                    | 243,360            |
| Bills Payable                                                                        | -                 | -                    | -                  |
| Savings Bank / Mudaraba Savings Deposits                                             | -                 | -                    | -                  |
| Fixed Deposits / Mudaraba Term Deposits                                              | 39,401,213        | 3,102,845,525        | 140,490,000        |
| Bearer Certificates of Deposit                                                       | -                 | -                    | -                  |
| Other Deposits                                                                       | -                 | -                    | -                  |
|                                                                                      | 39,401,213        | 3,102,845,525        | 140,733,360        |
| <b>Other liabilities</b>                                                             | -                 | -                    | -                  |
| <b>Total Liabilities</b>                                                             | <b>39,401,213</b> | <b>3,102,845,525</b> | <b>140,733,360</b> |
| <b>Capital/Shareholders' Equity</b>                                                  |                   |                      |                    |
| Paid up Capital                                                                      | -                 | -                    | -                  |
| Foreign Currency Transaction Difference                                              | -                 | 187,663              | -                  |
| Statutory Reserve                                                                    | -                 | -                    | -                  |
| Other Reserve                                                                        | -                 | -                    | -                  |
| Retained Earnings                                                                    | 375,326           | 29,369,259           | 119,651            |
| <b>Total Shareholders' Equity</b>                                                    | <b>375,326</b>    | <b>29,556,922</b>    | <b>119,651</b>     |
| <b>Total Liabilities and Shareholders' Equity</b>                                    | <b>39,776,539</b> | <b>3,132,402,447</b> | <b>140,853,011</b> |

**TRUST BANK LIMITED**

Offshore Banking Unit

**Profit and Loss Account**

For the year ended as of 31 December 2014

|                                                        | 31.12.2014     |                   | 31.12.2013     |
|--------------------------------------------------------|----------------|-------------------|----------------|
|                                                        | USD            | Taka              | Taka           |
| Interest income / Profit on Investment                 | 1,490,619      | 116,640,937       | 363,011        |
| Interest / Profit paid on deposits and borrowings etc. | 1,141,153      | 89,295,222        | 243,360        |
| <b>Net interest income</b>                             | <b>349,466</b> | <b>27,345,715</b> | <b>119,651</b> |
| Income from investments                                | 16,617         | 1,300,280         | -              |
| Commission, exchange and brokerage                     |                | -                 | -              |
| Other operating income                                 | 20,417         | 1,597,630         | -              |
|                                                        | 37,034         | 2,897,910         | -              |
| <b>Total operating income</b>                          | <b>386,500</b> | <b>30,243,625</b> | <b>119,651</b> |
| Salaries and allowances                                | -              | -                 | -              |
| Rent, taxes, insurance, electricity, etc.              | -              | -                 | -              |
| Legal expenses                                         | -              | -                 | -              |
| Postage, stamps, telecommunications, etc.              | -              | -                 | -              |
| Stationery, printing, advertisement etc.               | -              | -                 | -              |
| Managing Director's salary and benefits                | -              | -                 | -              |
| Directors' fees                                        | -              | -                 | -              |
| Auditors' fee                                          | -              | -                 | -              |
| Charges on loan losses                                 | -              | -                 | -              |
| Depreciation and repair of bank's assets               | -              | -                 | -              |
| Other expenses                                         | 11,174         | 874,366           | -              |
| <b>Total operating expenses</b>                        | <b>11,174</b>  | <b>874,366</b>    | <b>-</b>       |
| <b>Profit before provision</b>                         | <b>375,326</b> | <b>29,369,259</b> | <b>119,651</b> |
| Provision for loans & advances / Investments           | -              | -                 | -              |
| Provision for Diminution in value of Investment        | -              | -                 | -              |
| Other provision                                        | -              | -                 | -              |
| <b>Total Profit before Taxes</b>                       | <b>375,326</b> | <b>29,369,259</b> | <b>119,651</b> |
| Provision for Taxation                                 |                |                   |                |
| Current tax                                            | -              | -                 | -              |
| Deferred tax                                           | -              | -                 | -              |
| <b>Net Profit after Taxation</b>                       | <b>375,326</b> | <b>29,369,259</b> | <b>119,651</b> |
| Appropriations                                         |                |                   |                |
| Statutory Reserve                                      | -              | -                 | -              |
| General reserve                                        | -              | -                 | -              |
| <b>Retained surplus</b>                                | <b>375,326</b> | <b>29,369,259</b> | <b>119,651</b> |

**TRUST BANK LIMITED**

Offshore Banking Unit

**Cash Flow Statements**

For the year ended as of 31 December 2014

|                                                                         | 31.12.2014     |                   | 31.12.2013     |
|-------------------------------------------------------------------------|----------------|-------------------|----------------|
|                                                                         | USD            | Taka              | Taka           |
| <b>A. Cash flow from operating activities</b>                           |                |                   |                |
| Interest received in cash                                               | 1,490,619      | 116,640,937       | 363,011        |
| Interest payments                                                       | (1,141,153)    | (89,295,222)      | (243,360)      |
| Dividend receipts                                                       | -              | -                 | -              |
| Fees and commission receipts in cash                                    | -              | -                 | -              |
| Recoveries of loans previously written off                              | -              | -                 | -              |
| Cash paid to employees                                                  | -              | -                 | -              |
| Cash paid to suppliers                                                  | -              | -                 | -              |
| Income Taxes paid                                                       | -              | -                 | -              |
| Received from other operating activities                                | 37,034         | 2,897,910         | -              |
| Payments for other operating activities                                 | (11,174)       | (874,366)         | -              |
| Operating profit before changes in operating Assets and Liabilities     | <b>375,326</b> | <b>29,369,259</b> | <b>119,651</b> |
| <b>Increase/(Decrease) in operating assets &amp; liabilities</b>        |                |                   |                |
| Statutory Deposits                                                      | -              | -                 | -              |
| Net Investment in trading securities                                    | -              | -                 | -              |
| Loan & advance to other banks                                           | -              | -                 | -              |
| Loan & advance to customers                                             | (39,704,996)   | (3,126,768,436)   | (140,729,614)  |
| Other assets                                                            | -              | -                 | -              |
| Deposits from other banks                                               | 39,401,213     | 3,102,845,525     | 140,733,360    |
| Deposits from customers                                                 | -              | -                 | -              |
| Other liabilities account of customers                                  | -              | -                 | -              |
| Trading liabilities                                                     | -              | -                 | -              |
| Other liabilities                                                       | -              | -                 | -              |
| <b>Net cash from operating activities (A)</b>                           | <b>71,543</b>  | <b>5,446,348</b>  | <b>123,397</b> |
| <b>B. Cash flow from investing activities</b>                           |                |                   |                |
| Proceeds from sale of securities                                        | -              | -                 | -              |
| Payments for purchase of government securities                          | -              | -                 | -              |
| Purchase of property, plant & equipment                                 | -              | -                 | -              |
| Purchase of intangible assets                                           | -              | -                 | -              |
| Sale of property, plant & equipment                                     | -              | -                 | -              |
| Net cash from investing activities (B)                                  | -              | -                 | -              |
| <b>C. Cash flow from financing activities</b>                           |                |                   |                |
| Increase/(Decrease) in Borrowing:                                       | -              | -                 | -              |
| Call loan                                                               | -              | -                 | -              |
| Re-Purchase agreement (REPO)                                            | -              | -                 | -              |
| Other borrowings                                                        | -              | -                 | -              |
| Share Capital A/c                                                       | -              | -                 | -              |
| Share Premium A/c                                                       | -              | -                 | -              |
| Dividend paid in cash                                                   | -              | -                 | -              |
| <b>Net cash from financing activities (C)</b>                           | -              | -                 | -              |
| <b>D. Net increase in Cash and Cash Equivalent (A+B+C)</b>              | <b>71,543</b>  | <b>5,446,348</b>  | <b>123,397</b> |
| <b>E. Effects of exchange rate changes on cash and cash equivalents</b> | -              | <b>187,663</b>    | -              |
| <b>F. Opening Cash and Cash Equivalent</b>                              | -              | -                 | -              |
| <b>G. Cash and cash equivalents at end of year (D+E+F)</b>              | <b>71,543</b>  | <b>5,634,011</b>  | <b>123,397</b> |

Auditors' Report And  
Audited Financial Statements  
Of

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Trust Bank Investment Limited



# Auditors' Report

## to the shareholders of Trust Bank Investment Limited

We have audited the accompanying financial statements of **Trust Bank Investment Limited**, which comprise the Balance Sheet as at 31 December 2014 and the Profit and Loss Account, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

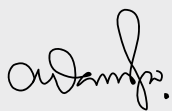
### ***Opinion***

In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of the results of its operations and of its cash flows for the year then ended, and comply with the applicable sections of the Financial Institutions Act 1993, the Companies Act 1994, the Securities and Exchange Commission (Merchant Bankers and Portfolio Manager) Rules 1996, the rules and regulations issued by Bangladesh Bank, and other applicable laws and regulations.

### ***We also report that:***

- a. 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;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c. the Company's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of accounts;
- d. the financial statements conform to the prescribed standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- e. the expenditure incurred and payments made were for the purposes of the Company's business;
- f. the information and explanations required by us have been received and found satisfactory;
- g. the financial statements have been drawn up in conformity with the Bank Companies Act 1991 and in accordance with the rules and regulations issued by Bangladesh Bank;

Dated, Dhaka  
03 March 2015

  
**A. Qasem & Co.**  
Chartered Accountants



# TRUST BANK INVESTMENT LIMITED


## Balance Sheet

As at 31 December 2014

|                                                                                      | Notes | 31.12.2014<br>Audited<br>Taka | 31.12.2013<br>Audited<br>Taka |
|--------------------------------------------------------------------------------------|-------|-------------------------------|-------------------------------|
| <b>PROPERTY AND ASSETS</b>                                                           |       |                               |                               |
| Cash                                                                                 | 3     |                               |                               |
| Cash in hand (including foreign currencies)                                          |       | -                             | -                             |
| Balance with Bangladesh Bank and its agent bank(s)<br>(including foreign currencies) |       | -                             | -                             |
|                                                                                      |       | -                             | -                             |
| Balance with other banks and financial institutions                                  | 4     |                               |                               |
| In Bangladesh                                                                        |       | 3,522,115                     | 11,398,671                    |
| Outside Bangladesh                                                                   |       | -                             | -                             |
|                                                                                      |       | 3,522,115                     | 11,398,671                    |
| Money at call and short notice                                                       | 5     | -                             | -                             |
| Investments                                                                          | 6     |                               |                               |
| Government                                                                           |       | -                             | -                             |
| Others                                                                               |       | 974,509,830                   | 36,651,197                    |
|                                                                                      |       | 974,509,830                   | 36,651,197                    |
| Loans and Advances                                                                   | 7     |                               |                               |
| Loan to Investors                                                                    |       | 4,578,900,657                 | 4,881,903,930                 |
| Other Loan                                                                           |       | -                             | -                             |
|                                                                                      |       | 4,578,900,657                 | 4,881,903,930                 |
| Fixed assets including premises, furniture and<br>fixtures                           | 8     | 10,491,315                    | 13,528,249                    |
| Other assets                                                                         | 9     | 26,028,153                    | 23,391,742                    |
| Non-banking assets                                                                   | 10    | -                             | -                             |
| <b>Total Assets:</b>                                                                 |       | <b>5,593,452,070</b>          | <b>4,966,873,789</b>          |
| <b>LIABILITIES AND CAPITAL</b>                                                       |       |                               |                               |
| <b>Liabilities</b>                                                                   |       |                               |                               |
| Borrowings                                                                           | 11    | 58,492,130                    | 368,326,942                   |
| Deposits and other accounts                                                          | 12    |                               |                               |
| Deposit from Investors                                                               |       | 108,218,523                   | 90,469,039                    |
| Other Deposits                                                                       |       | -                             | -                             |
|                                                                                      |       | 108,218,523                   | 90,469,039                    |
| <b>Other liabilities</b>                                                             | 13    | <b>2,089,851,120</b>          | <b>1,171,187,511</b>          |
| <b>Total Liabilities</b>                                                             |       | <b>2,256,561,773</b>          | <b>1,629,983,492</b>          |
| <b>Capital/Shareholders' Equity</b>                                                  |       |                               |                               |
| <b>Paid up Capital</b>                                                               | 14.2  | <b>3,000,000,000</b>          | <b>3,000,000,000</b>          |
| Share Premium Account                                                                |       | -                             | -                             |
| Statutory Reserve                                                                    | 15    | -                             | -                             |
| Other Reserve                                                                        | 16    | -                             | -                             |
| Retained Earnings                                                                    | 17    | 336,890,297                   | 336,890,297                   |
| <b>Total Shareholders' Equity</b>                                                    |       | <b>3,336,890,297</b>          | <b>3,336,890,297</b>          |
| <b>Total Liabilities and Shareholders' Equity</b>                                    |       | <b>5,593,452,070</b>          | <b>4,966,873,789</b>          |

|                                                                        | Notes | 31.12.2014<br>Taka | 31.12.2013<br>Taka |
|------------------------------------------------------------------------|-------|--------------------|--------------------|
| <b>OFF-BALANCE SHEET ITEMS</b>                                         |       |                    |                    |
| Contingent Liabilities:                                                | 18    |                    |                    |
| Acceptances and endorsements                                           |       | -                  | -                  |
| Letter of Guarantees                                                   |       | 319,766,000        | 471,578,500        |
| Irrevocable Letter of Credits                                          |       | -                  | -                  |
| Bills for collection                                                   |       | -                  | -                  |
|                                                                        |       | 319,766,000        | 471,578,500        |
| Other Contingent Liabilities                                           |       | -                  | -                  |
| Value of travelers' cheques in hand                                    |       | -                  | -                  |
| <b>Total:</b>                                                          |       | <b>319,766,000</b> | <b>471,578,500</b> |
| Other commitments:                                                     |       |                    |                    |
| Documentary Credit and short term trade -related transactions          |       | -                  | -                  |
| Forward assets purchased and forward deposits placed                   |       | -                  | -                  |
| Undrawn note issuance and revolving facilities                         |       | -                  | -                  |
| Undrawn formal standby facilities, credit lines and other commitments  |       | -                  | -                  |
|                                                                        |       | -                  | -                  |
| <b>Total Off-Balance Sheet items including contingent liabilities:</b> |       | <b>319,766,000</b> | <b>471,578,500</b> |

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



Vice Chairman



Director




Director



Managing Director (Acting)

Signed as per annexed report on even date

Dated: Dhaka  
03 March 2015

  
A. Qasem & Co.  
Chartered Accountants

**TRUST BANK INVESTMENT LIMITED**  
**Profit and Loss Account**  
For the year ended as on 31 December 2014

|                                                 | Notes  | 31.12.2014<br>Taka | 31.12.2013<br>Taka |
|-------------------------------------------------|--------|--------------------|--------------------|
| Interest income                                 | 20     | 166,648,159        | 400,817,831        |
| Interest paid on deposits and borrowings etc.   | 21     | 49,595,849         | 72,773,626         |
| Net interest income                             |        | 117,052,310        | 328,044,205        |
| Income from investments                         | 22     | 49,578,035         | 6,033,970          |
| Commission, exchange and brokerage              | 23     | 1,417,577          | 232,837            |
| Other operating income                          | 24     | 119,603,728        | 114,035,454        |
|                                                 |        | 170,599,340        | 120,302,261        |
| <b>Total operating income</b>                   |        | <b>287,651,650</b> | <b>448,346,466</b> |
| Salaries and allowances                         | 25     | 34,470,297         | 31,618,868         |
| Rent, taxes, insurance, electricity, etc.       | 26     | 9,672,123          | 9,706,584          |
| Legal Expense                                   |        | 172,500            | -                  |
| Postage, stamps, telecommunications, etc.       | 27     | 1,355,298          | 1,889,959          |
| Stationery, printing, advertisement etc.        | 28     | 489,834            | 563,533            |
| Managing Director's salary and benefits         |        | -                  | 464,180            |
| Directors' fees                                 | 29     | 102,000            | 183,000            |
| Auditors' fee                                   |        | 172,500            | 172,500            |
| Depreciation and repair of bank's assets        | 30     | 3,460,817          | 4,002,684          |
| Other expenses                                  | 31     | 11,263,919         | 9,869,079          |
| <b>Total operating expenses</b>                 |        | <b>61,159,288</b>  | <b>58,470,387</b>  |
| <b>Profit before provision</b>                  |        | <b>226,492,362</b> | <b>389,876,079</b> |
| Provision for loans & advances                  | 32     | 111,800,516        | 246,271,620        |
| Provision for diminution in value of investment | 33     | 42,229,435         | (6,146,177)        |
| Other provision                                 | 34     | -                  | -                  |
|                                                 |        | 154,029,951        | 240,125,443        |
| Total Profit before Taxes                       |        | 72,462,411         | 149,750,636        |
| Provision for Taxation                          |        |                    |                    |
| Current tax                                     | 13.2.1 | 73,000,000         | 150,000,000        |
| Deferred tax                                    |        | (537,589)          | (249,364)          |
|                                                 |        | 72,462,411         | 149,750,636        |
| <b>Net Profit after Taxation</b>                |        | <b>-</b>           | <b>-</b>           |
| Appropriations:                                 |        |                    |                    |
| Statutory Reserve                               |        | -                  | -                  |
| General Reserve                                 |        | -                  | -                  |
|                                                 |        | -                  | -                  |
| <b>Retained surplus</b>                         |        | <b>-</b>           | <b>-</b>           |
| Earning per share (EPS)                         | 35     | -                  | -                  |

The annexed notes form an integral part of the Profit & Loss Account.



Vice Chairman



Director




Director



Managing Director (Acting)

Signed as per annexed report on even date

Dated: Dhaka  
03 March 2015

  
A. Qasem & Co.  
Chartered Accountants

**TRUST BANK INVESTMENT LIMITED**  
**Cash Flow Statement**  
For the year ended as on 31 December 2014

|                                                                         | Notes     | 31.12.2014<br>Taka | 31.12.2013<br>Taka |
|-------------------------------------------------------------------------|-----------|--------------------|--------------------|
| <b>A. Cash flow from operating activities</b>                           |           |                    |                    |
| Interest received in cash                                               |           | 166,648,159        | 757,885,338        |
| Interest payments                                                       |           | (49,595,849)       | (72,773,626)       |
| Fees and commission receipts in cash                                    |           | 1,417,577          | 232,837            |
| Cash paid to employees                                                  |           | (34,470,297)       | (32,083,048)       |
| Cash paid to suppliers                                                  |           | (463,218)          | (464,439)          |
| Income Taxes paid                                                       |           | (85,821,403)       | (249,234,855)      |
| Received from other operating activities (item-wise)                    | 36        | 169,181,763        | 120,069,424        |
| Payments for other operating activities (item-wise)                     | 37        | (23,171,672)       | (22,864,233)       |
| Operating profit before changes in operating Assets and Liabilities     |           | 143,725,060        | 500,767,398        |
| Increase/(Decrease) in operating assets & liabilities                   |           |                    |                    |
| Net Investment in trading securities                                    |           | (937,858,633)      | 16,990,202         |
| Loan & advance to customers                                             |           | 303,003,273        | (395,916,710)      |
| Other assets (item-wise)                                                | 38        | (1,946,350)        | 1,489,710          |
| Deposits from customers                                                 |           | 17,749,484         | 12,229,486         |
| Other liabilities (item-wise)                                           | 39        | 777,455,061        | (637,948)          |
| Net cash from operating activities (A)                                  |           | 302,127,895        | 134,922,138        |
| <b>B. Cash flow from investing activities</b>                           |           |                    |                    |
| Purchase of property, plant & equipment                                 |           | (158,550)          | (278,810)          |
| Purchase of Intangible Asset                                            |           | (200,000)          | -                  |
| Sale of property, plant & equipment                                     |           | 188,911            | 863,042            |
| Net cash from investing activities (B)                                  |           | (169,639)          | 584,232            |
| <b>C. Cash flow from financing activities</b>                           |           |                    |                    |
| Increase/(Decrease) in Borrowing:                                       |           | -                  | -                  |
| Other borrowings                                                        |           | (309,834,812)      | (136,674,982)      |
| Net cash from financing activities (C )                                 |           | (309,834,812)      | (136,674,982)      |
| <b>D. Net increase in Cash and Cash Equivalent (A+B+C)</b>              |           | <b>(7,876,556)</b> | <b>(1,168,612)</b> |
| <b>E. Effects of exchange rate changes on cash and cash equivalents</b> |           | -                  | -                  |
| <b>F. Opening Cash and Cash Equivalent</b>                              |           | <b>11,398,671</b>  | <b>12,567,283</b>  |
| <b>G. Cash and cash equivalents at end of year (D+E+F)</b>              | <b>40</b> | <b>3,522,115</b>   | <b>11,398,671</b>  |

# TRUST BANK INVESTMENT LIMITED

## Statement of changes in Equity

For the period as at 31 Decemebr 2014

|                                              | Paid up Capital      | Statutory Reserve | Other Reserve | Retained Earnings  | Total                |
|----------------------------------------------|----------------------|-------------------|---------------|--------------------|----------------------|
|                                              | Taka                 | Taka              | Taka          | Taka               | Taka                 |
| <b>Balance as at 1 January 2013</b>          | <b>3,000,000,000</b> | <b>-</b>          | <b>-</b>      | <b>336,890,297</b> | <b>3,336,890,297</b> |
| Changes in accounting policy                 | -                    | -                 | -             | -                  | -                    |
| Restated Balance                             | -                    | -                 | -             | -                  | -                    |
| Surplus/Deficit on revaluation of properties | -                    | -                 | -             | -                  | -                    |
| Surplus/Deficit on revaluation of investment | -                    | -                 | -             | -                  | -                    |
| Currency transaction difference              | -                    | -                 | -             | -                  | -                    |
| Net profit/(loss) for the year after tax     | -                    | -                 | -             | -                  | -                    |
| Statutory reserve                            | -                    | -                 | -             | -                  | -                    |
| <b>Balance as at 31 Dceember 2014</b>        | <b>3,000,000,000</b> | <b>-</b>          | <b>-</b>      | <b>336,890,297</b> | <b>3,336,890,297</b> |



# TRUST BANK INVESTMENT LIMITED

## Liquidity Statement

(Asset and Liability Maturity Analysis)

As at 31 Decemebr 2014

Amount in Taka

| Particulars                                                                    | Up to 01 Month       | 1- 3 Months        | 3-12 Months          | 1- 5 Years           | More than 5 Years | Total                |
|--------------------------------------------------------------------------------|----------------------|--------------------|----------------------|----------------------|-------------------|----------------------|
| <b>Assets:</b>                                                                 |                      |                    |                      |                      |                   |                      |
| Cash in Hand                                                                   | -                    | -                  | -                    | -                    | -                 | -                    |
| Balance with Bangladesh Bank and Sonali Bank                                   | -                    | -                  | -                    | -                    | -                 | -                    |
| Balance with other banks and financial institutions                            | 3,522,115            | -                  | -                    | -                    | -                 | 3,522,115            |
| Investments                                                                    | 974,509,830          | -                  | -                    | -                    | -                 | 974,509,830          |
| Loans and Advances                                                             | 457,890,066          | 686,835,099        | 1,144,725,164        | 2,289,450,329        | -                 | 4,578,900,657        |
| Fixed Assets including premises, furniture and fixtures                        |                      | -                  | -                    | -                    | 10,491,315        | 10,491,315           |
| Other assets                                                                   | 17,244,703           | 9,521              | 161,108              | -                    | 8,612,821         | 26,028,153           |
| Non-banking assets                                                             | -                    | -                  | -                    | -                    | -                 | -                    |
| <b>Total Assets</b>                                                            | <b>1,453,166,714</b> | <b>686,844,620</b> | <b>1,144,886,272</b> | <b>2,289,450,329</b> | <b>19,104,136</b> | <b>5,593,452,070</b> |
| <b>Liabilities:</b>                                                            |                      |                    |                      |                      |                   |                      |
| Borrowing from Bangladesh Bank, other banks, financial institutions and agents | 58,492,130           | -                  | -                    | -                    | -                 | 58,492,130           |
| Deposits                                                                       | 108,218,523          | -                  | -                    | -                    | -                 | 108,218,523          |
| Other accounts                                                                 | -                    | -                  | -                    | -                    | -                 | -                    |
| Provision and other liabilities                                                | 451,080,734          | 64,011,722         | 709,958,731          | 664,799,933          | -                 | 2,089,851,120        |
| <b>Total Liabilities</b>                                                       | <b>617,791,387</b>   | <b>264,011,722</b> | <b>709,958,731</b>   | <b>664,799,933</b>   | <b>-</b>          | <b>2,256,561,773</b> |
| <b>Net Liquidity Gap</b>                                                       | <b>835,375,327</b>   | <b>422,832,898</b> | <b>434,927,541</b>   | <b>1,624,650,396</b> | <b>19,104,136</b> | <b>3,336,890,297</b> |

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

# TRUST BANK INVESTMENT LIMITED

## Notes to the Financial Statements

As at 31 December 2014

### 1 LEGAL STATUS AND NATURE OF THE COMPANY

#### 1.1 Legal status of the Company

Trust Bank Investment Limited was incorporated on 09 September 2010 as a Public Limited Company bearing registration No. C-86981/10 under the Companies Act, 1994 in Bangladesh. The company accorded consent from the Securities and Exchange Commission on 25 October 2010 as a full fledged Merchant Bank bearing Certificate No. MB-45/10. The Company started its operation on 14 November 2010.

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

#### 1.2 Nature of Business Activities

Trust Bank Investment Limited offers full range of merchant banking services that include Issue Management, Underwriting, Portfolio Management etc.

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

#### 2.1 Basis of preparation and presentation of the financial statements

These financial statements have been prepared under the historical cost convention on a going concern basis in accordance with International Accounting Standards and International Financial Reporting Standards adopted by the Institute of Chartered Accountants of Bangladesh, The Companies Act, 1994, The Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchange's listing regulations and other laws and rules applicable in Bangladesh and in the format prescribed by Bangladesh Bank vide DFIM Circular # 11 dated 23 December 2009 in accordance with the "First Schedule" (Sec-38) of the Bank Companies Act, 1991.

#### 2.2 Use of estimates and judgments

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

#### 2.3 Taxation

##### 2.3.1 Provision for taxation

In compliance with BAS-12 "Income Taxes", provision for current income tax has been made @ 37.50% on business income, @ 20% on dividend income and @ 10% on capital gain on sale of shares, after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance 1984 and time to time amendment to issue different S.R.O and circular issued by the N.B.R.

#### 2.4 Assets and basis of their valuation

##### 2.4.1 Cash and cash equivalents

Cash and cash equivalents include highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the company management for its short-term commitments.

## 2.4.2 Investment

These are acquired and held primarily for the purpose of selling them in future or held for dividend income and reported at cost. Unrealized gains are not recognized in the Profit and Loss Account. Provision for diminution in value of investment is provided in the Financial Statements on those securities whose market price is below the cost of investment.

## 2.4.3 Loans and advances

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

## 2.5 Fixed assets and depreciation

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

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

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

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

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

## 2.6 Revenue recognition

### i) Interest income

In terms of the provisions of the BAS-18 “Revenue”, the interest income is recognized on accrual basis.

### ii) Fees and commission income

Fees and commission income arises on services provided by the Company are credited to income at the time of effecting the transactions.

### iii) Interest paid and other expenses

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

## 2.7 Earning per share (EPS)

The Company calculates Earning per Share (EPS) in accordance with BAS-33 “Earning per Share” which has been shown on the face of Profit & loss Account and the computation of EPS is stated in Note 35.

## 2.8 Cash flow statement

Cash Flow Statement is prepared in accordance with BAS-7 “Statements of Cash Flow” and Bangladesh Bank DFIM Circular No. 11 dated 23 December 2009 issued by Bangladesh Bank.

## 2.9 Statement of liquidity

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

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

## 2.10 Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) in context of Bangladesh from the standards adopted by International Federation of Accountants Committee (IFAC) as International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). While preparing the financial statements, Trust Bank Investment Limited applied most of the BAS and BFRS, details of which are given below:

| Name of BAS                                                              | BAS No. | Status  |
|--------------------------------------------------------------------------|---------|---------|
| Presentation of Financial Statements                                     | 1       | Applied |
| Inventories                                                              | 2       | Applied |
| Statements of Cash Flow                                                  | 7       | Applied |
| Accounting Policies, Changes in Accounting Estimates and Errors          | 8       | Applied |
| Events after the Reporting Date                                          | 10      | Applied |
| Construction Contracts                                                   | 11      | N/A     |
| Income Taxes                                                             | 12      | Applied |
| Segment Reporting                                                        | 14      | Applied |
| Property, Plant and Equipment                                            | 16      | Applied |
| Lease                                                                    | 17      | N/A     |
| Revenue                                                                  | 18      | Applied |
| Employee Benefits                                                        | 19      | Applied |
| Accounting for Government Grants and Disclosure of Government Assistance | 20      | N/A     |
| The effects of Changes in Foreign Exchange Rate                          | 21      | N/A     |
| Borrowing Cost                                                           | 23      | Applied |

|                                                                                     |                 |               |
|-------------------------------------------------------------------------------------|-----------------|---------------|
| Related Party Disclosures                                                           | 24              | Applied       |
| Accounting for Investments                                                          | 25              | Applied       |
| Accounting and Reporting by Retirement Benefit Plans                                | 26              | Applied       |
| Consolidated and Separate Financial Statements                                      | 27              | Applied       |
| Investment in Associates                                                            | 28              | N/A           |
| Disclosures in the Financial Statements of Banks and similar Financial Institutions | 30              | Applied       |
| Interest in Joint Ventures                                                          | 31              | N/A           |
| Earnings per Share                                                                  | 33              | Applied       |
| Interim Financial Reporting                                                         | 34              | Applied       |
| Impairment of Assets                                                                | 36              | Applied       |
| Provisions, Contingent Liabilities and Contingent Assets                            | 37              | Applied       |
| Intangible Assets                                                                   | 38              | Applied       |
| Financial Instruments: Recognition and Measurement                                  | 39              | Applied       |
| Investment Property                                                                 | 40              | Applied       |
| Agriculture                                                                         | 41              | N/A           |
| <b>Name of BFRS</b>                                                                 | <b>BFRS No.</b> | <b>Status</b> |
| Share-based Payment                                                                 | 2               | N/A           |
| Business Combinations                                                               | 3               | N/A           |
| Insurance Contracts                                                                 | 4               | N/A           |
| Non-current assets Held for Sale and Discontinued Operations                        | 5               | N/A           |
| Exploration for and Evaluation of Mineral Resources                                 | 6               | N/A           |
| Financial Instruments: Disclosures                                                  | 7               | N/A           |
| Operating Segments                                                                  | 8               | N/A           |

## 2.11 General

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



|            |                                                                                           | 31.12.2014<br>Taka | 31.12.2013<br>Taka |
|------------|-------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>3</b>   | <b>CASH</b>                                                                               |                    |                    |
| <b>3.1</b> | <b>Cash in hand</b>                                                                       |                    |                    |
|            | In local currency                                                                         | -                  | -                  |
|            | <b>In foreign currencies</b>                                                              | -                  | -                  |
|            |                                                                                           | -                  | -                  |
| <b>4</b>   | <b>BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS</b>                                |                    |                    |
|            | <b>In Bangladesh</b>                                                                      |                    |                    |
|            | <b>Special Notice Deposits</b>                                                            |                    |                    |
|            | Trust Bank Limited                                                                        | 3,522,115          | 11,398,671         |
|            |                                                                                           | <b>3,522,115</b>   | <b>11,398,671</b>  |
|            | Outside Bangladesh                                                                        | -                  | -                  |
|            |                                                                                           | <b>3,522,115</b>   | <b>11,398,671</b>  |
| <b>4.1</b> | <b>Remaining maturity grouping of balance with other banks and financial institutions</b> |                    |                    |
|            | On demand                                                                                 | -                  | -                  |
|            | Upto 1 month                                                                              | 3,522,115          | 11,398,671         |
|            | Over 1 month but not more than 3 months                                                   | -                  | -                  |
|            | Over 3 months but not more than 1 Year                                                    | -                  | -                  |
|            | Over 1 Year but not more than 5 Years                                                     | -                  | -                  |
|            | Over 5 Years                                                                              | -                  | -                  |
|            |                                                                                           | <b>3,522,115</b>   | <b>11,398,671</b>  |
| <b>5</b>   | <b>MONEY AT CALL AND SHORT NOTICE</b>                                                     | -                  | -                  |
| <b>6</b>   | <b>INVESTMENTS</b>                                                                        |                    |                    |
|            | <b>Government Securities</b>                                                              | -                  | -                  |
|            | <b>Other Investments</b>                                                                  |                    |                    |
|            | Ordinary Shares                                                                           | -                  | -                  |
|            | Quoted                                                                                    | 974,509,830        | 36,651,197         |
|            | Unquoted                                                                                  | -                  | -                  |
|            |                                                                                           | <b>974,509,830</b> | <b>36,651,197</b>  |
|            |                                                                                           | <b>974,509,830</b> | <b>36,651,197</b>  |
| <b>6.1</b> | <b>Remaining maturity grouping of Investments</b>                                         |                    |                    |
|            | On demand                                                                                 | -                  | -                  |
|            | Upto 1 month                                                                              | 974,509,830        | 36,651,197         |
|            | Over 1 month but not more than 3 months                                                   | -                  | -                  |
|            | Over 3 months but not more than 1 Year                                                    | -                  | -                  |
|            | Over 1 Year but not more than 5 Years                                                     | -                  | -                  |
|            | Over 5 Years                                                                              | -                  | -                  |
|            |                                                                                           | <b>974,509,830</b> | <b>36,651,197</b>  |

|                                                                             | 31.12.2014<br>Taka   | 31.12.2013<br>Taka   |
|-----------------------------------------------------------------------------|----------------------|----------------------|
| <b>7 LOANS AND ADVANCES</b>                                                 |                      |                      |
| <b>Loans and Advances</b>                                                   |                      |                      |
| Loan to Investors                                                           | 4,578,900,657        | 4,881,903,930        |
|                                                                             | <b>4,578,900,657</b> | <b>4,881,903,930</b> |
| <b>7.1 Residual maturity grouping of Loans and Advances</b>                 |                      |                      |
| Repayable on demand                                                         | -                    | -                    |
| Upto 1 month                                                                | 4,578,900,657        | 4,881,903,930        |
| Over 1 month but not more than 3 months                                     | -                    | -                    |
| Over 3 months but not more than 1 Year                                      | -                    | -                    |
| Over 1 Year but not more than 5 Years                                       | -                    | -                    |
| Over 5 Years                                                                | -                    | -                    |
|                                                                             | <b>4,578,900,657</b> | <b>4,881,903,930</b> |
| <b>7.2 Loans and Advances</b>                                               |                      |                      |
| <b>Inside Bangladesh</b>                                                    |                      |                      |
| Loans                                                                       | 4,578,900,657        | 4,881,903,930        |
| Cash Credit                                                                 | -                    | -                    |
| Overdraft                                                                   | -                    | -                    |
| Bills purchased and discounted                                              | -                    | -                    |
|                                                                             | 4,578,900,657        | 4,881,903,930        |
| Outside Bangladesh                                                          | -                    | -                    |
|                                                                             | <b>4,578,900,657</b> | <b>4,881,903,930</b> |
| <b>7.3 Loans and Advances on the basis of significant concentration</b>     |                      |                      |
| <b>7.3.1 Advances to Directors and Others</b>                               |                      |                      |
| Advance to Directors and their allied concerns                              | -                    | -                    |
| Advances to CEO and Senior Executives                                       | -                    | -                    |
| Advances to Customers (Group wise)                                          | -                    | -                    |
| Others Loan                                                                 | 4,578,900,657        | 4,881,903,930        |
|                                                                             | <b>4,578,900,657</b> | <b>4,881,903,930</b> |
| <b>7.3.2 Geographical location-wise concentration of Loans and Advances</b> |                      |                      |
| <b>Inside Bangladesh</b>                                                    |                      |                      |
| Dhaka Division                                                              | 4,578,900,657        | 4,881,903,930        |
| Chittagong Division                                                         | -                    | -                    |
| Khulna Division                                                             | -                    | -                    |
| Sylhet Division                                                             | -                    | -                    |
| Barisal Division                                                            | -                    | -                    |
| Rangpur Division                                                            | -                    | -                    |
| Rajshahi Division                                                           | -                    | -                    |
|                                                                             | 4,578,900,657        | 4,881,903,930        |
| Outside Bangladesh                                                          | -                    | -                    |
|                                                                             | <b>4,578,900,657</b> | <b>4,881,903,930</b> |

|              |                                                                                                                                                                                                            | 31.12.2014<br>Taka   | 31.12.2013<br>Taka   |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| 7.4          | Classification of Loans and Advances including Bills Purchased and Discounted                                                                                                                              |                      |                      |
| a            | Unclassified Loans and Advances (including staff loan)                                                                                                                                                     | 4,578,900,657        | 4,881,903,930        |
| b            | Special Mentioned Accounts                                                                                                                                                                                 | -                    | -                    |
| c            | Classified Loans and Advances                                                                                                                                                                              |                      |                      |
| 1            | Sub-Standard Loans and Advances                                                                                                                                                                            | -                    | -                    |
| 2            | Doubtful Loans and Advances                                                                                                                                                                                | -                    | -                    |
| 3            | Bad /Loss Loans and Advances                                                                                                                                                                               | -                    | -                    |
|              |                                                                                                                                                                                                            | -                    | -                    |
|              |                                                                                                                                                                                                            | <b>4,578,900,657</b> | <b>4,881,903,930</b> |
| <b>8</b>     | <b>FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES</b>                                                                                                                                             |                      |                      |
|              | <b>Cost</b>                                                                                                                                                                                                |                      |                      |
|              | Furniture and fixtures                                                                                                                                                                                     | 2,247,953.00         | 2,447,953            |
|              | Office equipment                                                                                                                                                                                           | 8,547,389.00         | 8,480,065            |
|              | Office renovation                                                                                                                                                                                          | 11,741,590.00        | 11,689,540           |
|              |                                                                                                                                                                                                            | <b>22,536,932.00</b> | <b>22,617,558</b>    |
|              | Less: Accumulated depreciation                                                                                                                                                                             | 12,045,617.00        | 9,089,309            |
|              |                                                                                                                                                                                                            | <b>10,491,315.00</b> | <b>13,528,249</b>    |
|              | For details please refer to Annexure - A                                                                                                                                                                   |                      |                      |
| <b>9</b>     | <b>OTHER ASSETS</b>                                                                                                                                                                                        |                      |                      |
| i)           | Stationery, stamps, printing materials in stock etc.;                                                                                                                                                      | 14,210               | 22,846               |
| ii)          | Advance Rent and Advertisement                                                                                                                                                                             | 7,015,184            | 9,877,520            |
| iv)          | Security Deposits                                                                                                                                                                                          | 222,992              | 222,992              |
| ix)          | Others 9.1                                                                                                                                                                                                 | 18,775,767           | 13,268,384           |
|              |                                                                                                                                                                                                            | <b>26,028,153</b>    | <b>23,391,742</b>    |
| <b>9.1</b>   | <b>Others</b>                                                                                                                                                                                              |                      |                      |
|              | Intangible Assets                                                                                                                                                                                          | 161,108              | -                    |
|              | Deferred Tax Asset 9.1.1                                                                                                                                                                                   | 1,374,645            | 837,056              |
|              | Brokers Account                                                                                                                                                                                            | 70                   | 72                   |
|              | Sundry Debtors                                                                                                                                                                                             | 17,239,944           | 12,431,256           |
|              |                                                                                                                                                                                                            | <b>18,775,767</b>    | <b>13,268,384</b>    |
|              | <b>Deffered Tax Asset</b>                                                                                                                                                                                  |                      |                      |
|              | Balance as on 01 January                                                                                                                                                                                   | 837,056              | 587,692              |
|              | Addition during the year                                                                                                                                                                                   | 537,589              | 249,364              |
|              | Closing Balance                                                                                                                                                                                            | <b>1,374,645</b>     | <b>837,056</b>       |
| <b>9.1.1</b> | <b>To maintain the deferred tax Asset of Tk. 1,374,645 as on 31 December 2014, a deferred tax Income of Tk. 537,589 has been made during the year ended 30 September 2014 as per BAS-12 -Income Taxes.</b> |                      |                      |
| <b>9.2</b>   | <b>Break-up of Other Assets</b>                                                                                                                                                                            |                      |                      |
|              | Income generating other assets                                                                                                                                                                             | -                    | -                    |
|              | Non income generating other asset                                                                                                                                                                          | 26,028,153           | 23,391,742           |
|              |                                                                                                                                                                                                            | <b>26,028,153</b>    | <b>23,391,742</b>    |

|             |                                                                                                              | 31.12.2014<br>Taka | 31.12.2013<br>Taka |
|-------------|--------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>10</b>   | <b>NON BANKING ASSET</b>                                                                                     | -                  | -                  |
| <b>11</b>   | <b>BORROWINGS</b>                                                                                            |                    |                    |
|             | <b>In Bangladesh</b>                                                                                         |                    |                    |
|             | Borrowing from Trust Bank Limited                                                                            | 58,492,130         | 368,326,942        |
|             |                                                                                                              | 58,492,130         | 368,326,942        |
|             | <b>Outside Bangladesh</b>                                                                                    | -                  | -                  |
|             |                                                                                                              | <b>58,492,130</b>  | <b>368,326,942</b> |
| <b>11.1</b> | <b>Security wise borrowings</b>                                                                              |                    |                    |
|             | Secured Borrowings                                                                                           | 58,492,130         | 368,326,942        |
|             | Unsecured Borrowings                                                                                         | -                  | -                  |
|             |                                                                                                              | <b>58,492,130</b>  | <b>368,326,942</b> |
| <b>11.2</b> | <b>Repayment nature wise borrowings</b>                                                                      |                    |                    |
|             | Repayment on Demand                                                                                          | -                  | -                  |
|             | Others                                                                                                       | 58,492,130         | 368,326,942        |
|             |                                                                                                              | <b>58,492,130</b>  | <b>368,326,942</b> |
| <b>11.3</b> | <b>Remaining maturity grouping of Borrowings from other banks, financial institutions and agents Payable</b> |                    |                    |
|             | On demand                                                                                                    | -                  | -                  |
|             | Upto 1 month                                                                                                 | 58,492,130         | 368,326,942        |
|             | Over 1 month but within 3 months                                                                             | -                  | -                  |
|             | Over 3 months but within 1 Year                                                                              | -                  | -                  |
|             | Over 1 Year but within 5 Years                                                                               | -                  | -                  |
|             | Over 5 Years                                                                                                 | -                  | -                  |
|             |                                                                                                              | <b>58,492,130</b>  | <b>368,326,942</b> |
| <b>12</b>   | <b>DEPOSITS AND OTHER ACCOUNTS</b>                                                                           |                    |                    |
|             | Current and Other Accounts                                                                                   | 108,218,523        | 90,469,039         |
|             |                                                                                                              | <b>108,218,523</b> | <b>90,469,039</b>  |

**12.1 Remaining maturity grouping of Deposits and other accounts**

| Inside Bangladesh                | Banks | Other than Banks   |                    |                   |
|----------------------------------|-------|--------------------|--------------------|-------------------|
| <b>Payable</b>                   |       |                    |                    |                   |
| On demand                        | -     | -                  | -                  | -                 |
| Upto 1 month                     | -     | 108,218,523        | 108,218,523        | 90,469,039        |
| Over 1 month but within 3 months | -     | -                  | -                  | -                 |
| Over 3 months but within 1 Year  | -     | -                  | -                  | -                 |
| Over 1 Year but within 5 Years   | -     | -                  | -                  | -                 |
| Over 5 Years                     | -     | -                  | -                  | -                 |
|                                  |       | <b>108,218,523</b> | <b>108,218,523</b> | <b>90,469,039</b> |
| <b>Outside Bangladesh</b>        |       |                    |                    |                   |
|                                  |       | <b>108,218,523</b> | <b>108,218,523</b> | <b>90,469,039</b> |

|                 |                                                                                                                                                                                                                                      | 31.12.2014<br>Taka   | 31.12.2013<br>Taka   |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>12.2</b>     | <b>Unclaimed Deposits for 10 Years and Above</b>                                                                                                                                                                                     | -                    | -                    |
| <b>13</b>       | <b>OTHER LIABILITIES</b>                                                                                                                                                                                                             |                      |                      |
|                 | Provision for Loans and Advances 13.1                                                                                                                                                                                                | 664,799,933          | 738,321,654          |
|                 | Provision for Investment                                                                                                                                                                                                             | 44,735,316           | 2,505,881            |
|                 | Interest Suspense Account                                                                                                                                                                                                            | 869,978,685          | 357,357,398          |
|                 | Provision for Income Tax Less Advance Income Tax 13.2                                                                                                                                                                                | 52,842,207           | 65,663,610           |
|                 | Accrued Expenses                                                                                                                                                                                                                     | 7,126,939            | 6,250,051            |
|                 | Audit Fees Payable                                                                                                                                                                                                                   | 172,500              | 172,500              |
|                 | Sundry Creditors                                                                                                                                                                                                                     | 450,013,026          | 753,367              |
|                 | Others                                                                                                                                                                                                                               | 182,514              | 163,050              |
|                 |                                                                                                                                                                                                                                      | <b>2,089,851,120</b> | <b>1,171,187,511</b> |
| <b>13.1</b>     | <b>Provision for Loans and Advances</b>                                                                                                                                                                                              |                      |                      |
|                 | <b>Specific Provision</b>                                                                                                                                                                                                            |                      |                      |
|                 | Against Classified Loans & Advances                                                                                                                                                                                                  | -                    | -                    |
|                 | <b>General Provision</b>                                                                                                                                                                                                             |                      |                      |
|                 | Against Unclassified Loans & Advances 13.1.1                                                                                                                                                                                         | 664,799,933          | 738,321,654          |
|                 | Against Special Mention Accounts                                                                                                                                                                                                     | -                    | -                    |
|                 | Against Off Balance Sheet Exposures                                                                                                                                                                                                  | -                    | -                    |
|                 |                                                                                                                                                                                                                                      | 664,799,933          | 738,321,654          |
|                 |                                                                                                                                                                                                                                      | <b>664,799,933</b>   | <b>738,321,654</b>   |
| <b>13.1.1</b>   | <b>Against Unclassified Loans &amp; Advances</b>                                                                                                                                                                                     |                      |                      |
|                 | Provision held on 01 January                                                                                                                                                                                                         | 738,321,654          | 492,339,925          |
|                 | Provisions made during the year                                                                                                                                                                                                      | 111,800,516          | 245,981,729          |
|                 | Provision adjusted under recovery package                                                                                                                                                                                            | (185,322,237)        | -                    |
|                 | Provision held at end of year                                                                                                                                                                                                        | <b>664,799,933</b>   | <b>738,321,654</b>   |
| <b>13.1.1.1</b> | <b>As of reporting date, negative equity against Loans and Advances of the Company stood at Tk. 1,794,101,334.42 out of which an aggregate amount of Tk. 664,799,933.00 has been made as provision against such negative equity.</b> |                      |                      |
| <b>13.2</b>     | <b>Provision for Income Tax Less Advance Income Tax</b>                                                                                                                                                                              |                      |                      |
|                 | <b>Provision for Income Tax</b>                                                                                                                                                                                                      |                      |                      |
|                 | Balance on 01 January                                                                                                                                                                                                                | 415,112,785          | 535,132,509          |
|                 | Provisions made during the year                                                                                                                                                                                                      | 73,000,000           | 150,000,000          |
|                 | Provision made for previous year(s)                                                                                                                                                                                                  | -                    | -                    |
|                 | Settlement for previous year(s)                                                                                                                                                                                                      |                      | (270,019,724)        |
|                 |                                                                                                                                                                                                                                      | <b>488,112,785</b>   | <b>415,112,785</b>   |
|                 | <b>Less: Advance Income Tax</b>                                                                                                                                                                                                      |                      |                      |
|                 | Balance on 01 January                                                                                                                                                                                                                | 349,449,175          | 370,234,044          |
|                 | Paid during the year                                                                                                                                                                                                                 | 85,821,403           | 249,234,855          |
|                 | Settlement for previous year(s)                                                                                                                                                                                                      |                      | (270,019,724)        |
|                 |                                                                                                                                                                                                                                      | <b>435,270,578</b>   | <b>349,449,175</b>   |
|                 | Net Closing Balance                                                                                                                                                                                                                  | <b>52,842,207</b>    | <b>65,663,610</b>    |



|               | 31.12.2014<br>Taka                                                                                                                                                                                                                                                                                                         | 31.12.2013<br>Taka |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <b>13.2.1</b> | <b>Provision for current tax of Tk. 73,000,000.00 has been made @ 37.50% on Business Income and @ 20% on Dividend Income, of the accounting profit made by the Company during the year after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance and Rules, 1984.</b> |                    |

#### **14 CAPITAL**

##### **14.1 Authorized Capital**

50,000,000 Ordinary shares of Tk. 100 each

|                      |                      |
|----------------------|----------------------|
| <b>5,000,000,000</b> | <b>5,000,000,000</b> |
|----------------------|----------------------|

##### **14.2 Issued, Subscribed and Paid Up Capital**

|                                                            |               |               |
|------------------------------------------------------------|---------------|---------------|
| 30,000,000 Ordinary shares of Tk. 100 each issued for cash | 3,000,000,000 | 3,000,000,000 |
| 30,000,000                                                 | 3,000,000,000 | 3,000,000,000 |

##### **14.3 Pattern of shareholdings**

| Name                                                                       | Nos. of<br>shares<br>subscribed |                      |                      |
|----------------------------------------------------------------------------|---------------------------------|----------------------|----------------------|
| Trust Bank Limited represented by<br>General Iqbal Karim Bhuiyan, SBP, psc | 29,999,993                      | 2,999,999,300        | 2,999,999,300        |
| Maj Gen Md. Mahfuzur<br>Rahman,rcds,ndc,afwc,psc, PhD                      | 1                               | 100                  | 100                  |
| Brig Gen KARM Mostafa Kamal, ndc, psc                                      | 1                               | 100                  | 100                  |
| Brig Gen Mehdi Hassan, ndc, afwc, psc                                      | 1                               | 100                  | 100                  |
| Mr. Helal Uddin Ahmed                                                      | 1                               | 100                  | 100                  |
| Ms. Begum Rokeya Din                                                       | 1                               | 100                  | 100                  |
| Mr. Ishtiaque Ahmed Chowdhury                                              | 1                               | 100                  | 100                  |
| Mr. A. Z. Hedayetul Islam                                                  | 1                               | 100                  | 100                  |
| <b>Total</b>                                                               | <b>30,000,000</b>               | <b>3,000,000,000</b> | <b>3,000,000,000</b> |

##### **14.4 Percentage of shareholdings at the closing date**

|                          | Amount (in Taka)     | Percentage (%) |
|--------------------------|----------------------|----------------|
| Sponsors                 | 3,000,000,000        | 100.00%        |
| Financial Institutions   |                      | 0.00%          |
| Foreign Investors        |                      | 0.00%          |
| Non-Resident Bangladeshi |                      | 0.00%          |
| General Public           |                      | 0.00%          |
| <b>Total</b>             | <b>3,000,000,000</b> | <b>100.00%</b> |

31.12.2014  
Taka

31.12.2013  
Taka

#### 14.5 Shareholding Range on the basis of shareholdings as on 31 December 2014

| Shareholding Range |          |           | No. of<br>Sh. Holders | Number of<br>Shares | %       |
|--------------------|----------|-----------|-----------------------|---------------------|---------|
| 1                  | to       | 500       | 7                     | 7                   | 0.00%   |
| 501                | to       | 5,000     | 0                     |                     | 0.00%   |
| 5,001              | to       | 10,000    | 0                     |                     | 0.00%   |
| 10,001             | to       | 20,000    | 0                     |                     | 0.00%   |
| 20,001             | to       | 30,000    | 0                     |                     | 0.00%   |
| 30,001             | to       | 40,000    | 0                     |                     | 0.00%   |
| 40,001             | to       | 50,000    | 0                     |                     | 0.00%   |
| 50,001             | to       | 100,000   | 0                     |                     | 0.00%   |
| 100,001            | to       | 1,000,000 | 0                     |                     | 0.00%   |
| 1,000,001          | and More |           | 1                     | 29,999,993          | 100.00% |
| Total              |          |           | 8                     | 30,000,000          | 100.00% |

#### 15 STATUTORY RESERVE

|                              |   |   |
|------------------------------|---|---|
| Opening Balance              | - | - |
| Reserve made during the year | - | - |
| Closing Balance              | - | - |

#### 16 OTHER RESERVE

|   |   |
|---|---|
| - | - |
| - | - |

#### 17 RETAINED EARNINGS

|                                                                  |             |             |
|------------------------------------------------------------------|-------------|-------------|
| Opening Balance                                                  | 336,890,297 | 336,890,297 |
| Adjustment of Deferred Tax                                       | -           | -           |
|                                                                  | 336,890,297 | 336,890,297 |
| Net Profit for the year transferred from Profit and Loss Account | -           | -           |
| Less: Issue of Bonus Share                                       | -           | -           |
| Less: Transferred to Statutory Reserve                           | -           | -           |
|                                                                  | -           | -           |
| Closing Balance                                                  | 336,890,297 | 336,890,297 |

#### 18 CONTINGENT LIABILITIES AND COMMITMENTS

##### 18.1 Claims against the Company not acknowledged as debts

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

|                                       |             |             |
|---------------------------------------|-------------|-------------|
| Directors                             | -           | -           |
| Government                            | -           | -           |
| Banks and other Financial Institution | -           | -           |
| Others                                | 319,766,000 | 471,578,500 |
|                                       | 319,766,000 | 471,578,500 |

|                                                                                                                                                                                                                                                             | 31.12.2014<br>Taka | 31.12.2013<br>Taka |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>19 INCOME STATEMENTS</b>                                                                                                                                                                                                                                 |                    |                    |
| <b>Income:</b>                                                                                                                                                                                                                                              |                    |                    |
| Interest/Profit, discount and similar income                                                                                                                                                                                                                | 166,648,159        | 400,817,831        |
| Fees, commission and brokerage                                                                                                                                                                                                                              | 1,417,577          | 232,837            |
| Gains less losses arising from investment securities                                                                                                                                                                                                        | 49,578,035         | 6,033,970          |
| Other operating income                                                                                                                                                                                                                                      | 119,603,728        | 114,035,454        |
|                                                                                                                                                                                                                                                             | <b>337,247,499</b> | <b>521,120,092</b> |
| <b>Expenses:</b>                                                                                                                                                                                                                                            |                    |                    |
| Interest / profit paid on deposits, borrowings etc,                                                                                                                                                                                                         | 49,595,849         | 72,773,626         |
| Administrative expenses                                                                                                                                                                                                                                     | 46,434,552         | 44,598,624         |
| Other operating expenses                                                                                                                                                                                                                                    | 14,270,492         | 12,945,735         |
| Depreciation on banking assets                                                                                                                                                                                                                              | 454,244            | 926,028            |
|                                                                                                                                                                                                                                                             | <b>110,755,137</b> | <b>131,244,013</b> |
|                                                                                                                                                                                                                                                             | <b>226,492,362</b> | <b>389,876,079</b> |
| <b>20 INTEREST INCOME</b>                                                                                                                                                                                                                                   |                    |                    |
| <b>Interest from Loans and Advances</b>                                                                                                                                                                                                                     |                    |                    |
| Interest on Other Loans                                                                                                                                                                                                                                     | 166,648,159        | 400,746,638        |
|                                                                                                                                                                                                                                                             | <b>166,648,159</b> | <b>400,746,638</b> |
| <b>Interest from Banks and Other Financial Institutions</b>                                                                                                                                                                                                 |                    |                    |
| Interest on Special Notice Deposits                                                                                                                                                                                                                         | -                  | 71,193             |
|                                                                                                                                                                                                                                                             | -                  | <b>71,193</b>      |
|                                                                                                                                                                                                                                                             | <b>166,648,159</b> | <b>400,817,831</b> |
| As of reporting date, an aggregate amount of Tk. 869,978,685 have been transferred to "Interest Suspense Account" instead of "Interest from Loans and Advances" as these income charged to negative equity holders account which were doubtful of recovery. |                    |                    |
| <b>21 INTEREST PAID ON DEPOSITS AND BORROWINGS</b>                                                                                                                                                                                                          |                    |                    |
| <b>Interest paid on deposits</b>                                                                                                                                                                                                                            |                    |                    |
| Interest on TBIL Depositors Account                                                                                                                                                                                                                         | 2,366,974          | 1,383,068          |
|                                                                                                                                                                                                                                                             | <b>2,366,974</b>   | <b>1,383,068</b>   |
| <b>Interest paid on borrowings</b>                                                                                                                                                                                                                          |                    |                    |
| Interest on Other Borrowings                                                                                                                                                                                                                                | 47,228,875         | 71,390,558         |
|                                                                                                                                                                                                                                                             | <b>47,228,875</b>  | <b>71,390,558</b>  |
|                                                                                                                                                                                                                                                             | <b>49,595,849</b>  | <b>72,773,626</b>  |
| <b>22 INCOME FROM INVESTMENTS</b>                                                                                                                                                                                                                           |                    |                    |
|                                                                                                                                                                                                                                                             | 49,578,035         | 6,033,970          |
|                                                                                                                                                                                                                                                             | 49,578,035         | 6,033,970          |
| <b>23 Commission on</b>                                                                                                                                                                                                                                     |                    |                    |
| Introductory Commission                                                                                                                                                                                                                                     | 78,514             | 32,837             |
| Manager to the Issue Commission                                                                                                                                                                                                                             | 600,000            | -                  |
| Underwriting Commission                                                                                                                                                                                                                                     | 739,063            | 200,000            |
|                                                                                                                                                                                                                                                             | <b>1,417,577</b>   | <b>232,837</b>     |
| Foreign Currency Exchange Gain                                                                                                                                                                                                                              | -                  | -                  |
|                                                                                                                                                                                                                                                             | <b>1,417,577</b>   | <b>232,837</b>     |

|           |                                                     | 31.12.2014<br>Taka | 31.12.2013<br>Taka |
|-----------|-----------------------------------------------------|--------------------|--------------------|
| <b>24</b> | <b>OTHER OPERATING INCOME</b>                       |                    |                    |
|           | Documentation Charges                               | 21,740             | 17,280             |
|           | Account Maintenance Fee                             | 539,900            | 555,300            |
|           | Port Folio Management Fees                          | 65,109,145         | 75,351,726         |
|           | Port Folio Transaction Fees                         | 50,593,873         | 33,845,666         |
|           | Other Service Charges                               | 3,336,540          | 4,265,482          |
|           | Miscellaneous Earnings                              | 2,530              | -                  |
|           |                                                     | <b>119,603,728</b> | <b>114,035,454</b> |
| <b>25</b> | <b>Salaries and allowances</b>                      |                    |                    |
|           | Basic Salary                                        | 12,747,709         | 11,440,188         |
|           | House Rent Allowances                               | 6,373,855          | 5,719,794          |
|           | Conveyance Allowances                               | 785,376            | 639,084            |
|           | Medical Allowances                                  | 2,509,605          | 2,208,909          |
|           | Leave Fare Assistances                              | 908,776            | 845,484            |
|           | Utility Allowances                                  | -                  | 73,000             |
|           | Telephone Allowance                                 | -                  | 1,600              |
|           | Club Membership Allowance                           | -                  | 23,000             |
|           | Festival Bonus                                      | 2,335,600          | 2,046,400          |
|           | Incentive Bonus                                     | 6,078,526          | 2,332,375          |
|           | Employer's Contribution to Provident Fund           | 1,263,762          | 1,129,522          |
|           | Employer's Contribution to Employees' Gratuity Fund | 1,467,088          | 5,159,512          |
|           |                                                     | <b>34,470,297</b>  | <b>31,618,868</b>  |
| <b>26</b> | <b>RENT, TAXES, INSURANCE, ELECTRICITY, ETC.</b>    |                    |                    |
|           | Rent with car parking                               | 6,811,831          | 7,553,978          |
|           | Electricity and Lighting                            | 821,700            | 897,265            |
|           | Insurance                                           | 68,978             | 97,944             |
|           | Rates, Taxes & Excise Duty                          | 1,034,781          | 727,475            |
|           | Fees & Renewals                                     | 738,713            | 289,775            |
|           | Generator Fuel                                      | -                  | 245                |
|           | Gas/Water Bill                                      | 196,120            | 139,902            |
|           |                                                     | <b>9,672,123</b>   | <b>9,706,584</b>   |
| <b>27</b> | <b>POSTAGE, STAMPS, TELECOMMUNICATION, ETC.</b>     |                    |                    |
|           | Stamp                                               | 9,396              | 12,564             |
|           | Online Expenses                                     | 902,289            | 1,453,802          |
|           | Internet Charge                                     | 104,305            | 126,500            |
|           | Courier Charge                                      | 37,543             | 21,299             |
|           | Telegram, Telex, Telephone set, Mobile bill etc.    | 301,765            | 275,794            |
|           |                                                     | <b>1,355,298</b>   | <b>1,889,959</b>   |

|           |                                                  | 31.12.2014<br>Taka | 31.12.2013<br>Taka |
|-----------|--------------------------------------------------|--------------------|--------------------|
| <b>28</b> | <b>STATIONERY, PRINTING, ADVERTISEMENT, ETC.</b> |                    |                    |
|           | Printing and Stationery                          | 471,854            | 442,283            |
|           | Publicity and Advertisement                      | 17,980             | 121,250            |
|           |                                                  | <b>489,834</b>     | <b>563,533</b>     |
| <b>29</b> | <b>DIRECTORS' FEES</b>                           |                    |                    |
|           | Meeting fees @ Taka 3,000 per Director           | 102,000            | 183,000            |
|           |                                                  | <b>102,000</b>     | <b>183,000</b>     |
| <b>30</b> | <b>Depreciation and repair of bank's assets</b>  |                    |                    |
|           | <b>Depreciation</b>                              |                    |                    |
|           | Fixed assets                                     | 3,006,573          | 3,076,656          |
|           | For details please refer to Annexure - A         |                    |                    |
|           | <b>Repairs</b>                                   |                    |                    |
|           | Furniture and fixtures                           | 56,100             | 50,750             |
|           | Office equipment, com access, repal elec light   | 363,144            | 549,015            |
|           | Maintenance-software                             | 35,000             | 326,263            |
|           |                                                  | <b>454,244</b>     | <b>926,028</b>     |
|           |                                                  | <b>3,460,817</b>   | <b>4,002,684</b>   |
| <b>31</b> | <b>OTHER EXPENSES</b>                            |                    |                    |
|           | Travelling Expense-Local                         | 39,628             | 52,638             |
|           | Utility & Service Charge                         | 259,014            | 259,083            |
|           | Conveyance                                       | 102,059            | 129,758            |
|           | Entertainment                                    | 420,842            | 367,512            |
|           | Bank Charges                                     | 55,890             | 55,648             |
|           | Car Expenses                                     | 788,100            | 1,280,500          |
|           | News Paper and Magazine                          | 46,662             | 43,875             |
|           | Books and Periodicals                            | 1,300              | 330                |
|           | Other Contractual Service                        | 3,793,647          | 3,830,566          |
|           | Internship Allowances                            | 12,000             | -                  |
|           | Upkeep of Office Premises                        | 398,518            | 342,845            |
|           | Washing Charges                                  | 9,170              | 11,050             |
|           | CDBL Charge                                      | 5,289,497          | 3,435,000          |
|           | Purchase of Utensils                             | 8,700              | 7,107              |
|           | Amortization of Intangible Assets                | 38,892             | 4,167              |
|           | Miscellaneous Expenses                           | -                  | 49,000             |
|           |                                                  | <b>11,263,919</b>  | <b>9,869,079</b>   |



|           |                                                                                                                               | 31.12.2014<br>Taka | 31.12.2013<br>Taka |
|-----------|-------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>32</b> | <b>PROVISION FOR LOANS AND ADVANCES</b>                                                                                       |                    |                    |
|           | Specific Provisions-against classified loans & advances                                                                       | -                  | -                  |
|           | General Provisions-against un-classified loans & advances                                                                     | 111,800,516        | 246,271,620        |
|           | General Provisions-against special mentioned accounts                                                                         | -                  | -                  |
|           |                                                                                                                               | <b>111,800,516</b> | <b>246,271,620</b> |
| <b>33</b> | <b>PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS:</b>                                                                      |                    |                    |
|           | Decline in value of investment should consist of the following divisions:                                                     |                    |                    |
|           | (a) Dealing securities                                                                                                        |                    |                    |
|           | - Quoted                                                                                                                      | -                  | -                  |
|           | - Unquoted                                                                                                                    | -                  | -                  |
|           |                                                                                                                               | -                  | -                  |
|           | (b) Investment securities                                                                                                     |                    |                    |
|           | - Quoted                                                                                                                      | 42,229,435         | (6,146,177)        |
|           | - Unquoted                                                                                                                    | -                  | -                  |
|           |                                                                                                                               | <b>42,229,435</b>  | <b>(6,146,177)</b> |
|           |                                                                                                                               | <b>42,229,435</b>  | <b>(6,146,177)</b> |
|           |                                                                                                                               |                    |                    |
|           | Provision for Investment in Share has been made as per DFIM Circular No. 11 dated 23 December 2009 issued by Bangladesh Bank. |                    |                    |
| <b>34</b> | <b>OTHER PROVISION</b>                                                                                                        |                    |                    |
|           | General Provision for Off Balance Sheet Exposures                                                                             | -                  | -                  |
|           | Provision for Other Assets                                                                                                    | -                  | -                  |
|           |                                                                                                                               | -                  | -                  |
| <b>35</b> | <b>EARNING PER SHARE (EPS)</b>                                                                                                |                    |                    |
|           | Profit attributable to outstanding ordinary share holders                                                                     | -                  | -                  |
|           | <b>Share Outstanding before right issue</b>                                                                                   |                    |                    |
|           | Share Outstanding as on 1 January                                                                                             | 30,000,000         | 30,000,000         |
|           | Issue of Bonus Share                                                                                                          | -                  | -                  |
|           |                                                                                                                               | <b>30,000,000</b>  | <b>30,000,000</b>  |
|           |                                                                                                                               |                    |                    |
|           | Earning per Share                                                                                                             | -                  | -                  |
| <b>36</b> | <b>INCOME RECEIVED FROM OTHER OPERATING ACTIVITIES</b>                                                                        |                    |                    |
|           | Documentation Charge                                                                                                          | 21,740             | 17,280             |
|           | Account Maintenance Fee                                                                                                       | 539,900            | 555,300            |
|           | Port Folio Management Fees                                                                                                    | 65,109,145         | 75,351,726         |
|           | Port Folio Transaction Fees                                                                                                   | 50,593,873         | 33,845,666         |
|           | Other Service Charge                                                                                                          | 3,336,540          | 4,265,482          |
|           | Income from Investment                                                                                                        | 49,578,035         | 6,033,970          |
|           | Miscellaneous Earnings                                                                                                        | 2,530              | -                  |
|           |                                                                                                                               | <b>169,181,763</b> | <b>120,069,424</b> |

|                                                        | 31.12.2014<br>Taka  | 31.12.2013<br>Taka  |
|--------------------------------------------------------|---------------------|---------------------|
| <b>37 EXPENSES PAID FOR OTHER OPERATING ACTIVITIES</b> |                     |                     |
| Travelling Expense                                     | (39,628)            | (52,638)            |
| Utility & Service Charge                               | (259,014)           | (259,083)           |
| Conveyance                                             | (102,059)           | (129,758)           |
| Entertainment                                          | (420,842)           | (367,512)           |
| Bank charges                                           | (55,890)            | (55,648)            |
| Car Expenses                                           | (788,100)           | (1,280,500)         |
| News Paper and Periodicals                             | (46,662)            | (43,875)            |
| Books and Periodicals                                  | (1,300)             | (330)               |
| Other Contractual Service                              | (3,793,647)         | (3,830,566)         |
| Internship Allowances                                  | (12,000)            | -                   |
| Up Keep of Office Premises                             | (398,518)           | (342,845)           |
| Washing Charges                                        | (9,170)             | (11,050)            |
| CDBL Charge                                            | (5,289,497)         | (3,435,000)         |
| Purchase of Utensils                                   | (8,700)             | (7,107)             |
| Miscellaneous Expenses                                 | -                   | (49,000)            |
| Publicity and Advertisement                            | (17,980)            | (121,250)           |
| Rent, Taxes, Insurance, Lighting etc.                  | (9,672,123)         | (9,706,584)         |
| Postage, Telegram, Telephone                           | (1,355,298)         | (1,889,959)         |
| Audit Fee                                              | (172,500)           | (172,500)           |
| Legal Expense                                          | (172,500)           | -                   |
| Directors Fees                                         | (102,000)           | (183,000)           |
| Repairs and maintenance of Fixed Assets                | (454,244)           | (926,028)           |
|                                                        | <b>(23,171,672)</b> | <b>(22,864,233)</b> |
| <b>38 CHANGES IN OTHER OPERATING ASSETS</b>            |                     |                     |
| Advance Rent                                           | 2,862,336           | (2,198,546)         |
| Others                                                 | (4,808,686)         | 3,688,256           |
|                                                        | <b>(1,946,350)</b>  | <b>1,489,710</b>    |
| <b>39 CHANGES IN OTHER LIABILITIES</b>                 |                     |                     |
| Interest Suspense Account                              | 327,299,050         | -                   |
| Sundry Creditors                                       | 449,259,659         | 753,367             |
| Accrued Expense                                        | 876,888             | (1,353,424)         |
| Others                                                 | 19,464              | (37,891)            |
|                                                        | <b>777,455,061</b>  | <b>(637,948)</b>    |

**40 CLOSING CASH AND CASH EQUIVALENT**  
Balance with Other Bank and Financial Institutions

| 31.12.2014<br>Taka | 31.12.2013<br>Taka |
|--------------------|--------------------|
| 3,522,115          | 11,398,671         |
| <b>3,522,115</b>   | <b>11,398,671</b>  |

**41 EXPENDITURE INCURRED FOR EMPLOYEES**

**Salaries, allowances and benefits**

Number of employees at 31 December 2014 was 31; (31 December 2013 was 30) who were in receipt of remuneration for that period which in the aggregate was not less than Tk 36,000 and those employed for a part of that year who were in receipt of remuneration of not less than TK. 3,000 per month.

**42 AUDIT COMMITTEE**

Since the Company started its operation on 14 November 2010, the Board of Directors of the Company yet to form any Audit Committee as on reporting date.

**43 Related Party Disclosures**

**a) Name of Directors and their interest in different Entities as on 31 December 2014**

|   |                                                        |                                                                                                          |                                                                                      |                                                                                             |                                                     |
|---|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------|
| 1 | General Iqbal Karim Bhuiyan<br>SBP,psc                 | Chairman<br>(Representing<br>Trust Bank Ltd.)                                                            | Sena Kalyan Sangstha                                                                 | Chairman, Board of Trustees                                                                 | Nominated                                           |
|   |                                                        |                                                                                                          | Sena Hotel Development Ltd.                                                          | Chairman, Board of Directors                                                                | Nominated                                           |
|   |                                                        |                                                                                                          | Bangladesh Machine Tools Factory Ltd.                                                | Chairman, Board of Directors                                                                | Nominated                                           |
|   |                                                        |                                                                                                          | Army Welfare Trust                                                                   | Chairman, Board of Trustees                                                                 | Nominated                                           |
|   |                                                        |                                                                                                          | Trust Bank Limited                                                                   | Chairman, Board of Directors                                                                | Nominated                                           |
|   |                                                        |                                                                                                          | Military Institute of Science & Technology                                           | Vice Chairman                                                                               | Nominated                                           |
|   |                                                        |                                                                                                          | Council of the College, Armed Forces Medical College                                 | Chairman                                                                                    | Nominated                                           |
|   |                                                        |                                                                                                          | Sena Paribar Kalyan Samiti                                                           | Chief Patron                                                                                | Nominated                                           |
|   |                                                        |                                                                                                          | Advisory Committee of Proyash                                                        | President                                                                                   | Nominated                                           |
|   |                                                        |                                                                                                          | Bangladesh Olympic Association                                                       | President.                                                                                  | Nominated                                           |
|   |                                                        |                                                                                                          | National Defence College & Defence Services Command and Staff College Governing Body | Vice Chairman.                                                                              | Nominated                                           |
|   |                                                        |                                                                                                          | All Golf Clubs                                                                       | President.                                                                                  | Nominated                                           |
|   |                                                        |                                                                                                          | Defence Officers Housing Scheme Committee                                            | Chairman.                                                                                   | Nominated                                           |
|   |                                                        |                                                                                                          | Sena Kalyan Sangstha                                                                 | Vice Chairman, Board of Trustee                                                             | Nominated                                           |
| 2 | Maj Gen Md Mahfuzur Rahman<br>rds, ndc, afwc, psc, PhD | Vice Chairman<br>(Shareholder as well<br>as Director<br>Nominated by<br>Trust Bank Ltd.)                 | Sena Kalyan Sangstha                                                                 | Chairman, Management Committee                                                              | Nominated                                           |
|   |                                                        |                                                                                                          | Sena Hotel Development Ltd.                                                          | Vice Chairman, Board of Directors                                                           | Nominated                                           |
|   |                                                        |                                                                                                          | Jolshiri Abashon Limited                                                             | Chairman, Board of Directors                                                                | Nominated                                           |
|   |                                                        |                                                                                                          | Army Welfare Trust                                                                   | Vice Chairman, Board of Trustees                                                            | Nominated                                           |
|   |                                                        |                                                                                                          | Trust Transport Services                                                             | Chairman, Board of Directors                                                                | Nominated                                           |
|   |                                                        |                                                                                                          | Army Housing Scheme                                                                  | Chairman, Board of Directors                                                                | Nominated                                           |
|   |                                                        |                                                                                                          | Governing Bodies of Cadet Colleges                                                   | Chairman                                                                                    | Nominated                                           |
|   |                                                        |                                                                                                          | Trust Technical Training Institute                                                   | Chairman, Board of Directors                                                                | Nominated                                           |
|   |                                                        |                                                                                                          | Trust Bank Limited                                                                   | Vice-Chairman, Board of Directors                                                           | Nominated                                           |
|   |                                                        |                                                                                                          | Trust Bank Securities Limited                                                        | Chairman, Board of Directors<br>(TBSL is a fully owned subsidiary of<br>Trust Bank Limited) | Nominated                                           |
|   |                                                        |                                                                                                          | Army Welfare Trust                                                                   | Managing Director                                                                           | Ex-Officio                                          |
|   |                                                        |                                                                                                          | Trust Bank Limited                                                                   | Director, Board of Directors                                                                | Nominated                                           |
|   |                                                        |                                                                                                          | Trust Bank Securities Limited                                                        | Director, Board of Directors (TBSL is a fully<br>owned subsidiary of Trust Bank Limited)    | Nominated                                           |
|   |                                                        |                                                                                                          | Trust Technical Training Institute                                                   | Director, Board of Directors                                                                | Nominated                                           |
| 3 | Brig Gen K A R M Mostafa Kamal<br>ndc, psc             | Director<br>(Shareholder as well<br>as Director<br>Nominated by<br>Trust Bank Ltd.)                      | Sena Hotel Development Ltd.                                                          | Director, Board of Directors                                                                | Nominated                                           |
|   |                                                        |                                                                                                          | Sena Kalyan Sangstha                                                                 | Member, Management Committee                                                                | Nominated                                           |
|   |                                                        |                                                                                                          | Army Housing Scheme (AHS)                                                            | Managing Director                                                                           | Nominated                                           |
|   |                                                        |                                                                                                          | Trust Bank Limited                                                                   | General Shareholder & Independent<br>Director, Board of Directors                           | General<br>Shareholder<br>& Independent<br>Director |
| 4 | Ms. Begum Rokeya Din                                   | Independent Director<br>(Nominated by<br>Trust Bank Ltd.)                                                | Trust Bank Limited                                                                   | Depositor & Independent Director<br>Board of Directors                                      | Depositor &<br>Independent<br>Director              |
|   |                                                        |                                                                                                          | Sabuj Unnayan Limited- Director                                                      | Director, Board of Directors                                                                | Proprietor/<br>Nominated<br>Director                |
|   |                                                        |                                                                                                          | Trust Bank Securities Limited                                                        | (TBSL is a fully owned subsidiary<br>of Trust Bank Limited)                                 |                                                     |
| 5 | Mr. Helal Uddin Ahmed                                  | Independent Director<br>(Shareholder as well as<br>Independent Director<br>Nominated by Trust Bank Ltd.) | Trust Bank Limited                                                                   | Director, Board of Directors                                                                | Nominated                                           |
|   |                                                        |                                                                                                          | Trust Bank Securities Limited                                                        | Director, Board of Directors<br>(TBSL is a fully owned subsidiary<br>of Trust Bank Limited) | Nominated                                           |
| 6 | Brig Gen Md Mehdi Hassan<br>ndc, afwc, psc             | Director<br>(Shareholder as well as<br>Director Nominated by<br>Trust Bank Ltd.)                         | Trust Bank Limited                                                                   | Managing Director & CEO                                                                     | Service                                             |
|   |                                                        |                                                                                                          | Trust Bank Securities Limited                                                        | Deputy Managing Director                                                                    | Service                                             |
| 7 | Mr. Ishtiaque Ahmed Chowdhury                          | Director<br>(Shareholder as well as<br>Director Nominated by<br>Trust Bank Ltd.)                         | Trust Bank Limited                                                                   |                                                                                             |                                                     |
|   |                                                        |                                                                                                          | Trust Bank Limited                                                                   |                                                                                             |                                                     |
| 8 | Mr. Abu Zafar Hedaytul Islam                           | Director<br>(Shareholder as well as<br>Director Nominated by<br>Trust Bank Ltd.)                         | Trust Bank Limited                                                                   |                                                                                             |                                                     |
|   |                                                        |                                                                                                          | Trust Bank Limited                                                                   |                                                                                             |                                                     |

|                                                                                                                                          | 31.12.2014<br>Taka | 31.12.2013<br>Taka |
|------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| b) Significant contracts where Company is a party and wherein Directors have interest:                                                   |                    | Nil                |
| c) Shares issued to Directors and Executives without consideration or exercisable at discount:                                           |                    | Nil                |
| d) Related party Transactions:                                                                                                           |                    | Nil                |
| e) Lending Policies to related Parties:                                                                                                  |                    | Not applic         |
| f) Loan and advances to Directors and their related concern:                                                                             |                    | Nil                |
| g) Business other than banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act – 1991: |                    | Not applic         |
| h) Investments in the Securities of Directors and their related concern:                                                                 |                    | Not applic         |

#### 44 FINANCIAL HIGHLIGHTS

As per DFIM Circular # 11, dated 23 December 2009, Financial Highlights of the Company for the year ended on 31 December 2014 has been shown in Annexure - B.



Vice Chairman



Director



Director



Managing Director (Acting)

## Schedule of Fixed Assets

### As at 30 December 2014

| PARTICULARS             | COST                      |                           |                                      |                             | DEPRECIATION              |                     |                                      |                             | Written down value 31 December 2014 |
|-------------------------|---------------------------|---------------------------|--------------------------------------|-----------------------------|---------------------------|---------------------|--------------------------------------|-----------------------------|-------------------------------------|
|                         | Balance on 1 January 2014 | Additions during the year | Disposal/ adjustment during the year | Balance at 31 December 2014 | Balance on 1 January 2014 | Charge for the year | Disposal/ adjustment during the year | Balance at 31 December 2014 |                                     |
|                         | Taka                      | Taka                      | Taka                                 | Taka                        | Taka                      | Taka                | Taka                                 | Taka                        |                                     |
| Furniture and Fixtures  | 2,447,953                 |                           | 200,000                              | 2,247,953                   | 644,944                   | 178,318             | 25,010                               | 798,252                     | 1,449,701                           |
| Office Equipment        | 8,480,065                 | 106,500                   | 39,176                               | 8,547,389                   | 4,959,688                 | 1,838,383           | 25,255                               | 6,772,816                   | 1,774,573                           |
| Office Renovation       | 11,689,540                | 52,050                    | -                                    | 11,741,590                  | 3,484,677                 | 989,872             | -                                    | 4,474,549                   | 7,267,041                           |
| <b>31 December 2014</b> | <b>22,617,558</b>         | <b>158,550</b>            | <b>239,176</b>                       | <b>22,536,932</b>           | <b>9,089,309</b>          | <b>3,006,573</b>    | <b>50,265</b>                        | <b>12,045,617</b>           | <b>10,491,315</b>                   |
| <b>31 December 2013</b> | <b>23,936,571</b>         | <b>278,810</b>            | <b>1,597,823</b>                     | <b>22,617,558</b>           | <b>6,747,434</b>          | <b>3,076,656</b>    | <b>734,781</b>                       | <b>9,089,309</b>            | <b>13,528,249</b>                   |

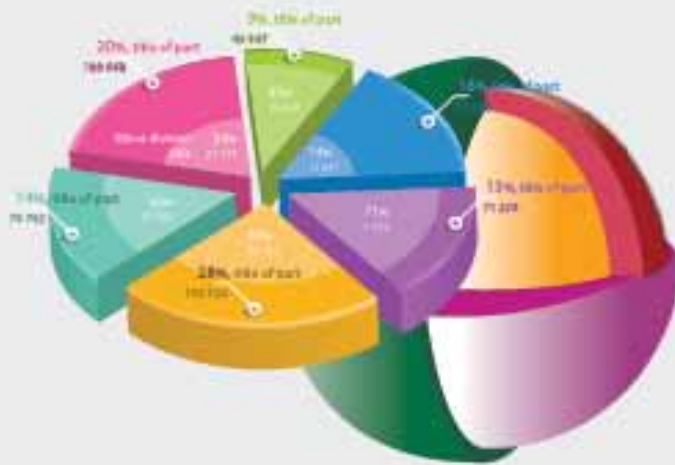


## Financial Highlights

| SI No | Particulars                                       | Base | 31.12.2014    | 31.12.2013    |
|-------|---------------------------------------------------|------|---------------|---------------|
| 1     | Paid up Capital                                   | Taka | 3,000,000,000 | 3,000,000,000 |
| 2     | Total Capital                                     | Taka | 3,336,890,297 | 3,336,890,297 |
| 3     | Total Assets                                      | Taka | 5,593,452,070 | 4,966,873,789 |
| 4     | Total Deposits                                    | Taka | 108,218,523   | 90,469,039    |
| 5     | Total Loans and Advances                          | Taka | 4,578,900,657 | 4,881,903,930 |
| 6     | Credit Deposit Ratio                              | %    | 4,231.16      | 5,396.22      |
| 7     | Profit after tax and provision                    | Taka | -             | -             |
| 8     | Provisions kept against classified loan           | Taka | -             | -             |
| 9     | Cost of fund (Deposit Cost & Administrative Cost) | %    | -             | -             |
| 10    | Interest earning Assets                           | Taka | 5,556,932,602 | 4,929,953,798 |
| 11    | Non-interest earning Assets                       | Taka | 36,519,468    | 36,919,991    |
| 12    | Return on Investment (ROI)                        | %    | -             | -             |
| 13    | Return on Asset (ROA)                             | %    | -             | -             |
| 14    | Income from Investment                            | Taka | 49,578,035    | 6,033,970     |
| 15    | Earning per Share                                 | Taka | -             | -             |
| 16    | Net income per Share                              | Taka | -             | -             |
| 17    | Price Earning Ratio                               | %    | -             | -             |
| 18    | Operating Profit                                  | Taka | 226,492,362   | 389,876,079   |
| 19    | Pre tax Profit                                    | Taka | 226,492,362   | 389,876,079   |
| 20    | Post Tax Profit                                   | Taka | -             | -             |
| 21    | CSR                                               | Taka | -             | -             |
| 22    | Net Asset Value (NAV)                             | Taka | 3,336,890,297 | 3,336,890,297 |
| 23    | NAV Per Share                                     | Taka | 111.23        | 111.23        |

# Auditors' Report & Audited Financial Statements of

## Trust Bank Securities Limited



# Auditors' Report

to the Shareholders of  
Trust Bank Securities Limited

## Introduction

We have audited the accompanying financial statements of Trust Bank Securities Limited “(the Company)” which comprise the statement of financial position as at 31st December 2014 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

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

## Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the financial statements, prepared in accordance with the International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the Company's affairs as of December 31, 2014 and of the results of its operations and its cash flows for the year then ended and comply with the applicable sections of the Companies Act, 1994 and other applicable laws and regulations.

## We further report that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;

- iii) The statement of financial position dealt with by the report are in agreement with the books of account;
- iv) The financial position of the company as at 31st December 2014 been properly reflected in the financial statements, and the financial statements have been prepared in accordance with the generally accounting Principles;
- v) The financial statements conform to the prescribed standards set in the accounting regulations after consultation with the professional accounting bodies of Bangladesh;
- vi) The information and explanations required by us have been received and found satisfactory;

Date: Dhaka  
26 February 2015



Hussain Farhad & Co.  
Chartered Accountants

**Trust Bank Securities Limited**  
**Statement of Financial Position**  
**As at 31st December 2014**

|                                                     | Note | 31.12.2014<br>Taka | 31.12.2013<br>Taka |
|-----------------------------------------------------|------|--------------------|--------------------|
| <b>ASSETS:</b>                                      |      |                    |                    |
| <b>Non-current Assets</b>                           |      |                    |                    |
| Property, Plant & Equipment                         | 2    | 2,257,284          | 900,762            |
| Intangible Assets                                   | 3    | 722,222            | -                  |
| Membership of DSE at Cost                           | 4    | 321,720,000        | 321,720,000        |
| Preliminary Expenses                                | 5    | -                  | 832,432            |
| Pre-operational Expenses                            | 6    | -                  | 536,647            |
| Deferred tax Assets                                 | 7    | 30,293             | -                  |
|                                                     |      | <b>324,729,799</b> | <b>323,989,841</b> |
| <b>Current Assets</b>                               |      |                    |                    |
| Receivables from Clients                            | 8    | 209,543            | 55,854             |
| Deposits & Prepayments                              | 9    | 204,000            | 204,000            |
| Other Current Assets                                | 10   | 2,559,550          | 327,330            |
| Cash & Cash Equivalents                             | 11   | 32,745,706         | 24,809,409         |
|                                                     |      | <b>35,718,799</b>  | <b>25,396,593</b>  |
| <b>Total Assets</b>                                 |      | <b>360,448,598</b> | <b>349,386,434</b> |
| <b>SHAREHOLDERS' EQUITY &amp; LIABILITIES:</b>      |      |                    |                    |
| <b>Shareholders Equity</b>                          |      |                    |                    |
| Ordinary Share Capital                              | 12   | 350,000,000        | 350,000,000        |
| Retained Earnings                                   |      | (3,598,437)        | (2,469,372)        |
|                                                     |      | <b>346,401,563</b> | <b>347,530,628</b> |
| <b>Current Liabilities</b>                          |      |                    |                    |
| Payables to Clients                                 | 13   | 4,855,790          | 1,175,831          |
| Payables to Dhaka Stock Exchange                    | 14   | 5,488,053          | 64,317             |
| Other Liabilities                                   | 15   | 3,703,192          | 615,658            |
|                                                     |      | <b>14,047,035</b>  | <b>1,855,806</b>   |
| <b>Total Shareholders' Equity &amp; Liabilities</b> |      | <b>360,448,598</b> | <b>349,386,434</b> |

(The annexed notes 1 to 26 form an integral part of these financial statements )

  
Vice Chairman

  
Director

  
Director

  
Managing Director

Signed as per our annexed report of even date

Date: Dhaka  
26 February 2015

  
Hussain Farhad & Co.  
Chartered Accountants



**Trust Bank Securities Limited**  
**Statement of Comprehensive Income**  
For the year ended 31st December 2014

|                                                        | Note | 31.12.2014<br>Taka | 31.12.2013<br>Taka |
|--------------------------------------------------------|------|--------------------|--------------------|
| Operating Income:                                      |      |                    |                    |
| Brokerage Commission                                   |      | 10,578,473         | 687,372            |
| Other Income                                           | 16   | 1,359,794          | 23,603             |
|                                                        |      | <b>11,938,267</b>  | <b>710,975</b>     |
| Less : Direct Expenses                                 |      |                    |                    |
| Howla Charge                                           |      | 89,752             | 6,680              |
| Laga Charge                                            |      | 833,210            | 45,887             |
| CDBL Charge                                            |      | 155,124            | 8,541              |
|                                                        |      | <b>1,078,086</b>   | <b>61,108</b>      |
| Profit before Operating Exp.                           |      | <b>10,860,181</b>  | <b>649,867</b>     |
| Less : Operating Expenses                              |      |                    |                    |
| Salaries and Allowances                                | 17   | 4,856,691          | 1,455,460          |
| Rent, taxes, insurance, electricity etc.               | 18   | 558,351            | 247,900            |
| Postage, stamps, telecommunications, etc.              | 19   | 845,129            | 140,548            |
| Stationery, Printing, advertisement etc.               |      | 90,858             | 208,415            |
| Auditors' Fees                                         |      | 57,500             | 57,500             |
| Depreciation, Amortization and repair of bank's assets | 20   | 773,453            | 33,726             |
| Other expenses                                         | 21   | 2,648,447          | 860,972            |
|                                                        |      | <b>9,830,429</b>   | <b>3,004,521</b>   |
| Net Profit/(Loss) before Tax                           |      | <b>1,029,752</b>   | <b>(2,354,654)</b> |
| Provision for diminution in Value of Investment        |      | (15,106)           | -                  |
| Total Profit before Taxes                              |      | <b>1,014,646</b>   | <b>(2,354,654)</b> |
| Provision for Taxes                                    |      |                    |                    |
| Provision for Current Tax                              |      | (2,174,004)        | (114,718)          |
| Deferred tax income                                    |      | 30,293             | -                  |
|                                                        |      | <b>(2,143,711)</b> | <b>(114,718)</b>   |
| Net Profit/(Loss) after Tax                            |      | <b>(1,129,065)</b> | <b>(2,469,372)</b> |
| EPS                                                    |      | (0.03)             | (0.07)             |

(The annexed notes 1 to 26 form an integral part of these financial statements )

  
Vice Chairman

  
Director

  
Director

  
Managing Director

Signed as per our annexed report of even date

Date: Dhaka  
26 February 2015

  
Hussain Farhad & Co.  
Chartered Accountants

**Trust Bank Securities Limited**  
**Statement of Cash Flows**  
For the year ended 31st December, 2014

|                                                                        | Note | 2014               | 2013                 |
|------------------------------------------------------------------------|------|--------------------|----------------------|
| <b>A Cash flow from operating activities</b>                           |      |                    |                      |
| Interest received in cash                                              |      | -                  | -                    |
| Interest payments                                                      |      | -                  | -                    |
| Dividend receipts                                                      |      | -                  | -                    |
| Fees and commission receipts in cash                                   |      | -                  | -                    |
| Recoveries of loans previously written off                             |      | -                  | -                    |
| Cash paid to employees                                                 |      | -                  | -                    |
| Cash paid to suppliers                                                 |      | -                  | -                    |
| Income Taxes paid                                                      |      | (2,174,004)        | (114,718)            |
| Received from other operating activities                               | 21   | 11,753,545         | 710,975              |
| Payments from other operating activities                               | 22   | (10,116,709)       | (2,935,263)          |
| Operating profit before changes in operating Assets and Liabilities    |      | <b>(537,168)</b>   | <b>(2,339,006)</b>   |
| Increase/(Decrease) in operating assets & liabilities                  |      |                    |                      |
| Statutory Deposits                                                     |      | -                  | -                    |
| Net investment in trading securities                                   |      | -                  | -                    |
| Loan & advance to other banks                                          |      | -                  | -                    |
| Loan & advance to customers                                            |      | -                  | -                    |
| Others assets                                                          | 23   | 1,352,096          | (1,841,545)          |
| Deposit from other Banks                                               |      | -                  | -                    |
| Deposit from other customers                                           |      | -                  | -                    |
| Others liabilities accounts of customers                               |      | -                  | -                    |
| Trading liabilities                                                    |      | -                  | -                    |
| Other liabilities                                                      | 24   | 9,899,219          | 1,630,088            |
| Net cash from operating activities (A)                                 |      | <b>10,714,147</b>  | <b>(2,550,463)</b>   |
| <b>B Cash flow from investing activities</b>                           |      |                    |                      |
| Proceeds from sale of securities                                       |      | -                  | -                    |
| Payments of purchase of government securities                          |      | -                  | -                    |
| Membership (DSE)                                                       |      | -                  | (321,720,000)        |
| Purchase of property, plant & equipment                                |      | (2,777,850)        | (920,128)            |
| Purchase of intangible assets                                          |      | -                  | -                    |
| Sale of property, plant & equipment                                    |      | -                  | -                    |
| Net cash from investing activities ( B)                                |      | <b>(2,777,850)</b> | <b>(322,640,128)</b> |
| <b>C Cash flow from financing activities</b>                           |      |                    |                      |
| Paid up capital                                                        |      | -                  | 350,000,000          |
| Increase/(Decrease) in Borrowing:                                      |      | -                  | -                    |
| Call loan                                                              |      | -                  | -                    |
| Re- Purchase agreement ( REPO)                                         |      | -                  | -                    |
| Other borrowings                                                       |      | -                  | -                    |
| Share Capital A/c                                                      |      | -                  | -                    |
| Share Premium A/c                                                      |      | -                  | -                    |
| Dividend paid in cash                                                  |      | -                  | -                    |
| Net cash from investing activities ( C)                                |      | -                  | 350,000,000          |
| <b>D Net increase in cash and cash Equivalent ( A+B+C)</b>             |      | <b>7,936,297</b>   | <b>24,809,409</b>    |
| <b>E Effects of exchange rate changes on cash and cash equivalents</b> |      | -                  | -                    |
| <b>F Opening Cash and Cash Equivalent</b>                              |      | <b>24,809,409</b>  | -                    |
| <b>G Cash and cash equivalents at end of year ( D+E+F)</b>             |      | <b>32,745,706</b>  | <b>24,809,409</b>    |

**Trust Bank Securities Limited**  
**Statement of changes in Equity**  
**For the year ended 31st December 2014**

| Particulars                                           | Paid up Capital | Other Reserve | Retained Earnings | Total       |
|-------------------------------------------------------|-----------------|---------------|-------------------|-------------|
| Opening Balance as at 1 January 2013                  | 350,000,000     | -             | (2,469,372)       | 347,530,628 |
| Changes in accounting policy                          | -               | -             | -                 | -           |
| Adjustment for prior period error                     | -               | -             | -                 | -           |
| Restated Opening Balance                              | -               | -             | (2,469,372)       | 347,530,628 |
| Changes in equity for the year ended 31 December 2014 |                 |               |                   |             |
| Issue of share capital                                |                 | -             | -                 | -           |
| Income for the year                                   | -               | -             | (1,129,065)       | (1,129,065) |
| Dividend                                              | -               | -             | -                 | -           |
| Balance as at 31 December 2014                        | 350,000,000     | -             | (3,598,437)       | 346,401,563 |
|                                                       |                 |               |                   |             |
| Particulars                                           | Paid up Capital | Other Reserve | Retained Earnings | Total       |
| Opening Balance as at 1 January 2012                  | -               | -             | -                 | -           |
| Changes in accounting policy                          | -               | -             | -                 | -           |
| Adjustment for prior period error                     | -               | -             | -                 | -           |
| Restated Opening Balance                              | -               | -             | -                 | -           |
| Changes in equity for the year ended 31 December 2013 |                 |               |                   |             |
| Issue of share capital                                | 350,000,000     | -             | -                 | 350,000,000 |
| Income for the year                                   | -               | -             | (2,469,372)       | (2,469,372) |
| Dividend                                              | -               | -             | -                 | -           |
| Balance as at 31st December 2013                      | 350,000,000     | -             | (2,469,372)       | 347,530,628 |

**Trust Bank Securities Limited**  
**Notes to the Financial statements**  
**As at 31st December 2014**

**1 LEGAL STATUS AND NATURE OF THE COMPANY**

**1.1 Legal status of the Company:**

Trust Bank Securities Limited was incorporated on 07th February 2013 as a Private Limited Company bearing registration No. C-107267/13 under the Companies Act, 1994. The registered office of the company is located at 28, North Kafrul, Dhaka Cantonment, Dhaka-1206. The Company has an authorized share capital of Tk. 2,000,000,000 (Two hundred crore Taka.) only divided into 200,000,000 ordinary shares of Tk. 10/- each and a paid up capital of Tk. 350,000,000 only divided into 35,000,000 ordinary shares of TK.10/- each.

**1.2 Nature of Business Activities:**

Trust Bank Securities Limited offers full range Business of stock Brokers that includes buy and sell of shares & securities, Fixed income Securities, Bonds, Debentures etc.

**1.3 SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

**1.3.1 Basis of preparation of the financial statements :**

These financial statements have been prepared under the historical cost convention on a going concern basis in accordance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh, The Companies Act, 1994, Bangladesh Securities & Exchange Commission ACT, Rules and other laws and rules applicable in Bangladesh.

**1.3.2 Basis of Preparation and Presentation of Financial Statements:**

Financial Statements have been prepared on a going concern basis using accrual accounting method under the historical cost convention.

**1.3.3 Functional and level of precision :**

The financial statements have been prepared in Bangladeshi taka, which is the company's functional currency. All financial information are presented in Bangladeshi taka and these have been rounded off to the nearest taka. The Accounting policies set out below are applied consistently to the related items in the financial statements by using BAS-1, BAS-7.

**1.3.4 Fixed assets and depreciation:**

Fixed assets are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment" Depreciation is charged at the following rates per annum using reducing balance method on all fixed assets except office equipment, and motore vehicle where straight-line method is applied. Depreciation rates have mentioned below:

| Particulars                  | Rate of Depreciation |
|------------------------------|----------------------|
| Building                     | 2.50%                |
| Furniture & Fixture - Office | 10.00%               |
| Equipments                   | 20.00%               |
| Decoration & Renovation      | 12.00%               |
| Motor Vehicles               | 20.00%               |

|            |                                                                 | 31.12.2014<br>Taka | 31.12.2013<br>Taka |
|------------|-----------------------------------------------------------------|--------------------|--------------------|
| <b>2</b>   | <b>Fixed Assests including property , plant &amp; Equipment</b> |                    |                    |
|            | Office Renovation                                               | 304,130            | 304,130            |
|            | Office Equipment                                                | 2,393,848          | 615,998            |
|            |                                                                 | 2,697,978          | 920,128            |
|            | Less : Accumulated Depreciation                                 | 440,694            | 19,366             |
|            | Note : 2.1                                                      | <b>2,257,284</b>   | <b>900,762</b>     |
| <b>2.1</b> | <b>Accumulated Depreciation:</b>                                |                    |                    |
|            | Office Renovation                                               | 40,791.00          | 7,037.00           |
|            | Office Equipment                                                | 399,903.00         | 12,329.00          |
|            |                                                                 | <b>440,694.00</b>  | <b>19,366.00</b>   |
|            | For details Please refer to Annexure-A                          |                    |                    |
| <b>3</b>   | <b>Intangible Assets</b>                                        |                    |                    |
|            | Back Office Software                                            | 1,000,000          | -                  |
|            | Less : Amortization during the year                             | 277,778            | -                  |
|            |                                                                 | <b>722,222.00</b>  | <b>-</b>           |
| <b>4</b>   | <b>Investment :</b>                                             |                    |                    |
|            | Shares in DSE                                                   | 321,720,000        | 321,720,000        |
|            |                                                                 | <b>321,720,000</b> | <b>321,720,000</b> |

This represents total cost and other expenses of 1 nos membership of DSE. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Security Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange (DSE) allotted total 72,15,106 nos ordinary Shares at face value of Tk.10.00 each against the membership of DSE and out of the above DSE transferred 2,886,042 nos shares directly to the credit of the Beneficiary Owner's account of the company. The rest of the shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act, 2013.

|          |                                               |          |                |
|----------|-----------------------------------------------|----------|----------------|
| <b>5</b> | <b>Preliminary Expenses:</b>                  |          |                |
|          | Registration fees and stamp for incorporation | 701,614  | 935,485        |
|          | Consent fees for Paid up Capital              | 86,250   | 115,000        |
|          | Processing fees of MOA & AA                   | 44,118   | 58,824         |
|          | Name Clearance Fees                           | 450      | 600            |
|          |                                               | 832,432  | 1,109,909      |
|          | Less: Amortization                            | 832,432  | (277,477)      |
|          |                                               | <b>-</b> | <b>832,432</b> |
| <b>6</b> | <b>Pre-operational Expenses:</b>              |          |                |
|          | Salary & Allowances                           | 415,209  | 553,612        |
|          | Monthly Subscription Fees of DSE              | 33,525   | 44,700         |
|          | Stationery & Printing items                   | 29,260   | 39,014         |
|          | Legal & Professional Fees                     | 28,390   | 37,854         |
|          | Trade License                                 | 9,825    | 13,100         |
|          | DP Registration Fees                          | 9,375    | 12,500         |



|                                      | 31.12.2014<br>Taka | 31.12.2013<br>Taka |
|--------------------------------------|--------------------|--------------------|
| Advertisements                       | 5,878              | 7,838              |
| Conveyance                           | 2,385              | 3,180              |
| Authorized Representative fee to DSE | 1,875              | 2,500              |
| Bank Charges                         | 431                | 575                |
| Entertainment                        | 311                | 415                |
| Photocopy                            | 181                | 242                |
|                                      | <b>536,647</b>     | <b>715,530</b>     |
| Less: Amortization                   | 536,647            | (178,883)          |
|                                      | <b>-</b>           | <b>536,647</b>     |

**7 Deferred tax Assets:**

The tax effect of temporary differences as per BAS 12 that resulted in deferred tax assets or liabilities

|                                                            |           |   |
|------------------------------------------------------------|-----------|---|
| Accounts base as on balance sheet date                     | 2,979,506 | - |
| Less: Tax base as on balance sheet date                    | 3,066,057 | - |
| Deductible temporary deference                             | (86,551)  | - |
| Deferred tax assets ( 35% on taxable temporary deference ) | 30,293    | - |

**8 Receivable from Clients:**

|                                           |                |               |
|-------------------------------------------|----------------|---------------|
| Receivables from Client for Share Trading | 209,543        | 55,854        |
|                                           | <b>209,543</b> | <b>55,854</b> |

**9 Deposits & Prepayments:**

|                                         |                |                |
|-----------------------------------------|----------------|----------------|
| CDBL refundable security deposit & BTCL | 204,000        | 204,000        |
|                                         | <b>204,000</b> | <b>204,000</b> |

**10 Other Assets:**

|                                    |                  |                |
|------------------------------------|------------------|----------------|
| Advance Income Tax                 | 2,288,722        | 114,718        |
| Investment In Dealer at Cost Price | 75,906           | -              |
| Interest Receivable on FDR         | 184,722          | -              |
| Other Liabilities To TBL           | 10,200           | -              |
| Sundry Debtors                     | -                | 212,612        |
|                                    | <b>2,559,550</b> | <b>327,330</b> |

**11 Cash & Cash Equivalents:**

|                                                                    |                   |                   |
|--------------------------------------------------------------------|-------------------|-------------------|
| Trust Bank Limited. C/D A/C-00170210011174                         | 83,441            | 22,869,554        |
| Pubali Bank Limited. SND, A/C-2982102000367                        | 19,583,063        | 1,939,855         |
| Trust Bank Limited. SND A/C-00170320001306                         | 296,030           | -                 |
| Trust Bank Limited, SND IPO-00410320000343                         | 259,624           | -                 |
| One Bank Limited . SND, A/C-001300000707                           | 23,548            | -                 |
| Cash at Other Bank: Delta Brac Housing Finance Corporation Limited | 12,500,000        | -                 |
|                                                                    | <b>32,745,706</b> | <b>24,809,409</b> |

|              |                                                   | 31.12.2014<br>Taka | 31.12.2013<br>Taka |
|--------------|---------------------------------------------------|--------------------|--------------------|
| <b>12</b>    | <b>Share Capital:</b>                             |                    |                    |
|              | Authorised Capital                                |                    |                    |
|              | 200,000,000 Shares @ Tk. 10 each                  | 2,000,000,000      | 2,000,000,000      |
|              | Issued, Subscribed, Called up and Paid up Capital |                    |                    |
|              | 35,000,000 Ordinary shares @ Tk. 10 each.         | 350,000,000        | 350,000,000        |
|              |                                                   | <b>350,000,000</b> | <b>350,000,000</b> |
| <b>13</b>    | <b>Payables to Clients:</b>                       |                    |                    |
|              | Payable to Clients                                | 4,855,790          | 1,175,831          |
|              |                                                   | <b>4,855,790</b>   | <b>1,175,831</b>   |
| <b>14</b>    | <b>Payables to Dhaka Stock Exchange:</b>          |                    |                    |
|              | Payable to DSE                                    | 5,488,053          | 64,317             |
|              |                                                   | <b>5,488,053</b>   | <b>64,317</b>      |
| <b>15</b>    | <b>Other liabilities :</b>                        |                    |                    |
|              | TDS Payable                                       | -                  | 21,478             |
|              | Audit Fees                                        | 57,500             | 57,500             |
|              | Office Rent                                       | -                  | 99,000             |
|              | Provident Fund contribution (Both)                | 597,634            | 183,934            |
|              | Hospitalization Benefit Fund                      | 21,600             | 7,200              |
|              | Gratuity Fund                                     | 177,996            | -                  |
|              | IPO Application                                   | 299,000            | -                  |
|              | Provision for revenue expenses                    | 2,549,462          | 246,546            |
|              |                                                   | <b>3,703,192</b>   | <b>615,658</b>     |
| <b>15.01</b> | <b>Other Provision :</b>                          |                    |                    |
|              | Electricity and Generator Fuel                    | -                  | 111,000.00         |
|              | Advance Income Tax                                | 2,288,722          | 114,718            |
|              | Provision for Investment                          | 15,106             | -                  |
|              | Incentive Bonus                                   | 213,900            | -                  |
|              | Provision for CDBL Charges                        | 31,734             | 20,828             |
|              |                                                   | <b>2,549,462</b>   | <b>246,546</b>     |
| <b>16</b>    | <b>Other Income:</b>                              |                    |                    |
|              | BO Account Opening                                | 74,800             | 23,600             |
|              | Interest From Bank                                | 107,848            | 3                  |
|              | Interest from FDR                                 | 1,176,911          | -                  |
|              | IPO-Commission                                    | 235                | -                  |
|              |                                                   | <b>1,359,794</b>   | <b>23,603</b>      |
| <b>17</b>    | <b>Salaries and Allowances:</b>                   |                    |                    |
|              | Basic Salary                                      | 2,068,497          | 663,600            |
|              | House Rent Allowance                              | 1,034,248          | 331,800            |

|                                                                  | 31.12.2014<br>Taka | 31.12.2013<br>Taka |
|------------------------------------------------------------------|--------------------|--------------------|
| Conveyance Allowance                                             | 117,480            | 34,200             |
| Medical Allowance                                                | 473,400            | 133,800            |
| Leave Fare Assistance                                            | 205,320            | 59,800             |
| Festival Bonus                                                   | 359,000            | 165,900            |
| Incentive Bonus                                                  | 213,900            | -                  |
| Employer's Contribution to Provident Fund                        | 206,850            | 66,360             |
| Employer's Contribution to Gratuity Fund                         | 177,996            | -                  |
|                                                                  | <b>4,856,691</b>   | <b>1,455,460</b>   |
| <b>18 Rent, taxes, Insurance, electricity etc.</b>               |                    |                    |
| Office Rent                                                      | 198,000            | 99,000             |
| Electricity & Generator Fuel                                     | 222,000            | 111,000            |
| Fees, Renewal & Subscription                                     | 118,092            | 33,900             |
| Insurance premium                                                | 20,259             | -                  |
| Authorized Representative Expenses                               | -                  | 4,000              |
|                                                                  | <b>558,351</b>     | <b>247,900</b>     |
| <b>19 Postage, stamps, telecommunications, etc.</b>              |                    |                    |
| Telephone Expenses                                               | 17,126             | 5,900              |
| Mobile                                                           | 29,883             | 16,328             |
| Stamp Charges                                                    | -                  | 3,320              |
| Internet & Online Charges                                        | 798,120            | 115,000            |
|                                                                  | <b>845,129</b>     | <b>140,548</b>     |
| <b>20 Depreciation, Amortization and repair of bank's assets</b> |                    |                    |
| Depreciation & Amortization                                      |                    |                    |
| Fixed assets (For details please refer to note #2)               | 421,328            | 19,366             |
| Amortization(For details please refer to note #2.1)              | 277,778            | -                  |
| Repairs                                                          | -                  | -                  |
| Repair & Maintenance Office                                      | 74,347             | 14,360             |
|                                                                  | <b>773,453</b>     | <b>33,726</b>      |
| <b>21 Other Indirect Expenses:</b>                               |                    |                    |
| Entertainment                                                    | 87,364             | 22,227             |
| Travelling expenses                                              | 18,597             | 5,455              |
| Other Contractual Service                                        | 317,359            | 113,375            |
| Repair Maintenance                                               | 652,800            | 241,535            |
| Water Bill                                                       | 7,770              | 2,230              |
| Paper Bill                                                       | 4,125              | 1,360              |
| Wage                                                             | -                  | 100                |
| Advertisement                                                    | 154,400            | -                  |
| Bank Charges                                                     | 31,963             | 18,330             |
| Investor Protection Fees                                         | 4,991              | -                  |
| Amortization for Preliminary Expenses                            | 832,432            | 277,477            |
| Amortization for Pre-Operational Expenses                        | 536,647            | 178,883            |
|                                                                  | <b>2,648,447</b>   | <b>860,972</b>     |

|                                                        | 31.12.2014<br>Taka  | 31.12.2013<br>Taka |
|--------------------------------------------------------|---------------------|--------------------|
| <b>22 Received from other operating activities</b>     |                     |                    |
| Brokerage Commission                                   | 10,578,473.00       | 687,372.00         |
| BO Account Opening                                     | 74,800.00           | 23,600.00          |
| Interest From Bank                                     | 107,848.00          | 3.00               |
| Interest from FDR                                      | 992,189.00          | -                  |
| IPO-Commission                                         | 235.00              | -                  |
|                                                        | <b>11,753,545</b>   | <b>710,975</b>     |
| <b>23 Payments for other operating activities</b>      |                     |                    |
| Howla Charge                                           | (89,752.00)         | (6,680.00)         |
| Laga Charge                                            | (833,210.00)        | (45,887.00)        |
| CDBL Charge                                            | (155,124.00)        | (8,541.00)         |
| Salaries and Allowances                                | (4,642,791.00)      | (1,455,460.00)     |
| Rent, taxes, insurance, electricity etc.               | (669,351.00)        | (136,900.00)       |
| Postage, stamps, telecommunications, etc.              | (845,129.00)        | (140,548.00)       |
| Stationery, Printing, advertisement etc.               | (101,058.00)        | (208,415.00)       |
| Auditors' Fees                                         | (57,500.00)         | (57,500.00)        |
| Depreciation, Amortization and repair of bank's assets | (74,347.00)         | (14,360.00)        |
| Other expenses                                         | (2,648,447.00)      | (860,972.00)       |
|                                                        | <b>(10,116,709)</b> | <b>(2,935,263)</b> |
| <b>24 Changes in Other Operating Assets</b>            |                     |                    |
| Receivable from Clients                                | (153,689)           | (55,854)           |
| Deposits & prepayments                                 | -                   | (204,000)          |
| Preliminary Expenses                                   | 832,432             | (832,432)          |
| Pre- operational expense                               | 536,647             | (536,647)          |
| Sundry Debtors                                         | 212,612             | (212,612)          |
| Investment in Dealer at Cost                           | (75,906)            | -                  |
|                                                        | <b>1,352,096</b>    | <b>(1,841,545)</b> |
| <b>25 Changes in Other Operating liabilities</b>       |                     |                    |
| payables to clients                                    | 3,679,959           | 1,175,831          |
| payables to DSE                                        | 5,423,736           | 64,317             |
| TDS payable                                            | (21,478)            | 21,478             |
| Audit Fee                                              | -                   | 57,500             |
| office rent                                            | (99,000)            | 99,000             |
| provident fund contribution                            | 413,700             | 183,934            |
| Hospitalization benefit fund                           | 14,400              | 7,200.00           |
| Gratuity fund                                          | 177,996             | -                  |
| IPO application                                        | 299,000             | -                  |
| Provision for CDBL                                     | 10,906              | 20,828.00          |
|                                                        | <b>9,899,219</b>    | <b>1,630,088</b>   |

a. **Name of Director's and their interest in different entities as at 31 December 2014:**

| Name of the Directors                                  | Status with TBSL     | Entities where they have interest  |                                                                                            | % of Interest |
|--------------------------------------------------------|----------------------|------------------------------------|--------------------------------------------------------------------------------------------|---------------|
| Maj Gen Md. Mahfuzur Rahman, rcds, ndc, afwc, psc, PhD | Chairman (Nominated) | Sena Kalyan Sangstha               | Vice Chairman, Board of Trustees                                                           | Nominated     |
|                                                        |                      | Sena Kalyan Sangstha               | Chairman, Management Committee                                                             | Nominated     |
|                                                        |                      | Sena Hotel Development Ltd         | Vice Chairman, Board of Directors                                                          | Nominated     |
|                                                        |                      | Jolshiri Abashon Limited           | Chairman, Board of Directors                                                               | Nominated     |
|                                                        |                      | Army Welfare Trust                 | Vice Chairman, Board of Trustees                                                           | Nominated     |
|                                                        |                      | Trust Transport Services,          | Chairman, Board of Directors                                                               | Nominated     |
|                                                        |                      | Army Housing Scheme                | Chairman, Board of Directors                                                               | Nominated     |
|                                                        |                      | Governing Bodies of Cadet Colleges | Chairman                                                                                   | Nominated     |
|                                                        |                      | Trust Technical Training Institute | Chairman, Board of Directors                                                               | Nominated     |
|                                                        |                      | Trust Bank Limited                 | Vice Chairman, Board of Directors                                                          | Nominated     |
|                                                        |                      | Trust Bank Investment Limited,     | Vice Chairman, Board of Directors (TBIL is a fully owned subsidiary of Trust Bank Limited) | Nominated     |
| Brig Gen K A R M Mostafa Kamal, ndc, psc               | Director (Nominated) | Trust Bank Limited                 | Director, Board of Directors                                                               | Nominated     |
|                                                        |                      | Army Welfare Trust                 | Managing Director                                                                          | Ex-Officio    |
|                                                        |                      | Trust Bank Investment Ltd          | Director, Board of Directors (TBIL is a fully owned subsidiary of Trust Bank Limited)      | Nominated     |
|                                                        |                      | Trust Technical Training Institute | Director, Board of Directors                                                               | Nominated     |
|                                                        |                      | Sena Hotel Development Ltd         | Director, Board of Directors                                                               | Nominated     |
|                                                        |                      | Sena Kallyan Sangstha              | Member, Management Committee                                                               | Nominated     |
|                                                        |                      | Army Housing Scheme(AHS)           | Managing Director                                                                          | Nominated     |



|                                           |                                          |                           |                                                                                       |                                  |
|-------------------------------------------|------------------------------------------|---------------------------|---------------------------------------------------------------------------------------|----------------------------------|
| Brig Gen Md. Mehdi Hassan, ndc, afwc, psc | Director (Nominated)                     | Trust Bank Limited        | Director, Director of Director                                                        | Nominated                        |
|                                           |                                          | Trust Bank Investment Ltd | Director, Board of Directors (TBIL is a fully owned subsidiary of Trust Bank Limited) | Nominated                        |
| Mr. Helal Uddin Ahmed                     | Independent Director (Nominated)         | Trust Bank Limited        | Director & Independent Directors, Board of Directors                                  | Depositor & Independent Director |
|                                           |                                          | Sabuj Unnayan Limited     | Director                                                                              | Proprietor/ Nominated Director   |
|                                           |                                          | Trust Bank Investment Ltd | Director, Board of Directors (TBIL is a fully owned subsidiary of Trust Bank Limited) |                                  |
| Mr. Ishtiaque Ahmed Chowdhury             | Director (Nominated)                     | Trust Bank Limited        | Managing Director & CEO                                                               | Service                          |
|                                           |                                          | Trust Bank Investment Ltd | Director, Board of Directors                                                          | Nominated                        |
| Mr. Abu Zafar Hedaytul Islam              | Director & Managing Director (Nominated) | Trust Bank Limited        | Deputy Managing Director                                                              | Service                          |
|                                           |                                          | Trust Bank Investment Ltd | Director, Board of Directors                                                          | Nominated                        |
| Mr. Shahud Ahmed                          | Director (Nominated)                     | Trust Bank Limited        | Senior Executive Vice President                                                       | Service                          |
|                                           |                                          | Trust Bank Investment Ltd | Managing Director (Acting)                                                            | Nominated                        |
| Mr. Zillur Rahim Chowdhury                | Director (Nominated)                     | Trust Bank Limited        | Senior Executive Vice President                                                       | Service                          |
| Mr. Akhlasur Rahman Bhuiyan               | Director (Nominated)                     | Trust Bank Limited        | Executive Vice President                                                              | Service                          |

|                                                                                                                                      | Status         |
|--------------------------------------------------------------------------------------------------------------------------------------|----------------|
| b. Significant contracts where company is a party and where in Directors have Interest                                               | Nil            |
| c. Shares issued to Directors and Executives without consideration or exercisable at discount                                        | Nil            |
| d. Related party Transactions                                                                                                        | Nil            |
| e. Lending Policies to related Parties                                                                                               | Not Applicable |
| f. Loan and advances to Directors and their related concern                                                                          | Nil            |
| g. Business other than banking business with any related concern of the Director as per section 18(2) of the Bank Companies Act-1991 | Not Applicable |
| h. Investments in the Securities of Directors and their related concern                                                              | Not Applicable |

### Schedule of Fixed Assets AS at 31 December 2014

| Particulars                        | Cost                            |                                | Disposal/<br>adjustment<br>during the<br>year | Balance<br>at 31<br>December<br>2014 | DEPRECIATION                       |                           |                                      | Written Down<br>Value As at<br>31 December<br>2014 |
|------------------------------------|---------------------------------|--------------------------------|-----------------------------------------------|--------------------------------------|------------------------------------|---------------------------|--------------------------------------|----------------------------------------------------|
|                                    | Balance on<br>1 January<br>2014 | Addition<br>during the<br>year |                                               |                                      | Balance<br>on 1<br>January<br>2014 | Charge<br>for the<br>year | Balance<br>at 31<br>December<br>2014 |                                                    |
| Office Renovation                  |                                 |                                |                                               |                                      |                                    |                           |                                      |                                                    |
| Interior Decoration                | 276478                          | -                              |                                               | 276,478                              | 6,738                              | 30,646                    | 37,384                               | 239,094                                            |
| Overhead Cabinet                   | 11200                           | -                              |                                               | 11,200                               | 158                                | 1,255                     | 1,413                                | 9,787                                              |
| Vertical Blind & Name Plate        | 16452                           | -                              |                                               | 16,452                               | 141                                | 1,853                     | 1,994                                | 14,458                                             |
| Office Equipment                   |                                 |                                |                                               |                                      |                                    |                           |                                      |                                                    |
| Photocopy Machine                  | 82000                           | -                              |                                               | 82,000                               | 3,999                              | 16,400                    | 20,399                               | 61,601                                             |
| Box Fan                            | 6500                            | -                              |                                               | 6,500                                | 295                                | 1,300                     | 1,595                                | 4,905                                              |
| Printer                            | 83500                           | 57,750                         |                                               | 141,250                              | 1,327                              | 21,131                    | 22,458                               | 118,792                                            |
| Computer & Computer<br>Accessories | 420600                          | 99,000                         |                                               | 519,600                              | 6,400                              | 90,630                    | 97,030                               | 422,570                                            |
| Air Conditioner                    | 23398                           | 92,800                         |                                               | 116,198                              | 308                                | 21,053                    | 21,361                               | 94,837                                             |
| UPS                                | -                               | 52,200                         |                                               | 52,200                               | -                                  | 9,181                     | 9,181                                | 43,019                                             |
| Fax Machine                        | -                               | 9,100                          |                                               | 9,100                                | -                                  | 394                       | 394                                  | 8,706                                              |
| Rack Server                        | -                               | 1,467,000                      |                                               | 1,467,000                            | -                                  | 227,485                   | 227,485                              | 1,239,515                                          |
| <b>Total</b>                       | <b>920,128</b>                  | <b>1,777,850</b>               |                                               | <b>2,697,978</b>                     | <b>19,366</b>                      | <b>421,328</b>            | <b>440,694</b>                       | <b>2,257,284</b>                                   |

## Intangible Assets

| Particulars          | Cost                            |                                | Disposal/<br>adjustment<br>during the<br>year | Balance<br>at 31<br>December<br>2014 | AMORTIZATION                       |                           |                                      | Written Down<br>Value As at<br>31 December<br>2014 |
|----------------------|---------------------------------|--------------------------------|-----------------------------------------------|--------------------------------------|------------------------------------|---------------------------|--------------------------------------|----------------------------------------------------|
|                      | Balance on<br>1 January<br>2014 | Addition<br>during the<br>year |                                               |                                      | Balance<br>on 1<br>January<br>2014 | Charge<br>for the<br>year | Balance<br>at 31<br>December<br>2014 |                                                    |
| Back Office Software |                                 | 1,000,000                      |                                               | 1,000,000                            | -                                  | 277,778                   | 277,778                              | 722,222                                            |
| <b>Total</b>         | -                               | 1,000,000                      |                                               | 1,000,000                            | -                                  | 277,778                   | 277,778                              | 722,222                                            |
| <b>Grand Total</b>   | <b>920,128</b>                  | <b>2,777,850</b>               |                                               | <b>3,697,978</b>                     | <b>19,366</b>                      | <b>699,106</b>            | <b>718,472</b>                       | <b>2,979,506</b>                                   |

Back office software will be amortized by 3 years. the amortization of the period represents ten months.



# Photo Gallery

15 th Annual General Meeting



Board of Directors at 15th Annual General Meeting of the Bank



Honorable Board of Directors with members of the Bank at 15th Annual General Meeting.



Hon'ble members giving their votes at 15th Annual General Meeting.



# Photo Gallery



*Attendance of the hon'ble Members at 15th Annual General Meeting.*



*Members of the Bank delivered their speech at the 15th Annual General Meeting.*



*Members of the Bank delivered their speech in the 15th Annual General Meeting.*



# Photo Gallery



*Attendance of the hon'ble shareholders at 15th Annual General Meeting.*



*Members of the Bank delivering their speech at the 15th Annual General Meeting.*

*Ishtiaque Ahmed Chowdhury, MD & CEO, DMD, SEVP & Senior official of Trust Bank Limited are seen on the occasion of USSD Services Introduction program.*







Ishtiaque Ahmed Chowdhury, Managing Director & CEO of Trust Bank Limited, Deputy Managing Director & Head of IC&C division at Half Yearly Managers Meeting 2014 at Kurmitola Golf Club.



Ishtiaque Ahmed Chowdhury, Managing Director & CEO of Trust Bank Limited, Deputy Managing Director along with Senior Executives of TBL are at Half Yearly Managers Meeting 2014 at Kurmitola Golf Club.



Ishtiaque Ahmed Chowdhury Managing Director & CEO of Trust Bank Limited inaugurated Banks Hobigonj Branch.



Ishtiaque Ahmed Chowdhury, Managing Director & CEO of Trust Bank Limited are seen at Agreement Signing Ceremony of "Collection of Insurance Premium" of Megna Life Ins. Co. Ltd through Trust Bank Mobile Money.



Executive Committee Members of the Board of Directors and senior management are seen in this picture at Agreement signing ceremony between Cadet Colleges and Trust Bank Limited regarding collection of various fees of all cadets through Trust Bank Mobile Money and Cards.



Ishtiaque Ahmed Chowdhury, MD & CEO of the Bank handing over the Statutory donation cheque for the year of 2015 to Central Shariah Board for Islamic Banks of Bangladesh to Secretary General Mr. AQM Saifullah Arif.



# At A Glance

Some products Of Trust Bank Limited





## Dhaka

### Principal Branch

98 Shaheed Sarani  
Dhaka Cantonment, Dhaka  
Direct- 02-8713282, 02- 8750298  
PABX- 02-8712751-3, Fax-02-8750276,

### SKB Branch

Sena Kalyan Bhaban,  
195 Motijheel C/A,  
Dhaka – 1000.  
Direct – 02-9561721  
PABX – 02-7126157, 02-7121263  
Fax- 02-7163977

### Momenshahi Cantonment Branch

32, Cantonment Road  
Sankipara, Kotwali, Mymensingh  
Direct- 091-62371

### Savar Cantonment Branch

Savar Cantonment, Dhaka  
PABX- 7791931, Fax-7791263

### Shaheed Salahuddin Cantt (SSC) Branch

Shaheed Salahuddin Cantonment  
Ghatail, Tangail  
Direct-09225- 56141

### Dhanmondi Branch

BGB Gate No.- 4, Pilkhana,  
Sat Masjid Road  
Dhanmondi, Dhaka  
PABX - 02-8623401, 9677553  
Fax-02-9677571

### Gulshan Corporate Branch

110 Gulshan Avenue  
Gulshan, Dhaka -1212  
Direct-02-886594,9886592  
PABX-02- 8828088,  
02-8815594,02-9862520,  
Fax- 9881508

### Dilkusha Corporate Branch

Peoples Insurance Bhaban,(1st Floor)  
36 Dilkusha C/A, Dhaka-1000  
Direct-02-9560944, 02-9561821  
Fax-9560793

### Radisson Water Garden Hotel Branch. (RWGH)

Airport Road, Zoar Shahara  
Dhaka Cantonment, Dhaka – 1206  
Direct- 02-8752065

### Millennium Corporate Branch

Shadhinata Tower  
Bir Sreshtha Shahid Jahangir Gate, Dhaka  
Cantonment, Dhaka- 1206  
Direct- 8812032, 8812028  
PABX-02-8712076, Fax-02-8712075

### Uttara Corporate Branch

House No.- 111/a  
Road No.-7, Sector-4, Uttara, Dhaka  
Direct – 02-7913335, 02-8921312  
PABX-02-7914658, 02-7914732  
Fax-02-8922650

### Mirpur Branch

Swapnapuri Holding No. 24, Main Road 3  
Block, Section – 11  
Mirpur, Pallabi, Dhaka  
Direct-02-9008218  
PABX-02-9008310, Fax-02-9008359

### Karwan Bazar Branch

EDB Trade Centre  
93 Kazi Nazrul islam Avenue  
(ground floor), Karwan Bazar, Tejgaon,  
Dhaka Direct-02-9126554  
PABX -02-8189602-3, Fax-9126544

### Joypara Branch

Azhar Ali Mozahar Ali Shopping Complex,  
Dohar, Dhaka  
Direct-7768097  
PABX -7768096, Fax-7768098

### Joydevpur Branch

Vaowal Point, Vill: Vogra, Up: Bason,  
Po: National University  
Thana: Joydevpur, Dist: Gazipur  
Direct - 02-9262852, PABX - 02-9262853  
Fax-02-9262859

### Narsingdi Branch

Salam Mansion  
Holding-13/9, Thana-Dist-Narsingdi  
Direct -02-9451684, PABX-02-9451686  
Fax-02-9451685

### Narayangonj Branch

1, Alam Khan Lane, Po+Thana: Narayangonj  
Dist: Narayangonj  
Direct-02-7648282, PABX-02-7648283  
Fax-02-7648208

### Kafrul Branch

Holding - 28, North Kafru  
Dhaka City Corporation,  
Thana- Kafrul, Dist- Dhaka  
Direct -02-8715457  
Fax-8715458, PABX- 87154859

### Tongi Branch

1st Floor of Senakallyan Commercial Complex  
Tongi Paurashova, Thana - Tongi  
Dist - Gazipur  
Direct - 02-9816721, PABX-02-9816722-3  
Fax-02-9816724

### Progati Sarani Branch

1st Floor of Ka- 74, Progati Sarani,  
Kuril Chowrasta, Dhaka  
PABX – 02-8412258, 02-8412245  
Fax Ext -203

### Ashulia Branch

1st Floor of Bhuiyan National Plaza- 1,  
Jamgara Chowrasta, Ashulia, Dhaka  
Direct – 02-7790843, Fax- 02-7790867



#### Elephant Road Branch

1 st Floor of M. R. Mansion 19  
Elephant Road, Dhaka  
Direct – 02-9614126, 02-9614127  
Fax -02-9611032

#### Rajendrapur Cantonment Branch

Holding no 551, Nayanpur, Mirzapur  
Ward no. 02, Police Station: Gazipur Sadar  
District: Gazipur PABX – 02-9201791-2  
Fax- 02-9201790

#### Khawja Garib Newaz Avenue Branch, Dhaka

1st Floor of Plot no 36 Khawja Gharib  
Newaz Avenue, Sector- 11, Uttara,  
Dhaka  
Direct -02-7914667, PABX 02-7914666  
Fax-02-7914668

#### Banani Branch, Dhaka

1st Floor of dalta Dahlia Complex,  
36, Kamal Ataturk Avenue, Dhaka  
PABX- 02-9863053, 02-9863107  
Fax-02-9884927

#### Kishoreganj Branch

1st Floor of Hajee Abdul Majid Munshi Building,  
Ishakhan Road, Terripatty, Bara Bazar,  
Kishoreganj  
Direct- 0941-62609  
Fax-0941-62615

#### Bhairab Branch

Ground Floor, Holding # 173,  
Kali Bari Road, Bhairab Bazar,  
Bhairab, Kishoreganj  
Direct-02-9471501, Fax-02-9471500

#### Keraniganj Branch

1st Floor, Azhar Plaza, Ferry Ghat, Bus  
Road,  
Zinjira, Keraniganj, Dhaka  
Direct-02-7764267, 02-7764268

#### Gopalganj Branch

1st Floor of Holding no. 172, Adhunik  
Shamobay Biponi,  
Puratan Bazar Road, Gopalganj  
Direct- 6681166, Fax-6681188

#### Faridpur Branch

M K Shopping Complex, Holding no-15/18,  
Faridpur Sadar, Faridpur  
Direct-0631-65249

#### Dhamrai Branch

1st Floor of Siddique Super Market,  
Holding# A-29, Dhamrai Pourashava,  
Dhamrai, Dhaka  
Direct-7731026, Fax-7731027

#### Sreenagar Branch

1st Floor, M Rahman Complex,  
Sreenagar Bazar, Bhagyakul Road,  
Sreenagar, Munshiganj  
Mobile – 01755636238

#### Patuatyuly Branch

1st Floor, Lucky Mansion, 70/A, Patuatyuly,  
Katwali, Dhaka  
Mobile- 01713201661

#### Mohakhali Branch

Holding No 100 (1st floor)  
Bir Uttam AK Khandaker Road,  
Mohakhali C/A, PS- Banani, Dhaka-1212  
Direct - 02-9881750  
PABX: 02-9881350, 02-9881360  
Fax: 02-9881350, 02-9881360, EXT- 100

#### Bhedorgonj Branch

1st floor of SEBA Tower  
Shaheed Mohiuddin Sarak  
Bhedarganj pourashava,  
PS- Bhedarganj, Sariatpur  
Mobile- 01730304864

#### Matuail Branch

1st Floor, Mainuddin Bhaban  
Saddam Market, South Matuail  
Kadamtali, Dhaka-1213  
Mobile- 01730091692

#### Kanchpur Branch

Sonargoan Mega Shopping Complex (1st Floor),  
Kanchpur, Sonargoan, Narayanganj.  
Mobile- 01755540561

#### Shambhugonj Branch

1st Floor of Hazi Nurul Islam Tower  
Sambugonj Main Road, Shambhugonj  
Mymensingh.  
Mobile- 01755690426

#### Kakrail Branch

38, Kakrail, Inner Circular Road  
Bijoy Nagar, Dhaka.  
Mobile- 01713335793

#### Bangabandhu Bridge Shaheed Salauddin (BBSS) Cantonment Branch

Bhuapur, Tangail  
Mobile- 01755690429

### Chittagong

#### Comilla Cantonment Branch

Comilla Cantonment, Comilla  
Direct-081-65005, PABX – 081-65004  
Fax-77023

#### Chittagong Cantonment Branch

Chittagong Cantonment, Chittagong  
Direct – 031-683680,  
PABX – 031-2581170-71, Fax- 25811722

#### Agrabad Branch

Rafique Tower, 92 Agrabad C/A  
Chittagong.  
PABX- 031- 2524462-3, 2514708-9  
Direct -031- 2524461, Fax-715791

#### Khatungonj Branch

205, Main Road,  
Plot No. – 218, Khatungonj, Chittagong  
Direct-031-2861718  
PABX-031- 627860, 285235-6  
Fax-2861719

#### CDA Avenue Branch

Holding No.1837(New)  
Elite House (1st and Ground Floor)  
CDA Avenue, Chittagong  
Direct – 031-2550938  
PABX-031- 2550936-7, 2553091-4  
Fax -2550939

#### Halishahar Branch

Holding No.-2030/A, Block –G  
Road No.-3, Plot 2, Bara Pul, Port  
Connecting Road, Chittagong  
Direct-031-2512593,  
PABX – 031-2512592  
Fax-2512591

#### Naval Base Branch

BNS Isha Kha  
Naval Base Anchor Building  
(1st Floor), Potenga, Chittagong  
PABX – 031-741833, 031-741834  
Fax-741831

#### Feni Branch

Kazi Centre (Ground Floor)  
Holding No.-106,  
A.S.K Road, Feni  
Direct-0331- 63535, PABX-0331-63536  
Fax – 0331-63537

#### Jubilee Road Branch

Royal Tower, Jubilee Road  
Chittagong, City Corporation  
Thana- Kotwali, Chittagong  
Direct – 031-2857212  
PABX – 031-2859061-2  
Fax-031-285713

#### Ashugonj Branch

Mouza : Char Char Tala  
Up : Char Char Tala  
Thana: Ashugonj, Dist: Brahmanbaria  
Direct – 0852-874026  
Fax-0852-874027



### Amirabad Lohagara Branch

Best Chowdhury Plaza, Amirabad,  
Lohagara, Chittagong  
Direct – 03034-56612, Fax-03034-56349

### Chowmuhuni Branch

Feni Road, Holding # 309,310  
Chowmuhuni Paurashova  
Thana – Begumgonj, Dist- Noakhali  
Direct – 0321-54192, 0321-54193  
Fax – 0321-54194

### Cox's Bazar Branch

1st Floor of Degenta Annexure Complex,  
Cinema Hall Super Market  
Bazar Ghat Cox's Bazar  
Direct – 0341- 52108, PABX – 0341- 52109  
Fax-52110

### Kadamtali Branch

1st & 2nd Floor of Royal Plaza, 431, DT Road,  
Kadamtali Bus Station, Kadamtali, Chittagong  
Direct – 031-2529951  
PABX- 2529953, 2529954, Fax-2529952

### Rangamati Branch

1st Floor of SR Tower  
107, Shahid Abdul Rashid Sarak,  
Banarupa, Rangamati  
Direct-0351- 61885-6, 0351-61932

### Comilla Branch

1st & 2nd floor of Omori Mansion Badurtala 1st Lane,  
Kandirpar, Comilla  
PABX – 081-64249 , Fax – 081-64250

### Khagrachari Branch

Mahdi Complex (Ground floor), Santinagar,  
Changi Square, PS-Khagrachari Sadar  
Direct-0371-61370, PABX- 0371-61390  
Fax-0371-61374

### Bandarban Branch

1st Floor of Chairman Market  
Bandarban Bazar Fund,  
Plot no 240 @, PS- Bandarban Sadar,  
Bandarban Hill Tracts  
Direct-0361- 63204, PABX- 0361-63205  
Fax-63206

### Dewan Bazar Branch

Iqbal Tower (1st Floor), 85/86 Dewan Bazar  
Nawab Sirajuddowla Road, Chittagong  
Direct-031-2869825, Fax-031-2869826

### Titas Branch

Bhai Bhai Italian Plaza (1st floor)  
Karikandi Bazar, PS- Titas, Comilla  
Mobile- 01730304862

### Maligaon Branch

Maligaon, Daudkandi, Comilla  
Mobile- 01713010894

### Chandpur Branch

1st Floor of Notun Bazar Super Market, Chandpur  
Mobile- 01713012561

## Rajshahi

### Bogra Cantonment. Branch

Bogra Cantonment , Bogra  
PABX – 051- 82032, 82033

### KYAMCH(KhajwaYounus Ali Medical College & Hospital) Branch

Khajwa Younus Ali Medical College & Hospital  
Enayetpur, Sirajgonj  
Direct - 0751- 63897, PABX- 0751-63761-3  
Fax-63898

### Rajshahi Branch

1st floor of Dainik Bartta Complex, Alupatty,  
Ghoramara, Rajshahi  
Direct - 0721- 770958  
PABX-0721-774051, 770655,  
Fax - 0721-772820

### Dayarampur Branch, Natore

1st Floor of MK Shopping Complex  
Doyarampur Bazar  
Kadirabad Cantt Road, Doyarampur.  
Direct - 07722-72351, Fax - 07722-72351

### Dashuria Branch

Abdul Khalaque Market(1st Floor)  
Dashuria, Ishwardi, Pabna.  
Mobile- 01755690421

## Khulna

### Jessore Cantonment Branch

Jessore Cantonment, Jessore  
PABX- 0421-61043

### Khulna Branch

Sena Kallayan Bhaban, 1, KDA Avenue,  
Khulna City Corporation, Thana: Sonadanga,  
Dist: Khulna  
Direct - 041-2831570, PABX-041-2831571-2  
Fax-041-2831573

### Mongla Branch

1st Floor of BN School & College Campus  
PS-Mongla,, Bagerhat  
Direct-04662-75395, Fax-75396

### Munshiganj Branch

Vill: Munshiganj, PO-Kalinagar  
PS-Shyamnagar, Satkhira  
Mobile-01755552689

### Jahanabad Cantonment Branch

Cinema Hall Complex,  
jahanabad Cantonment,  
Gilatala, Fultala, Khulna  
Direct -041-785100, 785101  
Fax- 785102

### Jhenadah Branch

Ground Floor, Holding # 54  
Jhenaidah Sadar, Jhenaidah

(Adjacent to Shishu Kunjo School & College  
inside Jhenaidah Cadet College campus)

Direct- 0451-61316

Fax-61317

### Kushtia Branch

1st floor of Shatabdi Bhaban  
Holding No- 92/A  
Nabab Siraj-Ud- Doula Road  
PS-Kushtia Sadar, Kushtia  
PABX - 071-73218, Fax: 071-73851

### Bagerhat Branch

7/2, Khan Jahan Ali Road (1st Floor)  
Bagerhat Sadar, Bagerhat.  
Mobile- 01787672377

## Sylhet

### Jalalabad Cantonment Branch

Jalalabad Cantonment, Sylhet  
Direct- 0821 - 2870115  
Fax - 0821-2872135

### Sylhet Corporate Branch

BMA Bhaban, (1st Floor, Basement Floor)  
Chouhatta, Kotwali, Sylhet  
Direct - 0821-727531  
PABX - 0821-719063.  
Fax – 0821 -719139

### Beani Bazar Branch

Al-Amin Super Market, College Road  
Beani Bazar, Sylhet  
Direct - 08223-56008  
Fax - 08223-56009

### Moulvi Bazar Branch

Holding No.-10, Court Road  
Chowmohona,  
Kotowali, Moulvibazar  
Direct - 0861-62981  
PABX - 0861-62883  
Fax - 0861-62884

### Goalabazar Branch

Hazi Nasib Ullah Market, (1st Floor)  
Main Road, Goalabazar  
Osmani Nagar, Sylhet  
Direct - 08242-56297  
Fax - 08242-56327

### Shahjalal Upa-Shahar Branch

Syed Plaza, Plot No:1, Block-D  
Shahjalal Housing Estate  
Sylhet City Corporation, Thana-Kotwali, Sylhet  
Direct - 0821-727691, Fax - 0821-727692

### Madina Market Branch

Hoque Mansion (1st floor) Holding No-711  
Modina market, Pathantula, Sylhet  
Direct - 0821-721811, Fax - 0821-721811

### Golapganj Branch

1st Floor of Rahman Shopping Complex  
Holding No-76, PS- Golapganj, Sylhet  
Direct - 08227-56077, Fax: 08227-56078

### Hobiganj Branch

Mannan Shopping Center  
Badiuzzaman Khan Road  
Habiganj Sadar, Habiganj.  
Mobile - 01755690420

## Rangpur

### Rangpur Cantonment Branch

Rangpur, Cantonment, Rangpur  
Direct - 0521 – 66653, Fax - 67371

### Saidpur Cantonment Branch

1st floor of Shaheed Sarani Market  
Airport Road, Saidpur Cantonment  
Saidpur, Nilphamary.  
Direct -05526-73631, Fax - 73630

### Bir Uttam Shaheed Mahbub Cantonment Branch

Cantonment Board Market,  
Bir Uttam Shaheed Mahbub Cantonment,  
Dinajpur Mobile -01755552688

### Auliapur Branch

VII: Auliapur, PO: Pulhat, Bisic Road  
PS–Sadar, Dinajpur.  
Direct-0531-66629, Fax: 0531-66635

### Lalmonirhat Branch

1st floor of Simanto Shopping Complex  
Holding No- 755, Misson More Zero Point,  
PS- Lalmonirhat Sadar, Lalmonirhat  
Direct - 0591-62092, Fax - 0591-62090.

### Shathibari Branch

1st Floor of Atique Market, Shathibari Bazar  
PS- Mithapukur, Rangpur.  
Mobile - 01730304863, Fax: 0522- 556314

## Barisal

### Barisal Branch

Ground Floor of S Rahman Marker  
78, Sadar Road, Barisal City Corporation Area  
Barisal  
Direct -0431-64506, PABX- 0431-2177324  
Fax - 0431- 2177323

## SME/Krishi Branches and Service Center

## Dhaka

### Mirer Bazar SME/Krishi Branch

Salam Complex, Mirer Bazar Chowrasta  
(Tongi Kaligonj Road ) Union – Pubail  
Thana – Gazipur Sadar, Dist- Gazipur  
Direct - 02-9816765  
Fax – 02-9816766

### Madhabdi SME/Krishi Branch

R M Building - 3, Phalpatri Road  
Pourasava – Madhabdi , Thana –  
Madhabdi  
Dist- Narsingdi Direct - 02-9446806  
Fax- 02-9446807

### Manikgonj SME/Krishi Branch

1st Floor of Anjoli Super Market, 75,  
Shaheed Rafique Sarak, Kali Bari,  
Manikgonj Direct -02-7711061, 02-  
7711058 Fax-7711067

### Dholaikhal SME Service center

31/1, Lal Mohan Saha Street, Dholaikhal,  
Dhaka Direct – 02-9571362  
Fax- 02-9571362

## Rajshahi

### Tamai SME/Krishi Branch

Protigga Banijjik BhabanUP –Vangabari  
Thana – Belkuchi, Dist- Sirajgonj Direct  
- 07522-56357  
Mobile - 01730334646

### Natore SME/ Krishi Branch,

1st Floor of Shahara Plaza, Kanai Khali  
Natore Sadar, Natore  
Direct - 0771-66889, 66916  
Fax- 0771-66942



Head Office & Registered Office:  
Shadhinata Tower, Bir Srestha Shaheed Jahangir Gate, Dhaka Cantonment  
Dhaka – 1206  
www.trustbank.com.bd

## Notice of the 16<sup>th</sup> Annual General Meeting

Notice is hereby given that the 16th Annual General Meeting of Trust Bank Limited will be held on Monday, 30 March, 2015 at 11.00 am. at Trust Milonayaton, 545, Old Airport Road Dhaka Cantonment, Dhaka to transact the following business:

### AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31 December 2014 including approval of transfer of an amount not exceeding 5% of total income to Special Reserve Fund together with the Directors' and Auditors' Report thereon.
2. To declare Dividend for the year ended 31 December 2014 as recommended by the Board of Directors.
3. To elect/re-elect/approve the appointment of Directors (including Independent Director).
4. To appoint/re-appoint Auditors and fix their remuneration for the financial year 2015.

08 March, 2015

By order of the Board of Directors

**Khaled Mahbub Morshed, FCA**

Company Secretary

### Notes:

- a) The Record Date of AGM is 15 March, 2015. The members whose names will appear in the Register of Members of the Company on Record Date are eligible to attend the meeting and vote thereat.
- b) Members are requested to update the particulars of their Bank Account, change of address and BO ID with 12 Digits Taxpayer's Identification Number (e-TIN) through Depository Participants (DP) before the "Record Date". If the Members fail to update their e-TIN before the "Record Date" Income Tax at source will be deducted from payable Dividend @ 15% (Fifteen percent) instead of @ 10% (Ten percent) as per amended Income Tax Ordinance 1984 under Section 54.
- c) Any Member of the Company entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote on his/her behalf. A Member being a corporation or company may appoint its representative, duly appointed and authorized, to attend and vote on its behalf.
- d) The Proxy Form, duly signed by the Member and stamped by the Revenue Stamp of TK. 20.00 (Twenty) each, must be submitted at the Share Department of the Company at any time not less than 72 hours before the time fixed for the meeting.
- e) Attendance Slip and Proxy Form along with the Notice will be sent to the entitled Member by post/courier. These can also be collected, if so required, from the Share Department or the website of the Bank: www.trustbank.com.bd.

**Special Note: In compliance with the Bangladesh Securities & Exchange Commission's Circular No.SEC/CMRRCD/2009/193/154 dated 24 October 2013, no gift/food box will be distributed at the 16<sup>th</sup> AGM.**



Head Office & Registered Office:  
Shadhinata Tower, Bir Srestha Shaheed Jahangir Gate, Dhaka Cantonment  
Dhaka – 1206, Bangladesh  
www.trustbank.com.bd

### PROXY FORM

I/We.....of.....  
.....being a member of Trust Bank Limited, do hereby appoint Mr. /Ms.....  
of..... as my/ our PROXY to attend & vote on my/our behalf at the 16th  
Annual General Meeting of the Company to be held on Monday, 30 March, 2015 at 11.00 am. at Trust Milonayaton,  
545, Old Airport Road Dhaka Cantonment, Dhaka and at any adjournment thereof.  
As witness my/our hand this ..... day of ..... 2015.

Signature of Shareholder(s).....

.....Signature of PROXY.....

No. of Shares held .....

|           |  |
|-----------|--|
| Folio No. |  |
|-----------|--|

|           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| BO ID No. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

Revenue  
Stamp  
Tk.20.00

*Note: A member entitled to attend at the Annual General Meeting may appoint a PROXY to attend in his/her behalf. The Proxy Form, duly stamped, must be deposited at the Share Department of the Company at least 72 hours before the scheduled time of the meeting. Signature of the Member should agree with the specimen signature registered with the Company/CDBL*

Signature Verified

.....  
Authorized Signatory



Head Office & Registered Office:  
Shadhinata Tower, Bir Srestha Shaheed Jahangir Gate, Dhaka Cantonment  
Dhaka – 1206, Bangladesh  
www.trustbank.com.bd

### ATTENDANCE SLIP

I do hereby record my attendance at the 16th Annual General Meeting of the Company being held on Monday, 30 March, 2015 at 11.00 am. at Trust Milonayaton, 545 Old Airport Road Dhaka Cantonment, Dhaka

|                               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Name of the Shareholder/Proxy |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Folio No.                     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| BO ID No.                     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Contact No.                   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

.....  
Signature of Shareholder/Proxy

.....  
Signature verified by

*Notes: Please deposit this Slip at the Reception Desk. Children and non-Shareholders will not be allowed at the meeting.*

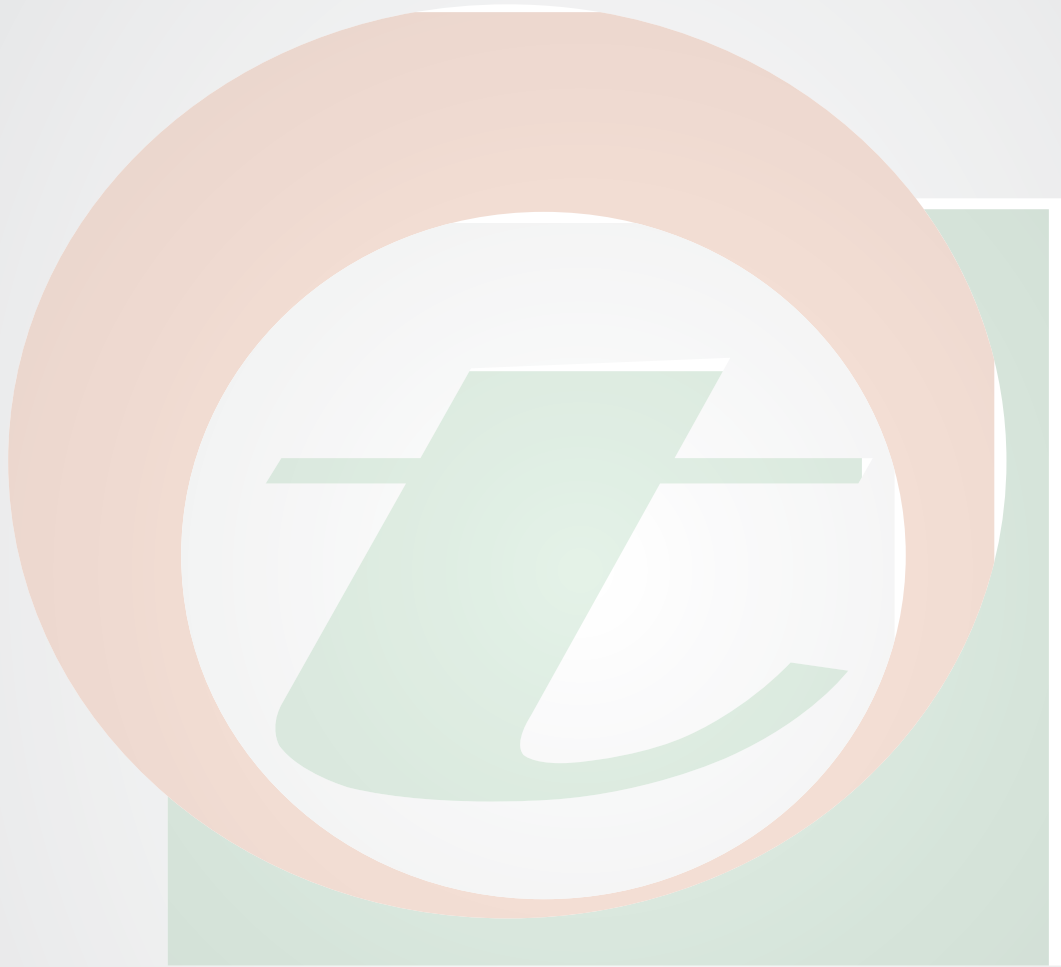




## Notes







## **Trust Bank Limited**

Head Office & Registered Office:

Shadhinata Tower, Bir Srestha Shaheed Jahangir Gate, Dhaka Cantonment  
Dhaka – 1206, Bangladesh

Tel: 02-9850635, 02-9850638. Fax: 02-9850651

Email: [info@trustbanklimited.com](mailto:info@trustbanklimited.com), web: [www.trustbanklimited.com](http://www.trustbanklimited.com)