



...the Green Way of Banking

Annual Report 2012



Trust Bank
A Bank for Financial Inclusion

ট্রাস্ট ব্যাংক
সবসময়, সবখানে, সবার জন্য

Rationale of the Cover

Taking the environmental and climate change effect into consideration in what we, Trust Bank, do is for sustainable development of living beings. So, too is extending that sentiment to some of the more unlikely facets of our daily lives. Banking and finances is probably one of the areas, you might not think, you can do anything about, but, there's a surprising amount that you can do to ensure that your money and finances are being managed in a green and ethical way to live lively.

Green banking as a term covers almost all areas, but in general refers to how environmentally friendly your bank, Trust Bank, is, and how responsive to Green and Good Globe.

The cover of our Annual Report is a reflection of that; we're taking a look at green banking with trust, including exactly how green your bank is for you and your society.

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 2012

Dear Sir,

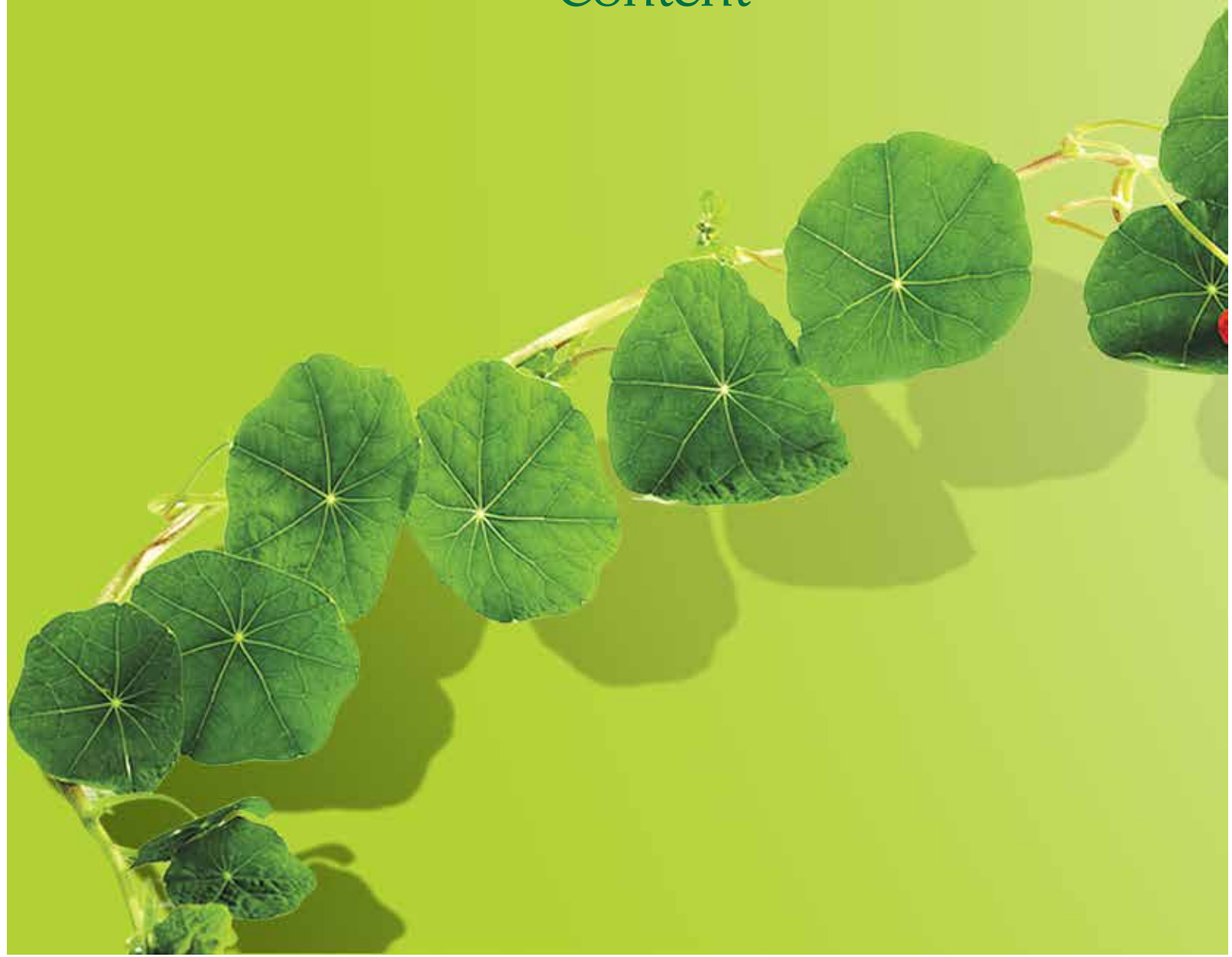
We are pleased to present before you a copy of the Annual Report along with Audited Financial Statements including consolidated and separate balance sheet as on 31 December 2012, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement for the year ended 31 December 2012 with the notes thereto of Trust Bank Limited (TBL) and its subsidiaries- Trust Bank Investment Limited (TBIL). We have also enclosed separate Financial Statements of subsidiary company Trust Bank Investment Limited (TBIL).

Yours Sincerely,



Khaled Mahbub Morshed, FCA
Company Secretary

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Vision

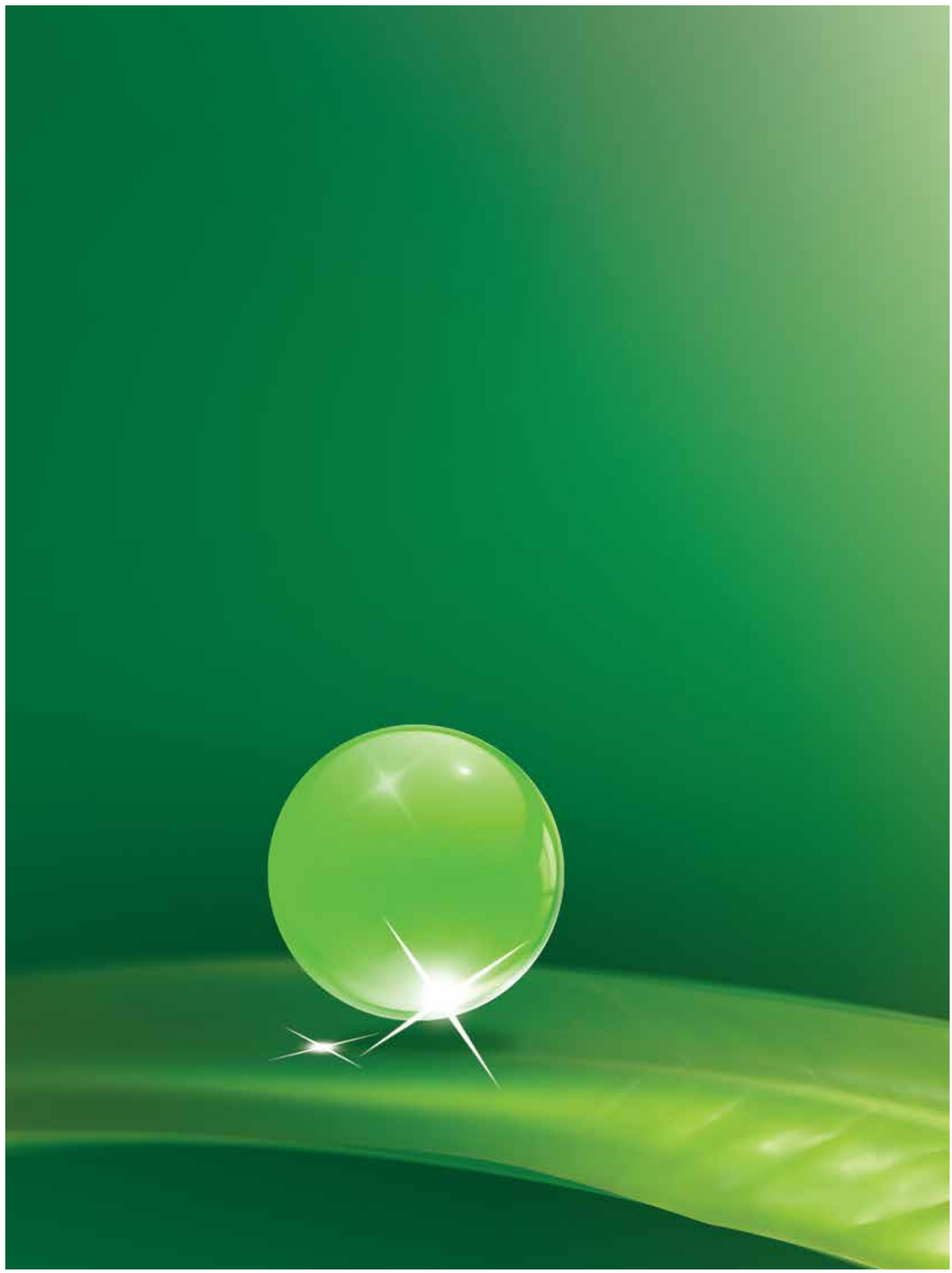
Build a long-term sustainable financial institution through financial inclusion and deliver optimum value to all stakeholders with the highest level of compliance.





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

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

This is how we Grow

সমৃদ্ধি

অনেকের কাছে সমৃদ্ধি মানে শুধুই নিজের উন্নতি
আমাদের কাছে এটি আপনার অবিরাম এগিয়ে চলা



থাকুন আপনার আস্থায় আমাদের সাথে।

করপোরেট ব্যাংকিং | ইনভেস্টমেন্ট ব্যাংকিং | এসএমই ব্যাংকিং
রিটেইল ব্যাংকিং | মোবাইল ব্যাংকিং | ইসলামী ব্যাংকিং



 **Trust Bank**
A Bank for Financial Inclusion

ট্রাস্ট ব্যাংক
সবসময়, সবখানে, সবার জন্য

Disclaimer on Forward Looking Statements

This report contains forward-looking statements that reflect management's plans, estimates 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, mass affluent and 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 but not limited by 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.





Company Milestones

Date	Events
17 June 1999	: Registration number, C-37960(2260)/99
17 June 1999	: Date of Incorporation
17 June 1999	: Date of Commencement of Banking Operations
15 July 1999	: Banking License Received
09 August 1999	: First Branch License Received
29 November 1999	: Formal Inauguration
17 May 2007	: Publication of Prospectus
15 July 2007	: Subscription Opening
19 July 2007	: Subscription Closing
January 2007	: Online Banking Operations across all the Branches
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
06 June 2012	: Authorized Share Capital Increased to BDT 1,000 Crore
14 November 2010	: Commencement of Investment Banking Operations
27 January 2010	: TBL Mutual Fund Trading Started
09 September 2010	: Established Trust Bank Investment Limited, a 99.99% owned subsidiary, to do merchant Banking operations
30 November 2011	: TBL shares denominated to Tk. 10 per share with market lot of 500 shares first traded in the DSE
28 November 2012	: Membership of DSE to wholly owned subsidiary Trust Bank Securities Limited (TBSL)- (Proposed)

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

Email: info@trustbanklimited.com

Company Secretary

Mr. Khaled Mahbub Morshed, FCA

Chief Financial Officer

Mr. Khaled Mahbub Morshed, FCA

Head of Internal Control & Compliance

Mr. Md. Amir Hossain Khan (Current Charge)

Auditors

M/S ACNABIN, Chartered Accountants

BDBL Bhaban (13th Floor), 12 Kawran Bazar, Dhaka-1215

Corporate Governance Certificate Issuer

M/S. K. M. HASAN & CO.

Chartered Accountants

Home Town Apartment (8th & 9th Floor)

87, New Eskaton Road, Dhaka-1000

Tax Consultant

M/S ADN Associates

Kaizuddin Tower (8th floor), 47 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

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

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

Performance at a Glance

Figure in Million



Figure in Million



Figure in Million

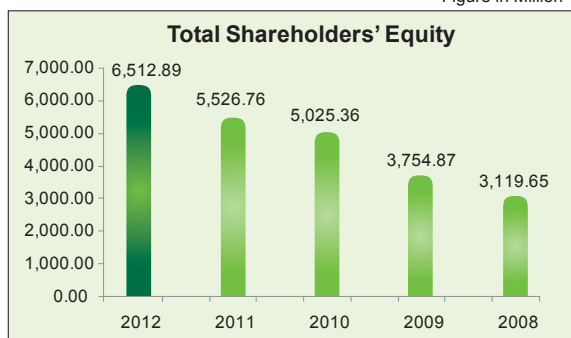


Figure in Million

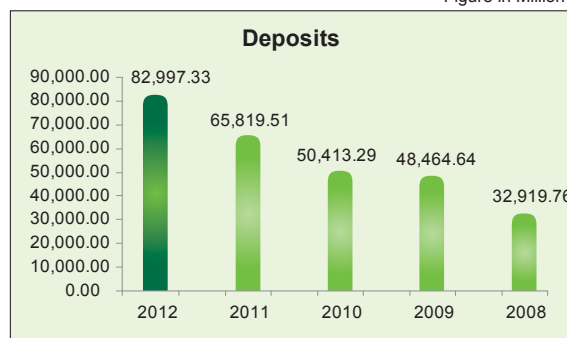


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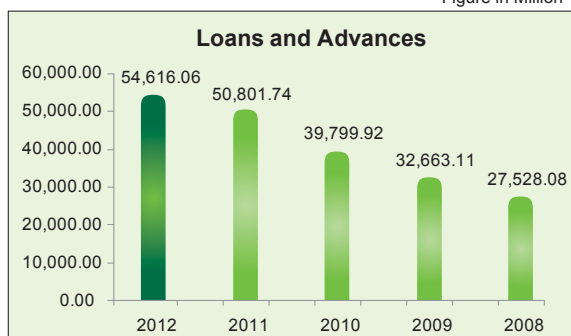


Figure in Million



Figure in Million

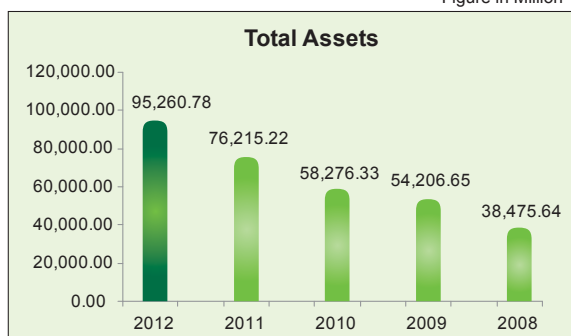


Figure in Million



Figure in Million



Figure in Million

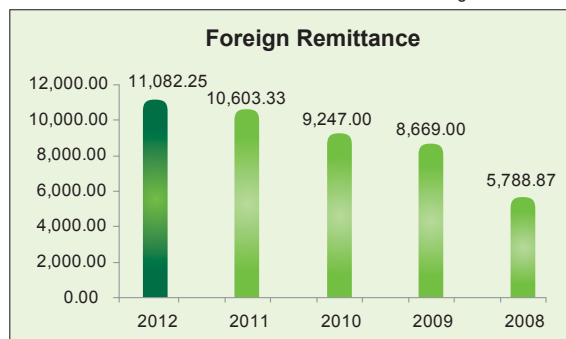


Figure in Million



Figure in Million

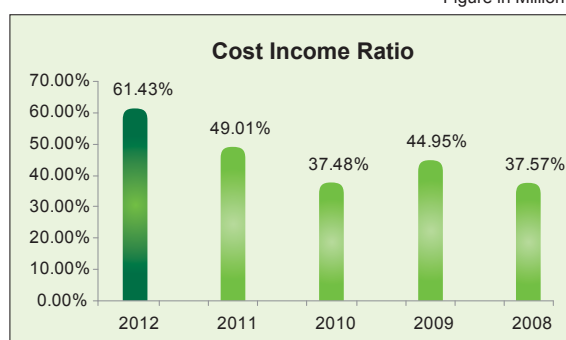


Figure in Million



Figure in Million

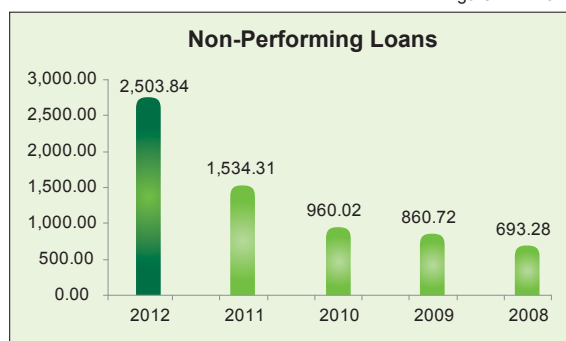


Figure in Billion

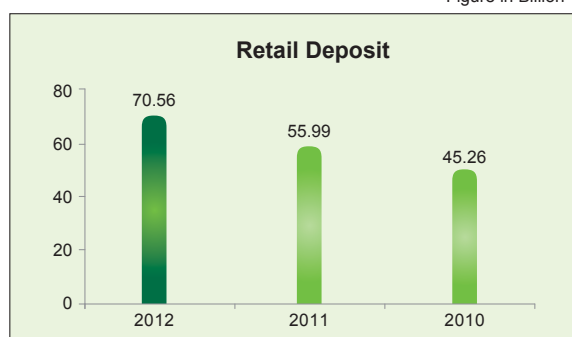
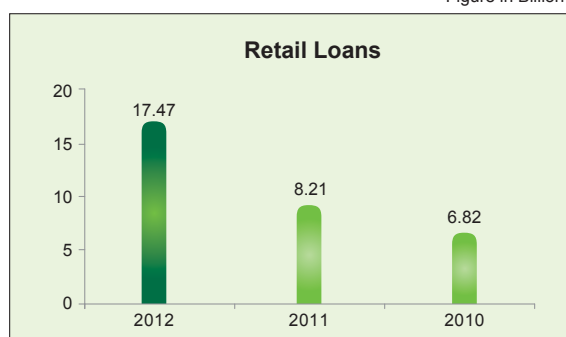
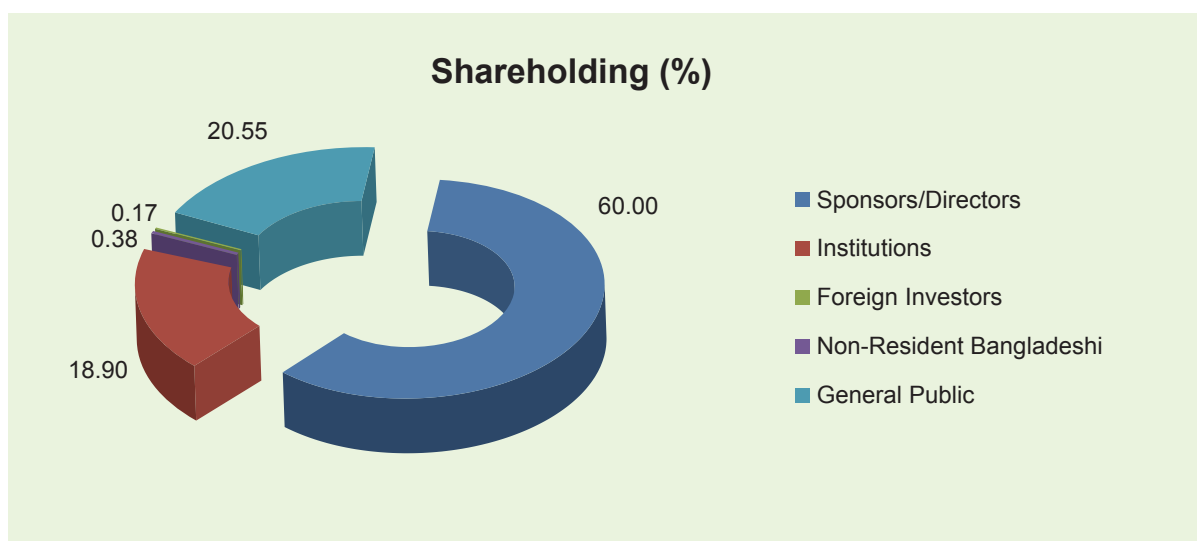
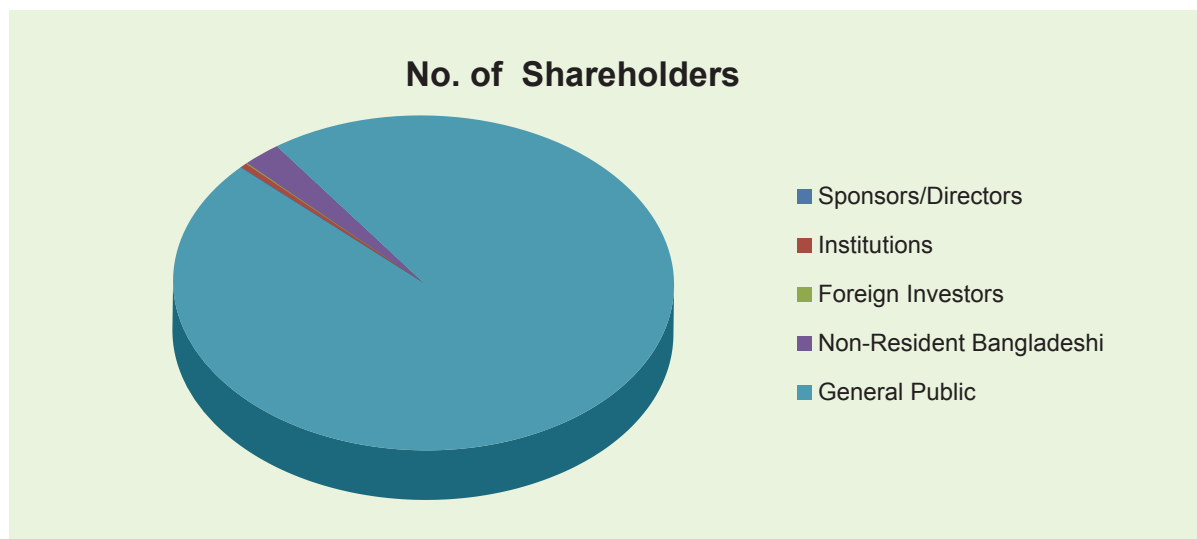


Figure in Billion



Our Shareholders







Board of Directors



General Iqbal Karim Bhuiyan
psc
Chairman



Maj Gen Ashraf Abdullah Yussuf
rds, afwc, psc
Vice Chairman



Brig Gen K A R M Mostafa Kamal
ndc, psc
Director



Brig Gen Tushar Kanti Chakma
ndc, psc
Director



Begum Rokeya Din
General Shareholders' &
Independent Director



Helal Uddin Ahmed
Depositor &
Independent Director



Brig Gen Md Emdad-Ul-Bari
psc, te
Director



Brig Gen Md Akbar Hossain
afwc, psc, G+
Director



Ishtiaque Ahmed Chowdhury
Managing Director & CEO

Biography of the Board of Directors



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

General Iqbal Karim Bhuiyan, 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 Commander 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 Ashraf Abdullah Yussuf, rcds, afwc, psc
Adjutant General, Bangladesh Army
Vice Chairman, Trust Bank Limited

Major General Ashraf Abdullah Yussuf, rcds, afwc, psc was commissioned in the Corps of Infantry from Bangladesh Military Academy in 1979. He is a graduate of Defense Services Command and Staff College, Mirpur. He attended Armed Forces Warfare Course at National Defense College and recently graduated from Royal College of Defense Studies, UK.

Besides Masters in Defense Studies and Masters in War Studies, he is also Masters in Social Science in Political Science and Masters in International Studies from King's College, University of London. He served as Military Observer of United Nations Iraq-Kuwait Observation Mission in Kuwait and Chief of Staff of United Nations Operation in Ivory Coast.

The General served as Executive Chairman of Bangladesh Export Processing Zone Authority (BEPZA), Director General of Special Security Force and General Officer Commanding of 9 Infantry Division. He is presently serving as Adjutant General of Bangladesh Army.



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.



Brigadier General Tushar Kanti Chakma, ndc, psc
Director

Brigadier General Tushar Kanti Chakma, ndc, psc was commissioned in Armoured 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 is also a graduate of Armed Forces Staff College in Malaysia. He was served in United Nations Observer Mission in Congo & Somalia. He attended courses both at home and abroad. Now he is serving as Director, Armoured Corps at Army Headquarters. He has been appointed as Director, Trust Bank Limited since 06 April 2009.



Ms. Begum Rokeya Din
General Shareholders' & 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. Now she is the Chairman of the Audit Committee of the Bank.

Ms. Rokeya Din 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 Custom, Excise and VAT Appellate Tribunal 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.



Brigadier General Md Emdad-UI-Bari, psc, te
Director

Brigadier General Md Emdad-UI-Bari joined Bangladesh Army as commissioned officer in the year of 1985. He holds Masters Degree in Defence Studies completed from Defence Services Command and Staff College, under National University, Bangladesh and a Bachelor Degree on Tele Communication Engineering from Military College of Signals, Pakistan. He also completed War College Course from France and Joint Services Staff Course from Defence Services Command and Staff College, Mirpur, Dhaka. Presently he is Commander, 86 Independent Signal Brigade, Bangladesh Army. He was appointed Director of Trust Bank Limited on 10 September 2012.



Brigadier General Md Akbar Hossain, afwc, psc, G+
Director

Brigadier General Md Akbar Hossain, afwc, psc, G+ was born in 1965 and was commissioned in Bangladesh Army on 20 December 1985. Later, he successfully attained his military training in the Artillery Centre and School (AC&S), Defence Services Command and Staff College (DSCSC), Bangladesh Institute of Peace Support Operation and Training (BIPSOT) and National Defence College (NDC). His overseas training includes International Intelligence Fellows Program (IIFP) at National Intelligence University of Washington DC, USA and China Language Education Course, Beijing, China.

As a Knowledge seeking military leader, Brigadier General Md Akbar Hossain completed his Masters in Defence Studies and Master of War Studies from the National University.

Presently, he is serving as the Officiating Director General of Directorate General of Forces Intelligence.



Mr. Ishtiaque Ahmed Chowdhury
Managing Director & CEO

Mr. Ishtiaque Ahmed Chowdhury was appointed as a Managing Director & CEO of the Bank on 04 February 2013. He has been working since October 2003 at Trust Bank Limited as Senior Executive Vice President and in June 2005 he was elevated to the position of Deputy Managing Director of the Bank. He took over the responsibility of Managing Director (current charge) of the Bank on 02 December 2012.

After completing his B.A (honors), M.A. in political science & L.L.B from Dhaka University, Mr. Chowdhury began his banking career as Probationary Officer in Rupali Bank in the year 1977. He switched to AB Bank Ltd. in the year 1984 and worked there till September 2002 in different capacities. He was Chief Manager of karwan Bazar & Motijheel Corporate Branch of AB Bank Ltd.

Prior to joining at Trust Bank Limited, he was Executive Vice President & Regional Manager at four mid city branches of Oriental Bank Limited (present ICB Islamic Bank Limited). During the banking career, Mr. Chowdhury attended numerous trainings, seminars and workshops on different aspects of banking held in the country and abroad.

Apart from that, Mr. Chowdhury is Secretary General of Association of Bankers Bangladesh (ABB), Treasurer of Childhood Cancer Society. He is the life member of Dhaka University Alumni Association, Gulshan Society and Jalalabad Association. He is the permanent Member of Dhanmondi Club Limited and Station Club Limited, Sylhet. He is also distinguished member of Rotary Club and he was charter President of Rotary Club of Jahangirnagar, Dhaka.

Executive Committee Members

1. Maj Gen Ashraf Abdullah Yussuf, rcds, afwc, psc	Chairman
2. Brig Gen KARM Mostafa Kamal, ndc, psc	Member
3. Brig Gen Tushar Kanti Chakma, ndc, psc	Member
4. Ms. Begum Rokeya Din	Member
5. Mr. Ishtiaque Ahmed Chowdhury	Managing Director & CEO
Mr. Khaled Mahbub Morshed, FCA	Secretary

Audit Committee Members

1. Ms. Begum Rokeya Din	Chairman
2. Brig Gen KARM Mostafa Kamal, ndc, psc	Member
3. Mr. Helal Uddin Ahmed	Member
4. Brig Gen Md Emdad-UI-Bari, psc, te	Member
Mr. Khaled Mahbub Morshed, FCA	Secretary



Senior Executives

Sl.	Name of Executives	Designation
1	Mr. Ishtiaque Ahmed Chowdhury	MD & CEO
2	Mr. M. M. Haikal Hashmi	DMD
3	Mr. Abu Zafar Hedaytul Islam	SEVP
4	Mr. Abul Kalam	EVP
5	Ms. Musarrat Hossaini Khan	EVP
6	Mr. Shahud Ahmed	EVP
7	Mr. Mohammad Abdul Motaleb Patwary	EVP
8	Mr. Md. Zillur Rahim Chowdhury	EVP
9	Mr. S. M. Akram Sayeed	EVP
10	Mr. Hossain Shah Ali	EVP
11	Mr. Akhlasur Rahman Bhuiyan	EVP
12	Mr. Syed Mansur Mustafa	EVP

Chairman's Message



Dear Members of the Bank,

It gives me immense pleasure to welcome you all at the Fourteenth Annual General Meeting of your Bank — Trust Bank Limited. At the outset, I would like to express my gratitude for your continuous support and patronage to the Bank. With your support Trust Bank is evolving as a reliable and efficient brand of the country.

In this Address at the last year's AGM, it had been stressed that inclusive growth alone will be sustainable. We have to accommodate technology for the benefit of the mass people. The large sections of our population that are still excluded from the formal financial mainstreams should be provided access to faster, safer, and cheaper financial services. This can entirely ensure financial and economic stability across the country.

Your Bank has always looked at Financial Inclusion as a business opportunity and is in the forefront for capturing untapped business in rural areas covering approximately two third population of the country.

Directors' Report, Compliance Certificate, Auditor's Report and audited Financial Statements with the notes thereon for the year 2012 are already in your hands. With your consent, I shall take them as read.

Before I begin to discuss specific issues of your Bank, I would like to touch upon the economic and banking environment in which the Bank delivered its performance during the year 2012.

Economic and Banking Environment

The global growth environment has remained challenging due to the Euro zone sovereign debt crisis, volatile oil prices and fragile growth in most countries. Though GDP growth of Bangladesh in FY 2012 was attractive to the world, there are concerns about the state of the economy. Inflation rate was moderated but remains above tolerance level and growth has slowed perceptibly. The high twin deficits namely current account deficit and fiscal deficit, combined with elevated inflation, particularly food inflation, pose risks to growth.

As officially estimated, GDP of Bangladesh grew by 6.3% in Fiscal Year 2012. While export growth slowed sharply, private consumption held up well, supported by a recovery in remittance growth and healthy credit flows. Agricultural growth slowed only to 2.5% because of higher production costs, mainly from higher power, fuel, and fertilizer prices. Industry grew robustly by 9.5%, boosted by construction and small-scale manufacturing for the domestic market. Service sector growth stood at 6.1%.

Global factors and prevailing domestic situation are the guiding forces for analyzing the performance of any banking institution. In spite of many constraints Trust Bank Limited succeed in maintaining its normal level of operations and made progress in its core banking business.

Overview of the Bank's Performance in 2012

The financials of the Bank for the year 2012 clearly indicate that we could perform well in many of the key performance parameters such as profit, capital adequacy and asset quality. Our customers and green- centric strategies together with a vibrant team would definitely take the Bank to greater heights in the days to come.

For stability and sustainable development, the Bank had careful and continuous effort in credit operation. Like 2011, journey of growth of loans and advances as well as inclusion of new reputed companies among establishment of new entrepreneur in the client list was continued in 2012. As on 31 December 2012, total loans and advances stands at Tk. 54,616.06 million as against Tk. 50,801.74 million on 31 December 2011.

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, Retail and SME sectors, intensive efforts in Corporate Credit were still in effect.

Moreover, your Bank comfortably achieved most of all the targets under the Statement of Intent that it had committed to the Government on business, profitability and asset quality fronts. In all cases, it is satisfactorily said that the Bank was fully compliant as per its ethical culture.

Credit ratings of the Bank imply strong fundamentals of the Bank in the areas of stability of fund, business growth, diversified-portfolio and loan loss coverage what has been discussed in detail in Directors' Report.

Focus on Customer

You would agree that customer focus is the key to the success of any organization and in banking, a service industry, it is of paramount importance. It must be recognized that only the customer can bring business to the banks and contribute to their bottom lines. All other constituents such as technology, employees and infrastructure are only to act as enablers in the process.

So, any financial innovation, to result in benefits, needs to focus more on the customer. When innovations have focused on better alignment of interests between the bank and its customers, they have always resulted in win-win situations. In fact your Bank performed well in this financial year because of the paramount importance it gave to the customers.

Quality of Assets

To maintain the sound asset quality is a fundamental aspect of our banking. As per our view, it is the prime responsibility of us to set policies and procedures to ensure that the bank maintains sound asset quality, strong portfolio management, prudent risk controls, effective credit review and classification procedures, and an appropriate methodology for dealing with problem exposures.

We stay with the quality of delivered loans since that provides earnings for us. We assured all of you the asset quality remained strong through very prudent strategic risk management steps. We avoided larger setbacks that the industry has faced. We have enclosed the detailed report in Directors' Report.

Corporate Social Responsibility Initiatives

As our views, corporate social responsibility encompasses not only what we do with our profits, but also how we make them. It goes beyond philanthropy and compliance and addresses how we manage our economic, social, and environmental impacts, as well as our relationships in all key spheres of influence: the workplace, the marketplace, the supply chain, the community, and the public policy realm.

It has been also the vision of your Bank to empower the community through socio-economic development of underprivileged and weaker sections. In its continued efforts to make a difference to the society at large, your Bank further intensified its efforts in this direction in 2012.

With the view of that, Trust Bank Limited provided financial assistance of Tk. 122.05 million in the areas of education, culture, health, sports and others as part of Corporate Social Responsibilities in the year 2012. We also recommend to transfer Tk. 60.00 million to the CSR which is yet to be approved by you.

Green Banking

As you all aware that Bangladesh falls into the group of most climate change vulnerable countries in the world despite her insignificant share of global greenhouse gas (GHG) emission in comparison with other developing and developed countries. However, Bangladesh has made notable contribution towards establishing 'Green Climate Fund' alongside documenting the Renewable Energy Policy in 2008 & Environmental preservation Act in 1997. Accordingly, the government of Bangladesh has decided to produce 5 percent of total power generation from renewable energy sources like solar energy, air & waste by 2015 & 10 percent by 2020 with the above Policy & Act.

Bangladesh Bank has issued guidelines for environmental risk management and green banking in 2011 and is probably the only central bank, which has issued such an indicative guideline for green banking. The guidelines aim to ensure environment friendly business practices by banks and financial institutions, to incorporate environmental risks into Core Risk Management (CRM) and to promote sustainable financial and economic growth.

Trust Bank has started its green journey after having the Green Banking and Environmental Risk Management Guidelines of Bangladesh Bank in 2011. Your Bank extends no finance without evaluation of impact of Environmental Risk as well as in the society and arrangement of appropriate management and mitigation for that risk. Being encouraged by dream of Green Bangladesh, the Bank so far has extended Tk. 2,232.00 million credit facility to environment friendly industry such as zigzag brick kiln, agriculture and most significantly over 1000 Bio-gas plant towards mitigating the Carbon-di-Oxide emission. It is clearly mentionable that our financed all bio-gas plants have saved the Environment from Carbon-di-Oxide by saving 32,640 liter kerosene and 4,008 metric ton fire wood yearly.

We think it is the right time to move forward more greenly to bring back Green Bangladesh and make the Green Globe with the capacity what we have.

Human Resources Management

HR Management in your Bank primarily focuses on aligning its existing HR capabilities with the future business plans with a view to maximize returns and fulfill the objective of its business transformation plan. Your Bank took several initiatives during the year under review, to enhance the level of employee motivation, commitment and productivity. Your Bank is endowed with competent and motivated employees, total 1248 who are engaged in handling the extensive business operations of the Bank.

New Technology Platform

During 2012, your Bank made substantial progress in its end-to-end business and IT strategy. As you are aware, your Bank has been providing to its customers Online Banking Services which facilitate Any Branch Banking, ATM Banking, Phone Banking, SMS Banking, Internet Banking and Mobile Banking. All the branches of the Bank are currently using Centralized Banking Software for 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. With the introduction of modern technology, the Bank has been able to render better and efficient services to its customers, resulting in its image enhancement.

Initiatives in Retail Business

Year 2012 was the year of 'Deposit' for our Retail Banking Unit. Trust Bank Limited took several constructive business approaches which helped the bank to build strong deposit platform. The Bank introduced first and formal launching of 'Trust Payroll' and 'Trust Universe'. Your Bank has categorically published/aired advertisements on print & electronic media to reach to the wider range of customer segment with a slogan "Listen to your Heart".

The Road Ahead

We were entering a challenging phase with rising inflation, import-export imbalance and little growth of remittance, making the macroeconomic situation somewhat uncertain and a tight monetary policy is expected to be followed. Moreover, inadequate power and infrastructure is still a bottleneck for regular growth in the economy. Corporate profitability would reduce, with demand contraction and severe margin pressure, particularly in financial sector where cost of fund is increasing.

So, the financial year 2013 is going to be quite challenging for our banking industry. Given this, managing credit growth above industry-average along with superior asset quality will be the key challenge for your Bank during 2013.

However, the Bank's comfortable position with respect to capital and liquidity, strong systems of credit origination and credit monitoring, continuous investment in human capital and stable initiatives during the last couple of years give it enough confidence that it will be able to shoulder this challenge well.

Your Bank has been steadily building solid foundations for future growth by continuously working on enhancing its HR capabilities through various leadership development programs. It has also been focusing on speedy development of performing culture within the organization. Your Bank would concentrate on sharpening its competitive edge by improving its business strategies and by protecting its credibility by delivering on the promises.

Acknowledgement

I would like to take this opportunity to thank the Members of the Board of Directors for their valuable contribution, support and prudent guidance for timely decision. My colleagues on the Board and me place on record our appreciation for continued support and guidance received from the Government, Bangladesh Bank, Bangladesh Securities & Exchange Commission and other regulatory authorities, various financial institutions, banks and correspondents in here and abroad.

I have to admit and acknowledge that it is the support and the goodwill of the shareholders of the Bank that made our journey in the financial year 2012 and all the years past, successful. With your sincere support and cooperation, we will steer the Bank to greater glory in the years to come, adhering to the best principles enunciated and followed by the founder of the Bank.


We also place on record our appreciation for the trust and support of our customers, investors and vendors reposed on us.

As in the past, our performance during 2012 was driven by the dedication and commitment of our employees. On your behalf as well as on behalf of the Board of Directors, I conveyed the employees of the Bank for another impressive performance.

Before I conclude, I would like to thank all of you again for your presence and interest in the Bank.

Let there be good days ahead for all of us. May Almighty Allah bestow His choicest blessings on all of us.

Thank you.



General Iqbal Karim Bhuiyan, psc
Chairman

Message from the
Managing Director
& CEO



Dear Respected Shareholders

It is a great honor to present a round up of financial and operating performance of your Bank for the year 2012. In the year, we have tried to maintain a robust liquidity, acquire retail deposits, make cautious lending, and review existing portfolio. We made significant progresses in capacity building, risk management, financial inclusion, and strengthening quality of our portfolio. Overall, we experienced a challenging year in 2012.

Though Bangladesh economy showed resilience from world downturn, it suffered from low growth in export, high inflation, and slow growth in agriculture sector. Financial sector of the country experienced many external challenges namely: lower growth in credit to private sector, adverse impacts on manufacturers from external environment, unprecedented banking scams, tightened regulations on loan classification and rescheduling, high of cost of fund, bearish and illiquid capital market. All these factors impacted the industry both from viewpoint of profitability and stability. These factors reflected in our activities and made us more cautionary lending approach which triggered low profitability of the Bank.

Strategy and Performance

Downtrend in economy and consequently in financial sector was envisaged since 2011. We were aware of prevalent phenomena in the industry and prepared to manage challenges in 2012. 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.

We avoided poor quality, speculative and unproductive lending in the year. Therefore, there remained a mismatch between our advance and deposit ratio. The Bank had been lender in the Call Money Market almost throughout the year, but the Bank did not take part in unhealthy competition to gather deposits from large and corporate depositors.

Consolidated Operating Result

Total deposits stood at Tk. 83,063.00 million in 2012 from Tk. 65,930.00 million in 2011, registering a growth of 26 per cent. Loans and advances stood at Tk.58,599.09 million in 2012 from Tk. 54,552.66 at the end of 2011, posting a growth of 7.42% over last year. Your bank recorded 38.80 per cent growth in Net Interest Income in 2012, by earning Tk. 1,912.98 million in 2012 compared to Tk. 1,378.24 million in the preceding year. But due to rise in total operating expenses, low Advance-Deposit ratio, and drastic fall in income from secondary market and subsidiary, consolidated operating income of the Bank fell short of previous year. The operating expenses increased due to increase in Rent, Rates, Insurance, Postage, Stationary and salary and allowances partially resulted from expansion of operations of the bank and partially from rising inflation especially from revised rents of branches.

The Bank earned consolidated operating profit of Tk. 1,828.18 million in 2012 where profit from core banking was Tk.1,157.43 million. The rest amount i.e. Tk.670.75 million was contributed by Trust Bank Investment Limited. Due to new regulation by Bangladesh Bank and prolonged bearish trend in capital market, provision for loans and advances soared to Tk.463.61 million against 256.38 for 2011 and consolidated provision stood Tk.876.24 million against Tk.303.83 million for 2011. Consolidated provisions were up by 188% compared to that of last year. This rapid and unprecedented rise in provision for loans and advances resulted in nose diving net profit of the Bank. However, percentage of classified loans and advances of the Bank which was 4.27% in 2012 remained less than industry average 10.03%.

Capital Adequacy & Solvency

Total regulatory capital stood at Tk.10,303.84 million in 2012 as against Tk.8,637.39 million in 2011. Capital adequacy ratio is maintained at 13.86 per cent of total risk weighted assets against minimum regulatory requirement of 10 per cent under Basel Capital Accord. Bank also declared stock dividend to retain capital adequacy proportionate to business growth.

Other Major Achievements

TBL has aimed at its core to be a Bank for financial inclusion and in this connection, we opened 10 new branches mostly in rural areas in 2012 extending network to 79 branches including 7 SME/Agri branches. We opened 41 ATMs and the number of ATMs stood 102 at end of the year. 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.

The Bank has opened another fully owned subsidiary company named "Trust Bank Securities Limited (TBSL)" to carry out securities broking and other services as brokerage houses. The Company was given paid up capital of Tk.350.00 million and is expected to commence operation from July 2013. This will increase fee based income of the Bank.

Commitments for 2013

Our operating vision is to achieve long term sustainable growth. In line with that we have put more emphasis on liquidity and long term solvency which resulted in very cautious lending leaving Advance-Deposit (A-D) ratio less than 70% against desired 85%. Moreover, there was less demand for credit from good borrowers. Thus the bank suffered low profitability leaving idle expensive cash in the hand. Now we are trying to increase our lending volume and to maintain our A-D ratio at minimum 80%. In this regard, we plan to diversify our portfolio and heavily extend our credit facilities to productive sectors such as agriculture and rural financing, micro financing, micro enterprise financing. We are also pursuing good rated corporate houses for booking bulk assets. Therefore, we are hopeful to increase our A-D ratio to at least 75 per cent in 2013 to boost the profitability of the Bank.

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. Our main emphasis will be on retail banking for deposits mobilization and SMEs, rural financing, and micro financing for diversified investment, in addition to our core corporate and middle market business. We are also trying to strengthen our Islamic Banking services and lending under Islamic banking through centralized operation. This will further enhance our lending portfolio in the coming years.

The Bank is going to open 08 new branches and 48 ATMS around the country in 2013 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 14th 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

Financial Calendar

Financial Results of 2012

First quarter results (un-audited) approved on	30 April 2012
Second quarter results (un-audited) approved on	08 July 2012
Third quarter results (un-audited) approved on	16 October 2012
Annual Financial Statements for the year 2012 approved on	24 March 2013

13th Annual General Meeting

Price Sensitive Disclosure	28 March 2012
Record Date	09 April 2012
Date of AGM	06 June 2012
Credit of Bonus Share on	12 June 2012
Credit of Cash Dividend on	18 June 2012

Rights Share Offer

Approved by the Shareholders on	07 June 2011
Bangladesh Securities & Exchange Commission's approval date	06 March 2012
Record Date	03 April 2012
Subscription opens on	22 April 2012
Subscription closes on	17 May 2012
Date of Credit to General Share Holders on	25 June 2012
Date of Credit to Underwriters' BOLD on	09 September 2012

14th Annual General Meeting

Price Sensitive Disclosure	24 March 2013
Record Date	09 April 2013
Date of AGM	06 June 2013

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 is 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 compliance;
- | Protection of shareholders' 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. At shareholders' meeting, each share carries one vote. 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 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 all 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 nine members including Managing Director as executive director and ex-officio member of the Board. As per the guideline of Bangladesh Bank as well as in compliance with the Bangladesh Securities and Exchange Commission's corporate governance guideline, the Board consists of two Independent Directors.

Appointment of New Director

Appointment of new Director is made with the consent of all senior Directors. A detailed biography, along with a declaration of his/her non-engagement with other financial institutions is submitted to Bangladesh Bank. A declaration is also submitted to Bangladesh Bank mentioning he/she is not a loan defaulter. The return is submitted to RJSC & retained the certified copy.

Re-election of Directors

In compliance of the Companies Act and Bank's Articles of Association each Director other than the Managing Director, retires by rotation once every three years and is required to stand for re-election by the shareholders at the annual general meeting.

Independent Director

To comply with Bangladesh Securities and Exchange Commission's Corporate Governance guidelines, the Board of Directors appointed two Independent Directors to the Board. A full compliance report of the said guidelines is provided at annexure IV.

Board Meetings

During the year 2012, there were 15 meetings of the Board. The attendance of Directors at the Board meeting held during the year is provided at annexure-I.

Executive Committee

As approved by Bangladesh Bank, the Board has an Executive Committee. The committee comprises four members from the Board. The Executive 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 37 times during the year 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 necessity of the Audit Committee is further strengthened by BRPD Circular No. 12 dated 23 December 2003. The committee is headed by an Independent Director and comprises three other Directors including another one Independent Director. However, the company secretary is the secretary to the Audit Committee. The committee has unrestricted access to all accounts, books and records to ensure the job is conducted properly. The committee had 4 meetings during the year 2012, based on which the Committee submitted its report to the Board regarding its oversight function. The report is given in this annual report.

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 for attending Board meeting or for any other purpose. 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 works 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, semi annual and annual financial statements, the Bank has complied with the requirements of the Companies Act 1994, Bank Companies Act 1991 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 ACNABIN, 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 maximizing benefit for all stakeholders.

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.

Relation 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, the companies listed with stock exchanges. Through the said notification, BSEC has asked the listed companies to report the compliance status of the said notification in the annual report. Compliance report on the said Corporate Governance guidelines is given in annexure III & IV.

Compliance Report on BSEC Notification

The Bangladesh Securities and Exchange Commission (BSEC) requires all listed companies to report on the compliance of the conditions describes in BSEC's notification dated 07 August 2012 on "Comply" basis. The Board of Directors of Trust Bank Limited has taken appropriate steps to comply with the conditions as detailed in Annexure-I, II, III, IV.

Annexure-I

15 meetings of the Board of Directors were held in the year 2012. The attendance of the directors is furnished below:

SL	Name of Director	Position	Date of Appointment	Meeting Held	Attended	Status
1	General Iqbal Karim Bhuiyan, psc	Chairman (Representing Army Welfare Trust)	25-06-2012	7	4	Leave granted
2	Maj Gen Ashraf Abdullah Yussuf, rcds, afwc, psc	Vice Chairman (Nominated by Army Welfare Trust)	30-01-2012	14	14	-
3	Brig Gen Khan Abu Roushan Mohammad Mostafa Kamal, ndc, psc	Director (Nominated by Army Welfare Trust)	11-02-2009	15	15	-
4	Brig Gen Tushar Kanti Chakma, ndc, psc	Director (Nominated by Army Welfare Trust)	06-04-2009	15	11	Leave granted
5	Ms. Begum Rokeya Din	General Shareholders' & Independent Director	28-04-2009	15	15	-
6	Mr. Helal Uddin Ahmed	Depositor & Independent Director	28-04-2009	15	15	-
7	Brig Gen Md Zafar Ullah Khan, psc	Director (Nominated by Army Welfare Trust)	10-09-2012	4	4	-
8	Brig Gen Md Emdad-UI-Bari, psc, te	Director (Nominated by Army Welfare Trust)	10-09-2012	4	4	-
9	Mr. Ishtiaque Ahmed Chowdhury	Managing Director (Current Charge)	02-12-2012	14	1	-

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

Annexure-II

37 Meetings of the Executive Committee were held in the year 2012. The attendance of the Directors is furnished below:

SL	Name of Director	Position	Date of Appointment	Meeting Held	Attended	Status
1	Maj Gen Ashraf Abdullah Yussuf, rcds, afwc, psc	Chairman	30-01-2012	33	30	Leave granted
2	Brig Gen Khan Abu Roushan Mohammad Mostafa Kamal, ndc, psc	Member	11-02-2009	37	35	Leave granted
3	Brig Gen Tushar Kanti Chakma ndc, psc	Member	06-04-2009	37	34	Leave granted
4	Ms. Begum Rokeya Din	Member	28-04-2009	37	37	-
5	Mr. Ishtiaque Ahmed Chowdhury Managing Director & CEO	Member	02-12-2012	3	3	-

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

Annexure-III

The pattern of shareholding of Trust Bank Limited as of 31 December 2012

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

Name of Director	Position	No. of Share
General Iqbal Karim Bhuiyan, psc	Chairman	Representing Army Welfare Trust
Maj Gen Ashraf Abdullah Yussuf, rcds, afwc, psc	Vice-Chairman	650
Brig Gen Khan Abu Roushan Mohammad Mostafa Kamal, ndc, psc	Director	208
Brig Gen Tushar Kanti Chakma, ndc, psc	Director	182
Ms. Begum Rokeya Din	General Shareholders' & Independent Director	1118
Mr. Helal Uddin Ahmed	Depositor & Independent Director	21632
Brig Gen Md Zafar Ullah Khan, psc	Director	Nil
Brig Gen Md Emdad-UI-Bari, psc, te	Director	Nil

- iii. Shareholding by Executives
 - 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 2012: 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)

Condition No.	Title	Compliance Status (✓ has been put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	

1.00: Board of Directors

1.1	Board's Size: Number of Board Members shall not be less than 5 (five) and more than 20 (twenty)	✓		
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Condition No.	Title	Compliance Status (✓ has been put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	

1.2 Independent Directors

1.2 (i)	At least one fifth (1/5) of the total number of Directors of Board shall be Independent Directors	✓		
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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	✓		
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) (j)	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)	✓		The appointment of Independent Director will be approved at the ensuing AGM
1.2 (iv)	The post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days	✓		No Vacancy occurred

Condition No.	Title	Compliance Status (✓ has been put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
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 (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 Chairman of the Board & Chief Executive Officer (CEO)

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	✓		
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1.5 The Directors' Report shall include the following additional statements:

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	✓		



Condition No.	Title	Compliance Status (✓ has been put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
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	✓		
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			N/A

Condition No.	Title	Compliance Status (✓ has been put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1.5 (xix)	Reason for non declaration of dividend	✓		
1.5 (xx)	The number of Board meetings held during the year and attendance by each Director shall be disclosed	✓		

1.5 (xxi) Pattern of shareholding and name wise details (disclosing aggregate number of shares)

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)	In case of the appointment/re-appointment of a director the company shall disclose	✓		
1.5 (xxi)(a)	A brief resume of the director	✓		
1.5 (xxi)(b)	Nature of his/her expertise in specific functional areas	✓		
1.5 (xxi)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	✓		
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 Audit Committee

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	✓		
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 (i)	The Audit Committee shall be composed of at least 3 (three) members	✓		Constituted as per BB's circular



Condition No.	Title	Compliance Status (✓ has been put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
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 (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 Role of Audit Committee

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	✓		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	✓		

Condition No.	Title	Compliance Status (✓ has been put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
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
3.4.1 (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;			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 External/Statutory Auditors

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	✓		
4 (vii)	Any other service that the Audit Committee determines	✓		
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	✓		



Condition No.	Title	Compliance Status (✓ has been put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	

5 Subsidiary Company

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 (ii)	At least 1 (one) Independent Director on the Board of Directors of the holding company shall be a director on 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	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 (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	✓		

Certificate on compliances of conditions of the Corporate Governance guidelines to the shareholders of Trust Bank Limited

We have examined the compliances of conditions of The Corporate Governance guidelines of the Bangladesh Securities and Exchange Commission ("BSEC") by TRUST Bank Limited (the "Bank") as stipulated in clause 7 (i) of the BSEC notification no SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012.

The compliances of conditions of The Corporate Governance guidelines 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 certificate was limited to the examining of procedures and implementations thereof, adopted by the Bank for ensuring the compliance of conditions of corporate governance and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representation received thereon.

To the best of our information and according to the explanations given to us, we certify that the Bank has complied with the conditions of corporate governance stipulated in the above mentioned BSEC notification dated 7 August 2012.



K.M. Hasan, FCA
Managing Partner
K.M. HASAN & CO
Chartered Accountants

Dhaka, 7 April 2013



Economic Value 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.

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 2012, Bank's regulatory capital stood at Tk. 10,302.83 million as against Tk. 8,637.40 million as at 31 December 2011.

Summary of Total Capital and Capital Adequacy Ratio

Taka in Million			
Particulars	2012	2011	Growth
Computation of capital:			
Tier I capital	6,841.21	5,860.18	17%
Tier II capital	3,462.62	2,777.22	25%
Total capital (Tier I & II)	10,303.83	8,637.40	19%
Risk weighted assets (RWA)	74,339.80	72,945.30	2%
Tier I capital (against minimum requirement of 5%)	9.20%	8.03%	
Tier II capital	4.66%	3.81%	
Total capital (against minimum requirement of 10% of RWA)	13.86%	11.84%	

Maintenance of Net Income Growth

The Bank decreased its net profit by 70% percent or Tk.433.51 million to Tk. 182.70 million in 2012 from Tk. 616.21 million in 2011. The net profit is analyzed in the following table:

Taka in Million			
Source of Income	2012	2011	Growth
Interest Income	8,343.78	6,271.81	33%
Income from Investment	906.64	1,374.45	-34%
Commission, exchange brokerage	572.90	606.50	-6%
Other Operating Income	231.24	194.18	19%
Total Income	10,054.56	8,446.94	19%
Distribution of Income			
Interest paid on deposits and borrowings	7,053.71	5,386.47	31%
Operating expenses	1,783.41	1,419.89	26%
Contribution to Special Reserve Fund	60.00	80.00	-25%
Total provision	463.61	256.38	81%
Provision for taxes	511.13	687.99	-26%
Total Distribution	9,871.86	7,830.73	26%
Net profit	182.70	616.21	-70%

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 915.86 million to national exchequer as tax, VAT, income tax and excise duty deducted at source from employees, clients, and suppliers in the reporting year.

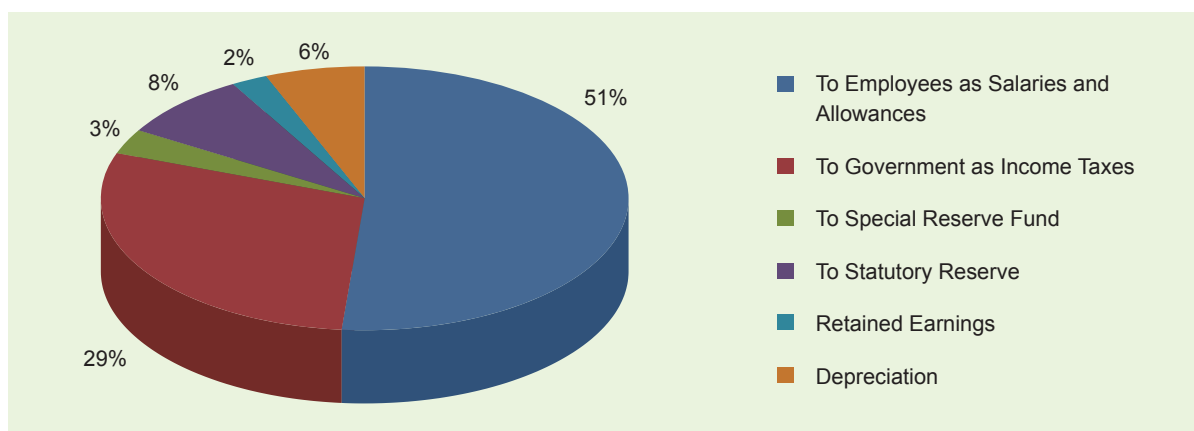
Value Added Statement

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.

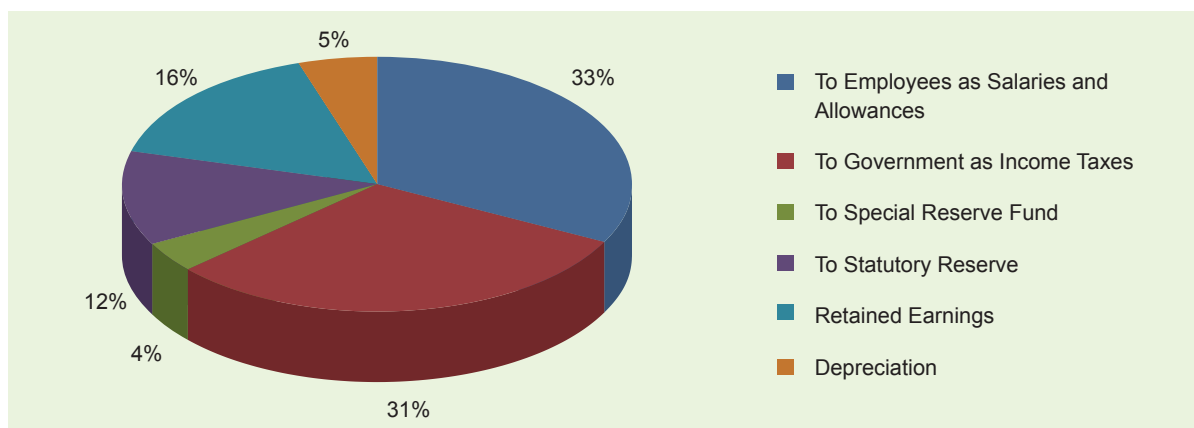
Taka in Million

Particulars	2012		2011		Growth %
	Taka	%	Taka	%	
Income from Banking Services	10,054.56		8,446.94		19%
Less: Cost of Services and Supplies	7,836.70		5,952.33		32%
Deferred Tax Income	8.87		12.01		-26%
Value added by banking services	2,226.73		2,506.62		-11%
Less: Provision for Loan Loss and other Provisions	463.61		256.38		81%
Total Value Added	1,763.12		2,250.24		-22%
Distribution of Added Value					
To Employees as Salaries and Allowances	900.06	51%	751.79	33%	20%
To Government as Income Taxes	520.00	29%	700.00	31%	-26%
To Special Reserve Fund	60.00	3%	80.00	4%	-25%
To Statutory Reserve	138.76	8%	260.84	12%	-47%
	1,618.82	92%	1,792.63	80%	-10%
Retained Earnings	43.93	2%	355.37	16%	-88%
Depreciation	100.37	6%	102.24	5%	-2%
To Expansion & Growth	144.30	8%	457.61	20%	-68%
Total Distribution of Added Value	1,763.12	100%	2,250.24	100%	-22%

Distribution of Added Value 2012:



Distribution of Added Value 2011:



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.

Taka in Million

Particulars	2012	2011
Shareholders' Equity	6,512.89	5,526.76
Add: Provision for loan loss and other provisions	1,818.61	1,355.00
Total invested fund by Shareholders	8,331.50	6,881.76
Average Shareholders' Equity	7,606.63	6,502.87
Net Profit after taxation	182.70	616.21
Add: Provision for loan loss and other provisions	463.61	256.38
Less: Loan written off	-	-
Earning for the year	646.31	872.59
Cost of Equity (Based on weighted average rate of Sanchaya Patra issued by Bangladesh Govt. plus 2% risk premium)	12.00%	12.00%
Cost of Average Equity	912.80	780.34
Economic Value Added	(266.49)	92.25

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

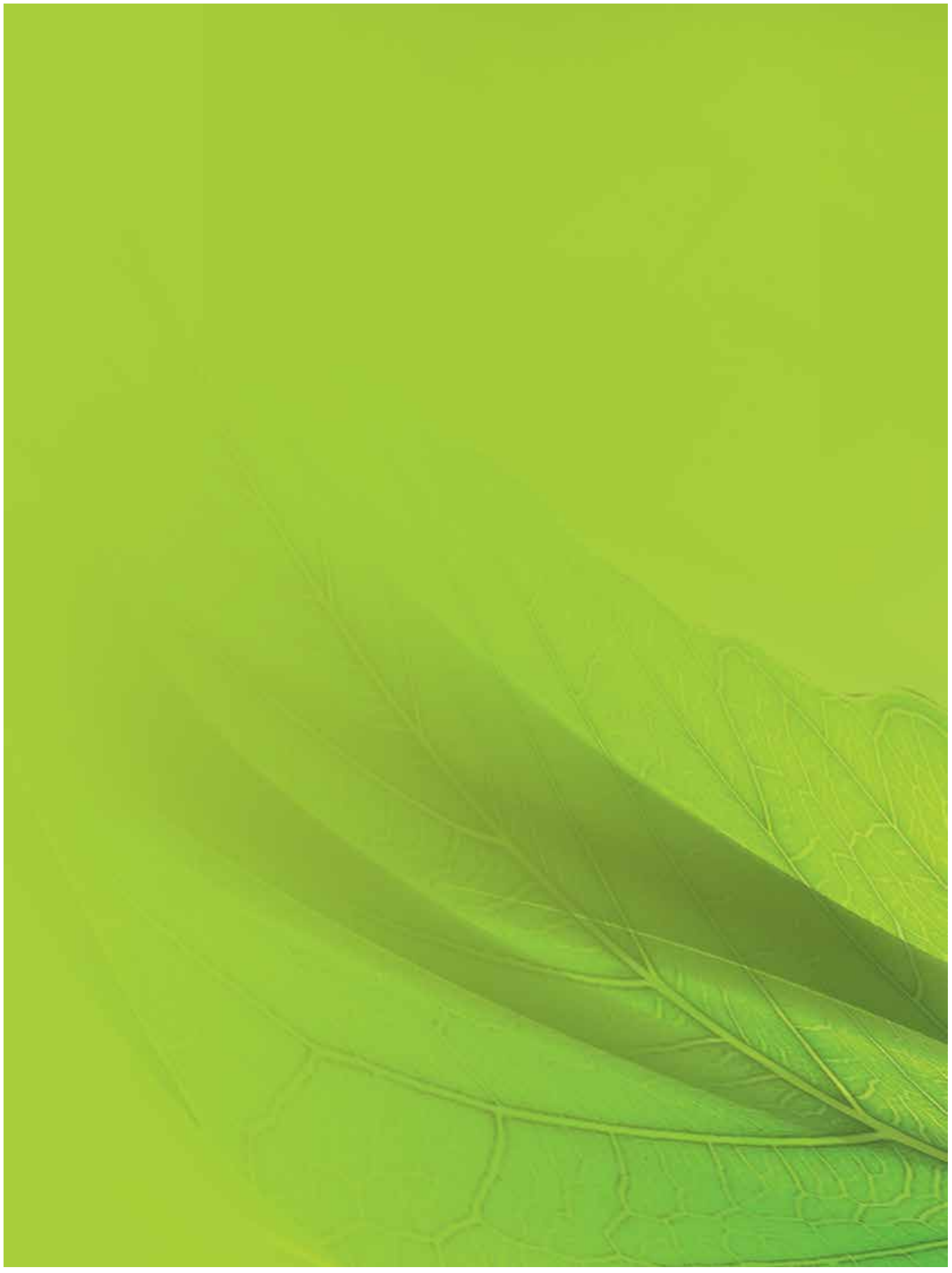
Particulars	2012	2011
Total market value of the equity	8,648.66	11,416.24
Less: Total book value of the equity	3,459.47	2,661.13
Market Value added	5,189.19	8,755.11

Five Years' Financial Summary

Taka in million

Particulars	2012	2011	2010	2009	2008
Operating Results					
Total Operating Income	3,000.84	3,060.47	3,643.05	2,467.67	2,006.11
Total Operating Expense	1,843.41	1,499.89	1,365.39	1,109.31	753.67
Operating Profit	1,157.43	1,560.58	2,277.66	1,358.35	1,252.44
Provision For Loans, Investment and Other	463.61	256.38	137.30	207.78	262.97
Profit Before Tax	693.83	1,304.20	2,140.36	1,150.57	989.47
Profit After Tax	182.70	616.21	645.74	610.91	463.05
Financial Positions					
Authorized Capital	10,000.00	5,000.00	5,000.00	5,000.00	2,000.00
Paid-Up Capital	3,459.47	2,661.13	2,217.61	1,848.00	1,540.00
Total Shareholders' Equity	6,512.89	5,526.76	5,025.36	3,754.87	3,119.65
Deposits	82,997.33	65,819.51	50,413.29	48,464.64	32,919.76
Loans And Advances	54,616.06	50,801.74	39,799.92	32,663.11	27,528.08
Total Liabilities	88,747.89	70,688.46	53,250.98	50,451.78	35,355.99
Investments	13,622.11	9,654.68	8,559.94	8,705.61	4,962.66
Fixed Assets	454.95	421.23	413.12	381.92	342.39
Earning Assets	79,626.50	63,120.66	47,433.50	48,845.47	34,475.64
Total Assets	95,260.78	76,215.22	58,276.33	54,206.65	38,475.64
Other Business					
Import	43,138.39	37,879.65	35,310.60	23,680.00	16,660.98
Export	34,319.48	28,543.65	20,331.00	12,770.00	6,078.79
Foreign Remittance	11,082.25	10,603.33	9,247.00	8,669.00	5,788.87
Guarantee Issued	2,058.01	1,794.58	4,783.19	1,527.64	847.70
Capital Measures					
Consolidated Basis					
Total Risk Weighted Assets	74,339.80	72,945.30	64,104.60	33,297.68	27,362.42
Core Capital (Tier-I)	6,841.21	5,860.18	4,926.74	3,632.30	3,045.37
Supplementary Capital (Tier-II)	3,462.62	2,777.22	878.20	583.68	459.07
Total Capital	10,303.83	8,637.40	5,804.94	4,215.98	3,504.44
Tier-I Capital Ratio	9.20%	8.03%	7.69%	10.91%	11.13%
Tier-II Capital Ratio	4.66%	3.81%	1.37%	1.75%	1.68%
Total Capital Ratio	13.86%	11.84%	9.06%	12.66%	12.81%
Credit Quality					
Non-Performing Loans	2,503.84	1,534.31	960.02	860.72	693.28
% Non-Performing Loans	4.58%	3.02%	2.41%	2.65%	2.52%
Share Information					
Market Price Per Share - before split	250.00	429.00	753.25	434.00	445.00
Market Price Per Share - after split	25.00	42.90			
Earnings Per Share - before split		23.16	57.48	33.06	31.96
Earnings Per Share - after split	0.55	2.33			
Price Earnings Ratio	2.21	5.40	7.63	7.62	13.92
Net Asset Per Share - before split		207.68	226.61	203.19	202.57
Net Asset Per Share - after split	18.83	20.77			
Other Information					
Cost Income Ratio	61.43%	49.01%	37.48%	44.95%	37.57%
Return on Average Equity	3.02%	11.68%	29.04%	17.59%	17.56%
Return on Average Assets	0.21%	0.92%	2.27%	1.32%	1.20%
No of Branches	72	62	52	42	37
No of SME/AGRI Branches	7	7	7	4	-
No of Foreign Correspondent	24	24	24	24	23







Directors' Report

Dear Shareholders

The Board of Directors has the privilege of welcoming you to the 14th 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 2012 and the Auditor's Report thereon for your consideration and approval.

External Environment Review

Bangladesh Economy

Gross Domestic Product

In FY2012, Bangladesh achieved GDP growth of 6.32% which was 6.71% & 6.07% in the FY2011 & FY2010 respectively. This preliminary estimate of GDP growth of 6.32% is 0.68% lower than projected 7.00%. Though overall GDP growth slowed in current fiscal but considering high base effect, growth in agricultural sector is satisfactory after achieving over 5% growth in last two years. This 6.32% GDP growth was achieved due to growth of 2.53% in agriculture, 9.47% in industry and 6.06% in service sector. This contributed to increment of per capita GNI & GDP of USD 848 & USD 772 which was USD 816 & USD 748 respectively. The government's projected growth of 7.20% in FY2013 faces downside risk as political turmoil continues in North Africa & Middle East which may push petroleum prices even higher and sovereign debt crisis in the Euro zone.

In 2013, global growth is expected to be 3.6% with the average for developing countries projected at 5.6% and high income countries at 1.5% - a marginal improvement over 2012 and with significant downside risks in key trading partners. The overall credit envelope set by Bangladesh Bank (BB) in July 2012, as shown by the most recent private sector credit growth data, was more than sufficient to meet the Government's growth target of 7.2%. However primarily due to the sluggish global economy various forecasts highlight significant dampening influences on this growth target. BB's forecast suggests that FY2013 real GDP growth is unlikely to be less than the previous ten years average, i.e. 6.16% and may exceed it if global conditions improve.



Trust Bank Limited celebrated 1000 Bio-Gas Plant

Agriculture

Our agriculture sector achieved growth of 2.53% in FY2012 due to adequate subsidy by the Government, expansion of agricultural loan area and Government allotted budget of BDT 65,000 million for fertilizer and other items of agricultural sectors. An estimate by Bangladesh Bureau of Statistics (BBS) shows that agricultural sector's contribution to GDP is 19.29%. As per BBS provisional estimate, our food grain production decreased to 350.28 lac metric ton in FY2012 against 360.65 lac metric ton in FY2011. Despite reduction of food grain production, our food import reduced from 51.50 lac metric ton to 18.66 (up to February 2012) thereby easing pressure on exchange rate.

Industry

Industry sector contributed 31.26% in GDP of FY2012 which is 0.88% higher than last fiscal. Growth in natural gas and crude petroleum achieved 2.95% and coal and mineral resources achieved 10.78%. As per BBS developed industrial output index, production of large & medium scale industry gained 10.78% growth and small industry 7.18% in FY2012. In first six months of FY2012, sub-sectors of this large and small industry i.e. Jute, cotton, leather & apparel, furniture, basic & fabricated metal showed increasing trend while chemical, petroleum and food allied items showed declining trend.

Service

Service sector is the highest contributing sector, i.e. 49.45% in output growth. In FY2012 all sub sectors under service is estimated to have positive growth than last fiscal excluding financial services, retail and wholesale. As per provisional estimate, wholesale and retail growth increased to 5.88% in FY2012 which was 6.31% in last fiscal. Growth of hotel & restaurant sector is expected to be hovering around 7.6%. Airway travel and postal & telegraph sector achieve commendable growth which is 10.61% & 9.24% respectively. Remaining sub sectors of service; Public administration and defense, Education, Health & social work and Community, social and individual service have been estimated to be 6.07%, 8.61%, 7.94% and 4.76% respectively.

Inflation

As per the report of Ministry of Finance, year-on-year average rate of inflation was 9.5% [estimated], 8.8% & 7.3% in the FY2012, FY2011 & FY2010 respectively. According to Bangladesh Bank, Monetary Policy Statement [MPS] for Jan-June 2013, average inflation, using the 1995/96 base year, has been declining steadily over the past nine months, from a peak of 10.96% in Feb 2012 to 8.74% in Dec 2012. This decline has largely been due to lower food price inflation; though of late a decline in average non-food inflation is also contributing to this trend. A measure of 'core inflation', defined as non-food, non-fuel inflation has also declined.

Interest Rate

Bank's weighted average interest rate on lending stood at 14.56% in January 2012 which is 1.17% higher than that of June 2011. On the other hand, interest rate on bank deposits increased from 8.85% in June 2011 to 10.28% in January 2012. Thus the interest rate spread narrowed to 4.28% in January 2012 from 4.54% in June 2011. BB in its latest MPS (Jan –June 2013) declared to reduce all repo rates by 50 basis points in view of the risks to our output growth due to the uncertainties around the global economy.

Savings & Investment

The national savings rate declined from 28.4% of GDP in FY2011 to 26.3% in FY2012. Private savings may have been hit by slower growth in real disposable income and the stock market debacle which hurt small investors generally as per report on "Bangladesh Economic Update" by the World Bank in May 2012. Slower revenue growth and large increases in subsidies contributed to the decline in public savings. On the other hand, investment in FY2012 estimated at 25.9% as percentage of GDP which was 24.7% in FY2011. Private sector investment was 20.6% and Government sector was 5.4%. Investment as percentage of GDP increased in FY2012 at 25.9% from 24.7% in FY2011 as government has taken steps to develop infrastructure including power sector. According to The Global Competitiveness Report 2012-2013 issued by the World Economic Forum, Bangladesh ranked 118th out of 144 economies of the world. Though our position is downgraded by 4 notches, we are still ahead of our neighboring economies, i.e. Pakistan-124 & Nepal-125.

Export

Our export increased by 10.36% in first nine months of FY2012 amounting USD 17,886.06 million. Among export items, Oven, Knit, Frozen foods and Leather goods registered growth of 19.24%, 5.92%, 6.26% and 12.63% respectively. Export items that declined include Raw Jute 25.88% and other Jute related products 12.49%. Entrepreneurs are getting assistance as a part of government's declared incentive package for export basket diversification and searching for new market for export.

Import

For the period of first three quarters of current FY2012, import payment soared to USD 26,944.5 million which is 11.22% higher than last year. Year-on-year, our import payment increased 41.79% in FY2011. Cost of import



soared high due to higher oil price in international market and rising demand for oil for recently established power plant. Countervailing effect is seen as central bank discouraged import of items not critical for national growth. We see import of petroleum & related goods registered growth of 49.63%, Capital Machinery 19.82%, Industrial Raw Material 12.61% and Consumer goods 14.12%.

Remittance & Reserve

In first ten months of current fiscal (July – April 2012), remittance achieved growth of 10.41% from the same period last year amounting USD 10,614.14 million. In FY2011, it was 6.03% amounting USD 11,650.32 million. Our manpower exports for FY2012 (July-January) increased by 3.84 Lac which is 74.05% higher than corresponding period of the previous year. Partly this is due to our Government's recent steps to open Labor Wing at our foreign embassy as part of our diplomatic effort to create new market for our manpower in Africa, East Europe and Latin America. On the external front, gross foreign reserves were US\$ 12.8 billion in end of December 2012 which is equivalent to about 4 months of import cost. The Taka: USD exchange rate has remained largely stable with the Taka appreciating by 2.6% between 1 July 2012 & 31 December 2012.

Domestic Credit

In FY2012 our economy faced a different set of challenges related to persisting inflationary and balance of payments pressures. In order to address these challenges Central Bank's monetary stance took a more restrained stance while accommodating a near 20% private sector credit growth. The monetary growth targets set in January 2012 were met by the end of FY2012 and key outcomes – falling inflation and easing of external sector pressures – were achieved. Broad money stands at BDT 4,405.20 billion at the end of fiscal 2011 that increased to BDT 4,807.99 billion at the end of Feb 2012. As such, broad money circulation increased by 9.14% in first eight months of FY 2012 which was 12.05% in corresponding period of previous fiscal.

Banking Sector in 2012

Cash Reserve Ratio (CRR)

Cash reserve ratio (CRR) for the scheduled banks with Bangladesh Bank remained same at 6 percent of total demand and time liabilities since December 15, 2010. Banks are now required to maintain CRR daily at the rate of 6 percent on average on bi-weekly basis, provided that CRR would not be less than 5.5 percent in any day with effect from December 15, 2010.

Statutory Liquidity Requirement (SLR)

Statutory liquidity requirement (SLR) of scheduled banks, excluding those banks and branches of conventional banks based and operated on Islamic Shariah and also the specialized banks (except Basic Bank Ltd.) remain same at 19 percent for their total demand and time liabilities, excluding inter-bank items, since December 15, 2010. SLR for the Islamic Banks remained unchanged at 10 percent.

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 finance institutions (DFIs) i.e., Specialized Banks 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 13.5%, 3.8%, 3.2% and 23.8% respectively at the end of FY 2012. The ratio of NPL to total loans of all banks shows an encouraging trend since its decline from the peak (34.9 percent) in 2012. The ratio ended up 7.2% at the end of FY 2012.

Loan Classification & Provision there-against

The Bangladesh Bank issued new guidelines for loan classification on provisioning for banks which came into effect from the last quarter of 2012. This guideline increased the amount of non-performing loans and provision requirements for banks but in the long run it will elevate the banking practices to the best norms in the world.

Some key indicators of the banking sector of Bangladesh are mentioned below:

Figure in Billion

Particulars	FY12	FY11
Total assets	6,521.20	5,431.50
Deposits	4,937.20	4,082.70
Loans and advances	4,115.40	3,476.80
Weighted average deposit rate (%)	8.15	7.27
Weighted average lending rate (%)	13.75	12.42
Capital adequacy ratio (%)	11.3	9.7
NPL ratio (%)	7.2	7.1
Provision adequacy ratio (%)	93.9	96.4
Return on Assets (ROA) %	1.2	1.3
Return on Equity (ROE) %	13.5	15.5

Source: Bangladesh Bank Annual Report (2011-2012, 2010-2011)

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 Companies Act-1991. 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 & businesses; 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.



General Iqbal Karim Bhuiyan, psc, Chairman of Trust Bank Limited handing over a Cheque worth Tk. 20 million for Prime Minister's Relief Fund on behalf of the Bank

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.

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 and/or festivals like Sports, Job Fair, Science Fair and Debate Competitions. We advertise our product and services in the print & electronic media and sponsor social activities to establish our brand image.



A scenario of celebration of Customer Evening at Raowa Club, Dhaka

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 nine clusters in our Bank. Cluster Managers of those clusters do the following:

- Cluster head acts mouthpiece of managers under his/her lead
- Cluster head provides strategy to branches in view of reality
- Cluster head communicates problems facing by branches to senior management and facilitate to solve those
- Cluster head ensure required logistics to branches
- Cluster head evaluates managers performance

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. 3,757.29 million for the year 2012. After keeping Tk. 876.24 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. 951.95 million for the year 2012. Though market was extremely volatile during the year 2012, net profit of the Bank after tax stood at Tk. 182.70 million for the year 2012.

Interest Income

Trust Bank Limited earned Consolidated Interest Income plus Profit on Islamic Banking Investment for Tk. 8,698.11 million during the year 2012 as against Tk. 6,768.02 in 2011 registering a growth of 28.52% or Tk. 1,930.09 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. 6,785.13 million as against Tk. 5,389.78 million in 2011 showing a rise by 25.89%. 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 2012.

Net Interest Income

The Consolidated Net Interest Income showed Tk. 1,912.98 million as against Tk. 1,378.24 million in the preceding year. During the year, Net Interest Income increased by Tk. 534.74 million representing a positive growth of 38.80% which was the main contributor to the operating income for the year 2012.

Income from Investment

In the year 2012, Consolidated Income from Investment was Tk. 913.65 million where as it was Tk. 1,374.61 million in the year 2011. Income decreased due to decreased of income from Treasury Bonds, sale of shares and sale of securities. Income from Investment under Islamic Banking was Tk. 21.14 million in the year 2012 where as it was Tk. 8.69 million in the year 2011.

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. 930.67 million in 2012 where as it was Tk. 1,049.33 million in 2011 and main reasons of decreasing the same was dramatic downturn in the capital market.



The Managing Director and Ms. Begum Rokeya Din, Director of Trust Bank Limited received the Crest awarded for contribution to the National exchequer for the fiscal year 2009-2010

Total Operating Expenses

Consolidated Operating Expenses excluding contribution to Special Reserve Fund increased by 23.33% 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. 1,929.11 million in 2012 compared to Tk. 1,595.50 million in the previous year.

Though Net interest Income increased by Tk. 534.74 million but Consolidated Net Profit before Provision & Tax decreased due to increase in Rent, Rates, Insurance, Postages, Stationary & Telecommunications expenses as high rate of inflation in the economy in the year 2012.

Income Mix and Growth

Particulars	Taka in million		Growth %
	2012	2011	
Interest income / Profit on investment	8,698.11	6,768.02	28.52%
Interest / Profit paid on deposits and borrowings etc.	6,785.13	5,389.78	25.89%
Net interest income	1,912.98	1,378.24	38.80%
Investment Income	913.65	1,374.61	-33.53%
Non Interest Income	930.67	1,049.34	-11.31%
Total operating income	3,757.30	3,802.19	-1.18%
Total Operating Expenses (Excluding Contribution To Special Reserve Fund)	1,869.11	1,515.50	23.33%
Profit Before Provision	1,888.19	2,286.69	-17.43%
Provisions for Loans and Advances/Investments, Diminution in the Value of Investment and others	876.24	303.83	188.40%
Contribution to Special Reserve Fund	60.00	80.00	-25.00%
Total Profit before Taxes	951.95	1,902.86	-49.97%
Provision for Taxation (Current & Deferred)	769.25	969.42	-20.65%
Net Profit after Taxation	182.70	933.44	-80.43%

Profit before Provision

Consolidated Operating Profit before Provision was Tk. 1,888.18 million in the year 2012 where as it was Tk. 2,286.69 million in the year 2011 before considering contribution to Special Reserve Fund. After accounting for contribution to Special Reserve Fund of Tk. 60.00 million in 2012 and 80.00 million in 2011, operating profit stood at Tk. 1,828.18 million in 2012 compared to Tk. 2,206.70 million in 2011.

Provision for Loans and Off-Balance Sheet Exposure

During the year 2012, provision for loans and advances was Tk. 837.38 million compared to Tk. 229.26 million in the year 2011 and increased by Tk. 608.12 million due to new classification regulation adopted by Bangladesh Bank. Provision for Diminution in value of Investment has also been increased by 8.92 million due to downturn in the capital market. 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. 951.94 million compared to Tk. 1,902.86 million in 2011. In this downturn, our net interest income growth was 38.80% from the year 2011 but our investment income and non-interest income decreased by 33.53% and 11.31% respectively and significant increase of provision against loan & advances resulted in negative growth of operating profit.

Provision for Income Tax

Consolidated Provision for Income Tax for the current year stood at Tk. 778.71 million against Tk. 981.43 million in 2011. However, net provision for Income Tax was Tk. 769.25 million after accounting for Deferred Tax of Tk. 9.46 million in 2012.

Net Profit after Tax

Consolidated Net Profit after Tax stood at Tk. 182.69 million in the year 2012 as against Tk. 933.44 million in the year 2011 and Earnings per Share (after split) was Tk. 0.55 in the year 2012.

Dividend

The Board of Directors of the Bank recommended 10% stock dividend considering the results achieved in the year 2012 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 2012 over that of 2011. Deposits of the Bank increased by 25.99% and stood at Tk. 83,063.00 million at the end of year 2012. Consolidated Loans and Advances increased by 7.42% and stood at Tk. 58,599.09 million at the end of the year 2012 compared to year 2011. Investment increased significantly by Tk. 4,010.42 million Showing growth of 41.49% compared to year 2011.

Total Assets

Consolidated Assets of the Bank stood at Tk. 96,339.25 million in 2012 as against Tk. 77,036.02 million in 2011 registering a growth of 25.06%. 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 60.83% of total assets while investment in government and other instruments held 14.20% of the total assets. Balance with other banks and financial institutions held at 1.99% of total assets. Bank also invested in the Call Market for Tk. 11,750.00 million showing 12.20% of total assets. Moreover, other assets which are very current in nature made up 1.79% of total assets leaving only 0.49% of total assets tied up in fixed assets including premises, furniture and fixtures. The above common size analysis showed that almost 91.48% of total assets of the Bank are utilized in different earning assets leaving 8.52% 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 %	Assets Mix	
	2012	2011		2012	2011
Cash in hand & Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	8,204.23	5,699.05	43.96%	8.52%	7.40%
Balance with other Banks & FIs	1,916.23	3,847.93	-50.20%	1.99%	4.99%
Money at call and short notice	11,750.00	1,440.00	715.97%	12.20%	1.87%
Investments	13,675.75	9,665.33	41.49%	14.20%	12.55%
Loans and Advances/Islamic Banking Investments	58,599.09	54,552.66	7.42%	60.83%	70.81%
Fixed assets including premises, furniture and fixtures	472.13	439.64	7.39%	0.49%	0.57%
Other assets	1,721.82	1,391.41	23.75%	1.79%	1.81%
Total assets	96,339.25	77,036.02	25.06%	100.00%	100.00%

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

As at 31 December 2012, Consolidated Cash in Hand and Balance with Bangladesh Bank & its agent banks (including foreign currencies) stood at 8,204.23 million as against Tk. 5,699.05 Million of 2011 registering a growth by Tk. 2,505.18 Million or 43.96 %. 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 8.52% of the total assets in the year 2012.

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 2012, to proper use of the fund, consolidated balance outstanding with other banks and financial institutions reduced to Tk. 1,916.23 million showing reverse growth of 50.20% as compared to Tk. 3,847.93 million at the end of 2011.

Investments

At the end of year 2012, Bank's investments stood at Tk. 13,675.75 million showing an increase by 41.49% as compared to that of 2011. 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. 11,840.16 million was invested in government securities and the rest amount i.e. Tk. 1,835.59 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 2012 was Tk. 58,599.09 million as against Tk. 54,552.66 million in the year 2011, showing an increase by almost 7.42% 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. 89,489.47 million at the end of year 2012 as against Tk. 71,172.37 million in 2011, representing a rise of 25.74%. Deposits constituted 92.82% of total liabilities of the Bank.

Summary of Liabilities and Capital:

Particulars	Taka in Million		Growth %	Liabilities Mix	
	2012	2011		2012	2011
Liabilities:					
Borrowing from other Banks, Financial Institutions and agents	2,836.85	2,350.05	20.71%	2.94%	3.05%
Deposits and other accounts	83,063.00	65,930.04	25.99%	86.22%	85.58%
Other liabilities	3,589.62	2,892.28	24.11%	3.73%	3.75%
Total Liabilities/Non Owner's Claims on the Total Assets	89,489.47	71,172.37	25.74%	92.89%	92.39%
Capital/Shareholders' Equity	3,459.47	2,661.13	30.00%	3.59%	3.45%
Statutory Reserve	1,966.01	1,827.24	7.59%	2.04%	2.37%
Other Reserve & Share Premium	540.79	3.48	15439.94%	0.56%	0.00%
Retained Earnings	883.51	1,371.81	-35.60%	0.92%	1.78%
Total Shareholder's Equity/Owner's Claims on the Total Assets	6,849.78	5,863.66	16.82%	7.11%	7.61%
Total Liabilities & Shareholder's Equity	96,339.25	77,036.03	25.06%	100.00%	100.00%

Deposit Portfolio

In the year 2012, Consolidated Deposits of the Bank shot up by 25.99 % to Tk. 83,063.00 million from Tk. 65,930.04 million as recorded in the year 2011. 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 62.49% total deposits. The Bank's deposits include the deposits from both conventional and Islamic banking deposit vehicle.

Type of Deposits	Taka in Million		Growth %	Deposit Mix	
	2012	2011		2012	2011
Current / Al-wadeeah current accounts and other accounts	10,734.62	8,293.87	29.43%	12.92%	12.58%
Bills payable	925.78	555.76	66.58%	1.11%	0.84%
Savings bank / Mudaraba savings deposits	6,590.79	5,822.76	13.19%	7.93%	8.83%
Fixed deposits / Mudaraba term deposits	51,909.86	41,782.13	24.24%	62.49%	63.37%
Short Notice Deposits / Mudaraba Short Notice Deposits	5,385.89	4,089.51	31.70%	6.48%	6.20%
Special Deposits Scheme	7,516.05	5,386.02	39.55%	9.05%	8.17%
Total	83,062.99	65,930.05	25.99%	100.00%	100.00%

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. 2,836.85 million at the end of year as against Tk. 2,350.05 million in 2011. The Bank has no call money balance at the end of 2012.

Shareholder's Equity

Total consolidated shareholder's equity increased by 16.82% and stood at Tk. 6,849.78 million at the end of year 2012 as against Tk. 5,863.65 million in the year 2011. The increase was mainly attributed to the issue of right shares of Tk. 532.23 million along with 100% premium of Tk. 532.23 million, issue of bonus shares of Tk. 266.11 million, increase of Tk. 138.77 million in Statutory Reserve and Other Reserve of Tk. 5.09 million respectively. However, retained earnings dropped by Tk. 488.30 million in the year 2012.

Particulars	Taka in Million		Change %
	2012	2011	
Capital/Shareholders' Equity	3,459.47	2,661.13	30.00%
Statutory Reserve	1,966.01	1,827.24	7.59%
Other Reserve & Share Premium	540.79	3.48	15,439.94%
Retained Earnings	883.51	1,371.81	-35.60%
Total Shareholders' Equity/Owner's Claims on the Total Assets	6,849.78	5,863.66	16.82%

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 till it equals to the sum of paid up capital and share premium. In the year 2012, 20% of Profit before Tax amounting to Tk. 138.77 million was transferred to Statutory Reserve and thus balance of Statutory Reserve stood at Tk. 1,966.01 million at the end of year 2012.

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 non-performing asset slightly increases from 3.02% to 4.58% during the year 2012 due to new classification regulation issued by Bangladesh Bank. However, the asset quality may be termed as strong. 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.

Particulars	Taka in Million		Change (%)
	2012	2011	
Unclassified Loans	56,095.25	53,018.35	5.80%
Standard	54,659.85	52,541.79	4.03%
SMA	1,435.40	476.56	201.20%
Classified Loans	2,503.84	1,534.31	63.19%
Sub-standard	817.85	511.77	59.81%
Doubtful	291.87	383.81	-23.95%
Bad/Loss	1,394.12	638.73	118.26%
Total Loan	58,599.09	54,552.66	7.42%
NPL (%)	4.27%	2.81%	51.92%

Capital Management

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 include both Balance Sheet and Off Balance Sheet items. All assets are 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 9.20% of total Risk Weighted Assets at the end of the year 2012. Core Capital represents the Paid Up capital, Minority Interest, Statutory Reserve and Retained Earnings. As on 31 December 2012, our Consolidated Core Capital stood at Tk. 6,841.21 million against Tk. 5,860.18 million in 2011. The Core Capital constituted 66.39% of total Capital while Paid up Capital constituted almost 50.50% 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 2012, our Consolidated Supplementary Capital stood at Tk. 3,462.62 million as against Tk. 2,777.22 million in 2011.

Total Regulatory Capital

At the end of 2012, Consolidated Regulatory Capital stood at Tk. 10,303.83 million against Tk. 8,637.40 million in 2011 registering a growth of almost 19.29% over the preceding year. And Consolidated Capital Adequacy Ratios were 13.86% and 11.84% of Total Risk Weighted Assets in 2012 and 2011 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 2011 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.

SME Banking

The contribution of SME is very considerable when it comes to efficient, sustainable and pro-poor growth of labor-surplus economies. Due to many favorable attributes, SME tends to itself into lines of business of low average size of enterprise, greater intensity of labor and smaller degree of risks. Considering all positive indicators, SME is universally recognized as engine of economic growth. The issue of fostering SME growth in Bangladesh can in no way be ignored as these industries have huge prospects for creating large scale employment opportunities and potentialities of innumerable income generation especially in semi-urban and rural areas. As such, the Bank is moving forward to SME customer segment with market approach to meet the credit & considering the business potentials and return on investment. The business expansion and monitoring is carried out throughout 79 nos. country wide branches and 7 SME/ Krishi Branch / service centers dedicated to full-fledged SME business.

Trust Bank has launched different products and marketing these products matching with the customer need. Its especial emphasis is on Loan for shopkeepers and Traders, Loan for light engineering, Loan for power loom and handloom and other allied industries, Loan for Bio-gas, Solar panel, Livestock, Fisheries & Agro- Processing units, Micro/ Group Loan with Cluster approach, Loan for Women Entrepreneurship.



As a part of SME activities, Trust Bank Limited handing over a cheque for Tk. 3.00 lac to Golap Handloom Group under the Trust Bunon Project. Honorable Governor of Bangladesh Bank was chief guest

During 2012, Trust Bank's strategy was focused on marketing the products to wide range of customers through branches network, business team and outsourcing agent for financing manufacturers, traders, Agri and Bio-gas sector to meet the requirement of business plan, rural energy and ultimately for the expansion of SME portfolio. The portfolio stands at TK. 4,940.00 million and disbursement for the year was TK. 3,050.00 million against the target of TK. 2,500.00 million for SME business.

In view of diversification of portfolio it is imperative to say that the substantial increase of SME lending would lead the bank to its positive growth.

Retail Banking Activities

Introduction

Year 2012 was the year of 'Deposit' for Retail Banking Business Unit (RBU). RBU of Trust Bank Limited had taken several constructive business approaches which had helped the bank to build a strong deposit platform. Despite of unfavorable situation, Retail banking Unit worked to make a constant deposit growth throughout the year and achieved a significant milestone in this regard, while other reputed commercial banks have to face many obstacles to do so.

The Beginning

Since its inception in 2006, Retail Banking Unit (RBU) has come a long way. It is worth mentionable that Trust Bank is prudent in responding to market changes and in 2011 Retail Banking went through major reshuffles. In 2012, Retail was involved in streamlining the changes brought in 2011. The highlighted changes in 2012 were: inclusion of Direct Sales Representative (DSR) in Retail Business team, segmentation of products for better customer orientation such as: Trust Payroll, Trust Kotpoti etc., more concentration in development of brand image.

2012: Major Retail Activities

Deposit Campaigns

RBU successfully completed two internal deposit campaigns 'Vision 7000' & 'Deposit Bonanza' in last year. Aggregated deposit collection from both campaigns was a staggering amount of Tk. 10,740 million which helped the bank to maintain a stable deposit growth against the volatile financial market.

Training & Development

Retail Banking Unit has conducted several training program for their branch people & DSR as a part of their business development strategy, which helped them to bring a wonderful result for the bank at the end of the year, 2012 in terms of Service quality, business growth & bank's brand image. People became more professional & skilled in their respective areas.

Communication with the Market

Retail Banking Unit introduced first and formal launching of 'Trust Payroll' & 'Trust Universe' through advertisements in print media. Bank has categorically published/aired advertisements on print & electronic media to reach to the wider range of customer segment with a slogan "Listen to your heart"

Performance evaluation tools for Direct Sales Representative (DSR)

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 Liability Performance 2012

Through the joint effort of Branches network & Direct Sales force bank has able to bring a positive impact to the current Retail Market .Growth in Liability & Asset reflects the true picture of performance, achieved in 2012.

Liability/Deposit

In year 2012 an incredible achievement was done by the Trust Bank Limited in terms of Deposit growth in Retail business. Persons who made it possible are- our valued clients, share holders & employees of the bank. The changes in Retail business strategy have earned the bank a remarkable 71% growth in Retail portfolio in 2012 from that of 2011 through various new Retail product(s). Overall the retail growth is 26% from last year.

Figure in Billion

Year	2010	2011	2012
Year-end Balance	45.26	55.99	70.56

Asset

Secured return from investments is always Trust Bank's top priority. Keeping that in mind, the bank maintained steady growth in asset management and close the business on 31 December 2012 at Tk. 17,470 million.

Figure in Billion

Year	2010	2011	2012
Year-end Balance	6.82	8.21	17.47



An event of MOU signing ceremony between Trust Bank Limited and Vacation Club

Credit Card

Trust Bank has been offering credit card services. RBU has already taken couple of contemporary positive steps (For example: Trust Universe) to make the product more lucrative in the market. At the close business on 31 December 2012, Bank had 1,755 Credit Card holders with an outstanding of Tk. 54 million.

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
- **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**

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.
- **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 and VISA Gold
- **Credit Card International:** VISA Classic and VISA Gold/Dual

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.

Islamic Banking Activities

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

Islamic Banking in global market shows an average growth @ 20% in last 5 years because its scope and prospect. Opportunities of contributions in the field of micro finance & social welfare through Quard & Waqf under Islamic Banking is gaining popularity in different countries. In addition to Malaysia & Bahrain, the Islamic Bond (Shukuk) is becoming popular among the fund managers & showing rapid expansion in the countries like Germany, UK & France.

Trust Islamic Banking (TIB) started its operation from later part of 2008 and strictly adheres to the principles of Islamic Banking. Though our bank is a conventional one, our Islamic operation is characterized by completely separate fund Management, separate Profit & Loss Account and Distribution of Profit.



Trust Islamic Banking (TIB) has 5(five) TIB windows i.e TBL-Principal Branch, TBL-CDA Avenue Branch, TBL-Gulshan Branch, TBL-Dilkusha Branch and TBL- Sylhet Corporate Branch. All investment under TIB is made from the Islamic Banking Deposits. All products developed under TIB is thoroughly reviewed and approved by the Sharia Supervisory Committee of the bank.

In 2012 we introduced three new deposit products i.e. Mudaraba Kotipati Scheme, Mudaraba Millionaire Scheme and Mudaraba Money Double Scheme. Islamic Banking total deposit stood at Tk. 3087.54 million and investment at Tk. 1,384.92 million which shows business growth of 48% and 2% respectively in 2012 compare to 2011.

However, TBL is yet to capitalize the full opportunities available in this segment of the banking. The TIB growth of 2012 is not commendable. Accordingly appropriate focus for improved performance including development & introduction new products, better fund utilization etc. has already been initiated. Bank is expecting a robust growth & improved performance in Islamic Banking operations in 2013.

Information Technology

In January 2007, Trust Bank Limited successfully launched Online Banking Services which facilitate any branch banking, ATM banking, Phone banking, SMS banking & internet banking. 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.

Online Transaction- Definition

Online transaction facilitates 'Any Branch Banking' to all customers mean customer is able to deposit or withdraw money from any Branch of Trust Bank Limited nationwide. In addition, ATM Banking, Phone Banking, SMS Banking, Internet Banking & Mobile Banking are alternate delivery channels offered by the bank which support online transactions.

Any Branch Banking

Any Branch Banking is a facility for our customers to operate their accounts from any of our network branches. The branch where the customer maintains his account is the base branch and the branch from where he carries out his transactions is referred as the remote branch. Any Branch Banking facility is available at all branches of Trust Bank Limited.

At present, following online banking services are with the system:

- a. Cash deposits i.e. accountholders of one branch can deposit cash in his/her account at another branch.
- b. Cash withdrawals, i.e. accountholder of one branch can withdraw cash from another branch.
- c. TBL cheque deposits i.e. accountholder of one branch can deposit TBL cheque in his/her account at another branch.
- d. Online Clearing i.e. account holder of one branch can deposit clearing instruments in his/her account at another branch.

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:

1. Balances in accounts
2. Performed operations
3. Access to the bank's hot line
4. Information about bank products
5. Currency rates
6. Existing deposit terms, accrued interests and amounts
7. Loan repayment schedule
8. Account statements
9. Blocking/unblocking VISA cards
10. 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:

1. Check-up of customer account balance - at request and upon movement,
2. 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.

Internet Banking

Internet Banking Service permits the customer to interact with bank from any terminal accessing to the Internet. Internet Banking is a facility provided by Trust Bank Limited to its customers who does not have enough time to visit bank repeatedly. It saves the operation, time and cost of both the bank and customer. One of the important benefits of internet banking is its ability to increase customer retention.

Internet Banking is now a colossal success for Trust Bank Limited. At present, Trust Bank Limited allows to view account balance and detail transaction Statement. In near future, fund transfer and utility bill payment facilities will be available in internet banking service. Internet banking users can log on to the bank's website with the unique username and password provided by the bank to access his or her bank account. At present Trust Bank Limited has around 34,000 customers availing this facility.

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 fund as they would through a bank teller. At present total number of ATM's are 102 as on 31 December 2012.

Debit Card

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 2,00,000 customers have debit cards as on 31 December 2012 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 it's 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 4,000 credit cards to the eligible customers. This number is also growing day by day.

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 25 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.



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.

Expansion of ATM Network & Bank POS Deployment

In order to adopt the automated banking TBL has extended the ATM network (102 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 plan to setup POS in different merchant locations.

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 Jewellery 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.

Mobile Banking Services

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

In Trust Bank Mobile money service the customer can use their mobile phone to authenticate a transaction by typing their secret PIN (instead of having to write a cheque and signing it); if the combination of the PIN and the customer's mobile phone number is correct, the transaction will be done successfully and a confirmation SMS will be sent to the user end.

Trust Bank Mobile Money 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 or Internet. Any mobile subscriber can avail Trust Bank Mobile Money services using any mobile handset from low end to high end.

Customer of Trust Bank Mobile Money can avail the service at all Trust Bank Branches and accredited Pay points. Trust Bank is deploying its Pay point Network through different distributor such as Teletalk, A2i, Citycell and Third Eye NC Limited.



Maj General Ashraf Abdullah Yussuf, rcds, afwc, psc, honorable Vice Chairman of the Bank inaugurated the services of salary notification and Trust Bank Mobile Money

The features of Trust Bank Mobile Money are as follows:

1. Cash in/out from Pay-Point
2. Payment of Inward Foreign Remittance
3. Electronic Fund Transfer
4. Local Remittance (P2P)
5. Payment at Point of Sale
 - i. At partner Merchant Stores
 - ii. At Partner Service Providers (hospital, cinema, gas station, etc.)
6. Utility payment
 - i. Air time recharge
 - ii. MetLife Alico Insurance premium

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.

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 of the 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.





2nd Annual General Meeting of Trust Bank Investment Limited

The Capital Market of the country passed two consecutive challenging years in 2011 and 2012. After a fall of 37% in 2011, DGEN index was down by 20% in 2012. Daily average trade volume fell down to Tk. 4,206 million in 2012 which was Tk. 6,642 million and Tk. 16,434 million in the years 2011 and 2010 respectively. The fall in share prices coupled with the decline in daily trade volume hurt all the stakeholders in the market, the institutions and the individuals alike. The merchant banks and their clients are the worst hit in this scenario. TBIL was also affected in this downturn of market, but it was able to keep the value of its portfolio healthier compared to its peer group in the market. For the year 2012, operating profit of TBIL was Tk. 670.75 million as against Tk. 646.10 million in 2011.

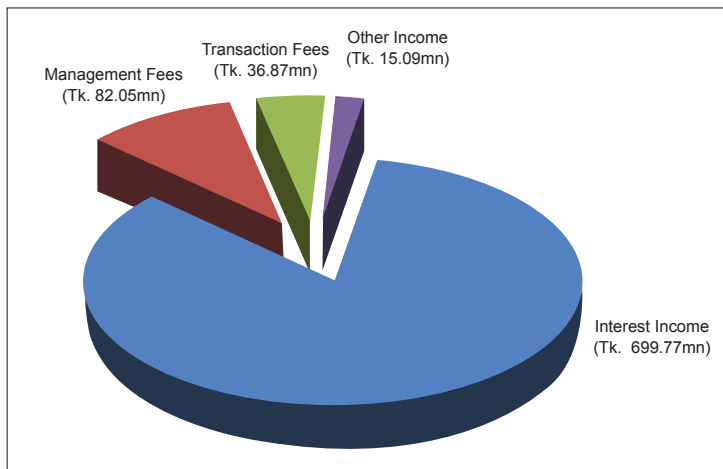
Till date portfolio management services are the major sources of earnings for TBIL. TBIL is providing "Portfolio Management Services" to its clients through IDA, BDA, and NIDA accounts. TBIL manages investors' portfolio of its clients valuing Tk. 5,744.27 million including the margin lending of Tk. 4,485.99 million as on 30 December 2012. Revenues 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. TBIL entered into agreements with 10 companies for underwriting shares for a total amount of Tk. 590.11mn during the year 2012.

TBIL was the Co-issue Manager of IPO of GPH Ishpat which was listed on DSE in 2012. TBIL has been appointed as Co-issue Manager for the IPO of Ratanpur Steel Re-rolling Mills Ltd. (RSRM) and is working actively along with the Issue Manager to conclude the IPO within this year.

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 following this process in compliance with the TBIL Investment Policy approved by the Board of Directors. In the year 2012, TBIL has realized a profit of Tk. 6.94mn from its own portfolio investments.

Components of Revenue as on 31 December 2012



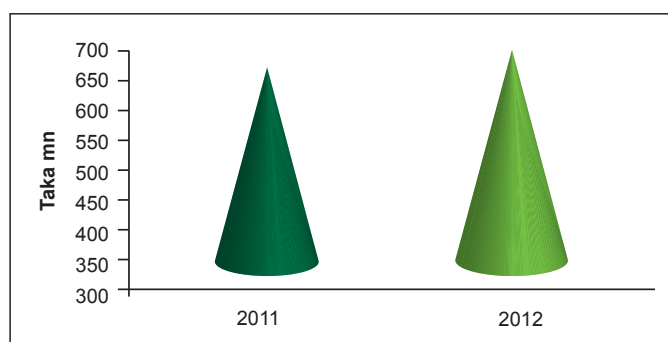
Business Position of TBIL as on 31st December 2012

Figure in Million

SL	Particulars	Taka
1	No. of Accounts	5,655
2	Total Loan against Securities(Taka)	4,485.99
3	Total Portfolio Value at Market Price (Taka)	5,744.27
4	Average Daily Trade Volume (Taka)	86.90
5	Average (%) of Total Trade of DSE	2.07%
6	Operating Profit	670.75

All the business sectors in Bangladesh are going through a turbulent time and the capital market is also not out of this turbulence. The market is being driven by technical factors rather than the fundamentals of the listed companies. Once the economy and the business environment get stable, the capital market will follow suit. Notable global analyses have been positive on the future outlook of Bangladesh and its economy. In due time, this positive outlook will be reflected on the capital market too. TBIL is well equipped to remain a top performer and compliant player in the market and at the same time it is always evolving to accommodate itself with all the new developments in the market.

Operating Profit of TBIL



Trust Bank Investment Limited at a glance

Figure in Million

Sl. No.	Particulars	2011	2012
1	Deposit	134.64	78.24
2	Loans	4,396.87	4,485.99
3	Total Income	894.19	833.76
4	Total Expenditure	248.08	163.01
5	Operating Profit/(Loss)	646.11	670.75
6	Borrowing	652.93	502.96

Trust Bank Securities Limited (Proposed)

Trust Bank Securities Limited (TBSL), a fully owned subsidiary of Trust Bank Limited, is yet to be formed to act as member of Dhaka Stock Exchange from where one share (membership) was purchased and to carry on the business of brokers.

Human Resources Division – towards a culture of performance

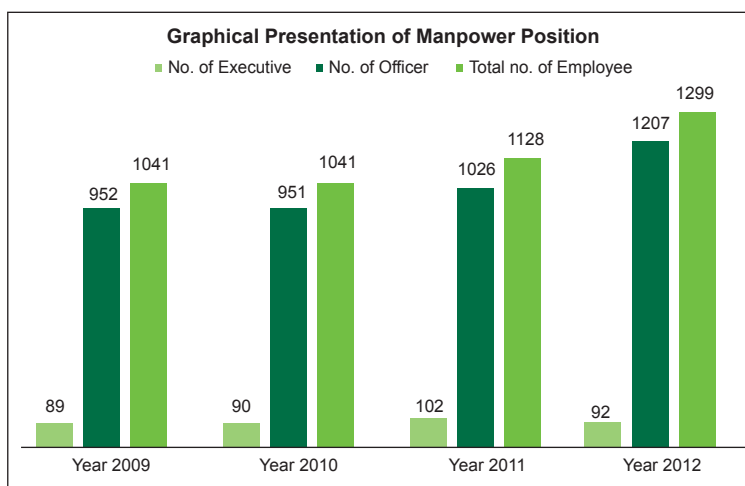
For a service based organization like a bank, customer's impression matters most in creating and enhancing brand value. So, hiring the right people for the right position is the key to provide the right direction for achieving the business goals. Keeping this in mind, throughout the year 2012, Trust Bank Human Resources Division had a strong focus on hiring skilled manpower and properly grooming the workforce to raise the knowledge and competencies of the bank's overall human capital. The line with the tradition of recruiting fresh new talents, last year the bank recruited 52 Probationary Officers, 91 Trainee Assistant Officers and 109 Trainee Assistant Cash Officers for building home grown talents.

The total number of permanent employees at the close of year 2012 stood at 1,248. A Comparison of number of employees in last four years is given below:



During 2012, TBL HRD took a number of initiatives to streamline various HR processes and policies, and to improve the overall service quality of the division. To demonstrate a direct link between employee performance and reward, and to encourage a culture of performance, the bank initiated performance based rewards for its employees. HRD also upgraded and improved policies and procedures involving disciplinary issues, leave management, organization structure and salary disbursement among others.

Moreover, the bank provided Internship opportunities to a total of 172 Interns during 2012 as part of the effort to perform a civic and professional responsibility by providing students with real work experience and thereby enhanced employer branding of the bank. HRD also had a strong focus on increasing Employee Engagement and taken a number of measures, including publication of a newsletter for the bank employees.



Future Initiatives

As part of the ongoing drive to create a high performing workforce, HRD is initiating a number of measures in the coming days. From 2013, the bank is moving into an era of objective based Performance Appraisal Process to evaluate employee performance in a more systematic method. Increased employee job rotation within the bank is also being planned to rejuvenate employee morale and motivation. A state-of-the-art Reward & Recognition Program to recognize outstanding employee and business performances is expected to be introduced during 2013. A modern MTO Development Program will also be launched to nurture and develop the MTOs as the bank's future leaders. Apart from the above, HRD is also planning publication of newsletter and arrangement of various employee focused programs to increase employee engagement.

Training and Development

We also attached high priority in raising the quality and quantity of training and development opportunities for our new and seasoned employees. Participating in regular training and development programs is a key to creating a competitive workforce that is capable of navigating the bank through the challenging business environment. Keeping this in mind, the bank provided opportunities to a large number of bank officials various functional and soft skill trainings, workshops and seminars throughout the whole year of 2012 to refresh as well as sharpen their critical skills and knowledge. A total of 1,419 employees participated in 117 training program, of which 39 programs were in-house and 78 were public courses at external venues.

Risk Management Unit

Trust Bank Limited has put in place unified risk management architecture to attain global best practices for effective implementation of risk management initiatives in consistence with the Basel II framework. In compliance with the instruction of Bangladesh Bank, a separate Risk Management Committee was formed with top level executives of the bank. The Committee is looking after the implementation of integrated risk management systems of bank. Also that, it is supported by an independent risk management Unit headed by a Chief Risk Officer to ensure the implementation of process and performance of these functions and that the risks are managed within the pre-defined and tolerable levels through effective monitoring of the three main areas of risks namely, credit risk, market risk and operational risk, across the Bank. Our risk management framework remains compliant with the relevant directives and regulations by Bangladesh Bank.

Systematic and Unsystematic Risk & Issues of Concern

The bank believes that risk management is the core function that makes its business sustainable. Ability to generate profit consistently and sustainability is a function of enterprise-wise risk management and the bank is restlessly pursuing continuous improvement in this area. One of the main risks the bank exposed arises from

extending credit to its clients through lending operations. Beyond credit there are ranges of other types of risk such as; operational, structural, market, liquidity, concentration, cross country, legal, IT, credit and reputational. Objective of risk management is to maximize risk adjusted returns and remaining within own risk appetite. TBL risk management strategy is based on a clear understanding of various risks, disciplined assessment, measurement and continuous monitoring of such risks. The policies and procedures established for this purpose are continuously reviewed to adopt regulatory changes and improvements. The Board of Directors is principally responsible for establishing risk appetites, approving related strategies and policies, overseeing policy compliance & effectiveness of the risk management framework through reports from Internal Control and Compliance Division.

Board of Directors has also constituted 'Audit Committee' to oversee compliance of all internal and external regulations across the organization, The Board through Managing Director & Chief Executive Officer is fulfilling its responsibilities relating to the oversight of the organization's risk managements strategies, policies and processes that have the potential to impact significantly on earning performance, reputation stability and capital protection.

Recovery of Classified Loans & Advances

The immediate consequence of large amount of classified loans in the banking system is bank failure. To keep the resources from being locked up in unproductive sectors and driving out of classified loans is of utmost necessity.

Bank has a Recovery Monitoring Unit for monitoring the trends of accounts' condition i.e. whether any account be likely to be past due/and showing signs of deterioration for not taking intensive recovery steps. Then, regular activities like; rigorous follow-up, client motivation, legal actions etc. are continuous whole the year for recovery of classified loans and to keep it at the minimum. With all efforts in 2012, classified loans to the tune of Tk. 752.50 million were recovered. On the other hand, 4(four) nos. litigation cases have settled through the court with recovery of non-performing loans of Tk. 15.19 million and 12(twelve) nos. new cases have been filed for recovery of classified loans as ultimate steps of recovery.

Anti-Money Laundering Risk Management

In recent years the banking sector of the country has witnessed some crucial changes in its different fields of operation. One of such changes being felt lies in the implementation of the provisions of Money Laundering Prevention Act, 2012 & Anti-Terrorism Act, 2012.

Section 25 of Money Laundering Prevention Act, 2012 stipulates that each bank is required to preserve correct & complete information about the identity of those it deals with and section 16 of Anti-Terrorism Act, 2012 says that banks shall take necessary steps with due care and caution to prevent and detect transactions, those may be linked to the crimes as mentioned under this Act. It is also the responsibility of each bank as per section 25 (Gha) of Money Laundering Prevention Act, 2012 to exercise due diligence to identify suspicious transactions of their customers and to report the same to Bangladesh Bank on its own initiatives.

Pursuant to the above legal bindings as laid down in the Guidance Notes on Prevention of Money Laundering issued by Bangladesh Bank, TBL maintains its AML department at its Head Office headed by the Head of Operation Division of the bank as CAMLCO. TBL management follows the "zero tolerance" approach while complying the AML guidelines/instructions. To keep the TBL operation free from the reach of money launderers or terrorists, TBL encompasses the following as part of its AML measures:

1. No anonymous or fictitious account shall be opened
2. No numbered account shall be opened.
3. Uniform Account Opening Forms, KYC & Transaction Profile (TP) Forms for all types of accounts, which have been developed in line with the formats provided by Bangladesh Bank, shall be used while opening accounts.
4. The assessment of risks associated with the customers shall be made as per the parameters of risk perception as defined in the KYC profile form.
5. Required documents as well as other information necessary for opening accounts shall be collected keeping in mind the instructions laid down in AML circular # 02 dated July 17, 2002, the provisions of MLP Act, 2012 & Anti-Terrorism Act, 2012 and other circulars & guidelines issued by Bangladesh Bank time to time.

6. Branches shall focus on appropriate customer due diligence measures. They must not entertain any request of the customer to open an account where they are unable to verify the identity and/or obtain documents due to non- co- operation of the customer or non-reliability of the data/information furnished to the branches. Branches must understand that their key vulnerability point is the point of entry into their systems. However, unnecessary harassment of the customer is not desirable.
7. The branches shall be up and doing to close any account if it is found that an existing customer is dilly-dallying in providing necessary documents/information required by law/regulatory authority or the information/documents furnished by the customer are found to be lacking in authenticity/reliability. The decision to close an account must be taken up with the Head of Operation, Head Office after giving due notice to the customer explaining the reasons for the decision.
8. The branches shall comply with the instructions of AML circular # 14 dated September 25, 2007 issued by Bangladesh Bank for opening the accounts of Politically Exposed Persons (PEPs). Such accounts shall be classified as 'high risk', and shall require intensive monitoring.
9. The branches must take care in soliciting such information from the customer which are relevant, and not intrusive in nature. Branches must take note that the customer profile (KYC profile) is a confidential document and the details of the profile shall not be divulged for any other purpose, unless required by law/regulatory authorities of the country.
10. Information on source of funds, income & wealth and complete information on the actual or beneficial owners of the account holding 20% or more share of the account in question shall be obtained at the time of opening of any account.
11. The branches shall strive not to cause denial of access to the general public to banking services, especially for people who are financially or socially disadvantaged.
12. The branches shall exercise necessary checks before opening of a new account to ensure that the identity of the customer does not match with any person with known criminal background or banned entities such as individual terrorists or terrorist organizations.
13. While establishing correspondent banking relationship the concerned division/department shall follow the guidelines as contained in AML circular # 07 dated August 14, 2005 meticulously.
14. The branches shall verify the identity of the customer using reliable sources, paper/documents etc. but in all cases they must retain copies of all references, documents/papers used to verify the identity of the customers.
15. The branches must retain transactional records/information of any customer's account for minimum 05 years since the date the account is closed, as per section 25(Kha) of Money Laundering Prevention Act, 2012.
16. The branches shall not divulge any reported case of suspicious/ abnormal transactions to the customer or any other person in any situation so that the investigation activities can be influenced.

The branches, where locker service facilities exist, shall follow the identification procedures for their customers.

Green Banking

Green Banking encompasses all social and environmental factors in conducting banking operations. Green Banks are engaged in creation of socially responsible investment funds and sustainable project financing. Environmental concern is at the core of green banking strategy and banking practices that adversely affect environment.

Green Banking Policy manual Trust Bank Limited was approved by the Board of Directors as per BRPD circular no: 02/2011. The policy was approved considering three yearly phases starting 2011 and building up and completion within 2013 within specific phase-wise instruction for completion within the time frame of each phase as per the instructions of the guideline.

Phase I: Within 31 December 2011 the Bank has implemented green banking policies, initiated green environmental activities like environmental risk management, green in-house management for reducing waste (electricity, paper, ink etc.), green financing, green marketing, green awareness building, online banking services, reporting of green banking activities etc.

Phase II: Within 31 December 2012 the Bank would be continuing and broadening the Phase I activities and initiating sector specific green banking and financing policies, utilizing environmentally friendly technology for opening green branches, and standardizing the reporting of green banking activities.

Phase III: Within 31 December 2013 the Bank would be continuing and broadening the Phase I and Phase II activities and designing innovative financing products, improving environmentally friendly strategic planning and implementing internationally accepted reporting standards of Global Reporting Initiative.

Environmental Risk Management

Environmental Risk Management more commonly known as ERM has incorporated into the CRM guidelines of Trust Bank Limited as per Bangladesh Bank Circular no: 01 dated 30th 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.

Trust Bank Limited maintains the following two (2) guidelines for credit approval procedures:

1. Credit Risk Management including Credit Risk Grading as borrower analysis.
2. Environmental Risk Management due diligence checklists for Environmental Risk Rating (EnvRR).

Corporate Social Responsibility

We believe that revenue that leads to earning profit and increasing wealth of the stakeholders comes from our society. Hence, we acknowledge our responsibility to all of stakeholders including our society. Our commitment to socially responsible business is reflected in our business policy, products pricing, rewarding employees, discharging duties to regulators, Government, and direct participation in CSR activities. 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 is transferred to the fund every year.

Figure 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
Total	318.88	300.10

Modus of operandi of the fund

The fund is run by a Board of Trustees which comprises the Chairman of Trust Bank Limited as Chairman of BOT and six members from Board of Directors and Management of Trust Bank Limited.

CSR Policy and Principles

Trust Bank Special Reserve Fund which was created in 2009 for CSR activities has a by-laws guiding modus operandi for donations to various institutions such as schools, colleges, universities, hospitals, not for profit organizations, and individuals for medical treatment, other supports and various national causes. There are organizations which get financial assistance on regular basis for development of infrastructure and operating expenses. Two such organizations are 'Proyash' a school for autistic children and Trust Technical Training Institute, a vocational training institute for young people. Combined Medical Hospital gets financial assistance each year for subsequent donations to needy patient for purchasing costly medicine. Notable number of cantonment schools were donated Tk.1 million each for developing computer lab at the school. Some hospital got ambulance and many people affected with hard curable diseases were provided financial assistance to get treatment at home and abroad.





Maj General Ashraf Abdullah Yussuf, rcds, afwc, psc (from right), Vice Chairman handing over a Microbus with Key to the Authority of special child school (Proyash). The high officials of the Bank were also present

Notable donations during 2012

As per approved policy of the Bank, 5 percent of total profit of 2011 amounting to Tk.80.00 million was transferred to the Special Reserve Fund for conducting CSR activities during 2012. We proudly contributed to various benevolent and philanthropic activities from the fund like previous years. We provided financial assistance of Tk.122.05 million in 2012 which is the highest amount of donations we disbursed since the CSR fund has been established.

This year we recommended to transfer Tk. 60.00 million to CSR fund for carrying out CSR activities during 2013. We shall try to bring a major change in lives of some affected people and organizations by the fund.

Major beneficiaries of donation include various education and training institutes, hospital, families of martyred freedom fighters and un-well people for medical treatment. Some mentionable recipients of financial assistance from CSR fund are: Trust Technical Training Institute (Tk.27.50 million), Proyash (Tk.26.00 million), and three mosques (Tk.25.75 million). We also provided four micro buses at cost of Tk.2.70, Tk.3.00, Tk.3.70 and Tk.3.00 million to Bisho Shahitto Kendra, Bangladesh Institute of International and Strategic Studies (BISS), Ashar Alo Navy and Chittagong Proyash respectively. We provided Tk.7.00 million for renovation and development of computer labs of 7 cantonment board schools. We also provided two ambulances for two hospitals. Last not the least, we helped many people suffering from hard-cured diseases for overseas medical treatment.

Sector wise classification of CSR

Figure in Million

Sectors	Taka in Million	% of Total Donations
Education and Training	70.75	58.00%
Health	14.67	12.00%
Mosques	28.80	23.60%
Disasters affected people	1.96	1.60%
Sports	1.20	0.98%
Freedom fighter	1.50	1.23%
Others	3.17	2.60%
Total	122.05	100%

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

In accordance with clauses 107 & 108 of the Articles of Association of the Company, the following Directors will retire at this Annual General Meeting:

1. Brig Gen KARM Mostafa Kamal, ndc, psc
2. Brig Gen Tushar Kanti Chakma, ndc, psc
3. Brig Gen Md Emdad-UI-Bari, psc, te

As per Article 109 of the Articles of Association of the Company and as per Company Act, 1994, the retiring Directors are eligible for re-election. The Shareholders will approve their re-election.

Auditors' Report

The Board of Directors reviewed the Auditors Report issued by the Bank's Auditor M/S. ACNABIN, Chartered Accountants based on their audit of Financial Statements for the year ended 31 December 2012. The Auditor expressed clean report about the financial statements of the Bank.

Appointment of Auditors

An auditor cannot be appointed for more than three consecutive years. M/S ACNABIN, Chartered Accountants was the auditor of the Bank for the year 2012. As they have completed their second year of audit, they are eligible for re-appointment and they have expressed their willingness to be re-appointed for the year 2013. Section 210 of the Company Act, 1994 gives authority to the shareholders for the appointment of the auditors and to fix their remuneration. Hence, the Board recommends to appoint M/S ACNABIN, Chartered Accountants having address at National Scout Bhaban (13th) 70/1 Inner Circular Road, Kakrail, Dhaka-1000 as the auditor of the Bank for the year 2013.

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 monitor 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.





Mr. Ishtiaque Ahmed Chowdhury, Managing Director of the Bank received the Certificate of 12th ICAB National Awards 'Merit Award' for best presented Annual Reports 2011

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 2012 annual financial statements were approved by the Board of Directors on 24 March 2013 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 Companies Act, 1991 and/or other relevant laws and regulations in discharge of routine functions of the bank.



Thanks and Gratitude

The Bank closed the year 2012 displaying substantial improvement in core areas of operation in terms of volume of business and gross 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 2012 for approval.

On behalf of the Board of Directors,



General Iqbal Karim Bhuiyan, psc
Chairman



Risk Management Report





Trust Bank Limited understands that taking on risks is essential in the financial sector, and that businesses in this industry are susceptible to risks. The Bank has not set a goal of avoiding all risks. However, it attempts to achieve an optimal balance between profitability and operating risks in the long-term. In this situation, the Bank only adopts risks in those regions in which the Bank has a clear cut competitive advantage. In the remaining areas, the Bank, as much as possible, minimizes risks and is guided by the principle of economic expediency.

In 2012, Trust Bank Limited continued to build and implement the strong risk management approach (Risk Management) to ensure the solid financial strength and stability in the model of banking operation.

Risk Management Structure:

In accordance with the guidance of Bangladesh Bank, the Board of Directors of the Bank has the authority and responsibility to implement Risk Management Architecture of Trust Bank Limited. The Bank has set up separate committees, of Top Executives of the Bank to supervise the respective risk management functions. Risk Management Committee of Executives and Audit Committee of the Board are looking after the implementation of integrated risk management systems. TBL has a full-fledged Risk Management Unit headed by a Chief Risk Officer and consisting of a team of qualified, trained and experienced employees.

Asset Liability Management Committee (ALCO):

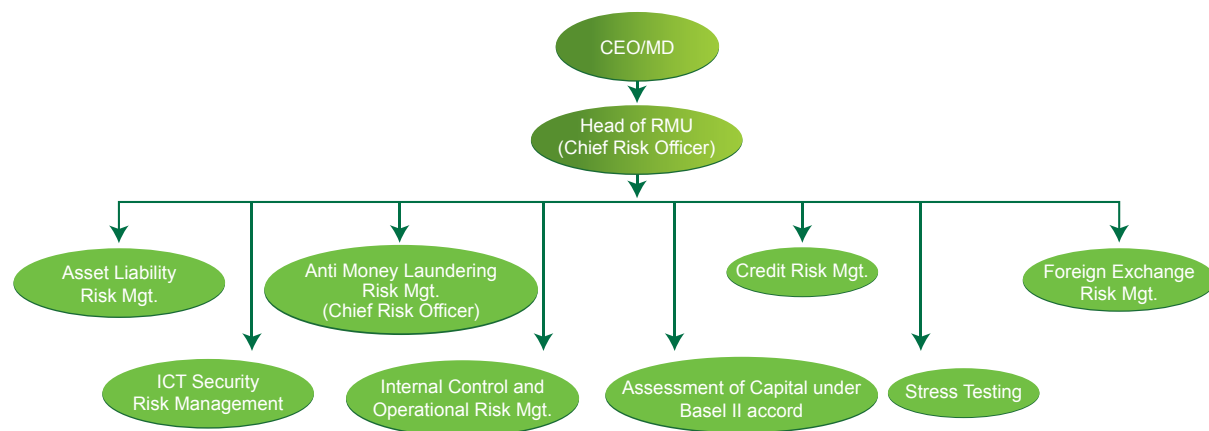
ALCO committee is a decision making unit responsible for balance sheet planning from a risk-return perspective including the strategic management of interest rate and liquidity risks. The business issues that an ALCO would consider, inter alia, typically include product pricing for both deposits and advances, desired maturity profiles of the incremental assets and liabilities, etc. It also plans out strategies to meet asset-liability mismatches.

Credit Policy Committee (CPC) :

Credit Committee has the responsibility to formulate and implement various enterprise-wide credit risk strategies including lending policies and also to monitor our Bank's credit risk management functions on a regular basis.

Organogram

Following Risk Management diagram has to be maintained under Risk Management Unit for risk assessment as per Bangladesh Bank instructions:



In managing risks, Trust Bank established the following strategic priorities:

- i) Ensuring complete protection and flexibility in dealing with client accounts in any situation, even under stressed' situations;
- ii) Minimizing credit losses by individually estimating the risks of each client and individual responsibility for risk;
- iii) Establishing a balanced structure of assets and liabilities, currencies, pay-off periods and over-estimation of interest rates;
- iv) Engaging in maintenance on a regular basis:–

- a) Maintaining a high level of capital sufficiency which ensures safety and adequate provisions for potential losses in crisis scenario(s).
- b) Having liquid asset reserves of the highest credit quality, which ensures complete provisions against draining cash resources during the period, which corresponds to the assumed crisis scenario.

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. The basic goals of risk management are avoiding bankruptcy and maximizing the Bank's long-term share price.

Credit Risk Management

Credit Risk is the possibility of loss that a bank may be subjected to, on account of changes or deterioration in the credit profile / credit quality of the borrowers and counterparties. The counterparties may include an individual, corporate, bank, financial institution or a sovereign. In a bank's portfolio, losses stem from outright default due to inability or un-willingness of a borrower or counterparty to honor commitments in relation to lending, trading, settlement and other financial transactions. The credit risk management in the bank aims at ensuring sustained growth of healthy loan portfolio while identifying and managing the credit risks, both at the transaction and portfolio levels. This entails striking a balance between risk and return, thereby ensuring optimization of values for all stakeholders and at the same time striving towards maintaining / increasing the bank's market share.

The Bank's Strategies to Manage the Credit Risks are as Under:

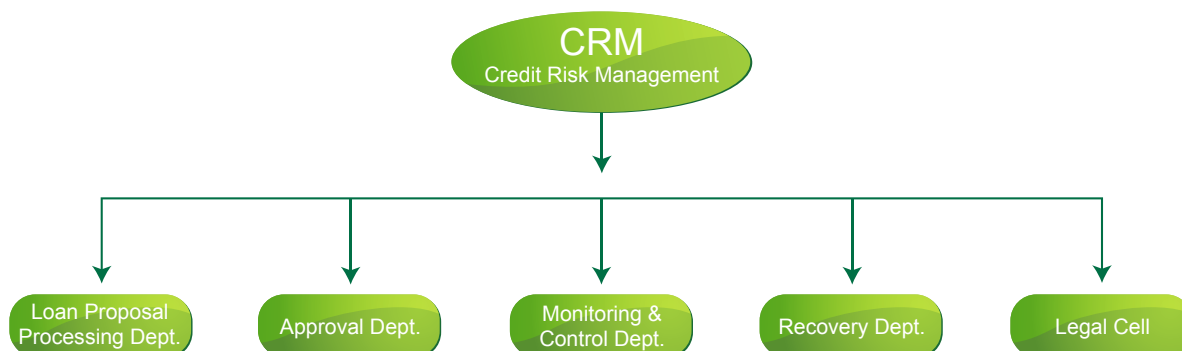
- a) Well defined credit risk management structure to identify, measure, monitor and control / mitigate credit risk right from the loan origination to its disbursement.
- b) Bank has put in place board approved comprehensive credit policy for credit risk management in the bank.
- c) Board approved Credit Policy of the Bank addresses credit risks related to investment activities of the Bank and it prescribes prudential limits, methods of risk measurement, and mitigation of risks arising in investment portfolio.
- d) Defined segment exposures classified into retail, small / medium enterprises and Corporate.
- e) Industry wise segment ceilings on aggregate lending by the Bank.
- f) Individual borrower wise ceilings on lending as well as borrower group wise lending ceilings linked to the Bank's capital funds.
- g) A comprehensive risk scoring / credit rating system. The rating system serves as a single point indicator of diverse risk factors of counterparty and also for taking credit decisions in a consistent manner.
- h) Allowing credit exposures as per the credit rating of borrowers' up to defined thresholds of risk levels. The approach also includes diversification of credit portfolio rating category wise but within the acceptable risk parameters.
- i) The Bank's entire current business is within Bangladesh and hence there is no geographic ceiling on lending in Bangladesh. Further, there is also no ceiling on lending within a Bangladesh.
- j) A mechanism of clear and well defined delegation of authority operates within the Bank in regard to decision making which links risk and exposure amount to level of approval.
- k) Regular review of all credit sanctioning powers delegated to various sanctioning levels so as to continuously strengthen the credit processes, and monitoring oversight.
- l) Approval processes with respect to credit proposals are preceded by study of risks and preliminary due diligence particularly while sourcing fresh credit accounts.
- m) Credit audit system and loan review mechanism function independently of the credit processing / credit approval system and ensure effective loan monitoring, management / mitigation of credit and operational risks in the loan portfolio.



Organogram of Credit Risk Management

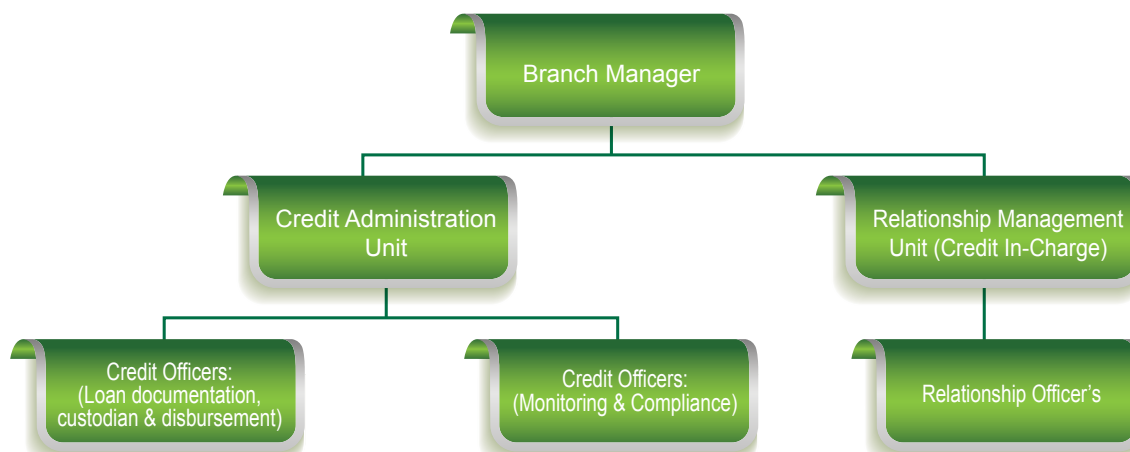
For Head Office:

Following organogram maintained by our Head Office level for Credit Risk Management:



For Branch Level:

Following Credit Risk Management diagram also has to be maintained by the branch for risk assessment as per Credit Policy of the bank:



Note: The above organogram is not applicable for Rural Branches and SME Service Centers

Market Risk Management

It is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital. The primary objective of Market Risk Management is to ensure optimization of the risk-reward relationship and minimization of the exposure to unacceptable losses arising from movements in profit rate, liquidity, Foreign Exchange rate and equity prices.

Interest Rate Risks:

Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specified period. The bank's lending, funding and investment activities give rise to interest rate risk. The immediate impact of variation in interest rate is on bank's net interest income, while a long term impact is on bank's net worth since the economic value of bank's assets, liabilities and off-balance sheet exposures are affected. To manage interest rate risks, Trust Bank uses the following tools:

- I) Identifying and softening the interest rate risks for Bank products;
- II) Estimating interest rate risks, conducting gap-analysis and completing stress-testing;
- III) Establishing and controlling the observance of limits on the Bank's potential losses, connected with shifts in the profitability curve;

- IV) Transformation price formation system, which makes it possible for the Bank to operationally react to changing market conditions.

Foreign Exchange Risk:

Foreign exchange rate risk arises when the Bank deals in foreign currency transactions which lead to overbought or oversold foreign exchange positions such as foreign exchange transactions, 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 imbalances, 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.

Foreign exchange risks 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 are revalued at Market rate as determined by Bangladesh Bank at the month end. All nostro accounts are reconciled on a monthly basis and outstanding entry is reviewed by the management for its settlement. The position maintained by the Bank at the end of day was within the stipulated limit prescribed by the Bangladesh Bank.

Equity Price Risk:

Equity risk arises from movement in market value of equities held. The risks are monitored by the Investment Banking Division under a well designed policy framework. Adequate provision was maintained by the Bank for diminution of market value of Investment. Treasury Dept. of the Bank use different type of tools including VaR Analysis for measuring Equity risk on regular basis. At the time of investment, bank focus on earnings, growth, and value in the market considering the following tools:

- i) Earnings per Share (EPS)
- ii) Price to Earnings Ratio P/E
- iii) Projected Earnings Growth
- iv) Price to sales
- v) Price to Book
- vi) Dividend Payout Ratio
- vii) Dividend Yield
- viii) Book value
- ix) Return on Equity
- x) Risk Factors
- xi) Implication of Taxes

Liquidity Risk Management

Liquidity risk refers to the probability that the Bank will incur financial losses due to its inability to meet its financial obligations in full, in a timely manner and at minimal expense.

The Bank is subject to liquidity risks as a result of a potential imbalance between the Bank's assets and liabilities during claims and pay-off periods or an unforeseen need for the Bank to complete its obligations early.

To Control Liquidity Risks, the Bank shapes the structure of its Assets and Liabilities:

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

When Managing Liquidity Risks, the Bank addresses the following problems:

- i) Evaluate and control the Bank's liquidity risks for different time horizons;
- ii) Estimate and make predictions on financial market liquidity and how this will affect the Bank's liquidity;
- iii) Optimize sources for completing liquidity reserves and directions for arranging them.

Trust Bank manages Liquidity Risks via the following instruments:

- i) Evaluating liquidity risks by estimating instantaneous, short-term and long-term Bank liquidity, planning client payments and injections, gap-analysis, stress-testing and calculating required liquidity norms that comply with Bangladesh Bank requirements;
- ii) Forming liquidity reserves, which consist of the most liquid financial instruments with the highest credit quality, and maintaining their volume at the level necessary to guarantee the Bank's steady position in both normal and crisis situations. In the process of stress-testing, the Bank examined numerous stress-scenarios. Based on analyzing the current and forecast environmental state, the Bank selected a target scenario and based on evaluating its influence on the Bank's liquidity, the required level of liquidity reserves is determined;
- iii) An early warning indicator system exists for the liquidity crisis;

The current value of liquid reserves is sufficient for dealing with crisis scenarios in financial markets; the Bank takes into account current and forecast macro-economic situations that are considered the most probable.

In 2012, Loan- Deposit Ratio of Trust Bank is 65.80 %. Which indicates that the Bank's balance structure stability is good and there is a low re-financing risk. Loans granted to the Bank's clients are predominantly financed via steady client liabilities; the portion of funding from liabilities, attracted on the financial markets, means that high risk re-financing is not necessary.

Operational Risk Management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, including system conversions and integration, and external events. Successful operational risk management is particularly important to a diversified financial services company like ours because of the very nature, volume and complexity of our various businesses.

Managing Operating Risks is based on the following principles:

- i) Supporting the side with the strongest leadership;
- ii) Ensuring that the management system for operating risks complies with regulatory norms and legislative standards;
- iii) Developing a strong culture of risk management among employees;
- iv) Employees of sub-divisions accept responsibility for risks;
- v) Employees are informed about risk levels and adopted measures to decrease these risks;
- vi) Constantly monitoring risks;
- vii) A fixed mechanism for collecting information about operating risks;
- viii) Regularly accounting for operating risks to Heads of structural sub-divisions, executive bodies and the Board of Directors;
- ix) Decision-making by all employees and collegial bodies takes into account operating risks;
- x) Separating authority and responsibility between structural sub-divisions / Bank employees.

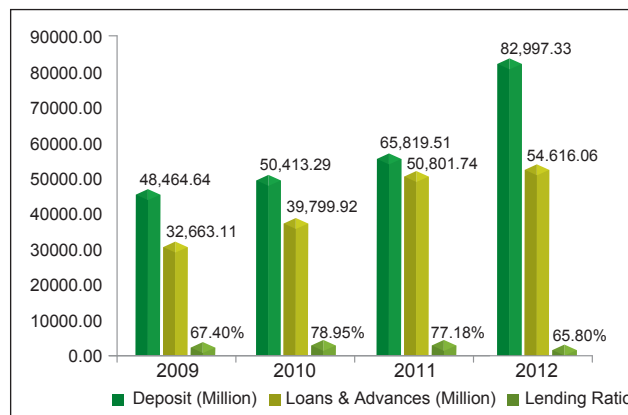
Managing Operating Risks is controlled through the following steps:

1. Identifying Risks:

Identifying operating risks is carried out within the framework of analyzing all newly introduced and modified banking products, business processes and processes of controlling banking risks, as well as within the framework of the Bank's current activities. Unfavorable events related to operating risk will be included in the corporate loss base. By identifying risks, the Bank can determine necessary measures to reduce the Bank's susceptibility to said risks; the Bank realizes and controls effectiveness.

2. Estimating Risks:

To estimate operating risks, the Bank utilizes both expert and statistical estimation methods. By using approaches such as the Basic Indicator Approach of Basel II. The Bank maintains 15% capital allocation under Basic Indicator Approach of Basel- II of average gross income for the last three years of the bank.



3. Policies and process for mitigating operational risk:

Operational Risks result from inadequate or failed internal process, people and system or from external events. Within the Bank, Operational Risk may arise from negligence and dishonesty of the employees, lack of management supervision, inadequate operational control, lack of physical security, poor technology, lack of automation, non-compliance of regularity requirements, internal and external fraud etc. Operational Risk Management Framework has been designed to provide a sound and well controlled operational environment and thereby mitigate the degree of operational risk.

Internal Control & 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, fraud & forgery, technology failure and documentary lapses may surface. The primary objective 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.

According to this, the Bank's Board of Directors fulfills regulatory functions in the sphere of compliance control and managing risk-compliance, asserts principles and evaluates the effectiveness of the system.

Trust Bank focused significant attention on upgrading the following procedures:

1. Controlling and preventing the use of insider and official information, and also measures designed to prevent unsanctioned access to official information and the incorrect use of said information.

The Principal Purposes of the Undertaken Measures Were:

- Preventing Bank employees and third parties, acting in their own interests to the detriment of the Bank itself and the interests of the Bank's clients, from incorrectly accessing and utilizing official information;
 - Upgrading clients' confidence in the Bank;
 - Mitigating reputational and operational risks;
2. Procedures, which are aimed at preventing conflicts of interest between the Bank and its employees, are based on the following principles:
 - Placing clients interests above the interests of the Bank;
 - Reducing risks and regulating conflicts of interest between the Bank and its clients;
 - Examining each conflict of interest involving an employee, estimating the severity of the risk for the Bank and regulating each case based on its individual merits;
 - Maintaining balanced interests between the Bank and its employees for every existing or potential conflict of interest.

Increased attention was traditionally paid to questions related to preventing the legalization (laundering) of money from criminal activities and financing terrorism. One priority for the Bank was to upgrade the effectiveness of its work on this issue and to improve corresponding procedures. As a result, the Bank continues to actively participate in fighting money laundering and the financing of terrorism, carrying out a policy that prevents Bank clients from conducting operations with illegally obtained capital, and also undertakes other feasible measures to limit interactions with clients who are potentially engaged in money laundering.

One of the basic principles that the Bank utilizes in its fight to stop money laundering is the "know your client" principle. As part of this, on a daily basis, the Bank monitors operations and checks the legitimacy of its clients' activities based on internal procedural requirements, and also checks up on potentially suspicious activity that indicates that a client may be engaged in money laundering.

Each year the IC&C Division sets out an audit plan (internal) for the year which is approved by the Managing Director. 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.

In 2012 IC&C Division conducted following No. of audit:

No. of Comprehensive Audit on branches	69
No. of Comprehensive Audit at Head Office	10
No. of Spot audits	25
No. of Special audits	20





A presentation of RMU

To comply with the directives of Bangladesh Bank a special meeting of the Board of Directors was held on 17th September, 2012 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

Trust Bank follows the guideline issued by Bangladesh Bank stated in BRPD circular no. 14 dated 23rd October, 2005 regarding Guideline on Information & Communication Technology for schedule banks and BRPD circular no 21st May, 2010 "Guide line of ICT Security"

We have brought in high levels of functionalities to all our channels such as internet banking, ATMs, mobile banking and phone banking and at the same time continued to improve and strengthen internal technology infrastructure, processes and capabilities. Our information technology strategy has remained focused around increasing customer convenience, reducing customer complaints and reducing turnaround time.

In Banking, information is treated as asset and these assets are critical to the service provided by the Bank to the customer. Protection and maintenance of the assets are vital to its sustainability. In order to ensure protection IT asset from unauthorized access, modification, disclosure and destruction the bank has already taken initiatives, which safeguard the interest of customers. In this context bank has implemented core banking software ensuring adequate security. To protect sensitive information of core banking software and other software in the event of any disaster, the bank has implemented a disaster recovery site. The bank has already developed it's own ICT policies for various operation and services complying with ICT Guide line of Bangladesh Bank. Our IT department also established a strong Data ware House to protect our banking information. The bank has been continuously conducting training sessions on sensitive IT task for the employees. The Bank is strictly following the Information Security Standard of Bangladesh bank covering Password Control, User ID Maintenance, Input Control, Network Security, Data Encryption, Virus Protection and Access Control of all the systems including Internet and Emailing. The Bank has also developed a process to identify areas of control weakness and respond in a timely fashion to IT risk by improving processes, augmenting controls and even reducing the cycle time between control testing to ensure that the Bank is properly identifying and responding to IT risks.

Finally it suffices to say that, in our bank we have a very strong ICT Risk management system in practice that have the capabilities to anticipate and prepare for the change rather than just waiting for the change and react to it.

Other Risks Management

Reputation Risk:

Reputation Risk is the current or prospective indirect risk to earnings and capital arising from adverse perception of the image of the financial institution on the part of Customers, Shareholders, Investors, Counterparties, Business Partners, Credit Rating Agencies, Regulators, and General Public. Reputation risk may originate from the lack of compliance with industry service standards, failure to deliver on commitments, lack of customer-friendly service and fair market practices, low or inferior service quality, unreasonably high costs, a service style that does not harmonize with market benchmarks or customer expectations, inappropriate business conduct or unfavorable authority opinion and actions.

The branches and operational divisions are directly responsible for reputational risks arising from their business operations. Reputational risks may also arise from other risks. The management ensures that Trust Bank is aware of any changes in market perceptions as soon as possible. Accordingly, all business policies and transactions are subjected to careful consideration. TBL takes necessary precautions to avoid legal or environmental risks. Reputational risk is also factored into major credit decisions that may lead to credit proposal being declined.

Residual Risk:

As institutions mitigate risks by way of collaterals, the collaterals can pose additional risks (legal and documentation risks), which may deteriorate the impact of risk mitigation. For example: The liquidation procedure of the collateral is difficult & time consuming, and the valuation of the collateral is inappropriate (e.g. overvaluation). The Banks should have appropriate governing and control systems, valuation procedures, internal regulations and responsible individuals assigned for the prudent handling of risks.

Country Risk:

This is also a type of credit risk where non performance by a borrower or counter-party arises due to constraints or restrictions imposed by a country. Here reason for non-performance is external factors on which the borrower or the counterparty has no control. A related issue is country risk; your buyer and your buyers' bank may be good, but if the country in which they are situated experiences political upheaval, what are the possible consequences? Cross-border payments may be frozen, payment systems may cease to function and so on. As recent events in the Middle East and North Africa have illustrated, such upheaval can and does happen unexpectedly.

Strategic Risk:

Strategic Risk is the risk arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes. The risk is a function of compatibility of an organisation's strategic goals, the business strategies developed to achieve those goals, the resources deployed against these goals and the quality of implementation.


Environmental & Climate Change Risk:

Environmental and climate change risk refers to the uncertainty or probability of losses that originates from any adverse environmental or climate change events (natural or man made) and/or the non-compliance of the prevailing national environmental regulations. This is a facilitating element of credit risk arising from 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. Consequentially, the extent of risk for the banks will be higher.

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. 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).





Disclosures on Risk-Based Capital (Basel II)



The objective of Market Discipline in (Basel-II) is to establish more transparent and more disciplined financial market so that stakeholders can assess the position of a bank regarding holding of assets and to identify the risks relating to the assets and capital adequacy to meet probable loss of assets. For the said purpose, this "Disclosures on Risk Based Capital (Basel II)" is made as per Bangladesh Bank's Guideline.

As per Bangladesh Bank guidelines the quarterly Risk Based Capital adequacy position are given below:

Scope of Application

A. Qualitative Disclosure:

- a) The name of the corporate entity in the group to which the guidelines applies:
Trust Bank Limited (TBL)
- 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).

Trust Bank Limited prepared its RBCA report on 'Solo Basis' as well as 'Consolidated Basis' where one (01) subsidiary belongs to Trust Bank Ltd.

A brief description of the Bank and its subsidiary are given below:

Trust Bank Limited

The bank was established as a Public Limited Company (Banking Company) as on the 17th June 1999 under the Companies Act 1994 for carrying out all kinds of banking activities and commenced its operation on the 17th June, 1999 with the permission of Bangladesh Bank. It was listed with Dhaka Stock Exchange Limited as on 24th September, 2007 and Chittagong Stock Exchange Limited as on 25th September, 2007 respectively.

Presently the Bank is operating its business through head office having 72 branches and 07 SME centers all over Bangladesh.

The Bank has a subsidiary namely- **Trust Bank Investment Limited**. Legal Status and nature of the company is given below:

Trust Bank Investment Limited was incorporated as on 9th 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.

Trust Bank Investment Limited offers full-fledged of merchant banking services that include Portfolio Management, Underwriting, Issue Management & Corporate advisory services etc.

- c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group: Not applicable

B. Quantitative Disclosure:

- d) The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation i.e. that are deducted and name(s) of such subsidiaries.

No Capital deficiency in Consolidated or Solo assessment

Scope of Application

A. Qualitative Disclosure:

- 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.

As per RBCA guideline by Bangladesh Bank, Regulatory capital will be categorized into three tiers:

- 1) Tier 1 Capital: It is called 'Core Capital' comprises of highest quality of capital elements.
- 2) Tier 2 Capital: It is called 'Supplementary Capital' represents other elements which fall short of some of the characteristics of the core capital but contribute to the overall strength of a bank.
- 3) Tier 3 Capital: 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).



Compliance status of TBL as per condition for maintaining regulatory capital:

- **The amount of Tier 2 capital will be limited to 100% of the amount of Tier 1 capital.**
- Status of Compliance: Complied.
- **50% of revaluation reserves for fixed assets and securities eligible for Tier 2 capital.**
- Status of Compliance: Complied.
- **10% of revaluation reserves for equity instruments eligible for Tier 2 capital.**
- There was no unrealized gain from quoted equities as on the reporting date.
- **Subordinated debt shall be limited to a maximum of 30% of the amount of Tier 1 capital.**
- Status of Compliance: Complied.
- **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.**
- Status of Compliance: Complied.

As on year end 2012, there was no Tier III component of capital at TBL.

B. Quantitative Disclosure:

Capital Adequacy of Trust Bank Limited under Basel-II during 2012 as below:

Particulars	Taka in Million
Tier-1 (Core Capital)	
Fully Paid-up Capital/Capital Deposited with BB	3,459.47
Statutory Reserve	1,966.01
Non-repayable Share premium account	532.23
Retained Earnings	883.51
Total Eligible Tier-1 Capital	6,841.22
Tier-2 (Supplementary Capital)	
General Provision (Unclassified loans + SMA+ off Balance Sheet exposure)	1,458.34
Revaluation Reserves for Securities up to 50%	4.28
Subordinated debt	2,000.00
Total Eligible Tier-2 Capital	3,462.62
Total eligible capital:	10,303.84

Capital Adequacy

A. Qualitative Disclosure:

- a) A summary discussion of the bank's approach to assess the adequacy of its capital to support current and future activities.

Bank maintains capital to cushion the risk of loss in value of exposure, businesses etc. so as to protect the interest of depositors, general creditors and stake holders against any unforeseen losses. Bank has a well defined Internal Capital Adequacy Assessment Process (ICAAP) policy to comprehensively evaluate and document all risks and to provide appropriate capital so as to evolve a fully integrated risk/ capital model for both regulatory and economic capital. TBL has also put in place a robust Risk Management Architecture with due focus not only on Capital optimization, but also on Profit Maximization.

In line with the guidelines of the Bangladesh Bank, the Bank has adopted Standardized Approach for Credit Risk, Basic Indicator Approach for Operational Risk and Standardized Approach for Market Risk for computing Capital Adequacy Ratio (CAR).

The capital requirement is affected by the economic environment, regulatory requirement and by the risk arising from bank's activities. Capital Planning exercise of the bank is carried out every year to ensure the adequacy of capital at the times of changing economic conditions, even at the time of economic recession. In capital planning process the bank reviews:

- Current capital requirement of the bank
- The targeted and sustainable capital in terms of business strategy, policy
- The future capital planning is done on a three- year's outlook.



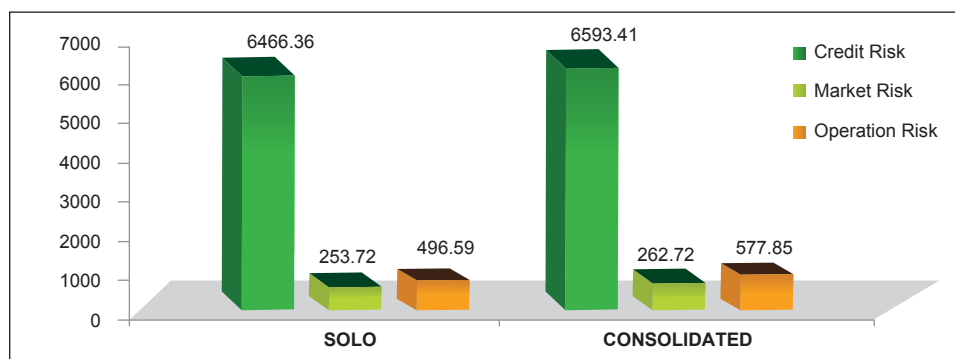
TBL has maintained capital adequacy ratio at 13.06% & 13.86% on the basis of “Solo” and “Consolidated” respectively as against the minimum regulatory requirement of 10%. Tier-I capital adequacy ratio under “Solo” basis is 9.01% which “Consolidated” basis is 9.20% as against the minimum regulatory requirement of 5%. The Bank’s policy is to manage and maintain strong Capital Adequacy Ratio (CAR) with high rating grade of investment clients. The Bank maintains adequate capital that is sufficient to absorb all material risks associated with the Bank. The Bank also ensures that the levels of capital comply with regulatory requirements and satisfy the external rating agencies and other all stakeholders including depositors.

B. Quantitative Disclosure:

Capital requirement under following Risk:

Figure in Million

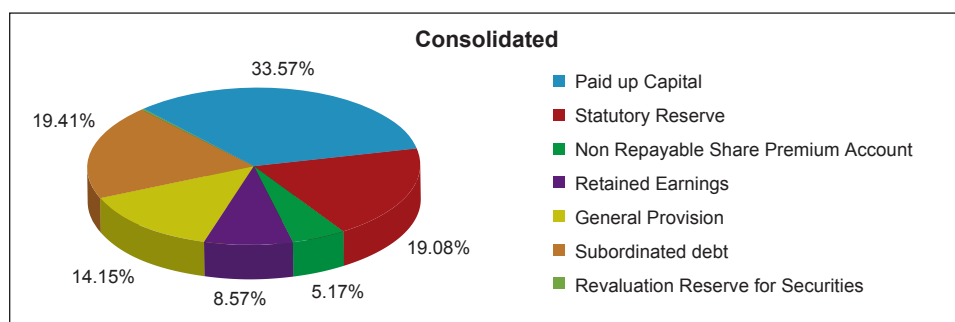
Particulars	Solo	Consolidated
A. Capital requirement for Credit Risk		
On- Balance sheet	5,729.00	5,856.05
Off-Balance sheet	737.36	737.36
B. Capital requirement for Market Risk	253.72	262.72
C. Capital requirement for Operational Risk	496.59	577.85
Total Capital Requirement (A+B+C)	7,216.67	7,433.98



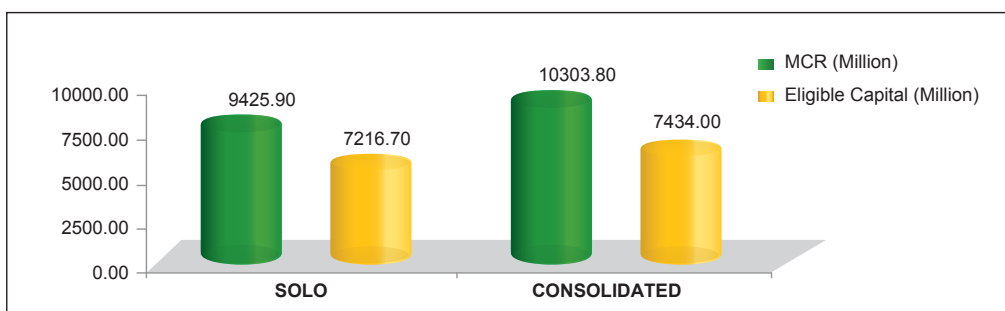
Capital Requirement: Credit Risk, Market Risk & Operation Risk

Minimum Capital Requirement (MCR) & Capital Adequacy Ratio (CAR) of TBL:

Particulars	Consolidated
A. Eligible Capital :	
1. Tier-1 (Core Capital)	6,841.20
2 .Tier-2 (Supplementary Capital)	3,462.60
3. Tier-3 (eligible for market risk only)	
4. Total Eligible Capital	10,303.80
B. Capital Adequacy Ratio (CAR)	13.86%
C. Core Capital to RWA	9.20%
D. Supplementary Capital to RWA	4.66%
E. Minimum Capital Requirement (MCR)	7,434.00
F. Excess Capital	2,869.80



Capital Composition: Tier 1 & Tier 2



Eligible Capital & Minimum Capital Requirement

Credit Risk

A. Qualitative Disclosure:

(a) The general qualitative disclosure requirement with respect to credit risk:

Definition of Credit Risk:

Credit risk refers to the risk that a borrower will default on any type of debt by failing to make payments which it is obligated to do. The risk is primarily that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs.

Credit risk can be classified in the following way:

- Credit default risk - The risk of loss arising from a debtor being unlikely to pay its loan obligations in full or the debtor is more than 90 days past due on any material credit obligation; default risk may impact all credit-sensitive transactions, including loans, securities and derivatives.
- Concentration risk - The risk associated with any single exposure or group of exposures with the potential to produce large enough losses to threaten a bank's core operations. It may arise in the form of single name concentration or industry concentration.
- Country risk - The risk of loss arising from sovereign state freezing foreign currency payments (transfer/conversion risk) or when it defaults on its obligations (sovereign risk).

The policy of the Bank for classifying bank's loan assets is followed under the Bangladesh Bank BRPD Master Circular No. 14 dated: September 23, 2012 as follows:

Past Due/Over Due

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 six months of expiry date

Impaired Loan

All classified loan are treated as impaired loans, impaired can be defined as above:

Type of Loan	Substandard	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	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

Qualitative Judgment for Loan Classification:

If any uncertainty or doubt arises in respect of recovery of any Continuous Loan, Demand Loan or Fixed Term Loan, the same will have to be classified on the basis of qualitative judgment be it classifiable or not on the basis of objective criteria. If any situational changes occur in the stipulations in terms of which the loan was extended or if the capital of the borrower is impaired due to adverse conditions or if the value of the collateral decreases or if the recovery of the loan becomes uncertain due to any other unfavorable situation, the loan will have to be classified on the basis of qualitative judgment.

Condition for Qualitative Judgment:

Sub-standard	i)	Assets must be classified no higher than Sub-standard if any of the following deficiencies of the obligor is present: recurrent overdrawn, low account turnover, competitive difficulties, location in a volatile industry with an acute drop in demand; very low profitability that is also declining; inadequate liquidity; cash flow less than repayment of principal and interest; weak management; doubts about integrity of management; conflict in corporate governance; unjustifiable lack of external audit; pending litigation of a significant nature.
	ii)	Assets must be classified no higher than Sub-standard if the primary sources of repayment are insufficient to service the debt and the bank must look to secondary sources of repayment, including collateral.
	iii)	Assets must be classified no higher than Sub-standard if the banking organization has acquired the asset without the types of adequate documentation of the obligor's net worth, profitability, liquidity, and cash flow that are required in the banking organization's lending policy, or there are doubts about the validity of that documentation.
Doubtful		Assets must be classified no higher than Doubtful if any of the following deficiencies of the obligor is present: permanent overdrawn; location in an industry with poor aggregate earnings or loss of markets; serious competitive problems; failure of key products; operational losses; illiquidity, including the necessity to sell assets to meet operating expenses; cash flow less than required interest payments; very poor management; non-cooperative or hostile management; serious doubts of the integrity of management; doubts about true ownership; complete absence of faith in financial statements.
Bad/Loss		Assets must be classified no higher than Bad/Loss if any of the following deficiencies of the obligor are present: the obligor seeks new loans to finance operational losses; location in an industry that is disappearing; location in the bottom quartile of its industry in terms of profitability; technological obsolescence; very high losses; asset sales at a loss to meet operational expenses; cash flow less than production costs; no repayment source except liquidation; presence of money laundering, fraud, embezzlement, or other criminal activity; no further support by owners.

Improvement in Classification:

If any uncertainty or doubt arises in respect of recovery of any Continuous Loan, Demand Loan or Fixed Term Loan, the same will have to be classified on the basis of qualitative judgment be it classifiable or not on the basis of objective criteria. If any situational changes occur in the stipulations in terms of which the loan was extended or if the capital of the borrower is impaired due to adverse conditions or if the value of the collateral decreases or if the recovery of the loan becomes uncertain due to any other unfavorable situation, the loan will have to be classified on the basis of qualitative judgment.

If any loan is classified by the Inspection Team of Bangladesh Bank, the same can be declassified with the approval of the Board of Directors of the respective bank. However, before placing such case to the Board of Directors, the Managing Director/Chief Executive Officer and the respective Branch Manager of the bank shall have to certify that the terms and conditions of declassification have been duly fulfilled by the borrowers.

A bank may request the concerned Department of Banking Inspection of Bangladesh Bank to review the classification of any loan for which there is a disagreement on classification that is not resolved during the on-site inspection. Bangladesh Bank will respond to the bank within 15 days of receiving such request. However, in any case where there is a lingering disagreement between the classification determined by bank management and the classification determined by Bangladesh Bank, the judgment of Bangladesh Bank will prevail. Any loan classified during Bangladesh Bank's on-site inspection on the basis of qualitative judgment cannot be declassified without the consent of Bangladesh Bank.

Description of approaches followed for specific and general allowances:

General Provision: Bank maintains general provision in the following way-

Loan Status	Type of Loan	Rate of Provision
Unclassified Loan	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	5%
Special Mention Account		5%

Specific Provision: Bank maintain specific provision in respect of Continuous, Demand and Fixed Term Loans-

Loan Status	Type of Loan	Rate of Provision
Substandard	Short Term Agri Credit & Micro Credit	5%
	Other than Short Term Agri Credit & Micro Credit	20%
Doubtful	Short Term Agri Credit & Micro Credit	5%
	Other than Short Term Agri Credit & Micro Credit	50%
Bad/Loss		100%

Eligible Collateral:

As per Bangladesh Bank the following collateral will be included as eligible collateral in determining base for provision:

- 100% of deposit under lien against the loan
- 100% of the value of government bond/savings certificate under lien
- 100% of the value of guarantee given by Government or Bangladesh Bank
- 100% of the market value of gold or gold ornaments pledged with the bank.
- 50% of the market value of easily marketable commodities kept under control of the bank
- Maximum 50% of the market value of land and building mortgaged with the bank
- 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.

Base for Provision:

Provision will be maintained on the outstanding balance of the classified loans less the amount of Interest Suspense and the value of eligible collateral:

- Deposit with the same bank under lien against the loan,
- Government bond/savings certificate under lien,
- Guarantee given by Government or Bangladesh Bank.

For all other eligible collaterals, the provision will be maintained at the stated rates on the balance calculated as the greater of the following two amounts:

- Outstanding balance of the classified loan less the amount of Interest Suspense and the value of eligible collateral; and
- 15% of the outstanding balance of the loan.

Interest treatment of classified account

Sl	Status	Interest will be credited to	If recovered
1	SS	Interest Suspense A/c	First the interest charged or not charged is to be recovered and the principal to be adjusted afterwards
2	DF	Interest Suspense A/c	
3	BL	Interest Memo A/c i.e. no charging in loan a/c)	

Discussion of the bank's credit risk management policy:

The Bank has put in place a comprehensive Credit Policy which is reviewed and revised periodically. The Credit Risk Management Policy forms part of the Credit Policy. The main objectives of the Credit Policy are:

- Maintain quality of loan assets.
- Ensure reasonable return on the assets.
- Ensure an acceptable risk profile.
- Achieve proper sectoral /geographical distribution of assets.
- Compliance with regulatory norms in respect of exposure caps, pricing, Bangladesh Bank guidelines, targeted credit etc.

The Bank has defined segment wise exposure limits, industry wise exposure caps, individual and group borrower wise exposure caps. The operational processes and systems of the Bank relating to credit are built on sound credit risk management principles and are subjected to periodical review. In order to improve the quality of appraisals and to ensure accelerated response to customers, particularly in respect of high value credits, relationships and appraisal functions are segregated between the concerned branch and the core credit groups of different clusters. Bank has revised many of its existing systems, procedures and structures with respect to Credit Approval Process, Credit Rating, Prudential Limits, Documentation, Credit Monitoring and Review Mechanism.

Bank has a Credit Monitoring Policy and a Recovery Policy, which are reviewed from time to time. Bank has system in place for identification of credit weaknesses well in advance. A Loan Review Mechanism for constantly evaluating the quality of loan book, by way of review of sanctions made, renewal process, submission of monitoring reports, credit related MIS, is in place. The Bank has a Credit Monitoring & Review Department which would take care of the monitoring of the assets.

B. Quantitative Disclosures:**b) Total Gross Credit Risk Exposures Broken Down By Major Types of Credit Exposure**

Figure in Million

Outstanding (as on 31 December 2012)	Domestic	Overseas	Total
Loans & advances	58,599.09		58,599.09
Commitments			
Other non-derivative off-balance sheet exposures			
Debt Securities			
OTC Derivatives			
Total	58,599.09		58,599.09

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

Figure in Million

Division	Continuous Loan	Demand Loan	Term Loan	Short Term Agri. Credit	Total
Dhaka	13,188.93	9,415.92	19,433.49	76.28	42,114.61
Chittagong	2,416.75	6,133.24	3,761.94	-	12,311.94
Sylhet	477.04	49.42	621.44	0.24	1,148.15
Rajshahi	389.19	13.35	549.32	3.05	954.91
Barishal	7.31	-	26.62	-	33.93
Khulna	212.02	600.74	850.73	-	1,663.49
Rangpur	56.80	1.60	313.67	-	372.07
Total	16,748.05	16,214.27	25,557.21	79.57	58,599.09

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

Figure in Million

	Public Sector		Private Sector	
Industry Type	Term Loan	Working Capital	Term Loan	Working Capital
Small & Cottage Industry	0.00	0.00	226.67	389.89
Medium Scale Industry	0.00	141.12	394.54	449.56
Large Scale Industry	0.00	0.00	9,024.73	12,475.41
Total	0.00	141.12	9,645.94	13,314.86

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

Figure in Million

Time Band	Continuous Loan	Demand Loan	Term Loan	Agricultural Credit	TBIL	Total
Up to 1 month	3,236.38	7,970.89	350.36	6.15	4,485.99	16,049.77
1 to 3 months	2,342.92	3,292.79	67.35	0.94		5,704.00
3 to 6 months	2,687.63	3,574.12	220.13	3.23		6,485.11
6 to 12 months	3,995.14	1,376.47	1,998.70	2.44		7,372.75
1 to 2 years	-	-	3,188.90	66.58		3,255.48
2 to 3 years	-	-	3,692.62	163.58		3,856.20
3 to 4 years	-	-	3,399.64	-		3,399.64
4 to 5 years	-	-	3,290.66	-		3,290.66
5 to 7 years	-	-	2,857.63	-		2,857.63
7 to 10 years	-	-	2,045.00	-		2,045.00
Over 10 years	-	-	4,282.85	-		4,282.85
Total	12,262.07	16,214.27	25,393.84	242.92	4,485.99	58,599.09

f) By Major Industry or Counterparty Type of TBL:

• Amount of Impaired Loans and if available, Past Due Loans, provided separately:

Figure in Million

Industry	Impaired	Past due
Agriculture	54.25	55.97
Industry (Other than Working capital)	482.05	688.65
Working Capital	551.26	651.65
Export Financing	0.00	0.00
Import Financing	167.29	178.91
Transport & communication	0.42	10.81
Internal trade financing	388.88	400.51
Housing	503.61	606.84
Special Programme	0.00	0.00
Others	262.04	485.81
Inland & Foreign Bills	94.05	301.82
Total	2,503.84	3,380.97

• Specific and General Provisions:

Figure in Million

Sector	General Provision	Specific Provision
Consumer Financing	166.90	68.54
Small & Medium Enterprise Financing	15.45	95.78
Housing Finance	138.71	46.59
Loans to BHs/MBs/SDs against Shares etc.	11.65	0.00
Loans for Professionals to setup business	0.19	0.57
Other Corporate Credit	408.86	550.85
Agricultural Credit	3.49	1.02
Total	745.25	763.35



• **Charges for Specific Allowances and Charge-offs During the Period.**

Figure in Million

Against Classified Loans & Advances	
Provision held on 1 January	339.392
Fully provided debts written off	0
Recoveries from previously written off debts	0
Provisions made during the year	423.956
Net Charge to the Profit Loss Account	423.956
Provision held at end of year	763.348

Against Unclassified Loans & Advances	
Provision held on 1 January	715.257
Provisions made during the year	(37.852)
Provision held at end of year	677.405
Against Special Mention Accounts	
Provision held on 1 January	20.976
Provisions made during the year	46.871
Provision held at end of year	67.847

General Provision for Off-Balance Sheet Exposures	
Provision held on 1 January	193.257
Provisions made during the year	27.490
Provision held at end of year	220.747

g) Gross Non Performing Assets (Npas) (Including Sma) of TBL:

Figure in Million

Gross Non Performing Assets (NPAs)	2,503.842
Non Performing Assets (NPAs) to outstanding loans & advances	4.58%
Movement of Non Performing Assets (NPAs)	
Opening balance	1,534.310
Additions	1,721.832
Reductions	(752.300)
Closing Balance	2,503.842
Movements of Specific Provisions for NPAs	
Opening balance	339.392
Provision made during the period	423.956
Write-off	0.000
Write back of excess provisions	0.000
Closing Balance	763.348

Equities: Disclosures for Banking Book Position

A. Qualitative Disclosure:

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

The bank holds unquoted equities of which is not trading and the same are shown as banking book asset in the balance sheet. As these securities are not quoted or trade in the security Market they are shown in the balance sheet at cost price and no revaluation reserve has been created against these equities.

- 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.

Bank investment in these equity securities for the purpose of capital gain by selling them in future or held for 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 guidelines, the HFT equity securities are revaluated once in each week using marking to market concept and HTM equity securities are amortized once a year according to Bangladesh Bank guideline.

B. Quantitative Disclosure:

- b) 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	
Shares in Listed Companies	
(valuation at average cost price)	Tk. 1,077.24 million
Fair Market Value of shares in Listed Securities	Tk. 995.05 million

- c) **The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.**
Tk.16.92 million
- d) • **Total unrealized gains (losses)**
Tk. (82.18) million
- **Total latent revaluation gains (losses)**
-Nil.
- **Any amounts of the above included in Tier 2 capital.**
-Nil.
- e) **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.**
-Not applicable.

Interest Rate Risk in the Banking Book (IRRBB)

A. Qualitative Disclosure:

- (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.**

The impact of fluctuation in interest rate on liabilities and assets has a direct impact on earnings and hence on the market value of Equity. Bank's ALCO is assigned the job of periodically monitoring and controlling the risks and returns, funding and deployment, setting Bank's lending / deposit rates and also directing the investment activities of the Bank.

The estimation of interest rate risk involves interest rate sensitive assets (RSAs) and interest rate sensitive liabilities (RSLs). The techniques for managing interest rate risk include:

- Duration Gap Analysis
- Stress Testing

Duration Gap Analysis: 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.

Stress Testing: 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.



B. 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.

On Solo Basis:

Figure in Million

Interest Risk-Increase in Interest Rate: (Magnitude of Shock)	Situation-1 1%	Situation-2 2%	Situation-3 3%
Regulatory Capital (After shock)	8,922.51	8,419.02	7,915.53
RWA (After shock)	71,587.16	71,587.16	71,587.16
CAR (After shock)	12.46%	11.76%	11.06%
Total Assets	95,260.62	95,260.62	95,260.62
Duration Gap in years	0.58	0.58	0.58
Changes in Market value of Equity due to an increase in interest Rate, Δ MVE	(503.49)	(1,006.98)	(1,510.47)

Market Risk**A. Qualitative Disclosure:****Views of BOD on Trading/Investment Activities**

The Board of Directors approves all policies related to the market risk components, reviews transaction reports and set limits on regular basis to check key performance indicators of trading and investment activities of the bank.

Methods Used to Measure Market Risk:

Trust Bank Limited follows measurement of Market Risk through the Standardized Approach as prescribed in the RBCA guidelines.

The Interest Rate Risk is measured through calculation of "specific risk" and "general market risk". Specific risk is applicable for each interest sensitive instruments/security whether it is a short or a long position, and general market risk is applicable for the interest rate risk in the portfolio where long and short positions in different securities or instruments are offset.

Equity Risk is measured through applying the minimum capital adequacy ratio to the current market value in bank's trading book for both specific risk and the general market risk. This is applied to all instruments that exhibit market behavior similar to equities except non-convertible preference shares.

Foreign Exchange Risk is measured through applying the rate of the required minimum capital adequacy ratio of bank's overall foreign exchange exposure including gold. The calculation of foreign exchange exposure is done on consolidated basis including subsidiaries.

As the **Commodities Market** is non-existent in Bangladesh and with no exposure of TBL, Commodity Risk is not applicable.

Market Risk Management System

Treasury Division manages the market risk and ALCO monitors the activities of treasury Division in managing such risk.

Policies and Processes for Mitigating Market Risk:

To mitigate the several market risks the bank formed Asset Liability Management Committee (ALCO) who monitors the Treasury Division's activities to minimize the market risk. ALCO is primarily responsible for establishing the market risk management and asset liability management of the Bank, procedures thereof, implementing core risk management framework issued by the regulator.

The Treasury Division is taking following measures to minimize the several market risks:**Foreign Exchange Risk:**

Foreign Exchange Risk can be defined as a measure by the variance of the domestic currency value of an asset, liability or operating income that is attributable to unanticipated change in the exchange rates. Simply put it, is the risk that relates to the gain/losses that arise due to fluctuations in the exchange rates.

Measurement of Foreign Exchange Risk Position:

- Currency wise holding review
- Instances of limit breaches
- Sensitivity analysis
- Un-reconciled Nostro accounts over 90 days

Key Requirements of Foreign Exchange Risk Management Policy:

- (a) A statement of risk principles and objectives governing the extent to which the institution is willing to assume foreign exchange risk;
- (b) Explicit and prudent limits on the institutions' exposure to foreign exchange risk;
- (c) Clearly defined levels of delegation of trading authorities.

Interest Rate Risk:

It is the potential loss from unexpected changes in interest rates which can significantly alter a bank's profitability and market value of equity. The amount at risk is a function of the magnitude and direction of interest rate change and the size and maturity structure of the mismatch position.

If Interest Rate rises, the cost of fund increases more rapidly than the yield on assets, thereby reducing net Income. If the exposure is not managed properly it can erode both the profitability and shareholder value.

Measurement of Interest Rate Risk Position:

- (a) Maturity Gap analysis
- (b) Duration Gap Analysis
- (c) Value at Risk

Key Requirements of an Interest Rate Risk Management Policy:

- (a) The measurement of appropriate limits on risk taking;
- (b) Adequate systems and standards for measuring risk;
- (c) Standards for valuing positions and measuring performance;
- (d) A comprehensive interest rate risk reporting and interest rate risk management review process;
- (e) Effective internal controls.

Liquidity Risk:

Liquidity risk is defined as the risk that the bank will be unable to meet its payment obligations on a day-to-day basis. In broader sense structural liquidity risk is defined as the possibility that the financial resources to meet future payment obligations will not be available as and when they fall due, in full, in standard market terms.

Measurement of Liquidity Position:

Our Risk Management Unit uses the following tools for review the Liquidity Risk:

- (a) Indicators
 - ▶ Loan to Deposit Ratio
 - ▶ Loan to Adjusted Deposit Ratio
 - ▶ Liquid Assets to Total Deposits Ratio
 - ▶ Liquid Assets to Total Assets Ratio
 - ▶ Short term & Medium term funding Ratio
 - ▶ Low cost Deposit Ratio
 - ▶ Deposit Trend
 - ▶ CRR & SLR position
 - ▶ Un-drawn commitment
 - ▶ Proposal for fresh Loans & Advances
 - ▶ Concentration of deposit
 - ▶ Counterparty wise limit utilization status
- (b) Maturity Mismatch Analysis
- (c) Cash Flow Projections
- (d) Stock of Liquid Assets

Key Requirements of a Liquidity Risk Management Policy:

The liquidity risk management policy must reflect the daily strategy and longer-term liquidity plans, and have as its major components:

- (a) The measurement of liquidity position;
- (b) Monitoring liquidity; and
- (c) Contingency planning.



B. Quantitative Disclosures:

The Capital requirements for specified risk are as follows:

Figure in Million

SL	Market Risk	Capital Requirement
A	Interest Rate Related instruments	7.00
B	Equities	208.01
C	Foreign Exchange Position	47.70
D	Commodities	
	Total	262.71

Operational Risk

A. Qualitative Disclosure:**■ Views of BOD on system to reduce Operational Risk:**

Operational risk is the risk of loss resulting from inadequate or failed internal process, people and systems (for example failed IT system, or fraud perpetrated by a bank employee), or from external causes, whether deliberate, accidental or natural. It is inherent in all of the Bank's activities. Operational risks are monitored and, to the extent possible, controlled and mitigated.

Our Board of Directors has established the strategic risk philosophy & developed the risk policies, procedures and methodologies for measuring and monitoring operational risks.

The Board of Directors, through establishment of Audit committee, is fulfilling its responsibilities including implementation of the policies and procedures to identify, measure, monitor and control these risks. Audit committee of the Board oversees the activities of Internal Control & Compliance Division (ICCD) to protect against all operational risk.

The Board of Directors has put in place a comprehensive internal audit framework for Operational Risk Management. Each year Internal Audit Department of IC&C Division of Head Office sets out an audit plan which is approved by the Managing Director and submitted to the Audit Committee of the Board.

A separate meeting of the Board of Directors is arranged every year for review and assessing the compliance level of the Bank on the comprehensive inspection report of Bangladesh Bank, where the representatives of Bangladesh Bank also remain present.

Besides, on Behalf of the Board the Audit Committee-

Reviews the efficiency & effectiveness of Internal Control and Internal audit function of the bank.

- Reviews the findings & recommendations made by Internal Audits for removing the irregularities detected in course of conducting audit in the branch & division/department of Head office.
- Reviews the corrective measures taken by the management as regards fraud, forgery & deficiency detected by internal & external auditors.

In 2012 IC&C Division Conducted Following No. of Audit:

No. of Comprehensive Audit on branches	69
No. of Comprehensive Audit at Head Office	10
No. of Spot audits	25
No. of Special audits	20

To comply with the directives of Bangladesh Bank a special meeting of the Board of Directors was held on 17th September, 2012 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.

■ 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.

■ Potential External Events:

TBL has identified some potential external events as enumerated below:

- Losses due to acts intended to defraud, misappropriate property or circumvent the law, by a third party.
- Work Place Safety
- Clients, Products and Business Practices
- Losses arising from loss or damage to physical assets from unexpected events (e.g. natural disasters)
- Business Disruption and System failures.
- Deteriorated social or political context.
- Execution, Delivery and Process Management.

Trust Bank invests heavily in IT infrastructure for better automation and online transaction environment. The bank also has sufficient investment on alternative power and network links to avoid business description and system failure. The Bank's IT system does not allow any kind of external access to avoid external fraud by way of theft/ hacking of information assets, forgery etc. Trust Bank invests heavily on security from terrorism and vandalism to avoid damage to physical assets.

■ 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 Unit 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.

■ Approach for calculating capital charge for operational risk:

In line with RBCA guidelines, Bank has adopted the Basic Indicator Approach to compute the capital requirements for Operational Risk. Under Basic Indicator Approach, average income of last 3 years is taken into consideration for arriving at Risk Weighted Assets.

Quantitative Disclosures:

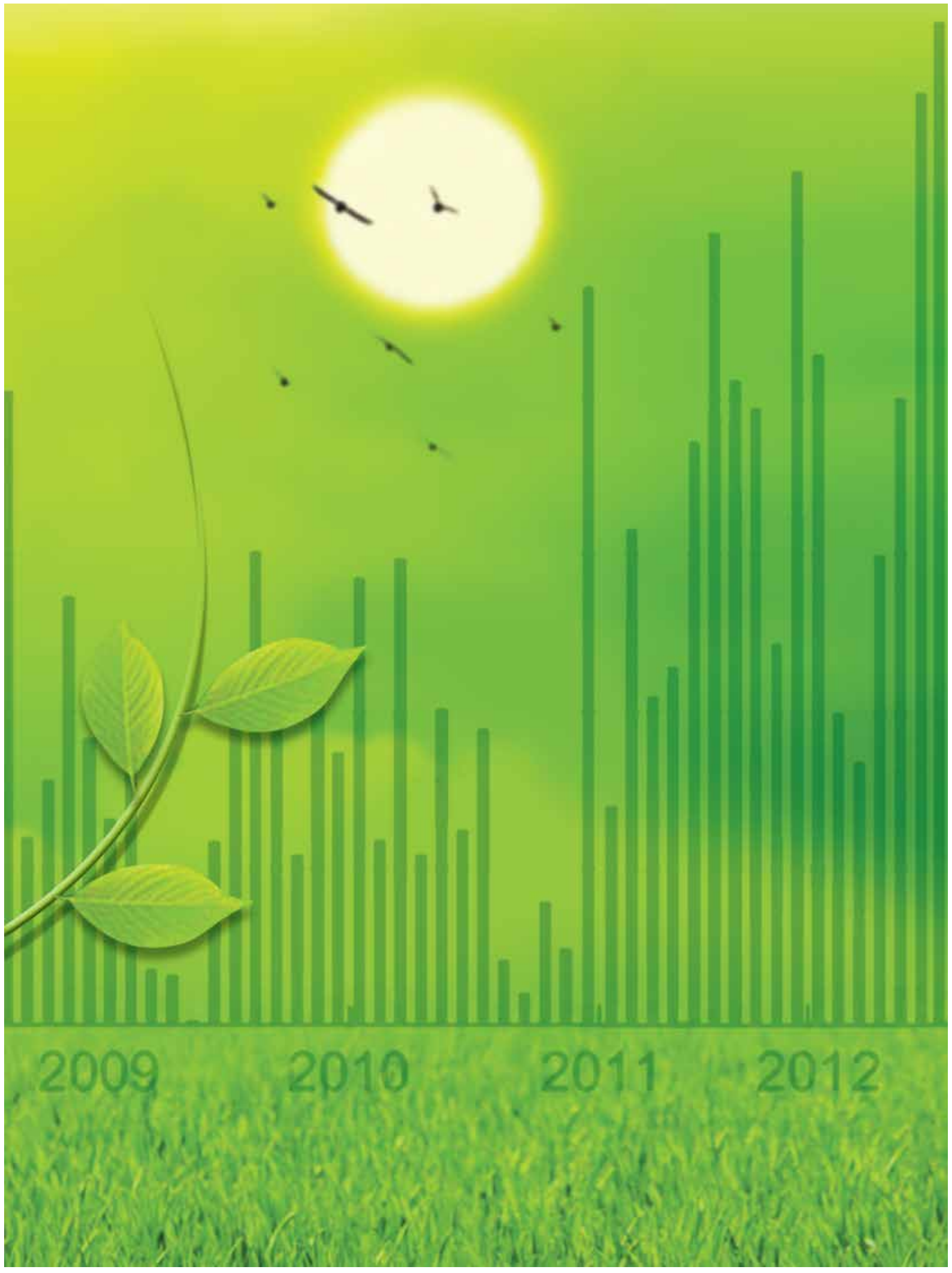
Figure in Million

Particulars	RWA	Capital Requirement
Minimum Capital Requirement for : Operational Risk	5,778.50	577.85



Green Banking





2009

2010

2011

2012

Policy & Organizational Responsibility

Trust Bank Ltd- a Army Welfare Trust Sponsored Bank.

We know, welfare works –When Living things **Live Healthy** and **Sustain**.



We also understand, Sustainability Sustain when any establishment made

- Considering the **Existence & Nature** of **Environment**
- Complying Standard Code of (1) **Construction** & (2) **Materials**

But, when establishment Pollute & Destroy “Environment” Sustainability does not sustain- like this.....

Environment

Environment is a fundamental part of any living things. We can't separate, transfer or disseminate it from our living place. All of we know, human being has not created nature or natural resource but has changed the natural structure of Environment by using natural resource beyond limit for their short-term pleasure living without considering the opposite effect of the nature or degradation of balanced Environmental condition which was suitable for creature. Now, we are all facing the attack of destruction of Forests, Hills and Water bodies and pollution of soil, air and water-the major components of natural Environment. The unseasonal and un-forecasted cyclone, snow-storm, draught, flood and fire in the forest what are happening here & there , all are the ultimate result of over consumption of fossil fuel i.e. coal, gas , petroleum oils and deforestation. The Carbon-di-Oxide emitting from the burning of fuel accumulates in the air which is feed for the plants, but as we are destroying the plant day by day, the Carbon- di-Oxide consuming plant decreases gradually. As a result, the amount of Carbon-di-Oxide is increasing in the air at the rate of inversely proportion and rising the air temperature at direct proportion creating the weather and Environment unbalanced.



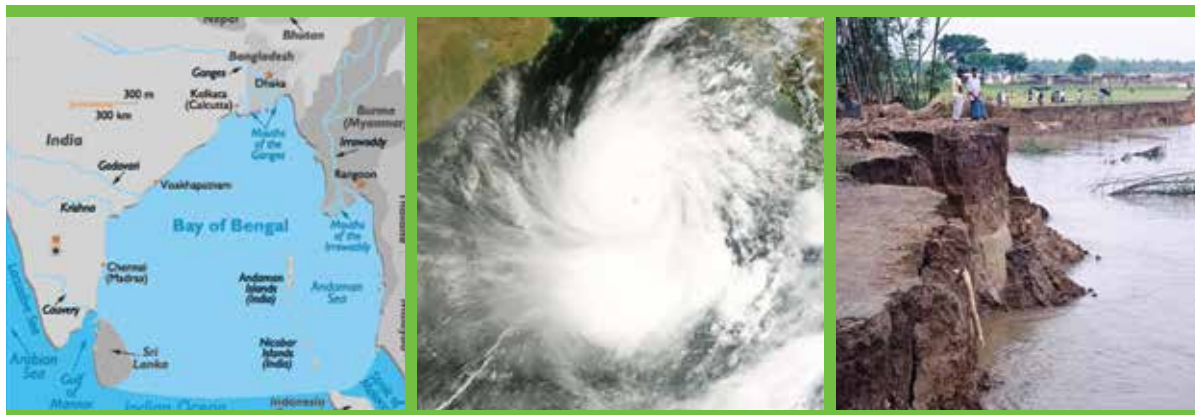
Development Considering Environment

Sustainable development only can be achieved, if it is environment friendly and friendly to society. Banks have also to create trust among the people regarding role of ultimate benefit of Environmental Risk Management and mitigation.

TBL thinks it is the right time to move forward more greenly to bring back Green Bangladesh and make the Green Globe with the capacity what we have. Practically, what we will do in this aspect, will do for ourselves.

Bangladesh – a small delta country between the **Himalayas & Bay of Bengal** having

- 147,570 Sq km Land
- 149.772 million People
- 22,155 km Rivers & Rivulets
- 8,664 Sq km



We know, if we ignore Nature's nature, it will strike and affect any time through...



So, Trust Bank believes, we have the Responsibility for-

- Responsible Development
- Sustainable Development

Keeping this principle in mind, Trust Bank Ltd. provide loans for eligible customers from Sundarban to Sylhet-



From Cox's Bazar to Dinajpur-



for Rural life & Urban life.

But, Our Core Ethics –

- Compliance First
- Profit Next

Common Compliance

- a. Save Green
- b. Protect Natural Environment
- c. Mitigate Carbon Emission

Common Selection Criteria

- Is the proposed Enterprise-

Working Friendly	Yes ✓	No ✗
Worker's Friendly	Yes ✓	No ✗
Disposal Threat to Nature	Yes ✗	No ✓
Effluent Destroy Green	Yes ✗	No ✓



An Environment friendly Chemical Plant

Green Banking

Green Banking refers to a bank which considers all the social and environmental factors with an aim to protect the environment and conserve natural resources. It is also called ethical banking or sustainable banking. It covers a multitude of areas from a bank being environmentally friendly to know its money is invested.

Environmental Risk Management and making the Environment Green, Banks have to control Carbon- di-Oxide Emission. In perspective of the banks, it is the issue of Green Banking and Environmental Risk Management.

We believe, bank can manage Environmental Risk better than others because Banks are involved almost in all industrial and economical ventures & activities. We trust, if we all move forward to encourage the clients and apply conditions to follow-

- The Bangladesh Environment Conservation Act, 1995
- The Environment Conservation Rule, 1997
- Dhaka Imarat Nirman Bidhimala, 2008
- Real Estate Act, 2010
- Bangladesh National Building Code

and monitor their implementation during our visit, then achieving Green Environment will not be impossible.



This is happening due to Earthquake/Load Failure.

So, to protect the Environment and Everyone, we encourage our clients and apply conditions to follow:

- Dhaka Imarat Nirman Bidhimala, 2008.
- Real Estate Act, 2010.
- Bangladesh National Building Code.

and orient the clients regarding benefit of compliances.

TBL Journey

Trust Bank has a Green Banking committee Headed by Deputy Managing Director which sits once a month to Manage & Monitor-

- In-House Green Activities
- Green Financing Activities



A Green Building

In-House Green Activities

We are constantly enhancing our official capability through training. Our regular recovery monitoring meetings are being held through tele-conference to save time and fuel cost. But, ultimate result what we see, we have saved the air from Carbon- di-Oxide nearly 20 metric ton in a year.

We understand-Good Environment - Good Mood. So, we have proceeded with Green Branch at Kishoreganj.



Trust Bank's Regular Capacity Building Program:

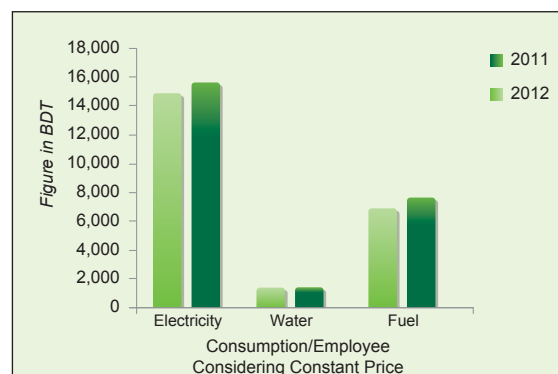
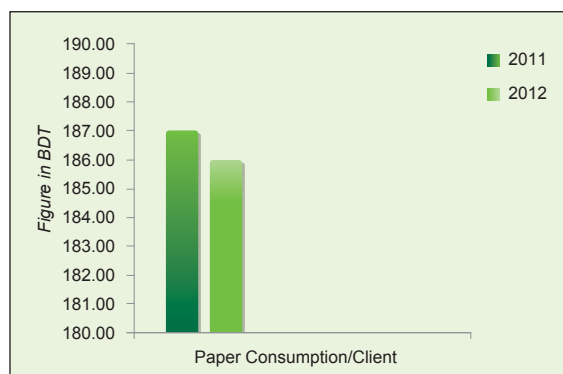


Using Intranet facility we-
place materials to the Board of Directors / Managing Director.

- send other Office note, memo, materials to branch and Head Office Executives.
- Trust Bank has to arrange Recovery Monitoring 1-4 meeting per month according to percentage of having Non-Performing Loans.
- We held those meetings through Video-Conference to lessen fuel cost & time.



- Branch Manager & Credit In-charge take part in the meeting.
 - If they have to come to Head Office, they are to use car, plane & train.
 - It is observed, 24 Executives from Dhaka region, 10 from Chittagong, 06 from Sylhet, 02 from Khulna and 02 Executives from Rajshahi region have to participate in the meeting in a month.
 - Considering the average meeting intensity 02/month for Dhaka, Chittagong & Sylhet and 1 for Khulna & Rajshahi region, Trust Bank's CO₂ Emission saving stands at 20 MT/year
- On the otherhand, Paper consumption has decreased in 2012 from 2011 which has saved Forest.
- And other rate of utility consumption does not increase much though no. of Branches & ATM has increased.



Green Financing Activities

Under the guideline of our prudential and visionary Central Bank, Trust Bank Ltd. has started its green journey after having 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 in 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 2,232.00 million credit facility to industry, zigzag brick kiln, agriculture and most mentionable product over 1000 Bio-gas plants towards mitigating the Carbon- di-Oxide emission. Our financed all biogas plants are saving the Environment from Carbon- di-Oxide by saving 32,640 liter kerosene and 4,008 metric ton fire wood yearly.



Corn to provide raw material for poultry feed

Sector Specific Environmental Policy:

As per instruction of Bangladesh Bank, we have also prepared user friendly Setor Specific Environmental Policy Manuals which to be followed while providing financial facility to the customers.

Out of Bangladesh Banks directive for 10, we have prepared Policy for following 4 sectors:

- Chemical & Pharmaceuticals
- Construction & Housing
- Engineering & Basic metal
- Textiles & Apparels

-which cover 44% concentration of total portfolio.

Environmental Policy Manual on Textiles & Apparels Sector:

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.

Sectoral Coverage and Product-mix/Commodities:

The sector covers the Industries/Concerns having the manufacturing/production facility of product-mix/commodities shown in the following table:



Sl.	Industry/Concern	Product-mix/Commodities
1	Textile Spinning	Cotton yarn/Thread
2	Textile Weaving (power loom)	Cloth/Fabric
	Textile Weaving (hand loom)	Cloth/Fabric
3	Sizing &/ Washing	Washed fabric
4	Sizing, Washing, Dyeing & Finishing	Cloth Sizing, Washing & Dyeing
5	Yarn Dyeing	Dyed yarn (cotton & synthetic)
6	Jute Spinning	Jute Yarn
	Jute Twine	Rope
7	Jute Hessian	Jute Cloth & Sack

Risk Associated/Concerned

The risks may arise according to the category of intensity are as under:

Sl.	Industry/Concern	Risk Associated/ Concerned	Category as per Environmental Rule, 1997 of GOB
1	Textile Spinning	Air & Sound pollution	Orange-B
2	Textile Weaving (power loom)	Air& Sound pollution	Orange-B
	Textile Weaving (hand loom)	Air pollution	Orange-A
3	Sizing &/ Washing	Water Pollution	Orange-B
4	Sizing, Washing, Dyeing & Finishing	Water, air & sound pollution and soil degradation	Red
5	Yarn Dyeing	Water pollution, air pollution & soil degradation	Red
6	Jute Spinning	Air & Sound pollution	Orange-B
	Jute Twine	Air pollution	Green
7	Jute Hessian	Air & Sound pollution	Orange-B

Current Environmental and Climate Change Condition:

Land and life are closely entwined in Bangladesh. The prevailing climate is monsoonal and the dominantly agricultural economy is attuned to its wet and dry seasons. But, for years due to increase in average air temperature abnormal changes occurred in climate condition. For which lands are frequently flooded by heavy rains, over-full river channels, and sea surges associated with cyclones. Disasters are relatively common. Changes in climate in Bangladesh could, therefore, have serious implications for local economies and human livelihood. But, the industrial effluent/emission of the subject sector if not treated to neutralize before disposal will degrade/spoil land and river which kill plant water species and create health hazard. On the other hand, heavy draught and excessive rainfall will continue to occur making the many people hard to living.

Economic Contribution:

The subject sector is playing a remarkable role in Bangladesh's economy/GDP for a long time. Currently, the sector in Bangladesh accounts nearly 45 % of all industrial employment. The industry employs around 4.00 million people, mostly women. A huge of 78 % of the country's export earnings comes from textiles and apparel, according to the latest figures available.

However, current contribution to Trust Bank's portfolio is about 11.40%.

Fundamental Infrastructural and Technical Facility requirement for conservation of Environment & Mitigating Environmental Risk:

While providing financial facility to any concern of the sector, the Bank will look after and consider whether the said concern has NOC from the Department of Environment having/with the condition of having the Infrastructural and Technical facility requirement for Conservation of Environment & Mitigating Environmental Risk threatening to mankind and ecology:

Sl.	Industry/Concern	Environmental Standard/Parameter as per Environmental Rule, 1997 of GOB	Infrastructural & Technical facility required for conservation of Environment & Mitigating Environmental Risk
1	Textile Spinning	Air: As per schedule-2 Sound: As per schedule-4	As per instruction&/ clearance certificate of Department of Environment, GOB.
2	Textile Weaving (Power Loom)	Air: As per schedule-2 Sound: As per schedule-4	As per instruction&/ clearance certificate of Department of Environment, GOB.
	Textile Weaving (Hand Loom)	Air: As per schedule-2	As per instruction&/ clearance certificate of Department of Environment, GOB.
3	Sizing &/ Washing	Air: As per schedule-2 Sound: As per schedule-4 Discharged Water: As per schedule-12(B)	As per instruction&/ clearance certificate of Department of Environment, GOB and operation of ETP.
4	Sizing, Washing, Dyeing & Finishing	Air: As per schedule-2 Sound: As per schedule-4 Discharged Water: As per schedule-12(B)	As per instruction&/ clearance certificate of Department of Environment, GOB and operation of ETP.
5	Yarn Dyeing	Air: As per schedule-2 Sound: As per schedule-4 Discharged Water: As per schedule-12(B)	As per instruction&/ clearance certificate of Department of Environment, GOB and operation of ETP.
6	Jute Spinning	Air: As per schedule-2 Sound: As per schedule-4	As per instruction&/ clearance certificate of Department of Environment, GOB.
	Jute Twine	Air: As per schedule-2(enclosed)	As per instruction&/ clearance certificate of Department of Environment, GOB.
7	Jute Hessian	Air: As per schedule-2 Sound: As per schedule-4	As per instruction&/ clearance certificate of Department of Environment, GOB.

Risk Rating Grading:

The Environmental Risk Rating Grading will be same as fixed in the Environmental Rule, 1997 of GOB and Bangladesh Bank's policy guideline for green banking; i.e. Low, Moderate & High. The Risk associated will be rated through the Environmental Due Diligence (EDD) & Check-list Format.

Due Diligence for Financing:

For providing any type of financial facility, TBL will carefully appraise its risk parameter, rate the risk grading and check whether the necessary arrangements and facilities have been adopted for Conservation of Environment & Mitigating Environmental Risk threatening to mankind and ecology. Then, as per BRPD Circular no.01 dated 30.01.2011 weightage of risk grading score is to be taken into consideration for financing decision.

Equator Principle:

The principle of financing in any concern/industry will be sustainable business with efficient management of environmental risk evolved from any concern/industry financed by Trust Bank Ltd.



Bio Gas facility:

Trust Bank Ltd is pioneer in financing Bio Gas plant in the country. It has financed over 1000 Bio gas plant up to 2012. A Bio Gas plant-

- Reduces CO₂ Emission replacing 32 Ltr. Kerosene & 4 MT of Firewood in every year..
- Improve rural earning and hygiene



A Bio Gas Burner



A Bio Gas driven pump

Bio Gas driven irrigation pump

- Reduces CO₂ Emission replacing 150 Ltr. Diesel and Save foreign currency.
- Improve rural earning.

Contributed Sectors

TBL committed to bring back Green Bangladesh through its financing tools. For fulfilling the commitment TBL always takes passion for good finance. So far, TBL contributed to 1002 Bio-gas, 12 Brick Kilns, 2 ETPs, 19 Projects having ETP, Maize, Mustard, Sugarcane and Banana towards reducing the environmental risk creating elements and materials.



This automatic Brick manufacturing plant was established in 2007 with the finance of Trust Bank. It Saves Air from the attack of 11,200 MT / year of CO₂ than normal Brick Kiln



A Chemical Plant which Recycle its Flue Gas & Water before disposal to minimize emission of CO₂ & Cl₂

Financing with Bangladesh Bank's Policy Initiative

With the Policy Support of Bangladesh Bank, Trust Bank has been moving forward to finance.....



To flourish Bangladesh with fragrance of Mustard



Sugarcane to sweetening the country

Disbursement

We make Environmental Due Diligence as well as evaluation of Environmental Risk assessment for 191 proposals and discard 08 proposals for financing in this respect. However, the total green finances position as on 31.12.2012 stands at Tk. 2,222 million.

Environmental Management Approach

Goals and performance:

TBL's strategic vision for climate change stressed in its Green Banking Policy and is designed to help reduce TBL's environmental impact in a scenario of sustainable development while endeavoring to instill good practices in its stakeholders.

Policy:

The Green Banking Policy of Trust Bank Limited is designed containing all three phases of implementation. It defines strategic spheres of action, goals and guidelines.

Organizational Responsibility:

TBL's Green Banking Policy and Environmental Risk Management Policy has redefined and increased formal responsibilities for these issues and will involve the Board of Directors more directly in this aspect.

Training and awareness:

Workshop on Green Banking and Environmental Risk Management took place in the Training Academy of Trust Bank Limited in November 2012 with resource person from Bangladesh Bank.

It was attended by a number of senior executives of Trust Bank Limited and discussed various aspects of Green Banking and Environmental Risk Management, highlighting the importance of the subject matter - climate change, social impacts, sustainable development, the information society and sustainable financing.

Monitoring and follow-up:

TBL's environmental performance is monitored by the Green Banking Unit under the supervision of the Chief Risk Officer of the Bank.

Environmental Performance Indicators

Materials used by weight or volume

TBL does not have a systematic arrangement for calculating the total weight of raw materials used in its commercial network; the data is gathered in monetary terms. TBL has utilized following raw materials during its daily operation:

Breakdown of materials used by monetary values (BDT million)

Raw Materials Used	2010	2011	2012
Paper	6.36	9.41	10.78



The increase in use of consumables from 2010 & 2011 to 2012 was due to increase in number of branches and business portfolio but, average consumption per client it has been decreased.

Percentage of materials used that are recycled input materials:

TBL does not use recycled paper in its offices and branches. The paper used throughout our network of branches and central buildings (Legal and A4 only) is produced in Bangladesh and procured locally.

Direct energy consumption by primary energy source:

TBL's direct energy consumption is based on both non-renewable and renewable sources. Non-renewable energy is received from the national electrical power distribution network. In addition it used fuel as follows: octane and petrol in its fleet, diesel in generators and natural gas in the CNG converted vehicles.

Direct energy consumption in buildings (BDT Million)

	2010	2011	2012
Fuel Oil	25.95	6.47	11.30
Gas	0.33	0.51	1.19

The use of fuel oil during 2012 increased dramatically due to price hike in five times in the market scenario during 2012.

Energy saved due to conservation and efficiency improvements:

TBL assesses the performance of initiatives of this type. However, we are not in a position to provide total savings figures. We can, however, give several examples of this type of initiative and reductions achieved.

Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives:

TBL offers products and services of this kind, though it is not possible to provide figures for benefits achieved. Communicating this figure depends both on Trust Bank Limited and on end-users of this type of equipment, i.e. customers.

Initiatives to reduce indirect energy consumption and reductions achieved:

TBL assesses the performance of initiatives of this type. However, we are not in a position to provide total savings figures.

Trend Analysis of Green Banking:

Policy Formulation and Governance								
Figure in million								
	Mar 2011	June 2011	Sept 2011	Dec 2011	Mar 2012	June 2012	Sept 2012	Dec 2012
Policy Formulation:				✓				
Formation of Green Banking Unit:	✓							
Utilization of Funds (in BDT million)								
Green Finance: (ETP Bio-Gas Plant, Bio-Fertilizer Plant, Brick Kiln, Agri@reduce rate)	33.08	36.85	43.10	20.80	72.76	63.04	80.40	2,006.22
Climate Risk Fund	-	-	-	-	-	-	-	-
Marketing, Training and Capacity Building	-	-	-	-	-	-	-	0.05
Incorporation of Environmental Risk in Core Risks Management (CRM)								
No. of Projects applicable for Environmental Due Diligence (EDD)				240	9	72	53	62
No. of Projects Rated (Environmental Risk Rating)				240	9	67	53	62
Rated Projects financed	Total Number			240	9	67	52	62
	Total Amount Disbursed (in million Taka)			23,999	1,446	9,177	6,469	7,135

Figure in million								
	Mar 2011	June 2011	Sept 2011	Dec 2011	Mar 2012	June 2012	Sept 2012	Dec 2012
Initiating In-house Environment Management								
No. of Branches	33.08	36.85	43.10	20.80	72.76	63.04	80.40	2,006.22
No. of branches powered by Solar Energy	-	-	-	-	-	-	-	1
Introduction of Green Office Guide or General Instructions	✓							
Consumption of Water	0.24	0.23	0.25	0.33	0.43	0.34	0.28	0.29
Consumption of Paper	2.15	2.52	2.40	2.34	2.53	2.59	2.88	2.78
Electricity	3.27	4.8	2.94	6.85	4.33	7.122	7.87	7.47
Gas	0.09	0.11	0.10	0.21	0.17	0.20	0.20	0.619
Fuel	1.65	2.1	2.65	1.48	2.084	3.59	2.53	3.093
Tele/Video Conference:								40 nos.
Online Banking								
No. of ATM:	Own:	6	16	30	40	74	81	81
	Shered	52	107	177	237	573	634	824
Online Banking	No. of total Branches	59	59	59	69	69	69	79
	No. of Branches with Online Coverage	59	59	59	69	69	69	79

Figure in million								
	Mar 2011	June 2011	Sept 2011	Dec 2011	Mar 2012	June 2012	Sept 2012	Dec 2012
No. of total accounts								
	37.746	31.402	59.976	174.840	424.270	442.714	463.616	480.090
% of accounts facilitated with internet banking	4.32%	4.22%	3.21%	2.89%	5.30%	5.45%	6.40%	6.68
% of accunts facilitated with mobile/SMS banking	0.53%	0.96%	0.83%	0.87%	3.29%	3.06%	3.14%	3.24
Employee Training, Consumer Awareness and Green Event								
No. of Training Programs/Seminars/ Workshops/Awareness Programs	-	-	-	1	1	-	1	1
On. of Participants	-	-	-	56	86	-	26	50
Disclosure of Green Banking Activities								
Annual Repot	✓							
Website	✓							
Media	✓							
Green Strategic Planning								
Formulation of Green Strategic Planning	✓							
Formulation of Banks Specific Environment Risk Management Plan and Guideline	X							



Total water withdrawal by source:

TBL does not have a systematic mechanism and system for calculating the total volume of mains water used in its commercial network, due to the fact that TBL has branches all over the country and they have different water suppliers. Furthermore, the total amount of water used by TBL was not identified in our materiality study as a material issue to be reported.

Percentage and total volume of water recycled and reused:

TBL does not use recycled water in its offices and branches.

Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high bio-diversity value outside protected areas:

This is not applicable for TBL in 2012.

Description of significant impacts of activities, products, and services on bio-diversity in protected areas and areas of high bio-diversity value outside protected areas:

This is not applicable for TBL in 2012.

Habitats protected or restored:

This is not applicable for TBL in 2012.

Strategies, current actions, and future plans for managing impacts on bio-diversity:

TBL will develop it gradually in coming days.

Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk:

These indicators do not apply to TBL, as its operations are located in urban and rural residential and commercial areas. No branches are located in forests or environmentally protected areas to have any impact on biodiversity. However, TBL is contributing BDT 0.12 million per year for bird conservation project namely Pokkhikuler Asroy & Khaddo Nischitkoron Prakalpa at Bonpara, Natore.

Total direct and indirect greenhouse gas emissions by weight:

Total direct and indirect greenhouse gas emissions resulting from TBL's operation arise essentially from its energy consumption. However, TBL does not have a systematic mechanism and arrangement for calculating total greenhouse gas emissions, both direct and indirect.

Initiatives to reduce greenhouse gas emissions and reductions achieved:

TBL has taken up initiatives to reduce greenhouse gas emissions in its operations through concentrated efforts of its Head Office and Branches through in-house environmental management systems, reduction of electricity usage replacement of existing lighting equipment with energy efficient ones, carpooling, teleconferencing, etc.

In addition, TBL has taken up initiatives for keeping pot plants in the branches to act as carbon sinks targeting its urban branches. Information of pot plants is as follows:**Emissions of ozone-depleting substances by weight:**

According to the Global Reporting Initiative, ozone-depleting substances in products and equipment from use or disposal are not covered by this indicator. It therefore does not apply to TBL.

NOx, SOx and other significant air emissions by type and weight:

Considering the energy consumption by the emergency generators and TBL's vehicles is insignificant, this indicator is not considered material.

Total water discharge by quality and destination:

TBL's premises are located in urban and rural residential and commercial areas with sewer and rainwater drainage systems, which mean that this indicator does not apply to its activities.

Total weight of waste by type and disposal method:

TBL does not have a systematic procedure for calculating the total volume of waste produced in its commercial network.

Total number and volume of significant spills:

This indicator does not apply to TBL, as it does not use chemical products in any significant quantities that might cause spills with relevant environmental impacts.

Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations:

In 2012 there were no significant fines or non-monetary sanctions for violation of environmental laws or regulations.

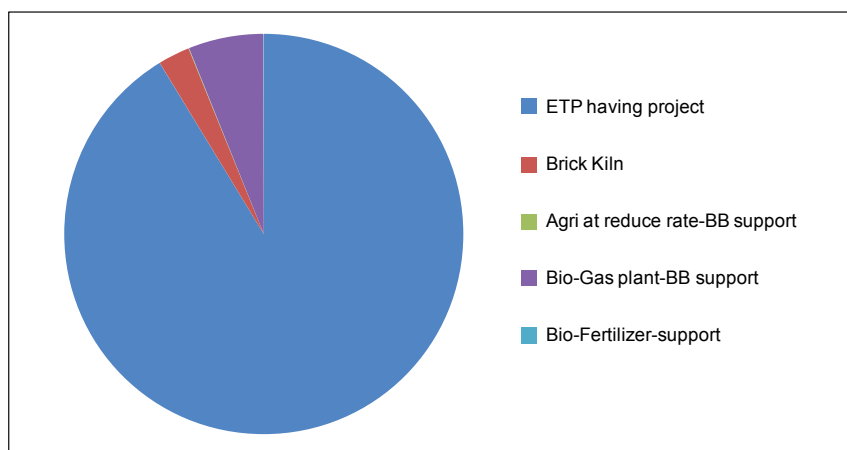
Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce:

TBL does not have a systematic procedure for calculating total greenhouse gas emissions, from its vehicle fleet's fuel usage.

Total environmental protection expenditures and investments by type:

TBL's environmental protection expenditures and investments are accounted for. Full communication of this type of expenditure pursuant to environmental accounting standards is a future commitment.

Position of Green & Environmental Finance as on 2012 Tk. 2,222 million



Environmental CSR

Bank also extends hand through Corporate Social Responsibility to make the country Green.



To Conserve Environment and Biodiversity

Trust Bank is committed to preserve our biodiversity also for benefit of mankind and all living creature. So, TBL always support the project with environment friendly technology and process.



An Environment friendly ETP of 6,000 m³/Day capacity of a RMG unit having employment of 452 persons

Present Status and Future Plan

In 2012, Trust Bank Ltd. was poisoned one of the top 10 Green Bank of the country by Bangladesh Bank for its activities. Being encouraged by it, we arranged Training workshop for 50 executives and 112 officers in 2012. Besides, user friendly Specific Sectoral Policy Manual on the following 4 sectors has been prepared on the basis of Bangladesh Bank's instruction for our in-house guidelines in environmental risk mitigation:

But, we want to move forward more greenly with the following Green Strategic Plan and Environmental Risk Management Plan:

- Quarterly Capacity Building Programs for mid-level Executives & Officials.
- Client Orientation and Motivation to follow ECR, 1997 of GOB & other rules.
- More monitoring of Green Activities in in-house and financed projects.
- 10% reduction in paper & utility consumptions.
- 20% growth in Green Finance.
- Preparation of Sector Specific Policy for another more 05 sectors.
- Utilization of Climate Risk Fund 50% by July & 50% by December.
- Green Marketing for Biogas, Electricity & Bio-fertilizer from Waste Disposal and installation of Solar Energy.
- Research and Development (R&D) for Innovative Green Marketing.



Trust Bank's Dream- Green will Remain Green

Social Sustainability Approach

Environmental Risk Management Approach

Environmental Risk is an integral as well as independent risk for the credit and society. TBL extends no finance without evaluation of impact of Environmental Risk on the credit as well as in the society and arrangement of appropriate management and mitigation for that risk. The environmental risk has been incorporated into the bank's overall risk rating system that defines whether:

- credit to be rationed
- term of the loan to be limited
- price of the loan be affected and identifying and implementing ways to reduce the risk to the portfolio.



General Iqbal Karim Bhuiyan, psc, Honorable Chairman of the Bank delivered his speech on Celebration of 1000 Bio Gas Plant

For managing Environmental Risk, TBL uses generalized and sector specific Environmental Due Diligence (EDD) format of Bangladesh Bank for identifying and rating the degree of risk. Then, for managing the risk, TBL confirms whether the concern have requisite clearance certificate from department of Environment(DOE) of GOB and the client is going to install the appropriate infrastructural facilities to mitigate the risks which may arises from the manufacturing plant.

Even, no Fund is disbursed before having Clearance from Department of Environment, GOB as per:

- The Bangladesh Environment Conservation Act, 1995
- Environment Conservation Rule, 1997

Employment Relations Approach

Goals and performance

Promotion on next hierarchy designation is considered subject to availability of vacancy in the next grade alone with adequate skill set, potentially to take over broader responsibility. No employee will have a claim to be promoted to a higher grade by virtue of his seniority alone. All promotions shall be made on the basis of performance and criterion laid down by the Management of TBL from time to time.

Policies

TBL has created an atmosphere of trust and support within the organization which will encourage employees to work well together as a team. TBL also guarantees employment opportunities conform to the established and acceptable practices of the country.

Organizational Responsibility

TBL has developed an effective internal communication and attachment system which will encourage the employees to identify them with the organizations and its activities.

Training and Awareness

The Bank identifies the interdependence between the employer and the employee and believes that each should give the other a fair treatment. Therefore, Bank usually arranges, as well as, participate various trainings and workshops on different types' compliance related issues to act in accordance with the laws and practice of industry and the country for raising awareness in relation to Employment Relations aspects.

Labor Performance Indicators

LA1 Total workforce by employment type, employment contract, and region

Direct employees by type of contract and employment as at 31 December

Type of Contract	2011			2012		
	Part-time	Full-Time	Total	Part-time	Full-Time	Total
Fixed Term Contract	0	71	71	0	144	144

Internship Programs

	2011	2012
No. of Internship	360	144
No. of Student Internship	360	144

Internship Employees by Division or District

Division	2011	2012
Dhaka	798	102
Chittagong	191	3
Sylhet	52	3
Rajshahi	48	3
Barisal	6	0
Khulna	23	2
Rangpur	11	1

LA2 Total number and rate of employee turnover by age group, gender and region

Trust Bank Limited has a diversified team in terms of gender and age group. In 2012, 150 employees left, most of them in the 18 to 34 age group (for better opportunities).

Total number of employees leaving by age and gender

Gender	Age Group	2011	2012
Female	Over 65	0	0
	55 to 64	1	0
	45 to 54	0	0
	35 to 44	8	4
	18 to 34	23	17
	Total	32	21
Male	Over 65	0	0
	55 to 64	0	3
	45 to 54	5	4
	35 to 44	16	11
	18 to 34	97	77
	Total	118	97

Turnover by Age and Gender

Gender	Age Group	2011	2012
Female	Over 65	0	0
	55 to 64	33.33	0
	45 to 54	0	0
	35 to 44	11.85	5.10
	18 to 34	10.15	7.25
Male	Over 65	0	0
	55 to 64	0	31.58
	45 to 54	11.36	9.30
	35 to 44	9.76	6.04
	18 to 34	16.71	11.91

Methodological note: Turnover for each period was calculated as follows: [(No. of employees leaving during the period/Average no. of employees during the period)]*100

LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees

Employee Benefits

Benefit	Permanent Employees	Contractual Employees
Invalidity Pension	Superannuation Fund	N/A
Retirement Benefits	Provident Fund, Gratuity and Leave Encashment	N/A

LA4 Percentage of employees covered by collective bargaining agreements

These indicators do not apply to TBL.

LA5 Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements

As per Employee's Service Manual of TBL, minimum notice period varies on case to case basis.

LA6 Percentage of total workforce represented in formal joint management – worker health and safety committees that help monitor and advice on occupational health and safety programmes

These indicators do not apply to TBL.

LA7 Rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities by region

These indicators do not apply to TBL.

LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases

These indicators do not apply to TBL.

LA9 Health and safety topics covered in formal agreements with trade unions

These indicators do not apply to TBL.

LA10 Average hours of training per year per employee by employee category

Hours of Training by employee category

Training Category	Year 2011		Year 2012	
	Tr. Program	Participants	Tr. Program	Participants
In-house	16	315	19	813
Local	72	424	134	1219
Foreign	Nil	Nil	2	3
Total	88	739	155	2035



LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

TBL ensures that each employee is developed as fully as his or her ability, performance and opportunity within which the Bank may permit. To this end periodic reviews will be made to determine the performance and potential of employees and, if necessary, the training required to enable them to progress more senior positions.

LA12 Percentage of employees receiving regular performance and career development reviews

Hundred percent of confirmed employees are receiving regular performance and career development reviews.

LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity

Employees by Category and Gender

	Male		Female	
	2011	2012	2011	2012
Executive	94	83	7	9
Officer	734	873	292	334
Support Staff	2	373	0	8
Total	830	1329	299	351

Number of Employees by Category and Age Group

GRI Category	Age Group	2011	2012
Executive	18 to 34	7	3
	35 to 44	53	45
	45 to 54	31	36
	55 to 64	10	8
	Over 65	0	0
	Total	101	90
Officer	18 to 34	800	902
	35 to 44	202	277
	45 to 54	20	25
	55 to 64	4	3
	Over 65	0	0
	Total	1026	1207

LA14 Ratio of basic salary of men to women by employee category

Ratio of Average Salaries of Men and Women by Category

Category	Ratio in 2011	Ratio in 2012
Executive	1.15 : 1	1.20 : 1
Officer	1 : 1.05	1 : 1.09
Total	1 : 1.95	1 : 0.91

Goals and Performance

The way in which human rights issues are managed at TBL is reflected in its labor management approach. TBL deals with people, not the rigid application with policies.

Organizational Responsibility

Policy/Programme	Corporate Bodies with Formal Responsibility
Human Resource Aspects	Human Resources Division
Supplier Relations	General Services & Security Department

Training and Awareness

Trust Bank Training Academy has been working with its full dedication & efforts and continuous support from Management to provide excellence in Banking through development of attitude, knowledge and skill, keeping in view the organizational goal. The human rights aspects are a well-established part of the numerous training curriculums of Foundation and Advanced Training programs undertaken each year by the academy.

Human Rights Performance Indicators

HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening

These indicators do not apply to TBL.

HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken

TBL undertakes to treat all suppliers equally in accordance with the procurement policy approved by its Board of Directors. Although we do not yet conduct specific human rights screening of suppliers, this aspect is one of TBL's future commitments.

HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

Total hours of employee training

Name of Training	No. of Training	Total Hours	Employees Trained	% of Employees
Foundation	8	600	221	17
Advance	2	160	36	2.73
Refresher Course	11	462	277	21.31
SME Training	1	40	6	28.57

HR4 Total number of incidents of discrimination and actions taken

There have been no incidents of discrimination in TBL during 2011.

HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights

These indicators do not apply to TBL.

HR6 Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour

These indicators do not apply to TBL.

HR7 Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour

These indicators do not apply to TBL.

Social Management Approach

Goals and Performance

TBL sets clearly defined goals for a wide variety of society-related aspects. Examples are our different commitments, such as financial inclusion, community engagement, and compliance. The performance indicators on these issues can be found in this section.

Policies

The following are examples of TBL's social policies:

- ▶ The TBL Employee's Service Manual is for all its employees and it reinforces TBL's commitment to the highest ethical and moral standards;
- ▶ The operational risk management, internal control & compliance risk management, and money laundering risk management manual requires internal control systems to guarantee respect for the law and regulations on the prevention of money laundering and funding of terrorism;
- ▶ The annual plans of activities of the Internal Control & Compliance Division, which ensure that legislation, regulations and internal rules are respected by the different corporate bodies;
- ▶ Internal control procedures for money laundering.



Organizational Responsibility

The Board of Directors are ultimately responsible for the correct implementation of the above policies, programs and commitments which have been formally delegated to corporate bodies as detailed below.

Policies and Programs and Organizational Responsibility

Policy/Programme	Corporate Bodies with Formal Responsibility
Employee's Service Manual	Human Resources Division
Operational Risk Management	Internal Control & Compliance Division
Internal Control & Compliance Risk Management	Internal Control & Compliance Division
Money Laundering Risk Management	Central Compliance Unit & AML Department

Training and Awareness

Trust Bank Training Academy has been working with its full dedication & efforts and continuous support from Management to provide excellence in Banking through development of attitude, knowledge and skill, keeping in view the organizational goal. The social management aspect is a well-established part of the numerous training curriculums of Foundation and Advanced Training programs undertaken each year by the academy.

Social Performance Indicators

SO1 Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting

As decisions on opening or closing branches and offices are included in the bank's strategic growth, as a rule TBL conducts studies of the impact of these decisions on the region's economy and economic development conducted by the Operations Division.

Before TBL begins operations in a new location, it drafts a business plan, which includes an analysis of the impact on the local community. Several factors are analyzed when identifying these impacts, such as the current and future scale of the region, the community's socio-economic conditions, existing business activity, the needs of local SMEs, existing competition and potential complementarity and improvement in the services of the local commercial network.

After these analyses, it may happen that TBL will open a branch even though the prospects for business growth in the area are not favorable. This is because its intention is to be present in many points of the country and promote access to banking services to as many people as possible, even in places with low population density and buying power, with a view to financial inclusion.

These practices are closely related to the fact that TBL always seeks to establish long-lasting, personalized business relationships with companies and private customers, which means that employees', customers' and the community's interests are considered when entering or exiting.

SO2 Percentage and total number of business units analyzed for risks related to corruption

Risks of corruption are analyzed in the Internal Control & Compliance Risk Management and by the Internal Control & Compliance Division.



Mr. Ishtiaque Ahmed Chowdhury, Managing Director & CEO of the Bank delivered his speech on Celebration of 1000 Bio Gas Plant

In 2012 the Internal Control & Compliance Division conducted on-site audits of:

- ▶ No. of Comprehensive Audit: 69 Branches, 10 Division & 6 TBIL Branches
- ▶ No. of Spot Inspection: 25 Branches
- ▶ No. of Special Inspection: 20 Branches

SO 3 Percentage of employees trained in TBL's anti-corruption policies and procedures

Number of employees trained in prevention of money laundering and funding of terrorism by category

Category	Number of Employees	Nos. of Training	Total Hours
Officers/Executives	106	4	104

SO4 Actions taken in response to incidents of corruption

There was no incident of corruption in TBL in 2012.

SO5 Public policy positions and participation in public policy development and lobbying

TBL responds to requests for opinions on current standards from regulatory bodies, providing them with its views and positions, which contribute to the drafting of legal documents regarding the sector's activity. It also participates in sector working groups, where it expresses its opinions.

SO6 Total value of financial and in-kind contributions to political parties, politicians and related institutions by country

This indicator is not applicable for TBL as there were no contributions of this form during 2012.

SO7 Total number of legal actions for anticompetitive behavior, anti-trust and monopoly practices and their outcomes

No legal actions were brought against TBL for anticompetitive behavior or monopoly practices in 2012.

SO8 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations

No instances of monetary or non-monetary fines/sanctions were brought against TBL for non-compliance with laws and regulations in 2012.



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 64th 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:

Ms. Begum Rokeya Din	Chairman
Brig Gen KARM Mostafa Kamal, ndc, psc	Member
Mr. Helal Uddin Ahmed	Member
Brig Gen Md. Emdad-Ul Bari, psc, te	Member

Ms. Begum Rokeya Din and Mr. Helal Uddin Ahmed are the Independent Directors. The Company Secretary 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 with special 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, quarterly and half yearly 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 2012, four meetings of the committee were held. In these meetings Managing Director, Deputy Managing Director, Head of IC&C, Head of Credit Administration Division and Head of Financial Control & Accounts were invited to attend as and when the Committee required their presence. The Committee had another meeting in 2013 to deal in the Auditors' Report and financial statements of 2012, 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 internal audit reports of different branches and divisions/departments of Head Office (both of Board Auditor 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 basis.

Review of Financial Statements of 2012

The Committee in its 01/2013 meeting held on 18 March 2013 reviewed the annual financial statements for the year 2012 wherein representative of external auditors was present. The external auditors expressed his opinion before the Committee that they have observed much improvement in the quality of Bank's assets in their 3-year period. The representative further opined that quality of Bank's financial reporting has also improved and assured the Audit Committee that the financial statements for the year 2012 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.



Begum Rokeya Din
Chairman, Audit Committee



Annual Report of Shariah Supervisory Committee - 2012

All praise is for Allah subhanahu-wa-tayala Who is the One and Second to none, Beneficent, the Merciful. Durud and Salam is for our Prophet (SM) who is Rahmat for the creatures of the World.

We take the opportunity to express our appreciation to the Board of Directors, the Managing Director and all members of the Management Team for their continuous support for the development of Islamic Banking in TBL.

In the Year 2012, Trust Bank Limited operated its Islamic Banking Operations through 5(five) designated branches.

We report the following to the Shareholders:

- i) The account of Islamic Banking operations of Trust Bank Limited were being kept separately from Conventional Banking accounts. All the products of Trust Islamic Banking are marketed after approval of Shariah Supervisory Committee.
- ii) The committee gave considered decision and guidelines on issues of Islamic Banking operations referred by the Management of the Bank and reviewed the operational issues in respect of Islamic Banking of the Bank.
- iii) The Shariah Supervisory Committee was satisfied on the performance of Trust Islamic Banking during the year 2012 for achieving growth in deposit and investment.

We pray to Almighty Allah to give us enough strength and fortitude to implement Shariah Principles in every sphere of our life. We evoke His unbound blessings on TBL and its stakeholders.

Ameen.



Mufti Muhammad Abdullah

Chairman

Trust Bank Shariah Supervisory Committee

Positive Indicators in 2012

Exclusive Information for Shareholders

Growth in %

Particulars	TBL	Consolidated (TBL & TBIL)
Total Loans & Advances	7.51	7.42
Total Investment	41.09	41.50
Total Assets	24.99	25.05
Placement	715.97	715.97
Total Deposits	26.10	25.99
Total Regulatory Capital	16.20	19.29
Paid up Capital	30.00	30.00
Tier – I (Core Capital)	17.76	16.74
Tier – II (Supplementary Capital)	12.88	24.68
Capital Adequacy Ratio	15.55	17.08
Total Shareholder's Equity	17.84	16.82
Statutory Reserve	7.59	7.59
Total Interest/Income from Profit	33.00	28.52
Cash flow from Operating Activities	185.00	142.50
Net Asset Value (NAV)	17.80	
Net Operating Cash Flow Per Share (NOCFPS)	119	

Auditors' Report &
Financial Statements of
Trust Bank Limited





Auditors' Report

To The Shareholders of Trust Bank Limited

We have audited the accompanying consolidated financial statements of Trust Bank Limited (the bank) and its subsidiary namely Trust Bank Investment Limited which comprise the consolidated balance sheet as at 31 December 2012 and the consolidated profit and loss account, consolidated cash flow statement and consolidated statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information. We have also audited the financial statements of the bank comprising the balance sheet as at 31 December 2012 and the profit and loss account, cash flow statement, statement of changes in equity and liquidity statement for the year then ended.

Management Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Bank Company Act 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above which have been prepared in the format prescribed by Bangladesh Bank vide Circular no. 14 dated 25 June 2003 and in accordance with Bangladesh Financial Reporting Standards give a true and fair view of the state of affairs of the Bank as at 31 December 2012 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994, the Bank Company Act 1991, Rules and Regulations issued by Bangladesh Bank, Securities and Exchange Rules 1987 and other applicable laws and regulations.

We further report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of accounts as required by law were kept by the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
- (iii) the Bank's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of accounts and returns;
- (iv) the expenditures incurred were for the purpose of the Bank's operations;
- (v) the financial position of the Bank as at 31 December 2012 and the profit for the period from 01 January 2012 to 31 December 2012 have been properly reflected in the financial statements, and the financial statements have been prepared in accordance with the generally accepted accounting principles;
- (vi) the financial statements have been drawn up in conformity with the Bank Company Act, 1991 and in accordance with the accounting rules and regulations issued by Bangladesh Bank;
- (vii) adequate provisions have been made for advances and other assets which are, in our opinion, doubtful of recovery;
- (viii) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (ix) the financial statements conform to the prescribed standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR) with Bangladesh Bank have been maintained as per rule;
- (xii) as far as it was revealed from our test checks, the existing rules and regulations for loan sanctioning and disbursements have been followed properly;
- (xiii) it appeared from our test checks that the internal control system was satisfactory and adequate to prevent probable frauds and forgeries;
- (xiv) guidelines of Core Risk Management issued by Bangladesh Bank vide BRPD Circular # 17 dated 07 October 2003 were complied;
- (xv) adequate capital of the Bank, as required by law, has been maintained during the period under audit;
- (xvi) we were not aware of any other matters, which are required to be brought to the notice of the shareholders of the Bank;
- (xvii) 80% of the risk-weighted assets of the Bank have been audited by us spending 2,950 man hours.

Dhaka,
24 March 2013


ACNABIN
Chartered Accountants

Trust Bank Limited
and its subsidiary
Consolidated Balance Sheet
As of 31 December 2012

	Notes	31.12.2012 Taka	31.12.2011 Taka
PROPERTY AND ASSETS			
Cash	3	8,204,226,900	5,699,053,332
Cash in hand (including foreign currencies)		2,080,875,831	1,087,074,071
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		6,123,351,069	4,611,979,261
Balance with other banks and financial institutions	4 (a)	1,916,230,614	3,847,932,917
In Bangladesh		559,737,387	2,763,975,554
Outside Bangladesh		1,356,493,227	1,083,957,363
Money at call and short notice	5	11,750,000,000	1,440,000,000
Investments	6 (a)	13,675,751,211	9,665,330,275
Government		11,840,161,167	7,724,014,821
Others		1,835,590,044	1,941,315,454
Loans and Advances/Islami Banking Investments	7 (a)	58,599,090,157	54,552,659,781
Loans, cash credit, overdrafts etc./ investment		57,267,550,409	52,839,235,499
Bills purchased and discounted		1,331,539,748	1,713,424,282
Fixed assets including premises, furniture and fixtures	8 (a)	472,134,824	439,641,335
Other assets	9 (a)	1,721,819,901	1,391,409,813
Non-banking assets		-	-
Total Assets		96,339,253,607	77,036,027,453
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10 (a)	2,836,851,787	2,350,052,256
Deposits and other accounts	11 (a)	83,062,998,348	65,930,044,950
Current / Al-wadeeah current accounts and other accounts		10,734,624,967	8,293,865,131
Bills payable		925,782,935	555,764,433
Savings bank / Mudaraba savings deposits		6,590,789,934	5,822,755,118
Fixed deposits / Mudaraba term deposits		64,811,800,512	51,257,660,268
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	12 (a)	3,589,621,523	2,892,278,702
Total Liabilities		89,489,471,658	71,172,375,908
Capital/Shareholders' Equity			
Paid up Capital	13.2	3,459,465,640	2,661,127,400
Minority Interest	13 (a)	779	774
Share Premium Account		532,225,500	-
Statutory Reserve	14	1,966,008,097	1,827,243,070
Other Reserve	15	8,567,858	3,475,004
Retained Earnings	16 (a)	883,514,075	1,371,805,297
Total Shareholders' Equity		6,849,781,949	5,863,651,545
Total Liabilities and Shareholders' Equity		96,339,253,607	77,036,027,453



OFF-BALANCE SHEET ITEMS

Contingent Liabilities

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

17

22,073,999,640

19,325,631,569

6,384,512,348

5,451,673,426

3,078,321,328

3,112,474,349

10,031,156,394

7,906,081,049

2,580,009,570

2,855,402,745

Other Contingent Liabilities

Value of travelers' cheques in hand

Total:

22,073,999,640

19,325,631,569

Other commitments

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

-

-

-

-

-

-

-

-

-

-

Total Off-Balance Sheet items including contingent liabilities

22,073,999,640

19,325,631,569

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

Rayunus
Vice Chairman

[Signature]
Director

[Signature]
Director

[Signature]
Managing Director

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

Dhaka,
24 March 2013

[Signature]
ACNABIN
Chartered Accountants

Trust Bank Limited
and its subsidiary
Consolidated Profit and Loss Account
For the year ended 31 December 2012

	Notes	31.12.2012 Taka	31.12.2011 Taka
Interest income/Profit on investment	19 (a)	8,698,111,402	6,768,016,384
Interest/Profit paid on deposits and borrowings etc.	20 (a)	6,785,135,493	5,389,771,680
Net interest income		1,912,975,909	1,378,244,704
Income from investments	21(a)	913,646,094	1,374,606,614
Commission, exchange and brokerage	22 (a)	574,349,716	607,196,429
Other operating income	23 (a)	356,320,674	442,137,049
		1,844,316,484	2,423,940,092
Total operating income		3,757,292,393	3,802,184,796
Salaries and allowances	24 (a)	946,911,325	781,068,649
Rent, taxes, insurance, electricity, etc.	25 (a)	240,901,067	186,617,620
Legal expenses		2,067,721	2,604,034
Postage, stamps, telecommunications, etc.	26 (a)	87,965,981	57,448,673
Stationery, printing, advertisement etc.	27 (a)	119,694,420	84,234,987
Managing Director's salary and benefits		8,944,837	11,140,000
Directors' fees	28 (a)	1,490,000	1,702,400
Auditors' fee		653,250	635,000
Charges on loan losses		-	-
Depreciation and repair of bank's assets	29 (a)	134,944,994	137,297,112
Other expenses	30 (a)	385,534,194	332,745,059
Total operating expenses		1,929,107,789	1,595,493,534
Profit before provision		1,828,184,604	2,206,691,262
Provision for loans & advances / investments	31 (a)	837,377,540	229,258,242
Provision for Diminution in value of investment	32 (a)	8,924,833	69,983,652
Other provision	33	29,932,904	4,589,988
		876,235,277	303,831,882
Total Profit before Taxes		951,949,327	1,902,859,380
Provision for Taxation			
Current tax	12.5 (a)	778,711,885	981,431,931
Deferred tax		(9,461,848)	(12,009,187)
		769,250,037	969,422,744
Net Profit after Taxation		182,699,290	933,436,636
Appropriations			
Statutory Reserve	14.1	138,765,027	260,839,980
General reserve		-	-
		138,765,027	260,839,980
Retained surplus		43,934,263	672,596,656
Earning per share (EPS)	35 (a)	0.55	3.51
Earning per share (EPS) - Restated for rights issue		-	3.04

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


Vice Chairman


Director


Director


Managing Director

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

Dhaka,
24 March 2013


ACNABIN
Chartered Accountants



Trust Bank Limited
and its subsidiary
Consolidated Cash Flow Statement
For the year ended 31 December 2012

	Notes	31.12.2012 Taka	31.12.2011 Taka
A. Cash flow from operating activities			
Interest received in cash		8,713,884,240	6,747,079,996
Interest payments		(6,487,496,870)	(4,755,889,924)
Dividend receipts		42,566,453	97,585,927
Fees and commission receipts in cash		595,750,083	465,367,171
Recoveries of loans previously written off		-	-
Cash paid to employees		(947,097,411)	(815,733,385)
Cash paid to suppliers		(46,441,230)	(52,786,141)
Income Taxes paid		(1,166,621,320)	(900,282,879)
Received from other operating activities (item-wise)	36 (a)	1,206,095,534	1,690,656,415
Payments for other operating activities (item-wise)	37 (a)	(845,987,043)	(688,247,037)
Operating profit before changes in operating Assets and Liabilities		1,064,652,436	1,787,750,143
Increase/(Decrease) in operating assets & liabilities			
Statutory Deposits		-	-
Net Investment in trading securities		105,725,410	(95,383,066)
Loan & advance to other banks		-	-
Loan & advance to customers		(3,278,708,659)	(10,658,848,511)
Other assets (item-wise)	38 (a)	(303,738,545)	(22,260,634)
Deposits from other banks		215,780,186	171,538,000
Deposits from customers		16,621,045,880	14,809,212,478
Other liabilities account of customers		-	-
Trading liabilities		-	-
Other liabilities (item-wise)	39 (a)	93,580,347	(5,503,242)
Net cash flow from operating activities (A)		14,518,337,055	5,986,505,168
B. Cash flow from investing activities			
Proceeds from sale of securities		-	-
Payments for purchase of government securities		(4,110,416,192)	(1,124,752,367)
Purchase of property, plant & equipment		(141,711,103)	(168,893,395)
Purchase of intangible assets		(4,409,995)	(40,917,865)
Sale of property, plant & equipment		6,601,428	52,537,060
Net cash used in investing activities (B)		(4,249,935,862)	(1,282,026,567)
C. Cash flow from financing activities			
Increase/(Decrease) in Borrowing:		-	-
Call loan		-	-
Re-Purchase agreement (REPO)		-	-
Other borrowings		(159,154,196)	759,199,195
Share Capital A/c		532,225,500	-
Share Premium A/c		532,225,500	-
Dividend paid in cash		(266,112,740)	-
Net cash flow from financing activities (C)		639,184,064	759,199,195
D. Net increase in Cash and Cash Equivalent (A+B+C)		10,907,585,257	5,463,677,796
E. Effects of exchange rate changes on cash and cash equivalents		(23,476,692)	143,474,300
F. Opening Cash and Cash Equivalent		10,989,628,249	5,382,476,153
G. Cash and cash equivalents at end of year (D+E+F)		21,873,736,814	10,989,628,249

Trust Bank Limited
and its subsidiary
Consolidated Statement of changes in Equity
For the year ended 31 December 2012

Particulars	Paid up Capital	Share Premium Account	Minority Interest	Statutory Reserve	Other Reserve	Retained Earnings	Total
	Figure in Tk						
Balance as at 01 January 2012	2,661,127,400	-	774	1,827,243,070	3,475,004	1,371,805,297	5,863,651,545
Changes in accounting policy	-	-	-	-	-	-	-
Restated Balance	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of investment	-	-	-	-	5,092,854	-	5,092,854
Currency transaction difference	-	-	-	-	-	-	-
Net gain and losses not recognized in the income statement	-	-	-	-	-	-	-
Net profit/(loss) for the year after tax	-	-	5	-	-	182,699,285	182,699,290
Statutory reserve	-	-	-	138,765,027	-	(138,765,027)	-
Dividends (Bonus Share)	266,112,740	-	-	-	-	(266,112,740)	-
Dividends (Cash)	-	-	-	-	-	(266,112,740)	(266,112,740)
Issue of Share Capital	532,225,500	532,225,500	-	-	-	-	1,064,451,000
Balance as at 31 December 2012	3,459,465,640	532,225,500	779	1,966,008,097	8,567,858	883,514,075	6,849,781,949
Balance as at 01 January 2011	2,217,606,200	-	705	1,566,403,090	118,280,731	1,142,729,910	5,045,020,636
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of investment	-	-	-	-	(114,805,727)	-	(114,805,727)
Currency transaction difference	-	-	-	-	-	-	-
Net profit/(loss) for the year after tax	-	-	69	-	-	933,436,567	933,436,636
Statutory reserve	-	-	-	260,839,980	-	(260,839,980)	-
Dividend (Bonus Share)	443,521,200	-	-	-	-	(443,521,200)	-
Issue of share capital	-	-	-	-	-	-	-
Balance as at 31 December 2011	2,661,127,400	-	774	1,827,243,070	3,475,004	1,371,805,297	5,863,651,545



Trust Bank Limited
Balance Sheet
As at 31 December 2012

	Notes	31.12.2012 Taka	31.12.2011 Taka
PROPERTY AND ASSETS			
Cash	3	8,204,226,900	5,699,053,332
Cash in hand (including foreign currencies)		2,080,875,831	1,087,074,071
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		6,123,351,069	4,611,979,261
Balance with other banks and financial institutions	4	1,916,230,614	3,847,932,917
In Bangladesh		559,737,387	2,763,975,554
Outside Bangladesh		1,356,493,227	1,083,957,363
Money at call and short notice	5	11,750,000,000	1,440,000,000
Investments	6	13,622,109,812	9,654,676,043
Government		11,840,161,167	7,724,014,821
Others		1,781,948,645	1,930,661,222
Loans and Advances/Islami Banking Investments	7	54,616,060,058	50,801,744,235
Loans, Cash Credit, Overdrafts etc./Investment		53,284,520,310	49,088,319,953
Bills purchased and discounted		1,331,539,748	1,713,424,282
Fixed assets including premises, furniture and fixtures	8	454,945,687	421,227,415
Other assets	9	4,697,205,102	4,350,587,201
Non-banking assets		-	-
Total Assets		95,260,778,173	76,215,221,143
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	2,834,806,984	2,343,073,502
Deposits and other accounts	11	82,997,326,078	65,819,509,706
Current/Al-wadeeah Current Accounts and other Accounts		10,656,385,414	8,159,229,466
Bills Payable		925,782,935	555,764,433
Savings Bank/Mudaraba Savings Deposits		6,590,789,934	5,822,755,118
Fixed Deposits/Mudaraba Term Deposits		64,824,367,795	51,281,760,689
Bearer Certificates of Deposit		-	-
Other Deposits		-	-
Other liabilities	12	2,915,754,159	2,525,877,387
Total Liabilities		88,747,887,221	70,688,460,595
Capital/Shareholders' Equity			
Paid up Capital	13.2	3,459,465,640	2,661,127,400
Share Premium Account		532,225,500	-
Statutory Reserve	14	1,966,008,097	1,827,243,070
Other Reserve	15	8,567,858	3,475,004
Retained Earnings	16	546,623,857	1,034,915,074
Total Shareholders' Equity		6,512,890,952	5,526,760,548
Total Liabilities and Shareholders' Equity		95,260,778,173	76,215,221,143

OFF-BALANCE SHEET ITEMS**Contingent Liabilities**

Acceptances and endorsements

Letter of Guarantees

Irrevocable Letter of Credits

Bills for collection

Other Contingent Liabilities

Value of travelers' cheques in hand

Total:**Other commitments**

Documentary Credit and short term trade-related transactions

Forward assets purchased and forward deposits placed

Undrawn note issuance and revolving facilities

Undrawn formal standby facilities, credit lines and other commitments

Total Off-Balance Sheet items including contingent liabilities

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


Vice-Chairman

Director

Director

Managing Director

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

Dhaka,
24 March 2013

ACNABIN
Chartered Accountants

	31.12.2012 Taka	31.12.2011 Taka
17	22,073,999,640	19,325,631,569
	6,384,512,348	5,451,673,426
	3,078,321,328	3,112,474,349
	10,031,156,394	7,906,081,049
	2,580,009,570	2,855,402,745
	-	-
	22,073,999,640	19,325,631,569
	-	-
	-	-
	-	-
	-	-
	-	-
	22,073,999,640	19,325,631,569



Trust Bank Limited
Profit and Loss Account
For the year ended 31 December 2012

	Notes	31.12.2012 Taka	31.12.2011 Taka
Interest income / Profit on Investment	19	8,343,784,809	6,271,814,846
Interest/Profit paid on deposits and borrowings etc.	20	7,053,722,027	5,386,471,372
Net interest income		1,290,062,782	885,343,474
Income from investments	21	906,640,920	1,374,451,123
Commission, exchange and brokerage	22	572,896,012	606,497,350
Other operating income	23	231,242,009	194,177,684
		1,710,778,941	2,175,126,157
Total operating income		3,000,841,723	3,060,469,631
Salaries and allowances	24	891,112,956	740,651,293
Rent, taxes, insurance, electricity, etc.	25	229,374,484	171,931,507
Legal expenses		2,067,721	2,604,034
Postage, stamps, telecommunications, etc.	26	85,577,715	55,209,573
Stationery, printing, advertisement etc.	27	118,929,578	82,818,062
Managing Director's salary and benefits		8,944,837	11,140,000
Directors' fees	28	1,250,000	1,489,400
Auditors' fee		496,500	433,750
Charges on loan losses		-	-
Depreciation and repair of bank's assets	29	131,118,654	130,680,297
Other expenses	30	374,537,233	302,932,406
Total operating expenses		1,843,409,678	1,499,890,322
Profit before provision		1,157,432,045	1,560,579,309
Provision for loans & advances/Investments	31	432,975,000	182,232,000
Provision for Diminution in value of Investment	32	699,007	69,557,420
Other provision	33	29,932,904	4,589,988
		463,606,911	256,379,408
Total Profit before Taxes		693,825,134	1,304,199,901
Provision for Taxation			
Current tax	12.5.1	520,000,000	700,000,000
Deferred tax		(8,874,156)	(12,009,187)
		511,125,844	687,990,813
Net Profit after Tax		182,699,290	616,209,088
Appropriations			
Statutory Reserve	14.1	138,765,027	260,839,980
General reserve		-	-
		138,765,027	260,839,980
Retained surplus		43,934,263	355,369,108
Earning per share (EPS)	35	0.55	2.32
Earning per share (Restated)		-	2.00

The annexed notes form an integral part of the Profit and Loss Account


Vice Chairman


Director


Director


Managing Director

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

Dhaka,
24 March 2013


ACNABIN
Chartered Accountants

Trust Bank Limited
Cash Flow Statement
For the year ended 31 December 2012

	Notes	31.12.2012 Taka	31.12.2011 Taka
A. Cash flow from operating activities			
Interest received in cash		8,359,557,647	6,250,878,458
Interest payments		(6,756,083,404)	(4,752,589,616)
Dividend receipts		42,566,453	97,585,927
Fees and commission receipts in cash		594,296,379	464,668,092
Recoveries of loans previously written off		-	-
Cash paid to employees		(888,887,042)	(777,416,029)
Cash paid to suppliers		(45,726,507)	(52,326,033)
Income Taxes paid		(811,539,907)	(844,021,578)
Received from other operating activities (item-wise)	36	1,074,011,695	1,442,654,548
Payments for other operating activities (item-wise)	37	(820,099,600)	(638,256,922)
Operating profit before changes in operating Assets and Liabilities		748,095,714	1,191,176,847
Increase/(Decrease) in operating assets & liabilities			
Statutory Deposits		-	-
Net Investment in trading securities		148,712,577	(84,728,834)
Loan & advance to other banks		-	-
Loan & advance to customers		(3,692,547,833)	(10,999,047,311)
Other assets (item-wise)	38	(320,510,342)	(86,664,793)
Deposits from other banks		215,780,186	171,538,000
Deposits from customers		16,665,908,854	14,643,287,545
Other liabilities account of customers		-	-
Trading liabilities		-	-
Other liabilities (item-wise)	39	99,961,136	26,584,030
Net cash flow from operating activities (A)		13,865,400,292	4,862,145,484
B. Cash flow from investing activities			
Proceeds from sale of securities		-	-
Payments for purchase of government securities		(4,110,416,192)	(1,124,752,367)
Purchase of property, plant & equipment		(139,662,018)	(159,519,239)
Purchase of intangible assets		(4,409,995)	(40,917,865)
Sale of property, plant & equipment		6,601,428	47,593,728
Net cash used in investing activities (B)		(4,247,886,777)	(1,277,595,743)
C. Cash flow from financing activities			
Increase/(Decrease) in Borrowing:			
Call loan		-	-
Re-Purchase agreement (REPO)		-	-
Other borrowings		491,733,482	1,879,128,055
Share Capital A/c		532,225,500	-
Share Premium A/c		532,225,500	-
Dividend paid in cash		(266,112,740)	-
Net cash flow from financing activities (C)		1,290,071,742	1,879,128,055
D. Net increase in Cash and Cash Equivalent (A+B+C)		10,907,585,257	5,463,677,796
E. Effects of exchange rate changes on cash and cash equivalents		(23,476,692)	143,474,300
F. Opening Cash and Cash Equivalent		10,989,628,249	5,382,476,153
G. Cash and cash equivalents at end of year (D+E+F)	40	21,873,736,814	10,989,628,249



Trust Bank Limited
Statement of Changes in Equity
For the year ended 31 December 2012

Particulars	Paid up Capital	Share Premium Account	Statutory Reserve	Other Reserve	Retained Earnings	Total
	Figure in Tk					
Balance as at 01 January 2012	2,661,127,400	-	1,827,243,070	3,475,004	1,034,915,074	5,526,760,548
Changes in accounting policy	-	-	-	-	-	-
Restated balance	-	-	-	-	-	-
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-
Surplus/Deficit on revaluation of investment	-	-	-	5,092,854	-	5,092,854
Currency transaction difference	-	-	-	-	-	-
Net gain and losses not recognized in the income statement	-	-	-	-	-	-
Net profit/(loss) for the year after tax	-	-	-	-	182,699,290	182,699,290
Statutory reserve	-	-	138,765,027	-	(138,765,027)	-
Dividends (Bonus Share)	266,112,740	-	-	-	(266,112,740)	-
Dividends (Cash)	-	-	-	-	(266,112,740)	(266,112,740)
Issue of Share Capital (Rights Share)	532,225,500	532,225,500	-	-	-	1,064,451,000
Balance as at 31 December 2012	3,459,465,640	532,225,500	1,966,008,097	8,567,858	546,623,857	6,512,890,952
Balance as at 01 January 2011	2,217,606,200	-	1,566,403,090	118,280,731	1,123,067,166	5,025,357,187
Changes in accounting policy	-	-	-	-	-	-
Restated balance	-	-	-	-	-	-
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-
Surplus/Deficit on revaluation of investment	-	-	-	(114,805,727)	-	(114,805,727)
Currency transaction difference	-	-	-	-	-	-
Net gain and losses not recognized in the income statement	-	-	-	-	-	-
Net profit/(loss) for the year after tax	-	-	-	-	616,209,088	616,209,088
Statutory reserve	-	-	260,839,980	-	(260,839,980)	-
Dividend (Bonus Share)	443,521,200	-	-	-	(443,521,200)	-
Issue of share capital	-	-	-	-	-	-
Balance as at 31 December 2011	2,661,127,400	-	1,827,243,070	3,475,004	1,034,915,074	5,526,760,548

Trust Bank Limited
Liquidity Statement
(Asset and Liability Maturity Analysis)
As at 31 December 2012

Figure in Tk

Particulars	Up to 01 Month	1- 3 Months	3-12 Months	1- 5 Years	More than 5 Years	Total
Assets:						
Cash in Hand	2,080,875,831	-	-	-	-	2,080,875,831
Balance with Bangladesh Bank and Sonali Bank	2,004,395,874	-	-	-	4,118,955,195	6,123,351,069
Balance with other banks and financial institutions	1,866,230,614	-	50,000,000	-	-	1,916,230,614
Money at call and short notice	11,750,000,000	-	-	-	-	11,750,000,000
Investments	2,642,535,436	445,611,870	2,912,443,085	540,000,000	7,081,519,421	13,622,109,812
Loans and Advances	9,009,516,917	7,530,563,336	18,886,442,608	15,307,327,147	3,882,210,050	54,616,060,058
Fixed Assets including premises, furniture and fixtures	-	-	-	-	454,945,687	454,945,687
Other assets	750,042,214	542,034,190	285,500,839	92,153,196	3,027,474,663	4,697,205,102
Non-banking assets	-	-	-	-	-	-
Total Assets	30,103,596,886	8,518,209,396	22,134,386,532	15,939,480,343	18,565,105,016	95,260,778,173
Liabilities:						
Borrowing from Bangladesh Bank, other banks financial institutions and agents	316,518,662	51,828,832	529,572,080	1,936,887,410	-	2,834,806,984
Deposits	23,486,558,969	31,310,943,326	17,572,752,820	4,329,758,940	1,499,999,111	78,200,013,166
Other accounts	4,797,312,912	-	-	-	-	4,797,312,912
Provision and other liabilities	656,119,419	303,624,247	1,144,877,132	610,002,697	201,130,664	2,915,754,159
Total Liabilities	29,256,509,962	31,666,396,405	19,247,202,032	6,876,649,047	1,701,129,775	88,747,887,221
Net Liquidity Gap	847,086,924	(23,148,187,009)	2,887,184,500	9,062,831,296	16,863,975,241	6,512,890,952

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



Trust Bank Limited
Notes to the Financial Statement
For the year ended 31 December 2012

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 had Seventy Two (72) branches and seven (7) SME Service Centers/Krishi Branch are operating in Bangladesh as at 31 December 2012. The Bank had no overseas branches as at 31 December 2012. The bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company for its general class of shares.

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

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

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 Subsidiaries of the Bank

Trust Bank Investments Limited, the 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. Trust Bank Securities Limited is another subsidiary company of TBL which got permission from Bangladesh Bank vide Ref # BRPD (AR-1) 717/212-568 dated: 31 December 2012, operation of which is yet to be started.

1.2 Islami Banking Activities

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

Islamic Banking in global market showing an average growth @ 20% in last 5 years because its scope and prospect. In addition to Malaysia & Bahrain, the Islamic Bond (Shukuk) is becoming popular among the fund managers & showing rapid expansion in the countries like Germany, UK & France.

Trust Islamic Banking (TIB) started its operation from later part of 2008 and strictly adheres to the principles of Islamic Banking. Though our bank is a conventional one, our Islamic operation is characterized by completely separate fund Management, separate Profit & Loss Account and Distribution of Profit. Profits on the deposits are initially paid at a provisional rate and any excess/shortfall is adjusted after the year-end calculation of actual profit.

Trust Islamic Banking (TIB) has 5 (five) TIB windows i.e TBL-Principal Branch, TBL-CDA Avenue Branch, TBL-Gulshan Branch, TBL-Dilkusha Branch and TBL- Sylhet Corporate Branch. All investment under TIB is made from the Islamic Banking Deposits. All products developed under TIB is thoroughly reviewed and approved by the Sharia Supervisory Committee of the bank.

Islamic Banking total deposit stands at Tk. 3087.54 million and investment at Tk. 1384.92 million which shows business growth of 48% and 2% respectively in 2012 than that of 2011. A separate Balance sheet, Profit and Loss Account and Statement of Cash Flows shown in annexure-D, the figure appearing in the annexure have been incorporated in the related heads of financial statement as recommended by the Bangladesh Bank.

However, TBL yet to capitalize the full opportunities available in this segment of the banking. The TIB growth of 2012 is not commendable. Accordingly appropriate focus for improved performance including development & introduction new products, better fund utilization etc. has already been initiated. Bank is expecting a robust growth & improved performance in its Islamic Banking operations in 2013.

1.3 Retail Banking Activities

Since its inception in 2006, Retail Banking Unit (RBU) has come a long way. It is worth mentionable that Trust Bank is prudent in responding to market changes and in 2011 Retail Banking went through major reshuffles. In 2012; Retail was involved in streamlining the changes brought in 2011. The highlighted changes in 2011 were: inclusion of Direct Sales Representative (DSR) in Retail Business team, segmentation of products for better customer orientation such as: Trust Payroll, Trust Kotipoti etc., more concentration in brand development.

Year 2012 was the year of 'Deposit' for Retail Banking Business Unit (RBU). RBU of Trust Bank limited had taken several constructive business approaches which had helped the bank to build a strong deposit platform. Despite of unfavorable situation, Retail Banking Unit worked to make a constant deposit growth throughout the year and achieved a significant milestone in this regard, while other reputed commercial banks have failed to do so.

Retail Banking successfully completed two internal deposit campaigns 'Vision 7000' & 'Deposit Bonanza' in last year. Aggregated deposit collection from both campaigns was a staggering amount of BDT 1,074 Crore which helped the bank to maintain a stable deposit growth against the volatile financial market.

Retail Banking carried out extensive training to selected branch staffs from all the branches & to the Direct Sales Representative (DSR) on retail products, current retail business market & our approaches towards customers.

Retail Banking Unit introduced first and formal launching of 'Trust Payroll' & 'Trust Youniverse' through advertisements in print media. Bank has categorically published/aired advertisements on print & electronic media to reach to the wider range of customer segment with a slogan "Listen to your heart".

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. Trust Bank had tremendous retail deposit growth in 2012; heartiest thanks to the valued clients & employees who made it possible to achieve this milestone. The changes in Retail business strategy have earned the bank a remarkable 71% growth in Retail portfolio in 2012 from that of 2011 through various new Retail product(s). Secured return from investments is always Trust Bank's top priority. Keeping that in mind, the bank maintained steady growth in asset management and close the business on 31st December 2012 at BDT 1747 Crore. 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.

1.4 SME Financing

The contribution of SME's is very considerable when it comes to efficient, sustainable and pro-poor growth of labor-surplus economies. Due to many favorable attributes, SME tend to self-select themselves into lines of business with low average size of enterprise, greater intensity of labor and smaller degrees of risk. Considering all positive indicators, SME is universally recognized as engine of economic growth. The issue of fostering SME growth in Bangladesh can in no way be ignored as these industries have huge prospects for creating large scale employment opportunities and potentialities of innumerable income generation especially in semi-urban and rural areas. As such, the Bank is moving forward to SME customer segment with market approach to meet the credit & considering the business potentials and return on investment. The business expansion and monitoring is carried out throughout its 79 nos. countrywide branches and 7 SME/Krishi Branch/service centers dedicated to full-fledged SME business.

Trust Bank has launched different products and marketing these products matching with the customer need. Its especial emphasis is on Loan for shopkeepers and Traders, Loan for Light Engineering, Loan for Power Loom and Handloom and other allied industries, Loan for Bio-gas, Solar Panel, Livestock, Fisheries & Agro-processing units, Micro/Group Loan with Cluster approach, Loan for Women Entrepreneurship.

During 2012, Trust Bank's strategy was focused on marketing the products to wide range of customers through branches network, business team and outsourcing agent for financing manufacturers, traders, Agri and Bio-gas sector to meet the requirement of business plan, rural energy and ultimately for the expansion of SME portfolio. The portfolio stands at TK. 4,940.00 million resulting growth of 81.88%. Disbursement for the year was TK.3,050.00 million against the target of TK.2,500.00 million for SME business.

In view of diversification of portfolio it is imperative to say that the substantial increase of SME lending would lead the bank to its positive growth.

2 SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation of the financial statements

These consolidated 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 BRPD circular # 14 dated 25 June 2003 in accordance with the "First Schedule" (Sec-38) of the Bank Companies Act, 1991.

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

2.2 Basis of Consolidation

The consolidated financial statements include the financial statements of Trust Bank Limited and its subsidiary Trust Bank Investment Limited made 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 Groups are also eliminated on consolidation.

2.7 Foreign currencies

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

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.

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.

2.12.1 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.

2.12.2 Deferred Taxation

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

2.13 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 required to maintain provision for nostro accounts for the year 2012 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 stability and sustainable development, Bank's careful and continuous effort in credit operation, journey of growth of loans and advances as well as inclusion of new reputed Companies in the client list was continued in 2012 like 2011. As on 31.12.2012, total loans and advances stands at BDT54616.06 million as against BDT50801.74 million on 31.12.2011 representing growth of 7.51% over the last year. During the period, Bank has concentrated to explore new and diversified avenues for financing with the aim of developing and maintaining a sound & sustainable portfolio and risk mitigation. Our extensive work was also continued in Agriculture, Retail and SME sectors, but intensive efforts in Corporate Credit were still in effect. In recent time the Bank has widened its wing toward emerging sectors like Agro Processing, Telecommunication, Poultry-cum-Meat processing etc and specially in environment friendly ventures. While providing every type of facility, Bangladesh Bank's regulations and necessary due diligence has been firmly followed. Bank has always remained vigilant to its risk assessment and appropriate arrangement for risk mitigation. Facilities have been given to the new and existing customers on the basis of merit through visiting the concerns, fixing the purpose of facilities and assessing the assets quality. Moreover, for all the cases Bank was full compliant as per its culture.

2.16.3 Provision for Loans and Advances

Provision for loans & advances is made on the basis of the quarter-end review by the management of the Bank and in line with the instructions contained in BRPD Circular no.14 dated 23 Septemebr 2012 issued by Bangladesh Bank, details of which are shown in Note # 12.1:

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	5%
f. Loans to BHs/ MBs/ Sds against Shares etc	2%
g. All other Credit	1%
h. Special Mention Account	5%
Specific provision on	
a. Substandard Loans and Advances	
i. Short Term Agri-credit & Microcredit	5%
ii. Other than Short Term Agricredit & Microcredit	20%
b. Doubtful Loans and Advances	
i. Short Term Agricredit & Microcredit	5%
ii. Other than Short Term Agricredit & Microcredit	50%
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 period end balance of total off balance sheet exposures as per BRPD circular No. 8 and 10 dated August 07, 2007 and September 18, 2007 respectively issued by Bangladesh Bank.

2.17 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' are classified as held to maturity. The securities in HTM are to be held up till maturity. These securities are measured at amortized cost at each year-end by taking into account any discount or premium in acquisition. Amortised amount of such premium or discount is booked to reserve until maturity/disposal. According to Bangladesh Bank DOS Circular Letter No. 05 dated May 26, 2008, a bank can only hold 50% & 25% of its total value of securities in HTM as on January 01, 2010 & January 01, 2011 respectively. These investment securities can be transferred to and/or reclassified as HFT any time after getting approval from the Board of Directors of the Bank.

2.17.2 Held for trading

Investments primarily held for selling or purchasing – in short – trading is classified in this category. After initial recognition, investments are marked to market weekly. Decrease in the present value is recognised in the Profit and Loss Statement and any increase is transferred to revaluation reserve account.

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	Loss to Profit & Loss Account, gain to revaluation reserve
Treasury Bill/Bond(HTM)	At Present Value	Amortized Value	Increase in value to equity and decrease in value to Profit & Loss Account
Debenture	At cost	None	None
Prize bond	At cost	None	None
Shares	At cost	Cost	Any loss, charged in Profit & 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 up to 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 of 5 (five) 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 not arisen any 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 6 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

In the world of 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
- *Interest Risk
- *Foreign Exchange Risk
- *Suppliers' Risk
- *Financial Risk
- *Business Risk
- *Management Risk
- *Structural Risk
- *Security Risk
- *Infrastructural Risk
- *Information/Data Risk
- *Technological 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.

Bank manages its credit risk in the following manners:

***Operating under a sound credit approval process-**

Bank has a clearly structured and established process for approving new credits as well as enhancement of existing credits. Board of Directors is the supreme authority to approve all sorts of credit policies and maximum lendable credit facility as per Bangladesh Bank's directive. Similarly, Executive Committee of the Board of Directors and Management can approve credit facility up to certain limit for speedy disposal of client's proposal as per power of delegation allowed by the Board of Directors. Before recommendation for approval in every case, Credit Risk Management Division suggests appropriate mitigation as necessary.

***Diverse Credit Portfolio-**

Portfolio diversification is done in the form of sectoral cap as well as single borrower exposure cap to diversify risk concentration from a single client or sector.

***Maintaining Appropriate Credit Administration and Monitoring-**

Bank has in place a system for monitoring proper documentation and credit disbursement. After disbursement the status of individual accounts including determining the adequacy of provisions and reserves are continuously monitor to safeguard the good health of the bank.

***Effective NPL Management-**

There is an established system in the bank to provide Early Alert for accounts tend to be non-performing for taking early precautions to avoid classification. For NPL management ongoing regular review is done with all concerned and the results of such reviews are communicated to the respective authority for taking appropriate action timely.

2.22.2 Asset Liability Risk Management

TBL has formed an Asset Liability Management Committee (ALCO) with senior management headed by Managing Director which is responsible for Balance Sheet Management or specifically Balance Sheet Risk Management. ALCO is also responsible for managing the asset and liability with a view to lead the bank to a balanced and sustainable growth through minimizing various business risk factors – market risk, liquidity risk, and interest rate risk.

ALCO covers the entire balance sheet/business of the Bank while carrying out the periodic/monthly analysis as per guidelines and Bangladesh Bank's regulations.

2.22.3 Foreign Exchange Risk Management

Foreign Exchange risk represents the fluctuation in exchange rate movements, which may affected the Bank's open position on some currency. Foreign Exchange rate risk arises when the bank is involved in foreign currency transactions, which may result in deficits or surpluses in the Bank's foreign currency position. These transactions include for instance foreign currency exchanges, investments, loans, borrowings and contractual commitments etc.

International Division independently conducts the transactions relating to foreign exchange and is responsible for verification of deals and passing of their entries in the books of account. All Foreign Exchange transactions are revalued at market-to-market rate as determined by Bangladesh Bank at the month-end. All Nostro Accounts are reconciled on monthly basis and the management for its settlement reviews outstanding entry beyond 30 days.

2.22.4 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 through establishment of Audit Committee as per the instructions of Bangladesh Bank, which reviews the internal and external audit reports and ensures that the management takes effective measures in case any deficiency/lapse is found in the internal control system. The bank has introduced 'Risk Based Internal Audit (RBIA)' to assess the business risk as well as control risk associated with the branches, and determines how much follow up, monitoring & periodicity of internal audit would be required to bring a particular branch back to normality, if it is found that the performance of the branch is not satisfactory, and which may pose a potential threat for the bank. In addition, the bank has also introduced 'Spot Inspection' in the branches in order to help avoiding any fraudulent activities. In setting out a strong internal control framework within the organization the bank has already brought out its Internal Control Manual, which focuses on monitoring the functions of various departments/divisions of Head Office and branches of the bank periodically on regular basis. IC&C Division of the bank ensures its Internal Control Process through review of Departmental Control Function Checklist (DCFCL), Loan Documentation Checklist (LDCL) and Quarterly Operations Report (QOR) of the branches and other mechanisms.

In 2012 IC&C Division conducted comprehensive audit in 69 branches and 10 divisions/departments at Head Office of the bank. In the same year the internal audit team of IC&C division carried out 25 spot inspections in different branches. Also 20 special audits on different issues were conducted in the year 2012. In addition, audit was also conducted in 6 TBIL branches & Trust Bank Investment Ltd, Head Office in 2012.

Each year the IC&C Division sets out an audit plan (internal) for the year which is approved by the Managing Director. 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 September 17, 2012 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

In recent years the banking sector of the country has witnessed some crucial changes in its different fields of operation. One of such changes being felt lies in the implementation of the provisions of Money Laundering Prevention Act, 2012 & Anti-Terrorism Act, 2012.

Section 25 of Money Laundering Prevention Act, 2012 stipulates that each bank is required to preserve correct & complete information about the identity of those it deals with and section 16 of Anti-Terrorism Act, 2012 says that banks shall take necessary steps with due care and caution to prevent and detect transactions, those may be linked to the crimes as mentioned under this Act. It is also the responsibility of each bank as per section 25 (Gha) of Money Laundering Prevention Act, 2012 to exercise due diligence to identify suspicious transactions of their customers and to report the same to Bangladesh Bank on its own initiatives.

Pursuant to the above legal bindings as laid down in the Guidance Notes on Prevention of Money Laundering issued by Bangladesh Bank, TBL maintains its AML department at its Head Office headed by the Head of Operation Division of the bank as CAMLCO. TBL management follows the "zero tolerance" approach while complying the AML guidelines/instructions. To keep the TBL operation free from the reach of money launderers or terrorists, TBL encompasses the following as part of its AML measures:

1. No anonymous or fictitious account shall be opened
2. No numbered account shall be opened.
3. Uniform Account Opening Forms, KYC & Transaction Profile (TP) Forms for all types of accounts, which have been developed in line with the formats provided by Bangladesh Bank, shall be used while opening accounts.
4. The assessment of risks associated with the customers shall be made as per the parameters of risk perception as defined in the KYC profile form.



5. Required documents as well as other information necessary for opening accounts shall be collected keeping in mind the instructions laid down in AML circular # 02 dated July 17, 2002, the provisions of MLP Act, 2012 & Anti-Terrorism Act, 2012 and other circulars & guidelines issued by Bangladesh Bank time to time.
6. Branches shall focus on appropriate customer due diligence measures. They must not entertain any request of the customer to open an account where they are unable to verify the identity and/or obtain documents due to non-co-operation of the customer or non-reliability of the data/information furnished to the branches. Branches must understand that their key vulnerability point is the point of entry into their systems. However, unnecessary harassment of the customer is not desirable.
7. The branches shall be up and doing to close any account if it is found that an existing customer is dilly-dallying in providing necessary documents/information required by law/regulatory authority or the information/documents furnished by the customer are found to be lacking in authenticity/reliability. The decision to close an account must be taken up with the Head of Operation, Head Office after giving due notice to the customer explaining the reasons for the decision.
8. The branches shall comply with the instructions of AML circular # 14 dated September 25, 2007 issued by Bangladesh Bank for opening the accounts of Politically Exposed Persons (PEPs). Such accounts shall be classified as 'high risk', and shall require intensive monitoring.
9. The branches must take care in soliciting such information from the customer which are relevant, and not intrusive in nature. Branches must take note that the customer profile (KYC profile) is a confidential document and the details of the profile shall not be divulged for any other purpose, unless required by law/regulatory authorities of the country.
10. Information on source of funds, income & wealth and complete information on the actual or beneficial owners of the account holding 20% or more share of the account in question shall be obtained at the time of opening of any account.
11. The branches shall strive not to cause denial of access to the general public to banking services, especially for people who are financially or socially disadvantaged.
12. The branches shall exercise necessary checks before opening of a new account to ensure that the identity of the customer does not match with any person with known criminal background or banned entities such as individual terrorists or terrorist organizations.
13. While establishing correspondent banking relationship the concerned division/department shall follow the guidelines as contained in AML circular # 07 dated August 14, 2005 meticulously.
14. The branches shall verify the identity of the customer using reliable sources, paper/documents etc. but in all cases they must retain copies of all references, documents/papers used to verify the identity of the customers.
15. The branches must retain transactional records/information of any customer's account for minimum 05 years since the date the account is closed, as per section 25(Kha) of Money Laundering Prevention Act, 2012.
16. The branches shall not divulge any reported case of suspicious/abnormal transactions to the customer or any other person in any situation so that the investigation activities can be influenced
17. The branches, where locker service facilities exist, shall follow the identification procedures for their customers.

2.22.6 IT Risk Management

IT Risk can be defined as any threat to information technology, data, critical systems and business processes.

Management of TBL has developed a process to identify areas of control weakness and respond in a timely fashion to IT Risk by improving processes, augmenting controls and even reducing the cycle time between control testing to ensure that the organization is properly identifying and responding to IT Risks.

IT Risk includes Data Security Risk, Data Confidentiality Risk, Data Integrity Risk, Data Availability Risk, Hardware Risk and Network Risk

IT has become widely and deeply interconnected with business operations. Therefore, IT Risk has grown to prominence as a component of total operational risk. More than just specialty area of Operational Risk Management, IT 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 other 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 developed ICT security Policy complying with Bangladesh Bank guideline.



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

- a) Identify informational assets and their value
- 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.

2.22.7 Liquidity Risk Management

The object of Liquidity Risk Management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due to this end, the Bank is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional balance. Liquidity risk is more important area to think by the banking company to match with the financing and investment. Liquidity risk is the risk that the Bank may not able to meet cash flow obligations within a stipulated timeframe. Treasury department under approved policy guidelines for managing liquidity and funding and the Liquidity management is monitored by ALCO on a regular basis. A written contingency plan is in place to manage extreme situation. As a part of liquidity management, the bank adheres to its funding plan, and exercises due care in using medium-term borrowings.

2.23 Interest Rate Risk Management

Interest Rate Risk is the potential that the value of the on-balance sheet and the off-balance sheet positions of the bank would be negatively affected with the change in the interest rates. Interest Rate Risk in the banking book arises from mismatches between the future yield of an asset and their funding cost. The Bank assess Interest Rate Risk in earning perspective which is traditional approach by measuring the changes in Net Interest Income(NII) on Net Interest Margine i.e. the difference between total interest income and total interest expenses. Now BB impliment duration Gap analysis a new technique by which can measure of a portfolio's price sensitivity to changes in interest rate. ALCO monitors the interest rate movement on a regular basis.

2.24 Operation Risk Management

Operations Risk address the risk associated with fraud, forgery, unauthorised activities, error, omission, system failure and external events among others. Bank is managing these risk through written procedures, regular trading and awareness programs. Departmental Control Function Checklist (DCFCL), Quarterly Operations Report, Loan Documentation Checklist etc. are in place covering all probable risks associated with bank's business and operations. Surprise inspections are also made on a regular basis to make sure that all control tools are functioning properly.

2.25 Preparation of Basel II Accord

2.25.1 Basel I:

In 1988 the "Basel Committee on Banking Regulations and Supervisory Practices" first released a capital adequacy framework, now known as Basel I. This initiative set out the internationally accepted framework for measuring capital adequacy and a minimum ratio to be achieved by the banks. This norm was widely adopted in over 100 countries, and in Bangladesh, it was adopted for implementation in 1990s. Trust Bank Limited (TBL) fully complied with this regulation.

2.25.2 Basel II:

On June 26, 2004, the "Basel Committee on Banking Supervision" (BCBS) released the document "International Convergence of Capital Measurement and Capital Standards: A Revised Framework", which was supplemented in November 2005 by an update of the Market Risk Amendment. This document, popularly known as "Basel II Framework", offers a new set of international standards for establishing minimum capital requirements for the banking organizations. It capitalizes on the modern risk management techniques and seeks to establish a more risk-responsive linkage between the banks' operations and their capital requirements.

Basel II was adopted for implementation by Bangladesh Bank starting from 1st January 2009. In keeping with the Risk Based Capital Adequacy Guidelines under Basel II framework of the Bangladesh Bank, TBL has adopted the following measurement approaches for computing its Capital Adequacy Ratio:

- Standardized Approach for Credit Risk
- Basic Indicator Approach for Operational Risk; and
- Standardized Approach for Market Risk.



According to Bangladesh Bank's guidelines, presently all banks have to maintain regulatory Capital Adequacy Ratio (CAR) at minimum 10% from July, 2011. Pursuant to the above, TBL has already achieved prescribed capital adequacy requirement. During the preceding years, the bank has taken necessary steps towards the implementation of BASEL II. A "Basel II Implementation Committee" comprising of senior executives of the Bank is in place for ensuring oversight of implementation on the risk based capital adequacy assessment process of the Bank towards achieving the guidelines. The "Basel II Implementation Cell", under Risk Management Unit, is engaged in developing the required database and calculation of risk weighted assets of the Bank as well as capital adequacy requirement.

For managing Credit Risk, TBL has taken a series of effective actions including counterparty credit rating assessed by External Credit Assessment Institution (ECAIs) approved by Bangladesh Bank. For managing Market Risk, some indicators are utilized namely Loan Deposit Ratio, Long and Medium Term Funding Ratio, Maximum Cumulative Outflow, Local Regulatory Compliance, Recommendation/Action Plan, etc. TBL's Treasury and International Division are overseeing Market Risk with the support of Asset Liability Committee (ALCO) and Asset Liability Management (ALM) Desk. Operational Risk Management framework has been designed to provide a sound and well-controlled operational risk monitoring environment and thereby mitigating the degree of operational risk.

Under Pillar II, the Bank has formed a Supervisory Review Process (SRP) team comprising members from senior management to oversee the issue of maintenance of adequate capital to compensate all the risk associated in the business in addition to the risks under Pillar I and to participate in dialogues with SREP Team of Bangladesh Bank. TBL has taken initiatives to devise a proper capital management and take the necessary steps towards raising the required amount under Additional Capital Requirement to be set in the SRP-SREP dialogue with Bangladesh Bank. TBL has developed an Internal Capital Adequacy Assessment Process (ICAAP) document based on Bangladesh Bank's guidelines for setting capital targets that are appropriate with the bank's risk profile.

The Stress Testing reporting framework consists of stressing the bank's business model using some prescribed plausible stress scenarios set by Bangladesh Bank. These firm-wide stress tests consider most of the material risks faced by a banking institution and measures its impact on the Minimum Capital Requirement (MCR) computed under Pillar I. TBL has already achieved coverage of the minor shock scenario under the Stress Testing reporting framework of Bangladesh Bank.

The 3rd pillar of Basel II, (i.e. market discipline) aims to encourage market information transparency by developing a set of disclosure requirements which will allow market participants to assess key pieces of information on the scope of capital, risk exposures, risk assessment processes, and hence the capital adequacy of the Bank. The Pillar III Disclosures are published on yearly basis on TBL's website. The disclosure is also published in Bank's Annual Report as regulatory compliance.

2.25.3 Basel III:

"Basel III", developed by the Basel Committee on Banking Supervision and published in December 2010, is a comprehensive set of reform measures including that of Basel II, to strengthen the regulation, supervision and risk management of the banking sector. These measures aim to:

- Improve the banking sector's ability to absorb shocks arising from financial and economic stress,
- Improve risk management and governance,
- Strengthen banks' transparency and disclosures

TBL has already submitted the Quantitative Impact Survey (QIS) of Bangladesh Bank towards formulation of their roadmap for implementation of the Basel III framework in the Banking sector of Bangladesh.

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 subsidiary (TBL Investments Limited) attributable to equity interests that are not owned, directly or indirectly through subsidiary, 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	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	Applied
Borrowing Cost	23	Applied
Related Party Disclosures	24	Applied
Accounting for Investments	25	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	Applied
Investment in Associates	28	N/A
Disclosures in the Financial Statements of Banks and similar Financial Institutions	30	Applied
Interest in Joint Ventures	31	N/A
Earnings Per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied
Investment Property	40	Applied
Agriculture	41	N/A

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

2.29 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.



3.	CASH	31.12.2012 Taka	31.12.2011 Taka
3.1	Cash in hand		
	In local currency	1,881,002,154	1,050,926,633
	In foreign currencies	199,873,677	36,147,438
		2,080,875,831	1,087,074,071
3.2	Balance with Bangladesh Bank and its agent bank(s)		
	Balance with Bangladesh Bank		
	In local currency	4,772,873,928	3,987,427,961
	In foreign currencies	1,116,691,434	485,545,471
		5,889,565,362	4,472,973,432
	Balance with Sonali Bank in local currency (as agent of Bangladesh Bank)	233,785,707	139,005,829
		6,123,351,069	4,611,979,261
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 of the Bank Companies Act 1991 and MPD circular nos.05, dated December 01, 2010 issued by Bangladesh Bank.		
	The Cash Reserve Requirement (CRR) has been calculated @ 5.5% on the Bank's time & demand liabilities of the month earlier of the previous month and maintained with Bangladesh Bank in current account and 19% Statutory Liquidity Ratio (SLR) on the same liabilities has also been maintained in the form of Treasury Bills, Bonds and Debentures including FC balance with Bangladesh Bank and the components of CRR. Both reserves have been maintained during the year by the Bank are in excess of the statutory requirements. The position of CRR and SLR as on 31 December 2012 is shown below:		
3.3.1	Cash Reserve Requirement (CRR) for Conventional Banking	31.12.2012 Taka	31.12.2011 Taka
	Average Demand and Time Liabilities of the month earlier of the previous month	74,890,094,447	63,709,155,500
3.3.1.1	Average Required Reserve (6% of Average Demand and Time Liabilities)	4,493,405,667	3,822,549,330
	Average Reserve held (6.09% of Average Demand and Time Liabilities)	4,563,852,641	3,942,252,681
	Surplus	70,446,974	119,703,351
3.3.1.2	Minimum Required Reserve (5.5% of Average Demand and Time Liabilities)	4,118,955,195	3,504,003,553
	Actual Reserve held with B. Bank as on 31 October 2012 (6.09% of Average Demand and Time Liabilities)	4,563,852,641	3,942,252,681
	Surplus	444,897,446	438,249,128
3.3.2	Statutory Liquidity Ratio for Conventional Banking (SLR)		
	Required Reserve (19% of Average Demand and Time Liabilities)	14,229,117,945	12,104,739,545
	Actual Reserve held with B. Bank as on 31 October 2012 (20.64% of Average Demand and Time Liabilities)	18,599,445,350	12,822,350,502
	Surplus	4,370,327,405	717,610,957
3.3.3	Components of Statutory Liquidity Ratio (SLR)		
	Cash in Hand	2,081,645,835	1,087,074,000
	Balance with B. Bank and its agent Bank(s)	4,797,638,348	4,075,759,681
	Government Bills	3,575,520,234	492,387,575
	Government Bonds	8,141,361,633	7,158,985,246
	Other Approved Securities	3,279,300	2,644,000
	TT in Transit	-	5,500,000
		18,599,445,350	12,822,350,502
3.3.4	Cash Reserve Requirement (CRR) for Islamic Banking		
	Average Demand and Time Liabilities of the month earlier of the previous month	3,004,923,904	1,749,795,333

	31.12.2012 Taka	31.12.2011 Taka
3.3.4.(a) Average Required Reserve (6% of Average Demand and Time Liabilities)	180,295,434	104,987,720
Average Reserve held (6.81% of Average Demand and Time Liabilities)	258,644,332	135,774,564
Surplus	78,348,898	30,786,844
3.3.4.(b) Minimum Required Reserve (5.5% of Average Demand and Time Liabilities)	165,270,815	96,238,743
Actual Reserve held with B. Bank as on 31 October 2012 (8.61% of Average Demand and Time Liabilities)	258,644,332	135,774,564
Surplus	93,373,517	39,535,821
3.3.2.(a) Statutory Liquidity Ratio for Islamic Banking (SLR)		
Required Reserve (11.5% of Average Demand and Time Liabilities)	345,566,249	201,226,463
Actual Reserve held with B. Bank as on 31 October 2012 (12.60% of Average Demand and Time Liabilities)	378,644,332	205,774,564
Surplus	33,078,083	4,548,101
3.3.5 Held for Statutory Liquidity Requirement		
Cash in Hand	-	-
Balance with B. Bank and its agent Bank(s)	258,644,332	135,774,564
Government Bills	-	-
Government Islamic Investment Bonds	120,000,000	70,000,000
	378,644,332	205,774,564
4. BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS		
4.1 In Bangladesh		
Current Deposits		
Sonali Bank Ltd.	144,590,057	56,455,544
Rupali Bank Ltd.	3,188,170	3,024,891
The City Bank Ltd.	3,641,536	4,394,315
Janata Bank Ltd.	1,458,748	2,451,404
Agrani Bank Ltd. Ltd.	43,008,250	3,499,339
Brac Bank Ltd. Ltd.	56,297,351	22,154,511
Sonali Bank Ltd. (TAX Settlement A/C)	683,515	-
	252,867,627	91,980,004
Short Term Deposits		
Sonali Bank Ltd.	146,712,583	28,347,505
AB Bank Ltd.	3,546,023	3,423,835
CITI Bank NA	6,774,309	6,683,273
Rupali Bank Ltd.	42,269	59,390
Janata Bank Ltd.	10,011,424	7,015,834
Prime Bank Ltd.	3,050,381	2,001,834
Standard Chartered Bank	8,232,969	15,543,484
Dutch Bangla Bank Ltd.	35,463,890	26,847,642
Bank Asia Limited	37,163,087	25,420,877
Standard Bank Limited	2,482,272	2,397,898
Al Arafah Islami Bank Limited	123,765	122,664
NCC Bank Limited	47,615	45,291
Southeast Bank Limited	3,219,173	5,086,023
	256,869,760	122,995,550
Fixed Deposits		
<u>FDR with Banks - Local Currency</u>		
Eastern Bank Ltd.	-	500,000,000
Standard Bank Ltd.	-	250,000,000
National Bank Ltd.	-	500,000,000
AB Bank Ltd.	-	950,000,000
<u>FDR with Bank - Foreign Currency</u>		
Mashreq Bank NY Psc	-	329,000,000
	-	2,529,000,000



	31.12.2012 Taka	31.12.2011 Taka
Mudaraba Term Deposits		
MTDR with Hajji Investment Ltd.	50,000,000	20,000,000
	559,737,387	2,763,975,554
4.2 Outside Bangladesh		
<u>Current Account</u>		
<u>Dollar Account</u>		
Citibank N.A., USA	516,172,664	626,225,187
Union De Banques, HKG	13,352,722	4,917,489
Mashreqbank psc, USA	42,044,571	18,118,898
Standard Chartered Bank, USA	39,706,178	40,106,011
HSBC Bank, USA	420,476,671	160,344,897
ICICI Bank Ltd., Hongkong	24,020,796	17,531,694
Conimez Bank, AG Germany	8,648,240	5,802,920
Wells Fargu Bank, NY	-	30,282,349
Sonali Bank Ltd. UK	25,740,094	1,999,779
<u>GBP Account</u>		
Standard Chartered Bank, UK	6,998,435	3,379,612
Citibank N.A., UK	8,929,466	2,532,596
Sonali Bank Ltd. UK	3,076,692	-
HSBC, PLC, UK	10,821,220	3,570,839
<u>Japanese Yen Account</u>		
Standard Chartered Bank, Japan	1,385,018	566,193
Wachovia Bank, NY USA	-	429,052
<u>EURO Account</u>		
HSBC, PLC, UK	63,759,675	9,121,164
Standard Chartered Bank, UK	57,144,881	62,659,044
ICICI Bank Ltd., Mumbai, India	556,670	3,463,931
Citibank N.A., UK	16,131,212	7,874,171
Sonali Bank Ltd. UK	2,463,412	-
Commerzbank AG, Germany	5,885,289	618,697
<u>ACUD Account</u>		
Citibank N.A., Mumbai, India	6,794,234	1,484,573
ICICI Bank Ltd., Mumbai, India	22,082,200	32,655,765
HSBC Bank, Pakistan	12,847,151	3,568,761
HSBC Bank, Mumbai, India	13,507,574	7,034,909
AB Bank, Mumbai, India	9,299,449	19,360,877
Mashreqbank, Mumbai, India	17,149,426	9,835,440
Standard Chartered Bank, Mumbai, India	5,396,415	8,725,557
<u>CHF Account</u>		
Habib Bank, Zurich	2,102,872	1,746,958
(For details please refer to Annexure - A)	1,356,493,227	1,083,957,363
	1,916,230,614	3,847,932,917
4.3 Remaining maturity grouping of balance with other banks and financial institutions		
On demand	1,609,360,854	1,175,937,367
Up to 1 month	256,869,760	122,995,550
Over 1 month but not more than 3 months	-	2,549,000,000
Over 3 months but not more than 1 Year	50,000,000	-
Over 1 Year but not more than 5 Years	-	-
Over 5 Years	-	-
	1,916,230,614	3,847,932,917

		31.12.2012 Taka	31.12.2011 Taka
4 (a)	CONSOLIDATED BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS		
	In Bangladesh		
	Trust Bank Limited Note - 4.1	559,737,387	2,763,975,554
	Trust Bank Investment Limited	12,567,283	24,100,421
		572,304,670	2,788,075,975
	Less : Inter Company Transaction	12,567,283	24,100,421
		559,737,387	2,763,975,554
	Outside Bangladesh Note - 4.2	1,356,493,227	1,083,957,363
		1,916,230,614	3,847,932,917
5.	MONEY AT CALL AND SHORT NOTICE		
	Banking company		
	Prime Bank Ltd	2,500,000,000	440,000,000
	BRAC Bank Ltd.	1,200,000,000	-
	Jamuna Bank Ltd.	800,000,000	-
	Eastern Bank Ltd.	1,500,000,000	-
	Uttara Bank Ltd	1,900,000,000	400,000,000
	Mercantile Bank Ltd.	1,000,000,000	100,000,000
	BASIC Bank Ltd.	300,000,000	-
	AB Bank Ltd.	700,000,000	-
	Mutual Trust Bank Ltd.	750,000,000	50,000,000
	Southeast Bank Ltd.	1,000,000,000	100,000,000
		11,650,000,000	1,090,000,000
	Non-Banking Financial Institutions		
	Investment Corporation of Bangladesh	100,000,000	350,000,000
		100,000,000	350,000,000
		11,750,000,000	1,440,000,000
6.	INVESTMENTS		
	Government Securities		
	Treasury Bills Note - 6.1		
	Treasury Bills-HTM	177,302,654	492,387,575
	Treasury Bills-HFT	3,398,217,580	-
		3,575,520,234	492,387,575
	Treasury Bonds Note - 6.2		
	Treasury Bond - HFT	-	-
	Treasury Bond - HTM	8,141,361,633	7,158,985,246
	Bangladesh Govt. Islamic Investment Bond - HTM	120,000,000	70,000,000
		8,261,361,633	7,228,985,246
	Bangladesh Bank Bill	-	-
	Prize Bond	3,279,300	2,642,000
		11,840,161,167	7,724,014,821
	Other Investment		
	Preference Share		
	1,000,000 Shares of BRAC Bank Ltd. @ Tk. 100 each	-	100,000,000
	40,000 Shares of Khulna Power Company Ltd. @ Tk.1000 each	40,000,000	60,000,000
		40,000,000	160,000,000
	Ordinary Shares		
	Quoted Note-6.4	1,077,240,315	1,005,952,892
	Unquoted	24,708,330	24,708,330
		1,101,948,645	1,030,661,222
	Debentures and Bond Note-6.3	640,000,000	740,000,000
		1,781,948,645	1,930,661,222
		13,622,109,812	9,654,676,043
6 (a)	Consolidated Investments Government Securities		
	Trust Bank Limited	11,840,161,167	7,724,014,821
	Trust Bank Investment Limited	-	-
		11,840,161,167	7,724,014,821
	Other Investment		
	Trust Bank Limited	1,781,948,645	1,930,661,222
	Trust Bank Investment Limited	53,641,399	10,654,232
		1,835,590,044	1,941,315,454
	Less : Inter Company Transaction	-	-
		13,675,751,211	9,665,330,275



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

Particulars	31.12.2012			31.12.2011		
	No. of Securities	At Cost	Market Value	No. of Securities	At Cost	Market Value
Listed Securities	19	1,077,240,315	995,051,128	19	1,005,952,892	924,462,711
Unlisted Securities :						
Bond	5	640,000,000	640,000,000	5	740,000,000	740,000,000
Ordinary Share	2	24,708,330	24,708,330	2	24,708,330	24,708,330
Preference Share	2	40,000,000	40,000,000	2	160,000,000	160,000,000
Balance as on 31 Dec 12	28	1,781,948,645	1,699,759,458	28	1,930,661,222	1,849,171,041

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 30 December 2012).

	31.12.2012 Taka	31.12.2011 Taka
Sector-wise investment in listed securities at cost		
Banking Companies	14,480,671	13,848,523
Manufacturing Companies and others	62,771,706	186,644,305
Power Sector	58,459,552	111,545,099
IBBL Bond	81,658,386	80,746,239
Mutual Fund	859,870,000	609,870,000
Telecom	-	3,298,726
	1,077,240,315	1,005,952,892

Unlisted Securities

Ordinary Share

Investment in ordinary share includes Tk 20 million in ITCL & Tk. 4.71 Million in Central Depository Bangladesh Limited (CDBL). The unlisted investments are shown at cost.

Preference Share

Trust Bank Limited invested in the preference shares of Khulna Power Company Limited for Tk. 40 million, representing 1.33% of their total capital (ordinary and preference).

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

	31.12.2012 Taka	31.12.2011 Taka
6.1 Treasury Bills - at Present Value		
28 days Treasury Bills	-	-
91 days Treasury Bills	1,688,667,118	492,387,575
182 days Treasury Bills	1,715,560,851	-
364 days Treasury Bills	171,292,265	-
	3,575,520,234	492,387,575
6.2 Treasury Bonds - at Present Value		
05 years Treasury Bonds	4,683,989,559	4,158,989,763
10 years Treasury Bonds	2,436,341,574	1,999,996,694
15 years Treasury Bonds	1,060,564,320	999,998,789
20 years Treasury Bonds	80,466,180	-
	8,261,361,633	7,158,985,246

Repo & Reverse Repo Transactions during the year 2012

Discloser required as per Bangladesh Bank DOS Circular No.-06 Dated: 15 July 2010 regarding of repo and reverse repo during the year 2012, as no transaction held for repo and reverse repo during the year 2012, So no discloser are provided here.

		31.12.2012 Taka	31.12.2011 Taka
6.3	Investment in Bond		
	<u>Rate of Interest</u>		
	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	50,000,000	50,000,000
	Orascom Telecom Bd Ltd.	300,000,000	400,000,000
	MTBL Partly Convertible Subordinated Bond	110,000,000	110,000,000
		640,000,000	740,000,000
6.4	Investment in Ordinary Share - Quoted		
	Under Conventional Banking	959,030,808	831,281,415
	Under Islamic Banking	118,209,507	174,671,477
		1,077,240,315	1,005,952,892
6.5	Remaining maturity grouping of Investments		
	On demand	3,279,300	1,190,661,222
	Upto 1 month	2,639,256,136	2,642,000
	Over 1 month but not more than 3 months	445,611,870	492,387,575
	Over 3 months but not more than 1 Year	2,912,443,085	-
	Over 1 Year but not more than 5 Years	540,000,000	4,628,989,763
	Over 5 Years	7,081,519,421	3,339,995,483
		13,622,109,812	9,654,676,043
7	LOANS AND ADVANCES/ISLAMI BANKING INVESTMENTS		
	Loans And Advances Under Coventional Banking		
	Repair & Recon. of Dwelling House (RRDH)	1,777,349,679	1,637,113,521
	Consumer Durable Scheme Loans (CDS)	3,734,701	4,115,414
	Marriage Loans (ML)	53,591,291	41,016,163
	Car Loans (CL)	174,160,188	277,135,389
	House Building Loans (HBL)	4,985,811,137	5,132,837,621
	Term Loans	13,717,387,544	11,030,033,957
	Other Retail Loans	1,130,302,624	1,189,438,804
	Time Loan	8,963,691,851	8,468,949,180
	Other Loans	2,149,929,409	909,841,792
	Staff Loans	322,323,873	298,730,214
	Loans against Credit Card	72,763,822	58,387,712
	Loans against Trust Receipts (LTR)	5,621,691,923	6,574,959,158
	Payment Against Documents (PAD)	482,710,676	596,176,239
	Packing Credit (Loan agt. Packing Credit)	81,025,275	46,583,973
		39,536,473,993	36,265,319,137
	Investment under Islamic Banking		
	Bai-Muajjal	306,893,862	141,445,809
	Hire Purchase under Shirkatul Melk	280,311,050	279,744,028
	IHSAN Apartment Purchase Scheme	10,022,938	10,273,789
	BARAKAT Home Construction Scheme	16,304,820	16,655,370
	BARAKAT Car Scheme	15,212,508	21,372,084
	HPSM-Real Estate	48,058,800	61,764,094
	TIB House Building Scheme-HBL (RM)	65,211,225	23,790,223
	Murabaha TR	242,535,982	299,457,199
	Bai-Salam	66,502,229	90,665,567
		1,051,053,414	945,168,163
	Cash Credit		
	Cash Credit	1,442,815,805	1,332,849,628
	Cash Collateral	372,718,632	265,430,937
		1,815,534,437	1,598,280,565



		31.12.2012 Taka	31.12.2011 Taka
Overdraft			
Overdrafts		2,840,123,291	2,804,877,227
Secured Overdrafts		8,041,335,175	7,474,674,861
		10,881,458,466	10,279,552,088
Total Loans, Cash Credits and Overdrafts		53,284,520,310	49,088,319,953
Bills Purchased and Discounted			
Under Conventional banking	Note-7.6	1,285,884,002	1,566,629,665
Under Islamic banking		45,655,746	146,794,617
		1,331,539,748	1,713,424,282
		54,616,060,058	50,801,744,235
7.1 Residual maturity grouping of Loans and Advances including Bills Purchased and Discounted			
Repayable on demand		5,251,875,469	8,014,358,957
Upto 1 month		3,757,641,448	2,880,738,424
Over 1 month but not more than 3 months		7,530,563,336	5,721,026,685
Over 3 months but not more than 1 Year		18,886,442,608	15,565,687,075
Over 1 Year but not more than 5 Years		15,307,327,147	12,543,104,618
Over 5 Years		3,882,210,050	6,076,828,476
		54,616,060,058	50,801,744,235
7.2 Loans and Advances including Bills Purchased and Discounted Inside Bangladesh			
Loans		40,587,527,407	37,210,487,300
Cash Credit		1,815,534,437	1,598,280,565
Overdraft		10,881,458,466	10,279,552,088
Bills purchased and discounted		1,331,539,748	1,713,424,282
		54,616,060,058	50,801,744,235
Outside Bangladesh		-	-
		54,616,060,058	50,801,744,235
7.3 Loans and Advances on the basis of significant concentration			
7.3.1 Advances to Directors and Others			
Advance to Directors and their allied concerns		58,711,108	13,170,127
Advances to CEO and Senior Executives		22,152,569	49,745,805
Advances to Customers (Group wise)		17,591,823,000	16,724,422,000
Industrial Advances (Project finance)		5,463,764,860	5,321,779,980
Other Staff Loan		322,323,873	248,984,409
Other Customers		31,157,284,648	28,443,641,914
		54,616,060,058	50,801,744,235

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:

	31.12.2012 Taka	31.12.2011 Taka
Total Capital	9,425,902,951	8,111,498,709
Total Loans and Advances	14,179,516,816	20,212,364,000
No. of Customers	8	17
Classified amount thereon	Nil	Nil
Measures taken for recovery of classified loans:	N/A	N/A

Details of Large Loans

Figure in Tk

SL	Name of the Client	CL Status	Outstanding Loan		Total 31.12.2012	Total 31.12.2011
			Funded	Non-Funded		
1	Summit Group	UC	1,743,845,320	2,665,081,000	4,408,926,320	661,554,000
2	SQ Celcius Limited	UC	819,913,001	1,024,903,000	1,844,816,001	1,848,837,000
3	Masud & Brothers	UC	1,008,035,633	789,599,973	1,797,635,606	1,264,343,000
4	Modern Steel Mills Ltd.	UC	1,083,094,333	434,213,000	1,517,307,333	2,218,191,000
5	Pacific Motors & Telecom	UC	1,264,070,038	5,425,074	1,269,495,112	1,172,600,000
6	Rising Steel Limited	UC	940,369,124	230,310,080	1,170,679,204	1,382,834,000
7	Abul Khair Group	UC	901,842,914	213,391,000	1,115,233,914	998,186,000
8	Jolshiri Abashon	UC	1,055,423,326	-	1,055,423,326	1,401,276,000
9	S. A. Group	UC	-	-	-	1,094,003,000
10	GPH Ispat Limited	UC	-	-	-	1,263,091,000
11	Taqwa Fabrics Limited	UC	-	-	-	805,118,000
12	BRAC	UC	-	-	-	1,216,294,000
13	The ACME Laboratories Ltd.	UC	-	-	-	1,818,784,000
14	Shabnam Vegetable Oil Ind. Ltd.	UC	-	-	-	1,029,260,000
15	Ashiyon Homes Ltd.	UC	-	-	-	683,152,000
16	Bashundara Group	UC	-	-	-	708,888,000
17	Khulna Shipyard Ltd.	UC	-	-	-	645,953,000
Total			8,816,593,689	5,362,923,127	14,179,516,816	20,212,364,000

7.3.3 Industry-wise concentration of Loans and Advances

	31.12.2012 Taka	31.12.2011 Taka
Agro-sector	1,234,664,700	777,776,203
Automobiles	212,749,156	207,278,979
Cement & Building Materials	1,068,818,769	1,123,967,876
Chemical & Pharma	1,250,428,253	1,262,573,864
Paper	961,660,269	1,231,014,875
Rubber	691,301,958	485,104,674
Edible Oil	196,564,374	189,720,765
Energy & Power	1,132,227,915	1,689,783,988
Fisheries	19,489,283	51,317,876
Steel & Engineering	4,699,025,535	4,120,982,876
Textile & Garments	6,352,096,970	5,115,895,876
Food & Allied	1,852,487,710	1,441,574,964
Construction	1,875,766,086	1,185,360,876
Housing	11,708,123,729	7,697,951,977
Trading	5,574,775,116	6,295,446,879
Telecom & Transport	2,553,603,044	2,256,657,976
NBFI	526,634,175	1,247,764,977
Medical Services	530,848,759	680,137,005
Personal Services	3,733,551,648	6,418,074,000
Trust Bank Investment Limited	502,957,121	645,953,727
Others	7,938,285,488	6,677,404,002
	54,616,060,058	50,801,744,235



	31.12.2012 Taka	31.12.2011 Taka
7.3.4 Geographical location-wise concentration of Loans and Advances		
Inside Bangladesh		
Dhaka Division	38,304,144,432	35,187,531,891
Chittagong Division	12,311,936,226	12,349,506,357
Khulna Division	1,663,485,979	1,058,149,672
Sylhet Division	1,148,148,159	1,196,171,605
Rangpur Division	372,068,867	363,171,138
Barisal Division	33,932,527	24,842,062
Rajshahi Division	782,343,868	622,371,510
Outside Bangladesh	-	-
	54,616,060,058	50,801,744,235
7.3.5 Nature-wise Loans and Advances		
Continuous	12,765,014,596	11,960,662,933
Demand Loan	16,214,265,844	17,373,212,146
Term Loans	25,236,671,183	21,112,192,977
Short Term Agri. Credit & Micro Credit	79,571,817	56,945,965
Staff Loan	320,536,618	298,730,214
	54,616,060,058	50,801,744,235
7.4 Classification of Loans and Advances including Bills Purchased and Discounted		
a. Unclassified Loans and Advances (including staff loan)		
1 Consumer Financing (House Financing, HF)	6,328,095,330	5,058,258,211
2 Consumer Financing (Loans for Professional, LP)	7,464,624	18,125,196
3 Consumer Financing (Other than HF & LP)	3,194,874,369	3,643,030,749
4 Small & Medium Enterprise Financing (SMEF)	3,459,176,945	2,568,536,268
5 Loans to BHs/ MBs/ Sds against Shares etc	582,182,995	715,803,808
6 All Other Credit	36,716,145,592	36,436,811,143
7 Short Term Agri Credit	69,671,430	51,582,708
8 Staff Loans	319,205,349	298,730,214
	50,676,816,634	48,790,878,297
b. Special Mentioned Accounts	1,435,401,277	476,555,430
c. Classified Loans and Advances		
1 Sub-Standard Loans and Advances	817,852,922	511,771,676
2 Doubtful Loans and Advances	291,868,705	383,812,181
3 Bad /Loss Loans and Advances	1,394,120,520	638,726,651
	2,503,842,147	1,534,310,508
	54,616,060,058	50,801,744,235
7.5 Particulars of Loans and Advances		
(i) Debts considered good in respect of which the bank is fully secured.	31,790,654,126	30,045,034,675
(ii) Debts considered good for which the bank holds no other security than the debtor's personal security.	1,020,873,649	965,233,140
(iii) Debts considered good and secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtors.	17,865,288,859	17,780,610,482

	31.12.2012 Taka	31.12.2011 Taka
(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.	403,187,550	311,900,341
(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.	403,187,550	311,900,341
(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.	-	-
(ix) Due from Banking Companies.	-	-
(x) Amount of classified loan on which no interest has been charged:		
a) Increase/(Decrease) in provision	423,956,000	34,640,000
Amount of loan written off	-	-
Amount realized against loan previously written off	-	-
b) Provision kept against loans classified as bad debts	621,953,716	255,158,000
c) Interest credited to interest Suspense Account	416,601,462	294,833,472
(xi) Cumulative amount of written off loans		
Opening Balance	2,700	2,700
Amount written off during the year	-	-
	2,700	2,700
The amount of written off loans for which law suit has been filed	-	-
7.6 Bills purchased and discounted		
Payable in Bangladesh	1,052,080,969	1,418,748,994
Payable out side Bangladesh	233,803,033	147,880,671
	1,285,884,002	1,566,629,665
7.7 Remaining maturity grouping of bills purchased and discounted		
Payable with in one month	307,691,383	374,869,310
Over one month but less than three months	257,238,188	313,400,723
Over three months but less than 01 year	720,954,431	878,359,632
More than 01 year	-	-
	1,285,884,002	1,566,629,665
7.8 Litigation filed by the Bank		
As of the responding date, the Bank filed lawsuit against recovery of its defaulted loans and advances as under:		
Total Amount for litigation filed	1,343,981,145	501,882,751



		31.12.2012 Taka	31.12.2011 Taka
7 (a) Consolidated Loans and Advances/Islami Banking Investments			
Loans And Advances			
Trust Bank Limited	Note-7	53,284,520,310	49,088,319,953
Trust Bank Investment Limited		4,485,987,220	4,396,869,273
		57,770,507,530	53,485,189,226
Less : Inter Company Transaction		502,957,121	645,953,727
		57,267,550,409	52,839,235,499
Bills purchased and discounted			
Trust Bank Limited		1,331,539,748	1,713,424,282
Trust Bank Investment Limited		-	-
		1,331,539,748	1,713,424,282
		58,599,090,157	54,552,659,781
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		135,722,197	127,001,329
Office equipment		433,794,763	358,906,701
Motor vehicles		56,098,859	51,715,068
Office renovation		273,919,273	233,496,091
		912,375,561	783,959,658
Less: Accumulated depreciation		457,429,874	362,732,243
		454,945,687	421,227,415
For details please refer to Annexure - B			
8 (a) 'Consolidated Fixed Assets including Premises, Furniture and Fixtures'			
Trust Bank Limited	Note-8	454,945,687	421,227,415
Trust Bank Investment Limited		17,189,137	18,413,920
		472,134,824	439,641,335
9. OTHER ASSETS			
i) Investment in shares of subsidiary companies In Bangladesh		2,999,999,300	2,999,999,300
Outside Bangladesh		-	-
ii) Stationery, stamps, printing materials in stock, etc		35,670,192	39,501,339
iii) Advance Rent and Advertisement		126,647,288	104,925,270
iv) Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable	Note - 9.1	298,834,162	292,814,062
v) Security Deposits		9,587,953	8,480,786
vi) Preliminary, formation and organization expenses renovation/development expenses and prepaid expenses	Note - 9.2	18,813,414	13,178,368
vii) Branch Adjusting (net)		-	146,286,853
viii) Suspense Account		349,917,660	282,073,065
ix) Adjusting Account for online GL		268,222,544	-
x) Silver		-	-
xi) Others	Note - 9.3	589,512,589	463,328,158
		4,697,205,102	4,350,587,201
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	292,594,115	288,650,340
Interest accrued on Loans & advances	Note-9.1.2	-	-
Commission Receivable on SP & WEDB		6,240,047	4,163,722
		298,834,162	292,814,062
9.1.1 Interest accrued on investments and deposits			
Interest accrued on Fixed Deposits	Note-9.1.1.1	587,222	20,928,055
Interest accrued on Short Term Deposits		-	-
Interest accrued on Money at Call		7,119,444	2,458,333
Interest accrued on Bonds		30,808,929	37,596,663
Interest accrued on Government Treasury Bond		254,078,520	227,667,289
		292,594,115	288,650,340

	31.12.2012 Taka	31.12.2011 Taka
9.1.1.1 Interest/Profit accrued on Fixed Deposits/MTDR		
Interest accrued on Fixed Deposits	587,222	20,562,500
Profit accrued on MTDR	-	365,555
	587,222	20,928,055
9.1.2 Interest accrued on Loans & advances		
Interest accrued on Conventional Loans & advances	-	-
Profit Receivable on TIB Investment	-	-
	-	-
9.2 Preliminary, formation and organization expenses, renovation/development expenses and prepaid expenses		
Pre-opening Expenses	-	-
Prepaid Expenses	18,813,414	13,178,368
	18,813,414	13,178,368
9.3 Others		
Deferred Tax Asset Note-9.3.1	37,202,471	28,328,315
Intangible Assets	25,079,140	37,391,754
Intl. Credit Report Agency Charge	2,751,211	6,039,847
Encashment of Sanchaya patra awaiting reimbursement-Principal	190,852,138	76,086,281
Encashment of Sanchaya patra awaiting reimbursement-Interest	121,902,483	117,591,317
Encashment of WEDB awaiting reimbursement-Principal	48,918,388	86,172,375
Encashment of WEDB awaiting reimbursement-Interest	107,994,348	78,577,816
US\$ Premium Bond - Principal	-	-
US\$ Premium Bond - Interest	-	-
US\$ Investment Bond - Principal	-	987,000
US\$ Investment Bond - Interest	1,113,906	501,211
Advance against Capital Expenditure	38,044,413	36,176,740
Clearing Adjustment	15,654,091	(4,524,498)
Fees Receivable on POS	-	-
EFTN Adjustment Account	-	-
	589,512,589	463,328,158
9.3.1 Deferred tax Asset		
Balance as on 1 January	28,328,315	16,319,128
Addition during the year	8,874,156	12,009,187
Closing Balance	37,202,471	28,328,315

As per BRPD Circular # 11 Dated: 12 December 2011 regarding accounting for Deferred Tax Policy are as follows:

Particulars	Book Value	Tax Base	(Deductible)/Taxable Temporary Difference	Deferred Tax (Asset)/ Liability
Fixed Assets (Annexure - B)	454,945,687	542,480,912	(87,535,225)	(37,202,471)

Balance as at 01 January 2012

Deferred Tax Asset	28,328,315	16,319,128
Deferred Tax Liability	-	-
Net Deferred Tax Assets	28,328,315	16,319,128
Increase of deferred Tax Assets recognized in to the P&L Account	8,874,156	12,009,187
Decreased of deferred Tax Liability recognized in to the P&L Account	-	-
Total Deferred tax Income recognized into P & L Account during the year 2012	37,202,471	28,328,315

Deferred Tax recognition and Measurement

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 of 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.



		31.12.2012 Taka	31.12.2011 Taka
Adjustment			
To recognized the entity should assess its recoverability as being probable			
9.3.1.1	To maintain the deferred tax Asset of Tk. 37,202,471 as on 31 December 2012, a deferred tax Income of Tk. 8,874,156 has been made during the year ended 31 December 2012 as per BAS-12 -Income Taxes		
9.3.1.2 Consolidated Deferred tax Asset			
Trust Bank Limited		37,202,471	28,328,315
Trust Bank Investment Limited		587,692	-
		37,790,163	28,328,315
9.4 Break-up of Other Assets			
Income generating other assets		2,999,999,300	2,999,999,300
Non income generating other asset		1,697,205,802	1,350,587,901
		4,697,205,102	4,350,587,201
9.5	As on 31 December 2012 there were no outstanding inter Branch Adjusting Account of the Bank, So no disclosure is provided here.		
9.6	Provision for other asset has been made @ 50% for prepaid legal expenses against unsettled suit of Tk. 5,915,814 as on reporting date as per BRPD Circular No. 14 dated 25 June 2001 issued by Bangladesh Bank and shown in Note # 12.2 under Other Liability.		
9 (a) Consolidated other assets			
Trust Bank Limited	Note-9	4,697,205,102	4,350,587,201
Trust Bank Investment Limited		24,614,099	40,821,912
		4,721,819,201	4,391,409,113
Less: Investment in Trust Investment Ltd.		2,999,999,300	2,999,999,300
		1,721,819,901	1,391,409,813
10. BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AGENTS			
<u>In Bangladesh</u>			
<u>Call loans</u>			
Call Loan from Banks		-	-
Call Loan from Leasing Co.		-	-
Call Loan from Insurance Co.		-	-
Call Loan from Other Institutions		-	-
Other Borrowings			
Borrowing from Bangladesh Bank - EDF		316,518,662	140,749,967
Trust Bank Subordinated Bond		2,000,000,000	2,000,000,000
Bangladesh Bank: Re-finance		518,288,322	202,323,535
		2,834,806,984	2,343,073,502
<u>Outside Bangladesh</u>			
		-	-
		2,834,806,984	2,343,073,502

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

Trust Bank Limited Issued Unsecured Subordinated Non-Convertible Bond of Taka 2,000,000,000 for a term of Seven years (7) to strengthen the capital base of the Bank on the consent of SEC vide letter ref # SEC/CI/CPLC-48/2001-339 date: May 03, 2011 & Bangladesh Bank permission letter ref # BRPD (BIC)661/14B(P)/2011-264 dated: May 31, 2011 for consideration of 30% of Tire-I capital as a component of Supplementary Capital (Tire-II) of the Bank. The interest rate is 12.5% per annum. Repayment of this bond will start after three years from the date of issue.

		31.12.2012 Taka	31.12.2011 Taka
10.1 Security-wise borrowings			
Secured Borrowings		-	-
Unsecured Borrowings		2,834,806,984	343,073,502
		2,834,806,984	343,073,502
10.2 Repayment nature-wise borrowings			
Repayment on Demand		-	-
Others		2,834,806,984	343,073,502
		2,834,806,984	343,073,502
10.3 Remaining maturity grouping of Borrowings from other banks, financial institutions and agents Payable			
On demand		-	-
Upto 1 month		316,518,662	113,265,710
Over 1 month but within 3 months		51,828,832	-
Over 3 months but within 1 Year		529,572,080	-
Over 1 Year but within 5 Years		1,936,887,410	1,727,837,204
Over 5 Years		-	501,970,588
		2,834,806,984	2,343,073,502
10 (a) Consolidated borrowings from other Banks, financial institutions and agents			
Trust Bank Limited	Note-10	2,834,806,984	2,343,073,502
Trust Bank Investment Limited		505,001,924	652,932,481
		3,339,808,908	2,996,005,983
Less: Inter Company Transaction		502,957,121	645,953,727
		2,836,851,787	2,350,052,256
11. DEPOSITS AND OTHER ACCOUNTS			
Current/Al-wadeeah Current Accounts and other Accounts	Note-11.2	10,656,385,414	8,159,229,466
Bills Payable	Note-11.3	925,782,935	555,764,433
Savings Bank Deposits/Mudaraba Savings Deposits	Note-11.4	6,590,789,934	5,822,755,118
Fixed Deposits/Mudaraba Term Deposits	Note-11.5	64,824,367,795	51,281,760,689
		82,997,326,078	65,819,509,706
11.1 Remaining maturity grouping of Deposits and Other Accounts			

Inside Bangladesh	Banks	Other than Banks	Total	Total
Payable				
On demand	20,736,213	1,826,001,168	1,846,971,881	9,666,620,744
Upto 1 month	-	26,436,900,000	26,436,900,000	12,721,038,498
Over 1 month but within 3 months	195,043,973	31,115,899,353	31,310,943,326	19,462,771,646
Over 3 months but within 1 Year	-	17,572,752,820	17,572,752,820	19,208,090,428
Over 1 Year but within 5 Years		4,329,758,940	4,329,758,940	3,193,121,246
Over 5 Years		1,499,999,111	1,499,999,111	1,567,867,144
	215,780,186	82,781,311,392	82,997,326,078	65,819,509,706
Outside Bangladesh	-	-	-	-
	215,780,186	82,781,311,392	82,997,326,078	65,819,509,706

11.2 Current/Al-wadeeah Current Accounts and other Accounts			
Under Conventional Banking	Note-11.2.1	10,556,779,566	8,094,425,760
Under Islamic Banking	Note-11.2.2	99,605,848	64,803,706
		10,656,385,414	8,159,229,466
11.2.1 Under Conventional Banking			
Current Account		5,759,466,654	4,010,903,169
Other Accounts	Note-11.2.3	4,797,312,912	4,083,522,591
		10,556,779,566	8,094,425,760
11.2.2 Under Islami Banking			
Al-wadeeah Current Accounts		40,009,201	31,054,040
Other Accounts - Profit payable		59,596,647	33,749,666
		99,605,848	64,803,706



			31.12.2012 Taka	31.12.2011 Taka
11.2.3 Other Accounts				
Foreign Currency Deposits			2,408,973,134	2,013,798,652
Interest Payable on Deposits			1,591,791,720	1,321,511,369
Sundry Deposits			796,548,058	748,212,570
			4,797,312,912	4,083,522,591
11.3 Bills Payable				
Demand Draft Payable			12,284,366	39,488,651
Pay Order Payable			913,498,569	516,275,782
			925,782,935	555,764,433
11.4 Savings Bank Deposits/Mudaraba Savings Deposits				
Savings Bank Deposits			6,255,039,955	5,481,288,584
Mudaraba Savings Deposits			335,749,979	341,466,534
			6,590,789,934	5,822,755,118
11.5 Fixed Deposits/Mudaraba Term Deposits				
11.5.1 Under Conventional Banking				
Fixed Deposits			49,406,318,017	40,261,937,060
Short Notice Deposits			5,379,230,593	4,081,558,688
Scheme Deposits			7,423,494,630	5,325,017,412
			62,209,043,240	49,668,513,160
11.5.2 Under Islami Banking				
Mudaraba Term Deposits			2,516,105,703	1,544,292,219
Mudaraba Short Notice Deposits			6,659,709	7,949,481
Mudaraba Scheme Deposits			92,559,143	61,005,829
			2,615,324,555	1,613,247,529
			64,824,367,795	51,281,760,689
11.5.3 Fixed Deposits				
	Banks	Other than Banks		
One month		1,130,314,935	1,130,314,934	921,110,306
Three months		16,795,466,165	16,795,466,165	13,686,873,031
Six months		13,529,516,656	13,529,516,656	11,025,402,619
One year		12,568,709,967	12,568,709,967	10,242,427,081
Two years	-	4,471,471,082	4,471,471,082	3,643,867,718
Three years		362,461,358	362,461,358	295,375,105
Five Years		317,907,997	317,907,997	259,067,914
More than five years	-	230,469,858	230,469,858	187,813,286
	-	49,406,318,018	49,406,318,017	40,261,937,060
11.5.3.a Mudaraba Term Deposits				
	Banks	Other than Banks		
One month	-	13,092,028	13,092,028	8,035,400
Three months	-	1,936,058,109	1,936,058,108	1,188,280,552
Six months	-	105,657,070	105,657,070	64,848,385
One year	-	458,251,782	458,251,782	281,257,922
Three years	-	602,774	602,774	369,960
Five Years	-	2,443,941	2,443,941	1,500,000
	-	2,516,105,704	2,516,105,703	1,544,292,219
11.6 Geographical location-wise concentration of Deposits & Other Accounts				
Inside Bangladesh				
Dhaka Division			64,060,624,057	50,849,810,457
Chittagong Division			10,469,788,593	8,753,144,042
Khulna Division			2,427,160,274	1,674,055,939
Sylhet Division			3,025,216,325	2,451,219,028
Rangpur Division			1,121,822,246	692,434,911
Barisal Division			104,969,289	58,728,274
Rajshahi Division			1,787,745,294	1,340,117,055
			82,997,326,078	65,819,509,706
Outside Bangladesh			-	-
			82,997,326,078	65,819,509,706

		31.12.2012 Taka	31.12.2011 Taka
11.7 Sector-wise deposits			
Government		3,911,125,446	2,286,412,000
Deposit Money Banks		215,780,186	171,538,000
Other Public		3,929,337,862	4,324,666,913
Private		70,940,317,730	55,701,582,772
Foreign Currency Deposits		2,408,973,134	2,013,798,652
Interest Payable on Deposits		1,591,791,720	1,321,511,369
		82,997,326,078	65,819,509,706
11 (a) CONSOLIDATED DEPOSITS AND OTHER ACCOUNTS			
Current/Al-wadeeah Current Accounts and other Accounts			
Trust Bank Limited		10,656,385,414	8,159,229,466
Trust Bank Investment Limited		78,239,553	134,635,665
		10,734,624,967	8,293,865,131
Bills Payable		925,782,935	555,764,433
Savings Bank Deposits/Mudaraba Savings Deposits		6,590,789,934	5,822,755,118
Fixed Deposits/Mudaraba Term Deposits		64,824,367,795	51,281,760,689
Less : Inter Company Transaction		12,567,283	24,100,421
		64,811,800,512	51,257,660,268
		83,062,998,348	65,930,044,950
12. OTHER LIABILITIES			
Provision for Loans and Advances	Note-12.1	1,729,347,000	1,268,882,000
Provision for Investment		82,189,187	81,490,180
Provision for Other asset	Note-12.2	7,072,166	4,629,262
Provision for CSR Fund		60,000,000	80,000,000
Provision for Gratuity		-	-
Unearned profit on TIB Investment		18,402,071	18,755,038
Interest Suspense Account	Note-12.3	416,601,462	294,833,472
Provision for Income Tax Less Advance Income Tax	Note-12.4	141,221,591	432,761,498
Interest Payable on Unsecured Subordinated Bonds		43,953,298	42,465,758
Accrued Expenses		181,618,924	166,699,105
Audit Fees Payable		287,500	261,250
Branch Adjusting (net)		-	-
Sundry Creditors		233,653,564	133,883,864
Sale proceed of Government Securities		-	-
Others		1,407,396	1,215,960
		2,915,754,159	2,525,877,387
12.1 Provision for Loans and Advances/Islami Banking Investments			
Specific Provision			
Against Classified Loans & Advances	Note-12.1.1	763,348,000	339,392,000
General Provision			
Against Unclassified Loans & Advances	Note-12.1.2	677,405,000	715,257,000
Against Special Mention Accounts	Note-12.1.3	67,847,000	20,976,000
Against Off Balance Sheet Exposures	Note-12.1.5	220,747,000	193,257,000
		965,999,000	929,490,000
		1,729,347,000	1,268,882,000
12.1.1 Against Classified Loans & Advances			
Provision held on 1 January		339,392,000	304,752,000
Fully provided debts written off		-	-
Recoveries from previously written off debts		-	-
Provisions made during the year		423,956,000	34,640,000
Net Charge to the Profit Loss Account		423,956,000	34,640,000
Provision held at end of year		763,348,000	339,392,000



	31.12.2012 Taka	31.12.2011 Taka
12.1.2 Against Unclassified Loans & Advances		
Provision held on 1 January	715,257,000	559,811,000
Provisions made during the year	(37,852,000)	155,446,000
Provision held at end of year	677,405,000	715,257,000
12.1.3 Against Special Mention Accounts		
Provision held on 1 January	20,976,000	28,830,000
Provisions made during the year	46,871,000	(7,854,000)
Provision held at end of year	67,847,000	20,976,000

12.1.4 Required Provision against Loans and Advances

Particulars	Base for Provision	Rate		
Unclassified				
a. Consumer Financing (House Financing)	6,328,095,330	2.00%	126,562,000	90,628,000
b. Consumer Financing (Loans to Professional)	7,464,624	2.00%	149,000	363,000
c. Consumer Financing (Other than a & b)	3,194,874,369	5.00%	159,744,000	208,494,000
d. Small & Medium Enterprise Financing	3,459,176,945	0.25%	8,648,000	25,686,000
e. Loans to BHS/ MBs/ Sds against Shares etc	582,182,995	2.00%	11,644,000	14,316,000
f. Short Term Agriculture & Micro Credit	69,671,430	5.00%	3,484,000	2,579,000
g. All other Credit	36,716,145,592	1.00%	367,161,000	364,368,000
	50,357,611,285		677,392,000	706,434,000
Special Mention Accounts	1,354,917,473	5.00%	67,746,000	20,975,000
Classified				
a. Substandard				
i. Short Term Agri Credit & Micro Credit	4,620,619	5.00%	231,000	22,000
ii. Other than Short Term Agri Credit & Micro Credit	322,352,344	20.00%	64,470,000	57,764,000
b. Doubtful				
i. Short Term Agri Credit & Micro Credit	2,499,579	5.00%	125,000	-
ii. Other than Short Term Agri Credit & Micro Credit	153,128,708	50.00%	76,564,000	26,448,000
c. Bad/Loss	621,953,462	100.00%	621,953,716	255,158,000
	1,104,554,712		763,343,716	339,392,000
	52,817,083,470		1,508,481,716	1,066,801,000

	31.12.2012 Taka	31.12.2011 Taka
12.1.5 General Provision for Off Balance Sheet Exposures		
Provision held on 1 January	193,257,000	189,507,000
Provisions made during the year	27,490,000	3,750,000
	220,747,000	193,257,000
12.1 (a) Consolidated General Provision for Loans and Advances		
Trust Bank Limited	965,999,000	929,490,000
Trust Bank Investment Limited	492,339,925	87,937,385
	1,458,338,925	1,017,427,385
12.2 Provision for Other Asset		
Balance on 1 January	4,629,262	3,789,274
Provisions made during the year	2,442,904	839,988
	7,072,166	4,629,262
12.3 Interest Suspense Account		
Balance on 1 January	294,833,472	292,060,539
Amount transferred during the year	512,297,207	375,427,118
Amount recovered during the year	(384,766,303)	(356,321,444)
Amount written off / waived during the year	(5,762,914)	(16,332,741)
	416,601,462	294,833,472

	31.12.2012 Taka	31.12.2011 Taka
12.4 Provision for Income Tax Less Advance Income Tax		
Provision for Income Tax		
Balance on 1 January	2,647,500,000	1,947,500,000
Provisions made during the year	520,000,000	700,000,000
Provision made for the year	-	-
Settlement for previous year(s)	-	-
	3,167,500,000	2,647,500,000
Less: Advance Income Tax		
Balance on 1 January	2,214,738,502	1,370,716,924
Paid during the year	811,539,907	844,021,578
Settlement for previous year(s)	-	-
	3,026,278,409	2,214,738,502
Net Closing Balance	141,221,591	432,761,498
12.5 (a) Consolidated tax expenses		
Trust Bank Limited	520,000,000	700,000,000
Trust Bank Investment Limited	258,711,885	281,431,931
	778,711,885	981,431,931

12.5.1 Provision for current tax of Tk. 520,000,000 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.

12 (a) Consolidated other liabilities			
Trust Bank Limited	Note-12	2,915,754,159	2,525,877,387
Trust Bank Investment Limited		673,867,364	366,401,315
		3,589,621,523	2,892,278,702
Less: Inter company transaction		-	-
		3,589,621,523	2,892,278,702
13. CAPITAL			
13.1 Authorized Capital			
1,000,000,000 Ordinary shares of Tk. 10 each		10,000,000,000	5,000,000,000

13.2 Issued, Subscribed and Paid Up Capital

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	-
53,222,550	Ordinary shares of Tk. 10 each issued for right 1R:5	532,225,500	-
345,946,564		3,459,465,640	2,661,127,400

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 ended as at 31 December 2012 is shown below:

Tier – I (Core Capital)

Paid up Capital	3,459,465,640	2,661,127,400
Share Premium Account	532,225,500	-
Statutory Reserve	1,966,008,097	1,827,243,070
Retained Earnings	546,623,857	1,034,915,074
	6,504,323,094	5,523,285,544



	31.12.2012 Taka	31.12.2011 Taka
<u>Tier –II (Supplementary Capital)</u>		
General Provision	965,999,000	929,490,000
Bond (30% of Tier-1)	1,951,296,928	1,656,985,663
Revaluation reserves (50% of such reserve)	4,283,929	1,737,502
	2,921,579,857	2,588,213,165
A. Total Capital (Tier-I + Tier-II)	9,425,902,951	8,111,498,709
B. Total Risk Weighted Assets (RWA)	72,166,700,000	71,758,100,000
C. Required Capital based on RWA @ 10% on B	7,216,670,000	7,175,810,000
D. Surplus Capital as per Bank weighted Assets (A - C)	2,209,232,951	935,688,709
Capital Adequacy Ratio		
Core Capital to RWA	9.01%	7.70%
Supplementary Capital to RWA	4.05%	3.61%
	13.06%	11.30%

13.3 (a) Capital Adequacy Ratio under Consolidated basis

<u>Tier – I (Core Capital)</u>		
Paid up Capital	3,459,465,640	2,661,127,400
Minority Interest	779	774
Share Premium Account	532,225,500	-
Statutory Reserve	1,966,008,097	1,827,243,070
Retained Earnings	883,514,075	1,371,805,297
	6,841,214,091	5,860,176,541
<u>Tier –II (Supplementary Capital)</u>		
General Provision	1,458,338,925	1,017,427,385
Bond (30% of Tier-1)	2,000,000,000	1,758,052,962
Revaluation reserves (50% of such reserve)	4,283,929	1,737,502
	3,462,622,854	2,777,217,849
A. Total Capital (Tier-I + Tier-II)	10,303,836,945	8,637,394,390
B. Total Risk Weighted Assets (RWA)	74,339,800,000	72,945,300,000
C. Required Capital based on RWA @ 10%	7,433,980,000	7,294,530,000
D. Surplus Capital as per Bank weighted Assets (A - C)	2,869,856,945	1,342,864,390
Capital Adequacy Ratio		
Core Capital to RWA	9.20%	8.03%
Supplementary Capital to RWA	4.66%	3.81%
	13.86%	11.84%

Total Risk Weighted Assets (RWA)

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

13.4 Percentage of shareholdings at the closing date

	Amount (in Taka)		Percentage (%)	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Sponsors	2,075,887,450	1,596,719,160	60.00%	60.00%
Financial Institutions	800,872,170	562,188,110	23.15%	21.13%
Foreign Investors	5,448,900	2,273,000	0.16%	0.09%
Non-Resident Bangladeshi	13,158,640	12,411,000	0.38%	0.47%
General Public	564,098,480	487,536,130	16.32%	18.31%
Total	3,459,465,640	2,661,127,400	100.00%	100.00%

13.5 Shareholding Range on the basis of shareholdings as on 31 December 2012

Shareholding Range			No. of Sh. Holders	Number of Shares	%
1	to	500	12966	1,995,123	0.58%
501	to	5,000	16187	24,164,341	6.98%
5,001	to	10,000	1039	7,320,421	2.12%
10,001	to	20,000	464	6,559,997	1.90%
20,001	to	30,000	124	3,030,266	0.88%
30,001	to	40,000	71	2,451,409	0.71%
40,001	to	50,000	40	1,810,516	0.52%
50,001	to	100,000	85	6,238,716	1.80%
100,001	to	1,000,000	99	30,467,532	8.81%
1,000,001	to	100,000,000	15	54,343,288	15.71%
100,000,001	and More	1,000,000,000	1	207,564,955	60.00%
Total			31,091	345,946,564	100.00%

13 (a) MINORITY INTEREST

Share Capital (7 nos. shares of Trust Bank Investment Limited @ Tk. 100 each)
Profit as of 01 January 2012
Profit for the year

31.12.2012 Taka	31.12.2011 Taka
700	700
74	5
5	69
79	74
779	774

14. STATUTORY RESERVE

Balance on 1 January
Reserve made during the year
Closing Balance

1,827,243,070	1,566,403,090
138,765,027	260,839,980
1,966,008,097	1,827,243,070

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

3,475,004	118,280,731
5,092,854	(114,805,727)
8,567,858	3,475,004

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.

16. RETAINED EARNINGS

Balance on 1 January
Issue of Bonus Shares
Cash Dividend

Net Profit for the year transferred from Profit and Loss Account
Less: Transferred to Statutory Reserve

Closing Balance

1,034,915,074	1,123,067,166
(266,112,740)	(443,521,200)
(266,112,740)	-
502,689,594	679,545,966
182,699,290	616,209,088
138,765,027	260,839,980
43,934,263	355,369,108
546,623,857	1,034,915,074

16 (a) Consolidated retained earnings

Trust Bank Limited
Trust Bank Investment Limited

Less minority interest
Closing Balance

Note-16

546,623,857	1,034,915,074
336,890,297	336,890,297
883,514,154	1,371,805,371
79	74
883,514,075	1,371,805,297



	31.12.2012 Taka	31.12.2011 Taka
17. CONTINGENT LIABILITIES		
17.1 Acceptances and endorsements		
Acceptance Bills - Local	2,383,854,491	2,317,995,322
Acceptance Bills - Foreign	3,230,209,923	2,820,231,811
Acceptance Liabilities - Back to Back L/C	770,447,934	313,446,293
	6,384,512,348	5,451,673,426
17.2 Letters of Guarantee		
Letters of Guarantee - Local	3,067,958,900	3,046,785,073
Letters of Guarantee -Foreign	10,362,428	65,689,276
	3,078,321,328	3,112,474,349
17.2.1 Money for which the bank is contingently liable in respect of guarantees favoring :		
Directors or Officers	-	-
Government	1,251,016,148	1,376,823,534
Banks and other financial institutions	216,005,415	284,700,108
Others	1,611,299,765	1,450,950,707
	3,078,321,328	3,112,474,349
17.3 Irrevocable Letter of Credits		
Letter of Credit - Local	153,231,960	99,069,608
Letter of Credit - Foreign	5,282,137,296	6,583,599,180
Letter of Credit - Back to Back L/C	1,409,791,292	516,736,940
Letter of Credit - Usance (Foreign)	3,185,995,846	706,675,321
	10,031,156,394	7,906,081,049
17.4 Bills for Collection		
Outward Bills for Collection	19,180,676	42,612,629
Foreign Bills for Collection	-	-
Inland Bills for Collection	-	50,000
Local Documentary Bill for Collection	2,032,190,379	1,973,657,541
Inward Foreign Documentary Bills for Collection	-	371,849,000
Foreign Documentary Bills for Collection	528,638,515	467,233,575
	2,580,009,570	2,855,402,745
18. INCOME STATEMENTS		
Income:		
Interest/Profit, discount and similar income	9,190,937,196	7,534,165,831
Dividend income	42,566,453	97,585,927
Fees, commission and brokerage	572,896,012	606,497,350
Gains less losses arising from dealing in securities	16,922,080	14,514,211
Gains less losses arising from investment securities	-	-
Gains less losses arising from dealing in foreign currencies	-	-
Income from non-banking assets	-	-
Other operating income	231,242,009	194,177,684
Profit less losses on interest rate changes	-	-
	10,054,563,750	8,446,941,003
Expenses:		
Interest/profit paid on deposits, borrowings etc,	7,053,722,027	5,386,471,372
Losses on loans and advances	-	-
Administrative expenses	1,438,126,750	1,168,517,791
Other operating expenses	374,537,233	302,932,406
Depreciation on banking assets	30,745,695	28,440,125
	8,897,131,705	6,886,361,694
	1,157,432,045	1,560,579,309

	2012 Taka	2011 Taka
19. INTEREST INCOME		
19.1 Interest Income under Conventional banking		
Interest from Loans and Advances		
Interest on Repair & Recon. of Dwelling House (RRDH)	157,110,872	139,650,748
Interest on Consumer Durable Scheme	101,943	82,114
Interest on Marriage Loans	3,345,597	4,038,456
Interest on Car Loans	33,584,618	42,162,386
Interest on House Building Loans	352,325,317	382,738,814
Interest on Term Loans	1,797,082,623	1,336,896,041
Interest on Other Loans	1,674,704,085	1,024,143,260
Interest on SME Loan	130,447,580	81,281,247
Interest on PAD - EDF	11,642,821	13,000,523
Interest on Staff Loan	20,518,996	19,002,392
Interest on LTR	1,003,077,579	918,494,802
Interest on Payment Against Documents (PAD)	122,918,483	100,557,421
Interest on Cash Credit	230,333,842	164,750,361
Interest on Cash Collateral	40,432,715	31,481,574
Interest on Overdraft	347,557,413	361,392,518
Interest on SOD	1,200,550,380	826,472,081
Interest on Inland Bills Purchased and Discounted	229,034,911	158,784,523
Interest on Foreign Bills Purchased and Discounted	29,715,919	16,403,410
	7,384,485,694	5,621,332,671
Interest from Banks and Other Financial Institutions		
Interest on FDR Account	24,750,676	161,252,202
Interest on Bangladesh Bank Foreign Currency Accounts	1,789,306	1,806,147
Interest on SND Account	1,567,195	2,066,409
Interest on Call Deposits	763,238,755	383,305,833
	791,345,932	548,430,591
Interest received from Foreign Banks	958,019	459,945
	8,176,789,645	6,170,223,207
19.2 Profit under Islami banking		
Profit on BARAKAT Car Scheme	3,175,167	3,064,425
Profit on IHSAN Apartment Purchase Scheme	1,454,415	1,307,408
Profit on BARAKAT Home Construction Scheme	2,380,657	2,366,021
Profit on HPSM-Capital Machinery	43,411,737	33,133,380
Profit on HPSM- Real Estate	11,475,053	3,147,232
Profit on Bai-Muajjal	30,453,522	10,850,737
Profit on Bai-Salam	9,533,144	7,328,302
Profit on Murabaha TR	47,022,379	25,396,724
Profit on Murabaha Import Bills (MIB)	250,250	344,362
Profit on TIB House Building Scheme-HBL (RM)	2,073,513	541,723
Profit on FDBP - TIB	2,620	-
Profit on Musharaka agt. IBP	15,762,707	14,111,325
	166,995,164	101,591,639
Profit from Banks and Other Financial Institutions		
Profit on Mudarab Term Deposits	-	-
	166,995,164	101,591,639
	8,343,784,809	6,271,814,846
19 (a) Consolidated Interest Income/profit on investment		
Trust Bank Limited Note-19	8,343,784,809	6,271,814,846
Trust Bank Investment Limited	700,220,868	645,549,144
	9,044,005,677	6,917,363,990
Less : Inter Company Transaction	345,894,275	149,347,606
	8,698,111,402	6,768,016,384



		2012 Taka	2011 Taka
20. INTEREST PAID ON DEPOSITS AND BORROWINGS			
20.1 Interest paid on deposits			
Interest on SND Account		105,018,048	190,179,442
Interest on FDR Account		5,477,471,158	3,880,655,131
Interest on Foreign Currency Deposit		18,007,869	2,856,023
Interest on Savings Account		243,189,312	218,973,716
Interest on Scheme Deposits		668,654,769	466,499,832
		6,512,341,156	4,759,164,144
20.2 Profit paid on Islami Banking Deposits			
Profit Paid on Mudaraba Savings Account		14,632,950	12,509,485
Profit Paid on Mudaraba SND		228,859	260,683
Interest Paid on Mudaraba TDR		247,140,193	121,898,146
Profit Paid on Mudaraba MTDR - 1 Month		461,324	1,282,215
Profit Paid on TBL Barakat Hajj Deposit Scheme		143,235	101,221
Profit on Mudaraba Kotipati Scheme (MKS)		26,844	-
Profit on Mudaraba Millionaire Scheme (MMS)		31,225	-
Profit Paid on Mudaraba Monthly Savings Scheme		6,796,940	4,280,748
		269,461,570	140,332,498
20.3 Interest paid on borrowings			
Interest on Call Deposits.		4,183,333	3,490,764
Interest on Repo		-	1,432,530
Discount & Commission paid		-	-
Interest on Other Borrowings		267,735,968	482,051,436
		271,919,301	486,974,730
		7,053,722,027	5,386,471,372
20 (a) Consolidated Interest/profit paid on deposits, borrowings, etc on investment			
Trust Bank Limited	Note-20	7,053,722,027	5,386,471,372
Trust Bank Investment Limited		77,307,741	152,647,914
		7,131,029,768	5,539,119,286
Less : Inter Company Transaction		345,894,275	149,347,606
		6,785,135,493	5,389,771,680
21. INCOME FROM INVESTMENTS			
21.1 Income from Conventional Banking			
Income from Treasury bills		61,660,138	-
Income from Treasury bonds		686,389,640	878,799,241
Income from Reverse REPO		-	-
Profit on sale of Securities		-	275,522,874
Income from Other Approved Securities		-	-
Income from Debentures & Bond		88,075,329	101,236,370
Dividend Income		42,222,333	96,825,927
Gain from sales of shares		7,155,422	13,370,956
		885,502,862	1,365,755,368
21.2 Income from Islami Banking Investments			
Dividend Income		344,120	760,000
Profit on Investment in Islamic Bank Bond		11,027,280	6,792,500
Profit on Sale of Shares		9,766,658	1,143,255
		21,138,058	8,695,755
		906,640,920	1,374,451,123
21 (a) Consolidated Income from Investment			
Trust Bank Limited		906,640,920	1,374,451,123
Trust Bank Investment Limited		7,005,174	155,491
		913,646,094	1,374,606,614
22. Commission, exchange and brokerage			
Demand Draft, Money Transfer, Telegraphic Transfer, Pay Order etc.		5,228,208	5,966,861
Travelers Cheque		3,064	3,870
Bills		15,385,460	16,315,193
Letter of Guarantees		36,011,645	36,475,077

		2012 Taka	2011 Taka
Letter of Credits		177,333,061	167,986,601
Foreign Remittances		4,548,762	3,291,909
Commission on Sale of Government Securities		6,833,287	4,742,991
Fund Transfer Commission		17,505	23,356
Commission on Sale & Purchase of Shares		89,982	467,640
Under writing Commission		1,853,594	1,975,239
Acceptance Commission		75,913,252	62,045,170
Foreign Correspondence Charges		-	53,672
Miscellaneous Commission		18,439,999	21,875,885
		341,657,819	321,223,464
Foreign Currency Exchange Gain		231,238,193	285,273,886
		572,896,012	606,497,350
22 (a) Consolidated Commission, exchange and brokerage			
Trust Bank Limited	Note-22	572,896,012	606,497,350
Trust Bank Investment Limited		1,453,704	699,079
		574,349,716	607,196,429
23. OTHER OPERATING INCOME			
Locker Rent		1,086,775	936,475
Swift Charge (Net)		9,159,685	7,312,857
Postage Charge (Net)		-	1,896,012
Incidental Charges		2,501	6,562
Sale Proceeds of Forms		903,254	973,722
Service Charges		44,777,853	42,623,768
Service Compensation		643,200	903,000
Front End Fees		52,098,428	29,517,787
Notice Pay		3,544,402	2,055,618
Closing Charge		779,766	708,469
Sale Proceeds of Cheque books		100,000	45,500
Income form Mobile Banking		3,825	-
O/W Cheque Processing Fees		50	-
Syndication Fees		6,935,000	1,673,583
Income through Credit & ATM Card		21,751,210	12,736,075
Profit on sale of Fixed Assets		1,030,641	-
Take up Commission		-	949
Insurance Premium Income		41,976	36,824
Miscellaneous Foreign Exchange Income		51,243,981	58,644,172
Miscellaneous Earnings		37,139,462	34,106,311
		231,242,009	194,177,684
23 (a) Consolidated other oprating income			
Trust Bank Limited	Note-23	231,242,009	194,177,684
Trust Bank Investment Limited		125,078,665	247,959,365
		356,320,674	442,137,049
24. Salaries and allowances			
Basic Salary		319,151,303	264,127,418
House Rent Allowances		154,057,656	129,763,141
Conveyance Allowances		18,305,741	17,653,354
Medical Allowances		66,624,977	63,730,487
Leave Fare Assistances		27,107,544	25,663,755
Leave Encashment		8,098,056	3,125,410
Utility Allowances		2,987,759	3,056,237



		2012 Taka	2011 Taka
	Telephone Allowance	211,020	201,490
	Club Membership Allowance	995,162	989,500
	Personal Pay	-	538,710
	Contractual Staffs Salary	9,380,228	1,942,005
	Managers' Charge Allowance	1,515,516	1,343,500
	Key Holding Allowance	994,833	883,500
	Commission to Sales Promotion Officers	1,511,482	-
	Festival Bonus	59,187,491	47,687,770
	Incentive Bonus	124,223,434	107,602,181
	Bank's Contribution to Provident Fund	29,604,203	24,177,614
	Bank's Contribution to Superannuation Fund	1,600,000	1,600,000
	Bank's Contribution to Employees' Gratuity Fund	65,556,551	46,565,221
		891,112,956	740,651,293
24 (a)	Consolidated salaries and allowances		
	Trust Bank Limited	891,112,956	740,651,293
	Trust Bank Investment Limited	55,798,369	40,417,356
		946,911,325	781,068,649
25.	RENT, TAXES, INSURANCE, ELECTRICITY, ETC		
	Rent	130,435,565	104,642,784
	Electricity and Lighting	28,406,536	19,347,027
	Insurance	49,147,107	35,711,314
	Rates, Taxes & Excise Duty	378,102	919,872
	Fees & Renewals	14,029,246	7,133,374
	Generator Fuel	5,644,226	3,035,204
	Gas/Water Bill	1,333,702	1,141,932
		229,374,484	171,931,507
25 (a)	Consolidated rent,taxes,insurance, electricity, etc		
	Trust Bank Limited	229,374,484	171,931,507
	Trust Bank Investment Limited	11,526,583	14,686,113
		240,901,067	186,617,620
26.	POSTAGE, STAMPS, TELECOMMUNICATION, ETC		
	Postage	4,881,688	-
	Stamp	158,950	71,449
	ATM Connectivity Charges	627,830	1,277,430
	ATM Maintenance Charges	6,000,400	4,250,000
	Online Expenses	49,830,480	31,791,471
	ATM Card Expenditure	10,593,865	3,296,500
	Internet Charge	2,912,727	4,389,638
	Router Charge	2,490,579	2,239,002
	Telegram, Telex, Telephone, Trunk Call etc. (Net)	8,081,196	7,894,083
		85,577,715	55,209,573
26 (a)	Consolidated postages, stamps, telecommunication, etc		
	Trust Bank Limited	85,577,715	55,209,573
	Trust Bank Investment Limited	2,388,266	2,239,100
		87,965,981	57,448,673
27.	STATIONERY, PRINTING, ADVERTISEMENT, ETC		
	Printing and Stationery (Net)	50,660,515	42,198,623
	Publicity and Advertisement	68,269,063	40,619,439
		118,929,578	82,818,062
27 (a)	Consolidated stationery, printing, advertisement, etc		
	Trust Bank Limited	118,929,578	82,818,062
	Trust Bank Investment Limited	764,842	1,416,925
		119,694,420	84,234,987
28.	DIRECTORS' FEES		
	Meeting fees	1,250,000	1,489,400
	Other benefits	-	-
		1,250,000	1,489,400

		2012 Taka	2011 Taka
28 (a) Consolidated directors fees			
Trust Bank Limited	Note-28	1,250,000	1,489,400
Trust Bank Investment Limited		240,000	213,000
		1,490,000	1,702,400
29. Depreciation and repair of bank's assets			
Depreciation			
Fixed Assets (For details please refer to Annexure - B)		100,372,959	102,240,172
Repairs			
Building		2,032,315	409,496
Furniture and fixtures		1,359,427	1,400,920
Office equipment		10,580,076	9,665,516
Bank's Vehicles		6,105,238	11,324,047
Maintenance		10,668,639	5,640,146
		30,745,695	28,440,125
		131,118,654	130,680,297
29 (a) Consolidated depreciation and repair of bank's assets			
Trust Bank Limited	Note-29	131,118,654	130,680,297
Trust Bank Investment Limited		3,826,340	6,616,815
		134,944,994	137,297,112
30. OTHER EXPENSES			
Business Development Expenses		50,648,984	29,680,112
Clearing House Charge		84,893	107,960
Conveyance		7,834,332	7,338,719
Entertainment		17,392,369	14,598,845
Car Expenses		60,022,147	18,744,774
Cash Handling Charge		1,952,486	1,538,330
Bank Charges		98,104	85,643
Meeting Expenses		9,629,771	7,694,126
Donation, Subscription and Membership Fees		4,241,408	2,883,892
News Paper and Periodicals		629,334	649,346
Oil and Lubricant		5,647,786	4,841,118
Remittance Charges		4,107,502	2,236,537
Other Contractual Service		88,531,685	64,291,311
Internship Allowances		1,613,707	1,668,969
Honorarium for Banking Diploma		574,000	800,000
Ex- Gratia		-	145,740
Training & Recruitment Expenses		10,162,438	10,195,817
Traveling Expenses		9,547,877	7,920,964
Up Keep of Office Premises		5,209,704	4,197,820
Washing Charges		1,143,378	865,356
Loss on Sale of Fixed Assets		-	1,582,193
Car Leasing Expenses		1,383,921	-
Outsource Agency Fees		6,451	-
Foreign Correspondence Expenses		2,923,414	2,526,058
Pre-opening Expenses		274,793	-
Amortization of Intangible Assets		16,722,609	9,822,074
Special Reserve Fund		60,000,000	80,000,000
CDBL Charges		1,844,792	599,655
Security Expenses		3,287,911	2,720,669
Foreign Remittance Expenses		455,556	1,513,805
Share/Bond Issue Expense		1,290,281	18,277,085
Sales Commission		4,205,705	2,864,635
Fixed assets written off		90,023	-
Cash Carrying Charges		1,691,781	1,232,745
Wages paid to Daily Labor		97,745	96,810
Purchase of Utensils		499,762	622,698
Medical Expenses		8,402	10,024
Contact Point Verification Fees (RB)		189,270	253,905
Miscellaneous Expenses		492,912	324,671
		374,537,233	302,932,406



		2012 Taka	2011 Taka
30 (a) Consolidated other expenses			
Trust Bank Limited	Note-30	374,537,233	302,932,406
Trust Bank Investment Limited		10,996,961	29,812,653
		385,534,194	332,745,059
31. PROVISION FOR LOANS AND ADVANCES/INVESTMENTS			
Specific Provisions-against classified loans & advances		423,956,000	34,640,000
General Provisions-against un-classified loans & advances		(37,852,000)	155,446,000
General Provisions-against special mentioned accounts		46,871,000	(7,854,000)
		432,975,000	182,232,000
31(a) Consolidated Provision for Loans & Advances/Investment			
Trust Bank Limited	Note-31	432,975,000	182,232,000
Trust Bank Investment Limited		404,402,540	47,026,242
		837,377,540	229,258,242
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		699,007	69,557,420
- Unquoted		-	-
		699,007	69,557,420
		699,007	69,557,420
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		699,007	69,557,420
Trust Bank Investment Limited		8,225,826	426,232
		8,924,833	69,983,652
33. OTHER PROVISION			
General Provision for Off Balance Sheet Exposures		27,490,000	3,750,000
Provision for Other Assets		2,442,904	839,988
		29,932,904	4,589,988
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 respectively.		
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		182,699,290	616,209,088
Nos of Ordinary Outstanding Share		345,946,564	266,112,740
Basic Earning Per Share		0.53	2.32
RESTATED EARNING PER SHARE (EPS)			
Profit attributable to outstanding Ordinary Share Holders		182,699,290	616,209,088
Share Outstanding before Rights Issue			
Share Outstanding as on 1 January		266,112,740	266,112,740
Issue of Bonue Shares		26,611,274	26,611,274
		292,724,014	292,724,014
Rights Issue			
One new share for each five nos of shares		53,222,548	
Exercise price		Taka 20	
Last date of exercise of rights		17-May-12	
Market price of shares immediately before rights		Taka 28.20	
Theoretical ex-right value per share		Taka 26.93	
Adjustment Factor		1.05	1.05
Average Number of Ordinary shares outstanding		330,931,177	307,360,215
Restated EPS		0.55	2.00

Weighted number of ordinary shares outstanding during the year i.e the number of ordinary shares outstanding at the beginning of the year adjusted by issued during the year multiplied by time weighting factor. The weighted number of ordinary shares outstanding as on 31 December 2012 calculated as under:

Particulars	Number of Ordinary Shares	Time weighting Factor	Adjustment Factor	Weighted average nos of Share
Ordinary Shares before rights issue	292,724,014	0.38	1.05	116,444,309
Ordinary Shares after rights issue	345,946,562	0.62	-	214,486,868
Total weighted average no of shares				330,931,177

	2012 Taka	2011 Taka
35 (a) Consolidated Earning Per Share (EPS)		
Profit attributable to outstanding Ordinary Share Holders	182,699,290	933,436,636
Weighted Average no of Shares outstanding	330,931,177	266,112,740
Earning per Share	0.55	3.51
Restated		
Profit attributable to outstanding Ordinary Share Holders	-	933,436,636
Nos of Ordinary Outstanding Share	-	307,360,215
Earning per Share	-	3.04
36 INCOME RECEIVED FROM OTHER OPERATING ACTIVITIES		
Locker Rent	1,086,775	936,475
Swift Charge (Net)	8,862,009	7,393,515
Postage Charge (Net)	-	1,896,012
Incidental Charges	2,501	6,562
Sale Proceeds of Forms	903,254	973,722
Service Charges	44,777,853	42,623,768
Service Compensation	643,200	903,000
Front End Fees	52,098,428	29,517,787
Notice Pay	3,544,402	2,055,618
Closing Charge	779,766	708,469
Sale Proceeds of Cheque books	100,000	45,500
Income form Mobile Banking	3,825	-
O/W Cheque Processing Fees	50	-
Syndication Fees	6,935,000	1,673,583
Income through Credit & ATM Card	21,751,210	12,736,075
Income from Government Securities	728,073,314	1,125,853,125
Interest on Debentures & Bond	88,075,329	101,236,370
Profit on Investment in Islamic Bank Bond	11,027,280	6,792,500
Income from sale proceed of shares	16,922,080	14,514,211
Take up Commission	-	949
Insurance Premium Income	41,976	36,824
Miscellaneous Foreign Exchange Income	51,243,981	58,644,172
Miscellaneous Earnings	37,139,462	34,106,311
	1,074,011,695	1,442,654,548
36 (a) Consolidated Income from Other Operating Activities		
Trust Bank Limited	1,074,011,695	1,442,654,548
Trust bank Investment Limited	132,083,839	248,001,867
	1,206,095,534	1,690,656,415
37. EXPENSES PAID FOR OTHER OPERATING ACTIVITIES		
Business Development Expenses	(50,648,984)	(29,680,112)
Clearing House Charge	(84,893)	(107,960)
Conveyance	(7,834,332)	(7,338,719)
Entertainment	(17,815,545)	(14,173,323)
Car Expenses	(60,022,147)	(18,744,774)
Cash Handling Charge	(1,952,486)	(1,538,330)
Bank Charges	(98,104)	(85,643)
Meeting Expenses	(9,629,771)	(7,694,126)
Donation, Subscription and Membership Fees	(4,241,408)	(2,883,892)
News Paper and Periodicals	(612,315)	(645,146)
Oil and Lubricant	(5,488,237)	(5,042,728)
Remittance Charges	(4,307,332)	(2,010,728)
Other Contractual Service	(88,590,773)	(64,269,895)
Internship Allowances	(1,613,707)	(1,668,969)
Honorarium for Banking Diploma	(574,000)	(800,000)
Ex- Gratia	-	(145,740)
Pre-opening Expenses	(274,793)	-
Training Expenses	(10,162,438)	(10,195,817)
Travelling Expenses	(9,547,877)	(7,920,964)
Up Keep of Office Premises	(5,209,704)	(4,197,820)
Washing Charges	(1,143,378)	(865,356)
Car Leasing Expenses	(1,383,921)	-
Outsource Agency Fees	(6,451)	-
Foreign Correspondence Expenses	(2,923,414)	(2,526,058)
Special Reserve Fund	(80,000,000)	(115,600,000)
CDBL Charges	(1,844,792)	(599,655)
Security Expenses	(3,287,911)	(2,720,669)
Foreign Remittance Expenses	(455,556)	(1,513,805)
Share/Bond Issue Expense	(1,290,281)	(18,277,085)
Sales Commission	(4,205,705)	(2,864,635)
Fixed assets written off	(90,023)	-



	2012 Taka	2011 Taka
Cash Carrying Charges	(1,691,781)	(1,232,745)
Wages paid to Daily Labor	(97,745)	(96,810)
Purchase of Utensils	(499,762)	(622,698)
Medical Expenses	(8,402)	(10,024)
Contact Point Verification Fees (RB)	(189,270)	(253,905)
Miscellaneous Expenses	(1,792,816)	18,327,128
Publicity and Advertisement	(68,269,063)	(40,619,439)
Rent, Taxes, Insurance, Lighting etc.	(250,391,910)	(201,693,158)
Legal Expenses	(6,953,529)	(4,284,010)
Postage, Telegram, Telephone	(82,399,099)	(53,039,787)
Audit Fee	(470,250)	(690,000)
Directors Fee	(1,250,000)	(1,489,400)
Repairs and Maintenance of Fixed Assets	(30,745,695)	(28,440,125)
	(820,099,600)	(638,256,922)
37 (a) Consolidated Expenses paid for Other Operating Activities		
Trust Bank Limited Note-37	(820,099,600)	(638,256,922)
Trust bank Investment Limited	(25,887,443)	(49,990,115)
	(845,987,043)	(688,247,037)
38. CHANGES IN OTHER OPERATING ASSETS		
Security Deposits	(1,107,167)	(729,725)
Intl. Credit Report Agency Charge	3,288,636	(2,834,583)
Investment in Subsidiary Company	-	-
Encashment of Sanchaya patra awaiting reimbursement-Principal	(114,765,857)	9,595,827
Encashment of Sanchaya patra awaiting reimbursement-Interest	(4,311,166)	(43,183,727)
Encashment of WEDB awaiting reimbursement-Principal	37,253,987	(14,880,875)
Encashment of WEDB awaiting reimbursement-Interest	(29,416,532)	(33,942,152)
US\$ Premium Bond - Principal	-	534,375
US\$ Premium Bond - Interest	-	89,996
US\$ Investment Bond - Principal	987,000	15,076,313
US\$ Investment Bond - Interest	(612,695)	1,595,587
Inter Office Adjusting Account	146,286,853	29,599,372
Receivable on Death Risk Benefit-WEDB	-	250,000
Advance against Capital Expenditure	(1,867,673)	6,123,560
Clearing Adjustment	(20,178,589)	(11,664,914)
EFTN Adjustment Account	-	-
Suspense Account	(67,844,595)	(42,293,847)
Adjusting Account for Online GL	(268,222,544)	-
	(320,510,342)	(86,664,793)
38 (a) Consolidated Changes in Other Operating Assets		
Trust Bank Limited Note-38	(320,510,342)	(86,664,793)
Trust bank Investment Limited	16,771,797	64,404,159
	(303,738,545)	(22,260,634)
39. CHANGES IN OTHER LIABILITIES		
Sundry Creditors	99,769,700	26,017,323
Branch Adjusting (net)	-	-
Others	191,436	566,707
	99,961,136	26,584,030
39 (a) Consolidated Changes in Other Operating Liabilities		
Trust Bank Limited Note-39	99,961,136	26,584,030
Trust bank Investment Limited	(6,380,789)	(32,761,751)
	93,580,347	(6,177,721)
40. CLOSING CASH AND CASH EQUIVALENT		
Cash in hand (including foreign currencies)	2,080,875,831	1,087,074,071
Balance with Bangladesh Bank & Sonali Bank (Incl. FCs)	6,123,351,069	4,611,979,261
Balance with Other Bank and Financial Institutions	1,916,230,614	3,847,932,917
Call Loan to other Banks	11,750,000,000	1,440,000,000
Prize Bond	3,279,300	2,642,000
	21,873,736,814	10,989,628,249

41. EXPENDITURE INCURRED FOR EMPLOYEES

Salaries, allowances and benefits

Number of employees at 31 December 2012 was 1299; (31 December 2011 was 1041) who were in receipt of remuneration for that year 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

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 consists of a chairman, two members and a member secretary. The Honorable Members of the committee are as follows:

As on 31 December 2012, the Honorable Members of the committee were as follows:

Name	Status with Bank	Status with committee	Educational Qualification
Brig Gen KARM Mostafa Kamal, ndc, psc	Director	Chairman	MDS
Mr. Helal Uddin Ahmed	Director	Member	MA
Brg. Gen Md Emdad-Ul-Bari, psc, te	Director	Member	MDS
Mr. Khaled Mahbub Morshed	Company Secretary	Member Secretary	M. Com, FCA

42.b During the year end as on 31 December 2012, 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	15-Jan-12
2nd	19-Mar-12
3rd	20-Jun-12
4th	21-Oct-12

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.

43. Related Party Disclosures

a) Name of Directors and their interest in different Entities as on 31 December 2012

Sl	Name of the Directors	Statue with Bank	Entities where they have interest	Position	% of Interest
1	General Iqbal Karim Bhuiyan, psc	Chairman	Sena Kalyan Shangstha	Chairman, Board of Trustees	Nominated
			Sena Hotel Developments Ltd.	Chairman, Board of Directors	Nominated
			Bangladesh Machine Tools Factory Ltd.	Chairman, Board of Directors	Nominated
			Army Welfare Trust	Chairman, Board of Trustees	Nominated
			Trust Bank Investment Ltd.	Chairman, Board of Directors	Nominated
2	Maj Gen Ashraf Abdullah Yussuf, rcds, afwc, psc	Vice Chairman	Sena Kalyan Shangstha	Vice Chairman, Board of Trustees	Nominated
			Sena Hotel Developments Ltd.	Vice Chairman, Board of Directors	Nominated
			Army Welfare Trust	Vice Chairman, Board of Trustees	Nominated
			Army Housing Scheme	Chairman, Board of Directors	Nominated
			Trust Bank Securities Ltd.	Chairman, Board of Directors	Nominated
			Trust Bank Investment Ltd.	Vice Chairman, Board of Directors	Nominated
			Trust Technical Training Institute	Chairman, Board of Directors	Nominated
3	Brig Gen K A R M Mostafa Kamal, ndc, psc	Director	Army Welfare Trust	Managing Director	Ex-Officio
			Trust Bank Securities Ltd.	Director, Board of Directors	Nominated
			Sena Hotel Developments Ltd.	Director, Board of Directors	Nominated
			Trust Bank Investment Ltd.	Director, Board of Directors	Nominated
			Trust Technical Training Institute	Director Board of Directors	Nominated
4	Brig Gen Tushar Kanti Chakma, ndc, psc	Director	Trust Bank Investment Ltd.	Director, Board of Directors	Nominated
			Trust Bank Securities Ltd.	Vice Chairman, Board of Directors	Nominated
5	Ms. Begum Rokeya Din	General Shareholders' and Independent Director	-	-	-
6	Mr. Helal Uddin Ahmed	Depositor and Independent Director	Purbachal Green Enterprise	Proprietor	-
			Trust Bank Investment Ltd.	Director, Board of Directors	-
7	Brig Gen Md Zafar Ullah Khan, psc	Director	-	-	-



- b) 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, psc Chairman, Board of Trustees, Army Welfare Trust Maj Gen Ashraf Abdullah Yussuf, rcds,afwc, psc Vice- Chairman, Board of Trustees, Army Welfare Trust Brig Gen K A R M Mostafa Kamal, ndc, psc Managing Director , Army Welfare Trust
Lease Agreement with Sena Kalyan Sangstha	Sena Kalyan Bhaban Branch Khulna Branch Tongi Branch	General Iqbal Karim Bhuiyan, psc Chairman, Board of Trustees, Sena Kalyan Sangstha Maj Gen Ashraf Abdullah Yussuf, rcds,afwc, psc Vice chairman, Board of Trustees, Sena Kalyan Sangstha.
Advertisement Agreement with Army Welfare Trust	Head Office	General Iqbal Karim Bhuiyan, psc Chairman, Board of Trustees, Army Welfare Trust Maj Gen Ashraf Abdullah Yussuf, rcds,afwc, psc Vice- Chairman, Board of Trustees, Army Welfare Trust Brig Gen K A R M Mostafa Kamal, ndc, psc Managing Director, Army Welfare Trust

- c) Shares issued to Directors and Executives without consideration or exercisable at discount: Nil
- d) Related party Transactions: Nil
- e) Lending Policies to related Parties: Not applicable
- f) Loan and advances to Directors and their related concern: Taka 58,711,108
- g) Business other than banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act – 1991: Not applicable
- h) Investments in the Securities of Directors and their related concern: Not applicable

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

44 Events After The Reporting Date

The Board of Directors in its 202 (03/2013) meeting held on 24 March 2013, has recommended bonus shares @ 10% i.e. 1 (One) bonus for every 10 (Ten) shares for the year 2012, subject to the approval of the shareholders at the next Annual General Meeting (AGM).

45 Auditors Work Hour

The external auditors of the bank, ACNABIN Chartered Accountants covered 80% of the bank's risk weighted assets and has spent around 2,950 man-hours to complete the audit as per Bangladesh Standard on Auditing (BSA).

46 FINANCIAL HIGHLIGHTS

As per BRPD Circular # 14, dated 25 June 2003, Financial Highlights of the Bank for the year ended on 31 December 2012 has been shown in Annexure - C.


Vice- Chairman


Director


Director


Managing Director

Dhaka,
24 March 2013

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

Name of the Bank	Name of the foreign currency	31.12.2012			31.12.2011		
		Amount in foreign currency	Exchange rate as on 31.12.2012	Total amount equivalent to Taka	Amount in foreign currency	Exchange rate as on 31.12.2011	Total amount equivalent to Taka
Citibank N.A., USA	USD	6,408,102.60	80.55	516,172,664	7,613,680.09	82.25	626,225,187
Union De Banques, HKG	USD	165,769.36	80.55	13,352,722	59,787.10	82.25	4,917,489
Mashreqbank psc, USA	USD	521,968.60	80.55	42,044,571	220,290.55	82.25	18,118,898
Standard Chartered Bank, USA	USD	492,938.27	80.55	39,706,178	487,611.08	82.25	40,106,011
HSBC Bank, USA	USD	5,220,070.41	80.55	420,476,671	1,949,482.03	82.25	160,344,897
ICICI Bank Ltd., Hongkong	USD	298,209.76	80.55	24,020,796	213,151.30	82.25	17,531,694
Commerz Bank, AG Germany	USD	107,364.87	80.55	8,648,240	70,552.22	82.25	5,802,920
Wells Fargu Bank, NY	USD	-		-	368,174.45	82.25	30,282,349
Sonali Bank Ltd. UK	USD	319,554.24	80.55	25,740,094	24,313.42	82.25	1,999,779
Standard Chartered Bank, UK	GBP	53,068.30	131.88	6,998,435	26,279.40	128.60	3,379,612
Citibank N.A., UK	GBP	67,711.08	131.88	8,929,466	19,693.12	128.60	2,532,596
Sonali Bank Ltd. UK, GBP	GBP	23,330.19	131.88	3,076,692			
HSBC, PLC, UK	GBP	82,056.02	131.88	10,821,220	27,766.35	128.60	3,570,839
Standard Chartered Bank, Japan	YEN	1,433,469.00	0.97	1,385,018	520,733.00	1.09	566,193
Wachovia Bank, NY USA	YEN	-		-	394,603.00	1.09	429,052
Citi Bank NA		-		-	-		-
HSBC, PLC, UK	EURO	586,668.09	108.68	63,759,675	84,375.22	108.10	9,121,164
Standard Chartered Bank, UK	EURO	525,803.78	108.68	57,144,881	579,626.76	108.10	62,659,044
ICICI Bank Ltd., Mumbai, India	EURO	5,122.05	108.68	556,670	32,043.05	108.10	3,463,931
Citibank N.A., UK	EURO	148,427.16	108.68	16,131,212	72,839.93	108.10	7,874,171
Sonali Bank Ltd. UK, EURO	EURO	22,666.45	108.68	2,463,412	-	-	-
Commerz Bank, AG Germany	EURO	54,151.96	108.68	5,885,289	5,723.25	108.10	618,697
Citibank N.A., Mumbai, India	ACU	84,348.03	80.55	6,794,234	18,049.52	82.25	1,484,573
ICICI Bank Ltd., Mumbai, India	ACU	274,142.77	80.55	22,082,200	397,030.58	82.25	32,655,765
HSBC Bank, Pakistan	ACU	159,492.88	80.55	12,847,151	43,389.19	82.25	3,568,761
HSBC Bank, Mumbai, India	ACU	167,691.79	80.55	13,507,574	85,530.81	82.25	7,034,909
AB Bank, Mumbai, India	ACU	115,449.40	80.55	9,299,449	235,390.60	82.25	19,360,877
Mashreqbank, Mumbai, India	ACU	212,904.11	80.55	17,149,426	119,579.82	82.25	9,835,440
Standard Chartered Bank, Mumbai, India	ACU	66,994.60	80.55	5,396,415	106,085.80	82.25	8,725,557
Habib Bank, Zurich	CHF	23,623.71	89.02	2,102,872	19,863.56	87.95	1,746,958
Total				1,356,493,227			1,083,957,363



Schedule of Fixed Assets

As at 31 December 2012

PARTICULARS	COST				DEPRECIATION				
	Balance on 1 January 2012 Taka	Additions during the year Taka	Disposal/ adjustment during the year Taka	Balance at 31 December 2012 Taka	Balance on 1 January 2012 Taka	Charge for the year Taka	Disposal/ adjustment during the year Taka	Balance at 31 December 2012 Taka	Written Down Value at 31 December 2012 Taka
Leasehold Land	160,469	-	-	160,469	-	-	-	-	160,469
Office Building	12,680,000	-	-	12,680,000	977,435	317,004	-	1,294,439	11,385,561
Furniture and Fixtures	127,001,329	9,894,281	1,173,413	135,722,197	51,161,576	9,752,647	149,033	60,765,190	74,957,007
Office Equipment	358,906,701	81,408,654	6,520,592	433,794,763	199,550,701	59,745,190	1,974,187	257,321,704	176,473,059
Motor Vehicles	51,715,068	7,935,901	3,552,110	56,098,859	25,103,376	9,873,648	3,552,108	31,424,916	24,673,943
Office Renovation	233,496,091	40,423,182	-	273,919,273	85,939,155	20,684,470	-	106,623,625	167,295,648
31 December 2012	783,959,658	139,662,018	11,246,115	912,375,561	362,732,243	100,372,959	5,675,328	457,429,874	454,945,687
31 December 2011	730,789,727	159,519,239	106,349,308	783,959,658	317,665,458	102,240,172	57,173,387	362,732,243	421,227,415

Financial Highlights

SI No	Particulars	Base	31.12.2012	31.12.2011
1	Paid up Capital	Taka	3,459,465,640	2,661,127,400
2	Total Capital	Taka	10,303,836,945	8,637,394,390
3	Capital surplus/(deficit)	Taka	2,869,856,945	1,342,864,390
4	Total Assets	Taka	95,260,778,173	76,215,221,143
5	Total Deposits	Taka	82,997,326,078	65,819,509,706
6	Total Loans and Advances	Taka	54,616,060,058	50,801,744,235
7	Total Contingent Liabilities and Commitments	Taka	22,073,999,640	19,325,631,569
8	Credit Deposit Ratio	%	65.80	77.18
9	Percentage of classified loans against total loans and advances	%	4.58	3.02
10	Profit after tax and provision	Taka	182,699,290	616,209,088
11	Amount of classified loans during current year	Taka	969,531,639	574,287,440
12	Provisions kept against classified loan	Taka	763,348,000	339,392,000
13	Provision surplus/(deficit)	Taka	118,284	8,824,000
14	Cost of fund	%	9.18	8.98
15	Interest earning Assets	Taka	79,626,503,119	63,120,658,077
16	Non-interest earning Assets	Taka	15,634,275,054	13,094,563,066
17	Return on Investment (ROI)	%	1.77	7.13
18	Return on Asset (ROA)	%	0.19	0.81
19	Income from Investment	Taka	906,640,920	1,374,451,123
20	Earning per Share (EPS)	Taka	0.55	2.32
21	Net income per Share	Taka	0.55	2.32
22	Price Earning Ratio	%	2.21	5.39
23	Net Asset Value (NAV)	Taka	6,512,890,952	5,526,760,548
24	Net Operating Cash Flow Per Share (NOCFPS)	Taka	40.08	18.27



Balance Sheet of Islamic Banking Division

As of 31 December 2012

	31.12.2012 Taka	31.12.2011 Taka
PROPERTY AND ASSETS		
Cash		
Cash in hand (including foreign currencies)	-	-
Balance with Bangladesh Bank and its agent bank(s)(including foreign currencies)	258,644,332	135,774,564
	258,644,332	135,774,564
	258,644,332	135,774,564
Balance with other banks and financial institutions		
In Bangladesh	50,000,000	20,000,000
Outside Bangladesh	-	-
	50,000,000	20,000,000
Placement with banks and other financial institution	-	-
Investments in Shares and Securities		
Government	120,000,000	70,000,000
Others	118,209,507	175,773,677
	238,209,507	245,773,677
Investments		
General Investments etc.	1,052,143,105	943,113,319
Bills purchased and discounted	44,566,057	146,794,617
	1,096,709,162	1,089,907,936
Fixed assets including premises	-	-
Other assets	1,479,791,593	628,358,887
Non-banking assets	-	-
Total Assets	3,123,354,594	2,119,815,064
LIABILITIES AND CAPITAL		
Liabilities:		
Placement from banks and other financial institutions	-	-
Deposits and Other Accounts:		
Al-wadeeah Current Accounts and Other Deposit Accounts	136,461,475	125,867,621
Mudaraba Savings Deposits	335,749,979	341,466,534
Mudaraba Term Deposits	2,615,324,555	1,613,247,529
Other Mudaraba Deposits	-	-
Bills Payable	-	297,953
	3,087,536,009	2,080,879,637
Other Liabilities	35,818,585	38,935,427
Total Liabilities	3,123,354,594	2,119,815,064

Profit and Loss Account of Islamic Banking Division

For the year ended 31 December 2012

	2012 Taka	2011 Taka
Investment Income	170,012,995	101,347,078
Profit paid on deposits	269,461,570	140,332,497
Net Investment Income	(99,448,575)	(38,985,419)
Income from investments in Shares/Securities	19,990,582	9,793,960
Commission, exchange and brokerage	18,648,060	15,007,734
Other operating income	5,626,997	5,260,207
	44,265,639	30,061,901
Total Operating Income	(55,182,936)	(8,923,518)
Salaries and Allowances	1,032,690	1,374,220
Rent, Taxes, Insurance, Electricity, etc.	10,000	-
Legal expenses	-	6,800
Postage, Stamps, Telecommunications, etc.	46,868	23,976
Stationery, Printing, Advertisement etc.	-	-
Chief Executive's Salary & Fees	-	-
Directors' Fees and Expenses	-	-
Shariah Supervisory Committee's Fees and Expenses	-	14,400
Auditors' Fees	-	-
Changes in Investment Losses	-	-
Depreciation and Repair to Bank's Assets	-	-
Zakat Expenses	-	-
Other Expenses	-	-
Total Operating Expenses	1,089,558	1,419,396
Profit Before Provision	(56,272,494)	(10,342,914)



Cash Flow Statements of Islamic Banking Division

For the year ended as of 31 December 2012

	2012 Taka	2011 Taka
A. Cash flow from operating activities		
Interest/Investment Income received in cash	169,425,773	101,347,078
Interest/Profit paid on Deposits	(269,461,570)	(140,332,497)
Dividend Receipts	514,120	1,015,000
Fees and Commission receipts in cash	-	-
Recoveries of written off Loans/Investments	-	-
Cash Paid to Employees	(1,032,690)	(1,374,220)
Cash Paid to Suppliers	-	-
Income Taxes Paid	-	-
Received from other Operating Activities	43,751,519	29,046,901
Payments for other Operating Activities	(1,089,558)	(1,419,396)
Operating Profit before changes in Operating Assets and Liabilities	(57,892,406)	(11,717,134)
Increase/(Decrease) in operating assets & liabilities		
Statutory Deposits	-	-
Net Investment in Trading Securities	57,564,170	5,041,258
Loan & Advance/Investments to other Banks	-	-
Loan & advance/Investments to customers	(6,801,226)	(447,016,615)
Other Assets	(793,540,300)	(275,229,166)
Deposits from other Banks	-	-
Deposits from Customers	1,006,656,372	784,562,677
Other Liabilities Account of Customers	-	-
Trading Liabilities	-	-
Other liabilities	(3,116,842)	22,190,395
Net Cash Flow from Operating Activities (A)	202,869,768	77,831,415
B. Cash flow from investing activities		
Proceeds from Sale of Securities	-	-
Payments for Purchase of Government Securities	(50,000,000)	(20,000,000)
Purchase of Property, Plant & Equipment	-	1,843,149
Purchase of Intangible Assets	-	-
Sale of Property, Plant & Equipment	-	-
Net Cash used In investing Activities (B)	(50,000,000)	(18,156,851)
C. Cash flow from financing activities		
Increase/(Decrease) in Borrowing:	-	-
Call loan	-	-
Other borrowings	-	-
Share Capital A/c	-	-
Share Premium A/c	-	-
Net cash from financing activities (C)	-	-
D. Net Increase in Cash and Cash Equivalent (A+B+C)	152,869,768	59,674,564
E. Effects of Exchange Rate Changes on Cash and Cash Equivalents	-	-
F. Opening Cash and Cash Equivalent	155,774,564	96,100,000
Cash and Cash Equivalents at End of Period (D+E+F)	308,644,332	155,774,564



মুঠোফোনে আমার ব্যাংক

৪ জুলাই ২০১০, বাংলাদেশ ব্যাংকের অনুমোদন লাভের পর শুরু হয় ট্রাস্ট ব্যাংক মোবাইল মানির যাত্রা। বর্তমানে ১২০০টির অধিক পে-পয়েন্টের মাধ্যমে দেশব্যাপী সেবা দিয়ে চলেছে অগণিত মানুষকে।

ট্রাস্ট ব্যাংক মোবাইল মানি-র সেবাসমূহ : টাকা জমা ও ওঠানো । ফাউ ট্রাসফার (একাউন্ট থেকে একাউন্ট, ব্যক্তি থেকে ব্যবসায়িক প্রতিষ্ঠান ও সরকারি কোষাগারে, সরকার থেকে ব্যক্তির একাউন্টে) । রেমিট্যান্স । মোবাইল এয়ারটাইম বিজ্ঞপ্তি । ইউটিলিটি বিল । টিউশন ফি । পণ্য ও সেবা ক্রয়-বিক্রয় । ইন্স্যুরেন্স প্রিমিয়াম । ঋণের কিস্তি । ই-টিকেটিং । কর্পোরেট ও শিল্প প্রতিষ্ঠানের বেতন । সরকারি ভাতা (বিধবা ভাতা, মুক্তিযোদ্ধা ভাতা, কৃষি ভর্তুকি, বয়স্ক ভাতা, অবসর ভাতা)

যেসব স্থানে সেবাসমূহ পাওয়া যাবে : ট্রাস্ট ব্যাংক অনুমোদিত পে-পয়েন্ট/মার্শেট/এমএনও এজেন্ট ট্রাস্ট ব্যাংকের যেকোনো শাখা

বিস্তারিত জানতে যোগাযোগ করুন : ০৯৬৭৮০১৬২০১, ৮৭১২৯৬৬

www.trustbank.com.bd TrustBank.MobileMoney



ব্যাংকিং



ট্রাসফার



চাকরোতট্রি



লেদেদে



ট্রাস্ট ব্যাংক
সবসময়, সবখানে, সবাইর জন্য



The background of the page is a light green color with several darker green, wavy, flowing lines that sweep across the page from the top left towards the bottom right, creating a sense of movement and organic growth.

Auditors' Report & Financial Statements of 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 December 31, 2012 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 December 31, 2012 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 Rules 1987, 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
March 24, 2013


A. Qasem & Co.
Chartered Accountants

Trust Bank Investment Limited
Balance Sheet
As of 31 December 2012

	Notes	31.12.2012 Taka	31.12.2011 Taka
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)		-	-
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		-	-
Balance with other banks and financial institutions	4		
In Bangladesh		12,567,283	24,100,421
Outside Bangladesh		-	-
		12,567,283	24,100,421
Money at call and short notice	5	-	-
Investments	6		
Government		-	-
Others		53,641,399	10,654,232
		53,641,399	10,654,232
Loans and Advances	7		
Loan to Investors		4,485,987,220	4,396,869,273
Other Loan		-	-
		4,485,987,220	4,396,869,273
Fixed assets including premises, furniture and fixtures	8	17,189,137	18,413,920
Other assets	9	24,614,099	40,821,912
Non-banking assets	10	-	-
Total Assets:		4,593,999,138	4,490,859,758
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings	11	505,001,924	652,932,481
Deposits and other accounts	12		
Deposit from Investors		78,239,553	134,635,665
Other Deposits		-	-
		78,239,553	134,635,665
Other liabilities	13	673,867,364	366,401,315
Total Liabilities		1,257,108,841	1,153,969,461
Capital/Shareholders' Equity			
Paid up Capital	14.2	3,000,000,000	3,000,000,000
Share Premium Account		-	-
Statutory Reserve	15	-	-
Other Reserve	16	-	-
Retained Earnings	17	336,890,297	336,890,297
Total Shareholders' Equity		3,336,890,297	3,336,890,297
Total Liabilities and Shareholders' Equity		4,593,999,138	4,490,859,758



OFF-BALANCE SHEET ITEMS

Contingent Liabilities:

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

Other Contingent Liabilities

Value of travelers' cheques in hand

Total:

Other commitments:

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

Total Off-Balance Sheet items including contingent liabilities:

Notes	31.12.2012 Taka	31.12.2011 Taka
18		
	-	-
	590,098,500	-
	-	-
	-	-
	590,098,500	-
	-	-
	-	-
	590,098,500	-
	-	-
	-	-
	-	-
	-	-
	590,098,500	-

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


Vice Chairman

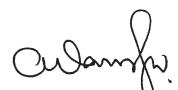

Director


Director


Managing Director

Signed as per annexed report on even date

Dated: Dhaka
March 24, 2013


A. Qasem & Co.
Chartered Accountants

Trust Bank Investment Limited
Profit and Loss Account
For the period ended as on 31 December 2012

	Notes	31.12.2012 Taka	31.12.2011 Taka
Interest income	20	700,220,868	645,549,144
Interest paid on deposits and borrowings etc.	21	77,307,741	152,647,914
Net interest income		622,913,127	492,901,230
Income from investments	22	7,005,174	155,491
Commission, exchange and brokerage	23	1,453,704	699,079
Other operating income	24	125,078,665	247,959,365
		133,537,543	248,813,935
Total operating income		756,450,670	741,715,165
Salaries and allowances	25	49,065,109	35,528,366
Rent, taxes, insurance, electricity, etc.	26	11,526,583	14,686,113
Postage, stamps, telecommunications, etc.	27	2,388,266	2,239,100
Stationery, printing, advertisement etc.	28	764,842	1,416,925
Managing Director's salary and benefits		6,733,260	4,888,990
Directors' fees	29	240,000	213,000
Auditors' fee		156,750	201,250
Depreciation and repair of bank's assets	30	3,826,340	6,616,815
Other expenses	31	10,996,961	29,812,653
Total operating expenses		85,698,111	95,603,212
Profit before provision		670,752,559	646,111,953
Provision for loans & advances	32	404,402,540	47,026,242
Provision for diminution in value of investment	33	8,225,826	426,232
Other provision	34	-	-
		412,628,366	47,452,474
Total Profit before Taxes		258,124,193	598,659,479
Provision for Taxation			
Current tax	13.2.1	258,711,885	281,431,931
Deferred tax		(587,692)	-
		258,124,193	281,431,931
Net Profit after Taxation		-	317,227,548
Appropriations:			
Statutory Reserve		-	-
General Reserve		-	-
		-	-
Retained surplus		-	317,227,548
Earning per share (EPS)	35	-	10.57

The annexed notes form an integral part of the Profit & Loss Account.


Vice Chairman

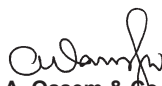

Director


Director


Managing Director

Signed as per annexed report on even date

Dated: Dhaka
March 24, 2013


A. Qasem & Co.
Chartered Accountants



Trust Bank Investment Limited
Cash Flow Statements
For the period ended as on 31 December 2012

	Notes	31.12.2012 Taka	31.12.2011 Taka
A. Cash flow from operating activities			
Interest received in cash		700,220,868	645,549,144
Interest payments		(77,307,741)	(152,647,914)
Fees and commission receipts in cash		1,453,704	699,079
Cash paid to employees		(58,210,369)	(38,317,356)
Cash paid to suppliers		(714,723)	(460,108)
Income Taxes paid		(355,081,413)	(56,261,301)
Received from other operating activities (item-wise)	36	132,083,839	248,001,867
Payments for other operating activities (item-wise)	37	(25,887,443)	(49,990,115)
Operating profit before changes in operating Assets and Liabilities		316,556,722	596,573,296
Increase/(Decrease) in operating assets & liabilities			
Net Investment in trading securities		(42,987,167)	(10,654,232)
Loan & advance to customers		(89,117,947)	(305,754,927)
Other assets (item-wise)	38	16,771,797	64,404,159
Deposits from customers		(56,396,112)	(431,047,983)
Other liabilities (item-wise)	39	(6,380,789)	(32,087,272)
Net cash from operating activities (A)		138,446,504	(118,566,959)
B. Cash flow from investing activities			
Purchase of property, plant & equipment		(2,049,085)	(9,374,156)
Sale of property, plant & equipment		-	4,943,332
Net cash from investing activities (B)		(2,049,085)	(4,430,824)
C. Cash flow from financing activities			
Increase/(Decrease) in Borrowing:		-	-
Other borrowings		(147,930,557)	(473,975,133)
Net cash from financing activities (C)		(147,930,557)	(473,975,133)
D. Net increase in Cash and Cash Equivalent (A+B+C)		(11,533,138)	(596,972,916)
E. Effects of exchange rate changes on cash and cash equivalents		-	-
F. Opening Cash and Cash Equivalent		24,100,421	621,073,337
G. Cash and cash equivalents at end of year (D+E+F)	40	12,567,283	24,100,421

Trust Bank Investment Limited

Statement of changes in Equity

For the period as at 31 December 2012

Particulars	Paid up Capital	Statutory Reserve	Other Reserve	Retained Earnings	Total
	Figure in Tk				
Balance as at 1 January 2012	3,000,000,000	-	-	336,890,297	3,336,890,297
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	-	-	-	-	-
Balance as at 31 December 2012	3,000,000,000	-	-	336,890,297	3,336,890,297



Trust Bank Investment Limited
Liquidity Statement
(Asset and Liability Maturity Analysis)
As at 31 December 2012

Particulars	Up to 01 Month	1-3 Months	3-12 Months	1-5 Years	More than 5 Years	Total
<u>Assets:</u>						
Cash in Hand	-	-	-	-	-	-
Balance with Bangladesh Bank and Sonali Bank	-	-	-	-	-	-
Balance with other banks and financial institutions	12,567,283	-	-	-	-	12,567,283
Investments	53,641,399	-	-	-	-	53,641,399
Loans and Advances	448,598,722	672,898,083	1,121,496,805	2,242,993,610	-	4,485,987,220
Fixed Assets including premises, furniture and fixtures	2,594,296	4,021,159	5,188,592	2,594,296	2,790,794	17,189,137
Other assets	16,119,814	460	4,167	-	8,489,658	24,614,099
Non-banking assets	-	-	-	-	-	-
Total Assets	533,521,514	676,919,702	1,126,689,564	2,245,587,906	11,280,452	4,593,999,138
<u>Liabilities:</u>						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	505,001,924	-	-	-	-	505,001,924
Deposits	78,239,553	-	-	-	-	78,239,553
Other accounts	-	-	-	-	-	-
Provision and other liabilities	1,133,789	10,552,927	169,840,724	492,339,925	-	673,867,364
Total Liabilities	584,375,266	10,552,927	169,840,724	492,339,925	-	1,257,108,841
Net Liquidity Gap	(50,853,752)	666,366,775	956,848,840	1,753,247,981	11,280,452	3,336,890,297

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 2012

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 @ 42.50% on business income, @ 20% on dividend income and @ 10% on capital gain on sale of shares, after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance 1984 and time to time amendment to issue different S.R.O and circular issued by the N.B.R.

2.4 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:

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

Name of BAS	BAS No.	Status
Disclosures in the Financial Statements of Banks and similar Financial Institutions	30	Applied
Interest in Joint Ventures	31	N/A
Earnings per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied
Investment Property	40	Applied
Agriculture	41	N/A
Name of BFRS	BFRS No.	Status
Share-based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-current assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	N/A
Operating Segments	8	N/A

2.11 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.

	31.12.2012 Taka	31.12.2011 Taka
3 CASH		
3.1 Cash in hand		
In local currency	-	-
In foreign currencies	-	-
	-	-
4 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS		
In Bangladesh		
Special Notice Deposits		
Trust Bank Limited	12,567,283	24,100,421
	12,567,283	24,100,421
Outside Bangladesh	-	-
	12,567,283	24,100,421
4.1 Remaining maturity grouping of balance with other banks and financial institutions		
On demand	-	-
Upto 1 month	12,567,283	24,100,421
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	-	-
	12,567,283	24,100,421



	31.12.2012 Taka	31.12.2011 Taka
5 MONEY AT CALL AND SHORT NOTICE	-	-
6 INVESTMENTS	-	-
Government Securities	-	-
Other Investments	-	-
Ordinary Shares	53,641,399	10,654,232
Quoted	-	-
Unquoted	-	-
	53,641,399	10,654,232
	53,641,399	10,654,232
6.1 Remaining maturity grouping of Investments		
On demand	-	-
Upto 1 month	53,641,399	10,654,232
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	-	-
	53,641,399	10,654,232
7 LOANS AND ADVANCES		
Loans and Advances		
Loan to Investors	4,485,987,220	4,396,869,273
	4,485,987,220	4,396,869,273
7.1 Residual maturity grouping of Loans and Advances		
Repayable on demand	-	-
Upto 1 month	4,485,987,220	4,396,869,273
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	-	-
	4,485,987,220	4,396,869,273
7.2 Loans and Advances		
Inside Bangladesh		
Loans	4,485,987,220	4,396,869,273
Cash Credit	-	-
Overdraft	-	-
Bills purchased and discounted	-	-
	4,485,987,220	4,396,869,273
Outside Bangladesh	-	-
	4,485,987,220	4,396,869,273
7.3 Loans and Advances on the basis of significant concentration		
7.3.1 Advances to Directors and Others		
Advance to Directors and their allied concerns	-	-
Advances to CEO and Senior Executives	-	-
Advances to Customers (Group wise)	-	-
Others Loan	4,485,987,220	4,396,869,273
	4,485,987,220	4,396,869,273

		31.12.2012 Taka	31.12.2011 Taka
7.3.2 Geographical location-wise concentration of Loans and Advances			
Inside Bangladesh			
Dhaka Division		4,485,987,220	4,396,869,273
Chittagong Division		-	-
Khulna Division		-	-
Sylhet Division		-	-
Barisal Division		-	-
Rangpur Division		-	-
Rajshahi Division		-	-
		4,485,987,220	4,396,869,273
Outside Bangladesh		-	-
		4,485,987,220	4,396,869,273
7.4 Classification of Loans and Advances including Bills Purchased and Discounted			
a Unclassified Loans and Advances (including staff loan)		4,485,987,220	4,396,869,273
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		-	-
		-	-
		4,485,987,220	4,396,869,273
8 FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES			
Cost			
Furniture and fixtures		2,568,258	2,250,683
Office equipment		9,678,773	9,367,873
Office renovation		11,689,540	10,268,930
		23,936,571	21,887,486
Less: Accumulated depreciation		6,747,434	3,473,566
		17,189,137	18,413,920
For details please refer to Annexure - A			
9 OTHER ASSETS			
i) Stationery, stamps, printing materials in stock etc.;		690	7,730
ii) Advance Rent and Advertisement		7,678,974	15,530,345
iii) Security Deposits		222,992	22,992
iv) Others	9.1	16,711,443	25,260,845
		24,614,099	40,821,912
9.1 Others			
Intangible Assets		4,167	20,835
Deferred Tax Asset	9.1.1	587,692	-
Brokers Account		66	76
Sundry Debtors		16,119,518	25,239,934
		16,711,443	25,260,845
Deferred Tax Asset			
Balance as on 01 January		-	-
Addition during the year		587,692	-
Closing Balance		587,692	-



		31.12.2012 Taka	31.12.2011 Taka		
9.1.1	To maintain the deferred tax Asset of Tk. 587,692 as on 31 December 2012, a deferred tax Income of Tk. 322,020 has been made during the year ended 31 December 2012 as per BAS-12 -Income Taxes.				
9.2	Break-up of Other Assets				
	Income generating other assets	-	-		
	Non income generating other asset	24,614,099	40,821,912		
		24,614,099	40,821,912		
10	NON BANKING ASSET	-	-		
11	BORROWINGS				
	In Bangladesh				
	Borrowing from Trust Bank Limited	505,001,924	652,932,481		
		505,001,924	652,932,481		
	Outside Bangladesh	-	-		
		505,001,924	652,932,481		
11.1	Security wise borrowings				
	Secured Borrowings	505,001,924	652,932,481		
	Unsecured Borrowings	-	-		
		505,001,924	652,932,481		
11.2	Repayment nature wise borrowings				
	Repayment on Demand	-	-		
	Others	505,001,924	652,932,481		
		505,001,924	652,932,481		
11.3	Remaining maturity grouping of Borrowings from other banks, financial institutions and agents				
	Payable				
	On demand	-	-		
	Upto 1 month	505,001,924	652,932,481		
	Over 1 month but within 3 months	-	-		
	Over 3 months but within 1 Year	-	-		
	Over 1 Year but within 5 Years	-	-		
	Over 5 Years	-	-		
		505,001,924	652,932,481		
12	DEPOSITS AND OTHER ACCOUNTS				
	Current and Other Accounts	78,239,553	134,635,665		
		78,239,553	134,635,665		
12.1	Remaining maturity grouping of Deposits and other accounts				
	<table><tr><th>Banks</th><th>Other than Banks</th></tr></table>	Banks	Other than Banks		
Banks	Other than Banks				
	-	-	-		
	-	78,239,553	78,239,553		
	-	-	134,635,665		
	-	-	-		
	-	-	-		
	-	-	-		
	-	78,239,553	78,239,553		
	-	-	565,683,648		
	-	-	-		
	-	78,239,553	78,239,553		
	-	-	565,683,648		

		31.12.2011 Taka	31.12.2011 Taka
12.2 Unclaimed Deposits for 10 Years and Above		-	-
13 OTHER LIABILITIES			
Provision for Loans and Advances	13.1	492,339,925	87,937,385
Provision for Investment		8,652,058	426,232
Provision for Gratuity		-	2,412,000
Provision for Income Tax Less Advance Income Tax	13.2	164,898,465	261,267,993
Accrued Expenses		7,603,475	10,100,513
Audit Fees Payable		172,500	172,500
Sundry Creditors		-	3,965,250
Others		200,941	119,442
		673,867,364	366,401,315
13.1 Provision for Loans and Advances			
Specific Provision			
Against Classified Loans & Advances		-	-
General Provision			
Against Unclassified Loans & Advances	13.1.1	492,339,925	87,937,385
Against Special Mention Accounts		-	-
Against Off Balance Sheet Exposures		-	-
		492,339,925	87,937,385
		492,339,925	87,937,385
13.1.1 Against Unclassified Loans & Advances			
Provision held on 01 January		87,937,385	40,911,143
Provisions made during the year		404,402,540	47,026,242
Provision held at end of year		492,339,925	87,937,385

13.1.1.1 As of reporting date, negative equity against Loans and Advances of the Company stood at Tk. 577,545,219 out of which an aggregate amount of Tk. 492,339,925 has been made as provision against such negative equity.

13.2 Provision for Income Tax Less Advance Income Tax			
Provision for Income Tax			
Balance on 01 January		317,776,266	36,344,335
Provisions made during the year		258,711,885	281,431,931
Provision made for previous year(s)		-	-
Settlement for previous year(s)		(41,355,642)	-
		535,132,509	317,776,266
Less: Advance Income Tax			
Balance on 01 January		56,508,273	246,972
Paid during the year		355,081,413	56,261,301
Settlement for previous year(s)		(41,355,642)	-
		370,234,044	56,508,273
Net Closing Balance		164,898,465	261,267,993

13.2.1 Provision for current tax of Tk. 258,711,885 has been made @ 42.50% 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.



		31.12.2012 Taka	31.12.2011 Taka
14 CAPITAL			
14.1 Authorized Capital			
50,000,000 Ordinary shares of Tk. 100 each		5,000,000,000	5,000,000,000
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 shares subscribed		
Trust Bank Limited represented by General			
Iqbal Karim Bhuiyan, psc	29,999,993	2,999,999,300	2,999,999,300
Maj Gen Ashraf Abdullah Yussuf, rcds, afwc, psc	1	100	100
Brig Gen Tushar Kanti Chakma, ndc, psc	1	100	100
Brig Gen KARM Mostafa Kamal, ndc, psc	1	100	100
Mr. Helal Uddin Ahmed	1	100	100
Mr. M Shah Alam Sarwar	1	100	100
Mr. M. M. Haikal Hashmi	1	100	100
Mr. A. Z. Hedayetul Islam	1	100	100
Total	30,000,000	3,000,000,000	3,000,000,000

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%
Total	3,000,000,000	100.00%

14.5 Shareholding Range on the basis of shareholdings as on 31 December 2012

Shareholding Range			No. of Sh. Holders	Number of 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	-	-

	31.12.2012 Taka	31.12.2011 Taka
17 RETAINED EARNINGS		
Opening Balance	336,890,297	19,662,749
Adjustment of Deferred Tax	-	-
	336,890,297	19,662,749
Net Profit for the year transferred from Profit and Loss Account	-	317,227,548
Less: Issue of Bonus Share	-	-
Less: Transferred to Statutory Reserve	-	-
	-	317,227,548
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	590,098,500	-
	590,098,500	-
19 INCOME STATEMENTS		
Income:		
Interest/Profit, discount and similar income	700,220,868	645,549,144
Fees, commission and brokerage	1,453,704	699,079
Gains less losses arising from investment securities	7,005,174	155,491
Other operating income	125,078,665	247,959,365
	833,758,411	894,363,079
Expenses:		
Interest / profit paid on deposits, borrowings etc,	77,307,741	152,647,914
Administrative expenses	70,874,810	59,173,744
Other operating expenses	14,270,829	33,824,434
Depreciation on banking assets	552,472	2,605,034
	163,005,852	248,251,126
	670,752,559	646,111,953
20 INTEREST INCOME		
Interest from Loans and Advances		
Interest on Other Loans	700,220,868	645,501,905
	700,220,868	645,501,905
Interest from Banks and Other Financial Institutions		
Interest on Special Notice Deposits	-	47,239
	-	47,239
	700,220,868	645,549,144
21 INTEREST PAID ON DEPOSITS AND BORROWINGS		
Interest paid on deposits		
Interest on TBIL Depositors Account	1,456,495	3,300,308
	1,456,495	3,300,308
Interest paid on borrowings		
Interest on Other Borrowings	75,851,246	149,347,606
	75,851,246	149,347,606
	77,307,741	152,647,914
22 INCOME FROM INVESTMENTS	7,005,174	155,491
	7,005,174	155,491



		31.12.2012 Taka	31.12.2011 Taka
23	Commission on		
	Introductory Commission	313,604	335,329
	Manager to the Issue Commission	100,000	
	Underwriting Commission	1,040,100	363,750
		1,453,704	699,079
	Foreign Currency Exchange Gain	-	-
		1,453,704	699,079
24	OTHER OPERATING INCOME		
	Documentation Charges	31,960	(271,920)
	BO Account Transaction Fees	-	12,449,454
	Account Maintenance Fee	1,398,750	-
	Notice Pay	121,500	-
	Port Folio Management Fees	82,051,984	114,758,176
	Port Folio Transaction Fees	37,182,726	110,067,013
	Other Service Charges	4,291,745	10,363,901
	Profit on sale of Fixed Asset	-	112,989
	Miscellaneous Earnings	-	479,752
		125,078,665	247,959,365
25	Salaries and allowances		
	Basic Salary	13,011,994	12,352,115
	House Rent Allowances	6,505,996	6,176,058
	Conveyance Allowances	656,157	750,381
	Medical Allowances	2,858,119	3,085,885
	Leave Fare Assistances	1,251,257	1,327,542
	Leave Encashment	25,700	259,050
	Utility Allowances	183,000	180,387
	Telephone Allowance	19,200	13,600
	Club Membership Allowance	66,000	57,516
	Festival Bonus	2,343,000	2,223,538
	Incentive Bonus	4,603,577	5,817,250
	Employer's Contribution to Provident Fund	1,296,709	1,185,044
	Employer's Contribution to Employees' Gratuity Fund	16,244,400	2,100,000
		49,065,109	35,528,366
26	RENT, TAXES, INSURANCE, ELECTRICITY, ETC.		
	Rent	9,912,459	9,785,630
	Electricity and Lighting	920,000	936,333
	Insurance	87,534	134,680
	Rates, Taxes & Excise Duty	17,700	65,000
	Fees & Renewals	372,575	3,348,076
	Generator Fuel	150,000	330,243
	Gas/Water Bill	66,315	86,151
		11,526,583	14,686,113
27	POSTAGE, STAMPS, TELECOMMUNICATION, ETC.		
	Stamp	15,770	5,460
	Online Expenses	1,926,759	1,525,000
	Internet Charge	186,013	138,000
	Postage Charge	20,314	30,670
	Telegram, Telex, Telephone, Trunk Call etc.	239,410	539,970
		2,388,266	2,239,100
28	STATIONERY, PRINTING, ADVERTISEMENT, ETC.		
	Printing and Stationery	721,763	798,828
	Publicity and Advertisement	43,079	618,097
		764,842	1,416,925

	31.12.2012 Taka	31.12.2011 Taka
29 DIRECTORS' FEES		
Meeting fees @ Taka 3,000 per Director	240,000	213,000
	240,000	213,000
30 Depreciation and repair of bank's assets		
Depreciation		
Fixed assets	3,273,868	4,011,781
For details please refer to Annexure - A		
Repairs		
Furniture and fixtures	21,570	-
Office equipment	51,742	147,829
Company's vehicles	-	1,174,155
Maintenance	479,160	1,283,050
	552,472	2,605,034
	3,826,340	6,616,815
31 OTHER EXPENSES		
Travelling Expense	19,629	17,222
Training Expense	1,750	17,000
Utility & Service Charge	59,798	665,686
Conveyance	160,855	182,435
Entertainment	373,178	441,641
Bank charges	12,040	32,387
Car Expenses	4,780,959	-
News Paper and Periodicals	42,357	30,861
Books and Periodicals	930	1,200
Other Contractual Service	3,506,998	3,257,736
Internship Allowances	24,000	56,000
Up Keep of Office Premises	350,749	355,978
Washing Charges	10,430	10,775
CDBL Charge	1,584,588	23,989,600
Purchase of Utensils	5,032	5,460
Wages paid to Temporary Employees	-	350,500
Amortization of Intangible Assets	16,668	385,132
Honararium for Banking Diploma	10,000	-
Uniform and Other Apparels	-	13,040
Miscellaneous Expenses	37,000	-
	10,996,961	29,812,653
32 PROVISION FOR LOANS AND ADVANCES /INVESTMENTS		
Specific Provisions-against classified loans & advances	-	-
General Provisions-against un-classified loans & advances	404,402,540	47,026,242
General Provisions-against special mentioned accounts	-	-
	404,402,540	47,026,242
33 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	8,225,826	426,232
- Unquoted	-	-
	8,225,826	426,232
	8,225,826	426,232

Provision for Investment in Share has been made as per DFIM Circular No. 11 dated 23 December 2009 issued by Bangladesh Bank.



	31.12.2012 Taka	31.12.2011 Taka
34 OTHER PROVISION		
General Provision for Off Balance Sheet Exposures	-	-
Provision for Other Assets	-	-
	-	-
35 EARNING PER SHARE (EPS)		
Profit attributable to outstanding ordinary share holders	-	317,227,548
Share Outstanding before right issue		
Share Outstanding as on 1 January	30,000,000	30,000,000
Issue of Bonus Share	-	-
	30,000,000	30,000,000
Earning per Share	-	10.57
36 INCOME RECEIVED FROM OTHER OPERATING ACTIVITIES		
Documentation Charge	31,960	(271,920)
BO Account Transaction Fees	-	12,449,454
Account Maintenance Fee	1,398,750	
Notice Pay	121,500	
Port Folio Management Fees	82,051,984	114,758,176
Port Folio Transaction Fees	37,182,726	110,067,013
Other Service Charge	4,291,745	10,363,901
Income from Investment	7,005,174	155,491
Miscellaneous Earnings	-	479,752
	132,083,839	248,001,867
37 EXPENSES PAID FOR OTHER OPERATING ACTIVITIES		
Travelling Expense	(19,629)	(17,222)
Training Expense	(1,750)	(17,000)
Utility & Service Charge	(59,798)	(665,686)
Conveyance	(160,855)	(182,435)
Entertainment	(373,178)	(441,641)
Bank charges	(12,040)	(32,387)
Car Expenses	(4,780,959)	-
News Paper and Periodicals	(42,357)	(30,861)
Books and Periodicals	(930)	(1,200)
Other Contractual Service	(3,506,998)	(3,257,736)
Internship Allowances	(24,000)	(56,000)
Up Keep of Office Premises	(350,749)	(355,978)
Washing Charges	(10,430)	(10,775)
CDBL Charge	(1,584,588)	(23,989,600)
Purchase of Utensils	(5,032)	(5,460)
Wages paid to Temporary Employees	-	(350,500)
Honararium for Banking Diploma	(10,000)	-
Uniform and Other Apparels	-	(13,040)
Miscellaneous Expenses	(37,000)	-
Publicity and Advertisement	(43,079)	(618,097)
Rent, Taxes, Insurance, Lighting etc.	(11,526,583)	(14,686,113)
Postage, Telegram, Telephone	(2,388,266)	(2,239,100)
Audit Fee	(156,750)	(201,250)
Directors Fee	(240,000)	(213,000)
Repairs and maintenance of Fixed Assets	(552,472)	(2,605,034)
	(25,887,443)	(49,990,115)

	31.12.2012 Taka	31.12.2011 Taka
38 CHANGES IN OTHER OPERATING ASSETS		
Security Deposits	(200,000)	(2,000)
Advance Rent	7,851,371	199,501
Suspense Account	-	3,684,155
Others	9,120,426	60,522,503
	16,771,797	64,404,159
39 CHANGES IN OTHER LIABILITIES		
Sundry Creditors	(3,965,250)	(8,630,455)
Accrued Expense	(2,497,038)	(23,576,259)
Others	81,499	119,442
	(6,380,789)	(32,087,272)
40 CLOSING CASH AND CASH EQUIVALENT		
Balance with Other Bank and Financial Institutions	12,567,283	24,100,421
	12,567,283	24,100,421

41 EXPENDITURE INCURRED FOR EMPLOYEES

Salaries, allowances and benefits

Number of employees at 31 December 2012 was 35; (31 December 2011 was 37) 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 2012

1	General Iqbal Karim Bhuiyan, psc	Chairman	Sena Kalyan Shangstha	Chairman, Board of Trustee	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 Directors	Nominated
			Trust Bank Limited	Chairman, Board of Directors	Nominated
2	Maj Gen Ashraf Abdullah Yussuf, rcds, afwc, psc	Vice Chairman	Sena Kalyan Shangstha	Member, Board of Trustees	Nominated
			Sena Hotel Development Ltd.	Vice Chairman, Board of Directors	Nominated
			Army Welfare Trust	Vice Chairman, Board of Trustees	Nominated
			Trust Bank Limited	Vice Chairman, Board of Directors	Nominated
3	Brig Gen Tushar Kanti Chakma, ndc, psc	Director	Trust Bank Limited	Director, Board of Directors	Nominated
3	Brig Gen K A R M Mostafa Kamal, ndc, psc	Director	Army Welfare Trust	Managing Director, Board of Trustees	Nominated
			Trust Bank Limited	Director, Board of Directors	Nominated
4	Mr. Helal Uddin Ahmed	Depositor and Independent Director	Purbachal Green Enterprise	Director, Board of Directors	Nominated
			Trust Bank Limited	Director, Board of Directors	Nominated
5	Mr. M. M. Haikal Hashmi	Director	Trust Bank Limited	Deputy Managing Director	Nominated
6	Mr. A. Z. Hedaytul Islam	Director	Trust Bank Limited	Senior Executive Vice President	Nominated



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 applicable
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 applicable
h)	Investments in the Securities of Directors and their related concern:	Not applicable

44 FINANCIAL HIGHLIGHTS

As per DFIM Circular # 11, dated 23 December 2009, Financial Highlights of the Company for the year ended on 31 December 2012 has been shown in Annexure - B.


Vice Chairman


Director


Director


Managing Director

Schedule of Fixed Assets

As at 31 December 2012

PARTICULARS	COST				DEPRECIATION				
	Balance on 1 January 2012 Taka	Additions during the period Taka	Disposal/ adjustment during the period Taka	Balance at 31 December 2012 Taka	Balance on 1 January 2012 Taka	Charge for the year Taka	Disposal/ adjustment during the year Taka	Balance at 31 December 2012 Taka	Written Down Value at 31 December 2012 Taka
Furniture and Fixtures	2,250,683	317,575	-	2,568,258	295,705	234,039	-	529,744	2,038,514
Office Equipment	9,367,873	310,900	-	9,678,773	1,983,316	1,868,542	-	3,851,858	5,826,915
Office Renovation	10,268,930	1,420,610	-	11,689,540	1,194,545	1,171,287	-	2,365,832	9,323,708
31 December 2012	21,887,486	2,049,085	-	23,936,571	3,473,566	3,273,868	-	6,747,434	17,189,137
31 December 2011	18,683,352	9,374,156	6,170,022	21,887,486	801,464	4,011,781	1,339,679	3,473,566	18,413,920

SI No	Particulars	Base	31.12.2012	31.12.2011
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	4,593,999,138	4,490,859,758
4	Total Deposits	Taka	78,239,553	134,635,665
5	Total Loans and Advances	Taka	4,485,987,220	4,396,869,273
6	Credit Deposit Ratio	%	5,733.66	3,265.75
7	Profit after tax and provision	Taka	-	317,227,548
8	Provisions kept against classified loan	Taka	-	-
9	Cost of fund	%	-	-
10	Interest earning Assets	Taka	4,552,195,902	4,431,623,926
11	Non-interest earning Assets	Taka	41,803,236	59,235,832
12	Return on Investment (ROI)	%	-	9.51
13	Return on Asset (ROA)	%	-	7.06
14	Income from Investment	Taka	7,005,174	155,491
15	Earning per Share	Taka	-	10.57
16	Net income per Share	Taka	-	10.57
17	Price Earning Ratio	%	-	-
18	Operating Profit	Taka	670,752,559	646,111,953
19	Pre tax Profit	Taka	670,752,559	646,111,953
20	Post Tax Profit	Taka	-	317,227,548
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



Photo Gallery

13th Annual General Meeting



Presence of Board of Directors in 13th Annual General Meeting of the Bank



Hon'ble Chairman of the Bank introducing with the shareholders



Attendance of the hon'ble shareholders at 13th AGM



Members of the Bank delivered their speech in the 13th Annual General Meeting



Members of the Bank delivered their speech in the 13th Annual General Meeting



Members of the Bank delivered their speech in the 13th Annual General Meeting

Training



Closing Ceremony of Advance Training Course organized by TBL in its training academy

CSR



Maj Gen Ashraf Abdullah Yussuf, rcds, afwc, psc, Vice Chairman of the Bank handing over a cheque to TTTI



Maj Gen Ashraf Abdullah Yussuf, rcds, afwc, psc, Vice Chairman of the Bank handing over an Ambulance to a hospital



Maj Gen Ashraf Abdullah Yussuf, rcds, afwc, psc, Vice Chairman of the Bank handing over a microbus to a school of Bangladesh Navy

Celebration



Dr. Hasan Mahmud, MP, Hon'ble Minister for Ministry of Environment and Forest, Government of the People's Republic of Bangladesh delivered his speech to the celebration 1000 Bio-Gas Plant



Bangladesh Bank Governor Dr. Atiur Rahman delivered his speech to the celebration 1000 Bio-Gas Plant



Audience at the Celebration of 1000 Bio-Gas Plant

Seminar



A seminar on SMEs of D-8 economy sponsored by the Bank



Seminar on green banking at Joydebpur Branch



Soccer team of Trust Bank Limited



Mr. Ishtiaque Ahmed Chowdhury, Managing Director & CEO addressed his speech at Town Hall meeting



Gathering at Town Hall meeting



Gathering at the inauguration ceremony of the services of salary notification

Financing



Launching a new loan product "Trust Sukannaya"



Stall of Trust Sukannaya



Project Visit by CRM Team



Textile Mills



RMG Industry



Pharmaceutical Industry

Financing



Ship Industry



RMG Factory Visit by Management Team



Jute Mills



Irrigation project run by Bio Gas, at Ghatail, Tangail

Reward



T Lobby



Mr. Ishtiaque Ahmed Chowdhury, Managing Director & CEO inaugurated T Lobby



Registered Office: Peoples Insurance Bhaban
36 Dilkusha C/A, Dhaka – 1000, Bangladesh
www.trustbank.com.bd

Notice of the 14th Annual General Meeting

Notice is hereby given that the 14th Annual General Meeting of Trust Bank Limited will be held on Thursday, 06 June 2013 at 11.00 a.m. at Army Golf Club, Airport Road, 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 2012 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 2012 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 2013.

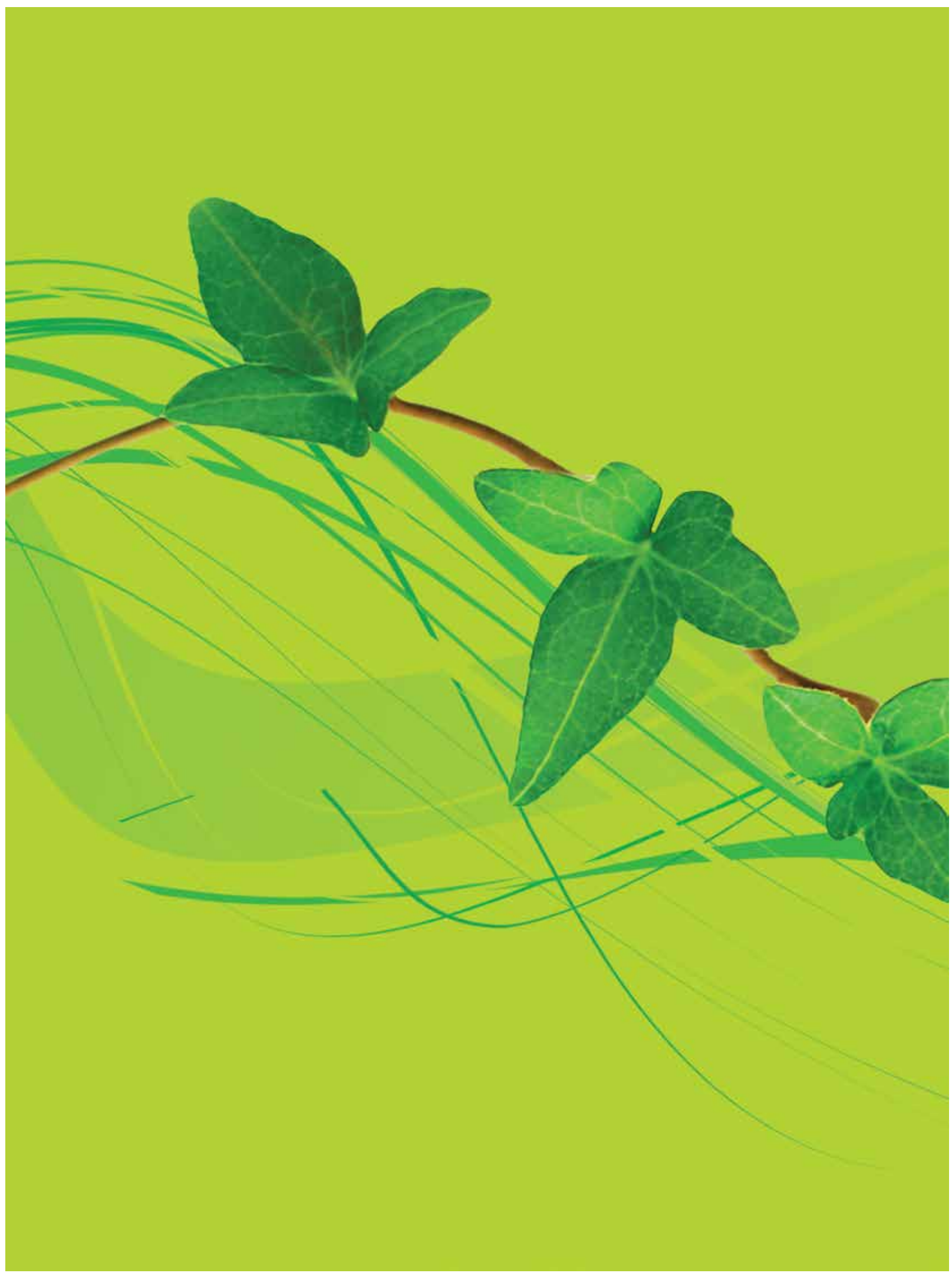
12 May 2013

By order of the Board of Directors
Sd/-
Khaled Mahbub Morshed, FCA
Company Secretary

Notes:

- a) The Record Date of AGM was 9 April 2013. Members' names appearing in the Register of Members of the Company on mentioned Record Date are eligible to attend the meeting and vote thereat.
- b) 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.
- c) The Proxy Form, duly signed by the Member and stamped by the Revenue Stamp of Tk. 10.00 (ten) each, must be submitted at the Registered Office of the Company at any time not less than 72 hours before the time fixed for the meeting.
- d) Attendance Slip and Proxy Form along with the Notice are being sent to the entitled member (Shareholder) by post/courier. These can also be collected, if so required, from the Registered Office or the website of the Bank:
www.trustbank.com.bd





Branch Network



Branch Network

1. Number of Branches & SME Service Centre as on 31 December 2012 : 79 (Seventy Nine)
2. Number of ATM Booths as on 31 December 2012 : 102 (One Hundred & Two)
3. Number of ATM Booths opened in 2012 : 41 (Forty One)
4. Current Branches as on 31 December 2012:

Dhaka Division

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 – 9561721
PABX – 7126157, 7121263
Fax- 7163977

Mymensingh Cantonment Branch

Mymensingh Cantonment,
Mymensingh
Direct- 091-62371

Savar Cantonment Branch

Savar Cantonment, Dhaka
PABX- 7791931, Fax-7791263

Shaheed Salahuddin Cantonment 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
PABX-02- 8828088,
02-8815594,02-9862520,
Direct-02-886594,9886592
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

Bir Sreshtha Shahid Jahangir Gate
Dhaka, Cantonment, Dhaka- 1206
PABX-02-8712076, Fax-8712075
Direct- 8812032, 8812028

Uttara Corporate Branch

House No. 111/a, Road No. 7, Sector-4,
Uttara, Dhaka
PABX-7914658, 7914732
Direct - 7913335, Fax-8922650

Mirpur Branch

Swapnapuri Holding No. 24,
Road 3, Block A, Section 11, Mirpur,
Pallabi, Dhaka
PABX-02-9008310, Direct-02-9008218
Fax-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
PABX - 02-9262853
Direct - 02-9262852, Fax-9262859

Narsingdi Branch

Salam Mansion, Holding-13/9,
Thana-Dist-Narsingdi
Direct -9451684, PABX-9451686
Fax-9451685

Narayangonj Branch

1, Alam Khan Lane, Po+Thana:
Narayangonj, Dist: Narayangonj
Direct-7648282
PABX-7648283, Fax-7648208

Kafrul Branch

Holding - 28, North Kafrul, 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-9816724

Progati Sarani Branch

Ka- 74, Progati Sarani,
Kuril Chowrasta, Dhaka
Fax - 8412258
PABX - 8412258, 8412245

Ashulia Branch

Bhuiyan National Plaza- 1, (1st Floor)
Jamgara Chowrasta, Ashulia, Dhaka
Direct - 7790843
Fax-7790867

Elephant Road Branch

M. R. Mansion (1st Floor) 19, Elephant
Road, Dhaka
Direct - 9614126, 9614127
Fax 9611032

Rajendrapur Cantonment Branch

Holding no 551, Nayanpur, Mirzapur,
Ward no. 02,
Police Station: Gazipur Sadar, District:
Gazipur
PABX - 9201791-2, Fax- 9201790

Khawja Garib Newaz Avenue Branch, Dhaka

Khawja Gharib Newaz Avenue
Sector- 11, Uttara, Dhaka
PABX 7914666, Direct -7914667
Fax-7914668

Banani Branch, Dhaka

Dalta Dahlia Complex (1st Floor)
36, Kamal Ataturk Avenue, Dhaka
PABX- 9863053, 9863107
Fax-9884927

Kishorganj Branch

1st Floor of Hajee Abdul Majid Munshi
Building, Ishakhan Road, Terripathy,
Bara Bazar, Kishoregonj
Direct- 0941-62609, Fax-0941-62615

Bhairab Branch

Ground Floor, Holding # 173,
Kali Bari Road, Bhairab Bazar, Bhairab,
Kishoregonj
Direct-02-9471501, Fax-02-9471500

Keraniganj Branch

1st Floor, Azhar Plaza, Ferry Ghat,
Bus Road, Zinjira, Keraniganj, Dhaka
Direct-7764267, 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
Mob 01755636238

Patuaty Branch

1st Floor, Lucky Mansion,
70/A, Patuaty, Katwali, Dhaka
Mob 01713201661

Chittagong Division**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
PABX-031- 627860, 285235-6
Direct-031-2861718, Fax-2861719

CDA Avenue Branch

Holding No.1837(New), Elite House (1st
and Ground Floor), CDA Avenue,
Chittagong
PABX-031- 2550936-7, 2553091-4
Direct – 031-2550938, Fax -2550939

Halishahar Branch

Holding No.-2030/A, Block –G, Road
No.-3, Plot 2, Bara Pul, Port, Connecting
Road, Chittagong
PABX - 031-2512592
Direct-031-2512593, 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 (C), 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

Rajshahi Division**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
Mob - 07722-72315

Khulna Division**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
Mob-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

Sylhet Division**Jalalabad Cantonment Branch**

Jalalabad Cantonment, Sylhet
Direct- 0821-2872135

Sylhet Corporate Branch

BMA Bhaban, (1st Floor, Basement
Floor), Chouhatta, Kotwali, Sylhet
PABX - 0821-719063
Direct - 0821-727531, Fax - 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
PABX - 0861-62883
Direct - 0861-62981, 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

Rangpur Division**Rangpur Cantonment Branch**

Rangpur Cantonment, Rangpur
Direct - 0521 – 66653
Fax - 67371

Saidpur Branch

Old CMH Complex, Building no-TOI-28,
Bir Sharasto Ruhul Amin Sarani, Saidpur
Cantt, Saidpur
Direct -05526-73631, Fax - 73630

**Bir Uttam Shaheed Mahbub
Cantonment Branch**

Cantonment Board Market,
Bir Uttam Shaheed Mahbub
Cantonment, Dinajpur
Mob-01715954802

Barisal Division**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 Branch**Dhaka Division****Mirer Bazar SME Service center**

Salam Complex, Mirer Bazar Chowrasta
(Tongi Kaligonj Road) Union – Pubail
Thana – Gazipur Sadar, Dist- Gazipur
Direct - 02-9816765, Fax - 9816766

Madhabdi SME Service center

R M Building - 3, Phalpatri Road
Poourasava – Madhabdi
Thana – Madhabdi
Dist- Narsingdi
Direct - 02-9446806, Fax- 9446807

Manikgonj SME/Krishi Branch

1st Floor of Anjoli Super Market
75, Shaheed Rafique Sarak
Kali Bari, Manikgonj
Direct -7711061, 7711058
Fax-7711067

Dholaikhal SME Service center

31/1, Lal Mohan Saha Street
Dholaikhal, Dhaka
Direct - 9571362, Fax- 9571362

Rajshahi Division**Tamai SME Service center**

Protigga Banijjik BhabanUP –Vangabari
Thana – Belkuchi, Dist- Sirajgonj
Direct - 07522-56357

Natore SME/ Krishi Branch

1st Floor of Shahara Plaza, Kanai Khali
Natore Sadar, Natore
Direct - 0771-66889, 66916
Fax- 0771-66942

Sylhet Division**Kazir Bazar SME Service center**

1890, Sheikghat, Sylhet-3100
Direct - 0821-721811
Fax- 0821-721811

Subsidiaries**Trust Bank Investment Limited**

Peoples Insurance Bhaban, 36 Dilkusha C/A, Dhaka 1000
Phone : 02-9572012-13

Trust Bank Securities Limited

Holding - 28, North Kafrul, Dhaka City Corporation
Thana- Kafrul, Dist- Dhaka



Registered Office: Peoples Insurance Bhaban
36 Dilkusha C/A, Dhaka – 1000, 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 14th Annual General Meeting of the Company to
be held on Thursday, 06 June 2013 at 11.00 a.m. at Army Golf Club, Airport Road, Dhaka and at any
adjournment thereof.

As witness my/our hand this day of 2013.

Signature of Member(s)

Signature of PROXY

No. of Shares held

Folio No.	
-----------	--

BO ID No.																	
-----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Revenue
Stamp
Tk.10.00

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 Registered Office 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



Registered Office: Peoples Insurance Bhaban
36 Dilkusha C/A, Dhaka – 1000, Bangladesh
www.trustbank.com.bd

ATTENDANCE SLIP

I do hereby record my attendance at the 14th Annual General Meeting of the Company being held on
Thursday, 06 June 2013 at 11.00 a.m. at Army Golf Club, Airport Road, Dhaka.

Name of the Member/Proxy																	
Folio No.																	
BO ID No.																	
Contact No.																	

Signature of Member/Proxy

Signature verified by

Notes: *Please deposit this Slip at the Reception Desk. Children and non-Members will not be allowed at the meeting.*

Celebration of 1000

BIO-GAS PLANT

Trust Bank's pioneering initiative in Green Banking
with policy support of Bangladesh Bank

Congratulations to thousands of entrepreneurs
who made this journey a success

✓ Rangpur

✓ Sirajganj

✓ Natore

✓ Tangail

✓ Joydebpur

Green Banking

✓ Manikganj

✓ Barisal



 **Trust Bank**
A Bank for Financial Inclusion

ট্রাস্ট ব্যাংক
সবসময়, সবখানে, সবার জন্য



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