

GRAMEEN BANK
Notes to the Financial Statements
As at and for the year ended December 31, 2009

1.00 BACKGROUND

1.01 Legal form of the entity

Grameen Bank was established as a body corporate under the Grameen Bank Ordinance 1983. Initially the authorized capital of the Bank was Tk 100 million and paid-up capital was Tk. 30 million. At present the Bank's authorized capital is Tk. 3,500 million and paid up capital is Tk. 523.95 million. Members hold 96.57 percent of Grameen Bank shares. The remaining 3.43 percent is held by the Government of Bangladesh. The board of the Bank consists of 13 members: the Managing Director, three members including the chairman nominated by the government and nine members elected from the borrower shareholders.

1.02 Nature of business

The principal activity of the Bank is to provide credit without collateral to landless persons for all types of economic activities. The Bank also accepts deposits but excluding business in foreign exchange transactions, carries out survey and research, issue publications and maintaining statistics with a view to improving the economic condition of the landless persons. The Bank undertakes income-generating projects for landless persons, invests its funds in Government Securities and provides professional counseling to landless persons regarding investments in small business and cottage industries. Grameen Bank now operates 40 Zonal Offices, 268 Area Offices and 2,562 Branch Offices. The Bank offers five types of loans such as basic loans, housing loans, higher education loans, young entrepreneur loans and struggling members' loans. Loans & advances and Deposits as at December 31, 2009 were Tk. 56,359,028,995 and 83,330,734,611 respectively. As on December 31, 2009, out of 2,562 branches 1,618 registered profits. The remaining 944 branches were not profitable. However, it should be taken into consideration that during the year the Bank opened 27 new branches.

2.00 RISK MANAGEMENT

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

2.01 Credit Risk

Credit risk arises mainly from micro-credit loan provided to the members of Grameen Bank. This can be described as potential loss arising from the failure of a counter party to perform as contractual agreement with the Bank. The failure may result unwillingness of a counter party or decline in his/her financial condition in adverse environment. Therefore, the Bank's credit risk management activities have been designed to address all these issues.

The officers/executive involved in credit related activities including credit approval, administration, monitoring and recovery facilities are approved by the different level of the management. An effective assessment is done before sanction of credit facilities to the members is done by borrower financial condition, historical performance etc. The process starts at the branch manager and approved by the competent authority. Credit approval authority has been delegated to individual executives by the approval of the board of directors.

Internal audit is conducted in yearical intervals to ensure compliance with the policies of the Bank and regulatory. Loans are classified as per Grameen Bank Loan Policy Guidelines.

2.02 Liquidity Risk

The objective 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. The liquidity management is monitored by the Fund unit on a regular basis.

2.03 Operational Risk

Operational risk may arise from error and fraud due to lack of internal control and compliance. Management through different department controls operational procedures of the Bank. Audit department undertake yearical and special audit of branches and departments of the Head Office for review of the operation and compliance of the statutory requirements. The Managing Director subsequently reviews the report of the audit department and report to the board of directors.

2.04 Internal audit

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

3.00 SIGNIFICANT ACCOUNTING POLICIES

3.01 Basis of preparation and presentation of Financial Statements

The accompanying Financial Statements comprising the Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Comparative Value Added Statement and Notes thereto have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) on a going concern basis under the historical cost convention.

3.02 Basis of consolidation

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

3.03 Tax exemption

Grameen Bank is presently enjoying unconditional tax exemptions of income tax, super tax and business profit tax and it will continue up to December 31, 2010. This is contained in the Ministry of Finance notification vide SRO no. 315/Law/2008 dated November 20, 2008.

3.04 Rehabilitation fund

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

3.05 Net profit

During the year 2009, Grameen Bank has earned net profit amounting to Tk. 37.16 crores while profit for the year 2008 was Tk. 130.47 crores. Profit of 2009 was decreased from the year 2008 due to adverse affects of massive devastation caused by cyclone Ayla and Sidr and implementation of new pay scale of the Bank in the year 2009.

3.06 Profit Appropriation

Government of the People's Republic of Bangladesh permits Grameen Bank unconditioned income tax exemption from July 1, 2008 to December 31, 2010. This is contained in the Ministry of Finance Notification vide SRO no. 315/Law/2008 dated November 20, 2008. Previously Grameen Bank enjoyed income tax exemption from 1997 to 2005 subject to the condition that the Bank will transfer its entire profits to Rehabilitation Fund. During 2009, Bank has made a net profit of Tk. 371,572,904 as per Profit and Loss Account. At present, the condition is waived. The Bank has decided to allocate its profit in the following manner:

Particulars	Amount (Tk.)
Proposed Dividend	157,184,790
Dividend Equalization Fund	50,000,000
General Reserve	100,000,000
Employees Welfare Fund	11,388,114
Retained Surplus	53,000,000
Total:	<u>371,572,904</u>

3.07 Foreign fund

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

3.08 Accruals & deferrals

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

3.09 Reconciliation of inter branch transactions

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

3.10 Cash Flow Statement

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

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

3.11 Liquidity Statement

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

- a. Balance with other Banks and financial institutions, money at call notice of short notice, etc are on their maturity term;
- b. Investments are on the basis of their respective maturity;
- c. Loans and advances/investments are on the basis of their repayment schedule;
- d. Fixed assets are on the base of their useful lives;
- e. Other assets are on the basis of their realization/amortization;
- f. Borrowing from other Banks, financial institutions, agents, etc. are as per as their maturity/repayment terms;

- g. Provisions and other liabilities are on the basis of their payment/adjustment schedule;
- h. Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors.

3.12 Provision for loan impairment

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

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

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

a) Basic loans

Basic loan provision has been made @ 100% on overdue loan;
Basic loan provision has been made @ 1% on regular loan.

b) Flexible loans

Provision has been made on flexible loans at the following rates:
Principal outstanding from the signing of first contract year below 2 years 50%;
Principal outstanding for 2 years and beyond from the signing of first contract year 100%;
Overdue flexible loans 100%.

c) Housing loans (Members)

Housing loan provision has been made @ 100% on overdue loan;
Housing loan provision has been made @ 1% on regular loan.

d) Educational loan

No provision has been made on education loan.

e) Young entrepreneur loan

Young entrepreneur loan provision has been made @ 100% on overdue loan;
Young entrepreneur loan has been made @ 1% on regular loan.

3.13 Overdue Policies

If a borrower misses ten consecutive installments, the entire outstanding loan is treated as an overdue loan; In case of young entrepreneur loan the installment schedule may be weekly, fortnightly and monthly. For the case of fortnightly and monthly installment schedule; if a borrower misses five & three consecutive installments respectively, the entire outstanding loan is treated as an overdue loan;

In case of one year, if a borrower fails to pay half of the loan amount, with interest, within 26 weeks, entire un-repaid amount is due;

In case of loans with longer duration, if the borrower fails to repay the total principle amount and interest scheduled to be repaid within each segment of 26 weeks, entire un-repaid amount is overdue.

3.14 Provision for interest receivable

a) Interest receivable on basic loans:

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

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

b) Interest receivable on flexible loans:

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

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

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

Interest receivable outstanding of overdue loan 100%.

c) Interest receivable on Housing loans (Members)

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

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

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

d) Interest receivable on young entrepreneur loans:

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

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

3.15 Bad debt recovery

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

3.16 Fixed assets

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

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

3.17 Depreciation

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

Property & Equipment	Depreciation Rate
Building and other structures	1.7%
Office House (Semi-Paka and Tin shed)	7.5%
Development of leasehold property	10%
Vehicles	20%
Computer equipment	30%
Office equipment	15%
Electrical equipment	10%
Furniture & fixtures	10%
Library books	10%

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

3.18 Investments

Value of investment is presented below :

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

3.19 Revenue recognition

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

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

3.20 Interest paid and other expenses

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

3.21 Retirement benefits to the employees

a) Grameen Bank Superannuation fund

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

b) Non-contributory provident fund

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

3.22 Comparative Information

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

3.23 Dividend Payments

Dividend payable to the Bank's shareholders is recognized as liability and deducted from the shareholders' equity in the year in which the shareholder's right to receive payment is established. Final dividend is recognized when it is approved by the Board of Directors.

The proposed dividend for the year 2009 has not been recognized as in the balance sheet date in accordance with BAS-10 Events after the Balance Sheet Date.

3.24 Reporting year

These Financial Statements cover one calendar year from January 1, 2009 to December 31, 2009.

3.25 Events after Balance Sheet Date

Grameen Bank has decided to recommend payment of 30% (thirty percent) cash dividend for the year 2009. The Total amount of dividend is Tk. 157,184,790.

3.26 General

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

	2009 Taka	2008 Taka
4.00 BALANCES WITH OTHER BANKS AND FINANCIAL INSTITUTIONS		
On short term deposit accounts	1,233,835,474	1,265,325,953
On current deposit accounts	55,381,529	55,982,104
	<u>1,289,217,003</u>	<u>1,321,308,057</u>
5.00 INVESTMENTS AT COST		
Fixed deposits with other banks (Note 5.01)	37,483,731,641	28,463,304,221
Grameen Mutual Fund-One (Note 5.02)	263,000,000	263,000,000
Share (Note 5.03)	4,000,000	4,000,000
	<u>37,750,731,641</u>	<u>28,730,304,221</u>
5.01 Fixed deposits with other banks		
Southeast Bank Limited	3,957,747,946	2,526,481,548
Prime Bank Limited	1,998,834,097	2,383,977,577
NCC Bank Limited	1,233,363,773	1,791,412,276
Mercantile Bank Limited	2,012,692,102	1,315,704,958
One Bank Limited	1,547,522,798	989,546,697
Dhaka Bank Limited	2,403,536,379	2,686,367,959
EXIM Bank Limited	2,893,314,904	1,949,744,912
First Security Bank Limited	1,183,463,311	765,260,700
Mutual Trust Bank Limited	1,947,534,881	1,191,580,330
Standard Bank Limited	2,018,753,652	1,387,163,120
Premier Bank Limited	1,669,430,467	1,387,891,509
Bank Asia Limited	1,571,210,084	1,420,871,059
Jamuna Bank Limited	1,305,146,767	644,367,323
United Commercial Bank Limited	2,945,716,565	1,657,855,634
Shahjalal Islami Bank Limited	2,086,260,283	1,285,775,694
The City Bank Limited	567,500,000	754,250,000
BRAC Bank Limited	1,675,626,595	1,651,038,825
Arab Bangladesh Bank Limited	1,644,591,637	1,454,274,100
IFIC Bank Limited	530,000,000	-
Trust Bank Limited	1,125,000,000	-
National Bank Limited	520,000,000	120,000,000
Bangladesh Krishi Bank	280,000,000	-
Social Islami Bank Limited	90,000,000	-
Eastern Bank Limited	276,485,400	1,099,740,000
	<u>37,483,731,641</u>	<u>28,463,304,221</u>
5.02	Net investment of Grameen Bank as sole sponsor of Grameen Mutual Fund (GMF)-One (scheme 1 & 2) stands at Tk. 26.30 crore consists of Tk. 0.65 crore of Scheme 1 and Tk. 25.65 crore of Scheme 2. The Scheme 1 & 2 of the fund were listed in both the Stock Exchanges of Dhaka and Chittagong as on 04 September 2005 & 02 September 2008 respectively.	
5.03	04 (Four) shares of Central Depository Bangladesh Limited (CDBL) which were subscribed @ Tk. 1,000,000 each.	
5.04 Maturity grouping of investments		
On demand	-	-
Up to 1 month	5,218,104,463	3,171,185,099
Over 1 month but not more than 3 months	6,747,988,684	4,001,471,962
Over 3 months but not more than 1 year	25,517,638,494	21,290,647,160
Over 1 year but not more than 5 years	263,000,000	263,000,000
Over 5 years	4,000,000	4,000,000
	<u>37,750,731,641</u>	<u>28,730,304,221</u>

	2009 Taka	2008 Taka
6.00 LOANS AND ADVANCES - WITHOUT COLLATERAL		
Loans		
Basic loans	51,067,753,215	41,081,757,428
Flexible loans	1,719,241,664	1,850,429,618
Housing loans (members)	197,573,742	221,953,169
Education loans	1,451,471,991	971,394,140
Social venture capital fund (SVCF) loans	27,892,120	27,896,051
Center house building loan	152,889,469	133,407,884
Loan freeze	667,727	3,713,579
Other loans	24,266,734	24,290,335
Interest free loans	61,565,387	97,264,782
Young entrepreneur loan	14,376,994	-
	54,717,699,043	44,412,106,986
Advances		
Housing loans (staff)	313,511,556	220,036,519
Household commodities loans	481,508,841	463,696,464
Salary advances	31,979	34,832
Bicycle advances	10,550,287	12,827,903
Motor cycle advances	10,672,240	10,641,437
Calculator advances	344,429	591,129
Advances against PF	811,472,384	656,779,934
Medical loans	9,904,569	8,575,111
Staff welfare loans	3,195,867	1,667,569
Life jacket advance	137,800	-
	1,641,329,952	1,374,850,898
	56,359,028,995	45,786,957,884
6.01 Maturity grouping of loans and advances		
Repayable on demand	-	-
Up to 1 month	3,381,541,740	2,849,925,050
Over 1 month but not more than 3 months	7,326,673,769	5,723,371,774
Over 3 months but not more than 1 year	31,561,056,237	25,814,778,233
Over 1 year but not more than 5 years	13,526,166,959	10,939,759,125
Over 5 years	563,590,290	459,123,702
	56,359,028,995	45,786,957,884
7.00 FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES (Cost less accumulated depreciation) (Annexure-A)		
Land	144,728,792	70,658,081
Building & others Structures	896,062,052	811,869,346
Vehicles	48,903,344	55,178,482
Office equipment	25,004,513	27,058,274
Electrical equipment	23,086,618	19,685,050
Furniture & fixtures	125,988,537	122,047,194
Capital work in progress	63,533,584	46,648,527
Computer equipment	6,534,213	10,123,891
	1,333,841,653	1,163,268,845

	2009 Taka	2008 Taka
8.00 OTHER ASSETS		
Interest receivable (Note 8.01)	5,770,640,481	5,327,266,426
Advance income tax for employees	2,560	-
Printing stationery	21,530,420	18,903,683
Office stationery	395,377	207,746
Zone/Area control account	314,420	722,334
Advance income tax (Note 8.02)	201,838,038	201,851,634
Inter-branch adjustments (Note 8.03)	22,676,386	-
Security deposits	557,282	574,862
Prepaid expenses	4,224,951	9,715,554
Advance against travelling	29,542	73,927
Advance against purchases	553,152	949,976
Advance against house rent	2,998,370	2,297,834
Stock & stores (general)	2,514,544	3,024,407
Suspense account (Note 8.04)	218,514,184	114,939,618
Advances to contractors	3,965,721	3,229,440
Advance for disaster	511,795	1,404,219
Workshop	36,161	403,793
Rent and other receivables	13,921,539	7,130,305
Receivable due	-	99,017,176
	<u>6,265,224,923</u>	<u>5,791,712,934</u>
8.01 Interest receivable		
From investments		
Fixed deposits with other banks	1,677,166,916	1,391,669,892
From Lending		
Basic loans	2,807,075,597	2,389,996,829
Flexible loans	975,262,062	1,244,204,645
Housing loans (Members)	42,078,713	77,266,893
Education loans	8,626,804	5,098,803
Other loans	19,561,505	19,570,387
Interest freeze	36,011	115,544
Interest before loan freeze	15,087,549	17,549,336
Young entrepreneur loan	235,618	-
	3,867,963,859	3,753,802,437
From Staff		
Staff loan and advances	68,092,487	54,288,454
Advances against PF	80,431,828	66,415,501
Medical loans	1,549,031	1,253,833
Household commodities loans	75,436,360	59,836,309
	225,509,706	181,794,097
	<u>5,770,640,481</u>	<u>5,327,266,426</u>
8.02 Advance income tax		
Advance income tax represents tax deducted at source by Scheduled Banks and others from the income of Grameen Bank. Grameen Bank is a non-taxable entity as per Grameen Bank Ordinance 1983 but due to late receipts of the exemption orders from Government, Grameen Bank had faced such deduction. The tax deducted as such, at source remains to be refundable.		
8.03 Inter-branch adjustments		
Inter-branch adjustment account balance Tk. 22,676,386 represents outstanding in branch and head Office transactions (Net) originated but not responded at the balance sheet date. However, unadjusted items are being subsequently adjusted.		

	2009 Taka	2008 Taka
8.04 Suspense account		
Most of the amounts relate to purchase of land not yet booked in fixed assets (land).		
8.05 Maturity grouping of other assets		
On demand	-	-
Up to 1 month	125,307,007	102,068,354
Over 1 month but not more than 3 months	751,826,684	711,468,427
Over 3 months but not more than 1 year	1,628,957,814	1,534,436,861
Over 1 year but not more than 5 years	2,756,697,840	2,548,227,778
Over 5 years	<u>1,002,435,578</u>	<u>895,511,514</u>
	<u>6,265,224,923</u>	<u>5,791,712,934</u>

9.00 BORROWINGS FROM BANKS AND OTHER INSTITUTIONS

2% IFAD 239 BA (Note 9.01)	239,917,839	248,190,868
NORAD (Note 9.02)	267,918,176	267,918,176
SIDA (Note 9.03)	238,848,625	238,848,625
Ford Foundation	18,075,066	18,075,066
Dutch Grant Loan (Note 9.04)	44,283,298	44,283,298
Japan Bank of International Co-operation (JBIC) (Note 9.05)	<u>860,117,596</u>	<u>913,902,499</u>
	<u>1,669,160,600</u>	<u>1,731,218,532</u>

9.01 2% IFAD 239 BA

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

9.02 Norwegian Agency for International Development (NORAD)

A subsidiary loan agreement for an amount in Taka equivalent of Norwegian Kroner 55,000,000 was made with Government of the Peoples Republic of Bangladesh on 4th August 1986. The principal loan received in 1986 is repayable with interest rate 2% per annum in March and September each year in 40 equal semiannual installments during a period of 30 years including a grace period of 10 years where the first installment was commenced in March 1997. Upton 31st December 2009, an amount of Tk 157,942,751.76 was repaid into 26 installments in due time and Grameen Bank received the same as revolving loan as per bilateral agreement with the Government.

9.03 Swedish International Development Authority (SIDA)

A subsidiary loan agreement for an amount in Taka equivalent of SEK 60,000,000 was made with Government of the Peoples Republic of Bangladesh on 30th November 1986. The principal loan received in 1986 is repayable with interest rate 2% per annum in March and September each year in 40 equal semiannual installments during a period of 30 years including a grace period of 10 years where the first installment was commenced in March 1997. Upton 31st December 2009, an amount of Tk 147,075,572.62 was repaid into 26 installments in due time and Grameen Bank received the same as revolving loan as per bilateral agreement with the Government.

9.04 Dutch Grant Loan

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

2009
Taka

2008
Taka

9.05 Japan Bank for International Co-operation (JBIC)

A subsidiary loan agreement for an amount of taka equivalent of Yen 2,986,000,000 was executed with the Government of the Peoples Republic of Bangladesh on 7 March 1996. The loan is repayable on 15 March and 15 September each year with the interest rate of 2% per annum in semi annual installments in 30 years including a grace period of 10 years in accordance with amortization schedule, first installments being due on 15 September 2005. Upton 31 December 2009, an amount of Tk. 242,032,065.57 was repaid by 9 (seven) installments in due time. Tk. 393,133,462, Tk. 419,216,041 and Tk. 289,800,159 were received in 1996, 1997 and 1998 respectively.

9.06 Maturity grouping of borrowings from banks and other institutions

Repayable on demand	-	-
Up to 1 month	-	-
Over 1 month but not more than 3 months	31,028,966	31,028,966
Over 3 months but not more than 1 year	62,057,932	62,057,932
Over 1 year but not more than 5 years	310,289,660	310,289,660
Over 5 years	1,265,784,042	1,327,841,974
	1,669,160,600	1,731,218,532

10.00 DEPOSITS AND OTHER FUNDS

Members deposit

Current deposits	20,356,021	23,657,121
Fixed deposit (Note 10.01)	46,964,585	34,906,671
Savings deposit	6,406,462,145	5,631,978,271
Grameen pension scheme-10 years (Note 10.02)	29,904,266,638	22,464,123,262
Double in 7 years deposit (Note 10.03)	2,665,507,202	1,852,350,752
Monthly profit scheme (Note 10.04)	132,572,000	96,118,000
Polly phone deposit	274,596	930,157
Centre welfare fund	596,245,233	557,054,836
Central emergency fund	100,829,920	109,447,299
Loan insurance savings fund	5,140,896,091	4,227,283,109
Grameen pension scheme-5 years	874,733	3,977,640
Share money deposit	-	119,098,600
Young entrepreneur loan insurance savings fund	421,470	-
Higher education loan insurance savings fund	12,874,639	-
	45,028,545,273	35,120,925,718

Non-Members deposit

Current deposit	23,825,395	24,700,219
Short term deposit	26,647	22,526
Fixed deposit	650,045,205	594,868,072
Savings deposit	16,637,010,663	12,949,417,193
Grameen pension scheme-10 years (for staff)	678,122,870	530,807,708
Double in 7 years deposit	17,073,927,191	12,718,231,912
Monthly profit scheme	3,161,886,000	2,600,775,000
Technology project deposit	55,281	63,333
Forestation fund	10,994,205	8,268,270
Grameen pension scheme-5 years (for staff)	358,058	361,391
Employees loan insurance savings fund	65,937,823	54,093,180
	38,302,189,338	29,481,608,804

	2009 Taka	2008 Taka
Other Funds		
Employees welfare fund	122,432,500	103,038,029
Struggling members welfare fund	41,277,918	40,544,445
Award funds	102,603,059	95,320,543
Maintenance reserve	50,981,420	53,139,759
Cafeteria	1,959,945	1,985,416
Leasing insurance fund	5,612,440	5,612,440
Contingency fund (Note 10.05)	292,044,659	244,371,569
Byabosa Bikash risk coverage fund	175,520,490	184,812,408
Loan repaid by Byabosa Bikash	-	81,687,852
Employees loan insurance fund	18,951,448	15,374,969
Loan insurance fund	964,918,765	759,286,802
Animal insurance fund	56,835,850	37,399,927
Grameen Bank disaster relief fund	2,168,884	2,205,884
Members welfare fund	2,319,749	5,859,087
Polly phone risk coverage fund	27,225,683	41,337,258
Revolving fund-special programme	7,974,276	8,197,546
Revolving fund-SIDE	17,830,082	17,791,599
Revolving fund (Note 10.06)	29,884,496	29,884,496
Rehabilitation fund (Note 10.07)	2,026,678,274	1,983,937,652
	<u>3,947,219,938</u>	<u>3,711,787,681</u>
	<u>87,277,954,549</u>	<u>68,314,322,203</u>

10.01 Fixed Deposit

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

10.02 Grameen pension scheme

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

10.03 Double in 7 years deposit

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

10.04 Monthly profit scheme

In 2001, Grameen Bank has introduced a term deposit product named 'Monthly Profit Scheme' with tenure of 5 and 10 years vide its circular no. 2-07/2001 dated 05 March 2001. This deposit scheme is open for both Members & Non-Members with a minimum deposit amount of Tk. 20,000.00. For each amount of Tk. 10,000.00 Grameen Bank pays Tk. 80.00 and Tk. 85.00 per month for 5 and 10 years scheme respectively.

10.05 Contingency fund

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

	2009 Taka	2008 Taka
10.06 Revolving fund		
Revolving fund from GTZ	14,621,090	14,621,090
Revolving fund from KFW	6,729,042	6,729,042
Revolving fund for SVCF	3,708,745	3,708,745
Revolving fund for housing rehabilitation	4,825,619	4,825,619
	<u>29,884,496</u>	<u>29,884,496</u>
10.07 Rehabilitation fund		
Opening Balance	1,983,937,652	2,089,472,215
Payment during the year	(21,223,788)	(166,607,665)
Reimbursement during the year	63,964,410	61,073,102
	<u>2,026,678,274</u>	<u>1,983,937,652</u>
10.08 Maturity grouping of deposits and other funds		
Repayable on demand	-	-
Up to 1 month	3,533,549,380	2,894,539,095
Over 1 month but not more than 3 months	13,085,073,495	10,170,895,376
Over 3 months but not more than 1 year	36,638,171,165	28,669,445,232
Over 1 year but not more than 5 years	23,553,107,891	18,227,274,184
Over 5 years	10,468,052,618	8,352,168,316
	<u>87,277,954,549</u>	<u>68,314,322,203</u>
11.00 OTHER LIABILITIES		
Interest payable on borrowings	9,529,372	9,633,513
Interest sundry	5,988,507	4,493,299
Bills payable	135,323,650	-
PF trustee board-current account	11,741,365	13,552,447
Contributory provident fund	65,963	144,421
Accounts for other institutions (Note 11.01)	7,039,065	5,988,764
GB superannuation fund-current account	931,989,441	303,140,151
Inter-branch adjustments	-	14,607,988
Retention money	5,043,314	2,571,976
Earnest money	3,779,902	5,479,935
Claimable deposits	87,370,294	49,384,227
Unpaid salary	723,009	262,649
VAT deducted at source	219,757	452,452
Sundry receipts	626,182	345,070
Farewell grant provision for daily basis staff	139,939,633	95,546,139
Miscellaneous	254,189,375	291,521,978
Advance house rent	2,137,897	2,286,997
Struggling members programme	18,513,430	13,289,248
Risk fund-Grameen Byabosa Bikash	7,842,996	2,111,527
Risk fund and portion of Grameen Byabosa Bikash	27,306	6,081
Provision reserve for doubtful rents	130,305	130,305
House building revolving fund	441,835	11,933
Young entrepreneur loan risk fund	43,921	-
Higher education loan insurance fund	180,102	-
Provision reserves (Note 11.02)	5,691,773,517	5,503,763,218
	<u>7,314,660,138</u>	<u>6,318,724,318</u>

	2009 Taka	2008 Taka
11.01 Accounts for other institutions		
Grameen Telecom	1,000	1,000
Grameen Fisheries & Livestock Foundation	4,639,277	4,295,627
Grameen Communications	1,926	10,926
Grameen Shikkha	1,661,384	945,733
Grameen Kalyan	730,478	730,478
Grameen Krishi Foundation	4,000	4,000
Grameen Samogree	1,000	1,000
	<u>7,039,065</u>	<u>5,988,764</u>
11.02 Provision reserves		
Total specific provision against loans & advances and interest receivable (11.02.01)	3,645,538,813	3,895,404,754
Total general provision against loans & advances and interest receivable (11.02.02)	2,046,234,704	1,608,358,464
	<u>5,691,773,517</u>	<u>5,503,763,218</u>
11.02.01 Total specific provision against loans & advances and interest receivable		
Specific provision against loans & advances (a)	2,521,553,077	2,597,056,173
Specific provision against interest receivable (b)	1,123,985,736	1,298,348,581
	<u>3,645,538,813</u>	<u>3,895,404,754</u>
a) Specific provision against loans & advances		
Basic and Flexible loans	2,446,983,837	2,516,352,425
Housing loans	23,142,099	43,140,297
Freeze loan (Patuakhali & Pirojpur)	51,427,141	37,563,451
	<u>2,521,553,077</u>	<u>2,597,056,173</u>
b) Specific provision against interest receivable		
Basic and Flexible loans	1,105,426,695	1,261,474,627
Housing loans	18,559,041	36,873,954
	<u>1,123,985,736</u>	<u>1,298,348,581</u>
11.02.02 Total general provision against loans & advances and interest receivable		
Regular Basic loans	518,803,238	415,575,555
Regular Housing loans	163,638,290	163,853,446
Regular young entrepreneur loan	86,916	-
Regular young entrepreneur Interest	1,344	-
Reserve for bad debt recovery	1,363,704,916	1,028,929,463
	<u>2,046,234,704</u>	<u>1,608,358,464</u>
11.03 Maturity grouping of other liabilities		
Repayable on demand	-	-
Up to 1 month	950,905,818	829,435,682
Over 1 month but not more than 3 months	4,517,378	44,873,530
Over 3 months but not more than 1 year	214,492,675	202,395,432
Over 1 year but not more than 5 years	6,144,744,267	5,242,019,674
Over 5 years	-	-
	<u>7,314,660,138</u>	<u>6,318,724,318</u>

	2009 Taka	2008 Taka	
12.00 SHARE CAPITAL			
12.01 Authorized			
35,000,000 ordinary shares of Tk. 100 each	<u>3,500,000,000</u>	<u>3,500,000,000</u>	
As per Grameen Bank Ordinance 1983, Government has increased its authorized capital from Tk. 500 million to Tk. 3,500 million vide Ministry of Finance memo no. 219 dated 31.12.2009.			
12.02 Paid up Capital			
5,239,493 ordinary shares of Tk. 100 each issued for cash	<u>523,949,300</u>	<u>358,000,000</u>	
Shareholders for year ended December 2008	%	No. of Shares	Nominal Value of shares
Government of Bangladesh	2.29%	120,000	12,000,000
Sonali Bank	0.57%	30,000	3,000,000
Bangladesh Krishi Bank	0.57%	30,000	3,000,000
			<u>18,000,000</u>
Borrowers :			
Male	3.35%	175,414	17,541,400
Female	93.22%	4,884,079	488,407,900
Total	<u>100%</u>	<u>5,239,493</u>	<u>523,949,300</u>
			<u>358,000,000</u>
12.03 Capital Adequacy Ratio			
Tire-I (Core capital)			
Paid up capital		523,949,300	358,000,000
Capital & other reserves		6,057,533,668	5,969,437,278
Retained surplus		<u>162,000,000</u>	<u>109,000,000</u>
		<u>6,743,482,968</u>	<u>6,436,437,278</u>
Tire-II (Supplementary capital)			
General provision		2,046,234,704	1,608,358,464
Total capital (A)		<u>8,789,717,672</u>	<u>8,044,795,742</u>
Total assets		103,005,258,255	82,800,702,331
Total Risk Weighted Assets (RWA) (B)		82,557,883,966	66,923,218,962
Required capital based on Risk Weighted Assets (10% of RWA) - (C)		8,255,788,397	6,692,321,896
Core capital (Tire-I)		<u>6,743,482,968</u>	<u>6,436,437,278</u>
Supplementary capital (Tire-II)		<u>2,046,234,704</u>	<u>1,608,358,464</u>
Total		<u>8,789,717,672</u>	<u>8,044,795,742</u>
Surplus/(Shortage)-(A-C)		<u>533,929,275</u>	<u>1,352,473,846</u>
Capital to Risk-Weighted Assets (A/B)		10.65%	12.02%
13.00 CAPITAL AND OTHER RESERVES			
Capital reserves (Note 13.01)		4,280,409,577	4,280,409,577
General reserve		1,144,000,000	1,044,000,000
Proposed dividend		157,184,790	107,400,000
Dividend equalization fund (Note 13.02)		360,166,000	421,854,400
Other reserves (Note 13.03)		<u>115,773,301</u>	<u>115,773,301</u>
		<u>6,057,533,668</u>	<u>5,969,437,278</u>

	2009 Taka	2008 Taka
13.01 Capital reserves		
Revolving fund (Note 13.01.01)	3,732,311,704	3,732,311,704
Grants	527,997,873	527,997,873
MED revolving fund	20,100,000	20,100,000
	<u>4,280,409,577</u>	<u>4,280,409,577</u>

Capital reserve includes outstanding balances of revolving funds and grant as at 31 December 1999 which are no longer refundable.

13.01.01 Revolving fund

Revolving fund for G & C	1,544,811,573	1,544,811,573
Revolving fund for house loan	2,065,346,276	2,065,346,276
Revolving fund for staff house loan	122,153,855	122,153,855
	<u>3,732,311,704</u>	<u>3,732,311,704</u>

13.02 Dividend equalization fund

An amount of Tk. 101,128,400 transferred to 'Grameen Bank Borrowers' Investment Trust' from dividend equalization fund for investing into Pre-IPO placement of Grameen Phone's shares as per decision of the 88 th Grameen Bank Board of Directors' meeting.

13.03 Other reserves

Special reserve	992,043	992,043
Training reserve fund	3,017,748	3,017,748
Training revolving fund	10,387,868	10,387,868
Publication fund	2,807,045	2,807,045
Assets replacement reserve	49,697,943	49,697,943
SIDE programme-sundry deposit	19,020,037	19,020,037
SIDE fund revolving account	3,238,095	3,238,095
Special programme-GTZ	26,612,522	26,612,522
	<u>115,773,301</u>	<u>115,773,301</u>

14.00 RETAINED SURPLUS

Balance on January 1,	109,000,000	94,100,000
Transferred to dividend equalization fund	-	(94,100,000)
Retained balance for 2008	<u>109,000,000</u>	<u>-</u>
Net profit	371,572,904	1,304,673,408
Dividend equalization fund	(50,000,000)	(358,000,000)
Proposed dividend	(157,184,790)	(107,400,000)
General reserve	(100,000,000)	(716,000,000)
Employee welfare fund	(11,388,114)	(14,273,408)
Balance at December 31	<u>162,000,000</u>	<u>109,000,000</u>

Tax deductible at source on dividend paid to shareholders was paid, in line with the decision of the board, to keep the full dividend at the hand of the recipient.

	2009	2008
	Taka	Taka
15.00 INTEREST INCOME		
Loans and advances (Note 15.01)	9,781,137,128	7,809,470,663
Deposits	15,950,921	22,332,242
	<u>9,797,088,049</u>	<u>7,831,802,905</u>
15.01 Interest on loans and advances		
Members loan		
Basic loans	9,296,661,907	7,208,543,819
Flexible loans	304,523,144	450,104,546
Housing loans	22,157,580	15,419,537
Education loans	5,031,638	8,228,439
Young entrepreneur loan	504,499	-
Other loans	-	18,077
	<u>9,628,878,768</u>	<u>7,682,314,418</u>
Employees Advances		
Staff loans & advances	21,861,075	16,623,518
Advance against PF	71,869,178	58,714,997
Household commodities loans	57,531,793	51,021,797
Medical loans	996,314	795,933
	<u>152,258,360</u>	<u>127,156,245</u>
	<u>9,781,137,128</u>	<u>7,809,470,663</u>
16.00 INTEREST/PROFIT PAID ON DEPOSITS AND BORROWINGS ETC.		
Interest on deposits (Note 16.01)	7,031,658,302	5,418,102,052
Interest on borrowings (Note 16.02)	36,381,346	38,821,592
	<u>7,068,039,648</u>	<u>5,456,923,644</u>
16.01 Interest on deposits		
Members deposit (Note 16.01.01)	4,069,552,595	3,188,246,533
Non-Members deposit (Note 16.01.02)	2,896,438,924	2,192,234,114
Others (Note 16.01.03)	65,666,783	37,621,405
	<u>7,031,658,302</u>	<u>5,418,102,052</u>
16.01.01 Members deposit		
Fixed deposit	3,799,295	3,532,745
Savings deposit	435,723,970	405,505,650
Central emergency fund	11,809,121	12,637,524
Centre welfare fund	45,636,106	41,986,389
Polly phone deposit	69,013	8,668,506
Grameen pension scheme-10 years	2,716,564,749	2,024,116,964
Double in 7 years deposit	213,952,576	152,847,369
Monthly profit scheme	15,048,315	15,479,049
Loan insurance savings fund	561,627,252	475,427,331
Loan insurance fund	64,987,191	47,371,990
Grameen pension scheme-5 years	148,043	673,016
Young entrepreneur loan insurance savings	3,709	-
Higher education loan insurance savings fund	183,255	-
	<u>4,069,552,595</u>	<u>3,188,246,533</u>

	2009	2008
	Taka	Taka
16.01.02 Non-Members deposit		
Fixed deposit	54,519,891	52,130,155
Savings deposit	1,037,536,980	767,509,453
Technology project deposit	204	635
Grameen pension scheme-10 years (for staff)	64,340,827	51,792,004
Double in 7 years deposit	1,449,840,692	1,087,651,195
Monthly profit scheme	282,419,483	226,420,881
Grameen pension scheme-5 years (for staff)	24,367	128,688
Employees loan insurance savings fund	7,322,156	6,133,247
Forestation and other fund	434,324	467,856
	<u>2,896,438,924</u>	<u>2,192,234,114</u>
16.01.03 Others		
Contingency fund	20,774,193	17,422,437
Struggling member welfare fund	3,279,871	3,239,515
Employees' welfare fund	8,726,477	7,000,554
PF trustee board-current account	309,923	-
GB superannuation fund-current account	23,923,827	1,948,969
Award funds	8,085,236	7,513,797
Accounts of other organizations	374,951	335,145
Cafeteria	151,299	150,062
Contributory provident fund	41,006	10,926
	<u>65,666,783</u>	<u>37,621,405</u>
16.02 Interest on borrowings		
2% IFAD 239 BA	4,873,154	5,038,863
NORAD	5,357,326	5,358,651
SIDA	4,775,579	4,777,690
JBIC	17,924,693	18,529,870
Interest on short term loans	3,007,761	4,251,733
Dutch grant loan	442,833	864,785
	<u>36,381,346</u>	<u>38,821,592</u>
17.00 OTHER INCOME		
Service charges	43,239,759	38,076,013
Recoveries on loans previously written off	336,701,083	505,643,663
Rental income	54,719,669	40,855,759
Polly phone service charge receipts	33,345,113	52,892,085
Sale proceeds of old newspapers	735,290	889,473
Income from health program	1,025	720
Rebate from Byabosa Bikash	-	230,738
Sale proceeds of tender forms	1,053,800	503,758
Miscellaneous receipts (Note 17.01)	279,642,307	284,090,236
	<u>749,438,046</u>	<u>923,182,445</u>
17.01 Miscellaneous receipts		
Income from properties :		
Profit on sale of fixed assets	4,282,986	473,226
Income from accounts closing	253,722,279	190,321,372
Income from ROSA programme	2,113,242	4,363,920
Others	19,523,800	88,931,718
	<u>279,642,307</u>	<u>284,090,236</u>

	2009	2008
	Taka	Taka
18.00 SALARIES AND OTHER RELATED EXPENSES		
Salaries	1,655,235,864	1,253,406,767
Leave encashment	24,653,194	24,005,683
Personal allowances	11,057	13,800
Dearness allowances	132,216,960	117,880,023
House rent allowances	549,398,484	494,143,105
Medical allowances	118,635,057	108,126,406
Conveyance allowances	142,599,851	64,215,914
Washing allowances	287,523	314,977
Contribution to PF	24,268	22,150
Overtime	3,775,118	3,555,665
Watch and ward allowances	115,279	137,729
Hill allowances	2,928,296	2,839,232
Bonus	222,101,015	209,211,749
Pension and gratuity	970,760,438	676,933,368
	<u>3,822,742,404</u>	<u>2,954,806,568</u>
19.00 RENT, RATES, TAXES, VEHICLE INSURANCE, UTILITIES ETC.		
Rent, rates & taxes	81,769,559	68,420,259
Insurance (vehicle)	983,861	900,627
Water, electricity & gas	23,113,344	23,949,896
	<u>105,866,764</u>	<u>93,270,782</u>
20.00 LEGAL AND PROFESSIONAL EXPENSES		
Legal expenses	979,320	684,036
Other professional expenses	153,776,738	119,300,968
	<u>154,756,058</u>	<u>119,985,004</u>
21.00 AUDITORS' FEES		
Statutory audit	1,086,800	1,084,319
Special audit	47,025	26,125
	<u>1,133,825</u>	<u>1,110,444</u>
22.00 STATIONERY, PRINTING, ADVERTISEMENT ETC.		
Printing & stationery		
Printing stationery	74,938,818	68,901,827
Work aid	15,632,659	7,204,098
Printing & photocopy	16,164,991	16,049,299
Office stationery	26,457,332	25,475,092
	133,193,800	117,630,316
Publication & advertisement	600,030	765,992
	<u>133,793,830</u>	<u>118,396,308</u>

	2009	2008
	Taka	Taka
23.00 MANAGING DIRECTOR'S SALARY AND ALLOWANCES		
Basic salary	378,000	276,000
Dearness allowances	27,600	27,600
House rent allowances	138,000	138,000
Medical allowances	6,000	6,000
Domestic aid allowance	12,000	12,000
Entertainment	7,080	7,080
Bonus	46,000	46,000
Felicitation allowance	23,000	23,000
	<u>637,680</u>	<u>535,680</u>
24.00 REPAIRS & MAINTENANCE OF FIXED ASSETS		
Property & assets	34,127,263	21,264,315
Vehicles	25,259,866	22,811,276
Office, electric & computer equipment	6,735,154	6,338,636
	<u>66,122,283</u>	<u>50,414,227</u>
25.00 OTHER EXPENSES		
Traveling & conveyance expenses	110,079,209	96,344,419
Postage, telegram and telephone	18,461,484	19,810,904
Entertainment	10,963,930	9,099,265
Liveries and uniform	750,129	400,958
Washing expenses	2,770,746	2,128,590
Welfare and recreation	51,340,226	39,686,139
Books and journals	56,327	46,040
Computer support - fees and expenses	290,207,316	224,933,002
Bank charges	22,341,050	18,702,824
Expense for contingency fund	27,332,436	22,178,104
Training expenses	15,950,106	27,652,632
Special programme	2,664,699	1,076,586
Seminar & conference	10,746,029	8,584,991
Film and development	2,242,345	2,231,424
Lunch subsidy	469,035,930	285,387,933
Income tax on salary	10,225,414	7,459,030
Group insurance	13,570,989	11,564,243
Holiday work allowance	1,147,440	937,829
Special subsidy	6,195,506	3,447,218
Felicitation allowance	102,980,212	90,473,057
Scholarship	41,501,506	36,417,945
Miscellaneous expenses	60,074,132	59,562,773
	<u>1,270,637,161</u>	<u>968,125,906</u>

	2009	2008
	Taka	Taka
26.00 PROVISIONS FOR LOANS AND ADVANCES		
Total specific provision for loans & advances and interest receivable	1,324,137,761	780,426,028
Specific provision for loans and advances (Note 26.01)	800,453,148	318,324,872
Specific provision for interest receivable (Note 26.02)	523,684,613	462,101,156
Total general provision for loans & advances and interest receivable	104,432,510	83,818,521
General provision for regular basic loans	104,445,408	84,058,158
General provision for regular housing loans	(101,158)	(239,637)
General provision for regular young entrepreneur loans	88,260	-
	1,428,570,271	864,244,549
26.01 Provision for loans and advances (for specific)		
Basic and Flexible loans	791,429,633	307,525,070
Housing loans	9,023,515	10,799,802
	800,453,148	318,324,872
26.02 Provision for interest receivable (for specific)		
Basic and Flexible loans	512,669,887	447,106,722
Housing loans	11,014,726	14,994,434
	523,684,613	462,101,156

	2009 Taka	2008 Taka	Increase/ Decrease Taka
27.00 OTHER ASSETS			
Advance income tax for employees	2,560	-	2,560
Printing stationery	21,530,420	18,903,683	2,626,737
Office stationery	395,377	207,746	187,631
Zone/Area control account	314,420	722,334	(407,914)
Advance income tax (Note 8.02)	201,838,038	201,851,634	(13,596)
Inter-branch adjustments (Note 8.03)	22,676,386	-	22,676,386
Security deposits	557,282	574,862	(17,580)
Prepaid expenses	4,224,951	9,715,554	(5,490,603)
Advance against travelling	29,542	73,927	(44,385)
Advance against purchases	553,152	949,976	(396,824)
Advance against house rent	2,998,370	2,297,834	700,536
Stock & stores (general)	2,514,544	3,024,407	(509,863)
Suspense account	218,514,184	114,939,618	103,574,566
Advances to contractors	3,965,721	3,229,440	736,281
Advance for disaster	511,795	1,404,219	(892,424)
Workshop	36,161	403,793	(367,632)
Rent and other receivables from tenants	13,921,539	7,130,305	6,791,234
Receivable due	-	99,017,176	(99,017,176)
	494,584,442	464,446,508	30,137,934
28.00 OTHER LIABILITIES			
Bills payable	135,323,650	-	135,323,650
PF trustee board-current account	11,741,365	13,552,447	(1,811,082)
Contributory provident fund	65,963	144,421	(78,458)
Accounts for other institutions (Note 11.01)	7,039,065	5,988,764	1,050,301
GB superannuation fund-current account	931,989,441	303,140,151	628,849,290
Inter-branch adjustments	-	14,607,988	(14,607,988)
Retention money	5,043,314	2,571,976	2,471,338
Earnest money	3,779,902	5,479,935	(1,700,033)
Claimable deposits	87,370,294	49,384,227	37,986,067
VAT deducted at source	219,757	452,452	(232,695)
Sundry receipts	626,182	345,070	281,112
Farewell grant provision for fixed salary staff	139,939,633	95,546,139	44,393,494
Miscellaneous	254,189,375	291,521,978	(37,332,603)
Advance house rent	2,137,897	2,286,997	(149,100)
Struggling members programme	18,513,430	13,289,248	5,224,182
Risk fund-Grameen Byabosa Bikash	7,842,996	2,111,527	5,731,469
Risk fund and portion of Grameen Byabosa Bikash	27,306	6,081	21,225
Provision reserve for doubtful rents	130,305	130,305	-
House building revolving fund	441,835	11,933	429,902
Young entrepreneur loan risk fund	43,921	-	43,921
Higher education loan insurance fund	180,102	-	180,102
Provision reserves (Note 11.02)	5,691,773,517	5,503,763,218	188,010,299
	7,298,419,250	6,304,334,857	994,084,393
			(1,428,570,271)
			(434,485,878)

29.00 CASH AND BANK BALANCES AT THE END OF THE PERIOD	2,009	2008
	Taka	Taka
Cash in hand	1,119,488	3,798,731
Balances with Bangladesh Bank	6,094,552	3,351,659
Balances with other banks and financial institutions	1,289,217,003	1,321,308,057
	<u>1,296,431,043</u>	<u>1,328,458,447</u>

(M. Shahjahan)
General Manager

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Director

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Director

(Dr. Muhammad Yunus)
Managing Director