

Banking Regulation & Policy Department
Bangladesh Bank
Head Office
Dhaka

BRPD Circular No.14

Date: 25 June 2003

All scheduled banks in Bangladesh

Dear Sir:

Amendments to the forms of the First Schedule of the Bank Companies Act, 1991

Attention of the banks is drawn to BRPD Circular No. 03 dated 18 April 2000 on the captioned subject. It has been decided to amend the forms of financial statements and directives for preparation thereof with a view to bringing in more disclosure in the financial statements of the bank companies. The forms of the first schedule of the Bank Companies Act, 1991 as amended under sub-section 38(4) of the act have been annexed herewith. The financial statements to be prepared as per the amended forms and instructions taking effect from the last working day of the year 2003 will help the users of the statements get adequate and transparent idea about the concerned bank company.

Please acknowledge receipt.

Yours faithfully,

Encl: 16 pages.

Sd/-
(Ahmed Ehteshamul Haider)
Deputy General Manager
Phone: 7120377

First Schedule
(Section 38)
Balance Sheet Form
Balance Sheet
As at 20

	Note	Current year (TK)	Previous year (TK)
<u>PROPERTY AND ASSETS</u>			
Cash*:	01		
Cash in hand (Including foreign currency)			
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)			
Balance with other banks and financial institutions	02		
In Bangladesh			
Outside Bangladesh			
Money at call on short notice	03		
Investments:	04		
Government			
Others			
Loans and Advances:	05		
Loans, Cash Credit, Overdrafts etc.			
Bills purchased & discounted	06		
Fixed assets including premises, furniture and fixtures	07		
Other assets	08		
Non-banking assets	09		
Total Assets:			
<u>LIABILITIES AND CAPITAL</u>			
Liabilities:			
Borrowings from other banks, financial institutions and agents	10		
Deposits and other accounts:	11		
Current Accounts and other Accounts			
Bills Payable			
Savings Bank Deposits			
Fixed Deposits			
Bearer Certificates of Deposit			
Other Deposits			
Other liabilities	12		
Total Liabilities:			
Capital/Shareholders' Equity			
Paid up Capital	13		
Statutory Reserve	14		
Other Reserve	15		
Surplus in Profit and Loss A/C	16		
Total Shareholders' Equity**			
Total Liabilities and Shareholders' Equity			

* see Cash Flow Statement

** see Statement of Changes in Equity

OFF-BALANCE SHEET ITEMS

	Note	Current year (TK)	Previous year (TK)
<u>Contingent liabilities:</u>	17		
Acceptances & Endorsements			
Letters of Guarantee			
Irrevocable Letters of Credit			
Bills for Collection			
Other Contingent Liabilities			
Total:			
<u>Other commitments:</u>			
Documentary credits and short term trade-related transactions			
Forward assets purchased and forward deposits placed			
Undrawn note issuance and revolving underwriting facilities			
Undrawn formal standby facilities, credit lines and other commitments			
Total:			
Total Off-Balance Sheet items including contingent liabilities:			

First Schedule
(Section 38)
Profit and Loss Account Form
Profit & Loss Account for the year ended as on 20

	Note	Current year (TK)	Previous year (TK)
Interest income	19		
Interest paid on deposits and borrowings etc.	20		
Net interest income			
Investment income	21		
Commission, exchange and brokerage	22		
Other operating income	23		
Total operating income			
Salary and allowances			
Rent, taxes, insurance, electricity etc.			
Legal expenses			
Postage, stamp, telecommunication etc.			
Stationery, Printings, Advertisements etc.			
Chief Executive's salary and fees			
Directors' fees	24		
Auditors' fees			
Charges on loan losses			
Depreciation and repair of bank's assets			
Other expenses			
Total operating expenses			
Profit/Loss before provision			
Provision for loan	25		
Provision for diminution in value of investments	26		
Other provisions	27		
Total provision			
Total Profit/Loss before taxes			
Provision for Taxation			
Net Profit after Taxation			
Appropriations:	28		
Statutory Reserve			
General Reserve			
Dividends etc.			
Retained surplus			
Earning per share (EPS)			

Cash Flow Statement
For the year ended as on 20

	Current year (TK)	Previous year (TK)
<u>Cash flows from operating activities</u>		
Interest receipts in cash		
Interest payments		
Dividends receipts		
Fee and commission receipts in cash		
Recoveries on loans previously written off		
Cash payments to employees		
Cash payments to suppliers		
Income taxes paid		
Receipts from other operating activities (item-wise)		
Payments for other operating activities (item-wise)		
Operating profit before changes in operating assets and liabilities		
<u>Increase/Decrease in operating assets and liabilities</u>		
Statutory deposits		
Purchase/sale of trading securities		
Loans & advances to other banks		
Loans & advances to customers		
Other assets (item-wise)		
Deposits from other banks		
Deposits from customers		
Other liabilities account of customers		
Trading liabilities		
Other liabilities (item-wise)		
Net cash from operating activities		
<u>Cash flows from investing activities</u>		
Proceeds from sale of securities		
Payments for purchase of securities		
Purchase/sale of property, plant & equipment		
Purchase/sale of subsidiary		
Net cash from investing activities		
<u>Cash flows from financing activities</u>		
Receipts from issue of loan capital & debt security		
Payments for redemption of loan capital & debt security		
Receipts from issue of ordinary share		
Dividends paid		
Net cash from financing activities		
Net increase/decrease in cash		
Effects of exchange rate changes on cash and cash-equivalent*		
Cash and cash -equivalents at beginning period		
Cash and cash equivalents at end of period		

* Explanations with detailed information shall have to be furnished regarding the effects of exchange rate changes on cash and cash-equivalents. Cash and cash-equivalents consist of cash with Bangladesh Bank, with its agent bank(s), government securities and deposits with other banks.

STATEMENT OF CHANGES IN EQUITY

For the year ended 20

	Paid-up Capital	Statutory Reserve	General Reserve	Profit and Loss	Total
Balance as at 01 January 20					
Changes in accounting policy Restated balance					
Surplus/deficit on account of revaluation of properties					
Surplus/deficit on account of revaluation of investments					
Currency translation differences					
Net gains and losses not recognized in the income statement					
Net profit for the period					
Dividends					
Issue of share capital					
Balance as at 31 December 20 ...					

Liquidity Statement (Asset and Liability Maturity Analysis) As at 20

	upto 01 month	1 - 3 months	3 - 12 months	1 - 5 years	more than 5 years	Total
<u>Assets:</u>						
Cash in hand						
Balance with other banks and financial institutions						
Money at call on short notice						
Investment						
Loans and Advances						
Fixed assets including premises, furniture and fixtures						
Other assets						
Non-banking assets						
Total Assets						
<u>Liabilities:</u>						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents						
Deposits						
Other accounts						
Provision and other liabilities						
Total Liabilities						
Net Liquidity Gap						

Instructions for preparation of financial statements

A. Instructions on Notes to Balance Sheet items

1. Cash:

- (a) Local currency and foreign currency amounts in hand should be shown separately under the head Cash in hand.
- (b) Balance with Bangladesh Bank and its agent bank(s) will be shown separately in local and foreign currency. Statutory deposit with Bangladesh Bank should be shown separately.

2. Balance with other banks and financial institutions:

- (a) Balances with other banks and financial institutions should be segregated into two sub-heads viz., (i) In Bangladesh and (ii) Outside Bangladesh and should also state whether in current account or any other form of deposit. In case of foreign currency deposit, currency-wise amount and exchange rate should be mentioned.
- (b) The balance with other banks and financial institutions should be analysed as per the remaining maturity grouping.

3. Money at call on short notice:

Bank/financial institution-wise balance should be shown separately.

4. Investments:

- a) Investments should be shown under the following heads:

Government Securities

- (I) Treasury bill;
- (II) National Investment bond;
- (III) Bangladesh Bank Bills;
- (IV) Government Notes/Bond;
- (V) Prizebond;
- (VI) Others.

Securities under lien against repurchase agreement should be mentioned separately.

Other Investments

- (I) Shares to be classified into preference, ordinary, deferred and other classes of shares showing separately shares fully paid up and partly paid up.
- (II) Debentures & bond
- (III) Other investments
- (IV) Gold etc.

- b) All investments in shares and securities (both dealing and investment) should be revalued at the year-end. The quoted shares should be valued as per market price in the stock exchange(s) and unquoted shares as per book value of last audited balance sheet. Provisions should be made for any loss arising from diminution in value of investments. The current and long-time investment securities should be shown separately analysing as per the remaining maturity grouping.

5. Loans and Advances:

- (a) Loans and advances should be shown as per the remaining maturity grouping in the following order:

Repayable on demand
Not more than 3 months
More than 3 months but not more than 1 year
More than 1 year but not more than 5 years
More than 5 years.

- (b) The items of loans and advances i.e., loans, Cash credits, Overdrafts should be segregated into two sub-heads viz., (i) within Bangladesh and (ii) outside Bangladesh

- (c) The loans and advances should be analysed to disclose any significant concentration such as:-

- (i) Advances to allied concerns of directors;
- (ii) Advances to Chief Executive and other senior executives;
- (iii) Advances to customers' group (number of clients and outstanding amount of loans and advances each amounting more than 15% of bank's total capital and classified amount therein and measures taken for recovery of such loan should be mentioned);
- (iv) Industry-wise;
- (v) Geographical location-wise.

- (d) The loans and advances should also be classified into the categories of 'unclassified', 'sub-standard', 'doubtful' and 'bad/loss' in accordance with Bangladesh Bank directives.

- (e) Loans and Advances should also be categorized on the basis of the following particulars:

- (i) Loans considered good in respect of which the banking company is fully secured;
- (ii) Loans considered good against which the banking company holds no security other than the debtor's personal guarantee;
- (iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor;
- (iv) Loans adversely classified; provision not maintained thereagainst;
- (v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons.
- (vi) Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members;
- (vii) Maximum total amount of advance including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;
- (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 have interests as directors, partners or managing agents or in the case of private companies as members;
- (ix) Due from banking companies;

- (x) Amount of classified loan on which interest has not been charged, should be mentioned as follows:
 - a. Decrease/increase in provision, amount of loan written off and amount realised against loan previously written off;
 - b. Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet;
 - c. Interest creditable to the Interest Suspense a/c;
- (xi) Cumulative amount of the written off loan and the amount written off during the current year should be shown separately. The amount of written off loan for which lawsuit has been filed should also be mentioned.

6. Bills purchased and discounted:

- (a) Bill discounted and purchased will exclude Government Treasury bills. These bills should be classified into two sub-heads viz., (i) payable in Bangladesh and (ii) payable outside Bangladesh.
- (b) The bills discounted and purchased should be analysed as per the following remaining maturity grouping:
 - Payable within 1 month;
 - Over 1 month but less than 3 months;
 - Over 3 months but less than 6 months;
 - 6 months or more.

7. Fixed assets including premises, furniture and fixtures:

- (a) Premises wholly or partially occupied by the banking company for the purpose of its business should be shown against "Fixed assets including premises (less accumulated depreciation)". In case of fixed capital expenditure, the original cost, and additions thereto and reductions therefrom during the year should be stated, as also the total depreciation written off or where sums have been written off on account of reduction of capital or revaluation of assets. Every balance sheet after the first balance sheet subsequent to the reduction or revaluation should show the reduced figures with the date and amount of the reduction made. Furniture & fixture and other assets, terms of which have been completed and value written off, need not be shown in the balance sheet. However, if serviceability of such asset remains, its market value may be mentioned in the notes. Explanation for the bases of asset valuation and outcome of depreciation should be mentioned in details.
- (b) A statement of the premises not used by the bank for its own or business purpose or the remaining part of the partially used premises and item-wise revenue generated from such assets should be incorporated.

8. Other assets:

- (a) Other assets should be classified under the following categories:
 - (i) Investment in shares of subsidiary companies (In Bangladesh and outside Bangladesh);
 - (ii) Stationery, stamps, printing materials in stock etc.;
 - (iii) Advance rent and advertisement;
 - (iv) Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable;
 - (v) Security deposit;

- (vi) Preliminary, formation and organization expenses, renovation/development expenses and prepaid expenses;
 - (vii) Branch adjustment;
 - (viii) Suspense Account;
 - (ix) Silver;
 - (x) Others.
- (b) Other assets should be classified as per instruction of Bangladesh Bank and shown accordingly.
- (c) Non-income-generating other assets item(s) should be shown separately.

9. Non-banking assets:

These represent assets acquired in satisfaction of claims. Its holding period should be separately mentioned. Value shown shall not exceed the market value. Non-income-generating non-banking item(s) should be shown separately.

10. Borrowings from other banks, financial institutions and agents:

These should be segregated into

- (a) (i) In Bangladesh, and (ii) Outside Bangladesh;
- (b) (i) Secured (stating the nature of securities) and (ii) Unsecured borrowing.
- (c) (i) Repayable on demand (ii) Others (based on agreed maturity dates and periods of notice).

11. Deposits and other accounts:

The deposits should be analysed in terms of the following remaining maturity grouping showing separately other deposits and inter-bank deposits:

Repayable on demand;
 Repayable within 1 month;
 Over 1 month but within 6 months;
 Over 6 months but within 1 year;
 Over 1 year but within 5 years;
 Over 5 years but within 10 years;
 Unclaimed deposits for 10 years or more held by the bank should be shown separately.

12. Other liabilities:

Under this heading may be included such items as the following: Accumulated provision for loans and advances including bad debts, other provision, cumulative balance of interest suspense account, pension and insurance funds, unclaimed dividends, advance payments and unexplored discounts, liabilities to subsidiary companies, provision for taxation and any other liabilities.

- a) Provision for loans and advances:
 The provision account includes provision for adversely classified loan and general provision for unclassified loan.

- (i) The note on movement in specific provision for bad and doubtful debts should be presented in the following format:

Particulars	Taka
Provisions held at the beginning of the year	
Fully provided debt written off	(-)
Recoveries of amounts previously written off	(+)
Specific Provision for the year	(+)
Recoveries and provisions no longer required	(-)
Net Charge to Profit & Loss A/C	(+)
Provisions held at the end of the year	

- (ii) The movement in general provision on unclassified loans should also be presented separately.

b) **Interest Suspense Account:**

This should be shown according to the following format:

Particulars	Taka
Balance at the beginning of the year	
Amount transferred to "Interest Suspense" Account during the year	(+)
Amount recovered in "Interest Suspense" Account during the year	(-)
Amount written off during the year	(-)
Balance at the end of the year	

Note: Interest Suspense means unrealised interest charged on classified loans and advances.

13. Paid up Capital:

- (a) The notes on paid up capital should disclose the following:

- i) The various classes of capital, if any, should be distinguished. Shares issued as fully paid up pursuant to any contract without payments in cash should be stated separately.
- ii) Where circumstances permit, issued and subscribed capital and amount called up may be shown as one item e.g. Issued and Subscribed CapitalShares of Tk paid-up.
- iii) In case of banking companies incorporated outside Bangladesh, the amount of deposit kept with the Bangladesh Bank under sub-section (3) of section 13 of the Bank Companies Act, 1991 should be shown under this head.

- (b) Capital surplus/deficit should be mentioned in the note segregating the core capital and supplementary capital as per Bangladesh Bank directives relating to the capital adequacy.

14. Statutory Reserve:

(Under section 24 of Bank Companies Act, 1991)

Movement should be shown separately.

15. Other Reserve:

- (a) Movement in each of the reserve account should be shown separately.

(b) Any capital reserve and revaluation reserve should be disclosed separately.

16. Surplus in Profit and Loss A/C:

Increase/decrease should be shown clearly.

17. Contingent liabilities:

a) These should be explained in the following manner:

Claims lodged with the bank company, which is not recognized as loan;
Money for which the bank is contingently liable in respect of guarantee issued favouring:

- Directors
- Government
- Bank and other financial institutions
- Others.

b) Commitments should be segregated as follows:

- i) Documentary credits and short term trade related transactions;
- ii) Forward asset purchased and forward deposits placed;
- iii) Undrawn formal standby facilities, credit lines and commitments to lend:
 - Under one year
 - One year and over;
- iv) Spot and forward foreign exchange rate contracts;
- v) Other exchange contracts.

N.B. Explanations for the liabilities not shown in books and provisions kept thereagainst should be disclosed in notes.

18. Instructions on Notes to Profit and Loss Account items:

The disclosures in the Profit and Loss Account should include, but are not limited to, the following items of income and expenditure:

Income:

Interest, discount and similar income
Dividend income
Fee, commission and brokerage
Gains less Losses arising from dealing securities
Gains less Losses arising from investment securities
Gains less Losses arising from dealing in foreign currencies
Income from non-banking assets
Other operating income
Profit less Losses on interest rate changes.

Expenses:

Interest, fee and commission
Losses on loans and advances
Administrative expenses
Other operating expenses
Depreciation on banking assets.

19. **Interest income:**

The major sources of interest income as arising from loans and advances to customers, balances with other banks or financial institutions, accounts with foreign banks, etc. should be disclosed.

20. **Interest paid on deposits and borrowings etc:**

This may be shown under the heads as attributable to interest on deposits, interest on borrowings, interest on foreign bank accounts etc.

21. **Investment income:**

This will consist of sub-heads on interest on or profit from Bills, Treasury Bills, Notes, Bonds, Shares, Debentures etc.

22. **Commission, exchange and brokerage:**

Commission, exchange and brokerage should be shown separately.

23. **Other operating income:**

Other operating income should be disclosed item wise.

24. **Directors' fees:**

It should include:

- a) Total fees paid for attending board meeting (rate of fee should be mentioned);
- b) Other financial benefits [other financial benefits extended to the directors as per section 18(1) of the Bank Companies Act, 1991 excluding fees].

25. **Provision for loan:**

This will consist of the following:

- (a) Provision for adversely classified loans and advances as per Bangladesh Bank directives.
- (b) Provision for unclassified loans and advances.

26. **Provision for diminution in value of investments:**

Decline in value of investment should consist of the following divisions:

- (a) Dealing securities
 - Quoted
 - Unquoted;
- (b) Investment securities
 - Quoted
 - Unquoted.

27. **Other provisions:**

Provision kept against classified other-assets etc., should be stated.

28. **Appropriations:**

For the banks incorporated outside Bangladesh, policy in force for appropriation of profit should be followed and appropriations should be mentioned accordingly.

B. General Instructions:

1. These instructions for disclosure of financial statements shall apply to all bank companies and other financial institutions working in Bangladesh. The statements shall comprise of balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement and other explanatory notes.
2. Financial statements should include clear and concise disclosure of all significant aspects of accounting principles and procedures, which have been followed. The disclosure of all the significant accounting principles adopted shall be an integral part of the financial statements. The principles should normally be disclosed in one place. The principles should state the accounting conventions, bases of accounting and other principles adopted for determination of interest income and expenses, valuation of investment and dealing securities, segregation of balance sheet and off-balance sheet items, bad and doubtful debts, capital, foreign currencies, tangible fixed assets etc. The basis for determination of items relating to charges derived from general banking risks and the accounting treatment of such charges should be disclosed.
3. The notes to the financial statements shall provide relevant details of the items included in balance sheet, profit and loss account, cash flow statement, liquidity statement and statement of changes in equity, so that adequate disclosures are made for clear understanding of the users. The liquidity statement should be prepared according to the remaining maturity grouping.
4. The value of any asset or liability as shown in the balance sheet should not be off-set by way of deductions from another liability or asset unless there exists a legal right thereof.
5. The market prices of dealing securities and marketable investment securities should be disclosed if these are different from those shown in the financial statements.
6. The unrealised interest of loans classified as sub-standard, doubtful and bad/loss should not be included in the income; amount thereof should be mentioned in the notes.
7. The financial statements should disclose the details of the contingent liabilities and commitments. The statements should disclose the following items/events till the date on which the statements are prepared:
 - (a) the nature and amount of commitments to extend credit that are irrevocable because they cannot be withdrawn at the discretion of the bank without the risk of incurring significant penalty or expenses; and
 - (b) the nature and amount of contingencies and commitments arising from off-balance sheet items including those relating to:
 - (i) direct credit substitutes including general guarantees of indebtedness, bank acceptance guarantees and standby letters of credit serving as financial guarantees for loans and securities;
 - (ii) certain transaction related contingencies including performance bonds, bid bonds, warranties and standby letters of credit related to particular transactions;
 - (iii) short-term self-liquidating trade related contingencies arising from the movement of goods, such as documentary credits where the underlying shipment is used as security;
 - (iv) those sale and repurchase agreements not recognized in the balance sheet;

- (v) interest and foreign exchange rate related items including swaps, options, futures etc.;
 - (vi) other commitments viz., note issuance facilities and revolving underwriting facilities.
- 8. (a) Any significant concentration of assets, liabilities or off-balance sheet items or such items that might have significant influence on the state of affairs of the bank should be disclosed in the notes of the relevant items. Such disclosure should be made in terms of geographical areas, customer or industry-groups etc.
(b) The net amount of foreign currency exposures should be disclosed.
- 9. The aggregate amount of secured liabilities and the nature and carried amount of the assets pledged as security, should be disclosed by way of notes.
- 10. A bank whose ordinary shares are publicly traded should present Earning Per Share (EPS) on the face of Profit and Loss Account, both in case of profit or loss per share. The bank should make a disclosure by way of note to the financial statements of the calculation of Earning Per Share in accordance with IAS-33.
- 11. (a) The financial statements should disclose the relationship and transactions between the bank and its related parties till the date on which the statements are prepared. A related party transaction is built on the ability of one party to control or significantly influence the other party either directly or indirectly. Parties may be related if they are under common control or influence. It is necessary to look at the substance of the relationship and not merely the legal form thereof. Even if there is no controlling relationship, the parties may still be related as long as there is at least significant influence of one on another. Significant influence can be attained by representation on the board of directors, participation in the policy making decisions, material inter-company transactions, inter-change of managerial personnel, dependence on technical information etc. A bank may advance a large sum or charge lower interest rates to a related party what is not usually done in case of a party not equally related. Despite the origination of related party transactions in the ordinary course of a bank's business, disclosure of information about such transactions is relevant for the sake of transparency. The spouse, parents, children, brother and sister of the bank directors and dependants of the directors would generally be included in the related party.
(b) The following disclosures are mandatory:
 - (i) Names of the Directors together with a list of entities in which they have interests;
 - (ii) All contracts of significance to which the bank, its subsidiary or any fellow subsidiary company was a party and wherein a director has interests subsisted at any time during the year or at the end of the year;
 - (iii) Share options given to directors and executives to acquire shares at 'nil' consideration or restricted share plan exercisable at a discount.
 - (iv) The nature of the related party relationship, the types of transactions and the elements of transactions;
 - (v) The lending policy to related parties shall be disclosed and in respect of related party transactions, the amount should include:
 - (a) each of loans and advances, deposits and guarantees and commitments; disclosures may include the aggregate amounts outstanding at the beginning and end of the period, as well as changes during the period;
 - (b) each of the principal items of deposit, expense and commission;
 - (c) the amount of the provision against loans and advances;

- (d) irrevocable commitments and contingencies and commitment arising from other off-balance sheet items;
 - (vi) Full disclosure of balances at the balance sheet date resulting from transactions with directors and their related concerns shall be made together with an analysis as to the classified and unclassified advances, provision, if any, for possible losses on classified loans and advances, value of the securities held etc., and the amount of the loans, adversely classified, of the concerns of persons who were bank directors at the time the loans were extended. If such loans were written off or waived that should also be mentioned;
 - (vii) Detailed information of any business (like receiving/extending services, purchase/sale of properties, renting etc.) other than the banking business with any related concerns of the directors as per section 18(2) of the Bank Companies Act should be provided;
 - (viii) Detailed information of the amount invested along with a list, in the securities (both dealing and investment) of the directors and their related concerns.
12. Names of the members of the audit committee formed by the board of directors of the bank and their qualifications should be disclosed. Confirmation as to the number of meetings of the audit committee held with the bank's senior management to consider and review the bank's financial statements, the nature and scope of audit reviews and the effectiveness of the system of internal control and compliance thereof should be made.
 13. The income items should be treated as income when there exists no risk or uncertainty regarding its realization.
 14. Explanation regarding tax determination, provision thereagainst and approved expenditure in relation to it should be provided.
 15. Detailed explanation about the procedure of conversion into local currency of the transactions made in foreign currency; income-expenditure in such business, impact (item-wise) of taxation on difference in exchange rate on assets and liabilities and impact of difference in exchange rate on taxation etc. should be given.
 16. Reconciliation of books of accounts in regard to inter-bank (in Bangladesh and outside Bangladesh) and inter-branch transactions and adequate explanations in case of non-reconciliation should be provided.
 17. Detailed information should be given regarding financing and management of the fund raised for staff pension considering it as a separate entity.
 18. The external auditors must audit at least 80% of the risk-weighted assets of the bank before signing on the balance sheet and the person-hours they have spent for conducting the audit should be mentioned.
 19. Figures should be rounded off to nearest Taka.

20. Highlights of the bank should be presented in the annual report as under:

Highlights

Sl No	Particulars	Present Year	Previous Year
1.	Paid up Capital		
2.	Total Capital		
3.	Capital surplus/deficit		
4.	Total Assets		
5.	Total Deposits		
6.	Total Loans and Advances		
7.	Total Contingent Liabilities and Commitments		
8.	Credit Deposit Ratio		
9.	Percentage of classified loans against total loans and advances		
10.	Profit after tax and provision		
11.	Amount of classified loans during current year		
12.	Provisions kept against classified loan		
13.	Provision surplus/deficit		
14.	Cost of fund		
15.	Interest earning Assets		
16.	Non-interest earning Assets		
17.	Return on Investment (ROI)		
18.	Return on Asset (ROA)		
19.	Incomes from Investment		
20.	Earning per Share		
21.	Net income per Share		
22.	Price Earning Ratio		

21. Copies of financial statements including the Balance Sheet should be preserved in each of the bank branches, so that the customers of the bank may readily use those on request. Besides, the Highlights (*see general instruction no.20*) and Balance Sheet should be affixed in a visible place of each bank branch.

22. The financial statements should be published in widely circulated one Bangla and one English daily newspapers within one week of submission of the statements to Bangladesh Bank so that the stakeholders of the bank including its depositors, shareholders and regulatory bodies can get information about the bank easily. These should also be disclosed in the bank's website.