

**No. SEC/Enforcement/621/2007/
May 21, 2008**

The City Bank Limited (Issuer)
Head Office: 10, Dilkusha C/A, Dhaka-1000

Managing Director
The City Bank Limited, Head Office: 10, Dilkusha C/A, Dhaka-1000

Directors
The City Bank Limited, Head Office: 10, Dilkusha C/A, Dhaka-1000

Company Secretary
The City Bank Limited, Head Office: 10, Dilkusha C/A, Dhaka-1000

Sub: Alleged non-compliance with securities related laws in connection with audited financial statements for the year ended on December 31, 2006 and Annual Report-2006: Warning.

This refers to the Commission's show cause cum hearing notice No. SEC/Enforcement/621/2007/1181 dated November 11, 2007, based on which the hearing was conducted on December 02, 2007, and your explanations submitted to the Commission vide letter No. CBL/HO/Finance/2007/1214 dated November 27, 2007, in respect of the said notice.

The Commission, considering the issuer's explanations/submissions, has decided to dispose of the proceedings against The City Bank Limited by placing on record the Commission's dissatisfaction on the default/contravention made by the issuer and its directors as well, with a warning to ensure compliance of all securities related laws in future.

Please note that this disposal does not absolve the issuer or any of its director or officers concerned from their lawful responsibilities/obligations to the persons, if any, affected as a result of the issuer's above said default/contravention.

Please also note that the Commission hereby directs the issuer to prepare its financial statements for the next year in accordance with the applicable International Accounting Standards (IAS) as committed vide its letter No. CBL/HO/Finance/2007/1214 dated November 27, 2007.

For the Securities and Exchange Commission

Md. Mizanur Rahman
Executive Director

CC:
CEO, Dhaka Stock Exchange Ltd.
CEO, Chittagong Stock Exchange Ltd.
Executive Director (R & D), SEC
Director (MIS) SEC
Director (CFD), SEC
Chairman's Office, SEC