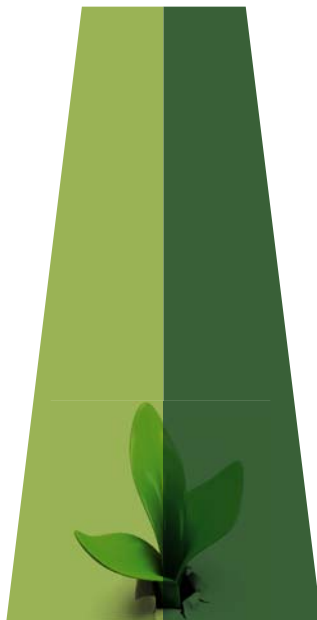


ANNUAL REPORT 2011



BASIC Bank Limited

Serving people for progress

A STATE OWNED SCHEDULED BANK



BASIC Bank Limited
Bangladesh Small Industries and Commerce Bank Limited
(A State Owned Scheduled Bank)

Registered Office

Bana Shilpa Bhaban
73, Motijheel Commercial Area
Dhaka-1000, Bangladesh

Head Office

Sena Kalyan Bhaban (5th, 6th, 7th & 12th floor)
195, Motijheel Commercial Area
Dhaka-1000, Bangladesh

Incorporation

August 2, 1988

Commercial Operation

January 21, 1989

Contacts

Phone : Head Office - 9564830, 9568190, 9556616, 7175691, 7175692
ICT Division & Training Cell - 9562960, 9555087
Fax : 880-2-9564829
E-mail : basicho@citechco.net
Website : www.basicbanklimited.com
SWIFT : BKSIBDDH

ANNUAL REPORT 2011





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Profile



Steady growth in clientele base and their high retention rate since Bank's inception testifies to the immense confidence they repose on its services.

The BASIC Bank Limited (Bangladesh Small Industries and Commerce Bank Limited) was established as a banking company under the erstwhile Companies Act 1913 and launched its operation in January 1989. It is governed by the Banking Companies Act 1991.

The Bank started its operation as a joint venture enterprise of the then BCC Foundation with 70 percent shares and the Government of Bangladesh with 30 percent shares. The BCC Foundation being nonfunctional following the closure of the BCCI, the Government of Bangladesh took over 70 percent shares of the BCC Foundation on 4th June 1992 and became 100 percent owner of the Bank.

Adjudged as one of the soundest banks in Bangladesh, BASIC Bank is unique in its objectives. It is a blend of development and commercial banking functions.

Steady growth in clientele base and their high retention rate since Bank's inception testifies to the immense confidence they repose on its services. Diversified products in both liability and asset sides particularly a wide range of lending products related to development of small and medium enterprises, and commercial and trading activities attract entrepreneurs from varied economic fields. Along with promotion of products special importance is given to individual clients through providing personalized services. Reality is individuals matter in this Bank. This motto has been followed for development of clientele as well as human resources of the Bank.





Board of Directors



Mr. Sheikh Abdul Hye Bacchu
Chairman
BASIC Bank Limited



Mr. Jahangir Akhand Salim
Director
BASIC Bank Limited
&
Founder President
Chandpur Chamber of Commerce and Industry





**Board of
Directors**



Mr. Fakhru Islam
Director
BASIC Bank Limited
&
Chairman
Bangladesh Small and Cottage Industries
Corporation (BSCIC)



Mr. Shubhashish Bose
Director
BASIC Bank Limited
&
Vice Chairman
Export Promotion Bureau





Board of Directors



Ms. Neelufar Ahmed
Director
BASIC Bank Limited
&
Director General
Prime Minister's Office



Ms. Quamrun Naher Ahmed
Director
BASIC Bank Limited
&
Joint Secretary
Bank and Financial Institutions Division
Ministry of Finance





**Board of
Directors**



Mr. Shakhawat Hossain
Director
BASIC Bank Limited
&
Former Commissioner of Customs



Prof. Dr. Kazi Akhtar Hossain
Director
BASIC Bank Limited
&
Professor
Department of Accounting and Information Systems
Islami University, Kushtia





**Board of
Directors**



Mr. Md. Anwarul Islam, FCMA
Director
BASIC Bank Limited
&
Managing Director
ARS Lube Bangladesh Ltd



Mr. Kazi Faqurul Islam
Managing Director
BASIC Bank Limited



Members of the Audit Committee



Convener

Mr. Shakhawat Hossain
Director, BASIC Bank Limited
&
Former Commissioner of Customs

Member

Mr. Jahangir Akhand Salim
Director, BASIC Bank Limited
&
Founder President
Chandpur Chamber of Commerce and Industry

Member

Mr. Shubhashish Bose
Director, BASIC Bank Limited
&
Vice Chairman
Export Promotion Bureau

Member

Prof. Dr. Kazi Akhtar Hossain
Director, BASIC Bank Limited
&
Chairman
Department of Accounting and Information Systems
Islami University, Kushtia

Member

Mr. Md. Anwarul Islam, FCMA
Director, BASIC Bank Limited
&
Managing Director
ARS Lube Bangladesh Ltd.

Company Auditors

Syful Shamsul Alam & Co.
Chartered Accountants

Aziz Halim Khair Choudhury
Chartered Accountants





Our Approach

As a blend of development and commercial banking we provide our clients with a full range of service to help them grow their assets and net worth. We place particular emphasis on small business composed of quality assets and steady and sustainable growth. We offer term loans to clients, especially to develop small and medium scale enterprises. We also provide full-fledged commercial banking services like collection of deposits, short term trade finance, working capital finance in processing and manufacturing units and financing and facilitating international trade.

We attach special importance to technical and advisory support to small and medium scale industries in order to enable them to run their enterprises smoothly.

Micro Credit to the urban poor through linkage with NGOs with a view to facilitate their access to the formal financial market for the mobilization of resources is another diversification of our services.

We provide an environment in which our staff members feel free to exercise their initiative and judgment within a clearly established framework. Our Bank is the leader in offering excellent career opportunity in transparent and participative management culture.

Coping with the competitive and rapidly changing financial market of the country, BASIC Bank maintains close connections with its clients, the regulatory authorities, the shareholders (the Government of Bangladesh), other banks and financial institutions.

We attach special importance to technical and advisory support to small and medium scale industries in order to enable them to run their enterprises smoothly.



Notice of the AGM



Notice Of The Twenty Third Annual General Meeting

Notice is hereby given that the 23rd Annual General Meeting of BASIC Bank Limited (Bangladesh Small Industries and Commerce Bank Limited) will be held on Sunday, April 29, 2012 at 12:00 noon at Sena Kalyan Bhaban (5th Floor), 195 Motijheel C/A, Dhaka-1000 to transact the following business:

01. To receive, consider and adopt the Directors' Report and Audited Statements of Accounts along with the Auditor's Report thereon for the year ended December 31, 2011;
02. To declare dividend for the year ended December 31, 2011;
03. To elect Directors in place of those who will retire in accordance with the provisions of Articles 105, 106 and 107 of the Articles of Association of the Bank whereas the retiring Directors are eligible for re-election/ re-nomination;
04. To appoint Auditors for the Bank as per Article 144 of the Articles of Association of the Bank for the term until the next Annual General Meeting and to fix their remuneration as per Article 145 of the Articles of Association of the Bank;

Dated; Dhaka
April 11, 2012

By order of the Board of Directors

Md. Shah Alam Bhuiyan
Company Secretary



These are what we're doing

We are supporting mainly small and medium scale industries / enterprises, commercial business enterprises, helping customers to take financial challenges and contributing to strengthen our economy through profitable banking products and services and philanthropic initiatives. Here are instances of how we supported the economy in 2011 and continued to serve our valued Clients and communities.

- Extended Tk. 10543 million in new credit.
- Financed 104 new projects/ enterprises in 2011.
- Financed new loan to small enterprises by Tk. 1615 million.
- Provided Tk. 686 million for the agriculture sector.

Twenty Three years of BASIC

	2011	2010	2009	2008	2007	2006
A. From the Balance Sheet (Million Taka)						
Authorized Capital	5,000.00	2000.00	2000.00	2000.00	2000.00	2000.00
Paid-up Capital	2357.59	1964.65	1455.30	1309.77	1247.40	945.00
Reserve and Surplus	3124.17	2509.78	2468.65	1672.82	1349.17	1294.00
Shareholders' Equity	5481.76	4474.43	3923.95	2982.59	2596.58	2239.00
Fixed Assets	364.46	283.12	232.65	228.36	196.11	154.52
Total Assets	78031.73	61569.38	45308.31	46660.03	38773.91	29417.09
Deposits	62650.73	49259.60	34501.69	38368.23	31947.98	24084.65
Long-term Debt	2788.15	2718.46	2875.16	1708.40	1385.81	830.06
Loans and Advances	56884.76	46341.51	29261.53	27269.13	22263.35	19000.00
Placement & Investment	13760.82	9294.02	12244.91	15659.03	13560.92	8212.23
B. From the Income Statement (Million Taka)						
Gross Income	8825.20	6120.53	5162.30	5060.29	3549.51	2870.32
Gross Expenditure	6476.70	4403.49	3593.96	3526.35	2458.41	1858.69
Profit before Tax and provision	2348.50	1717.05	1568.34	1533.94	1091.10	1011.62
Profit after Tax	976.11	660.93	648.85	549.86	282.96	554.14
Tax Paid (cumulative)	5987.61	4948.64	4225.37	3538.01	2790.98	2245.16
C. Others (Million Taka)						
Import Business	47087.80	42205.90	33976.60	27359.77	21266.57	17804.27
Export Business	33061.10	23998.80	19887.70	22270.87	16794.96	15463.74
D. Financial Ratios (Percentage)						
Capital Adequacy Ratio	10.13	9.41	13.48	12.04	12.91	11.98
Capital Fund to Deposit Liabilities	8.75	9.08	11.37	7.81	9.23	10.34
Liquid Assets to Deposit Liabilities	14.28	12.06	24.67	47.70	49.10	40.42
Loan to Deposit Liabilities	87.74	94.08	84.81	71.07	69.69	78.89
Earning Assets to Deposit Liabilities	108.22	81.55	116.44	114.69	109.70	112.99
After Tax Return on Average Assets	1.40	1.24	1.41	1.30	0.83	1.96
Net profit to Gross Income	11.06	10.80	12.57	10.87	7.97	19.31
Interest Margin Cover	139.76	95.15	135.79	137.08	176.80	211.72
After Tax Return on Equity	19.61	14.95	18.79	19.68	11.70	27.82
SMI/SSI Loan and Micro Credit to Loanable Fund	54.67	56.78	56.93	59.32	56.73	53.43
Number of Branches	45	34	32	31	31	28
Number of Employees	1132	964	776	735	721	651
Deposit per employee (Million Taka)	55.35	51.10	44.46	52.20	44.31	37.00
Advance per employee (Million Taka)	50.25	48.07	37.71	37.10	30.88	29.19
Profit before tax per employee (Million Taka)	2.07	1.78	2.02	2.09	1.51	1.55





Twenty Three years of BASIC

	2005	2004	2003	2002	2001	2000
A. From the Balance Sheet (Million Taka)						
Authorized Capital	2000.00	2,000.00	2,000.00	500.00	500.00	500.00
Paid-up Capital	810.00	675.00	450.00	300.00	300.00	240.00
Reserve and Surplus	916.14	816.23	799.29	712.90	461.39	457.77
Shareholders' Equity	1726.14	1491.23	1249.29	1012.90	761.35	697.77
Fixed Assets	135.78	101.41	73.49	76.68	65.73	51.11
Total Assets	27136.37	19436.57	14766.32	13019.42	9721.93	7730.67
Deposits	22,325.58	15509.18	11266.54	10021.24	7512.62	5845.15
Long-term Debt	937.51	839.61	690.95	676.51	582.82	555.98
Loans and Advances	15339.35	12000.15	9282.20	7957.04	6260.78	4618.73
Placement & Investment	10236.82	6098.51	4361.93	3988.76	2605.23	2462.17
B. From the Income Statement (Million Taka)						
Gross Income	2228.21	1768.85	1558.52	1290.66	1041.76	877.48
Gross Expenditure	1599.77	1241.63	1004.85	856.15	685.64	573.30
Profit before Tax and provision	628.44	527.22	553.67	434.51	356.12	304.18
Profit after Tax	285.49	291.48	236.39	251.55	213.67	173.34
Tax Paid (cumulative)	1777.70	1434.76	1199.02	881.73	698.76	556.31
C. Others (Million Taka)						
Import Business	14094.96	12507.80	9882.80	8645.00	7542.80	7948.00
Export Business	11097.23	7908.00	6933.90	5557.60	5957.90	5557.00
D. Financial Ratios (Percentage)						
Capital Adequacy Ratio	11.77	12.49	12.57	13.20	12.49	15.30
Capital Fund to Deposit Liabilities	10.36	10.47	10.65	10.11	10.13	11.94
Liquid Assets to Deposit Liabilities	58.01	50.56	51.05	54.80	51.47	59.52
Loan to Deposit Liabilities	69.74	77.37	82.39	79.40	83.34	79.02
Earning Assets to Deposit Liabilities	114.56	116.70	121.10	119.20	118.01	117.74
After Tax Return on Average Assets	1.23	1.70	1.70	2.20	2.45	2.33
Net profit to Gross Income	12.81	16.48	15.17	19.35	20.51	19.75
Interest Margin Cover	214.56	205.07	210.87	187.00	173.91	150.67
After Tax Return on Equity	17.75	21.27	20.90	28.18	28.06	27.04
SMI/SSI Loan and Micro Credit to Loanable Fund	50.66	62.21	59.16	63.00	50.18	46.96
Number of Branches	27	27	26	26	25	25
Number of Employees	601	578	523	510	497	453
Deposit per employee (Million Taka)	37.15	26.83	21.54	19.65	15.12	12.90
Advance per employee (Million Taka)	25.52	20.76	17.75	15.60	12.60	10.20
Profit before tax per employee (Million Taka)	1.05	0.91	1.06	0.85	0.72	0.67



Twenty Three years of BASIC



	1999	1998	1997	1996	1995	1994
A. From the Balance Sheet (Million Taka)						
Authorized Capital	500.00	500.00	500.00	100.00	100.00	100.00
Paid-up Capital	160.00	80.00	80.00	80.00	80.00	80.00
Reserve and Surplus	424.43	394.48	258.34	163.73	105.96	53.49
Shareholders' Equity	584.43	474.48	338.34	243.73	185.96	133.49
Fixed Assets	37.83	41.96	36.39	25.45	21.27	21.37
Total Assets	7173.17	5620.57	4350.14	3962.55	3280.16	2609.85
Deposits	5,647.93	4551.48	3541.60	3357.05	2773.73	2241.33
Long-term Debt	368.85	344.61	273.29	196.45	166.08	119.68
Loans and Advances	3960.11	3218.90	2630.90	1724.81	1561.29	1112.24
Placement & Investment	2021.19	2040.72	1395.59	1320.43	995.57	483.90
B. From the Income Statement (Million Taka)						
Gross Income	794.59	591.64	440.46	311.43	291.62	232.87
Gross Expenditure	528.01	364.73	268.83	207.41	191.66	181.51
Profit before Tax and provision	266.58	226.91	171.63	104.02	99.96	51.36
Profit after Tax	159.95	136.15	94.61	57.77	52.48	25.68
Tax Paid (cumulative)	425.47	318.84	228.08	151.06	104.81	57.33
C. Others (Million Taka)						
Import Business	7391.10	7208.20	7017.56	4986.10	4657.86	2613.50
Export Business	5060.30	4420.20	3754.87	2609.30	1783.09	1227.08
D. Financial Ratios (Percentage)						
Capital Adequacy Ratio	14.27	14.01	12.45	12.39	-	-
Capital Fund to Deposit Liabilities	10.34	10.42	9.55	7.26	6.70	5.96
Liquid Assets to Deposit Liabilities	59.09	62.29	59.58	70.42	66.22	68.17
Loan to Deposit Liabilities	66.71	66.81	69.86	47.82	54.17	49.62
Earning Assets to Deposit Liabilities	85.34	115.56	113.69	99.57	97.52	74.04
After Tax Return on Average Assets	2.50	2.73	2.28	1.60	1.78	1.04
Net profit to Gross Income	20.45	23.01	21.48	18.54	18.00	11.03
Interest Margin Cover	112.67	192.07	194.64	112.45	109.68	60.33
After Tax Return on Equity	30.21	28.69	27.96	23.70	28.22	21.28
SMI/SSI Loan and Micro Credit to Loanable Fund	40.09	42.21	35.83	40.99	43.44	46.25
Number of Branches	23	22	21	19	18	17
Number of Employees	417	372	351	315	300	238
Deposit per employee (Million Taka)	13.54	12.24	10.09	10.66	9.25	9.42
Advance per employee (Million Taka)	9.50	8.65	7.50	5.48	5.20	4.67
Profit before tax per employee (Million Taka)	0.64	0.61	0.49	0.33	0.33	0.22





Twenty Three years of BASIC

	1993	1992	1991	1990	1989
A. From the Balance Sheet (Million Taka)					
Authorized Capital	100.00	100.00	100.00	100.00	100.00
Paid-up Capital	80.00	80.00	80.00	80.00	80.00
Reserve and Surplus	27.81	10.48	4.83	4.36	1.09
Shareholders' Equity	107.81	90.48	84.83	84.36	81.09
Fixed Assets	20.82	16.26	15.15	14.08	7.62
Total Assets	2321.13	1646.95	991.37	661.91	406.73
Deposits	1977.60	1367.36	843.79	529.19	317.72
Long-term Debt	122.18	125.80	30.00	30.00	-
Loans and Advances	986.61	715.75	432.80	200.00	66.45
Placement & Investment	672.29	553.61	404.60	341.11	287.52
B. From the Income Statement (Million Taka)					
Gross Income	197.67	126.70	98.80	61.11	28.42
Gross Expenditure	163.01	117.52	95.33	52.22	24.28
Profit before Tax and provision	34.66	9.18	3.47	8.89	4.14
Profit after Tax	17.33	4.13	2.87	3.27	1.09
Tax Paid (cumulative)	31.65	14.32	9.27	8.67	3.05
C. Others (Million Taka)					
Import Business	1851.13	1656.70	1144.16	582.39	296.41
Export Business	718.63	365.50	115.64	36.76	-
D. Financial Ratios (Percentage)					
Capital Adequacy Ratio	-	-	-	-	-
Capital Fund to Deposit Liabilities	5.45	6.62	10.05	15.94	25.52
Liquid Assets to Deposit Liabilities	66.91	75.59	61.21	81.86	104.05
Loan to Deposit Liabilities	49.89	52.35	51.29	37.79	20.91
Earning Assets to Deposit Liabilities	83.69	92.70	101.48	102.99	111.41
After Tax Return on Average Assets	0.76	0.23	0.23	0.39	0.35
Net profit to Gross Income	8.77	3.26	2.90	5.35	3.84
Interest Margin Cover	84.98	57.85	82.15	102.43	123.10
After Tax Return on Equity	17.48	4.71	3.39	3.95	1.34
SMI/SSI Loan and Micro Credit to Loanable Fund	22.16	15.38	15.56	23.84	28.12
Number of Branches	16	13	10	7	3
Number of Employees	196	159	124	100	48
Deposit per employee (Million Taka)	10.09	8.60	6.80	5.29	6.62
Advance per employee (Million Taka)	5.03	4.50	3.49	2.00	1.38
Profit before tax per employee (Million Taka)	0.18	0.06	0.03	0.09	0.09



Paying Homage to the Father of Nation





Mr. Sheikh Abdul Hye Bacchu
Honourable Chairman of BASIC Bank



Message from the Chairman

Dear Shareholders and Friends,

On behalf of the Board of Directors, management and staff, I greet you with enthusiasm and sincere gratitude for your commitment towards the progress of BASIC Bank Limited. Despite the competitive environment, our Bank ended the year 2011 in a stronger position, and we were able to deliver good returns to our shareholders.

Loan and deposit growth rates were healthy at 23 percent and 27 percent respectively. Profit before provision for the 12 months was a record Taka 2349 million, up 37 percent from 2010, representing earnings per share of Taka 41.40. Our capitalization stood at 8.68 percent for Tier-I and 10.13 percent for total capital, comfortably above prescribed levels of 5 percent and 10 percent respectively.

However, there remain uncertainty and volatility for the year ahead on the broader global financial and economic fronts. Risks include still-high unemployment in the US, weak consumer demand, the spillover of the Euro zone crisis, higher oil and gas prices, plunging commodity prices, and high volatility in worldwide capital, stock and currency markets. These factors are all contributing to the formidable challenges facing us in 2012 although Bangladesh has so far been proved to be insulated since the crises began in 2008. Encouragingly, BASIC Bank remains well capitalized and ready to respond to both challenges and opportunities as they arise.

Nationally, we are steadfastly expanding our branch network. Since the beginning of 2011, we added 15 new branches bringing our total network to 49 branches. We have planned to raise this number to 75 by end of this year excluding 5 overseas branches which are yet on the card.

BASIC Bank Limited is known for more than just lending money and accepting deposits. Our officers always take a personal interest in our customers and in the communities we serve. We are relationship-driven and therefore, personalized service will always be the cornerstone of our Bank.

Finally, on behalf of the Board of Directors, I would like to express my gratitude to all our customers, shareholders and business partners for their patience, understanding and consistent support for BASIC Bank. In particular, I would like to thank our staff and executives, who rose to the occasion with courage and determination, and ultimately made the year such a success.

Sheikh Abdul Hye Bacchu
Chairman





Directors' Report



Mr. Sheikh Abdul Hye Bacchu
Chairman
BASIC Bank Limited

Dear shareholders, the report of the Directors starts by reviewing the World economy during the past year 2011 and then briefly provides you an update of current forecasts, then a concise discussion on the features and forecasts of Bangladesh economy followed by the Bank's main activities and achievements during the reporting year and future strategies.

Global Economic Scenario

As a direct result of the 2008 financial crisis, the story of 2011 has been one of gradual slowdown, initially, due to temporary factors like the Japanese earthquake and the pick-up in inflation resulting from rising commodity prices, which squeezed real incomes and weakened growth. A somewhat bigger problem that emerged in the last half of 2011 was the eurozone debt crisis began to spiral out of control. The year 2011 ended with the eurozone heading into a serious recession in 2012 and facing a fall in GDP of 2%, something that is likely to have a knock-on effect on the wider European region, including the UK and to a lesser extent the rest of the world.

The International Monetary Fund (IMF) in its World Economic Outlook update released on January 24, 2012 summarized that "The global recovery is threatened by intensifying strains in the euro area and fragilities elsewhere. Financial conditions have deteriorated, growth prospects have dimmed, and downside risks have escalated. Global output is projected to expand by 3¼ percent in 2012."

The main reasons are the expectation that the euro area economy is about to go into a mild recession in 2012 as a result of the rise in sovereign yields, the effects of bank deleveraging on the real economy, and the impact of additional fiscal consolidation. It is also expected that the growth in emerging and developing economies would slow because of the worsening external environment and a weakening of internal demand. The overview of the World economic outlook projections as incorporated in the report are as follows:



Percentage change assuming constant real effective exchange rates	Real GDP growth rate	
	2011	2012
World Output	3.8	3.3
Advanced Economies	1.6	1.2
United States	1.8	1.8
Euro Area	1.6	-0.5
Japan	-0.9	1.7
Newly Industrialized Asian Economies	4.2	3.3
Other Advanced Economies	3.3	2.6
Emerging and Developing Economies	6.2	5.4
Central and Eastern Europe	5.1	1.1
Developing Asia	7.9	7.3
Middle East and North Africa	3.1	3.2
Sub-Saharan Africa	4.9	5.5
Commonwealth of Independent States	4.5	3.7

It is believed that the global economy would face three key risks in 2012: first an oil price shock from supply disruptions in the Middle East, second the euro zone sovereign debt problems and lastly, China's real estate market downturn.

Bangladesh Economic Scenario

The Bangladesh economy, a rapidly developing market-based economy which has been positioned among the Next Eleven or N-11 of Goldman Sachs and D-8 economies, has performed better than many others in Asia due to its lack of integration with global financial markets as well as the nature of its garment and labor exports. The economy has grown at the rate of 6 - 7% per annum over the past few years.

The Asian Development Bank (ADB) in its Bangladesh Quarterly Economic Outlook released in September 2011 stated that Bangladesh attained a respectable 6.7% growth in gross domestic product (GDP) in FY2011 aided by conducive policies, strong export growth, and favorable weather. However, with the start of FY2012 the economy experienced few major macroeconomic challenges, mainly the inflationary pressures, which steadily built up throughout FY2011 and intensified gradually later on. According to the monthly Economic Trends released by Bangladesh Bank in March 2012, the annual rate of inflation increased

to 10.96 percent at the end of February 2012 from 8.21 percent at the end of February 2011.

Real GDP increase for Bangladesh is currently projected by the IMF at 6.3 % in FY12, driven by still-strong garment exports, a firming up of remittances inflows, and better electricity supply. The headline inflation rate is projected approaching down modestly by end-fiscal year, mainly due to additional moderate expected increases in world commodity prices. It is believed that Bangladesh will remain fairly insulated from a world increase slowdown.

Our Bank : A Bird's Eye View

The year 2011 was a year of consolidation for BASIC Bank Limited. Regardless of the market challenges and the lowest interest rates, the Bank performed well during a testing period for the financial services sector. This past year was a year during which we further strengthened our Bank in several ways which will help position us well for future growth.

The total assets of the Bank stood at Taka 78032 million at the end 2011 against Taka 61569 million in the previous year. Deposit increased to Taka 62651 million in 2011 from Taka 49260 million in 2010 registering a growth of 27 percent. Loans and advances also increased to Taka 56885 million as on December 31, 2011 against Taka 46342 million at





Board of Directors



the end of 2010, recording a growth rate of 23 percent compared to 58 percent in the previous year. The Bank was cautious in maintaining loan deposit ratio in compliance with guidelines of the regulatory authority.

All-out efforts were made to improve the recovery rate and control non-performing loans and advances. The proportion of non-performing loans to total loans stood at 4.38 percent in 2011 compared to 4.83 percent in 2010. Emphasis given on the maintenance of quality of assets remained the centerpiece of the Bank's business strategy.

Growth of industrial finance was moderate and loans to small industries were 33.43 percent of total loans and advances, which registered a growth of 40.18 percent. The Bank was quite successful to utilize its fund satisfying all conditionality and national priorities. The Bank also successfully utilized a soft term fund of Asian Development Bank under Bangladesh Agribusiness Project and special agro-based industrial development fund provided by the Government of Bangladesh.

Since the inception of the Micro-credit Scheme in 1994, the Bank has been providing funds to NGOs for on-lending to their members. Total outstanding in micro-credit of the bank stood at Tk. 835.40 million at the end of the year under review.

The Bank's financing of import business increased to Taka 47088 million in 2011 from Taka 42206 million in 2010 registering growth rate of 12 percent. On the other hand, Bank's export finance increased to Taka 33061 million in 2011 from Taka 23999 million in 2010.

Profit before provision of the Bank rose at Taka 2349 million in 2011 against Taka 1717 million in 2010. Profit after provision for loan loss and investment increased to Taka 2000 million in 2011 against Taka 1325 million in 2010. After tax net profit stood at Taka 976 million in 2011 compared to Taka 661 million in 2010.

Branch Expansion

From the very outset the Bank was slow but steady in expanding its Branch network. But in 2009, the Board of Directors felt that this strategy would fall the Bank in back while competing the others. So,

the Bank took massive program to expand its Branches and opened 11 Branches within 2011 and 4 Branches during first quarter of 2012. Presently, the Branches of the Bank stood at 49 and the Bank eyes to raise this number to 75 by end of 2012. It is worth mentioning here that the Bank has a program to open Branches in overseas.

The Bank was able to maintain the confidence of investors and depositors while providing a lucrative return to the Government, the sole shareholder of the Bank.

A Focus on Core Customers

While we have focused on new areas, we have not taken our eye off of our bread and butter - the small- and medium-sized customers who walk into our branches every day. Since our day one we placed utmost care to make sure that we were very good at the basics of serving these customers - dedicating at least 50 percent of the Bank's loanable fund to their needs.

Technology

BASIC Bank Limited continues to adopt banking technology to ensure that it is capable of supporting development of products and services to effectively meet customer needs. The ultimate aim is to enable customers to manage financial transactions safely and conveniently in the place, at the time, and in the form that they prefer.

The Bank attaches great importance to acquisition and use of appropriate information technology. Computers are being used in the Bank for its day-to-day operations since inception. All the Branches of the Bank are connected with each other, the Head Office and the Data Center through Wide Area Network (WAN). The Bank is always striving to meet





Directors' Report

the complex dynamic needs of its customers, and technology is playing an important role regarding this. The Bank had its own Banking Software developed in 1991 which was replaced by a Centralized Online Banking System to further enhance customer care and increase employee efficiency. All the Branches and the Head Office of the Bank have been brought under Centralized Online Banking operation. To enhance the performance and to ease the day-to-day operations, the Bank is using different software developed by its own Software Engineers and is continuously pursuing its efforts in using new software.

The Bank provides money transfer services to its customers as well as non-customers through all of its Branches using the facilities of Western Union. The Bank is also successfully participating both in Bangladesh Automated Cheque Processing System (BACPS) and Bangladesh Electronic Fund Transfer Network (BEFTN) operations under Bangladesh Automated Clearing House (BACH) of Bangladesh Bank.

The Bank is a member of the Q-Cash shared ATM and POS network. At present, debit card holders of the Bank can carry out transactions through more

than 600 ATMs of Q-Cash network of which several ATMs have been set up by the Bank itself in suitable locations. Expansion of Bank's ATM network is going to take place soon. Moreover, the Bank is going to launch Internet Banking operations shortly and is also going to introduce Mobile Banking operations, which has already been approved by the Board. The Bank has also taken initiatives to automate different operations, approval process, document management system etc.

In order to carry out banking operations in case the Data Center of the Bank becomes inoperative or inaccessible a Disaster Recovery Site (DRS) has been set up by the Bank.

Capital structure and ratios

At the end of the year 2011 Bank's capitalization stood at 8.68 percent for tier 1 and 10.13 percent for total capital against the total risk weighted assets exceeding the required minimum levels of 5 percent and 10 percent respectively. Thus the Bank was able to maintain the confidence of investors and depositors while providing a lucrative return to the Government, the sole shareholder of the Bank. Details of the capital structure were as follows:

	2011	2010
(Amount in million taka)		
Core Capital (Tier 1)		
Paid up capital	2357.59	1964.66
Statutory reserve	2224.69	1824.69
Other reserve and surplus	653.17	469.99
Total of Tier 1 Capital	5235.45	4259.34
Supplementary Capital (Tier 2)		
1% general provision on unclassified loans and off balance sheet exposures	752.35	706.18
Revaluation reserve of HTM and HFT securities	123.16	107.55
Total of Tier 2 capital	875.51	813.73
Total Capital (Tier 1 + Tier 2)	6110.96	5073.07
Risk weighted assets	60304.50	53907.00
Capital Ratios to risk weighted assets		
Tier 1 Capital	8.68%	7.90%
Tier 2 Capital	1.45%	1.51%
Total Capital	10.13%	9.41%





BASIC Bank has a well-diversified pool of human resources with high academic background.

Dividend

In maintaining the competitive edge and creating a strong financial base the Board of directors decided to improve its equity by issuing bonus shares to its existing shareholders and accordingly, pleased to propose to its sole shareholders, the Ministry of Finance, subject to approval of the Annual General Meeting, 1 (one) bonus share against each 4 (four) shares amounting to Tk. 589.39 million.

The Board

I want to acknowledge the continued support of my fellow Directors, who have devoted themselves diligently to their Board duties during the period. We are fortunate in the mix of skills and experience that is represented on the Board. The increasing complexity of the corporate governance environment has added significantly to the

responsibilities placed on Directors. These skills continue to be of great value to me and to Bank management.

During the reporting year no Director retired from the Board. On the other hand, Mr. Kazi Faqurul Islam, Managing Director joined the Board and he has already proved to be a valuable addition.

Audit Committee of the Board of Directors

The Audit Committee of the Board of Directors consists of five directors namely, Mr. Shakhawat Hossain, Mr. Jahangir Akhand Salim, Mr. Shubhashish Bose, Prof. Dr. Kazi Akhtar Hossain and Mr. Md. Anwarul Islam, FCMA. The Committee reviewed the financial statements of the Bank from time to time and made significant contribution to the development of internal control system for conducting banking operations efficiently and in a





disciplined manner. The Committee met three times during the reporting year.

Human Resources

Human capital development is an integral part of our business success and therefore, our Human Resources Division plays a key partnership role in supporting the overall business direction of the Bank. Accordingly, we have recognized competency-based recruitment, training and performance management systems, and we have a strong focus on providing leadership skills and succession planning to build a solid foundation for the future.

The Bank's ongoing success speaks to the excellence of its team. BASIC Bank has a well-diversified pool of human resources with high academic background. There is also a positive demographic characteristic - most employees are comparatively young in age yet rich in experiences. BASIC values its employees' strong work ethic, deep loyalty to the Bank, and dedication to helping their customers, communities and each other. I thank them for their outstanding contributions to the performance of the Bank.

In an increasingly competitive market for highly skilled staff, we are focusing on providing a stimulating corporate environment and attractive compensation packages. This facilitates challenging career opportunities and avenues for improvement. The Bank attaches a great importance to human resources and recruits regularly fresh graduates with outstanding academic achievements. At the end of the year under review total employee strength was 1132.

Strategic Priorities

BASIC Bank has been strongly positioned in recent years to take up the opportunities of a growing and transforming Bangladesh marketplace. Our strategy is to serve the full value chain of customers in our operations, from the most basic to the most sophisticated of financial services needs, and to maintain high standards of customer service and cost-effective delivery channels. High standards of

customer service must rank as the ultimate differentiator in the banking industry and we would apply ourselves, as we did in previous years, with great commitment to this important task in 2011. Apart from this, our strategic priorities would include:

- Total Business Banking;
- Technological Advancement;
- Operational Excellence;
- Trust and Team Spirit; and
- Profitable Growth.

Acknowledgement

The preceding discussions indicate that the Bank has continued to succeed in attaining satisfactory results in the face of an ever more competitive market, thanks to the collective efforts made by the Bank's management, employees, clients and well-wishers.

The Board extends its gratitude to Bangladesh Bank, Bank and Financial Institutions Division, Ministry of Finance, Ministry of Industries, Bangladesh Small and Cottage Industries Corporation and Prime Minister's Office for their cooperation in making the year's operation a success. The Board also thanks the NGOs working with BASIC Bank in expanding the micro credit program in its efforts towards active participation in national poverty alleviation program.

On behalf of the Board

Sheikh Abdul Hye Bacchu
Chairman





Mr. Sheikh Abdul Hye Bacchu, Honorable Chairman, BASIC Bank Limited with Mr. Joseph Crowley, Honorable member of the US Congress and the Chairman of the New Democrat Coalition and the Queens Country Democratic Party in New York during March 2012.



Mr. Sheikh Abdul Hye Bacchu, Honorable Chairman, BASIC Bank Limited with Mr. Peter T. King, Honorable member of the US Congress and the Chairman of the United House Committee on Homeland Security in New York during March 2012.



Credit Rating of the Bank



Credit rating of the Bank for the year 2011 is being handed over by Mr. Hamidul Huq, Managing Director, Credit Rating Agency of Bangladesh Ltd. (CRAB) to Mr. Kazi Faqurul Islam, Managing Director, BASIC Bank Ltd. Among others, Additional Managing Director, Mr. Sk. Monzur Morshed, Deputy Managing Directors of the Bank Mr. Fazlus Sobhan, Mr. Kanak Kumar Purkayastha, Mr. Md. Shahabud Doza, General Managers, Company Secretary of the Bank and officials of CRAB are seen in the picture.

Rating year	2011	2010
Long Term	AA2	AA2
Short Term	ST-2	ST-2
Date of Rating	April 17, 2012	May 31, 2011

Credit Rating Agency of Bangladesh Ltd. (CRAB) has retained the long term rating AA2 (Double A two) and short term rating ST-2 of BASIC Bank Ltd. for the year 2011.

Commercial Banks rated 'AA' in the long term have very strong capacity to meet their financial commitments. They differ from the highest-rated Commercial Banks only to a small degree. AA is judged to be of very high quality and is subject to very low credit risk.

Commercial Banks rated ST-2 in the short term category are considered to have strong capacity for timely repayment. Commercial Banks rated in this category are characterized with commendable position in terms of liquidity, internal fund generation, and access to alternative sources of funds is outstanding.





Value Added Statement

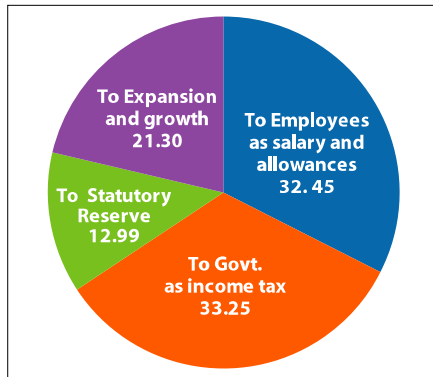
for the year ended 31 December 2011

The value added statement-2011 of BASIC Bank shows how the value is created and distributed among different stakeholders of the bank such as employees, government and shareholders in the form of salaries and allowances, income tax, retained surplus etc in 2011. It also indicates the value of use of fixed assets through depreciation during the same period.

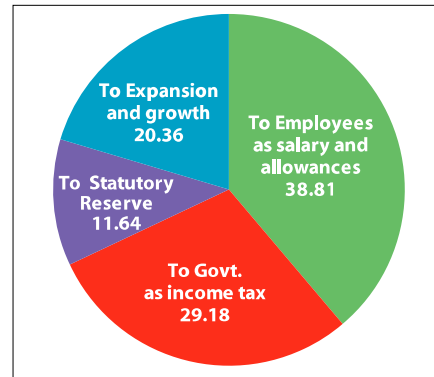
Particulars	2011	%	2010	%
Income from Banking Services	8,825,219,702		6,120,543,826	
Less : Cost of services and supplies	5,397,773,714		3,452,596,600	
Value added by the banking services	3,427,445,988		2,667,947,226	
Non-banking income				
Loan written-off and provision	(348,529,380)		(391,875,062)	
Total Value Added	3,078,916,608	-	2,276,072,164	

Distribution of added value

To Employees as salary and allowances	999,236,317	32.45	883,327,579	38.81
To Govt. as income tax	1,023,878,729	33.25	664,239,136	29.18
To Statutory Reserve	399,998,309	12.99	265,035,082	11.64
To Expansion and growth	655,803,253	21.30	463,470,367	20.36
Retained earnings	576,114,507		395,901,187	
Depreciation	79,688,746		67,569,180	
	3,078,916,608	100	2,276,072,164	100



2011



2010





Honorable Chairman and the other members of the Board of Directors with the Executives and Branch In-Charges of the Bank in last year Annual Congregation

Annual General Meeting 2010



Annual General Meeting 2010





Honorable Chairman & Top Executives at Managers' 1st Conference 2012

Our Strategy

Emphasizing lending to small and medium industries, we also do other financing to business establishments and individuals keeping our Small Balance Sheet size composed of quality assets.

- Steady and sustainable growth.
- Investment in a cautious way.
- Adoption of new banking technology.
- To employ funds for profitable purposes in various fields with special emphasis on small and medium scale industries.
- Undertake project promotion to identify profitable areas of investment.
- To search for newer avenues for investment and develop new products to suit such needs.
- To establish linkage with other institutions which are engaged in financing micro enterprises.
- To cooperate and collaborate with institutions entrusted with the responsibility of promoting and aiding SSI and SME sector.
- Expansion of network.

Expanding Our Horizon...

Opening of new Branches in 2011



01



02



03



04

1. Bashundhara ; 2. Fakirhat ; 3. Chitalmari ; 4. Chandpur

Expanding Our Horizon...

Opening of new Branches in 2011



5. Kotalipara; 6. Islampur; 7. K. D. A. Avenue

Expanding Our Horizon...

Opening of new Branches in 2011



08



09



10



11

8. Kushtia ; 9. Belkuchi ; 10. Faridpur ; 11. Banani

Expanding Our Horizon...

Opening of new Branches in 2011



12. Pahartali ; 13. Madhabdi ; 14. Maona ; 15. Jhikargacha



Economic Value Added (EVA) statement

for the year ended 31 December 2011

Economic Value added(EVA) is the most recent innovation in measuring corporate performance. It is also the best measure of a firm's intrinsic value and the best tool of measuring Management and Owners' interest. The EVA is an estimate of the amount by which earnings exceed or fall short of the required minimum return for shareholders or lenders at comparable risk.

Particulars	2011 Taka	2010 Taka
Shareholders' equity	5,481,758,422	4,474,435,950
Add : Cumulative provision for loans and Off-balance sheet items	1,646,732,596	1,440,731,570
	7,128,491,018	5,915,167,520
Average Shareholder's equity	6,521,829,269	5,443,987,242
Earnings :		
Profit after tax	976,112,816	660,936,269
Add : Provision for loans and Off-balance sheet items during the year	348,529,380	391,875,062
Total earnings(a)	1,324,642,196	1,052,811,331
Average cost of equity (based on average rate of sanchay patra issued by the Bangladesh Government)plus 2% risk premium	13.55%	12.64%
Total cost of average equity(b)	864,142,378	762,158,214
Economic Value Added(a-b)	460,499,818	290,653,117





**Top
Executives
of the Bank**



Mr. Kazi Faqurul Islam
Managing Director





Top Executives of the Bank



Mr. Sk. Monzur Morshed
Additional Managing Director



Mr. Fazlus Sobhan
Deputy Managing Director



Top Executives of the Bank



Mr. Kanak Kumar Purkayastha
Deputy Managing Director



Mr. Md. Shahabad Doza
Deputy Managing Director





**Top
Executives
of the Bank**



Mr. Md. Shah Alam Bhuiyan
Company Secretary



Mr. Abdul Qayum Mohammad Kibriya
General Manager



Top Executives of the Bank



Mr. Md. Zainul Abedin Choudhury
General Manager



Mr. Shahadat Hossain
General Manager





Top Executives of the Bank



Mr. Md. Wahidul Alam
General Manager



Mr. Khandakar Shamim Hasan
General Manager



**Top
Executives
of the Bank**



Mr. Md. Mozammel Hossain
General Manager



Mr. A. Monaem Khan
General Manager





Top Executives of the Bank



Mr. Golam Faruk Khan
General Manager



Mr. Md. Salim
General Manager



Top Executives of the Bank



Mr. Mohammad Ali
General Manager



Mr. Ahmad Hossain
General Manager





Management Commentary



Mr. Kazi Faqurul Islam
Managing Director
BASIC Bank Limited

During 2011, Bank also maintained its consistent progress. Its unique emphasis on credit quality and customer's services yielded the desired growth in profit, capital, assets and shareholders' value.

The year 2011 was yet another successful year for BASIC Bank Limited. During the year the bank also maintained its consistent progress. Its unique emphasis on credit quality and customer's services yielded the desired growth in profit, capital, assets and shareholders' value. We were able to muster adequate resources, both financial and human, which fostered such remarkable achievement. Years ahead will witness the Bank's growing commitment in maintaining the highest standard in all its spheres of activities.

1. Performance of the Bank

1.1 Property and Assets :

At the end of the year 2011, total assets of the bank stood at Taka 78,031.73 million against Taka 61,569.39 million in previous year registering an increase by 26.74 percent. This increase of assets was possible due to increase in investments and loans and advances to clients with economically viable projects financed out of our increased deposits mobilized throughout the year. As planned, loans and advances comprised the largest share in the assets portfolio of the Bank constituting 72.90 percent. Investment and Cash were the second and





third largest constituents being 12.17 percent and 6.00 percent of the assets portfolio respectively. Money at Call and Short Notice were 2.87 percent of total assets.

1.1.1 Cash in hand and balance with Bangladesh Bank and its Agent :

The amount of cash in hand and balance with Bangladesh Bank and its agent was increased to Taka 4682.11 million in 2011 from 3,057.37 million in 2010 registering an increase of 53.14%. The increase was due to enhanced requirement for maintaining Cash Reserve Ratio (CRR) resulted from increase of deposit in 2011 than that of 2010 and increased CRR requirement by Bangladesh Bank from 5.50% to 6.00% in December 2010. CRR was maintained adequately.

1.1.2 Balance with Other Banks and Financial Institutions :

The balance with other banks and financial institutions was decreased by 22.87% to Taka 2,026.74 million from Taka 2,627.44 million in previous year. Such decrease was the resultant effect of increase in Loans and Advances and balance with Bangladesh Bank and its agent, which also directly caused to the decrease of term placement with other banks and financial institutions. Keeping bank's deposit with other banks without investment was discouraged by the regulatory authority. So the step was taken to reduce balance with other banks and invest more fund in normal banking activities in accordance with the observations and recommendations of the Central Bank.

1.1.3 Investment :

Investment mainly in approved securities at the end of 2011 was Taka 9,494.08 million, compared to Taka 6,676.43 million in previous year showing a growth of 42.21% over last year. The investment was increased due to investment of more funds in Treasury Bonds to meet SLR requirement. Investment was concentrated in long term approved securities such as Government Treasury Bonds. During the year 2011 Treasury Bond had the largest share (97.13%) in the investment portfolio. Debentures, shares in listed and unlisted

companies and prize bond altogether constituted 2.87 percent.

1.1.4 Money at Call and Short Notice :

This was an important area of treasury operation of the bank. Money at Call and Short Notice was Tk.2,240.00 million in 2011 compared to Tk. 250.00 million in 2010. The amount of placement was made with different Banks and Fls.

Since inception BASIC Bank has been paying income tax to the Government progressively and so far it paid Taka 5987.61 million to the Government exchequer by way of corporate tax.

1.1.5 Fixed assets and other assets :

At the end of 2011 the fixed assets were increased to Taka 364.46 million from Taka 283.12 million in 2010 with a growth of 28.73 percent whereas the other assets were increased to Taka 2,339.57 million from Taka 2,315.51 million in the previous year. Fixed assets include vehicles, equipment and computer, furniture and fixtures and leased assets. On the other hand, other assets included interest receivable from term placement, advance against acquisition of premises under construction for Head Office and Main Branch and payment for purchase of premises for Banani Branch, advance income tax, stock of stationery, security deposits, sundry debtors, deferred tax and suspense accounts.

1.1.5.1 Acquisition of Premises for Head Office and Main Branch :

BASIC Bank Limited has been in operation for 23 years through rented premises with its 45 Branches and Head Office. As per Board's approval



Management of the Bank had entered into an agreement with M/s. Business Resources Limited and Mr. Sinku A Zaman to purchase floor spaces for Head Office and Main branch of the Bank measuring 51,500 sft in the ZAMAN BASIC TOWER at 10/1 Toyenbee Circular Road, Motijheel, Dhaka at a cost of Taka 800.00 million which was scheduled to be completed within 30.03.2013. Initially BASIC Bank Limited had made an advance payment of Taka 400.00 million and subsequently another Taka 66.70 million was also paid and the remaining amount to be paid in installments.

The Bank had also purchased floor space measuring 7400 sft in the 2nd Floor of Prashad Trade Center (PTC) at 6, Kamal Ataturk Avenue, Banani, Dhaka at a cost of Taka 19.98 crore out of which Taka 16.00 crore had already been paid and the remaining would be paid at the time of registration. Bank has already opened its Banani Branch there.

1.1.6 Loans and Advances :

Loans and Advances consist of Industrial Loans, Commercial Loans, Micro Credit, Small Enterprise Financing, Loan for Women Entrepreneurs, Agro-based Industry Financing and Agricultural Loan, Bills etc. which were increased by 22.75 percent to Taka 56,884.76 million in 2011 compared to Taka 46,341.51 million in 2010. This increase was resulted from expansion of our business in response to the growth of national economy.

1.1.7 Industrial Loans :

The industrial loan reflected growth of 19.96 percent over the previous year. Total outstanding industrial loans including term loan and working

capital stood at Taka 33,323.05 million at the end of 2011 compared to Taka 27,777.89 million of 2010. Total outstanding of Term Loan stood at Taka 14,731.97 million as on December 31, 2011 compared to Taka 12,225.49 million in 2010 reflecting a growth of 20.50 percent. The outstanding working capital finance extended to industrial units stood at Taka 18,591.03 million at the end of the reporting period compared to Taka 15,552.40 million in 2010 reflecting a growth of 19.54 percent. BASIC Bank's services are specially directed towards promotion and development of small and medium industries. Its exposure to small and medium industries sector accounted for 54.67 percent of the total loanable fund. During the year a total of 101 projects were approved term loan. As on 31 December 2011, total 973 projects were in the portfolio of the bank. The textile sector including garments being one of the major contributors to national economy dominated the loan portfolio of the Bank. Financing in other sectors include agrobased industry like poultry, engineering; food and allied industries; chemicals, pharmaceuticals and allied industries; paper, board, printing and packaging; and other non-metallic goods, leather and jute products.

1.1.8 Commercial Credit :

The Bank also continued support in developing trade, general business and other commercial activities in the country which covers the full range of services such as cash credit, work order financing, secured overdraft etc. As on December 31 2011, total outstanding commercial loans stood at Taka 22,727.40 million compared to Taka



16,915.32 million in 2010 reflecting a growth of 34.36 percent.

1.1.9 Financing to Agro-based Industries :

BASIC is also actively involved in financing agro-based industries. It has been utilizing the Govt. fund under "Government's Agro-based Projects Financing Scheme" as well as its own fund to finance agro-based projects and so far helped setting up a total of 152 projects with Tk. 2391.80 million which have been running successfully.

1.1.10 Bank's role in Micro Credit Financing :

From the view point of corporate social responsibility BASIC Bank since its inception continued to concentrate on reaching credit to the poor section of the society by bringing them under the credit net of the bank through NGO linkage or its own channel and exerted efforts to improve their living standard on a sustainable basis.

BASIC is the only bank among the scheduled banks of Bangladesh which can boast of pioneering micro credit through NGO linkage which became an

BASIC is working with more than 50 NGO/MFIs as copartner and distributed credit amounting Taka.3243.80 Million to the poor section of the society through MFIs which benefits near about 3,28,762 people who had opportunity to address their economic hardships.

exemplary instance to other that two type of institution can work jointly to help eradicating poverty through micro credit operation.

BASIC is working with more than 50 NGO/MFIs as co-partner and distributed credit amounting Taka.3243.80 million to the poor section of the society through MFIs which benefits near about 3,28,762 people who had opportunity to address their economic hardships. Majority of these people are the women who particularly had no formal source of fund. Here it is observed that the recovery percentage is also very much high in the micro credit among these segments of the society.

BASIC's Micro Credit program covers self-initiated small scale enterprises at micro level, crops production, small trading, agricultural production and marketing, fish culturing, cow fattening, poultry, establishment of cottage industries and many others alike.

Apart from this, BASIC is working with GoB as one of the implementing agents for implementing different agri-farming and business development project namely Bangladesh Agribusiness Development Project (BADP) & Second Crop Diversification Project (SCDP) funded by Asian Development Bank (ADB) with the object to eradicate poverty and increase income of the rural people through internationally reputed local MFIs and so far disbursed Taka 1300.00 million upon receipt of fund from ADB.

At the end of 2011, total amount of Taka 835.39 million remained outstanding as against Taka 988.72 million in 2010. Recovery rate during this period remained at a highly satisfactory level of 89.31percent (approx).

1.1.11 Non-performing loan :

The Bank was able to keep its classified loans and advances within the acceptable industry standard of 5% which was possible for prudent exercise of credit policy along with recovery efforts. Relative figure of classified (non-performing) loans and advances remain stable at 4.38 percent at the end of the year. A total recovery of Taka 1297.61 million in the year under review was also possible. Additional provision made in 2011 was Taka 348.53



million against classified and unclassified loans and advances and off-balance sheet exposure. Total cumulative provision made for loans and advances and off balance sheet exposures amounted to Taka 1646.73 million as on December 31, 2011. During the year 2011 an amount of Taka 83.74 million was recovered against written-off loans.

1.2 Liabilities and shareholders' equity

1.2.1 Deposit :

Deposit is the life blood of a bank. Deposit constitutes the core of BASIC Bank's fund mobilization. Total deposit of the Bank at the end of 2011 stood at Taka 62,650.73 million (80.29% of Total liabilities) compared to Taka 49,259.60 million (86.28% of Total liabilities) in 2010. Total amount of deposit was increased by 27.18 percent. The increase of deposit was a result of all out effort exerted by the management and the employees for mobilization of individual and corporate deposit. During 2011, the Fixed Term and SND deposit was Taka 56,978.59 million against Taka 42,447.22 million in 2010 registering a growth of 34.23 per cent. Savings bank deposit increased to Taka 1,496.28 million in 2011 compared to Taka 1,328.22 million in 2010. Deposit in current and other accounts including bills payable was Taka 3,989.92 million compared to Taka 5,481.16 million in 2010.

1.2.2 Borrowing :

Borrowings were made from various sources for long term funding specially for financing development-banking activities. The Bank enjoys a credit line facility from KFW, a German development bank for financing micro-credit scheme and small-scale industries. Another loan with outstanding balance of Taka 1,294.45 million as on 31.12.2011 was also received from ADB for financing Agro business development. Ministry of Finance (GOB) and Bangladesh Bank are the main source for accumulating fund. An amount of Tk 1,123.44 million (including accumulated interest) was allocated by the GOB and disbursed to BASIC Bank to finance Agro-based industry. BASIC was included in this scheme for its outstanding performance. The fund received from Bangladesh Bank under House Building Refinance Scheme was Tk.113.86 million as on the reporting date which

was disbursed in full to the eligible people to purchase flats or to construct house thus to relieve them from their residential problem.

1.2.3 Equity :

The bank started its journey with paid-up capital of Tk. 80.00 million in 1989 and the same was increased to Taka 2,357.58 million at the end of 2011. The Board of Directors of the Bank had approved issuance 1 bonus share for every 4 shares amounting to Tk. 589.39 million and the paid-up capital of the bank would thus be raised to Taka 2,946.97 million if the proposed bonus share is approved by shareholders. Due to Bangladesh Bank instruction for maintaining sufficient capital against risk weighted assets under Basel-II guidelines, no cash dividend has been proposed this year. However, the bank has so far paid cash dividend of Tk 537.99 million to the Government.

1.2.4 Statutory reserve :

As per section 24 of the Bank Company Act-1991, 20% of profit before tax was transferred to statutory reserve. Hence, the statutory reserve of the bank will stand at Taka 2,224.69 million after transfer of an amount of Taka 399.99 million from the profit of 2011.

1.2.5 Shareholders' Equity :

Shareholders' equity of the Bank would increase by Taka 1,007.31 million to Taka 5,481.75 million in 2011 from Taka 4,474.44 million in 2010 registering a sustainable growth rate of 22.51 percent. Starting from Taka 80.00 million the shareholders equity has already reached Taka 5481.75 million from profit in 22 years of operation which is a tremendous growth of 6751%.

1.3 Operating results :

1.3.1 Income :

The Bank's total income was Taka 8,825.22 million in 2011 compared to Taka 6,120.53 million in 2010. Interest income from loans and advances was increased to Taka 7,099.00 million in 2011 from Taka 4,337.04 million in 2010. Average yield on lending was 12.74%. Income on investment was increased to Taka 751.63 million in 2011 against Taka 651.52 million in 2010 while other operating income and





profit from sale of shares was Taka 189.23 million in 2011 against 476.67 million in 2010. The restated amount of commission and exchange gain was Taka 785.35 million in 2011 compared to Taka 642.57 million of previous year.

1.3.2 Expenses :

The total expenditure was Taka 6,476.70 million in 2011 compared to Taka 4,403.49 million in 2010. Total expenditure was increased due to increase of interest expenditure and salary and allowances for promotion, increment and appointment of employees to support expansion of the Bank. Higher Interest expenses were resulting from increased interest expenses for increase of deposit and mobilizing deposit at higher interest rates as the deposit market was very tight and competitive. Besides, rent, electricity and insurance, stationery, printing and advertising contributed to such increase. Hiring of space for 11 new branches also contributed to increase of rental expenditure.

1.3.3 Contribution to Exchequer

From the very inception, BASIC Bank has been posting earning and paying income tax to the Government. The cumulative figure of contribution to the Government exchequer by way of corporate tax up to December 31, 2011 amounted to Taka 5987.61 million, which is almost 75 times the amount of original paid-up capital of the Bank.

1.3.4 Trade Financing (Export/Import) :

The Bank managed total import business of Taka 47,087.80 million and export business of Taka 33,061.10 million in 2011 compared to Taka 42,205.80 million and Taka 23,998.47 million in 2010 respectively. Major items of exports were ready made knit & woven garments, sweater, jute & jute products, leather and leather goods, handicrafts, potatoes and frozen food etc. Items of import included mainly industrial raw materials, garments accessories, capital machinery, raw cotton, electronic consumer goods, chemicals, tires and tubes, reconditioned vehicles, bicycle spare parts, poultry feeds and food items such as rice, wheat, maize, garlic, onion, sugar, chilli and other essential commodities.

1.4 Other activities :

1.4.1 Branch Network

A substantial amount of investment for developing the physical resource base of the Bank has been made. BASIC Bank has its presence in all the major industrial and commercial centers of Bangladesh in order to cater the needs of industry and trade. In 2011 the bank expanded its operation significantly by opening 11 new branches. At the end of 2011, there were 45 (forty five) conveniently located branches throughout Bangladesh being 13 branches in the capital city of Dhaka, 8 in Chittagong city, 2 in Khulna city and one each in Gazipur, Mawna, Narayanganj, Narsingdi, Madhabdi, Rajshahi, Saidpur, Bogra, Jessore, Tungipara, Sylhet, Moulvibazar, Comilla, Barisal, Sirajganj, Belkuchi, Rangpur, Kushtia, Chandpur, Faridpur, Fakirhat and Chitolmari. The bank has already expanded its operation in 21 branches. We are also expecting to open 32 new branches including 01 overseas branch in Kolkata and 05 exchange houses in abroad. Besides these, the bank has 03 (three) bill collection booths at Ramna, Sher-e-Bangla Nagar and Gulshan Exchange Office of BTCL, Dhaka. The Bank has an arrangement with Western Union for obtaining foreign currency remittances. The bank started ATM operation in 2008 with 5(five) ATM booths and membership of Q-Cash net work (payment gateway) of over 600 ATMs. The bank is expecting to introduce more ATMs in 2012.

1.4.2 Risk Management

The banking business has always been a business operating within an environment involving various risks with varied degree of uncertainty. In this backdrop, the management has established a formal program for managing different risks faced by the Bank. Considering the present non-performing loan position of the country, BASIC Bank is very much cautious about its investment. Every loan proposal is placed under careful scrutiny before approval. Proposals of large amount of loans need approval of the Board of Directors. Credit Administration Division ensures documentation before disbursement. Internal control and compliance mechanism is designed to ensure



proper due diligence being observed in assignment, approval, disbursement and recovery of loans and advances.

Management regularly reviews the Bank's overall assets and liabilities position and makes necessary changes in its mix as and when required. The Bank also has a liquidity policy to ensure financial flexibility to cope with unexpected future cash demands under its ALM guidelines. To manage the risks efficiently and effectively Bank has been continuously adhering to all instructions and guidelines of Bangladesh Bank issued under Core Risk Management, Anti Money Laundering, Credit Risk Grading (CRG), Risk Based Capital Adequacy Framework (BASEL-II), SRP and Stress Testing etc.

1.4.3 Head office and Board of Directors

The responsibility of making policies and operational guidelines is vested with the Board of Directors. The Board of the bank is nominated by the Ministry of Finance, Bank and Financial Institutions Division, Government of the Peoples Republic of Bangladesh and consists of Government officials, professionals, academicians and businessmen. The Managing Director is the Chief Executive of the Bank who is an ex-officio member of the Board. One Additional Managing Director, Four Deputy Managing Directors and Eleven General Managers are acting under him along with 24 Divisions performing daily operational activities of the Bank. The Managers of the branches are responsible functionally to the Head Office.

1.4.4 Human Capital Management :

BASIC has a well-diversified pool of human resources, which entails personnel with high academic background. Also, there is a positive demographic characteristic. Most employees are comparatively young in age yet mature in experience. As at the end 2011 the total number of employee was 1132.

The Bank follows a strict recruitment policy in order to ensure that only the best candidates are recruited. For fresh recruitment, comprehensive written test and viva voce are being conducted through the renowned institutions like IBA, BIBM,

BIM etc. The Bank, so far, has recruited seven batches of entry-level management staff, all of whom have got excellent academic background. In 2011 the bank recruited 125 fresh employees (except sub staffs) at various grades from different academic background.

Intensive training program, on a regular basis, is being imparted to employees of all levels to meet the challenges in the banking industry and to help employees to adapt the changes and new working conditions. Bank believes that human resource is the main driving force and quality human resources are the key sources for the success in today's banking business. Keeping this view in mind and recognizing the importance of training for professional excellence, BASIC Bank established its own training cell in 2005 with modern facilities. In 2011 the cell arranged 29 training courses and provided training to as many as 608 employees of the bank. Bank also sends its employees to BIBM and other local and foreign institutions with a view to enhancing and sharpening their knowledge base. During the year 2011 a total of 114 employees of the Bank were also provided with training in various fields in BIBM and other institutions.

BASIC, the only state owned bank, providing real-time on-line banking services.

1.4.5 Automation

The Bank has been providing computerized banking service to all its customers since its inception. To provide all modern banking services especially Information Technology based services and accelerate the speedy and accurate account ledger maintenance and to make available all potential international banking products, all the branches of the bank is already providing real time on-line services. Besides, Online CIB, EDW, BACH and MICR related services are also accommodated in our online banking services. It is expected that in 2012 the bank will introduce new IT based



products and serve its customers through the new system including ATM and internet banking facilities.

1.4.6 Introducing Consumer Loan Schemes :

Consumer financing market is one of the fastest growing avenues around the globe and has become a key driving force in the financial marketplaces today. Bankers have emerged in recent decades to become dominant providers of credit to individuals and families. It has been observed that many banks and financial institutions in the country and abroad have engaged themselves in Consumer Financing since long. This has become popular and response from the market is significant. As such, the Board of Directors of the bank has already approved the following consumer loan schemes which will be implemented gradually :

- (i) BASIC Alternative Power Generation System (Solar) Financing Scheme
- (ii) BASIC Expatriate Loan
- (iii) BASIC Professional Loan

Besides, the management of the bank also decided to introduce the following products gradually after getting Board's approval :

- (i) Generator Financing for Individual
- (ii) Education Loan Scheme
- (iii) Vehicle Loan – BASIC Employees
- (iv) Salary Gain Scheme
- (v) Meet the Need

1.4.7 Introducing new Saving Products :

BASIC Bank always values highly the needs of people. To fulfill the savings desire of people/clients, we always think to develop and present innovative products. In line with these objectives we are planning to develop some innovative deposit products that will meet the saving necessity of the common people and at the same time Bank will mobilize individual level deposits to increase loanable fund to make more investment in the productive sector that will ultimately contribute to overall economic development of the country. Keeping this view in

mind BASIC Bank has introduced the following deposit products to cater the saving needs for a rainy day of the common people :

1. BASIC Double Benefit Scheme.
2. BASIC Fortune Plus
3. BASIC Premium Plus Current Account
4. BASIC Monthly Benefit Scheme.
5. BASIC School Banking Scheme

2. Future Strategies :

2.1 Launching of deposit Products :

BASIC Bank always strives to introduce new products to satisfy the needs of different strata of people and we are on the verge of launching the following Deposit Products:

1. Reality Pension Scheme
2. BASIC Marriage Deposit Scheme
6. BASIC Education Deposit Scheme
7. Hajj Deposit Scheme

2.2 Other Strategies :

We expect to continue maintaining strong competitive edge in banking sector in Bangladesh in the years ahead. Through our specialization and integrated approach, we aim to build a strong position in the industrial development of Bangladesh. The Bank has the following strategies to increase the stakeholders' value and contribute to the overall economy of the country:

- As per its mandate, the Bank will continue to emphasize on small and medium enterprise financing for alleviating poverty, generating employment and increasing the Gross Domestic Product of Bangladesh.
- To make available the superior banking service with low cost loans and advances in line with the pace of industrial development of Bangladesh to the door steps of general mass, the bank will open one branch in each district head quarter gradually with on-line banking facility and innovative banking products.



- BASIC Bank has launched Debit Card under Q-Cash network and planning to widen its coverage in 2012.
- We are expecting to open overseas branches in different countries to facilitate cross border trade and to take the bank's operation in international arena. Some branches and exchange house will also be opened to expedite the remittance of our expatriate work force.
- Quality manpower are the greatest asset to us. So, we would continue our efforts to recruit and retain talented and efficient human resources providing them deserving benefits.
- Initiating effective drive to arrest classified loan and to bring down the existing classified loan substantially to a minimum level.
- We are expecting to provide ATM cards to all of our clients to avail 24 hour modern banking facility.
- As part of corporate social responsibility the bank will contribute more for the welfare of underprivileged quarter of the society.
- The Bank has already taken all out preparation for implementation of BASEL-II and implementing SRP, Stress Testing and Internal

Capital Adequacy Assessment Process (ICAAP) under Supervisory Review (Pillar –II) as per Bangladesh Bank guidelines.

3. Acknowledgement

The management of the bank takes the opportunity to express its thanks and gratitude to the Board of Directors for their invaluable counsel. The management also places on record its appreciation for the employees of all levels for their efforts and devotion in carrying out their tasks and duties. Sincere thanks of the management also goes to the Government, the sole shareholder of the bank, the Bank and Financial Institutions Division, the Ministry of Finance, valued clients, correspondents, all Banks and Financial Institutions in Bangladesh, well wishers, other stakeholders, Bangladesh Bank and all its patrons like KFW, ADB for their confidence, continued support and cooperation.

4. Conclusion :

In view of overall performance and global economic condition; we went through a moderately successful year 2011. We are confident to excel towards growth and foster continuous progress in operating performance and achievement of targets set for the year 2012.



your DREAM our RESPONSIBILITY

A State Owned Bank at Your Service



BASIC Double Benefit Scheme

Double Your Money

- Double Your Deposit in 6 Years

BASIC Monthly Benefit Scheme

Enjoy Regular Benefit

- Deposit Tk. One Lac (Multiples)
get Tk. One Thousand (Multiples) Monthly

BASIC Premium Plus Current Account

Interest Bearing Current Account ? **YES**

Remittance Charges ? **NO**

* Loan facility available on Deposit
* Condition & Regulations Apply



BASIC Bank Limited

Serving people for progress

A STATE OWNED SCHEDULED BANK

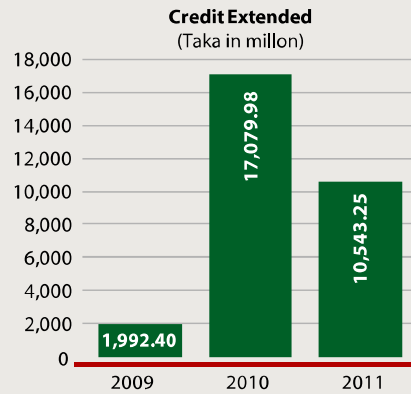
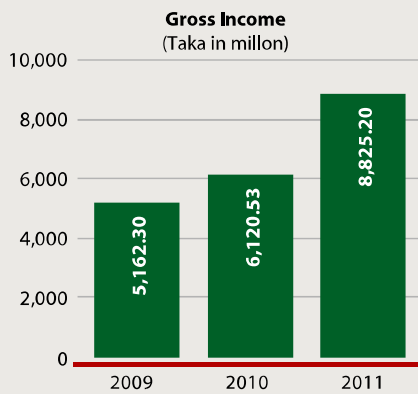
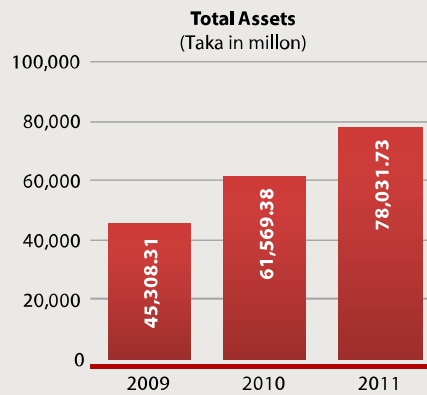
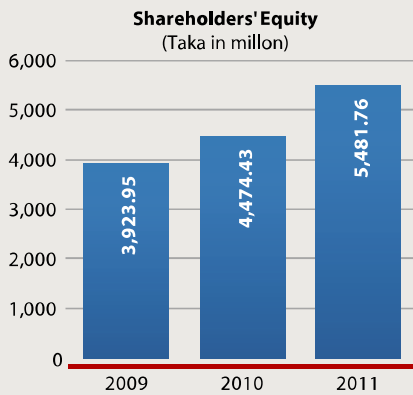
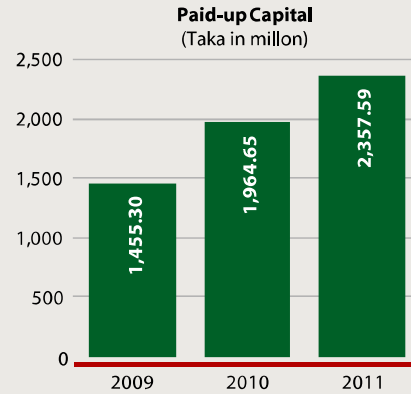
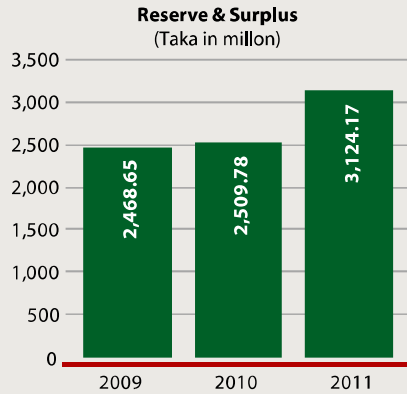
Why should You Bank with Us

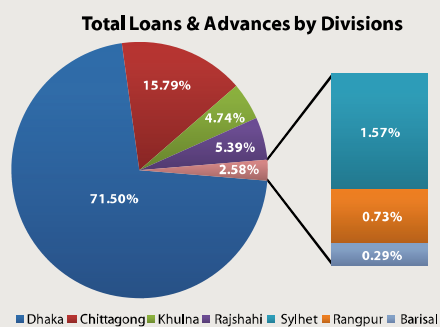
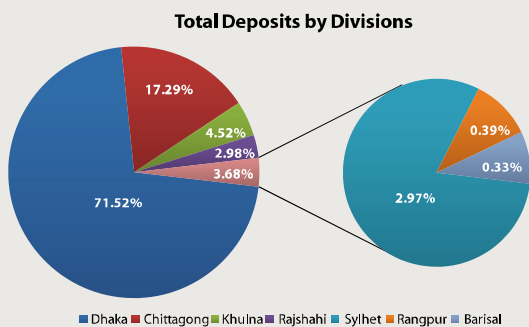
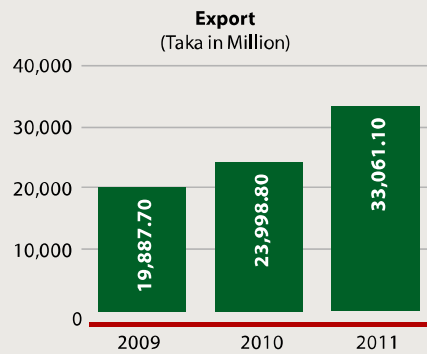
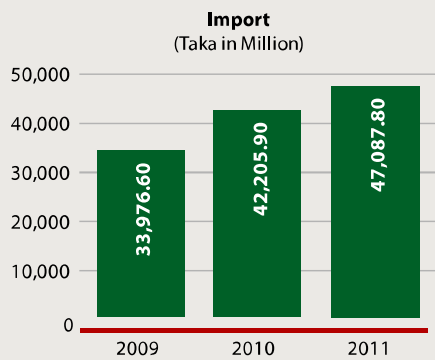
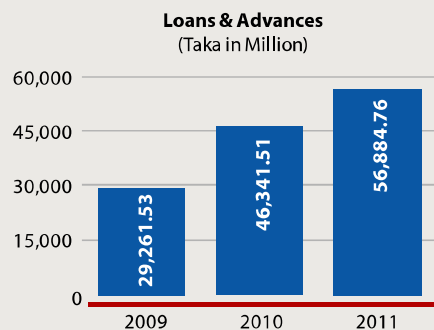
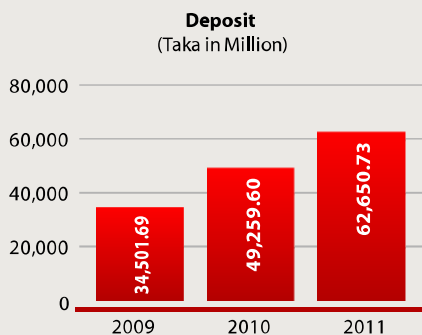
Our more than 1000-plus employees work with clients to understand the challenges they face and design customer-focused strategies to help them meet their needs and goals.

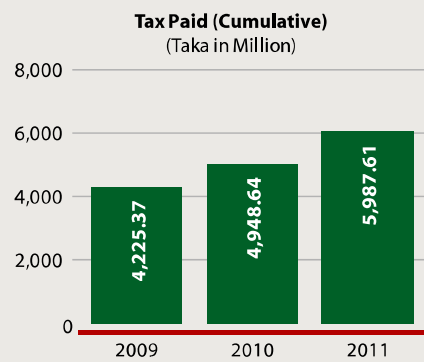
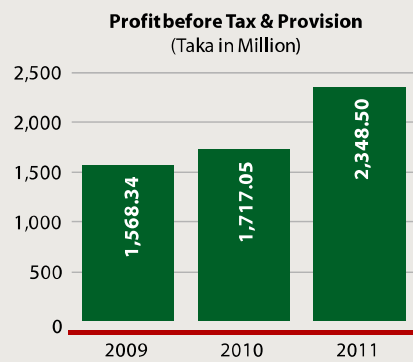
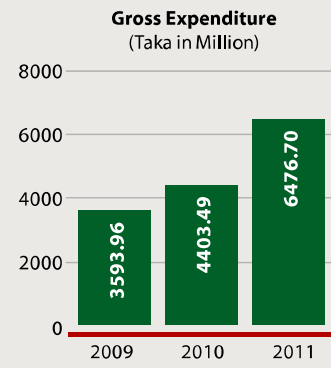
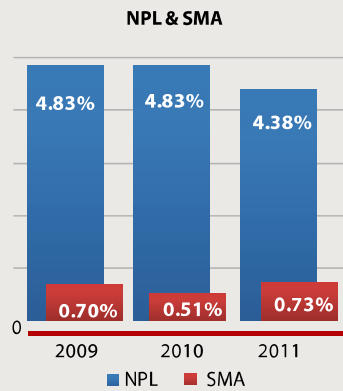
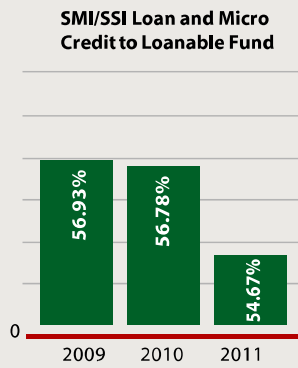
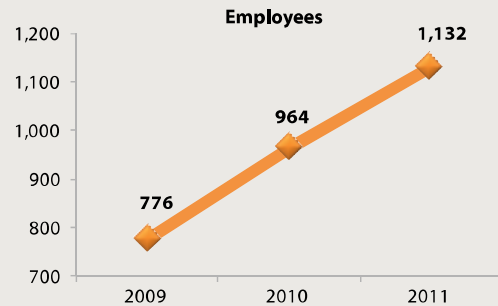
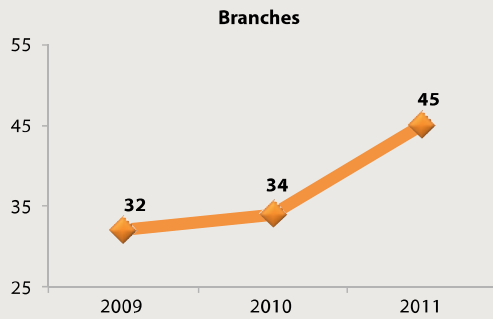
We offer the best banking services with convenience, clarity and choice through solution that meet consumers' needs at every stage of their financial lives.

A Sound and Balanced Bank

BASIC Bank Limited is one of the leading financial institutions serving, among others, small & medium scale industries, large corporations and the government with a full range banking and risk management products and services.









Disclosures on Risk Based Capital Requirement under Basel-II

for the year ended 31 December 2011

Disclosure Overview

The following detailed qualitative and quantitative disclosures are provided in accordance with the revised guidelines of Bangladesh Bank for Risk Based Capital Adequacy Requirement under Basel-II issued through circular on December 2010. This is intended to provide the users an insight about various risk exposures to which the bank is exposed and maintained adequate capital against them. The users will also be able to compare the bank's performance within the banking industry.

Scope and purpose

The purpose of market discipline in the Revised Capital adequacy Framework is to complement the minimum capital requirements and the supervisory review process. The aim of introducing market discipline in the revised framework 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.

BASIC Bank has an approved market disclosure policy to disclose adequate information to the users in accordance with the suggestions made by Bangladesh Bank which is consistent with Bangladesh Accounting Standards (BAS) & Bangladesh Standards on Auditing (BSA).

All the quantitative disclosure furnished here are on **sole basis** and on the basis of audited financial statement of BASIC Bank Limited for the year ended 31 December 2011 prepared under relevant international accounting and financial reporting standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and related circulars/instructions issued by Bangladesh Bank from time to time.

a) Scope of application

Qualitative Disclosures

(a) The name of the top corporate entity in the group to which this guidelines applies.	BASIC Bank Limited
(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: (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	The Risk Based Capital Adequacy framework applies to BASIC Bank Limited on "Solo Basis" as there is no subsidiary of the bank on the reporting date.
(c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	Not applicable

Quantitative Disclosures

(d) The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the name(s) of such subsidiaries.	Not applicable
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b) Capital Structure

Qualitative Disclosures

<p>(a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or in Tier 2.</p>	<p>Paid up capital : TK 235.76 crore As per stipulation of Memorandum and Articles of Association of the Bank at least 50% of net Profit (after tax) shall be re-invested in the capital of the bank and to that extent bonus share shall be issued to the shareholders. As such we are issuing bonus share every year.</p> <p>Statutory reserve : TK 222.47 crore As per stipulation of Bank Company Act 20% of profit before tax is transferred to Statutory Reserve each year.</p> <p>General reserve : TK 4.00 crore In addition to the above there is a General reserve of TK 4.00 crore which was created for venture capital.</p> <p>Retained earnings : TK 61.31 crore; General provision : TK 75.23 crore; Revaluation reserve for securities (50%) : TK 12.32 crore.</p>
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Quantitative Disclosures

(b) The amount of Tier-1 capital, with separate disclosure of: (Amount in crore TK)

Paid up capital	235.76
Non-repayable share premium account	0.00
Statutory reserve	222.47
General reserve	4.00
Retained earnings	61.31
Minority interest in subsidiaries	0.00
Non-cumulative irredeemable preference shares	0.00
Dividend equalization account	0.00
Total amount of Tier-1 capital	523.54
(c) The total amount of Tier 2 and Tier 3 capital	87.55
(d) Other deductions from capital	0.00
(e) Total eligible capital	611.09

c) Capital Adequacy

Qualitative Disclosures

<p>(a) A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities.</p>	<p>Capital Adequacy is the cushion required to be maintained for covering the Credit risk, Market risk and Operational risk so as to protect the depositors and general creditors interest against such losses. In line with BRPD Circular no. 35 dated 29 December, 2010, the bank has adopted Standardized Approach for Credit Risk & Market Risk and Basic Indicator Approach for Operational risk for calculating the capital adequacy.</p>
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Disclosures on Risk Based Capital Requirement under Basel-II



Quantitative Disclosures

(Amount in crore TK)

(b) Capital requirement for Credit Risk	530.49
(c) Capital requirement for Market Risk	18.89
(d) Capital requirement for Operational Risk	53.67
(e) Total and Tier 1 capital ratio:	8.68%
• For the consolidated group; and	Not applicable
• For stand alone	10.13%

d) Credit Risk

Qualitative Disclosures

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

<p>• Definitions of past due and impaired (for accounting purposes);</p>	<p>Loans and advances (loans and bill discount in the nature of an advance) of a bank are classified into performing and non-performing loans (NPL) in accordance with the Bangladesh Bank guidelines. An NPL is defined as a loan or an advance where interest and/or installment of principal remain overdue for more than 90 days in respect of continuous credit, demand loan or a term loan etc.</p> <p>Classified loan is categorized under following 03 (three) categories :</p> <ol style="list-style-type: none"> 1. Sub-standard (SS); 2. Doubtful (DF); 3. Bad & Loss (BL). <p>Continuous Loan : Any continuous loan will be classified as :</p> <ol style="list-style-type: none"> 1. Sub-standard if it is past due/overdue for 6 months or beyond but less than 9 month; 2. Doubtful if it is past due/overdue for 9 months or beyond but less than 12 month; 3. Bad & Loss if it is past due/overdue for 12 months or beyond. <p>Demand Loan : Any demand loan will be classified as :</p> <ol style="list-style-type: none"> 1. Sub-standard if it remains past due/overdue for 6 months or beyond but not over 9 months from the date of claim by the bank or from the date of creation of forced loan; 2. Doubtful if it remains past due/overdue for 9 months or beyond but not over 12 month from the date of claim by the bank or from the date of creation of forced loan; 3. Bad & Loss if it remains past due/overdue for 12 months or beyond from the date of claim by the bank or from the date of creation of forced loan; <p>In case of any installment(s) or part of installment(s) of Fixed Term Loan is not repaid within the due date, the amount of unpaid installment(s) will be termed as 'defaulted installment'.</p> <p>In case of Fixed Term loans, which are repayable within maximum five years of time :</p> <ol style="list-style-type: none"> 1. If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 6 months, the entire loan will be classified as Sub-standard.
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Disclosures on Risk Based Capital Requirement under Basel-II

	<p>2. If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 12 months, the entire loan will be classified as Doubtful.</p> <p>3. If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 18 month, the entire loan will be classified as Bad & Loss.</p> <p>In case of Fixed Term loans, which are repayable in more than five years of time :</p> <p>1. If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 12 months, the entire loan will be classified as Sub-standard.</p> <p>2. If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 18 months, the entire loan will be classified as Doubtful.</p> <p>3. If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 24 months, the entire loan will be classified as Bad & Loss.</p>
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<ul style="list-style-type: none"> Description of approaches followed for specific and general allowances and statistical methods; 	Type of loans & Advances		Provision				
			UC	SMA	SS	DF	BL
	Consumer	House building and professional	2%	5%	20%	50%	100%
		Other than House building and professional to setup business	5%	5%	20%	50%	100%
	Provision for loan against shares		2%	5%	20%	50%	100%
	Short term Agri. Credit and Micro Credit		5%	-	5%	5%	100%
	SME Financing		1%	5%	20%	50%	100%
Others		1%	5%	20%	50%	100%	

<ul style="list-style-type: none"> Discussion of the bank's credit risk management policy 	<p>As per guidelines of Bangladesh Bank for Risk Based Capital Adequacy for Banks Standardized Approach for Credit Risk measurement has been applied. Standardized approach requires risk weight based on risk assessment done by External Credit Assessment Institutions recognized by Bangladesh Bank. Credit exposure not rated by any ECAI will get fixed weight as per Standardized approach.</p>
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Quantitative Disclosures

(b) Total gross credit risk exposures broken down by major types of credit exposure.	Type	Amount (in crore)	Percentage
	Overdraft	627.95	11.04%
	Cash Credit	1434.69	25.22%
	Export Credit	98.46	1.73%
	PAD	87.92	1.55%
	LIM	0.14	0.00%
	LTR	494.97	8.70%
	Term Loan	2083.26	36.62%
	Short Term Advances	15.60	0.27%
	Loan General	415.71	7.31%



Disclosures on Risk Based Capital Requirement under Basel-II



	Type	Amount (in crore)	Percentage
	Loan Against Govt. Fund	2.21	0.04%
	Micro Credit	85.12	1.50%
	Others	7.26	0.13%
	Bills Portfolio	261.82	4.60%
	Staff Loan	73.37	1.29%
(c) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.	Division	Amount (in crore)	Percentage
	Dhaka	4067.11	71.50%
	Chittagong	898.22	15.79%
	Khulna	269.60	4.74%
	Rajshahi	306.57	5.39%
	Sylhet	89.07	1.57%
	Barisal Rangpur	16.66 41.24	0.29% 0.72%
(d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	Sector (only industrial loan)	Amount (in crore)	Percentage
	Food & Allied	445.00	13.35%
	Textile	668.43	20.06%
	ERMG	365.21	10.96%
	Accessories	112.94	3.39%
	Jute product & Allied	321.13	9.64%
	Forest product & Allied	5.49	0.16%
	Paper, Board, Printing & Packg.	172.09	5.16%
	Tannery, Leather and Rubber	92.66	2.78%
	Chem. Pharm. and Allied	139.48	4.19%
	Glass, Crmc. and other non metal	21.91	0.66%
	Engineering	205.74	6.17%
	Electrical & Electronics	66.94	2.01%
Service Industry	475.24	14.26%	
Misc. Industry	9.03	0.27%	
Industry not elsewhere classified	230.99	6.93%	
(e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	Type of credit exposure	Amount (in crore)	Percentage
	Payable on demand	157.38	2.77%
	Not more than 3 months	968.31	17.02%
	Above 3 month but not more than 1 year	2062.56	36.26%
	Above 1 year but not more than 5 years Above 5 years	1914.12 585.82	33.65% 10.30%
(f) By major industry or counterparty type :		(Amount in crore)	
	• Amount of impaired loans and if available, past due loans, provided separately; • Specific and general provisions ; and • Charges for specific allowances and charge-offs during the period.	248.98 (4.38%) 149.05 30.24	



Disclosures on Risk Based Capital Requirement under Basel-II

(g) Gross Non Performing Assets (NPAs)	(Amount in crore)
Non Performing Assets (NPAs) to Outstanding Loans & advances	
Movement of Non Performing Assets (NPAs)	
Opening balance	223.99
Additions	163.68
Reductions	138.69
Closing balance	248.98
Movement of specific provisions for NPAs	
Opening balance	73.45
Provisions made during the period	30.24
Write-off	14.25
Write-back of excess provisions	0.00
Closing balance	89.44

e) Equities: Disclosures for Banking Book Positions

Qualitative Disclosures

<p>(a) The general qualitative disclosure requirement with respect to equity risk, including :</p> <ul style="list-style-type: none"> • differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and • 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. 	<p>Equity investments are mainly for capital gain purpose. Bank also has some equity investment for relationship and strategic purpose.</p> <p>The holding of bank's quoted and unquoted shares are valued at cost price. Provisions are made at the end of the year if market price is below the cost price.</p>
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Quantitative Disclosures

(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.	The bank invested TK 18.95 crore in quoted and unquoted securities. Out of which the bank invested TK 15.12 crore in 31 quoted/ listed companies and TK 3.83 crore in 4 unquoted/ unlisted companies.
(c) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	In the reporting year the cumulative realized gains (as capital gain) was TK 88.52 lac.
(d)	At the end of 2011 market value of securities stood at TK 41.51 crore against cost price of TK 18.95 crore resulting net gain (unrealized) of TK 22.55 crore.
• Total unrealized gains (losses)	Not Applicable.
• Total latent revaluation gains (losses)	Not Applicable.
• Any amounts of the above included in Tier 2 capital.	Not Applicable.



Disclosures on Risk Based Capital Requirement under Basel-II



(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.	Specific Market Risk :Taka 2.00 crore General Market Risk :Taka 2.00 crore
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f) Interest rate risk in the banking book (IRRBB)

Qualitative Disclosures

(a) The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.	Interest rate risk in the banking book is the risk of changes in market interest rate. Any positive or negative movement in the market interest rate affects the value of the banking book. It affects the current earning as well as the net worth of the bank.
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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 for measuring IRRBB, broken down by currency (as relevant).	Market Value of Assets :Taka 7,714.03 crore Market Value of Liabilities :Taka 7,169.25 crore Weighted average of Duration Gap: 0.65 yr CAR after different level of shocks : ❖ Minor Level : 9.41% ❖ Moderate Level : 8.68% ❖ Major Level : 7.95%
--	---

g) Market Risk

Qualitative Disclosures

(a)	
Views of BOD on trading/investment activities	As the market risk is the probability of losing assets in balance sheet and off balance sheet position arising out of the volatility in market variables i.e., interest rate, exchange rate and price the Board of Director approves all necessary policies related to market risk and review them on regular basis.
Methods used to measure Market risk	Standardized approach has been used to measure the market risk.
Market Risk Management system	Bank uses standardized approach to calculate market risk for trading book exposure as per instruction of Bangladesh Bank. Trading book exposures consist of position in financial instruments held with trading intent. Generally investment in Held for Trading category is main part of trading book exposures.
Policies and processes for mitigating market risk	Trading steps are taken after considering regular update about the market. Bank diversifies its assets in various categories of trading assets. Bank has also a limit policy to mitigate unwanted market risk factors.



Disclosures on Risk Based Capital Requirement under Basel-II

Quantitative Disclosures

(b)

The capital requirements for:	(Amount in crore)
1. Interest rate risk;	12.68
2. Equity position risk;	3.99
3. Foreign exchange risk; and	2.22
4. Commodity risk.	0.00

h) Operational Risk

Qualitative Disclosures

Views of BOD on system to reduce Operational Risk	As the Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and system or from external events the Board of Director approves all necessary policies related to operational risk and review them on regular basis. Bank has internal manuals on Internal Control & Compliance and on Human Resource where details of operational policies, procedures and HR related activities have been stated, which is approved by the Board of Director.
Performance gap of executives and staffs	Bank regularly monitor and reviews the performance of executives both quantitatively and qualitatively through analysis of achievement of business target in various parameters and behavioral, tactical and leadership aspects through confidential evaluation process.
Potential external events	No potential external events are expected to expose the Bank to significant operational risk.
Policies and processes for mitigating operational risk	Bank has an Audit and Inspection Division and Compliance Division. Audit and Inspection team regularly work to detect and remove procedural flaws, error and fraud. Compliance Division is working to ensure all sorts of regulatory and policy compliance to help smooth operation and maintain consistency and thus reduce risk. Bank is running through centralized real time online system. External events like natural disaster and unauthorized access to Bank's centralized computer system can affect the bank significantly. Bank has alternative arrangement for disaster recovery and a highly qualified team of IT experts is working to prevent any type of unauthorized access.
Approach for calculating capital charge for operational risk	Bank uses Basic Indicator approach for calculating capital charge for operational Risk as per instruction of Bangladesh Bank.

Qualitative Disclosures

(b) The capital requirements for operational risk :	53.67 crore
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Creating unique customer experiences

" More than 52000 deposit accounts.

" More than 11000 loans and advances accounts.

" Deposits raised to Tk. 62650.73 million at the end 2011

" Provided net loan requirements of customers to an amount of Tk. 56884.76 million till end 2011.

" Facilitated trade financing as Tk. 47087.80 million as import financing and Tk. 33061.10 million as export financing in 2011.

" Introduced more than 10 new products in 2011.

Special Events



Mr. Shieikh Abdul Hye Bacchu, Chairman of the Bank, Mr. Kazi Faqurul Islam, Managing Director along with other top executives are seen in a press conference regarding overall performance as well as progress of the Bank in the year 2011.



Flower bouquets are being presented by the members of the Board of Directors to congratulate Mr. Sheikh Abdul Hye Bacchu, Chairman of the Bank on his appointment as an Advisor to the Global Alliance for Homeland Security (GAHS), USA. A letter from Mr. Peter T King, Honorable Member of the US Congress and the Chairman of the United States House Committee on Homeland Security determined his appointment. Also top level executives of the Bank are seen in the picture.

BASIC at the National Events



BASIC Bank arranged a discussion meeting and Milad Mahfil marking the National Mourning day



On the eve of National Victory Day, top executives placed wreaths at National Monument, Savar.



২১ শে ফেব্রুয়ারী ও আন্তর্জাতিক মাতৃভাষা দিবস উপলক্ষে আয়োজিত আলোচনা সভা

Micro Finance & BASIC Bank



Human Resource Development Programs





Green Banking in BASIC Bank

BASIC Bank believes that green banking ensures sustainable development and preservation of resources for next generation. All of its activities always have been propelled to take care of people and planet, then profit.

Green Banking is a part of international initiative. Governments and central banks have been undertaking initiatives and formulating directives to support green banking activities. Global warming, climate change, greenhouse effect, air pollution, water pollution, waste disposal all these have negative impact to the environment. BASIC Bank being socially and environmentally responsible bank has been improving its own standard and also contributing to build up socially responsible business. Green Banking ensures contribution to the transition to resource efficient and low Carbon industry.

The focal point of Green Banking for BASIC Bank is the concern for Environment. Environment in Bangladesh has been deteriorating due to land degradation, deformation of natural water reservoirs, air pollution, bio-diversity of resources, and other external environmental impact such as carbon emission from developed countries, natural disasters.

BASIC Bank has taken initiative at the very beginning to implement green banking and formulated its Green Banking policy approved by the Board of Directors. This policy has been circulated to all Branches & all users in the Bank. A high powered committee comprising of Directors from the Board (Executive Committee) has been vested with responsibilities for taking care of Green Banking issues of the Bank. A Green Banking Policy Implementation unit (GBPIU) has been dedicatedly working.





Bangladesh Bank directed to all banks to implement Green Banking in 03 phases divided into 03 years as under:

1. First phase Within 31-12-2011 (Already completed by BASIC Bank)
2. Second phase Within 31-12-2012 (Activities is underway)
3. Third phase Within 31-12-2013

The bank has stepped into green finance and already financed twenty one projects with project loan & working capital out of which sixteen numbers are ETP (Effluent Treatment plant), five are Brick fields using two HHK (Hybrid Hoffman Kiln) & three are Zigzag kiln technology (as of 31-12-2011).

About one hundred fifty employees have been trained on Green Banking which includes all Executives of the Bank. The Bank has kept budgetary provision of 5% in the expenditure budget for the year 2012 to address: a) green finance, b) climate risk & c) marketing and capacity building.

As a part of in-house environmental management, awareness building program/ plan is set forth for Branches and Head Office Divisions- i.e. to take measures to save electricity, water, paper and stationary consumption in the line of Bangladesh Bank's guidelines.

The Bank is complying with the instruction stipulated in the detailed guidelines on Environmental Risk Management (ERM) of Bangladesh Bank in consideration of a part of the Green Banking policy.

All of its forty nine Branches are running with online operation mode. Appropriate disclosure and reporting of Green Banking activities to Bangladesh Bank and through Bank's web site is being made regularly (www.basicbanklimited.com/Green_Banking.php). BASIC Bank exerts utmost effort to implement Green Banking and always eager to embrace latest technology and methods

to ensure eco-friendly banking operation. BASIC Bank believes that green banking ensures sustainable development and preservation of resources for next generation. All of its activities always have been propelled to take care of people and planet, then profit.





A cheque of Tk.1.00 lac is being handed over to Mr. Md. Md. Kamal Hossain, Senior Officer of Sonali Bank Ltd. for the treatment of his leukemia affected baby by Mr. Sheikh Abdul Hye Bacchu, Chairman of the Bank in presence of members of the Board of Directors.

The concept of Corporate Social Responsibility (CSR) was considered in the early part of the 20th century but it received enormous impetus in the early 1950s. Primarily CSR starts with the consideration of social implications by any body corporate which is ultimately reflected through its initiatives towards betterment of the disadvantaged peoples of a society. As a stakeholder of the society, the Bank is keen to augment CSR activities gradually in the days to come. As such in broadly defining, CSR refers to the voluntary role of business towards building a better society and cleaner environment beyond its financial commitments and regulatory obligations. Considering importance of CSR, Bangladesh Bank since June 2008 officially started encouraging towards mainstreaming CSR in banks and financial institutions of Bangladesh.

We, at BASIC Bank Limited passionately believe that a better society is fundamental precondition for a better business environment. As such, CSR is viewed as one of the core corporate values of the Bank. As we all know, United Nations set eight goals (popularly known as Millennium Development Goals, such as eradicate extreme poverty and hunger, achieve universal primary education, promote gender equality & empower women, reduce child mortality, improve maternal health, combat HIV/AIDS, malaria and other diseases, ensure environmental sustainability and develop a global partnership for development) in its millennium summit held at the UN Head Quarters, New York, USA in 2000 and Bangladesh is one of the signatories to achieve those goals by 2015. As such, we have aligned our CSR activities partially with

those goals. Some of our CSR activities involved are summarized below :

Poverty Alleviation

It is globally accepted that the Non-Government Organizations (NGOs) have been performing a laudable role in poverty alleviation across the globe, especially in Bangladesh. With a view to widen the access to finance by the poor and ultra poor community, BASIC Bank Limited has been financing NGOs for quite since 1995 at privileged rates of interest (between 7.00% and 13.00%). So far we have financed 65 NGOs of various categories and capacities from small to large and also from local/regional to national/international. Such activities also contributed to generation of income and employment as well.

Women Empowerment

As half of our population is woman, a sustainable national progress can't be attained, if women are left aside. Therefore, they should progressively be brought to the mainstream of our development activities. Considering this reality the bank has been mobilizing credit facilities to the capable women entrepreneurs at a reduced rate of interest. So far we have financed several woman entrepreneurs and it will gain due momentum in the days to come.

Our Concern for the Environment

Today our planet is exposed to a severe environmental catastrophe than ever before. As a humble effort to reduce environmental pollution, we have financed 26 CNG refueling stations. Again, most of our office vehicles have already been converted to CNG fueling system. Use of CNG fuel also helps save hard earned foreign currency. Environmental issues are taken into account while assessing credit proposal for the industrial projects.

Sports and Cultural Activities

During the year 2011, the Bank extended financial support Tk.1.00 crore each to Sheikh Russel Krira Chakra and Sheikh Jamal Dhanmondi Club towards development of games and sports. The Bank also contributed Tk.5.00 lac for making documentary on Bangabandhu Sheikh Mujibur Rahman, the father of the nation, viewing tribute and homage to him.

Primarily CSR starts with the consideration of social implications by any body corporate which is ultimately reflected through its initiatives towards betterment of the disadvantaged peoples of a society. As a stakeholder of the society, the Bank is keen to augment CSR activities gradually in the days to come.

In the year 2011, an amount of Tk.8.00 lac was contributed for making documentary exhibition and archive of scarce footage of our great independence war. The Bank also contributed Tk.10.00 lac to Bangladesh Table Tennis Federation in the year 2011. The Bank has been one of the patrons for the Baishakhi Fair arranged by Bangladesh Small and Cottage Industries Corporation (BSCIC) to encourage the development of small and cottage industries since 2005. In the year 2011, the Bank sponsored Tk.4.00 lac to arrange Baishakhi Fair. The Bank also sponsored 25th to 31st National Junior Chess Championship by contributing Tk.1.00 lac in each year. It was a privilege and honor for the Bank to work with the 11th SA Games held since January 29, 2010 to February 09, 2010 in Dhaka as a co-sponsor by contributing Tk.1.00 crore to Bangladesh Olympic Association.

BASIC has been patronizing the Handball Federation by arranging BASIC Bank Limited Inter-district National Women Handball Tournament. The





CSR Activities of BASIC Bank

Bank also sponsored the National & International BASHAAP Championship in 2008. In the year 2010, BASIC Bank Limited donated Tk. 0.50 lac to Kabitapal for holding a program marking its 30 years anniversary. The Bank also donated a fund of Tk.1.00 lac to Krishibid Institution for organizing their national convention. On the other hand, our Bank donated Tk.3.00 lac in 2009 to Dhaka Amar Dhaka (a community based organization) to facilitate its elaborated program for celebration of 400 years of our beloved Dhaka City. In the year 2006 the Bank sponsored Tk.1.00 lac for organizing the SME fair. In the year 2008 and 2009, BASIC Bank Limited patronized the different theater groups to stage the drama festival. Recently, the Bank took part in the drama festival to celebrate the birth anniversary of Rabindranath Tagore participated by different renowned theater groups from both Bangladesh and India.

In the year 2011, the Bank donated 25,000 pieces of blankets to Prime Minister's Relief and Welfare Fund.

Disaster Relief

In the year 2011, the Bank donated 25,000 pieces of blankets to Prime Minister's Relief and Welfare Fund. In the previous year the Bank donated an amount Tk.1.00 crore to the same Fund for the rehabilitation of the victims of the Nimtoli Fire Tragedy. In the year 2007, the Bank donated Tk.25.00 lac to the Chief Adviser's Relief Fund for the flood affected people and Tk.25.00 lac for the SIDR victims.

Education

During 2011, the Bank distributed Tk.5.00 lac among the meritorious students of Gopalganj Zilla Samity. In 2010, BASIC Bank Limited donated a fund of Tk.50.00 lac to the aggrieved families of the two

late secretaries of the Government of Bangladesh for maintaining the educational expenditure of their children. Besides, the Bank also contributed a fund of Tk.5.00 lac to the daughters of late Chapa Rani Bhowmik for their education purpose. In 2009 BASIC Bank Limited donated Tk.2.00 lac to Bangladesh Asiatic Society for publishing Bengali version of the largest National encyclopedia of Bangladesh. In publishing the first edition (English version) of the encyclopedia, BASIC Bank Limited donated Tk.5.00 lac as well. 'BASIC Bank Limited Gold Medal' was introduced in collaboration with the Banking Department, University of Dhaka for the students of the department with outstanding academic achievements. With a view to provide a smooth interface between student life and professional life, we offer internship facility to the BBA and MBA students of different universities with commendable academic records after completion of all other academic requirements. In the year 2010, a huge numbers of interns were granted the opportunities to groom with us in a truly professional, dynamic and challenging corporate environment.

Promotion of Entrepreneurship

The promoters of the Bank envisaged fostering entrepreneurship amongst the potential, new and small entrepreneurs and generating employment through financing Small and Medium Scale Industries (SMLs) towards industrialization actually needed for economic growth of the country. Keeping the dream in mind, we never ran after the so-called blue chips (the established and larger corporations) towards profit maximize of the Bank. Rather, we always remained stick to the triple bottom line: People, Planet & Profit and focused attention to the SMLs which is ultimately promotion of SMEs. In this way, a lot of entrepreneurs have grown with us through which employment opportunities are created for a large number of people.

Health Care Program

Access to healthcare facilities is one of the fundamental rights of every human being. However, most of our people, especially the underprivileged group has little or no access to



The Bank has an active plan to establish a charitable organization in the name of “BASIC Bank Foundation” to augment CSR activities through expanding both nature and magnitude towards implementation of social obligations in an organized manner for a better Bangladesh.

health care facilities. As such, BASIC Bank Limited is committed to assist those poor people, who have no way to secure basic treatment. In the year 2011, the Bank distributed about Tk.3.00 lac amongst different disadvantaged individuals. The Bank also paid Tk.1.00 lac to Mr. Md. Kamal Hossain, an employee of Sonali Bank, for his ailing baby suffering from leukemia. In the year 2010, the Bank patronizes some organizations, which work for improvement of public health. Also in 2009 the bank donated SANDHANI & Lions Eye Hospital in organizing their free treatment campaign held at different places across the country. The Bank also extended its assistance to some acid victims directly.

Awareness Building

Generation of awareness is a very useful tool to combat social evils, like drug addiction, smoking, pollution, terrorism, population etc. For this purpose, the Bank has continue to display banner, festoon sticker, display board and use such other communication channels for discouraging drug, smoking, pollution, population growth etc. The Bank kept continued such awareness building activities for the year 2011. In 2010, the Bank donated a sum of Tk.0.50 lac to Sundarban Supporters Committee for creating awareness to elect Sundarban as the new eleven Wonders of the World • Earlier, the Bank published such sticker and display banners and festoon in observance of the National Family Planning Day - 2010, the World Environment Day-2010, the National Tree Plantation Week - 2010 and the National Fisheries Day-2010.

Other Activities

The Bank donated for publishing a souvenir marking the 90 years of anniversary of Bangla Department of Dhaka University in the year 2011. The Bank does not impose any fee to the job applicants for the position of Assistant Manager, Officer and Assistant Officer whereas the Bank is required to make a sizeable expense for this purpose.

Future Plan

The Bank has an active plan to establish a charitable organization in the name of “BASIC Bank Foundation” to augment CSR activities through expanding both nature and magnitude towards implementation of social obligations in an organized manner for a better Bangladesh.





Auditors' Report to the Shareholders of BASIC Bank Limited

We have audited the accompanying financial statements of BASIC Bank Limited (the "Bank") which comprise the balance sheet as at 31 December 2011, profit and loss account, statement of changes in equity, 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 of the Bank in accordance with Bangladesh Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of these financial statements of the Bank 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 of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements of the Bank, whether due to fraud or error. In making those risk assessments, we 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 our audit opinion.

Opinion

In our opinion, the financial statements of the Bank prepared in accordance with the Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the financial position of the Bank as at 31 December 2011 and the results of its financial performance and its cash flows for the year then ended and comply with the Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that :

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- iii) the balance sheet and profit and loss account





- of the Bank dealt with by the report are in agreement with the books of account and returns;
- iv) the expenditure incurred was for the purpose of the Bank's business;
 - v) the financial position of the Bank as of 31 December 2011 and the profit for the year then ended have been properly reflected in the financial statements;
 - vi) the financial statements have been drawn up in conformity with the Bank Companies Act 1991 and in accordance with the accounting rules and regulations issued by Bangladesh Bank;
 - vii) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
 - viii) the financial statements of the Bank conform to the prescribed standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
 - ix) the records and statements submitted by the branches have been properly maintained and in the financial statements;
 - x) the information and explanations required by us have been received and found satisfactory;
 - xi) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 4,200 person hours for the audit of the books and accounts of the Bank; and
 - xii) the capital adequacy ratio, in compliance with Basel II has been maintained adequately during the year.

Place : Dhaka

Date : 28 March 2012

Aziz Halim Khair Chowdhury
Chartered Accountants

Syful Shamsul Alam & Co
Chartered Accountants



Audited Financial Statements



Financial Statements 2011 is being signed by Honorable Chairman of the Bank

- Auditors' Report to the Shareholders
- Balance Sheet
- Off Balance Sheet Items
- Profit and Loss Account
- Cash Flow Statement
- Statement of Changes in Equity
- Liquidity Statement
- Highlights on the overall activities of the Bank
- Notes to the Financial Statements

Balance Sheet

As at 31 December 2011

PROPERTY AND ASSETS	Notes	Amount in Taka	
		31.12.2011	31.12.2010
Cash	3	4,682,116,663	3,075,372,781
Cash in hand (including foreign currency)		420,532,562	344,012,334
Balance with Bangladesh Bank & Sonali Bank (including foreign currency)		4,261,584,101	2,731,360,447
Balance With Other Banks & Financial Institutions	4	2,026,743,534	2,627,442,164
In Bangladesh		1,723,297,815	1,992,010,143
Outside Bangladesh		303,445,719	635,432,021
Money at call and short notice	5	2,240,000,000	250,000,000
Investments	6	9,494,082,996	6,676,431,838
Government		9,304,513,931	6,506,731,752
Others		189,569,065	169,700,086
Loans & Advances	7	56,884,757,885	46,341,513,504
Loans, cash credit & overdraft etc.		54,266,599,661	43,257,526,832
Bills purchased and discounted		2,618,158,224	3,083,986,672
Premises and Fixed Assets	8	364,461,024	283,116,626
Other Assets	9	2,339,569,927	2,315,509,761
Non-Banking Assets		-	-
Total Assets		78,031,732,029	61,569,386,675
LIABILITIES & CAPITAL			
Borrowings from other banks / financial Institutions and agents	10	2,788,155,658	2,718,463,342
Deposits and Other Accounts		62,650,734,774	49,259,600,843
Current deposits and other accounts	11	3,398,048,925	4,887,144,405
Bills Payable		591,866,053	597,015,587
Savings Bank Deposit		1,496,282,507	1,328,222,087
Fixed deposits		57,164,537,289	42,447,218,763
Bearer certificate of deposit		-	-
Other deposits		-	-
Other Liabilities	12	7,111,083,175	5,116,886,539
Total Liabilities		72,549,973,607	57,094,950,724
Capital / Shareholders' Equity			
Paid-up capital	13	2,357,586,000	1,964,655,000
Statutory reserve	14	2,224,690,642	1,824,692,334
Other reserve	15	286,309,487	255,099,831
Retained earnings	16	613,172,293	429,988,786
Total Shareholders' Equity		5,481,758,422	4,474,435,951
Total Liabilities & Shareholders' Equity		78,031,732,029	61,569,386,675



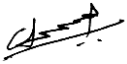
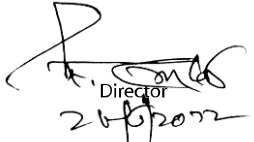




Off-Balance Sheet Items

As at 31 December 2011

Notes	Amount in Taka		
	31.12.2011	31.12.2010	
CONTINGENT LIABILITIES :	17	16,545,523,029	22,161,472,129
Acceptances and endorsements	5,458,254,177	5,367,167,387	
Letters of guarantee	1,823,215,099	1,350,964,214	
Irrevocable letters of credit	8,336,789,137	14,482,011,411	
Bills for collection	870,335,800	911,712,241	
Other contingent liabilities	56,928,816	49,616,876	
Total :			
OTHER COMMITMENTS :			
Documentary credit 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	16,545,523,029	22,161,472,129	

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

 Managing Director
  Director
28/3/2012
  Director
  Chairman

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

Place : Dhaka
Date : 28 March 2012


Aziz Halim Khair Choudhury
Chartered Accountants


Syful Shamsul Alam & Co.
Chartered Accountants





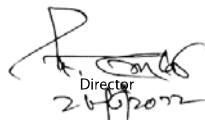
Profit & Loss Account

For the year ended 31 December 2011

	Notes	Amount in Taka	
		31.12.2011	31.12.2010
Operating Income			
Interest income	18	7,099,007,386	4,337,044,641
Interest paid on deposits & borrowings	19	(4,911,660,920)	(3,033,562,579)
Net Interest Income		2,187,346,466	1,303,482,062
Investments income	20	751,630,731	651,524,002
Commission / fees, exchange earnings & brokerage	21	785,349,085	642,576,792
Other operating income	22	189,232,500	476,671,354
TOTAL OPERATING INCOME (A)		3,913,558,783	3,074,254,210
Operating Expenses			
Salary & allowances	23	993,577,829	877,127,579
Rent, taxes, insurance, electricity etc.	24	108,519,337	85,968,179
Legal & Professional expenses	25	5,775,685	4,135,727
Postage, stamp, telecommunication etc.	26	32,833,946	27,853,213
Stationery, printing, advertisement etc.	27	42,586,755	30,772,319
Managing director's salary	28	5,658,488	6,200,000
Directors' fee	29	1,727,479	1,140,000
Audit fee		657,900	235,125
Depreciation of Bank's assets	30	79,688,746	67,569,180
Repair & Maintenance of Banks Assets	31	23,991,807	19,823,786
Other expenses	32	270,019,885	236,378,633
TOTAL OPERATING EXPENSES (B)		1,565,037,857	1,357,203,742
Operating profit / (loss) before Provision (C) = (A - B)		2,348,520,926	1,717,052,468
Provision for loans & advances	33	404,348,230	326,277,982
Provision for off- balance sheet exposures	34	(55,818,850)	65,597,080
Provision for diminution in value of investments		-	-
Other provision		-	-
Total Provision (D)		348,529,380	391,875,062
Net Profit / (Loss) before Tax (C - D)		1,999,991,546	1,325,175,406
Provision for current tax	35	1,038,973,188	723,274,196
Provision for deferre tax	36	(15,094,458)	(59,035,060)
Net Profit / (Loss) after Tax		976,112,816	660,936,269
Distribution :			
Statutory reserve	14	399,998,309	265,035,082
General reserve		-	-
Dividend		-	-
Retained earnings		576,114,507	395,901,187
Earnings per share (EPS)	39	41.40	28.03

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


Managing Director


Director



Director


Chairman

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

Place : Dhaka
Date : 28 March 2012


Aziz Halim Khair Choudhury
Chartered Accountants


Syful Shamsul Alam & Co.
Chartered Accountants





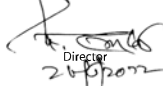
Cash Flow Statement

For the year ended 31 December 2011

	Amount in Taka	
	31.12.2011	31.12.2010
A. Cash Inflows from Operating Activities		
Interest received in cash	7,746,017,865	4,935,127,321
Interest paid by cash	(3,737,347,531)	(3,044,386,504)
Dividend received in cash	913,501	7,698,339
Fees and commission received in cash	785,349,085	642,576,791
Recovery of loans previously written off	83,737,916	7,570,819
Cash paid to employees	(894,840,152)	(667,744,406)
Cash paid to suppliers	(42,586,755)	(30,772,319)
Income tax paid	(684,557,724)	(606,784,827)
Received from other operating activities	105,470,466	463,586,389
Paid for other operating activities	(443,526,039)	(375,534,667)
Operating Profit before changes in operating assets and liabilities	2,918,630,632	1,331,336,936
Changes in operating assets and liabilities :		
Statutory deposits	168,731,330	(3,620,380,967)
Purchase/sales of trading securities	2,737,754,000	2,487,494,000
Loans and advances to customers	(2,786,441,502)	(448,152,641)
Other assets	(10,543,244,381)	(17,079,979,162)
Deposits from other Bank	121,339,024	(1,249,019,373)
Deposits from customers	1,499,747,000	13,771,000
Other liabilities	9,153,632,931	12,256,637,578
	(14,055,742)	398,867,631
Net cash flow from operating activities	3,087,361,962	(2,289,044,031)
B. Cash Inflows from investing activities		
Proceeds from sale of securities	-	-
Cash Payments for purchase of securities	-	-
Purchase of fixed assets	(161,643,194)	(118,338,650)
Sales of fixed assets	634,168	5,822,769
Net cash flow from/(used in) Investing Activities	(161,009,026)	(112,515,881)
C. Cash inflows from financing activities		
Increase/(decrease) of long term borrowing	69,692,316	(156,694,576)
Payment of dividend	-	-
Net cash flow from financing activities	69,692,316	(156,694,576)
Net increase of cash and cash equivalents (A+B+C)	2,996,045,252	(2,558,254,488)
Effects of exchange rate changes on cash and cash equivalents	-	-
Opening Cash and Cash Equivalent	5,952,814,945	8,511,069,433
Closing cash and cash equivalents (note 38)	8,948,860,197	5,952,814,945
Analysis of closing cash and cash equivalents		
Cash in Hand and Balance with Bangladesh Bank and Sonali Bank	4,682,116,663	3,075,372,781
Cash with Other Banks	2,026,743,534	2,627,442,164
Money at Call and Short Notice	2,240,000,000	250,000,000
	8,948,860,197	5,952,814,945

The annexed notes form an integral part of the Cash Flow Statement.


Managing Director


Director


Director


Chairman

Place : Dhaka
Date : 28 March 2012

This is the Cash Flow Statement referred to in our separate report of even date.


Aziz Halim Khair Choudhury
Chartered Accountants


Syful Shamsul Alam & Co.
Chartered Accountants



Statement of Changes in Shareholders' Equity

For the year ended 31 December 2011

Statement of Changes in Shareholders' Equity

Particulars	Paid-up Capital		Statutory reserve		General reserve		Investment revaluation reserve		Retained surplus		Total	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as of 01 January 2011	1,964,655,000	1,824,692,333	40,000,000	215,099,831	429,988,786	4,474,435,950						
Net Profit for the Year	-	399,998,309	-	-	576,114,507	976,112,816						
Revaluation Reserve for Securities Surplus/deficit on revaluation of investments	-	-	-	42,360,716	-	42,360,716						
Transferred to Other Reserve	-	-	-	(11,151,060)	-	(11,151,060)						
Cash Dividend Paid During the Year	-	-	-	-	-	-						
Dividend Distribution Tax	-	-	-	-	-	-						
Issuance of bonus share	392,931,000	-	-	-	(392,931,000)	-						
Balance as of 31 December 2011	2,357,586,000	2,224,690,642	40,000,000	246,309,487	613,172,293	5,481,758,422						


Managing Director


Director


Director


Chairman

Place : Dhaka
Date : 28 March 2012



Liquidity Statement

For the year ended 31 December 2011

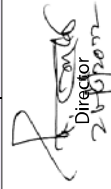
Particulars	Liquidity Statement (Asset and Liability Maturity Analysis)					Total
	Upto 01 month	1-3 months	3-12 months	1-5 years	More than 5 years	
Assets :						
Cash in hand	1,108,803,663	-	-	-	3,573,313,000	4,682,116,663
Balance with Other Banks and Financial Institutions	1,488,589,680	194,847,848	188,327,924	154,978,082	-	2,026,743,534
Money at Call on Short Notice	2,240,000,000	-	-	-	-	2,240,000,000
Investment	1,744,900	-	704,083,441	6,710,019,972	2,078,234,683	9,494,082,996
Loans and Advances	1,573,808,315	9,683,138,206	20,625,574,421	19,144,007,363	5,858,229,580	56,884,757,885
Fixed Assets Including Premises Furniture and Fixtures	-	-	14,654,978	254,470,331	95,335,715	364,461,024
Other Assets	-	656,807,920	759,117,471	923,644,536	-	2,339,569,927
Non-banking Assets	-	-	-	-	-	-
Total Assets	6,412,946,558	10,534,793,974	22,291,758,235	27,187,120,284	11,605,112,978	78,031,732,029
Liabilities :						
Borrowing from Bangladesh Bank, Other Banks, Financial Institutions and Agents	-	-	-	22,772,109	2,765,383,549	2,788,155,658
Deposits & Other Accounts	11,112,941,507	7,477,385,744	38,304,983,384	4,480,447,738	1,274,976,401	62,650,734,774
Provision and Other Liabilities	224,213,700	279,956,713	4,483,109,806	1,577,260,251	546,542,705	7,111,083,175
Total Liabilities	11,337,155,207	7,757,342,457	42,788,093,190	6,080,480,098	4,586,902,655	72,549,973,607
Net Liquidity Gap	(4,924,208,649)	2,777,451,517	(20,496,334,955)	21,106,640,186	7,018,210,323	5,481,758,422

(Amount in Taka)


 Managing Director

Place : Dhaka

Date : 28 March 2012


 Director


 Director


 Chairman

**Highlights
on the
overall activities**



SL.	Particulars	2011	2010
1	Paid up Capital	2,357,586,000	1,964,655,000
2	Total Capital	6,110,959,759	5,073,072,836
3	Capital Surplus / (Deficit)	80,509,759	221,442,836
4	Total Assets	78,031,732,029	61,569,386,676
5	Total Deposits	62,650,734,774	49,259,600,843
6	Total Loans and Advances	56,884,757,885	46,341,513,504
7	Total Contingent Liabilities and Commitments	16,545,523,029	22,161,472,129
8	Credit - Deposit Ratio	87.74%	94.08%
9	Percentage of Classified Loans against total Loans and Advances	4.38%	4.83%
10	Profit after Tax and Provision	976,112,816	660,936,270
11	Amount of Classified Loans and Advances	2,489,790,200	2,239,968,230
12	Provision Kept against Classified Loan	894,376,516	734,544,770
13	Provision Surplus/ (deficit)	-	-
14	Cost of Fund	9.70%	8.13%
15	Interest Earning Assets	67,798,389,425	52,810,422,036
16	Non-interest Bearing Assets	10,233,342,604	8,758,964,640
17	Return on Investment (ROI)	9.30%	10.01%
18	Return on Assets (ROA)	1.40%	1.24%
19	Incomes on Investment	751,630,731	651,524,002
20	Earnings Per Share (EPS)	41.40	28.03
21	Net Income Per Share	41.40	28.03
22	Price Earning Ratio	N/A*	N/A*

*N/A : Not Applicable



**Notes to the
Financial
Statements**

for the year ended 31 December 2011

BASIC Bank Limited
Notes to the Financial
Statements
for the year ended
31 December 2011**1.1 Status of the Bank**

The BASIC Bank Limited ("the Bank") was incorporated as a banking company under the Companies Act, 1913. In 2001 the Bank changed its earlier name ' Bank of Small Industries and Commerce Bangladesh Limited' and registered the new name with the Registrar of Joint Stock Companies. Initially the Bank started its operation as a joint venture enterprise of the then BCC foundation, a welfare trust in Bangladesh and the Government of People's Republic of Bangladesh. On 4 June 1992 the Government of Bangladesh took over 70% shares held by the then BCC Foundation and became the sole owner of the bank. It operates with 45 branches in Bangladesh. The registered office of the company is located at 73 Motijheel C/A, Dhaka-1000.

1.1.1 Objectives

The principal activities of the Bank is unique in blending development financing and commercial banking. The Memorandum and Articles of Association of BASIC Bank Limited stipulate that at least fifty percent of its loanable fund shall be used for financing Small and Medium Scale Industries.

1.2 Significant accounting policies and basis of preparation of financial statements**1.2.1 Basis of accounting****Statement of compliance**

The financial statements of the Bank are made up to 31 December 2011 and are prepared under the historical cost basis, except for the assets and liabilities which are stated at fair value and in accordance with the "First Schedule (Sec-38) of the Bank Companies Act, 1991, BRPD Circular # 14 dated 25 June 2003, BRPD Circular # 15 dated 09

November 2009 and DFIM Circular # 11 dated 23 December 2009, other Bangladesh Bank Circulars, International Accounting Standards and International Financial Reporting Standards adopted by the Institute of Chartered Accountants of Bangladesh titled as "BAS", Companies Act, 1994, the Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchanges' listing regulations and other laws and rules applicable in Bangladesh. All inter-branch account balances and transactions among the head office and the branch have been taken into accounts.

The accounting policies and methods of computation used in the preparation of the financial statements for the year ended 31 December 2011 are consistent with those adopted in Bangladesh.

1.2.2 Use of estimates and judgments

In the preparation of the financial statements management required 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 on going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

1.2.3 Foreign currency transaction**a) Foreign currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Bank operates, i.e. the functional currency. The financial statements of the Bank are presented in Taka which is the Bank's functional and presentation currency.

b) Foreign currencies translation

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per BAS-21 "The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are

converted into taka at weighted average rate of inter bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into Taka equivalent.

c) Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in Taka terms at the rate of exchange ruling on the date of giving commitment or taking liability.

d) Translation gains and losses

The resulting exchange transaction gains and losses are included in the profit and loss account.

1.2.4 Statement of cash flows

Statement of cash flows has been prepared in accordance with the Bangladesh Accounting Standard 7 "Statement of Cash Flows" under direct method as recommended in the BRPD Circular No. 14 dated 25 June 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

1.2.5 Liquidity statement

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

- i) Balance with other Banks and financial institutions, money at call and short notice, etc. are on the basis of their maturity term;
- ii) Investments are on the basis of their respective maturity;
- iii) Loans and advances / investments are on the basis of their repayment schedule;
- iv) Fixed assets are on the basis of their useful lives;
- v) Other assets are on the basis of their realization / amortization;
- vi) Borrowing from other Banks, financial institutions and agents, etc are as per their maturity / repayment terms;

vii) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors;

viii) Provisions and other liabilities are on the basis of their payment / adjustments schedule.

1.2.6 Reporting period

These financial statements cover one calendar year from 01 January 2011 to 31 December 2011.

1.2.7 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

1.3 Assets and basis of their valuation

1.3.1 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.

1.3.2 Loans, advances and lease / investments

- a) Loans and advances are stated in the balance sheet on gross basis.
- b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest on classified loans and advances is kept in suspense account as per Bangladesh Bank instructions and such interest is not accounted for as income until realized from borrowers. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank. Records of such interest amount are kept in separate memorandum accounts.
- c) Commission and discounts on bills purchased and discounted are recognized at the time of realization.
- d) Provision for loans and advances is made on the basis of year-end review by the management following instructions contained in Bangladesh Bank BCD Circular no. 34 dated



16 November 1989, BCD Circular no. 20 dated 27 December 1994, BCD Circular no. 12 dated 4 September 1995, BRPD Circular no. 16 dated 6 December 1998, BRPD Circular no. 9 dated 14 May 2001, BRPD Circular no. 02 of 15 February 2005, BRPD Circular no. 09 of 20 August 2005, BRPD Circular no. 17 dated 06 December 2005 and BRPD circular no. 32 dated 27 October 2010. The provision rates are given below :

Particulars	Rate
General provision on unclassified general loans and advances	1%
General provision on unclassified small enterprise financing	1%
General provision on unclassified loans for housing finance, loans for professional to set-up business and loans to share business	2%
General provision on unclassified consumer financing other than housing finance, loan for professionals and loans to share business	5%
General provision on special mention account	5%
Specific provision on substandard loans and advances	20%
Specific provision on doubtful loans and advances	50%
Specific provision on bad / loss loans and advances	100%

- e) Loans and advances are written off to the extent that (i) there is no realistic prospect of recovery, (ii) and which have been classified as bad & loss for the last 05 years and for which 100 % provision have been kept as per BRPD circular # 02, dated January 13, 2003 of Bangladesh Bank. These write off however will not undermine / affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.
- f) Amounts receivable on credit cards are included in advances to customers at the amounts expected to be recovered.

- g) As per BRPD circular no. 5 dated 5 June 2006 & BRPD circular # 32, dated October 27, 2010 a general provision at 1% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained. However such general provision cannot satisfy the conditions of provision as per IAS 37. At the year end the company has recognized an accumulated general provision of Tk. 596.17 million in the balance sheet under liabilities as per Bangladesh Bank's requirement.

1.3.3 Investments

All investment securities are initially recognized at cost, being fair value of the consideration given, including acquisition charges associated with the investment. Premiums are amortized and discounts accreted, using the effective yield method and are taken to discount income. The valuation method of investments used are:

Held to Maturity (HTM)

Investments which have 'fixed or determinable payments', and are intended to be 'held to maturity', other than those that meet the definition of 'held at amortized cost-others' are classified as held to maturity. Investment (HTM)-BHBFC is shown in the financial statements at cost price.

Held for Trading (HFT)

Investments classified in this category are acquired principally for the purpose of selling or repurchasing -in short-trading or if designated as such by the management. After initial recognition, investments are measured at fair value and any change in the fair value is recognized in the statement of income for the period in which it arises. These investments are subsequently revalued at current market value on weekly basis as per Bangladesh Bank Guideline. Revaluation gain has been shown in revaluation reserve account & revaluation loss has been shown in Profit & Loss account.

Value of investments has been enumerated as per DOS Circular no. 05 dated 26 May 2008 as follows :



Items	Applicable accounting value
Government treasury bonds-HTM	Amortized value
Government treasury bonds-HFT	Market value
Prize bond	At cost
House Building Finance Corporation Debenture	At redeemable value
Shares (private)	At cost or market value at the Balance Sheet date whichever is lower

Investment in listed securities

These securities are bought and held primarily for the purpose of selling them in future or hold for dividend income. These are reported at cost. Unrealized gains are not recognized in the profit and loss account. But provision for diminution in value of investment has been made properly.

Investment in unquoted securities

Investment in unlisted securities is reported at cost under cost method.

Other Investments

Other investments like HBFC debenture & prize bond are also eligible for SLR, HBFC debentures are valued at redeemed value & prize bond are shown at cos.

As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment as per DOS Circular # 04, dated 20 November 2011 of Bangladesh Bank, banks are allowed to kept provision by netting off unrealized gain or loss on the basic of market value of shares. As such the company measures and recognizes investment in quoted and unquoted shares at cost if the year end market value (for quoted shares) and book value (for unquoted shares) are higher than the cost. At the year-end the company's market value and book value of quoted and unquoted shares was higher than cost price by Tk. 22.55 crore. However as per requirements of BAS 39 investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the year-end is taken to profit and loss account or revaluation reserve respectively.

According to DOS circular no.05 dated 26 May 2008 and subsequent clarification in DOS circular no. 05 dated 28 January 2009 loss on revaluation of Government securities (T-bill/T-bond) should be charged in profit and loss account, and gain on such revaluation should be recorded under Revaluation Reserve Account. At the year end the company has accumulated revaluation gain for T-bonds. However as per requirement of BAS 39, such T-bills and T-bonds will fall under the category of "held for trading" and "held to maturity" where any change in the fair value of held for trading is recognized in profit and loss account, and amortized cost method is applicable for held to maturity using an effective interest rate.

1.3.4 Property, plant and equipment

Property, plant & equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Bank and the cost of the assets can be reliably measured.

- All fixed assets are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition.
- The Bank recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company.
- Depreciation is charged for the year at the following rates on reducing balance method on all fixed assets other than vehicles, software and all fixed assets of ATM related on which straight line depreciation method is followed :



Category of fixed assets	Rate	Method of Depreciation
Furniture and fixtures	10%	Reducing balance method
Machinery and Equipment	20%	Reducing balance method
Computer and Copier	20%	Straight line method
Vehicles (straight line)	25%	Straight line method
Leasehold buildings		Straight line method over the leasehold period

- d) For additions during the year, depreciation is charged for the remaining days of the year and for disposal depreciation is charged up to the date of disposal.
- e) On disposal of fixed assets, the cost and accumulated depreciation are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sale proceeds.
- g) Leasehold floor area in Sholoshahar, Chittagong are treated as operating lease as the legal title of the floor area will not pass to the Bank at the end of the lease term thus the Bank has charged rentals to the income statement on a straight line basis over the lease term as per BAS 17.

1.3.5 Intangible assets

- a) An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably.
- b) Software represents the value of computer application software licensed for use of the Bank, other than software applied to the operation software system of computers. Intangible assets are carried at its cost, less accumulated amortization and any impairment losses.

Initial cost comprises license fees paid at the time of purchase and other directly attributable expenditure that are incurred in customizing the software for its intended use.

- c) Expenditure incurred on software is capitalized only when it enhances and extends the

economic benefits of computer software beyond their original specifications and lives and such cost is recognized as capital improvement and added to the original cost of software.

- d) Software is amortized using the straight line method over the estimated useful life of 5 (five) years commencing from the date of the application software is available for use over the best estimate of its useful economic life.

1.3.6 Other assets

Other assets include all balance sheet accounts not covered specifically in other areas of the supervisory activity and such accounts may be quite insignificant in the overall financial condition of the Bank.

1.3.7 Receivables

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity.

1.3.8 Inventories

Inventories measured at the lower of cost and net realizable value.

1.3.9 Leasing

Leases are classified as finance leases whenever the 'terms of the lease' transfer substantially all the risks and rewards of ownership to the lessee as per BAS-17 "Leases". All other leases are classified as operating leases as per BAS-17 "Leases". Operating lease are rental agreements and all installments are charged to the income statement.

1.3.10 Non-banking assets :

There are no assets acquired in exchange for loan during the period of financial statements.



1.3.11 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 the case of inter-branch transactions as on the reporting date are not material.

1.4 Share capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

1.5 Statutory reserve

Bank Companies Act, 1991 requires the Bank to transfer 20% of its current year's profit before tax to reserve until such reserve equals to its paid up capital.

1.6 Deposits and other accounts

Deposits by customers and banks are recognized when the Bank enters into contractual provisions of the arrangements with the counterparties, which is generally on trade date, and initially measured at the consideration received.

1.7 Borrowings from other banks, financial institutions and agents

Borrowed funds include call money deposits, borrowings, re-finance borrowings and other term borrowings from banks. They are stated in the balance sheet at amounts payable. Interest paid / payable on these borrowings is charged to the income statements.

1.8 Basis for valuation of liabilities and provisions

1.8.1 Provision for current taxation

Provision for current income tax has been made as per prescribed rate in the Finance Ordinance, 2011 on the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure as per income tax laws in compliance with BAS-12 "Income Taxes".

1.8.2 Provision for 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.

1.8.3 Benefits to the employees

The retirement benefits accrued for the employees of the Bank as on reporting date have been accounted for in accordance with the provisions of Bangladesh Accounting Standard-19, "Employee Benefit". Bases of enumerating the retirement benefit schemes operated by the Bank are outlined below:

a) Provident fund

Provident fund benefits are given to the permanent employees of the Bank in accordance with Bank's service rules. Accordingly a trust deed and provident fund rules were prepared. The Commissioner of Income Tax, Taxes Zone - 8, Dhaka has approved the Provident Fund as a recognized provident fund within the meaning of section 2(52), read with the provisions of part - B of the First Schedule of Income Tax Ordinance 1984. The recognition took effect from 30 September 1995. The Fund is operated by a Board of Trustees consisting at least five members. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription to the Fund. The Bank also contributes equal amount of the employees' contribution. Interest earned from the investments is credited to the members' account on yearly basis.

b) Gratuity fund

The Bank made a provision of gratuity fund at the discretion of the management to provide an employee with financial benefit on his ceasing the Bank's service or in the event of his death to his legal heirs/nominees or successors, in respect of which provision is made annually covering all its permanent eligible employees.

c) Benevolent Fund

The benevolent fund is subscribed by monthly contribution of the employees. The Bank also





Notes to the Financial Statements

contributes to the fund @ 0.5% of profit at the end of the year. The fund is established to sanction grant in the event of death on duty, permanent disabilities of the employees and to provide financial assistance for marriage of his/her dependants.

d) Superannuation Fund

The Bank operates a contributory superannuation fund to give benefit to employees at the time of retirement and also cover group term life insurance. Employees are contributing to the fund monthly and the Bank also contributes a lump sum amount from the profit at the end of the year.

e) Welfare fund

The Bank has been maintaining a welfare fund from profit each year. This fund is utilized for various social activities as part of corporate social responsibility of the Bank.

1.8.4 Provision for liabilities

A provision is recognized in the balance sheet when the Bank has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

1.8.5 Provision for Off-balance sheet exposures

Off-balance sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank guidelines. As per BRPD Circular # 10 dated 18 September 2007, banks are advised to maintain provision @1% against off-balance sheet exposures (L/C and Guarantee) in addition to the existing provisioning arrangement.

1.8.6 Provision for nostro accounts

As per instructions contained in the circular letter no. FEPA (FEMO) / 01 / 2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, Banks are required to make provision regarding the un-reconciled debit balance of nostro account for more than 3 months as on the reporting date in

these financials. Since there is no unreconciled entries which are outstanding more than 3 months then Bank's are not required to make provision.

1.9 Revenue recognition

1.9.1 Interest income

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. After the loans is classified as bad, interest ceases to apply and recorded in a memorandum account. Interest on classified advances is accounted for on a cash receipt basis.

1.9.2 Investment income

Interest income on investments is recognized on accrual basis. Capital gain on investments in shares is also included in investment income. Capital gain is recognized when it is realized.

1.9.3 Fees and commission income

Fees and commission income arising on services provided by the Bank are recognized on a cash basis. Commission charged to customers on letters of credit and letters of guarantee is credited to income at the time of effecting the transactions.

1.9.4 Dividend income on shares

Dividend income on shares is recognized during the period in which it is declared and ascertained.

1.9.5 Interest paid and other expenses

In terms of the provisions of BAS-1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

1.9.6 Dividend payments

The proposed dividend for the year 2011 has not been recognized as a liability in the balance sheet in accordance with the BAS-10 : Events After the Balance Sheet Date.

Dividend payable to the Bank's shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive payment is established.



1.10 Risk management

The risk of BASIC Bank Limited is defined as the possibility of losses, financial or otherwise. The risk management of the Bank covers core risk areas of banking viz. credit risk, liquidity risk, market risk that includes foreign exchange risk, interest rate risk, equity risk, operational risk and reputation risk arising from money laundering incidences. The prime objective of the risk management is that the Bank evaluates and takes well calculative business risks and thereby safeguards the Bank's capital, its financial resources and profitability from various business risks through its own measures and through implementing Bangladesh Bank's guidelines and following some of the best practices as under:

1.10.1 Credit risk

It arises mainly from lending, trade financing, leasing and treasury activities. This can be described as potential loss arising from the failure of a counter party to perform as per contractual agreement with the Bank. The failure may result from unwillingness of the counter party or decline in his / her financial condition. Therefore, the Bank's credit risk management activities have been designed to address all these issues.

The Bank has segregated duties of the officers/ executives involved in credit related activities. A separate Corporate Division has been formed at Head Office which is entrusted with the duties of maintaining effective relationship with the customers, marketing of credit products, exploring new business opportunities, etc. Moreover, credit approval, administration, monitoring and recovery functions have been segregated. Separate credit divisions have been formed at head office since the inception of the Bank, which are assigned with duties of marketing and assessment of credit products, maintaining effective relationship with the customer and exploring new business opportunities. Another division naming Credit Administration Division (CAD) has also been established to oversee mainly documentation facilities. In line with Bangladesh Bank guidelines

the Bank has segregated marketing, approval and monitoring/recovery functions. The credit risk management includes borrower risk analysis, financial statement analysis, industry analysis, historical performance of the customer, security of the proposed credit facility and market reputation of the borrower etc.

The Bank takes its lending decision based on the credit risk assessment report by appraisal team. In determining Single borrower / Large loan limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted at periodical intervals to ensure compliance of Bank's and Regulatory polices. Loans are classified as per Bangladesh Bank's guidelines. Concentration of single borrower / large loan limit is shown in the notes to the financial statements.

1.10.2 Liquidity risk

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. Management of liquidity and funding is carried out by Treasury Division under approved policy guidelines. Treasury front office is supported by a very structured Mid office and Back office. The Liquidity management is monitored by Asset Liability Committee (ALCO) on a regular basis. A written contingency plan is in place to manage extreme situation.

1.10.3 Market risk

The exposure of market risk of the Bank is restricted to foreign exchange risk, interest rate risk and equity risk.

Foreign exchange risk

Foreign exchange risk is defined as the potential change in earnings due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements. No foreign exchange dealing on Bank's account was conducted during the year.





Notes to the Financial Statements

Treasury Division independently conducts the transactions and the Back Office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to-Market rate as determined by the bank as mid rate at the month end and the mid rate is being published by the Treasury Division of the Bank as per approved policy. All Nostro accounts are reconciled on a monthly basis and outstanding entry beyond 30 days 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.

Interest rate risk

Interest rate risk may arise either from trading portfolio or non-trading portfolio. The short-term movement in interest rate is negligible or nil. Interest rate risk of non-trading business arises from mismatches between the future yield of an asset and its funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis.

Equity risk

Equity risk arises from movement in market value of equities held. The risks are monitored by Investment Committee under a well designed policy framework. The market value of equities held was however higher than the cost price at the balance sheet date.

1.10.4 Reputation risk arising from money laundering incidences

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. Money laundering has been identified as a major threat to the financial services community. The management of the Bank has taken prevention of money laundering as part of their risk management strategies. Anti-Money Laundering Guideline of the Bank was approved by the Board of Directors of the Bank in its 188th meeting held on 31 January 2006 and subsequently revised and got approved by the Board of Directors of the Bank in its 298 meeting

dated 11 October 2011. For mitigating the risks, the Bank has established a Central Anti-Money Laundering Compliance Unit (CCU). A Deputy Managing Director is acting as Chief Anti-Money Laundering Compliance Officer (CAMLCO) and Deputy General Manager of Establishment Division is working as a head of CCU who works under direct supervision CAMLCO. CCU continuously monitoring and reviewing all anti-money laundering issues. A senior level executive from each branch is working as a Branch Anti-Money Laundering Compliance Officer (BAMLCO). Sound Know Your Customer (KYC) and Transaction Monitoring Policies are in place to recognize the risk associated with accounts.

Bank has completed KYC procedures for the accounts opened prior 30 April 2002. It is the requirement of Bangladesh Bank to report cash transaction of above BDT 7 Lac in a single day in a single account and suspicious transaction as and when detected. ICT division of the Bank has developed software to report the same to Bangladesh Bank. Internal Control and Compliance policies have been implemented to check that an effective Anti-Money Laundering system is in force. Training is continuously given to all levels of Officers and Executives for developing awareness and skill for identifying suspicious activities/ transactions.

1.10.5 Operational risk

Operational risk may arise from error and fraud due to lack of internal control and compliance. Management through Internal Control and Compliance controls operational procedure of the Bank. Internal Control and Compliance Division periodical and special audit of the Branches and Divisions at Head Office for review of the operation and compliance of statutory requirements. The Audit Committee of the Board subsequently reviews the reports submitted after inspection of Branches and Division.

1.10.6 Asset Liability management

Asset Liability Management (ALM) is a risk management technique designed to earn an adequate return while maintaining a comfortable surplus of assets beyond liabilities. The scope of

ALM function can be described as liquidity risk management, management of market risks, trading risk management, funding and capital planning and profit planning and growth projection etc. Risks in ALM are:

Interest Rate Risk : It is the risk of having a negative impact on a bank's future earnings and on the market value of its equity due to changes in interest rates.

Liquidity Risk : It is the risk of having insufficient liquid assets to meet the liabilities at a given time.

Foreign Exchange Risk : It is the risk of having losses in foreign exchange assets and liabilities due to exchanges in exchange rates among multi-currencies under consideration.

The ALM committee usually makes decisions on financial direction of the Bank. The ALCO's goals are to manage the sources and uses of funds, identify balance sheet management issues like balance sheet gap, interest rate gap etc. ALCO also reviews liquidity contingency plan and implements liability pricing strategy for the Bank.

1.11 ICT Risk Management

ICT risk refers to the potential of ensuring harmful effects that an organization might suffer from intentional or unintentional threats to information and information technology systems. Managing ICT risk is part of running regular operation of the Bank now a day. Failure to manage ICT risk may lead to serious security breaches, financial losses and even business discontinuity. Hence, it is imperative that there should be a mechanism to identify, assess and mitigate ICT risk. BASIC Bank Limited, with the approval of the board, has adopted an ICT policy covering various aspects of ICT risk management. Based on the policy the Bank has taken necessary measures for mitigating ICT risk and impending hazards through implementing proper strategies and processes of identifying, appreciating, analyzing and assessing the same.

1.12 Earnings per share

Basic earnings per share

Basic earnings per share has been calculated in accordance with BAS 33 "Earnings per Share" which has been shown on the face of the profit and loss

account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Calculation of weighted earnings per share

The Bank issued bonus shares to existing shareholders. In order to reflect the bonus element, the number to be used in calculating basic earnings per share, for all periods prior to the bonus issue, is the number of ordinary shares outstanding prior to the bonus issue (time apportioned if necessary) and multiplied by adjusting factor.

1.13 Events after the balance sheet date

Where necessary, all the material events after the reporting period have been considered and appropriate adjustment / disclosures have been made in the financial statements.

1.14 Directors' responsibility on statement

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

Memorandum items

Memorandum items are maintained to have control over all items of importance and for such transactions where the Bank has only a business responsibility and no legal commitment. Stock of travelers cheques, savings certificates, wage earners bonds and other fall under the memorandum items.

Capital Expenditure Commitment

There was no capital expenditure contracted but incurred or provided for at 31 December 2011 besides, there was no material capital expenditure authorized by the board but not contracted for at 31 December 2011.

1.15 Subsequent Events

There is no other significant event occurred between the Balance Sheet date and the date when the financial statements were authorized for issue by the Board of Directors

1.16 Related party transaction

Related party transaction is a transfer of resources, services or obligation between related parties, regardless of whether a price is charged.



1.17 Audit Committee

Members of the Audit Committee of the Board of Directors :

Name	Status with the Committee	Educational Qualification
Mr. Shakhawat Hossain	Convener	M.A in Economics
Mr. Jahangir Akhand Salim	Member	M.A (Political Science), LL.B
Mr. Shubhashish Bose	Member	M.Com, MBA
Prof. Dr. Kazi Akhtar Hossain	Member	M.Com in Accounting, PhD
Mr. Md. Anwarul Islam, FCMA	Member	M.Com, MBA, FCMA

Audit Committee Meeting held during 2011

- 37th Meeting of Audit Committee held on 26 January 2011
- 38th Meeting of Audit Committee held on 27 April 2011
- 39th Meeting of Audit Committee held on 05 October 2011

1.18 Steps Have Been Taken

As per guidelines enunciated in BRPD Circular No. 12 dated 23 December 2002 of Bangladesh Bank the Audit Committee of the Board of Directors of the Bank has been playing an important role with regard to the process of publication of financial statements and development of internal control systems for conducting banking operations efficiently and in a disciplined manner. Besides, pursuant to the instructions of the said circular the audit committee is placing its report to the Board of Directors of the Bank on its findings and recommendations acknowledging the background and purpose of constitution of the committee.

1.19 Compliance report on 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 International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). While preparing the financial statements, BASIC Bank applied all the applicable of IAS and IFRS as adopted by ICAB. Details are given below :



Name of the BAS	BAS no	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the balance sheet date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
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 Rates	21	Applied
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	N/A
Investments in Associates	28	N/A
Interests 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	N/A
Investment Property	40	N/A
Agriculture	41	N/A





Notes to the Financial Statements

We followed Bangladesh Bank Guidelines instead of BAS-39

Name of the BFRS	BFRS no	Status
Share Based Payment	2	N/A
Business Combinations	3	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: Disclosure	7	Applied
Operating Segments	8	Applied

1.20 Approval of financial statements

The financial statements were approved by the Board of directors on 28 March 2012

2.00 General

- a) These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have
- b) The expenses, irrespective of capital or revenue nature, accrued / due but not paid have been provided for in the books of the Bank.
- c) Figures of previous year have been rearranged whenever necessary to conform to current years presentation.

been rounded off to the nearest Taka.



		Amount in Taka	
		31.12.2011	31.12.2010
3. Cash			
	Cash in hand (including foreign currencies) (note 3.1)	420,532,562	344,012,334
	Balance with Bangladesh Bank (note 3.2)	4,261,584,101	2,731,360,447
		4,682,116,663	3,075,372,781
3.1 Cash in hand (including foreign currencies)			
	In local currency	414,582,230	341,115,137
	In foreign currencies	5,950,332	2,897,197
		420,532,562	344,012,334
3.2 Balance with Bangladesh Bank and its agent bank (s)			
	In local currency (note 3.2.1)	3,892,588,270	2,687,277,987
	In foreign currency (note 3.2.2)	368,995,831	44,082,460
		4,261,584,101	2,731,360,447
3.2.1 In Local currency			
	Bangladesh Bank	3,765,242,249	2,595,609,918
	Sonali Bank (acting as agent of Bangladesh Bank)	127,346,021	91,668,069
		3,892,588,270	2,687,277,987
3.2.2 In foreign currency			
	Bangladesh Bank - US\$	360,784,586	37,520,761
	Bangladesh Bank - GBP	6,411,409	5,043,495
	Bangladesh Bank -EURO	1,799,836	1,518,204
		368,995,831	44,082,460
3.2.2.1 Balance with Bangladesh Bank as per DB -5		3,782,498,000	2,689,323,000

Reason of difference between balance with Bangladesh Bank and DB-5 :

The reason of difference between balance with Bangladesh Bank and DB-5 is that the balance of foreign currency clearing account is not shown in DB-5 statement. There were some entries passed by Bangladesh Bank on year ending date but we passed corresponding entries on later date after receiving advice from Bangladesh Bank.

3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio(SLR)

Cash Reserve Ratio (CRR) and statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of Bank Companies Act, 1991 and of instructions contained in BRPD circular no. 11 and 12 dated 25 August 2005 and MPD circular no. 04 dated 1st December 2010 issued by Bangladesh Bank.

The cash reserve requirement of the Bank calculated @6% of total time and demand liabilities and maintained with Bangladesh Bank in current account, 19% statutory liquidity ratio, including CRR on the same liabilities has also been maintained with Bangladesh Bank in the form of treasury bills, bonds and debentures including foreign currency balances with Bangladesh Bank. Both the reserve maintained by the Bank are in excess of the statutory requirements as shown below :





Notes to the Financial Statements

	Amount in Taka	
	31.12.2011	31.12.2010
3.3.1 Cash Reserve Ratio (CRR) (6% of average demand & time liabilities)		
Required Reserve	3,573,313,000	2,708,759,000
Actual reserve held	3,644,729,000	2,740,225,000
Surplus or (Deficit)	71,416,000	31,466,000
3.3.2 Statutory Liquidity Reserve (SLR) (13% of average demand & time liabilities)		
Required reserve	7,742,178,000	5,868,978,000
Actual reserve held	8,670,513,000	6,867,263,000
Surplus or (Deficit)	928,335,000	998,285,000
3.3.3 Total required reserve (19%)	11,315,491,000	8,577,737,000
Actual reserve held	12,315,242,000	9,607,488,000
Surplus or (Deficit)	999,751,000	1,029,751,000
4.00 Balance with other banks & financial institutions	1,723,297,815	1,992,010,143
In Bangladesh (note 4.1)	303,445,719	635,432,021
Outside Bangladesh (Nostro Accounts) (Annexure -A)	2,026,743,534	2,627,442,164
4.01 In Bangladesh		
a. Current account		
Sonali Bank Limited	5,482,776	26,934,326
Agrani Bank Limited	5,020,867	14,521,858
Rupali Bank Limited	539,749	620,349
Janata Bank Limited	104,350	2,002,775
	11,147,742	44,079,307
b. SND account		
Sonali Bank Limited	25,427,306	25,871,020
Bangladesh Krishi Bank	4,005	526,712
Trust Bank Limited	1,591,919	3,578,289
Rupali Bank Limited	10,142,588	12,314,069
Agrani Bank Limited	6,173	7,663
	37,171,991	42,297,753
c. Other deposits		
Receivable from ICB Islami Bank	154,978,082	155,633,082
d. Fixed deposits account		
Bangladesh Commerce Bank Limited	350,000,000	-
IFIC Bank	320,000,000	-



	Amount in Taka	
	31.12.2011	31.12.2010
BFIC	-	100,000,000
Premier Leasing	100,000,000	-
Prime Finance and Investment	100,000,000	-
First Lease Finance and Investment Limited	200,000,000	-
BIFC	150,000,000	100,000,000
Hajj Finance Company Limited	-	50,000,000
Uttara Fiancé and Investment	-	100,000,000
Lanka Bangla Finance	-	100,000,000
Peoples Leasing	200,000,000	150,000,000
Phonix Leasing and Finance	-	200,000,000
NHFI Limited	-	50,000,000
Union Capital	-	50,000,000
International Leasing and Finance	100,000,000	150,000,000
Jamuna Bank Limited	-	400,000,000
BRAC Bank Limited	-	300,000,000
Sub Total	1,520,000,000	1,750,000,000
Total (a+b+c+d)	1,723,297,815	1,992,010,143

Most of the fixed deposits are placed for short term maturities up to a period of 3 months and some fixed deposits are for the period of 6 months and 1 year at the approximate market rate.

4.02 Outside Bangladesh (Nostro Accounts and Term Placement)

a. Interest-bearing accounts

Bank of Tokyo-Mitsubishi London	5,611,352	3,094,589
Bank of Tokyo Mitsubishi Japan	287,476	21,197,036
Mashreq Bank New York	17,458,439	61,206,806
Mashreq Bank India	452,970	10,064,753
CITI Bank Mumbai	87,155	304,180
Sonali Bank Kolkata	18,946,371	47,162,876
Sonali Bank Kolkata-EURO	230,811	641,133
Sonali Bank London	456,588	7,048,519
Sonali bank London-USD	733,911	-
Sonali Bank London(UKP)	3,334,034	4,255,423
Bank of Ceylon	10,531,186	3,759,917
CITI Bank New York (Export)	77,895,043	298,878,420
Standard Chartered Import New York	19,501,970	10,823,668
Standard Chartered Bank Mumbai	14,998,409	12,233,973
Standard Chartered Bank Frankfurt	4,707,593	40,394,836
ICICI Bank Ltd.	9,802,872	12,118,510
HSBC New York	33,089,097	52,563,811
Banque de Commerce, Geneva	1,695,071	1,323,321
Wachovia Bank N.Y.	-	954,569
Arif Habib Rupali Bank	449,600	311,112
Sub Total	220,269,948	588,337,452



	Amount in Taka	
	31.12.2011	31.12.2010
b. Term Placement		
Commercial Bank of Ceylon-Dhaka-Term	-	14,149,940
Eastern Bank Term(USD)	13,772,052	11,719,720
Eastern Bank Term(USD)	26,658,560	-
Eastern Bank Term(USD)	18,189,288	-
Eastern Bank Term(USD)	8,185,290	-
Commercial Bank of Ceylon-Term	16,370,580	21,224,910
Sub Total	83,175,770	47,094,570
Total (a+b)	303,445,719	635,432,021
(Annexure - A may kindly be seen for details)		
4.03 Maturity grouping of balances with other banks & financial institutions		
On demand	231,417,691	632,416,759
Upto one month	1,257,171,990	732,444,924
Over one month but not more than three months	194,847,848	559,852,829
Over three months but not more than one year	188,327,923	547,094,570
Over one year but Inot more than five years	154,978,082	155,633,082
Over five years	-	-
	2,026,743,534	2,627,442,164
5.00 Money at call and short notice	2,240,000,000	250,000,000
5.01 Classification of money at call & short notice		
Commercial Banks (note 5.1.1)	2,040,000,000	250,000,000
Financial Institutions (note 5.1.2)	200,000,000	-
	2,240,000,000	250,000,000
5.1.1 Commercial Banks		
National Bank of Pakistan	100,000,000	50,000,000
Mercantile Bank Limited	150,000,000	-
Uttara Bank Limited	600,000,000	-
Agrani Bank Limited	200,000,000	-
National Bank Limited	100,000,000	-
Sonali Bank Limited	400,000,000	-
Mutual trust Bank Limited	490,000,000	-
Arab Bangladesh Bank Limited	-	200,000,000
	2,040,000,000	250,000,000
5.1.2 Financial Institutions		
Union Capital	100,000,000	-
International Leasing	100,000,000	-
	200,000,000	-



	Amount in Taka	
	31.12.2011	31.12.2010
6.00 Investments		
Government Securities (note 6.1)	9,304,513,931	6,506,731,752
Other Investments (note 6.2)	189,569,065	169,700,086
	9,494,082,996	6,676,431,838
6.01 Government Securities		
Treasury Bills and Reverse Repo (note 6.1.1)	-	-
Treasury Bonds (note 6.1.2)	9,222,804,031	6,422,053,952
Prize Bond	1,709,900	2,177,800
Debenture (note 6.1.3)	80,000,000	82,500,000
	9,304,513,931	6,506,731,752
6.1.1 Treasury bills and reverse repo (at revalued amount)		
05 years Government treasury bills	-	-
02 years Government treasury bills	-	-
364 days Government treasury bills	-	-
364 days Reverse repo	-	-
91 day Government treasury bills (at present value)	-	-
28 days Government treasury bills	-	-
01 day reverse repo-Bangladesh Bank	-	-
	-	-
6.1.2 Treasury bonds (at revalued amount)		
Five years Government treasury bond	7,224,569,348	5,642,977,075
Ten years Government treasury bond	1,490,192,624	270,761,835
Fifteen years Government treasury bond	508,042,059	508,315,042
	9,222,804,031	6,422,053,952
6.1.3 Debentures		
Twenty years HBFC debenture - 5.5%	10,000,000	12,500,000
Mutual Trust Bank bond	70,000,000	70,000,000
	80,000,000	82,500,000
6.2 Other Investments		
Shares (note 6.2.1)	189,534,065	169,700,086
Investment others	35,000	-
	189,569,065	169,700,086
6.2.1 Investment in shares		
Quoted companies		
Shares in listed companies	151,193,415	146,664,986
Unquoted companies		
Karmasangsthan Bank Limited	10,000,000	10,000,000
Preference Shares of Bangladesh Development company limited	21,000,000	-
Grameen I.T.Park	4,201,760	4,201,760
Central Depository Bangladesh Limited	3,138,890	8,833,340
	189,534,065	169,700,086

(Details of investment in shares may kindly be seen in annexure - B)



Notes to the Financial Statements

	Amount in Taka	
	31.12.2011	31.12.2010
6.3 Investment in securities are classified as per Bangladesh Bank circular		
Held For Trading (HFT)	6,175,874,493	4,447,815,744
Held To Maturity (HTM)	3,046,929,538	1,974,238,208
	9,222,804,031	6,422,053,952
Treasury bond and treasury bills are categorized into HTM and HFT as per Bangladesh Bank circular. HTM securities are revalued at the end of the year and revaluation Loss/gain is shown in capital account. HFT securities are revalued weekly and gain on revaluation is shown as revaluation reserve under capital account. Securities are shown at revalued amount.		
6.4 Assets pledged as security		
Assets in the amounts shown below were pledged as security for the following liabilities		
Liabilities to bank	-	-
Liabilities to customers	-	-
	-	-
We have no assets pledged, mortgaged or hypothecated against bank's borrowings.		
6.5 Maturity Grouping of Investments		
On demand	1,744,900	2,177,800
Upto one month	-	-
Over one month but not more than three months	-	-
Over three months but not more than one year	704,083,441	23,035,100
Over one year but not more than five years	6,710,019,972	5,789,642,061
Over five years	2,078,234,683	861,576,877
	9,494,082,996	6,676,431,838
7. Loans & advances		
Loans, cash credits & overdrafts etc. (note 7.1)	54,266,599,661	43,257,526,832
Bills purchased & discounted (note 7.2)	2,618,158,224	3,083,986,672
	56,884,757,885	46,341,513,504
7.1 Loans, cash credits & overdrafts etc.		
In Bangladesh		
Loans (note 7.1.1)	25,935,567,835	20,822,595,023
Cash credit	14,346,858,693	10,629,475,991
Overdraft (note 7.1.2)	6,279,490,073	4,022,853,609
Others (note 7.1.3)	7,704,683,060	7,782,602,209
	54,266,599,661	43,257,526,832
Outside Bangladesh		
	-	-
	54,266,599,661	43,257,526,832



	Amount in Taka	
	31.12.2011	31.12.2010
7.1.1 Loans		
Loan general	4,157,096,263	3,503,549,859
Term loan	20,832,637,475	16,286,874,333
Loan secured	72,562,301	-
Others	873,271,796	1,032,170,831
	25,935,567,835	20,822,595,023
7.1.2 Overdraft		
Temporary overdraft	195,977,620	54,206,639
Overdraft secured mortgage	3,760,548,963	1,776,369,955
Overdraft secured (other securities)*	2,322,963,490	2,192,277,014
	6,279,490,073	4,022,853,609
* Overdraft secured (other securities)	2,323,983,581	2,192,277,014
Less Adjustment for wrongly charged Interest-Zinzabazar Branch	1,020,092	-
	2,322,963,490	2,192,277,014
7.1.3 Others		
Loan against packing credit	984,630,795	763,633,272
Payment against documents	879,206,006	199,006,125
Loan against trust receipts	4,949,720,855	6,075,822,517
Other short term advance	156,011,003	51,958,178
Staff loan	733,651,230	645,509,435
Loan against import merchandise	1,463,171	46,672,683
	7,704,683,060	7,782,602,209
7.2 Bills purchased & discounted		
Payable in Bangladesh :		
Local bills purchased	2,228,148,433	2,593,050,695
Payable outside Bangladesh :		
Foreign bills purchased and discounted	390,009,791	490,935,976
	2,618,158,224	3,083,986,672
7.3 Residual maturity grouping of loans including bills purchased and discounted		
Payable on demand	1,573,808,315	749,458,468
Not more than three months	9,683,138,206	9,173,883,007
Above three months but not more than one year	20,625,574,421	17,358,786,508
Above one year but not more than five years	19,144,007,363	15,225,095,477
Above five years	5,858,229,580	3,834,290,044
	56,884,757,885	46,341,513,504
7.4 Loans on the basis of significant concentration including bills purchased & discounted		
a. Advance to Directors	-	-
b. Advances to Managing director and other senior executives	733,651,230	645,509,435
c. Advances to customers group	22,828,101,655	17,918,111,069
d. Advances to Industrial sector (note 7.4.1)	33,323,005,000	27,777,893,000
	56,884,757,885	46,341,513,504



	Amount in Taka	
	31.12.2011	31.12.2010
7.4.1 Advances to industrial sectors		
Food and allied industries	4,450,000,000	3,543,300,000
Textile	6,684,300,000	6,313,600,000
ERGM	3,652,000,000	3,230,400,000
Accessories	1,129,400,000	1,018,200,000
Jute Production and Allied Industries	3,211,200,000	3,389,200,000
Forest production and allied Industries	54,900,000	66,100,000
Paper, Board, Printing, Publication and Packaging	1,720,800,000	994,100,000
Tannery leather and rubber production	926,600,000	927,400,000
Chemical pharmaceutical and allied Industries	1,394,800,000	1,478,300,000
Glass, Crmc. and other non Metal Production	219,100,000	160,700,000
Engineering	2,058,005,000	1,289,400,000
Electrical and electronics Industries	669,400,000	567,700,000
Service industries	4,752,300,000	2,809,700,000
Miscellaneous industries	90,300,000	823,093,000
Industries not elsewhere classified	2,309,900,000	1,166,700,000
	33,323,005,000	27,777,893,000
7.5 Loans and advances allowed to each customer exceeding 10% of bank's total equity		
Number of customers	12	13
Amount of outstanding loans	10,810,500,000	10,721,000,000
Classified amount thereon	-	-
Amount of recovery	-	-
Loans and advances allowed to customers' group exceeding 10% of banks total capital fund which is computed of Tk. 61.11 crore of the bank as at 31 December 2011.		
(Details are given in Annexure - C)		
7.6 Geographical location - wise loans and advances;		
Inside Bangladesh		
Dhaka division	40,671,068,784	32,284,507,161
Chittagong division	8,982,221,977	7,417,262,754
Khulna division	2,695,990,948	1,894,406,322
Rajshahi division	3,065,705,733	2,454,413,284
Sylhet division	890,663,231	871,131,043
Barisal division	166,625,319	132,804,599
Rangpur division	412,481,893	1,286,988,340
	56,884,757,885	46,341,513,504
Outside Bangladesh	-	-
	56,884,757,885	46,341,513,504
7.7 Distribution of loans and advances according to BRPD circular by Bangladesh Bank		
Unclassified loan		
Standard	53,989,096,940	43,848,867,094
SMA	406,890,840	252,678,180
	54,395,987,780	44,101,545,274



		Amount in Taka	
		31.12.2011	31.12.2010
Classified loan :			
Sub-standard		229,718,980	296,593,990
Doubtful		88,228,690	282,520,660
Bad and loss		2,171,842,530	1,660,853,580
Sub Total		2,489,790,200	2,239,968,230
Total		56,885,777,980	46,341,513,504
7.8 Provision required for loans and advances			
Status	Base for Provision	Rate %	
Unclassified-General provision			
			Required Provision
Agro based and Micro Credit	602,832,000	5	30,141,600
SMA	394,846,200	5	19,742,310
Others (excluding staff loan)	52,656,564,000	1 & 2	546,289,590
			596,173,500
			494,185,370
Classified-specific provision			
Sub-standard	70,229,530	5 & 20	13,336,330
Doubtful	33,723,780	50	16,861,890
Bad/Loss	849,434,980	100	849,434,980
			879,633,200
			734,544,770
Additional provision			14,743,316
Required provision for loans & advances			1,490,550,016
Total provision maintained			1,490,550,016
Excess / (Short) provision during the year			-
7.9 Listing of assets Pledge as security/collaterals			
Nature of the secured assets :			
Fixed assets			63,946,573,624
Cash and quasi-cash			46,806,776,650
Others			2,318,258,846
			11,888,402,448
			78,153,234,918
			60,120,524,587
7.10 Particulars of Loans and Advances :			
(i) Debts considered good in respect of which the banking company is fully secured.			54,353,665,087
(ii) Debts considered good for which the banking company holds no other security other than debtor's personal security.			40,550,640,918
(iii) Debts considered good secured by personal liabilities of one or more parties in addition to the personal security of the debtors.			2,354,942,235
(iv) Debts considered doubtful or bad not provided for.			4,227,149,511
			176,150,563
			1,563,723,075
			-
			56,884,757,885
			46,341,513,504
(v) Debts due by directors and officers of the banking company or any of them either severally or jointly with any other person.*			733,651,230
			645,509,435



	Amount in Taka	
	31.12.2011	31.12.2010
(vi) Debts due by 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 companies, as members.	-	-
(vii) Maximum total amount of advances including temporary advances made at any time during the year to the directors or managers or officers of the banking company or any of them either severally or jointly with any other person.*	733,651,230	645,509,435
(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.		
Amount of classified debts on which interest has not been credited to income	2,896,681,040	2,239,968,230
(a-i) (Decrease)/ Increase in provision	76,466,436	97,606,429
(a-ii) Amount realized against loan previously written off	83,737,916	7,570,819
(b) Amount of provision kept against loan classified as bad/loss	849,434,980	610,305,100
(x) Cumulative amount of classified loans which is written off	688,783,000	587,707,402
(xi) Classified loans which is written off for current Year	101,075,598	-

There is no loans in the name of existing Directors. This amount represents loan to officers of the bank.

7.11 Bills Purchased and Discounted

Payable in Bangladesh	2,228,148,433	2,593,050,695
Payable outside Bangladesh	390,009,791	490,935,976
	2,618,158,224	3,083,986,671

7.11.1 Maturity grouping of bills purchased & discounted

Not more than one month	624,109,962	472,554,509
Above one month but not more than three months	914,277,457	1,408,796,305
Above three months but not more than six months	1,022,651,486	1,201,281,283
Above six months	57,119,319	1,354,574
	2,618,158,224	3,083,986,671

8. Premises and fixed assets
Own assets

Furniture and fixtures	154,738,903	135,924,255
Equipment and computer	426,893,571	370,490,285
Vehicles	217,096,177	134,832,794
	798,728,651	641,247,334



	Amount in Taka	
	31.12.2011	31.12.2010
Less : Accumulated depreciation	437,669,926	361,578,983
	361,058,725	279,668,350
Leased assets		
Leasehold assets	4,000,000	4,000,000
Less: Accumulated depreciation	597,701	551,724
	3,402,299	3,448,276
	364,461,024	283,116,626

A Schedule of Fixed Assets is given in Annexure-D.

9. Other Assets

i. Income generating

	-	-
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ii. Non-Income generating

a) Stationery, stamps, printing materials etc.	13,114,787	12,700,404
b) Advance rent;	90,079,736	44,257,894
c) Income receivable (note 9.2)	431,201,493	327,494,741
d) Advance income tax	371,185,148	344,587,168
e) Security deposits (note 9.1)	1,384,933	1,108,666
f) Suspense account (note 9.3)	14,019,454	11,622,523
g) Other prepayments	1,133,890	940,517
h) Advances/expenditures incurred against proposed branches	192,109,823	163,045,080
i) Advance for space of HO and Main Branch	466,666,667	400,000,000
j) Balance with Fakrul Islam securities	1,762,850	2,696,172
k) Due from branches-EDF	805,842	-
l) Branch adjustment account	127,602,818	383,828,289
m) Sundry debtors (note 9.4)	114,332,828	240,176,756
n) Subs fees of Dun Breadstreet	3,341,176	3,341,176
o) Deferred Tax Assets (note 36)	183,916,077	168,821,619
p) Position Clearing(Net)	-	-
q) Position General Ledger(Net)	326,912,406	210,888,757
	2,339,569,927	2,315,509,761

9.1 Security deposits

Security deposits, rent and other prepayments made to statutory authorities, other institutions and individuals are considered good.

9.2 Income receivable

Income receivable consists of interest income receivable from various investments have been verified and considered good.

9.3 Suspense account

Suspense account consists of DD paid without advice, clearing, petty cash etc.

9.4 Sundry Debtors

Protested bill, Main branch	6,535,881	6,535,881
Protested bill, Khatungonj branch	244,800	244,800
Protested bill, Khulna branch	416,367	416,367
BCCI-Bombay	1,399,580	1,399,580



Notes to the Financial Statements

	Amount in Taka	
	31.12.2011	31.12.2010
BCCI-London	704	611
Protested bill, SWIFT charges	20,244,921	20,244,921
	28,842,253	28,842,160
Others	85,490,575	211,334,596
	114,332,828	240,176,756

Full provision for the protested bill of BCCI and SWIFT charges has been made in the account and others included encashment of Sanchaypatras amount which will be adjusted after receiving Bangladesh Bank advice.

10 Borrowing from other banks Including Financial Institutions & Agents		
In Bangladesh (note 10.1)	1,293,427,511	1,391,196,871
Outside Bangladesh (note 10.2)	1,494,728,147	1,327,266,471
	2,788,155,658	2,718,463,342
10.1 In Bangladesh(a+b)		
a) Money at call and on short notice		
Agrani Bank Ltd	-	-
Sonali Bank Ltd	-	-
Sub total	-	-
b) Other borrowing :		
Bangladesh bank clearing account	-	106,073,028
Sub total	-	106,073,028
c) Term borrowing		
Long term loan from Bangladesh Bank	55,319,000	82,978,000
Bangladesh Bank Refinance Loan for housebuilding	113,860,545	118,467,939
Loan from Bangladesh Bank under EDF scheme	805,842	696,531
Government Placement for Agro based Industries	1,123,442,124	1,082,981,373
Sub total	1,293,427,511	1,285,123,843
Grand total	1,293,427,511	1,391,196,871
10.2 Outside Bangladesh		
Term Borrowing		
Loan for micro credit and small scale Industries (KFW, Germany)	200,274,147	184,742,670
Agro business development Project of ADB	1,294,454,000	1,142,523,801
	1,494,728,147	1,327,266,471
Secured and unsecured borrowing from other banks		
Secured (Assets pledged as security for liabilities)		
Unsecured	2,788,155,658	2,718,463,342
	2,788,155,658	2,718,463,342



Notes to the Financial Statements



		Amount in Taka	
		31.12.2011	31.12.2010
10.3	Overall transaction of Repo and Reverse Repo :		
		Minimum outstanding during the year	Maximum outstanding during the year
	Securities sold under repo :		Maximum outstanding during the year
	i) with Bangladesh Bank	-	208,899,881
	ii) with other banks & financial institutions	-	286,120,911
11.	Deposits & other accounts		
	Non-Interest bearing accounts (note 11.1)	3,984,512,274	5,484,159,992
	Interest bearing accounts (note 11.2)	58,666,222,500	43,775,440,851
		62,650,734,774	49,259,600,843
11.1	Non-Interest bearing accounts		
	Current and other accounts (note 11.1.1)	3,392,646,221	4,887,144,405
	Bills payable (note 11.1.2)	591,866,053	597,015,587
		3,984,512,274	5,484,159,992
11.1.1	Current and other accounts		
	Current account	1,518,792,326	1,775,489,401
	Margin/sundry deposit	1,873,853,895	3,111,655,004
		3,392,646,221	4,887,144,405
11.1.2	Bills payable		
	Payment order	556,342,175	531,468,666
	Demand draft	35,523,878	65,546,921
		591,866,053	597,015,587
11.2	Interest bearing account		
	Savings bank deposits	1,496,282,507	1,328,222,087
	Fixed deposits (note 11.2.1)	57,164,537,289	42,447,218,764
	Current deposit	5,402,704	-
		58,666,222,500	43,775,440,851
11.2.1	Fixed deposits & SND		
	Short notice deposits	6,177,898,653	6,539,861,239
	Term deposits	50,800,704,331	35,829,291,395
	Other deposit scheme	185,934,305	78,066,130
		57,164,537,289	42,447,218,764
11.3	Maturity grouping of deposits and other accounts		
	Deposits from Bank		
	Payable on demand	100,451,006	14,492,000
	Less than one month	-	-
	Above one month but not more than six months	650,000,000	-
	Above six months but not more than one year	-	-
	Above one year but not more than five years	-	-
	Above five years but not more than ten years	-	-
	Above ten years	-	-
		750,451,006	14,492,000



Notes to the Financial Statements

	Amount in Taka	
	31.12.2011	31.12.2010
Other Deposits		
Payable on demand	3,793,645,573	3,006,533,254
Less than one month	7,218,844,928	6,388,165,757
Above one month but not more than six months	13,654,771,488	16,938,119,010
Above six months but not more than one year	31,477,597,641	15,222,971,322
Above one year but not more than five years	4,480,447,737	7,656,078,867
Above five years but not more than ten years	1,274,976,401	33,240,632
Above ten years	-	-
	61,900,283,768	49,245,108,842
	62,650,734,774	49,259,600,842
12. Other liabilities		
Interest payable on borrowing	111,847,510	107,789,518
Interest payable on deposits	2,428,778,514	1,258,523,117
Provision for loan and advances (note 12.1 & 12.2)	1,490,550,016	1,228,730,140
Provision for off- balance sheet exposures (note 12.3)	156,182,580	212,001,430
Suspense interest (note 12.4)	419,898,470	361,342,695
Privileged creditors	99,104,053	114,156,015
Provision for incentive bonus (note 12.6)	201,706,222	170,691,631
Benevolent fund	13,115,734	10,834,708
Gratuity fund (note 12.7)	416,499,266	343,898,718
Sundry creditors	29,969,162	20,224,145
Telephone and telex charges payable	646,854	703,662
Expenses payable	7,275,044	7,231,148
Provision for taxes (note 35)	1,388,442,359	1,007,428,915
Miscellaneous creditors	117,067	77,269
Provision for sundry debtors	7,782,258	7,782,258
Deposit insurance premium payable	3,538,788	-
Provision for investment	9,142,148	9,142,148
Provision for depreciation	-	1,644,817
Excess cash	13,912	45,991
Other provision	6,314,931	-
Provision for swift	21,063,039	21,063,039
Provision for superannuation fund	3,500,000	5,000,000
Provision for welfare fund	14,253,367	14,553,367
Provision for electricity expenses	1,071,668	683,632
Clearing	-	-
Provision for advertisement	-	4,142,614
Provision for fuel	-	-
Exchange equalization fund	-	-
Printing stationary	-	19,093
Various audit and rating fees	680,526	290,050
Position clearing(Net)*	279,589,688	208,886,420
	7,111,083,175	5,116,886,539

*Under multi currency concept an organization maintains different statement of affairs for each currency it deals in including base (BDT) currency and one consolidated statement of affairs of all currencies converted into base currency. In the consolidated affairs all the assets and liabilities in foreign currencies are converted in base currency and presented with other assets and liabilities in base currency. This consolidated affairs reflects the overall position of the bank expressed in base currency. Two GL are

Amount in Taka	
31.12.2011	31.12.2010

maintained in the bank to account any foreign currency transaction. These GLs are Position GL for foreign currency position and Position Clearing GL. Position GL, accounts for original currency units other than base currency and Position Clearing GL accounts for corresponding value of foreign currency converted into base currency. Position, from the treasury point of view, means the available funds in different currencies with which the bank can trade. As value of any currency undergo change, Position in that currency need to be evaluated from time to time and necessary adjustments are made through these GLs.

12.1 a Provision for classified loan

Opening balance	734,544,770	523,394,422
Fully provided debt written off/interest waived	(142,528,354)	(122,085,197)
Recovery from earlier written off loan	-	-
Special provision for current year	-	-
Provision not required	-	-
Provision made during the year	302,360,100	333,235,545
Closing balance	894,376,516	734,544,770

12.2. b Provision for unclassified Loan

Opening balance	494,185,370	379,057,735
Provision not required	-	-
Provision made during the year	101,988,130	115,127,635
Closing balance	596,173,500	494,185,370
Total (a + b)	1,490,550,016	1,228,730,140

12.3. c Provision for off- balance sheet items

Opening balance	212,001,430	146,404,350
Provision not required	(55,818,850)	-
Provision made during the year	-	65,597,080
Closing balance	156,182,580	212,001,430
Total provision (a+b+c)	1,646,732,596	1,440,731,570

12.4 Interest suspense

Opening balance	361,342,695	255,211,243
Transferred during the year	256,425,252	179,874,051
Recovery during the year	(169,672,789)	(72,809,746)
Suspense written off/waived during the year	(28,196,689)	(932,853)
Closing balance	419,898,470	361,342,695

12.5 Branch adjustments account represents outstanding inter branch and head office transaction (Net) originated. The un - responded entries of 31.12.11 are given below :

Particulars	Debit entries		Credit entries	
	No. of entries	Amount in Tk.	No. of entries	Amount in Tk.
Up to three months	101	403,568	109	320,461
Over three month but within six months	-	-	-	-
Over six month but within one year	-	-	-	-
Over one year but within five years	-	-	-	-





Notes to the Financial Statements

		Amount in Taka	
		31.12.2011	31.12.2010
12.6	Provision for incentive bonus		
	Opening balance	170,691,631	94,719,539
	Less: adjusted/paid during the year	(140,720,500)	(76,151,029)
	Add: Provision made for the current year	171,735,091	152,123,121
	Closing balance	201,706,222	170,691,631
12.7	Gratuity fund		
	Opening balance	343,898,718	208,242,191
	Less : Adjusted/paid during the year	(13,361,088)	(5,381,310)
	Add : Provision made for the current year	85,961,636	141,037,837
	Closing balance	416,499,266	343,898,718
13.	Capital :		
13.1	Authorized capital :		
	50,000,000 ordinary shares in 2011 and 20,000,000 ordinary shares in 2010 of Tk 100.00 each	5,000,000,000	2,000,000,000
13.2	Issued and fully paid up capital :		
	The Issued, subscribed and paid up capital of the bank as follows :		
	Ordinary shares of Tk. 100.00 each	2,357,586,000	1,964,655,000
13.3	Capital adequacy ratio		
	The calculation of CAR has been done as per BRPD Circular No. 10 dated 10 March 2010 and the BASEL-II guideline in December 2010 vide BRPD circular no. dated 29 December 2010. Required capital of the Bank at the close business on 31 December 2011 was Taka 603,045,000 as against available core capital of Taka 5,235,448,935 and supplementary capital of Taka 875,510,824 making total capital of Taka 6,110,959,759 thereby an excess of capital of Taka 80,509,759 at that date		
	Core capital (Tier - I)		
	Paid up capital	2,357,586,000	1,964,655,000
	Statutory reserve	2,224,690,642	1,824,692,334
	General reserve/capital reserve	40,000,000	40,000,000
	Retained earnings	613,172,293	429,988,786
		5,235,448,935	4,259,336,120
	Supplementary capital (Tier - II)		
	General provision maintained against unclassified loan	596,173,500	494,185,370
	Provision for off -balance sheet items	156,182,580	212,001,430
	Revaluation reserve of HTM and HFT securities	123,154,744	107,549,915
		875,510,824	813,736,715
	A. Total eligible capital (Tier-I + Tier-II)	6,110,959,759	5,073,072,835
	B. Risk weighted assets		
	Balance sheet business	54,072,200,000	48,977,900,000
	Off- balance sheet	6,232,300,000	4,929,100,000
	Total risk-weighted assets	60,304,500,000	53,907,000,000



Notes to the Financial Statements



		Amount in Taka	
		31.12.2011	31.12.2010
C. Required capital on risk weighted assets (10% on total risk weighted assets)		6,030,450,000	4,851,630,000
D. Capital Surplus / (Shortfall) [A-C]		80,509,759	221,442,835
Total Capital Ratio (%)		10.13	9.41
Capital Requirement	Held (%)		Held (%)
Core capital (Tier-I)	8.68		7.90
Supplementary capital (Tier - II)	1.45		1.51
Total	10.13		9.41
14. Statutory Reserve			
Opening balance at the beginning of the year		1,824,692,333	1,559,657,252
Add: Addition during the year		399,998,309	265,035,082
Closing balance at the end of the year		2,224,690,642	1,824,692,334
As per section 24 of Bank Companies Act 1991, 20% of pre-tax profit has been transferred to statutory reserve account.			
15. Other Reserve			
General reserve (note 15.1)		40,000,000	40,000,000
Investment revaluation reserve (note 15.2)		246,309,487	215,099,831
		286,309,487	255,099,831
15.1 General Reserve			
Opening balance at the beginning of the year		40,000,000	40,000,000
Add: Addition during the year		-	-
Closing balance at the end of the year		40,000,000	40,000,000
The Bank has been maintaining this reserve as venture capital fund since 1999 for equity support to innovative but risky project.			
15.2 Investment Revaluation Reserve (Treasury Bills & Treasury Bonds)			
Revaluation reserve for:			
Held to Maturity (HTM) (note 15.2.1)		(22,615,100)	(11,469,204)
Held for Trading (note 15.2.2)		268,924,587	226,569,035
		246,309,487	215,099,831
15.2.1 Revaluation Reserve for Held to Maturity (HTM)			
Opening Balance		(11,469,204)	-
Add : Addition during the year		5,164	-
Adjustment (Loss on revaluation/amortization) during the year		(11,151,060)	(11,469,204)
Closing balance at the end of the year		(22,615,100)	(11,469,204)
15.2.2 Revaluation Reserve for Held for Trading (HFT)			
Opening balance at the beginning of the year		226,569,035	326,687,077
Add: Addition during the year		42,355,552	27,559,607
Adjustment (Loss on revaluation/amortization) during the year		-	(127,677,649)
Closing Balance at the end of the year		268,924,587	226,569,035



		Amount in Taka	
		31.12.2011	31.12.2010
16.	Retained earnings		
	Balance as on 1st January	429,988,786	543,442,599
	Change in accounting policy (Deferred tax effect upto 2004)	-	-
	Profit during the year	576,114,507	395,901,187
	Transferred to other reserve	-	-
	Cash dividend paid during the year	-	-
	Issuance of bonus share for 2010	(392,931,000)	(509,355,000)
		613,172,293	429,988,786
16.1	Item-Wise Profit and Loss Account		
	Income :		
	Interest, discount and similar income	7,849,724,616	4,980,870,303
	Dividend income	913,501	7,698,339
	Fees, commission and brokerage	355,527,272	287,080,821
	Gains less losses arising from dealing in foreign currencies	429,821,813	355,495,971
	Income from non-banking assets	-	-
	Other operating income	189,232,500	476,671,354
		8,825,219,702	6,107,816,788
	Expenses :		
	Interest, fee and commission	4,911,660,920	3,033,562,579
	Losses on loans and advances	-	-
	Administrative expenses	999,236,317	883,327,579
	Other operating expenses	486,112,793	406,306,983
	Depreciation on banking assets	79,688,746	67,569,180
		6,476,698,776	4,390,766,320
	Profit before tax and provision	2,348,520,926	1,717,050,468
17.	Contingent Liabilities		
	Letters of Guarantee (note 17.1)	1,823,215,099	1,350,964,214
	Local Bills for Collection	7,264,750	37,471,365
	Foreign Bills for Collection	863,071,050	874,240,877
	Acceptances	5,458,254,177	5,367,167,387
	Letters of Credit	7,141,464,587	13,485,802,046
	Back to Back L/C	1,195,324,550	996,209,365
	Travellers Cheques Stock	1,175,902	466,674
	Value of Wage Earners Bond in hand and others	55,752,914	49,150,203
		16,545,523,029	22,161,472,129
17.1	Letters of guarantee		
	A. Claim against the Bank which is not recognized as Loan		
	B. Money for which the Bank is contingently liable in respect of guarantees favoring :		
	Directors	-	-
	Government	882,544,986	-
	Bank and Other Financial Institutions	1,415,115	9,025,175
	Others	939,254,998	1,341,939,039
		1,823,215,099	1,350,964,214



Notes to the Financial Statements



		Amount in Taka	
		31.12.2011	31.12.2010
18. Interest Income			
Interest on Loans/from Clients	6,517,144,190	3,925,746,571	
Interest from Banks and Financial Institutions	581,015,866	533,322,559	
Interest from Foreign Banks	1,867,422	60,708	
	7,100,027,478	4,459,129,838	
Less : Interest waiver	-	122,085,197	
	7,100,027,478	4,337,044,641	
Less : Adjustment for interest inadvertently charged- Zindabazar Br.	1,020,092	-	
	7,099,007,386	4,337,044,641	
19. Interest Paid on Deposits & Borrowings			
On Fixed Deposit	4,180,594,101	2,560,949,329	
On Short Notice Deposit	435,313,121	236,670,324	
On Savings Bank Deposit	75,506,443	60,288,273	
Other Deposit schemes	11,329,209	3,517,685	
On Borrowing from Bangladesh Bank and Other Financial Institutions	208,918,046	172,136,968	
	4,911,660,920	3,033,562,579	
20. Income from Investment			
Government Treasury Bill and Bond (note 20.1)	748,709,080	642,379,909	
Debentures	1,712,452	1,445,754	
Dividend on shares	913,501	7,698,339	
Other investments	295,698	-	
	751,630,731	651,524,002	
20.1 On Government Treasury Bill and Bond			
Interest on GT bill	-	-	
Interest on Govt. bond	748,709,080	639,575,994	
Interest on Reverse repo	-	2,803,915	
Gain on sale of security	-	-	
Gain on portfolio transfer	-	-	
Total	748,709,080	642,379,909	
21. Commission / Fees, Exchange Earnings & Brokerage			
Foreign bill purchased	3,360,444	1,601,656	
Local Bill Purchased	7,160,924	5,540,246	
Remittance	4,784,982	6,381,465	
Letters of guarantee	41,793,607	31,097,957	
Letters of credit	195,270,416	165,695,180	
Bills for collection	11,853,873	7,981,691	
Acceptances	63,833,901	48,111,472	
Export Bill	5,871,532	4,896,568	
Miscellaneous (includes commission on sale of PSP,TC)	21,597,593	15,774,585	
	355,527,272	287,080,821	
Exchange gain (net off)	429,821,812	355,495,972	
	785,349,085	642,576,792	
21.1 Exchange gain net of exchange loss			
Profit on exchange trading	730,998,422	368,223,009	
Less : Loss on exchange trading	301,176,610	12,727,037	
	429,821,813	355,495,971	

Note : Exchange gain/profit (loss) on exchange trading has been net off in 2011 which was shown separately in note no. 21 & 32 of the financial statements -2010





Notes to the Financial Statements

		Amount in Taka	
		31.12.2011	31.12.2010
22. Other Operating Income			
Various Fees	4,828,363	5,558,258	
Rent (Go-down and locker)	625,005	712,150	
Miscellaneous/ Recovery of Telex/ swift Charges	31,972,501	34,471,681	
Service Charges	37,414,617	28,434,459	
Recoveries of Loan Previously Write Off	83,737,916	7,570,819	
Profit on Repo trading	-	126,714,724	
Profit on Sale of Fixed Assets	24,118	5,514,146	
Extra ordinary gain (Exchange equalization)	-	6,925,384	
Miscellaneous income	21,778,208	22,637,164	
Non-operating income (profit on sale of shares)	8,851,772	238,132,569	
	189,232,500	476,671,354	
23. Salary and Allowances			
Salaries	298,830,089	235,246,344	
Allowances	347,945,884	273,298,328	
Provident Fund	23,417,217	19,367,663	
Pension Fund	-	34,805	
Benevolent Fund	13,115,734	10,834,708	
Gratuity Fund	85,961,636	141,171,598	
Bonus	220,807,269	192,174,133	
Superannuation Fund	3,500,000	5,000,000	
	993,577,829	877,127,579	
24. Rent, Taxes, Insurance, Lighting Etc.			
Rent	78,074,642	64,498,830	
Rates, Taxes and VAT	2,938,714	1,324,134	
Utilities/Electricity and Heating	15,609,488	13,803,033	
Insurance	11,896,493	6,342,182	
	108,519,337	85,968,179	
25. Legal & professional expenses			
Professional fees	1,496,303	431,334	
Stamps and court fees	4,279,382	3,704,393	
	5,775,685	4,135,727	
26. Postage, stamp , telecommunication Etc.			
Postage	219,296	95,739	
Telephone	8,366,994	7,169,015	
Fax	23,688	31,148	
Stamp	58,430	70,480	
Internet and E-mail	11,405,584	10,221,916	
Courier Services	7,828,512	5,728,392	
Swift Subscription and cable Charges	4,931,442	4,536,523	
	32,833,946	27,853,213	



		Amount in Taka	
		31.12.2011	31.12.2010
27. Stationery, Printing, Advertisement Etc.			
Security Stationery	1,367,799	2,087,028	
Printing Stationery	10,857,782	7,506,600	
Other Stationery	13,476,430	8,468,700	
Publicity, Advertisement and publication	16,884,744	12,709,991	
	42,586,755	30,772,319	
28. Managing Director's Salary			
Basic Salary	2,116,223	2,400,000	
Allowances	2,179,770	2,400,000	
Bonus	1,362,495	1,400,000	
	5,658,488	6,200,000	
29. Directors' Fees & Meeting Expenses			
Board meeting and audit committee meeting	1,727,479	1,140,000	
Other meeting fees/benefits	-	-	
	1,727,479	1,140,000	
30. Depreciation of Bank's Assets			
Depreciation on own Assets			
Furniture and Fixture	8,135,100	7,599,942	
Machinery and Equipment	45,344,734	46,627,172	
Vehicles	26,162,935	13,296,089	
	79,642,769	67,523,203	
Depreciation on Leased Assets			
Lease Equipment/ Assets	45,977	45,977	
	79,688,746	67,569,180	
31. Repair & Maintenance of Bank's Assets			
Furniture and Fixture	2,409,709	1,152,324	
Machinery and Equipment	9,549,431	9,776,365	
Vehicles	8,055,113	5,142,875	
Rented Premises	3,977,554	3,752,222	
	23,991,807	19,823,786	
32. Other Expenses			
Discount	120	2,723	
Commission and Brokerage	246,143	448,166	
Entertainment	26,928,628	18,355,550	
Car Expenses	15,444,568	11,897,174	
Subscription	3,938,834	2,337,766	
Travelling	9,381,087	7,636,017	
Cartage and Freight	415,997	-	
Computer Expenses	-	9,578,035	
ITC expenses	27,855,137	10,261,500	
Uniform and Liveries	2,713,060	-	
Staff Training and HR development Expenses	4,431,423	4,651,019	
Donation	2,743,000	20,156,000	
Welfare Fund	-	10,000,000	
Loss on revaluation of HFT securities	138,761,897	116,732,662	
Other Audit Fee	-	25,675	
Corporate Social Responsibility Expenses	29,956,043	-	



	Amount in Taka	
	31.12.2011	31.12.2010
Price erosion of shares	-	8,810,258
Various Committee Members Fees and Allowances	-	235,500
Miscellaneous	7,195,342	6,087,806
Non-operating loss (loss on sale of investment and fixed assets)	8,605	9,162,783
	270,019,885	236,378,633

Note : Loss on exchange trading Tk. 1,27,27,037 included in other expenses in 2010 has been net off with exchange gain (note-21.1) and hence exchange gain and other expense for 2010 has been restated in the Financial Statement of 2011.

33. Provision for loans & advances

Classified loans & advances (note 12.1)	302,360,100	333,235,545
Unclassified loans & advances (note 12.2)	101,988,130	115,127,635
	404,348,230	448,363,180

34. Provision for off-balance sheet exposures

A provision of Tk. 156,182,580 has been maintained @ 1.00% on off balance sheet exposure (Acceptance & Endorsement, Letter of Credit & Letter of Guarantee). However for the year ended as on 31 December 2011 Tk. 55,818,850 has been reversed during the year from existing provision for off Balance sheet as provision requirement has been decreased due to decrease of Off Balance Sheet exposure as per BRPD Circular # 10 dated 18 September 2007. The total amount of provision of Tk. 156,182,580 will be treated as Supplementary Capital of the Bank.

35. Provision for Tax

Opening balance	1,007,428,915	893,553,601
Add : Provision made for current year's tax	1,038,973,188	723,274,196
Adjustment made during the year	(657,959,744)	(609,398,882)
	1,388,442,359	1,007,428,915

36. Deferred Tax

a) Computation of Deferred Tax

Tax Base of Depreciable Fixed Assets	357,406,486	287,983,663
Less: Carrying Amount	361,058,726	264,046,637
Deductable Temporary Difference (A)	(3,652,240)	23,937,026
Carrying Amount of Provision for Gratuity/Benevolent/Superannuation Fund :		
Provision for Gratuity	416,499,266	343,898,718
Provision for Benevolent Fund (Provision -actual payment)	11,746,685	23,341,595
Provision for Superannuation Fund (Provision -actual payment)	8,150,000	6,050,000
	436,395,951	373,290,313
Less : Tax Base	-	-
Deductable Temporary Difference (B)	436,395,951	373,290,313
Total Deductable Temporary Difference (A+B)	432,743,711	397,227,339
Effective Tax Rate	42.50%	42.50%
Deferred Tax Assets	183,916,077	168,821,619



		Amount in Taka	
		31.12.2011	31.12.2010
b) Deferred Tax (Expenses)/Income			
	Closing Deferred Tax Assets	183,916,077	168,821,619
	Opening Deferred Tax Assets	(168,821,619)	(109,786,559)
	Deferred Tax (Expenses)/Income	15,094,458	59,035,060
37. Proposed Dividends			
	Bonus Share (4:1 and 5:1)	589,396,500	392,931,000
	Cash Dividend	-	-
		589,396,500	392,931,000
38. Analysis of closing cash and cash equivalents			
	Cash in hand and balance with Bangladesh bank and Sonali Bank	4,682,116,663	3,075,372,781
	Cash with other Banks	2,026,743,534	2,617,589,335
	Money at call and short notice	2,240,000,000	250,000,000
		8,948,860,197	5,942,962,116
39. Earnings Per Share (EPS)			
	Net Profit after Tax (Numerator)	976,112,816	660,936,269
	Number of Ordinary Share Outstanding (Denominator)	23,575,860	23,575,860
	Earnings Per Share (EPS)	41.40	28.03
			(Restated)
39.1 Adjusting earnings per share (Adjusting EPS) for 2010			
	Previous year's figures have been adjusted for the issue of 3,929,310 bonus shares and the adjusted EPS is Tk. 28.03.		
40. Litigation Pending against Bank			
	The tax authority has claimed an additional tax amount of Tk 25.17 crore for the FY 2000-01, 2001-02, 2006-07, 2009-10 and 2010-11 which has yet to be settled. However the bank has been maintaining sufficient provision against the stated claim. Besides, the provision for Income Tax which has been made during the year by the bank is also sufficient for the current year tax liability.		
41. Coverage of External Audit			
	The external auditor has covered 80% of the risk-weighted assets and have spent around 4200 hours to complete the audit as per Bangladesh Standards on Auditing (BSA). The external auditor has audited 22 branches and Head office of the Bank.		




NOSTRO Accounts - Outside Bangladesh

Annexure-A

	Name of the Bank	A/C Type	Currency name	2011		2010	
				Amount in FC	Conv. Rate per unit FC	Amount in FC	Rate per unit FC
1	BOTM, London	CD	GBP	44354.38	126.5118	28,197.51	109.75
2	Arif Habibi(Rupali) Bank Karachi	CD	ACU\$	5492.78	81.8529	4,397.36	70.75
3	BOTM, Tokyo	CD	JAPY	267568.78	1.0744	24,398,061.80	0.8688
4	Mashreq Bank, NY	CD	USD	213290.42	81.8529	865,117.54	70.7497
5	CITI Bank Mumbai	CD	ACU\$	1064.78	81.8529	4,299.38	70.7497
6	Sonali Bank, Kol.	CD	ACU\$	231468.54	81.8529	666,615.92	70.75
7	Bank of Ceylon	CD	ACU\$	128659.9	81.8529	53,143.93	70.75
8	Citibank NA, NY(Exp)	CD	USD	951646.71	81.8529	4,224,447.88	70.75
9	SCB, Newyork	CD	USD	238256.31	81.8529	152,985.35	70.75
10	SCB, London	CD	EURO	-	-	-	-
11	SCB, Mumbai	CD	ACU\$	183236.13	81.8529	172,919.08	70.75
12	BCP, Geneva	CD	CHF	19509.7	86.8835	17,630.65	75.06
13	AMEX Frankfurt	CD	EURO	-	-	-	-
14	Wachovia Bank, NY	CD	USD	-	-	13,492.20	70.75
15	HSBC Newyork	CD	USD	404250.76	81.8529	742,954.54	70.75
16	ICICI Mumbai	CD	ACU\$	119762.06	81.8529	171,287.08	70.75
17	Sonali Bank Kol ACUEUR	CD	ACUEUR	2180	105.8767	6,847.50	93.63
18	Mashreq Bank, Mumbai	CD	ACU\$	5533.95	81.8529	142,258.59	70.75
19	SCB Frankfurt	CD	EURO	44462.97	105.8767	431,429.58	93.63
20	Sonali, London EUR	CD	EURO	4312.45	105.8767	75,280.40	93.63
21	Sonali Bank London	CD	GBP	26353.54	126.5118	38,774.88	109.75
22	Sonali Bank London	CD	USD	8966.22	81.8529	-	-
23	Commercial Bank of Ceylon (TD)	Term Deposit(FDR)	USD	-	-	300,000.00	70.75
24	Commercial Bank of Ceylon (TD)	Term Deposit(FDR)	USD	-	-	213,966.68	70.75
25	Eastern Bank Limited (TD)	Term Deposit(FDR)	USD	168253.69	81.8529	165,650.45	70.75
26	Eastern Bank Limited (TD)	Term Deposit(FDR)	USD	325688.64	81.8529	-	-
27	Eastern Bank Limited (TD)	Term Deposit(FDR)	USD	222219.23	81.8529	-	-
28	Eastern Bank Limited (TD)	Term Deposit(FDR)	USD	100000	81.8529	-	-
29	Eastern Bank Limited (TD)	Term Deposit(FDR)	USD	200000	81.8529	-	-
	Total					303,445,719	635,432,021

NOSTRO Account

As per Bangladesh Bank Circular No. FEFD(FEMO)/01/2005-677 dated 13th September 2005, the books of accounts of Nostro account are reconciled and there exist no un-reconciled entries that may affect financial statements significantly.

Investment in Shares

as on 31 December, 2011

A. Listed Securities:

Annexure B

Sl. No.	Particulars	Cost Price (Tk.)	Market Value as on 31-12-2011 (Tk)	Market Value as on 31-12-2010 (Tk)
1.	Beacon Paharmaceuticals Ltd.	2,150,131	813,750	1,717,500
2.	Beximco Ltd.	15,837,693	6,772,090	6,230,000
3.	Beximco Paharmaceuticals Ltd.	5,696,990	4,380,480	5,133,800
4.	BRAC Bank Ltd.	3,092,701	2,193,600	1,712,500
5.	Dhaka Electric Supply Co. Ltd.	4,508,182	3,121,250	3,047,250
6.	Eastern Bank Ltd.	20,017,753	286,501,293	370,169,404
7.	EXIM Bank of Bangladesh Ltd.	4,263,365	2,627,100	4,552,500
8.	First Janata Bank Mutual Fund	1,568,522	1,112,500	1,547,000
9.	First Security Islami Bank Ltd.	2,457,271	1,767,360	2,436,000
10.	Heidelberg CementBD.Ltd	4,822,620	3,326,700	4,025,175
11.	Industrial Prom & Dev.Co.of BD.Ltd	723,913	342,100	-
12.	ICB AMCL 2nd NRB Mutual Fund	474,732	423,000	-
13.	ICB Islami Bank Limited	26,840,000	26,840,000	52,069,600
14.	Jamuna Oil Company Ltd.	514,153	465,920	-
15.	Khulna Powert Company Ltd.	11,125,662	5,817,792	8,522,880
16.	M. I. Cement Factory Ltd.	79,047	105,638	3,608,921
17.	Meghna Petroleum Ltd.	2,828,641	1,972,950	2,371,000
18.	Mithun Kniting & Dying Ltd.	8,000	103,360	132,460
19.	N C C Bank Ltd.	524,903	331,056	567,600
20.	Navana CNG Limited	4,652,466	1,810,776	3,857,000
21.	ONE Bank Ltd	2,103,838	1,908,000	-
22.	Power Grid Co of Bangladesh Ltd.	1,521,501	1,039,500	915,750
23.	Prime Finance & Investment Ltd.	3,975,892	1,416,960	3,727,200
24.	RAK Ceramics (Bangladesh) Ltd.	3,142,444	1,259,104	2,505,360
25.	Square Paharmaceuticals Ltd.	8,516,139	7,278,970	7,748,400
26.	Standard Bank Ltd.	809,824	755,000	323,000
27.	Summit Power Ltd.	5,220,114	3,385,200	4,903,500
28.	Tamizuddin Textiles Ltd.*	500,000	385,000	385,000
29.	The Premier Bank Ltd.	979,017	711,480	644,000
30.	Titas Gas Transmission & D.C.L	12,237,904	7,774,000	9,490,500
31.	United Commercial Bank Ltd.	-	-	-
	A. Total :	151,193,415	376,741,929	502,343,300

* Tk 77 is considered as last trade price per share. The Company is placed in the OTC market.





Investment in Shares

Investment in Shares (Contd.)

B. Non Listed & Preference Shares :

Sl. No.	Particulars	Cost Price (in Taka)	Market Value as on 31-12-2011 (in Taka)	Market Value as on 31-12-2010 (in Taka)
1.	Central Depository Bangladesh Ltd.	3,138,890	3,138,890	-
2.	Equity of Grameen IT Park	4,201,760	4,201,760	-
3.	Karmasangsthan Bank Ltd.	10,000,000	10,000,000	-
4.	Bangladesh Development Co. Ltd.	21,000,000	21,000,000	-
	B. Total	38,340,650	38,340,650	-
	Grand Total (A+B)	189,534,065	415,082,579	-



**Advances
more than 10%
of total capital**



Anncxure C
Detail of information on advances more than 10% of bank's total capital (funded & non-funded) :
(Taka in Lac)

Sl. No.	Name of the Client	Outstanding as on 31.12.2011			Outstanding as on 31.12.2010
		Funded	Non funded	Total	
1	Mithun Tallu Group	-	-	-	6,857
2	United Group	-	-	-	10,917
3	A. H. Jute Spinning and Belting Ltd.	6,578	-	6,578	6,999
4	Usha and Paragon allied	-	-	-	8,016
5	Anwar Jute	-	-	-	6,241
6	National Tubes Ltd	-	-	-	7,726
7	Sanji-Well Group	10,041	3,032	13,073	14,514
8	M M Spinning Mills Ltd	-	-	-	6,195
9	SQ hues Limited	9,938	4,216	14,154	13,423
10	Feaz Enterprise	8,136	-	8,136	7,746
11	Amader Bari Ltd.	7,654	-	7,654	5,552
12	Adib Dying and Well Allied	7,561	9,093	16,654	6,603
13	Vasavi Group	6,903	597	7,500	-
14	Bay Navigation Ltd.	6,731	-	6,731	-
15	Nilsagor Group	6,442	1,145	7,587	-
16	Rupayan Group	6,364	-	6,364	-
17	Appollo Group	6,047	656	6,703	-
18	Sea Blue Textile	5,726	1,245	6,971	6,421
	Total	88,121	19,984	108,105	107,210





**Schedule
of
Fixed Assets**

Annexure-D

Schedule of Fixed Assets
As of 31 December 2011

Particulars	Cost Price			Rate of Dep.	Balance as at 31.12.2011	Depreciation			Written Down Value as at 31.12.2011 Balance	
	Balance as at 01.01.2011	Addition during the year	Disposal/ Transfer during the year			Balance as at 01.01.2011	Addition during the year	Transfer/ Adjustment during the year		Balance as at 31.12.2011
Furniture and Fixtures	135,924,255	19,022,327	(207,679)	10%	154,738,903	56,940,060	8,491,906	(107,327)	65,324,639	89,414,264
Equipment and Computer	370,989,518	59,754,123	(3,850,070)	20%	426,893,571	229,479,942	46,000,224	(3,367,186)	272,112,980	154,780,591
Vehicles	134,832,794	72,532,226	9,731,157	25%	217,096,177	75,658,216	26,162,935	(1,588,844)	100,232,307	116,863,870
Leasehold Assets	4,000,000	-	-		4,000,000	551,724	45,977	-	597,701	3,402,299
Total 2011	645,746,567	151,308,676	5,673,408		802,728,651	362,629,942	80,701,042	(5,063,357)	438,267,627	364,461,024
Total 2010	540,314,905	118,338,649	(12,906,987)		645,746,567	307,659,125	67,569,180	(12,598,364)	362,629,941	283,116,626



List of Executives

as of 12 April, 2012

Managing Director

Kazi Faqurul Islam

Additional Managing Director

Sk. Monzur Morshed (On Contract)

Deputy Managing Director

Fazlus Sobhan
Kanak Kumar Purkayastha
Md. Shahabad Doza

Company Secretary

Md. Shah Alam Bhuiyan (On Contract)

General Manager

Abdul Qayum Mohammad Kibriya
Md. Zainul Abedin Choudhury
Shahadat Hossain
Md. Wahidul Alam
Khandakar Shamim Hasan
Md. Mozammel Hossain
A. Monaem Khan
Golam Faruk Khan
Md. Salim
Mohammad Ali
Ahmad Hossain

Deputy General Manager

Hasan Tanvir
Mohammed Mosharrif Hossain
Md. Abul Hashem
Shaikh Mohammad Abdur Razzaque
Syed Mushahid Ahmed
Md. Omar Faruque
Mohammad Moniruzzaman
Abdul Adud
Md. Kabir Uddin
Md. Abul Kalam Azad
Md. Emdadul Haque
A.K.M. Masudur Rahman
Khan Iqbal Hasan
Md. Ismail
Mohammed Ali
Abu Md. Mofazzal
Md. Momenul Hoque

Shiper Ahmed
Md. Mahbubul Alam
ASM Rowshanul Haque
Jan-E-Alam
Nurur Rahman Chowdhury
Md. Masum Uddin Khan
Niranjan Chandra Debnath
Saifur Rahman
Md. Fida Hasan
Md. Masudul Alam
Md. Ruhul Alam

Assistant General Manager

Md. Humayun Kabir
Mariom Begum
S.M. Aatur Rahman
Abdus Sabur
Mohammad Faruk Hossain
Mahbub Alam Khan
Niaz Musawwir Shah
Arif Hossain
Harun-Ur- Rashid
Idris Bhuiyan
Md. Ashrafuzzaman
Md. Al- Amin
A.M. Shahed Husain
Abdus Satter Khan
Khosh Newaz
Shakir Mahmud Sharafuddin
Shawkot Mahmood
Md. Mahmud Hasan
Md. Rezaul Alam
Md. Mahabubul Alam
Kaafi Mahmud Sarker
Md. Abdul Maleque Kibria
Helena Perveen
Jahir Uddin Ahmed
Md. Abdul Gofur Talukder
Md. Kamrul Islam
Md. Hasan Imam
Md. Nurul Islam
Md. Helal Uddin
Md. Ruhul Amin





List of Executives

Muhammad Imrul Islam
Mohammad Didarul Alam
Dominic Philip Sampson
Md. Nashir Uddin
Sumit Ranjan Nath
Palash Das Gupta
Md. Saifullah
Faisal Shah Qureshi
A.K.M. Kamruzzaman
Md. Zahir Uddin
Ghulam Sayeed Khan
Sanjay Kumar Datta
Md. Jahangir Kabir
Md. Mizanur Rahman
Md. Shamsul Huq
Shehab Chowdhury
Mohammad Musa Khan
S.M. Anisuzzaman

Executives on Contract

Md. Korban Ali
Sahara Khatun

Kazzal Kanti Datta
Kazi Siddiqur Rahman
Asoke Bandhu Das
Md. Azizul Hoque

Manager as Branch In-Charge

Md. Mafizur Rahman Talukdar
Mohammed Yusuf
Ekramul Bari
Sk. Mahfuzur Rahman
Md. Abdul Hannan Howlader
Md. Salequr Rahman
Md. Abul Hossain
Md. Masud Hasan
Md. Shamim Khan
Mohammad Haider Ali Sikder

Deputy Manager as Branch In-charge

Md. Delowar Hossain Mondol
Shafi Ahmed
Md. Kamruzzaman Halder
Md. Asfakur Rahaman
K. M. Wahidul Islam



Branches of BASIC Bank

as of March, 2012



- **AGRABAD BRANCH**
Pine View (Ground floor)
100 Agrabad C/A, Chittagong-4100
Tel: 031-2520080, 725527, 814041
Fax: 88-031-714822
SWIFT: BKSIBDDH008
E-mail: agrabad@basicbanklimited.com
- **BABUBAZAR BRANCH**
Hajee Yusuf Mansion (1st floor)
56 Mitford Road, Babubazar,
Dhaka-1100
Tel: 02-7391335, 7393875
Fax: 02-7341828
SWIFT: BKSIBDDH023
E-mail: babubazar@basicbanklimited.com
- **BANGSHAL BRANCH**
230 North South Road
Bangshal, Dhaka-1100
Tel: 02-9563686, 9562615
Fax: 88-02-9557141
SWIFT: BKSIBDDH006
E-mail: bangshal@basicbanklimited.com
- **BELKUCHI BRANCH**
Bhuyan Plaza
Mukundagati Bazar, Belkuchi, Sirajganj
Tel: 07522-56317
Fax: 07522-56539
E-mail: belkuchi@basicbanklimited.com
- **BARISAL BRANCH**
102, Chawkbazar Road,
Barisal
Tel: 0431-65022
Fax: 0431-61022
E-mail: barisal@basicbanklimited.com
- **CHANDPUR BRANCH**
Holding No.- 121, (Kalibari More), Comilla Road
Ward No-7, Pourashava Chandpur, Chandpur-3600
Tel: 0841-67201, 0841-67202
Fax: 0841-67203
E-mail: chandpur@basicbanklimited.com
- **CHOWMUHANA BRANCH**
152, Shamsnagar Road
Chowmuhana, Moulvibazar-3200
Tel: 0861-53238
Fax: 0861-53060
E-mail: chowmuhana@basicbanklimited.com
- **DEWANHAT BRANCH**
4/B D.T. Road, Postarpar
Dewanhat, Chittagong-4100
Tel: 031-2512480-1
Fax: 031-2512482
E-mail: dewanhath@basicbanklimited.com
- **ASADGONJ BRANCH**
M.A. Salam Market
774, Asadgonj, Chittagong-4100
Tel: 031-614569, 632112
Fax: 031-614942
SWIFT: BKSIBDDH016
E-mail: asadgonj@basicbanklimited.com
- **BANANI BRANCH**
6, Kemal Ataturk Avenue,
Banani-1213
Tel: 02-8833402, 02-8833403, 02-8833407
Fax: 02-8833035
E-mail: banani@basicbanklimited.com
- **BASHUNDHARA BRANCH**
Plot: 13, Block: A, Main Road,
Bashundhara R/A, Dhaka-2012
Tel: 02-8402495
Fax: 02-8402495
E-mail: bashundhara@basicbanklimited.com
- **BOGRA BRANCH**
Bhabani Shachin Bhaban
Hari Dashi Market, 120 Baragola, Bogra-5800
Tel: 051-78793, 65672
Fax: 051-6572/111
SWIFT: BKSIBDDH012
E-mail: bogra@basicbanklimited.com
- **CEPZ BRANCH**
Moon Tower (1st Floor), E.P.Z. Gate
South Halishahar, Chittagong-4100
Tel: 031-740094
Fax: 031-800512
E-mail: cepz@basicbanklimited.com
- **CHITALMARI BRANCH**
Meem Sargical Clinic, Vill: Aruaborni,
Shaheed Minar Road, Chitalmari, Bagerhat
Tel: 04652-56035
Fax: 04652-56025
E-mail: chitalmari@basicbanklimited.com
- **COMILLA BRANCH**
156/162 A.K. Fazlul Haque Road Monohorpur,
Comilla-3500
Tel: 081-65886
Fax: 081-71444
E-mail: comilla@basicbanklimited.com
- **DHANMONDI BRANCH**
54, Manna's Tower (1st floor), Road # 4/A,
Satmasjid Road, Dhanmodi R/A, Dhaka-1209
Tel: 02-8652189, 8650863
Fax: 02-9676156/101
E-mail: dhanmondi@basicbanklimited.com





Branches of BASIC Bank

- **DILKUSHA BRANCH**
13 Dilkusha C/A
Dhaka-1000
Tel: 02-9563793-4
Fax: 02-7169528
SWIFT: BKSIBDDH015
E-mail: dilkusha@basicbanklimited.com
- **FAKIRHAT BRANCH**
Sheikh Matiur Rahman Market
Old Dhaka Road, Fakirhat, Bagerhat
Tel: 04653-56340
Fax: 04653-56339
E-mail: fakirhat@basicbanklimited.com
- **FARIDPUR BRANCH**
Holding no. 29/D, Ward no. 2,
Kotwali, Faridpur
Tel: 0631-67228, 67229
Fax: 0631-67230
E-mail: faridpur@basicbanklimited.com
- **GAZIPUR CHOWRSTA BRANCH**
Noor Plaza (1st floor), Gazipur Chowrsta
Mymensingh Road, Gazipur
Tel: 02-9263115, 9263134
Fax: 02-9263197
E-mail: gazipurchowrsta@basicbanklimited.com
- **GULSHAN BRANCH**
112 Gulshan Avenue
Gulshan, Dhaka-1212
Tel: 02-9883501-2, 9862127
Fax: 02-8857307
SWIFT: BKSIBDDH021
E-mail: gulshan@basicbanklimited.com
- **ISLAMPUR BRANCH**
6-7, Islampur Road (2nd floor), Islampur
Dhaka-1100
Tel: 02-7394422, 02-7394722
Fax: 02-7394799
SWIFT:
E-mail: islampur@basicbanklimited.com
- **JESSORE BRANCH**
35, M.K. Road (1st floor),
Jessore-7400
Tel: 0421-68586, 64288
Fax: 0421-68587
E-mail: jessore@basicbanklimited.com
- **JHIKARGACHA BRANCH**
Samad Market, Krishnanagar, Jhikargacha
Jessore
Tel: 04225-71635, 04225-71636
Fax: 04225-71655
E-mail: jhikargacha@basicbanklimited.com
- **JUBILEE ROAD BRANCH**
G.R. Plaza, 5 Jubilee Road
Chittagong-4100
Tel: 031-634879, 638305
Fax: 031-2851738
SWIFT: BKSIBDDH013
E-mail: jubileeroad@basicbanklimited.com
- **KARWAN BAZAR BRANCH**
Latif Tower, 47 Karwan Bazar
Dhaka-1215
Tel: 02-9146282, 9146294
Fax: 02-9146364
E-mail: karwanbazar@basicbanklimited.com
- **KDA AVENUE BRANCH**
Al-Mumin Centre(1st floor), 58, KDA Avenue
Sonadanga, Khulna-9100
Tel: 041-2832920, 041-2832924
Fax: 041-2832709
E-mail: kdaavenue@basicbanklimited.com
- **KHATUNGONJ BRANCH**
193 Khatungonj,
Chitagon-4000
Tel: 031-614200, 614280
Fax: 031-622435
SWIFT: BKSIBDDH004
E-mail: khatungonj@basicbanklimited.com
- **KHULNA BRANCH**
107, Sir Iqbal Road,
Khulna-9100
Tel: 041-720361, 721672
Fax: 041-812255
SWIFT: BKSIBDDH025
E-mail: khulna@basicbanklimited.com
- **KOTALIPARA BRANCH**
Bank Bhaban, Sultan Market,
Ghagore Bazar, Kotalipara,
Gopalganj
Tel: 02-6651344, 02-6651343
Fax: 02-6651342
E-mail: kotalipara@basicbanklimited.com
- **KUSHTIA BRANCH**
Biswas Super Market (1st floor)
95/170, N.S. Road, Shapla Chattar,
Thanapara, Kushtia-7000
Tel: 071-63041
Fax: 071-63042
E-mail: kushtia@basicbanklimited.com
- **MADHABDI BRANCH**
Bank Para
Madhabdi Bazar, Narsingdi-1604
Tel: 88-02-9446984, 9446985
Fax: 88-02-9446987
E-mail: madhabdi@basicbanklimited.com



Branches of BASIC Bank



- **MAIN BRANCH**
 Bana Shilpa Bhaban (Ground floor)
 73 Motijheel C/A, Dhaka-1000
 Tel: 88-02-9563068, 9553322, 9570713
 Fax: 88-02-9569417
 SWIFT: BKSIBDDH02
 E-mail: main@basicbanklimited.com
- **MIRPUR BRANCH**
 BSCIC Electronics Complex, Industrial Plot No. 1/1
 Section 7, Avenue 4, Road No. 3 Pallabi, Dhaka-1221
 Tel: 02-9006249-50
 Fax: 02-9011732
 SWIFT: BKSIBDDH02
 E-mail: mirpur@basicbanklimited.com
- **NARSINGDI BRANCH**
 Sutapatti Road
 Narshingdi-1600
 Tel: 9463145, Fax: 9451631
 E-mail: narsingdi@basicbanklimited.com
- **RAJSHAHI BRANCH**
 Anam Plaza (1st floor)
 Shaheb Bazar, Rajshahi-6100
 Tel: 0721-776278, Fax: 0721-770976
 E-mail: rajshahi@basicbanklimited.com
- **SAIDPUR BRANCH**
 T. R. Road (Dinajpur Road),
 Saidpur 5310, Nilphamari
 Tel: 05526-72299, 72211
 Fax: 05526-72288
 E-mail: saidpur@basicbanklimited.com
- **SHANTINAGAR BRANCH**
 Concord Grand (1st floor)
 169/1, Shantinagar Road, Dhaka-1217
 Tel: 02-9337441, 8314057, 9348056, 9347547
 Fax: 88-02-9332674
 SWIFT: BKSIBDDH09
 E-mail: shantinagar@basicbanklimited.com
- **SIRAJGANJ BRANCH**
 Shapneel Shopping Complex
 305, S.S. Plaza, S.S. Road, Sirajganj
 Tel: 0751-64355, 64356
 Fax: 0751-64357
 E-mail: sirajganj@basicbanklimited.com
- **TUNGIPARA BRANCH**
 220, Powra Super Market, Patgati Bazar
 Tungipara, Gopalganj
 Tel: 02-6656465, Fax: 02-6656466
 E-mail: tungipara@basicbanklimited.com
- **MAWNA BRANCH**
 Hamida Complex, Telihati
 Sripur, Gazipur-1741
 Tel: 0682-551155, Fax: 0682-552666
 E-mail: mawna@basicbanklimited.com
- **MOULVIBAZAR BRANCH**
 Gulbadan Market (1st Floor)
 4 Moulvibazar, Dhaka-1211
 Tel: 02-7315356, 7316991, Fax: 02-7341740
 SWIFT: BKSIBDDH024
 E-mail: moulvibazar@basicbanklimited.com
- **PAHARTOLI BRANCH**
 Plot No. 9 & 10, Block-G, Firoz Shah Housing Estate
 Pahartoli, Chittagong
 Tel: 031 2773449, 031 2773450, Fax: 031 2773448
 E-mail: pahartoli@basicbanklimited.com
- **RANGPUR BRANCH**
 97/1, Central Point, Central Road,
 Rangpur-5400
 Tel: 0521-67811, 67812, Fax: 0521-67813
 E-mail: rangpur@basicbanklimited.com
- **SAVAR BRANCH**
 Savar New Market
 Holding # 3, Ward # 7, Savar, Dhaka-1340
 Tel: 02-7745582, Fax: 88-02-7745581
 E-mail: savar@basicbanklimited.com
- **SHOLOSHAHAR BRANCH**
 Proskov Bhaban (1st floor), 110 CDA
 Avenue, Nasirabad, Muradpur, Chittagong
 Tel: 031-651066, 650855, Fax: 031-655304
 E-mail: sholoshahar@basicbanklimited.com
- **TANBAZAR BRANCH**
 55/21 S.T.S Tower, S.M Maleh Road
 Tanbazar, Narayanganj-1400
 Tel: 02-7631862, Fax: 02-7646233
 SWIFT: BKSIBDDH014
 E-mail: tanbazar@basicbanklimited.com
- **UTTARA BRANCH**
 Plot No. 67/A (1st floor), Rabindra Saroni
 Sector-7, Uttara Model Town, Dhaka-1230.
 Tel: 02-8961032, Fax: 02-8961031
 E-mail: uttara@basicbanklimited.com
- **ZINDABAZAR BRANCH**
 Wahid View (1st floor)
 5477 East Zindabazar, Sylhet-3100
 Tel: 0821-718462, Fax: 0821-712548
 SWIFT: BKSIBDDH026, Branch Code: 07
 E-mail: zindabazar@basicbanklimited.com

BTCL BILL COLLECTION BOOTHS

- | | | |
|--|---|---|
| <p>■ Sher-E-Bangla Nagar
 Telephone Exchange Bhaban
 Sher-E-Bangla Nagar, Dhaka-1215
 Tel: 8154040</p> | <p>■ Gulshan Telephone Exchange Bhaban
 Gulshan-1, Dhaka-1212
 Tel: 8819907</p> | <p>■ Ramna Telephone Exchange Bhaban
 Ramna, Dhaka-1000
 Tel: 9566042</p> |
|--|---|---|





Branches of BASIC Bank

Branches Underway

■ Satkhira branch

Holding no: 12478 (shabek), Radhanagar
Satkhira - Munshigonj Highway
& Sultanpur Bara Bazar Road
Satkhira Sadar
Satkhira

■ Chapainawabgonj Branch

Mouza & Union-Nawabgonj
Chapainawabgonj Sadar,
Chapainawabgonj

■ Mymensingh Branch

Holding No-76/A, Chotto Bazar Road
Ward No. 08
Mymensingh Pourashava
Kotwali,
Mymensingh

■ Natore Branch

Holding No. 327
Ward o. 08
Natore Pourashava
Natore Sadar
Natore

Proposed Branches :

1. Naogaon Sadar, Naogaon
2. Dinajpur Sadar, Dinajpur
3. Panchagar Sadar, Panchagar
4. Gopalganj Sadar, Gopalganj
5. Satkhira Sadar, Satkhira
6. Bagherhat Sadar, Bagherhat
7. Pirojpur Sadar, Pirojpur
8. Potuakhali Sadar, Potuakhali
9. Mohammadpur, Dhaka
10. Bhairab Bazar, Kishoregonj
11. Tangail Sadar, Tangail
12. Mymensingh Sadar, Mymensingh
13. Shiddirgonj, Narayangonj
14. Board Bazar, Tongi
15. New Market, Dhaka
16. Mohakhali, Dhaka
17. Chokoria, Cox's Bazar
18. Hajigonj, Chandpur
19. Chapainawabgonj, Rajshahi
20. Golapgonj, Sylhet
21. Lalmanirhat
22. Gofargaon, Mymensingh
23. Noabganj, Dohar
24. Jalokhati
25. Domar, Nilphamari
26. Natore Sadar, Natore

Proposed rural branches :

1. Bhatiary, Chittagong
2. Navaron, Jessore
3. Jamalpur Sadar, Jamalpur
4. Hathazari, Chittagong
5. Mothbaria, Pirojpur

Exchange houses in abroad :

1. Kuala Lumpur, Malaysia
2. Singapore
3. New York, USA
4. Toronto, Canada
5. Jeddah, Saudi Arabia

Overseas branch :

1. Kolkata, India





ATM Network of the Bank

ATM Network

BASIC Bank entered into the arena of ATM network in 2009 with a number of ATMs of its own at Dhaka & Chittagong under a consortium of 23 banks having above 600 ATM nationwide. Our ATM Network covers almost 70% of the country and expanding day by day. We are also planning to add our own ATMs to the network at the following places within the country.

Present ATM Booths of the Bank

Gulshan Booth

DCC Market, Plot # 14, Shop # 13
Gulshan South C/A, Gulshan-1,
Dhaka-1212

Uttara Booth

Uttara Tower
1, Jasimuddin Avenue, Sector # 3
Uttara, Dhaka.

Bashundhara City Booth, Dhaka

Basundhara City Complex, level-1,
Panthapath, Dhaka-1205

Rifles Square Booth, Dhaka

Rifles Square Market Complex Peelkhana
Dhaka-1209

CDA Booth, Chittagong

1105, Asian Highway
M.M. Tower, CDA Avenue
East Nasirabad,
Chittagong.

Proposed ATM Booths

1. Zaman BASIC Tower, Motijheel C/A, Dhaka
2. Shantinagar Branch, Shantinagar, Dhaka
3. Banani Branch, Banani, Dhaka
4. Bashundhara Branch, Bashundhara R/A, Dhaka
5. Mirpur Branch, Mirpur, Dhaka
6. GEC Circle/O R Nizam Road, Nasirabad, Chittagong
7. Kazir Deuri/Jubilee Road, Chittagong
8. Zindabazar, Al-Hamra market, Sylhet
9. Kandirpar/Monohorpur, Comilla
10. Gazipur Chowrasta, Gazipur
11. B.B. Road, Nitaiganj, Narayanganj
12. Rajshahi New Market, Rajshahi
13. Royal Chowrasta/ Shibbari chowrasta, Khulna
14. Jessore Branch, Jessore

