

# Financial Statements 2015

## BASIC Bank Limited

Serving people for progress

A STATE OWNED SCHEDULED BANK

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### Independent Auditor's Report TO THE SHAREHOLDERS OF BASIC BANK LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of BASIC Bank Limited ("the Bank"), which comprise the balance sheet as at 31 December 2015, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements and Internal Controls

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note # 2.1 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. The Bank Company Act, 1991 (amended in 2013) and the Bangladesh Bank Regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

#### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error, in making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 of the Bank.

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

#### Basis for Adverse Opinion

1. (i) As on 31 December 2015 the Bank's total loans and advances was Tk.12,880.70 Crore, which include classified loans and advances of Tk.3,616.65 crore as on the said date. Required provision for these classified loans and advances was Tk.1,762.16 crore against which the Bank has provided Tk.177.32 crore only. Thus an amount of Tk.1,584.84 crore remained short in the provision for the said classified loans and advances. However, Bangladesh Bank vide their letter # BRPD/(P-1)/661/13/2015-3159 dated 27 April 2015 gave permission to the Bank to provide the rest amount within a period of 5 (five) years from 2015.

(ii) The Bank's total loans and advances also include further classified loans and advances of Tk.2,970.60 crore as on 31 December 2015 which was previously reported in 2014 as Blocked Assets. Required provision for these classified loans and advances was Tk.2,060.67 crore against which the Bank has kept only Tk.221.11 crore. Thus, there remained Assets short provision of Tk.1,839.56 crore for the said classified loans and advances. Bangladesh Bank vide their letter # BRPD (P-1)/661/13/2015-3159 dated 27 April 2015 gave permission to the Bank to provide the shortfall amount within a period of 10 (ten) years from 2015.

In connection with para (i) and (ii) above total classified loans and advances of the Bank as on 31 December 2015 was Tk.6,587.25 crore. Total required provision for these classified loans and advances as on the said date was Tk.3,822.83 crore. The Bank has made provision of Tk.398.43 crore in the accounts against the total required amount. Thus, a total amount of Tk.3,424.40 crore remained short in the provision for classified loans and advances of the Bank as on 31 December 2015.

2. As per BRPD Circular No. 14 dated 25 June 2001, the required provision for other assets as on 31 December 2015 was Tk.157.92 crore against which the Bank has kept provision of Tk.65.29 Crore as reported by the Bank. Thus, the shortfall of provision for other assets remained for Tk.92.63 Crore. However, Bangladesh Bank has given permission to the Bank vide their letter # BRPD/(P-1)/661/13/2015-3159 dated 27 April 2015 to provide the above mentioned entire amount of provision over a period of 5 (five) years from 2015.

3. (i) As per section 13 (2) of Bank Company Act 1991 (amended in 2013) and BRPD Circular No. 18 dated 21 Decer 2014 (a) the Bank's net capital, that is, the net worth of the Bank as on 31 December 2015 was Tk.1,127.34 crore against which the bank's capital was negative to the tune of Tk.851.24 crore as reported by the Bank. Thus the Bank's reported capital shortfall was Tk.1,978.58 crore as on the balance sheet date.

(ii) As per section 13 (2) of The Bank Company Act, 1991 (amended in 2013) and BRPD Circular No. 18 dated 21 Decer 2014 to fulfil the Base-I requirement, the required Capital Adequacy Ratio (CAR) of the Bank should have been 10% of Risk Weighted Assets but the Bank has reported the same to be maintained as negative to the extent of (7.55)%.

4. Most of the reported loans and advances of the Bank were sanctioned and disbursed during the period from 2010 to June 2014. In relation to these loans and advances there were significant weaknesses in the Bank's internal control regarding loans and advances management, specially loans were renewed without limit and poor or nil turnover; unauthorized excess overdraft in Cash Credit account; Temporary Overdraft was given in Current Deposit account; loan was approved before getting CLP from branches, loans were sanctioned having observations in credit line proposal (CLP), grace period extended frequently to avoid classification in loan accounts; incomplete sanction of loans issued by Head Office, unauthorized decrease of instalment size, unauthorized changes in first repayment and expiry dates by branches, showing same assets as collateral security of more than one loan, loan was given without security or having shortfall of security, significant over valuation of collateral security was done, loan sanctioned/rescheduled/renewed/discharged without CRC or having manipulated CRC and less than acceptable limit, significant weaknesses in loan documentation, the utilization of loan facilities was not ensured by the Bank etc.

#### Adverse Opinion

In our opinion, because of the significance of the matters described in the Basis for Adverse Opinion paragraph, the financial statements of the Bank do not give a true and fair view of the financial position of the Bank as at 31 December 2015, and of its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note # 2.3. However, the cash flows of the Bank have been reflected fairly in the Cash Flow Statement.

#### Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Bank Company Act, (Amendment up to 2013) 1991 and the rules and regulations issued by Bangladesh Bank, we except for as mentioned above also report the following:

- We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control except for the matters described in the Basis for Adverse Opinion paragraphs;
- internal audit, internal control and risk management arrangements of the Bank as disclosed in note # 2.16 to the financial statements appeared to be adequate;
- nothing has come to our attention regarding material instances of forgery or irregularity or administrative error or exception or anything detrimental committed by employees of the Bank and its related entities except for the matters described in point # 4 under the Basis for Adverse Opinion paragraph;
- 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;
- the balance sheet and profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- the expenditure incurred was for the purposes of the Bank's business;
- the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and Bangladesh financial reporting standards (BFRS) as explained in note # 2.1 as well as with related guidance issued by Bangladesh Bank;
- adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;

(h) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(i) the information and explanation required by us have been received and found satisfactory; and

(j) we have reviewed over 80% of the risk weighted assets and we have spent around 6,970 person hours for the audit of the books and accounts of the Bank.

Dhaka,  
11 April 2016

### BASIC Bank Limited Balance Sheet As at 31 December 2015

	Note	31.12.2015 Taka	31.12.2014 Taka
<b>PROPERTY AND ASSETS</b>			
Cash	3	16,452,289,645	10,211,714,009
Cash in hand (including foreign currencies)		501,238,446	514,559,931
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)		15,951,051,119	9,701,154,078
Balance with other banks & financial institutions in Bangladesh	4	5,152,917,726	2,078,779,132
Outstanding in Bangladesh		4,119,264,828	1,168,371,651
Outstanding in foreign		1,033,652,898	910,407,481
Money at Call on Short Notice	5	3,610,000,000	4,540,000,000
Investments	6	35,315,615,823	30,680,554,473
Government		35,318,292,009	30,288,473,101
Others		5,36,318,814	422,081,372
Loans & Advances	7	128,807,612,201	89,392,858,838
Loans, Cash Credit & Overdraft etc.		127,005,545,793	88,809,716,627
Bills purchased & discounted		1,131,465,511	91,807,216
Fixed assets including premises, furniture and fixtures	8	514,229,099	649,682,167
Other assets	9	3,921,393,513	33,566,937,978
Non-banking Assets		-	-
<b>Total Assets</b>		<b>194,173,358,107</b>	<b>171,118,526,397</b>
<b>LIABILITIES AND CAPITAL</b>			
Borrowings from other banks, financial institutions and agencies	10	2,482,940,170	2,673,974,322
Deposits and other accounts	11	148,167,270,444	139,938,056,098
Current Accounts and other Accounts		4,314,555,616	3,596,638,795
Bills Payable		619,958,708	1,016,757,426
Savings Bank Deposits		3,497,215,120	2,493,512,778
Flood Deposits		139,315,100,607	132,818,147,299
Reserve Certificates of Deposit		-	-
Other Deposits		-	-
Other liabilities	12	17,576,102,244	15,946,574,197
<b>Total Liabilities</b>		<b>168,226,272,658</b>	<b>158,104,604,617</b>
Capital/Shareholders' Equity	13	10,946,982,500	2,944,962,500
Paid up Capital		2,224,400,642	2,224,400,642
Statutory Reserve		17,595,795,867	9,422,271,022
Other Reserve		1,126,786,091	1,126,786,091
Retained Earnings	15	25,447,066,052	13,013,921,789
<b>Total Shareholders' Equity</b>		<b>194,173,358,107</b>	<b>171,118,526,397</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>194,173,358,107</b>	<b>171,118,526,397</b>

	Note	2015 Taka	2014 Taka
<b>CONTINGENT LIABILITIES</b>			
Acceptances and Endorsements		2,874,507,841	2,553,659,286
Letters of Guarantee		2,047,749,550	2,322,480,246
Trade Bills		5,699,128,284	9,577,660,909
Bills for Collection		461,746,219	201,448,977
Other Contingent liabilities		569,155,893	502,280,623
<b>Total</b>		<b>11,588,474,388</b>	<b>15,260,785,063</b>
<b>OTHER COMMITMENTS</b>			
Documentary credit and short term trade-related transactions		-	-
Forward purchase and forward deposits placed		-	-
Undrawn note issuance and revolving underlying facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total Off-Balance Sheet Items including contingent liabilities</b>		<b>11,588,474,388</b>	<b>15,260,785,063</b>

	Note	2015 Taka	2014 Taka
<b>OFF-BALANCE SHEET ITEMS</b>			
Contingent Liabilities	17	11,588,474,388	15,260,785,063
Other Commitments		-	-
<b>Total Off-Balance Sheet Items</b>		<b>11,588,474,388</b>	<b>15,260,785,063</b>

The annexed notes form an integral part of these financial statements.

This is the balance sheet referred to in our separate report of even date.

Dhaka,  
28 April 2016

### BASIC Bank Limited Profit & Loss Account For the year ended 31 December 2015

	Note	2015 Taka	2014 Taka
<b>Interest Income</b>			
Interest paid on deposits and borrowings etc.	18	9,318,241,570	12,070,318,759
<b>Net interest income</b>		<b>(1,133,927,543)</b>	<b>(1,346,230,473)</b>
<b>Net interest income</b>			
Investment Income	20	1,628,103,917	2,187,664,334
Commission, exchange and brokerage	21	552,403,193	658,243,734
Other operating income	22	116,215,557	155,757,548
<b>Total operating income</b>		<b>1,559,966,994</b>	<b>1,575,866,904</b>
<b>Salary and allowances</b>			
Rent, taxes, insurance, electricity etc.	23	3,998,132,789	1,855,358,487
Legal expenses	24	323,929,977	394,448,876
Postage, stamp, telecommunication etc.	25	13,318,728	13,368,845
Printing, stationery, advertisement etc.	26	49,153,957	62,616,177
Stationery Printing, advertisement etc.	27	38,724,631	74,911,894
Managing Director's salary and fees	28	5,000,000	3,321,193
Director's fee	29	1,426,018	2,287,017
Auditor's fee	30	979,500	979,500
Depreciation of bank's assets	31	154,756,891	181,746,223
Provision for deferred Tax	32	33,199,874	34,899,874
Other expenses	33	161,531,141	109,517,265
<b>Total operating expenses</b>		<b>2,720,183,385</b>	<b>2,709,264,460</b>
<b>Profit/(Loss) before provision</b>		<b>(2,564,246,411)</b>	<b>(1,124,377,562)</b>
Provision for loan	34	36,211,335	-
Provision for investment (see Off Balance Sheet Exposures)		-	-
Provision for Promotion Bill		-	(9,142,148)
Provision for other assets		624,081,304	-
<b>Total provision</b>		<b>624,081,304</b>	<b>(9,142,148)</b>
<b>Total Profit/(Loss) before taxes</b>		<b>(1,188,329,095)</b>	<b>(1,115,215,411)</b>
Provision for Current Tax	35	38,444,999	63,840,670
Provision for Deferred Tax	36	13,311,208	(60,412,312)
<b>Net Profit/(Loss) after Taxation</b>		<b>(1,140,361,573)</b>	<b>(1,100,160,173)</b>
<b>Appropriations</b>			
Statutory Reserve	14	-	-
General Reserve		-	-
Dividends etc.		(1,140,361,573)	(1,100,160,173)
Reserve (Profit)		<b>(1,140,361,573)</b>	<b>(1,100,160,173)</b>
<b>Earning Per Share (EPS)</b>			
		(28.95)	(37.23)

The annexed notes form an integral part of these financial statements.

This is the profit & loss account referred to in our separate report of even date.

Dhaka,  
28 April 2016

### BASIC Bank Limited Cash Flow Statement For the year ended 31 December 2015

	2015 Taka	2014 Taka
<b>Cash flows from operating activities</b>		
Interest receipts from deposits	10,539,924,178	13,951,394,271
Interest payments	(12,429,957,543)	(14,150,491,837)
Dividends received	15,546,314	20,579,814
Fees and commission receipts in cash	552,403,193	658,243,734
Recovery of loans previously written off	1,769,072,009	1,769,072,009
Cash payments to employees	(19,209,762,899)	(17,747,471,221)
Cash payments to suppliers	(38,724,631)	(57,816,188)
Other taxes paid	(41,984,081)	(42,918,528)
Other liabilities (movement)	11,421,957	13,455,901
Payments for other operating activities (Movement)	(633,748,284)	(620,328,284)
<b>Operating (loss)/profit before change in operating assets and liabilities</b>	<b>(3,670,993,103)</b>	<b>(2,533,077,382)</b>
<b>(Increase)/Decrease in operating assets and liabilities</b>		
Statutory deposits	(2,937,431,571)	(4,252,471,271)
Purchase/sale of trading securities	(3,168,935,805)	(2,841,922,743)
Loans & advances to customers	(39,414,153,444)	20,031,508,317
Other assets (Movement)	30,807,275,474	(50,791,466,954)
Deposits from other banks	3,661,137,938	2,218,034,984
Deposits from customers	4,277,035,686	3,491,717,725
Other liabilities (Movement)	3,017,703,311	(2,017,703,311)
<b>Net cash (used in)/flow from operating activities</b>	<b>(7,688,282,853)</b>	<b>(6,208,511,653)</b>
<b>Cash flows from investing activities</b>		
Purchase/sale of Securities	(19,370,973)	(208,754,952)
Other assets (Movement)	19,370,973	208,754,952
<b>Net cash (used in)/flow from investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Increase/(Decrease) of Long Term Borrowing	(19,034,132)	(131,888,957)
Net increase/(decrease) in reserve	18,000,000,000	7,900,000,000
Conversion of borrowing into reserve	-	-
<b>Net cash from/(used in) financing activities</b>	<b>17,965,865,868</b>	<b>7,768,111,043</b>
Effects of Exchange Rate Changes on Cash and Cash Equivalent	16,874,493,147	15,511,228,147
<b>Cash and cash equivalents at end of period</b>	<b>23,019,729,423</b>	<b>16,019,529,141</b>
<b>Analysis of cash and cash equivalents at end of period</b>		
Cash in hand and balance with Bangladesh Bank & Sonal Bank	16,352,799,565	10,211,714,009
Balance with other banks & financial institutions	5,152,917,726	2,078,779,132
Money at call on Short Notice	2,504,000,000	4,540,000,000
<b>Total</b>	<b>23,019,729,423</b>	<b>16,019,529,141</b>

Dhaka  
28 April 2016

Managing Director  
Director  
Director  
Chairman

### BASIC Bank Limited Statement of Changes in Equity For the year ended 31 December 2015

Particulars	2015		2014	
	Amount in Taka	Total	Amount in Taka	Total
At the beginning of the year	171,118,526,397	171,118,526,397	158,104,604,617	158,104,604,617
Net Profit/(Loss) after Taxation	(1,140,361,573)	(1,140,361,573)	(1,100,160,173)	(1,100,160,173)
Provision for Current Tax	38,444,999	38,444,999	63,840,670	63,840,670
Provision for Deferred Tax	13,311,208	13,311,208	(60,412,312)	(60,412,312)
Net Profit/(Loss) after Taxation	(1,140,361,573)	(1,140,361,573)	(1,100,160,173)	(1,100,160,173)
Provision for loan	36,211,335	36,211,335	-	-
Provision for investment (see Off Balance Sheet Exposures)	-	-	-	-
Provision for Promotion Bill	-	-	(9,142,148)	(9,142,148)
Provision for other assets	624,081,304	624,081,304	-	-
<b>Total provision</b>	<b>624,081,3</b>			

## BASIC Bank Limited

### Notes to the Financial Statements

For the year ended 31 December 2015

#### 1. The Bank and its activities

The BASIC Bank Limited ("the Bank") was incorporated as a banking company under the erstwhile 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 and Firms. Initially the Bank started its operation as a joint venture organization of the then BIC Foundation, a welfare trust in Bangladesh and the Government of the People's Republic of Bangladesh. On 4 June 1992 the Government of Bangladesh took over 70% shares held by the then BIC Foundation and became the sole owner of the Bank. It operates with 68 branches in Bangladesh. The registered office of the Bank is located at 73 Motijheel C/A, Dhaka-1000.

#### 1.2 Objectives

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. The principle activities of the Bank is unique in blending development financing and commercial banking.

#### 2. Basis of preparation and significant accounting policies

##### 2.1 Statement of compliance

The financial statements of the Bank are prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and the requirements of the Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank and the Companies Act 1994. In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of BFRS are as follows:

##### i) Investment in shares and securities

BFRS: As per requirements of BAS 39 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

Bangladesh Bank: As per BRPD circular No. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are treated at the year-end at market price per bank value for listed and unlisted shares respectively. Provisions should be made for any loss arising from diminution in value of investment; unquoted investments are recognised at cost.

##### ii) Revaluation gains/losses on Government securities

BFRS: As per requirement of BAS 39 where securities will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognised through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method and interest income is recognised through the profit and loss account.

Bangladesh Bank: HFT securities are revalued on the basis of market to market at every year end and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HTF securities including amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

##### iii) Provision on loans and advances/investments

BFRS: As per BAS 39 an entity should test the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD Circular No. 14 (22 September 2012), BRPD Circular No. 19 (27 December 2012), BRPD Circular No. 05 (29 May 2013) and BRPD Circular No. 16 (18 November 2014) general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad loans has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD Circular No. 10 dated 18 September 2007 and BRPD Circular No. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are specified in line with those prescribed by BAS 39.

##### iv) Recognition of interest in suspense

BFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 and interest income is recognised through effective interest method over the term of the loan. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per BRPD circular No. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

##### v) Other comprehensive income

BFRS: As per BAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI to be included in a single Other Comprehensive Income statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

##### vi) Financial instruments - presentation and disclosure

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in BAS 39. As such full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

##### vii) Financial guarantees

BFRS: As per BAS 39, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 14, financial guarantees such as letter of credit, letter of guarantee and acceptance will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin.

##### viii) Cash and cash equivalent

BFRS: Cash and cash equivalent items should be reported as cash item as per BAS 37.

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice', treasury bills, Bangladesh Bank bills and prime bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prime bonds are shown in investments.

##### ix) Non-banking asset

BFRS: No indication of non-banking asset is found in any BFRS.

Bangladesh Bank: As per BRPD 14, there must exist a face item named non-banking asset.

##### x) Cash flow statement

BFRS: The cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD 14, cash flow is the mixture of direct and indirect methods.

##### xi) Balance with Bangladesh Bank (Cash Reserve Requirement)

BFRS: Balances with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per BAS 7.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

##### xii) Presentation of intangible asset

BFRS: An intangible asset must be identified and recognised, and the disclosure must be given as per BAS 38.

Bangladesh Bank: There is no regulation for intangible assets in BRPD 14.

##### xiii) Off-balance sheet items

BFRS: There is no concept of off-balance sheet items in any BFRS, hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD 14, off balance sheet items (e.g. Letter of Credit, Letter of Guarantee, Acceptance, etc) must be disclosed separately on the face of the balance sheet.

##### xiv) Loans and advances net of provision

BFRS: Loans and advances should be presented net of provision.

Bangladesh Bank: As per BRPD 14, provision on loans and advances are presented separately as liability and can not be netted off against loans and advances.

#### 2.2 Use of estimates and judgments

The preparation of the financial statements of the Bank in conformity with BFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount 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 recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised and presented in the financial statements of the Bank are included in following notes/statements:

a) Note 12.1 & 12.2	Provision for loans and advances and off balance sheet exposure
b) Note 30	Depreciation
c) Note 35	Current tax liabilities
d) Note 36	Deferred tax asset
e) Liquidity statement	

#### 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 initially translated into equivalent US Dollar at buying rates taken from Reuters and then retranslated from US Dollar into equivalent Taka in the same specified above.

##### 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) Transaction gains and losses

Foreign exchange differences (rates at which transactions were initially recorded and the rate prevailing on the reporting date/date of settlement) of the monetary items are recognized in the profit and loss account.

#### 2.4 Cash flow statement

Statements of Cash flow has been prepared in accordance with Bangladesh Accounting Standard (BAS) 7 'Statement of Cash Flow' and under the guideline of Bangladesh Bank BRPD Circular No.14 dated 25 June 2003. The Statement shows the structure of changes in cash and cash equivalents during the financial year.

#### 2.5 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:

- Balance with other banks and financial institutions, money at call on short notice, etc. are on the basis of their maturity terms;
- Investments are on the basis of their respective maturity;
- Loans and advances are on the basis of their repayment schedule;
- Fixed assets are on the basis of their useful lives;
- Other assets are on the basis of their realisation/amortisation;
- Borrowing from other banks, financial institutions & agents, etc. are as per their maturity/repayment terms;
- Deposits & other accounts are on the basis of their maturity term & past trend of withdrawal by the depositors; and
- Provisions and other liabilities are on the basis of their payment/adjustments schedule.

#### 2.6 Statement of changes in equity

Statement of Changes in Equity has been prepared in accordance with BAS 1 'Presentation of Financial Statements' and following the guidelines of Bangladesh Bank BRPD circular No.14 dated 25 June 2003.

#### 2.7 Reporting period

These financial statements cover one calendar year from 01 January 2015 to 31 December 2015.

#### 2.8 Offsetting

Financial assets and financial liabilities are offsetted and the net amount is 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.

#### 2.9 Assets and basis of their valuation

##### 2.9.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Bank management for its short term commitments.

##### 2.9.2 Loans, advances and provisions

Loans and advances are stated in the balance sheet on gross basis. General provisions on unclassified loans and contingent assets, specific provisions for classified loans and interest suspense account thereon are shown under other liabilities. Provisions against classified loans and advances is made on the basis of quarter end review by the management and instructions contained in BRPD Circular No. 14 dated 23 September 2012, BRPD Circular No. 19 dated 27 December 2012, BRPD Circular No. 05 dated 29 May 2013 and BRPD Circular No. 16 dated 18 November 2014. The rates for provisions are stated below:

General provision on	Particulars	Provision Rate
a.	Consumer Financing (House Financing)	2%
b.	Consumer Financing (Loans to Professionals)	2%
c.	Consumer Financing (Other than House Finance and Loans to professionals)	5%
d.	Small and Medium Enterprise Financing (SMEF)	0.25%
e.	Short Term Agreements & Micro Credit	2.00%
f.	Loans to BNY/MBF/SDA against Shares etc.	2%
g.	All other credit	1%
h.	Special Mention Account	0.25% to 5%
<b>Specific provision on</b>		
a.	Substandard Loans and Advances	20%
b.	Short Term Agri Credit & Micro Credit	5%
c.	Other than Short Term Agri Credit & Micro Credit	20%
d.	Doubtful Loans and Advances	50%
e.	Short Term Agri Credit & Micro Credit	2%
f.	Other than Short Term Agri Credit & Micro Credit	50%
g.	Bad & Loss Loans and Advances	100%

#### 2.9.3 Investments

Investments have been initially recognised at cost, including acquisition charges associated with the investment. Premiums have been amortised and discount accreted, using the effective or historical yield method. The investment in government securities (Treasury bills & bonds) are classified into Held to Maturity (HTM) & Held for Trading (HFT) as per Bangladesh Bank's guidelines contained in DOS Circular Letter No. 05 dated 29 May 2008, DOS Circular Letter No. 05 dated 28 January 2009, DOS Circular No. 06 dated 15 July 2010 and under reference Letter No. DOS (SR)115/120-A/2011-746 dated 29 December 2011. Reclassification of HTM securities into HFT securities are also done in compliance with Bangladesh Bank's guidelines.

##### Held to Maturity (HTM)

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the entity has the positive intent and ability to hold to maturity, and which are not designated as at fair value through profit or loss or as available for sale. These are measured at amortised value at each year end by taking into account any premium or discount on acquisition. Any decrease in value for amortization loss of such investments is transferred to profit and loss account of respective year. Any increase in value for amortization gain of such investments is transferred to revaluation reserve account and shown in the equity. Such gains are credited to income account at the time of maturity or sale of the security.

##### Held for Trading (HFT)

The government securities under "Held for Trading" category are valued at present value on the basis of marking to market method. The resulting gains are transferred to other reserve account & losses are transferred to profit and loss account. The gains/(losses) arising on maturity or sale of such securities are credited to income.

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

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Treasury Bill / Bond (HTM)	Cost	Market value	Loss to profit and loss account (P&L), gain to revaluation reserve
Treasury Bill / Bond (HFT)	Cost	Amortised value	Increase in value to equity and decrease in value to P&L account
Debt security	Face value	None	None
Prize bond	Cost	None	None
Shares	Cost	Lower of cost and market value	Any loss, charged to P&L account Unrealized gain, not recognised in accounts

##### Investment in listed (quoted) securities

These securities are bought and held primarily for the purpose of selling them in future or held 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 unlisted (unquoted) securities

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

##### Other Investments

Other investments like HFTF, debenture & prime bond are also eligible for SLR. HFTF debentures are valued at redeemed value & prime bond are shown at purchase value or face value.

#### 2.9.4 Fixed assets

##### Recognition and measurement

Items of fixed assets are measured at cost less accumulated depreciation as per BAS 16 'Property, Plant and Equipment'. Cost includes expenditures that are directly attributable to the acquisition of assets. Subsequent costs are capitalized only when it is probable that the future economic benefits associated with the costs will flow to the entity. Ongoing repairs and maintenance is expensed as incurred.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

##### Depreciation

Items of fixed assets are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. 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
Durable and fixtures	10%	Reducing balance method
Machinery and Equipment*	20%	Reducing balance method
Computer and Copier**	20%	Straight line method
Others (straight line)	25%	Straight line method
Leasehold building	1%	Straight line method over the lease hold period

\* In the schedule of fixed assets both machinery and equipment and computer and copier are shown under the head of equipment and computer.

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.

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 profit and loss account, which is determined with reference to the net book value of the assets and net sale proceeds.

#### 2.9.5 Intangible assets

a) An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the assets will flow to the entity and the cost of the asset can be measured reliably in accordance with BAS 38 'Intangible Assets'.

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. Subsequent expenditure on intangible asset is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

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.

c) 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.

#### 2.9.6 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.

#### 2.9.7 Receivables

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

#### 2.9.8 Inventories

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

#### 2.9.9 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 instalments are charged to the income statement.

#### 2.9.10 Non-banking assets

There is no asset acquired in exchange for loan during the period of financial statements.

#### 2.9.11 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.

#### 2.10 Share capital

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

#### 2.11 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 and share premium account.

#### 2.12 Deposits and other accounts

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

#### 2.13 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.

#### 2.14 Basis for valuation of liabilities and provisions

##### 2.14.1 Provision for current taxation

Provision for current income tax has been made as per prescribed rate in the Finance Ordinance, 2015 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'.

##### 2.14.2 Provision for deferred taxation

Deferred tax is recognized in compliance with BAS 12 'Income Taxes' and BRPD Circular No. 11 dated 12 December 2011, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the date of balance sheet. Deferred tax assets and liabilities are offset as there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each date of balance sheet and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

##### 2.14.3 Benefits to the employees

The retirement benefits provided 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-4, Dhaka has approved the Provident Fund as a recognized provident fund within the meaning of section 2(52), read with the provisions of part - 8 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 of least five members. Usually 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 yearly basis.

##### b) Gratuity Fund

The Bank made provision of gratuity fund at 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/next-of-kin or successors, in respect of which provision is made annually covering all its permanent eligible employees who have completed at least eight years of service.

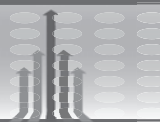
##### c) Benevolent Fund

The benevolent fund is subscribed by monthly contribution of the employees. The Bank also contributes to the fund @ 0.5% of profit/pump sum at the end of the year. The fund is established to sanction grant in event of death on duty or permanent disabilities of the employees & to provide financial assistance for marriage, treatment and other purposes of the employees and the 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





**2.1.5.1 Dividend Income on shares**  
Dividend income from investment in shares is recognized when the Bank's right to receive dividend is established as per BAS 18 "Revenue".

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

**2.1.6 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 risks arising from banking viz. credit risk, liquidity risk, market risk that includes foreign exchange risk, interest rate risk, equity risk, operational risk & reputation risk arising from money laundering incidences. The prime objective of the risk management is to help the Bank evaluate & takes will calculate business risks & thereby safeguard the Bank's capital, its financial resources & profitability from various business risks through its own measures & through implementing Bangladesh Bank guidelines & following some best practices as under:

**a) Credit risk**

It arises mainly from lending, trade finance, leasing and treasury business. It can be described as the 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 counterparty or deterioration in his or her financial condition.

The bank has credit divisions namely Industrial Credit Division (ICD), Commercial Credit Division (CCD), Micro Credit and Special Finance Division (MCSFD), Small Enterprise Division (SED), Consumer Finance Division (CFD) and Trade Finance Division (TFD) focused on different categories of the economy and entrusted with the duties of Credit Appraisal to ensure the merit of loan proposals. The bank ensures strict management of credit quality by analyzing/assessing borrower risk an historical repayment performance of the borrower, historical and projected financial statements, industry outlook, collateral coverage of the proposed credit facility, market reputation of the borrower and any other relevant aspects. To manage its credit risk at a tolerable level, the Bank prepares an Annual Credit Budget where the amount of loan to each sector is allocated on yearly basis. Budgeted allocation to each sector is monitored or adjusted periodically. The bank also maintains a credit watch list to monitor the credit quality of the borrower and any other relevant aspects. To manage its credit risk at a tolerable level, the Bank prepares an Annual Credit Budget where the amount of loan to each sector is allocated on yearly basis. Budgeted allocation to each sector is monitored or adjusted periodically. The bank also maintains a credit watch list to monitor the credit quality of the borrower and any other relevant aspects. To manage its credit risk at a tolerable level, the Bank prepares an Annual Credit Budget where the amount of loan to each sector is allocated on yearly basis. Budgeted allocation to each sector is monitored or adjusted periodically. The bank also maintains a credit watch list to monitor the credit quality of the borrower and any other relevant aspects.

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

**b) 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 finance. Management of liquidity and funding is carried out by Treasury Under approved policy guidelines. Treasury Front Office is supported by a very structured Back Office. A Mid Office is also created as per requirement of Bangladesh Bank. 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.

**c) Market risk**

The exposure of market risk of the Bank is restricted to foreign exchange risk, interest rate risk & 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 limited to the extent of the bank's exposure to foreign currencies. The bank is not undertaking L/C commitments and other remittance resources. No foreign exchange dealing on Bank's account was conducted during the year.

Treasury Division independently conducts the transactions. Back Office of Treasury is responsible for verification of the deals & posting of the transactions in the accounting system. Related party transactions is a transfer of resources, services, or obligations between a reporting entity and a related party, regardless of whether a price is charged as per BAS 24. Related Parties include the Bank's Directors, key management personnel, associates, companies under common directorship etc. as per BAS 24 "Related Party Disclosures". All transactions involving related parties arising in the normal course of business are conducted at arm's length in normal commercial terms on the same terms and conditions as third party transactions using valuation modes, as admissible.

**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 future yield of an asset & its funding cost. Asset Liability Committee monitors interest rate movement on a regular basis.

**Equity risk**

Equity risks arise 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 higher than the cost price at the balance sheet date.

**d) Reputation risk arising from money laundering incidences**

Money laundering risk is defined as the loss of reputation and exposures incurred as penalty for being negligent in prevention of money laundering. Money Laundering and Terrorist Financing has been identified as a major threat to the financial services community. The management of the Bank has taken prevention of money laundering and terrorist financing as part of the Bank's risk management strategies. Anti-Money Laundering Guidelines and "Prevention of Terrorist Financing Policy" of the Bank was approved by the Board of Directors of the Bank in its 118th meeting held on 31 Jan 2006 & subsequently revised by the Board of Directors of the Bank in its 313th meeting held on 27 Dec 2012.

The Bank has established a separate division namely Anti-Money Laundering Division (AML/D) for mitigating Money Laundering and Terrorist Financing related risks. One of the Deputy Managing Directors is acting as the Chief Anti-Money Laundering Compliance Officer (CAMLCO) of the Bank. In addition, Central Compliance Unit (CCU) has been formed to develop and execute monitoring and program for preventing money laundering and terrorist financing of the Bank. Our Audit and Inspection Division conducts audit for an effective Anti Money Laundering System Check throughout the year. Moreover, members of CCU and employees of AML/D visit to Branches to supervise the AML procedures and functions and ensure that AML/D is continuously monitoring and reviewing overall Bank's compliance to prevent ML/TF risks. A draft "Money Laundering and Terrorist Financing Risk Assessment Guidelines" have been prepared for assessing and mitigating ML/TF risks of the Bank. The guidelines is going to be placed before the Board of Directors for approval. Besides, 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.

Bangladesh Bank has implemented goAML software for CTR and STR reporting purpose. Bank is providing CTR/STR data through goAML software on regular basis. It is the requirement of Bangladesh Bank under the provision of BFD 10 Lac and above in a single day in a single account and suspicious transaction as and when detected.

BASIC Bank Training Institute arranges training programme throughout the year to develop awareness and skill for identifying suspicious activities/transactions.

**e) Operational risk**

Operational risk may arise from error and fraud due to lack of internal control and compliance. Management through Compliance Division controls and procedure of the Bank. Audit and Inspection Division undertakes periodic and special audit of the branches and divisions at the Head Office for review of the operation and compliance with statutory requirements. The Audit Committee of the Board subsequently reviews the reports of the Compliance Division.

**f) 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 risk, trading risk management, funding and capital planning, profit planning growth projection, etc.

The ALM committee usually makes decisions on financial direction of the Bank. The ALCO's goal is to manage the sources and uses of funds, identify balance sheet management issues, the balance sheet risk, regulatory risk, etc. ALCO also reviews liquidity contingency plan and implements asset and liability pricing strategy for the Bank.

**g) ICT Risk Management**

ICT risk refers to the potential of causing harmful effects that an organization may suffer from intentional or unintentional threats to technology systems. Managing ICT risk is part of managing overall risk of the Bank. The operation of the Bank now a days. Hence, to manage ICT risk may lead to severe security breaches, financial losses & 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 in compliance with ICT security guidelines of Bangladesh Bank 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. The Bank has also taken necessary initiatives which would make a positive impact on improving ICT segment of core risk & B2B management. All observations by Bangladesh Bank, related to ICT segment of core risks management are being completed in time. Necessary measures are also taken to minimize manual interventions, as much as possible, by implementing automatic handling of network level and server level. Moreover, necessary initiatives are also being taken to comply with the ICT related issues mentioned in the circular of Bangladesh Bank regarding Self-Assessment of Anti Fraud Internal Controls. Internal ICT audit and Inspection Division of Head Office in different branches of the Bank are being carried out regularly. The ICT Systems of BASIC Bank Limited may have weaknesses/vulnerabilities and wrong configurations in internal/external networks, operating system, web servers, web applications, databases etc. As a result, BASIC Bank is unable to perform the job of Vulnerability Assessment (VA), Penetration Test (PT) and Configuration Review (CR) to identify weaknesses/vulnerabilities of the ICT Systems of the Bank so that appropriate actions can be taken to correct/mitigate these threats/risks.

**h) Internal Control and Compliance**

The primary objectives of Internal Control and Compliance are to help the bank perform better through the use of its resources, identify its weaknesses, take appropriate measures to overcome the same and ensure compliance with regulatory framework including applicable laws and regulations. Internal Control and Compliance of the Bank includes three fold functions viz. Internal Audit Branches and Divisions of Head Office, Monitoring of operation of the bank to assess the risk of Internal Branches/Divisions and Compliance of Internal Branches/Divisions and Bangladesh Bank Audit Reports including Bangladesh Bank Special Audit Reports on Core Risks & Cash Incentive and Government Audit Reports. These functions are being carried out by 03 (three) divisions namely Audit & Inspection Division, Audit Finding Monitoring Division and Compliance Division. The Audit Committee of the Board subsequently reviews the lapses identified by Audit and Inspection Division as well as compliance of these lapses. The Audit Committee also reviews periodic financial statements of the bank, Bangladesh Bank Inspection Reports and other issues indicated in the Bangladesh Bank Guidelines. Necessary steps/measures are taken on the basis of observation & suggestion of the Committee.

**i) Fraud & Forgery**

The term "Fraud" commonly includes activities such as theft, corruption, conspiracy, embezzlement, money laundering, bribery & extortion. Fraud risk is one of the components of Operational risk. Operational risk focuses on the risks associated with errors or omissions in transactions or other operations. We are absolutely committed to maintain an honest and fair & well intentioned atmosphere within the organization. We are also committed to prevent fraud and detection of fraud. Fraud & Forgery may emerge as one of the major threats in banking sector with regular development of avenues by the fraudsters.

In the year 2015, ICD of the bank has started to further develop the Risk & Fraud awareness culture among the employees & reduce the likelihood of fraud occurring in the Bank. Audit Division of BASIC Bank Limited has arranged to conduct Inspection on Anti Fraud Internal Control (AFIC) system to protect the bank from anticipated Fraud & forgery in addition to regular comprehensive Audit & Inspection in the branches. In 2015, ICD has conducted 29 spot inspections and 68 regular spot inspections.

In connection with dealing the situations and ensuring safety checking measures against fraud & forgery related issues, ICD division has developed a questionnaire/ checklist to perform spot AFIC, which will continue through regular review, up-gradation & improvisation.

**2.1.7 Earnings per share (EPS)**

The Bank presents basic and diluted (when dilution is applicable) earnings per share (EPS) for its ordinary shares in accordance with BAS 33 "Earnings per Share". Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank with the weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reverse split. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive ordinary shares during the relevant periods. Hence no diluted EPS has been calculated.

**2.1.8 Events after the reporting period**

All material events after the reporting period that provide additional information about the Company/Bank's position at the balance sheet date are reflected in the financial statements as per BAS 10 "Events after the Reporting Period". Events after the reporting period that are not adjusting events are disclosed in the notes when material.

**2.1.9 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 preparation of for each transaction 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 2015. Besides, there was no material capital expenditure authorized by the Board but not contracted for at 31 December 2015.

**2.20 Related party disclosures**

As per BAS 24 "Related Party Disclosures", a related party is a person or entity that is related to the entity (i.e. BASIC Bank Limited) that is preparing its financial statements. Related party transactions is a transfer of resources, services, or obligations between a reporting entity and a related party, regardless of whether a price is charged as per BAS 24. Related Parties include the Bank's Directors, key management personnel, associates, companies under common directorship etc. as per BAS 24 "Related Party Disclosures". All transactions involving related parties arising in the normal course of business are conducted at arm's length in normal commercial terms on the same terms and conditions as third party transactions using valuation modes, as admissible.

**2.21 Board of Directors**

Name	Status	Other Position
Mr. Alauddin A. Majid	Chairman	Ex-Chairman, EXB Ex-Director, EXB Ex-Independent Director, IFDC Ex-Managing Director, BASIC Bank Limited
Mr. Kazi Shifiquel Alam	Director	Additional Secretary Economic Relations Division Ministry of Finance
Ms. Parag	Director	Additional Secretary Ministry of Education
Mr. Hasan Mahmood, FCA	Director	Partner, M.J. Abrin & Co. Chartered Accountants
Mr. Raheana Azeem Yusuf Ali	Director	Ex-Managing Director, Karmajugata Bank
Mr. Md. Mamun-Al-Rahid	Director	Joint Secretary Bank and Buildings Division Ministry of Finance
Mr. Khondoker Md. Iqbal	Managing Director	Ex-Managing Director, Karmajugata Bank

The present BOD was reconstituted by the BFD, MoF in the first week of July 2014. The Board of Directors conducted 28 (twenty eight) meetings during the year.

**2.22 Audit Committee**

Members of the Audit Committee of the Board of Directors:

Name	Status with the Committee	Educational Qualification
Mr. Hasan Mahmood FCA	Chairman	FCA, M.Com
Ms. Parag	Member	M.Sc. in Development Administration, M.A. in English

Audit Committee conducted 04 (four) meetings during the year.

**2.23 Risk Management Committee**

Name	Status	Educational Qualification
Mr. Raheana Azeem Yusuf Ali	Chairman	M.A. (Economics)
Mr. Md. Mamun-Al-Rahid	Member	M.Com in Management, M.A. in Government Finance

Risk Management Committee conducted 04 (four) meetings during the year.

**2.24 Executive Committee**

Name	Status	Educational Qualification
Mr. Alauddin A. Majid	Chairman	Master of Agricultural Economics
Mr. Raheana Azeem Yusuf Ali	Director	M.A. (Economics)
Mr. Md. Mamun-Al-Rahid	Director	M.Com in Management, M.A. in Government Finance
Mr. Khondoker Md. Iqbal	Managing Director	B.Sc. (Hons.) M.Com in Accounting

**2.25 Head Office Management Committee**

Sl. #	Name	Designation	Status with the Committee
1	Mr. Khondoker Md. Iqbal	Managing Director	Member
2	Mr. Kazi Kinnar Purkayastha	Deputy Managing Director	Member
3	Mr. A. Q. M. Ribyaya	Deputy Managing Director	Member
4	Mr. Faruq Rashed Chowdhury	General Manager	Member
5	Mr. Md. Wajidul Alam	General Manager	Member
6	Mr. Golam Faruk Khan	General Manager	Member
7	Mr. M. Nazim Hossain	General Manager	Member
8	Mr. Md. Moinuzzaman	General Manager	Member
9	Mr. Md. Emadul Hoque	General Manager	Member
10	Mr. Md. Masud Hossain	General Manager	Member
11	Mr. Khan Iqbal Hassan	General Manager	Member
12	Mr. Md. Omar Faruque	DCM, AID	Member
13	Mr. Md. Masud Hossain	DCM, CTD	Member
14	Mr. Jau-E-Amin Sherik	DCM, MOD	Member
15	Mr. Md. Mamun Uddin Khan	DCM, RD	Member
16	Mr. Shaukat Chandra Debnath	DCM, F&D (Additional Charge), BMD	Member
17	Mr. Md. Anwarul Hossain	DCM, TD	Member
18	Mr. Md. Masudul Alam	DCM, CTD	Member
19	Mr. Md. Hossain Alam	DCM, AID	Member
20	Mr. Md. Hasan Hossain	Company Secretary & Member Secretary	Member
21	Mr. Md. Mahabub Alam	DCM, BMD	Member
22	Mr. B.M. Karamuzzaman	DCM, SMD	Member
23	Mr. Md. Humayun Kabir	DCM, AFMD	Member
24	Mr. Md. Nazim Hossain	DCM, TD	Member
25	Mr. Md. Hossain Rashid	DCM, DAD	Member
26	Mr. Marum Begum	DCM, CASO	Member
27	Mr. Jaidul Islam	DCM, BMD	Member
28	Mr. Md. Ali Amin	DCM, HRD	Member
29	Mr. Md. Mahmud Hasan	DCM, AFMSD	Member
30	Mr. Md. Abdul Gaffar Talukder	DCM, MD	Member
31	Mr. Md. Nazim Hossain	DCM, CTD	Member
32	Mr. Md. Mahabub Alam	DCM, AFMD, MISD	Member
33	Mr. Md. Mahabub Uddin Islam	DCM, AID	Member
34	Mr. Md. Saikat Rastogi Naha	DCM, TD	Member
35	Mr. Md. Zahar Uddin	DCM, SMD	Member
36	Mr. Md. Nayer Uddin	ADM, CTD	Member
37	Mr. Md. Raheem Ahmed	ADM, BMD	Member
38	Mr. Md. Shafiqul Islam	ADM, BMD	Member
39	Mr. A.B.M. Zahid Hossain	AFM, IAD	Member

The Head Office Management Committee conducted 12 (twelve) meetings during the year.

**2.26 Compliance report on Bangladesh Accounting Standards (BAS) & 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 IAS and IFRS as adopted by ICAB. Details are given below:

Presentation of Financial Statements	BAS no.	Status
Investments	2	N/A
Statement of Cash Flows	6	Applied
Accounting Changes in Accounting Estimates & Errors	8	Applied
Events after the Reporting Period	10	Applied
Government Grants	11	Applied
Income Taxes	12	Applied
Name of the IAS		
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Reserves	18	Applied
Employee Benefits	19	Applied
Accounting for Govt. Grants & Disclosure of Gov. Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Intangible Assets	23	Applied
Financial Instruments	24	Applied
Accounting for Retirement Benefits Plans	26	Applied
Consolidated and Separate Financial Statements	27	N/A
Financial Instruments - Disclosures	28	N/A
Financial Instruments - Recognition and Measurement	39	Applied
Intangible Assets	38	Applied
Financial Instruments - Recognition and Measurement	39	Applied
Investment Property	40	N/A
Goodwill	41	N/A

Name of the BFRS	BFRS no.	Status
First Time Adoption of Bangladesh Financial Reporting Standard	1	N/A
Share Based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments - Disclosures	7	Applied
Financial Instruments - Recognition and Measurement	8	Applied
Consolidated Financial Statements	10	N/A
Good Arrangements	11	N/A
Disclosure of Interests in other Entities	12	N/A
Fair Value Measurement	13	N/A

\* Subject to departure described in note 2.1

**2.27 Corporate Social Responsibilities (CSR)**

Bank authority is very much concern about responsibility to the people of the society. With industrialization, the impacts of business on society and the environment assumed an entirely new dimension. For this Corporate Social Responsibility has become a criterion of socially lawful business endeavour and the acceptance of it growing day by day. Countries of developed economy have taken the idea of "Social Responsibility". BASIC Bank Ltd. has also realized its responsibilities to the society and contributed to the improvement of the society etc. within the framework of Bangladesh Bank guidelines. Being the largest state owned commercial bank in Bangladesh

**2.28 Regulatory and legal compliance**

The Bank complied with the requirement of the following regulatory and legal authorities:

- i. The Bank Company Act (Amendment) 2013
- ii. The Companies Act 1994
- iii. Rules, regulations and circulars issued by the Bangladesh Bank from time to time
- iv. The Income Tax Ordinance 1968 and Rules
- v. The Value Added Tax (VAT) 1991 and Rules
- vi. The Stamp Act 1909
- vii. The Customs Act 1989
- viii. The Money Laundering Prevention Act, 2012
- ix. The Anti Terrorism (Amendment) Act, 2012
- x. Labor Act, 2006 (amended in 2013) etc.

**2.29 Approval of financial statements**

The financial statements were approved by the Board of Directors on 28 April 2016.

**2.30 General**

- a) These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- 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 year presentation.

	31.12.2015 Taka	31.12.2014 Taka
<b>3. Cash</b>		
Cash in hand (including foreign currencies)	501,228,449	514,589,933
Balance with Bangladesh Bank & its agent bank(s)	15,751,561,119	9,012,426,090
	<b>16,252,790,568</b>	<b>10,526,016,023</b>

	31.12.2015 Taka	31.12.2014 Taka
<b>3.1 Cash in Hand (including foreign currencies)</b>		
In Local Currency	498,146,207	505,164,941
In Foreign Currencies	3,082,236	4,424,992
	<b>501,228,444</b>	<b>514,589,933</b>

	31.12.2015 Taka	31.12.2014 Taka
<b>3.1(A) In Local Currency</b>		
In Hand	403,443,707	495,354,941
ATM	14,698,500	980,000
	<b>403,140,207</b>	<b>505,164,941</b>

	31.12.2015 Taka	31.12.2014 Taka
<b>3.2 Balance with Bangladesh Bank &amp; its agent bank(s)</b>		
In Local Currency	15,462,277,443	9,387,623,294
In Foreign Currencies	289,283,676	315,802,795
	<b>15,751,561,119</b>	<b>9,703,126,076</b>

	31.12.2015 Taka	31.12.2014 Taka
<b>3.2.1 In Local Currency</b>		
Bangladesh Bank	15,466,599,713	9,388,809,839
Small Bank (acting as agent of Bangladesh Bank)	189,227,730	86,791,252
	<b>15,445,727,443</b>	<b>9,387,622,091</b>

	31.12.2015 Taka	31.12.2014 Taka
<b>3.2.2 In Foreign Currencies</b>		
Bangladesh Bank - ETRD	5,201,910	5,888



# BASIC Bank Limited

Serving people to progress  
A STATE OWNED SCHEDULED BANK

# Financial Statements 2015



## 4.2 Outside Bangladesh (Nostro & FC Term Placement)

	31.12.2015	31.12.2014
	Taka	Taka
<b>Interest-bearing Accounts</b>		
Banque de Commerce, Geneva CHF	149,502	279,822
Small Bank Kolkata (USD)	6,668	121,446
Small Bank London (USD)	15,986,927	11,742,541
Bank of Tokyo-Mitsubishi Bank Ltd	46,599	4,584,334
Small Bank London (USD)	1,17,241	1,17,241
Bank of Tokyo-Mitsubishi Japan	662,851	741,623
<b>Interest-bearing Accounts</b>		
Arl Habib Royal Bank	86,607	85,990
Matruh Bank India	49,865	47,949
Matruh Bank New York	36,434	29,044,972
Small Bank London (USD)	32,754,194	11,313,956
Bank of Ceylon-USD	391,438	189,882
CTI Bank, New York (Export) USD	31,577,629	62,546,249
ICI Bank Ltd	289,242	3,762,024
Small Bank London USD	2,147,461	19,972,243
AF Bank Ltd (USD)	10,529,209	4,587,723
Habib Metropolitan Bank Ltd	3,802,751	608,559
HDIC Bank Ltd	31,778,714	44,237
Standard Chartered Bank Mumbai	1,062,400	1,062,400
Habib Bank AE, Zurich (Dubai)	16,371,169	-
	<b>145,526,676</b>	<b>916,405,474</b>

A Schedule of balance with other banks outside Bangladesh (Nostro Accounts) is given in Annexure-A

Term Placement		
BRAC Bank Ltd. (USD)	31,481,200	-
United Commercial Bank Ltd. (USD)	31,481,200	-
<b>Total Term Placement</b>	<b>62,962,400</b>	<b>-</b>
<b>Grand Total (Nostro and Term Placement)</b>	<b>1,03,559,276</b>	<b>916,405,474</b>

## 4.3 Maturity grouping of balances with other banks financial institutions

	31.12.2015	31.12.2014
On demand	1,054,327,921	913,690,222
Up to 1 month	3,300,000,000	77,756,987
Over 1 month but not more than 3 months	200,000,000	33,812,358
Over 3 months but not more than 1 year	45,000,000,000	200,000,000
Over 1 year but not more than 3 years	148,500,000	15,441,187
Over 5 years	5,152,941,726	2,078,979,132

## 5. Money at call or short notice

	(Note 5.1)	3,650,000,000
Commercial Banks	2,620,000,000	3,650,000,000
Financial Institutions (Public & Private)	790,000,000	890,000,000
	<b>3,410,000,000</b>	<b>4,540,000,000</b>

## 5.1 Commercial Banks

	31.12.2015	31.12.2014
Uttara Bank Limited	1,000,000,000	-
Standard Bank Limited	120,000,000	-
NSE Bank Limited	-	150,000,000
Bank Al-Falah Limited	-	150,000,000
The Farmers Bank Limited	200,000,000	-
Bank Asia Limited	-	300,000,000
HDFC Bank Limited	-	100,000,000
Dhaka Bank Limited	200,000,000	-
Trust Bank Limited	500,000,000	-
Janaka Bank Limited	-	300,000,000
The City Bank Limited	250,000,000	-
Avic Bangladesh Bank Limited	400,000,000	-
	<b>2,820,000,000</b>	<b>1,650,000,000</b>

## 5.2 Financial Institutions

	31.12.2015	31.12.2014
Union Capital Limited	80,000,000	80,000,000
IFDC	-	80,000,000
IFDC	-	50,000,000
MIDAS Finance Limited	50,000,000	-
Forest Finance and Invest Limited	200,000,000	-
Bangladesh Finance and Investment Company Limited	90,000,000	-
People's Leasing and Finance Ltd.	100,000,000	50,000,000
BRFL	140,000,000	60,000,000
Premier Leasing and Finance Limited	100,000,000	150,000,000
DBI Finance Corporation Limited	80,000,000	200,000,000
United Leasing Company Limited	50,000,000	-
International Leasing and Finance Limited	-	150,000,000
IDIC	-	300,000,000
	<b>790,000,000</b>	<b>890,000,000</b>

## 6. Investments

	(Note 6.1)	30,212,471,101
Government Securities	35,379,707	30,212,471,101
Other Investments	5,832,764	151,814,027
	<b>35,912,471</b>	<b>30,364,285,128</b>

## 6.1 Government Securities

	(Note 6.1)	11,668,330,182
Treasury Bills and Reserve Repo	5,330,585,000	11,668,330,182
Treasury Bonds	20,972,327,753	18,765,187,719
Bangladesh Bank Bill	9,970,460,116	-
Price Bond	2,523,300	2,475,200
Debtenture	1,531,579,569	30,524,971,101

## 6.1.1 Treasury Bills (at revalued Amount)

	774,13,038
84 Days Government Treasury Bills	-
182 Days Government Treasury Bills	-
91 Days Government Treasury Bills	-
28 Days Government Treasury Bills	-
91 Days Reverse Repo-Bangladesh Bank	-
	<b>1,349,559,351</b>

## 6.1.2 Reverse Repo

	1,688,779,893
Reverse Repo Banks and NBFLs	5,330,585,000
Reverse Repo-Bangladesh Bank	1,688,779,893
	<b>1,688,779,893</b>

## 6.1.2 Treasury Bonds (at revalued Amount)

	11,668,330,182
02 Years Government Treasury Bond	32,24,24,187
05 Years Government Treasury Bond	9,22,33,849
10 Years Government Treasury Bond	9,05,45,217
15 Years Government Treasury Bond	1,02,196,918
20 Years Government Treasury Bond	298,126,004
	<b>11,668,330,182</b>

## 6.1.3 Debtentures

	3,500,000
20 years IFDC Debtenture	3,500,000

## 6.1.4 Other Investments

	(Note 6.1.2)	151,814,027
Shares	46,132,434	35,032,172
Investment others (Monetary Coin)	6,650	49,000
Mutual Trust Bank Fund	10,500,000	70,000,000
	<b>516,719,514</b>	<b>42,880,172</b>

## 6.1.5 Shares

	(Note 6.1.2)	31,277,972
Quoted (Publicly Traded)	49,759,494	31,277,972
Unquoted companies	15,986,927	-
	<b>484,152,414</b>	<b>35,032,172</b>

## 6.3 Investment in Securities are classified as per Bangladesh Bank Circular

	14,304,359,653
Held To Maturity (HTM)	15,355,499,784
Held For Trading (HFT)	20,020,777,924
	<b>15,355,499,784</b>

## 6.3.1 Held To Maturity (HTM)

	14,304,359,653
Treasury Bond	15,355,499,784
Treasury Bill and reverse repo	14,304,359,653
	<b>14,304,359,653</b>

## 6.3.2 Held For Trading (HFT)

	3,080,888,066
Treasury Bond	4,681,223,970
Bangladesh Bank Bill	5,330,585,000
Treasury Bill and reverse repo	20,020,777,924
	<b>11,668,330,182</b>

## 6.3.3 Treasury bond and treasury bills are categorized into HTM and HFT as per Bangladesh Bank Circular. HTM securities are measured at amortized value of each year end by taking into account any premium or discount on acquisition. Any decrease in value for amortization loss of such investment is transferred to profit and loss account of year by year. Increase in value for amortization gain of such investments is transferred to revaluation reserve account and shown in the equity. Such gains are credited into income account at the time of maturity or sale of the security/HFT security are transferred to profit and loss account of year in I/YL account and gains is shown as revenue under capital account. Securities are shown as revalued amount.

## 6.4 Assets pledged as security

	88,480,971,622
Assets in the amounts shown below were pledged as security for the following liabilities	88,480,971,622
Liabilities to customers	91,889,210
	<b>88,480,971,622</b>

## 6.5 Maturity Grouping of Investments

	3,479,244,474
On demand	5,499,560,861
Up to 1 month	10,025,403,116
Over 1 month but not more than 3 months	296,600,007
Over 3 months but not more than 1 year	1,907,199,814
Over 1 year but not more than 3 years	8,981,109,174
Over 5 years	9,501,522,952
	<b>3,479,244,474</b>

## 7. Loans & Advances

	(Note 7.1)	88,480,971,622
Loans, Cash Credit & Overdraft etc.	127,685,344,784	88,480,971,622
Bills purchased & discounted	1,813,402,217	91,889,210
	<b>129,498,747,001</b>	<b>88,480,971,622</b>

## 7.1 Loans

	(Note 7.1)	88,480,971,622
In Bangladesh	88,480,971,622	88,480,971,622
Loans	47,209,497,180	27,662,244,292
Cash credit	32,710,981,180	26,207,212,141
Overdraft	181,754,751	12,245,255,205
Others	29,520,188,711	22,411,046,984
	<b>127,685,344,784</b>	<b>88,480,971,622</b>

## 7.1.1 Loans

	31.12.2015	31.12.2014
Loan General	2,242,413,836	3,247,550,751
Term Loan	44,907,083,500	24,354,044,641
	<b>47,149,497,336</b>	<b>27,662,595,392</b>
<b>7.1.2 Overdraft</b>		
SOP agt Other Bank's Own FRP	273,628,077	281,193,727
SOP agt Other Bank's Own FRP	4,188,311	2,653,603
SOP agt Other Bank's Own FRP	262,008,479	1,649,760,490
SOP for issuance of C/D/S/O/S/P/O	26,043,448	32,232,879
Temporary Overdraft	11,440,828	20,857,150
Overdraft Secured Mortgage	15,160,082,246	7,999,272,557
Overdraft Secured (Other Securities)	1,432,387,651	1,076,440,385
Overdraft (Clean)	125,390,123	1,764,002,774
	<b>181,754,751</b>	<b>12,245,255,205</b>
<b>7.1.3 Others</b>		
Export Credit/Loan Against Packing Credit	377,931,876	497,126,877
Payment Against Documents	120,279,480	33,489,889
Loan Against Trade Receipt	8,054,474,134	5,800,430,430
Other short term advance	71,624,759	71,624,759
Work order advance	46,631,173	62,800,811
Loan against Gov. Fund and other scheme	70,185,460	82,734,757
Loan to NBFL	1,322,956,798	1,001,444,944
Real Estate Loan	72,946,488,505	49,523,309,466
Transport loan	6,523,615,930	6,257,475,622
Consumer Credit	7,999,992	-
Mega Credit Financing	21,433,411,248	1,641,139,296
Synthetic MLC Loan	1,924,760,174	1,368,279,880
Staff Loan	965,027,761	1,041,046,984
	<b>29,520,188,711</b>	<b>24,411,046,984</b>

## 7.1.2 Bills purchased & discounted

	1,813,402,217	91,889,210
In Bangladesh	1,813,402,217	91,889,210
Outside Bangladesh	-	-
	<b>1,813,402,217</b>	<b>91,889,210</b>

## 7.1.3 Loans considered good in respect of which the banking company is fully secured.

	51,221,272,423
(i) Loans considered good in respect of which the banking company is fully secured.	51,221,272,423
(ii) Loans considered good in respect of which the banking company has no other security other than debtor's personal guarantee.	9,897,962,114
(iii) Loans considered good secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtor.	3,784,579,246
(iv) Loans adversely classified - provision maintained for them against:	66,903,813,636
	<b>66,903,813,636</b>

## 7.2 Liabilities of Assets Pledge as Security/Guarantors

	113,091,933,645
Nature of the secured assets	113,091,933,645
Fixed assets	123,992,956,829
Cash and quasi-cash	2,879,679,338
Others	8,559,307,478
	<b>135,468,213,645</b>

## 7.3 Particulars of Loans and Advances

	51,221,272,423
(i) Loans considered good in respect of which the banking company is fully secured.	51,221,272,423
(ii) Loans considered good in respect of which the banking company has no other security other than debtor's personal guarantee.	9,897,962,114
(iii) Loans considered good secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtor.	3,784,579,246
(iv) Loans adversely classified - provision maintained for them against:	66,903,813,636
	<b>66,903,813,636</b>

## 7.1.1 Loans

	31.12.2015	31.12.2014
Loan General	2,242,413,836	3,247,550,751
Term Loan	44,907,083,500	24,354,044,641
	<b>47,149,497,336</b>	<b>27,662,595,392</b>

## 7.1.2 Overdraft

	273,628,077	281,193,727
SOP agt Other Bank's Own FRP	4,188,311	2,653,603
SOP agt Other Bank's Own FRP	262,008,479	1,649,760,490
SOP for issuance of C/D/S/O/S/P/O	26,043,448	32,232,879
Temporary Overdraft	11,440,828	20,857,150
Overdraft Secured Mortgage</		





**11. Non-Interest bearing Accounts**

	31.12.2015	31.12.2014
	Taka	Taka
Current and Other Accounts (Note 11.1)	4,585,286,698	3,441,081,238
Bi-Party (Note 11.2)	4,199,700,700	3,029,972,424
	<b>8,784,987,398</b>	<b>6,471,053,662</b>

**11.1 Current and Other Accounts**

Current Account	2,935,787,020	1,816,174,833
Margin Deposit	1,355,823,174	1,265,893,145
Sundry/Other Deposit	466,000,000	2,605,545,260
Margin/Sundry Deposit	-	-
	<b>4,757,610,294</b>	<b>3,687,613,238</b>

**11.2 Bills Payable**

Payment Order	612,667,950	1,024,868,335
Demand Draft	2,970,772	1,899,091
	<b>615,638,722</b>	<b>1,026,767,426</b>

**11.3 Interest bearing Account**

Savings Bank Deposits (Note 11.2.1)	3,497,315,210	2,490,512,578
Fixed Deposits, NDS, Other Deposit Scheme (Note 11.2.2)	139,131,066,687	132,818,117,299
Current Deposit	149,236,428	145,957,527
	<b>142,964,642,325</b>	<b>135,454,617,434</b>

**11.2.1 Savings Bank Deposits**

Short Notice Deposits	131,540,720,381	158,899,669,658
Term Deposits	115,864,766,683	111,794,656,352
Other Deposit Scheme	2,311,575,246	5,818,652,289
	<b>149,717,062,310</b>	<b>176,513,018,299</b>

**11.2.2 Fixed Deposits**

Payable on Demand	2,980,076	1,586,499
Less than 01 Month	7,500,000,000	1,000,343,649
Above 01 Month but not more than 6 Months	-	2,840,000,000
Above 6 Months but not more than 1 Year	-	-
Above 01 Year but not more than 05 Years	-	-
Above 05 Years but not more than 10 Years	-	-
	<b>7,502,980,076</b>	<b>3,848,850,138</b>

**11.3 Maturity Grouping of other deposits & inter-bank deposits**

	31.12.2015	31.12.2014
Payable on Demand	12,134,365,374	11,613,329,299
Less than 01 Month	27,278,330,902	30,719,919,745
Above 01 Month but not more than 6 Months	41,524,200,000	50,271,816,652
Above 6 Months but not more than 1 Year	55,387,197,789	48,217,855,085
Above 01 Year but not more than 05 Years	10,254,482,674	11,025,025,860
Above 05 Years but not more than 10 Years	5,174,658,656	4,954,400,720
	<b>142,964,642,325</b>	<b>135,454,617,434</b>

**12. Other liabilities**

Interest Payable on Deposits	2,953,496,394	4,817,724,085
Interest Payable on Borrowing (Note 15)	877,133,231	881,812,582
Provision for Taxes	4,831,212,662	4,831,212,662
Privileged Creditors	208,142,789	180,280,308
Provision for Gratuity (Note 12.7)	92,154,562	79,067,582
Provision for Welfare Fund	14,253,307	14,253,307
Interest Suspense Account (Note 12.5)	7,268,598,515	4,186,936,536
Provision for other assets	652,926,693	2,086,297
Provision for Es Gratia/Incentive Bonus	92,898,424	92,898,424
Deposit Insurance Premium Payable	10,755,589	7,899,393
Provision for Expenses	8,466,229,846	8,466,229,846
Sundry Creditors	3,057,138	3,559,021
Provision for Loan and Advances	43,429,377	430,306,492
Provision for Off Balance Sheet Exposures (Note 12.3)	106,112,712	142,712,112
Miscellaneous Creditors	2,712,525	1,886,743
Benevolent Fund	5,000,000	2,500,000
Provision for salary of reinstated employees	16,466,406	16,466,406
Other provision	6,225,243	1,872,199
Amount kept for Loan inter-lender repayment	-	94,000
Excess Cash	100,000,000	69,000
Provision for Superannuation Fund	4,399,000	10,000,000
Provision for statutory	-	4,399,000
Branch Adjunctive Account	-	54,233,435
Various Advances and Rating Fees	-	97,200
Provision General Ledger (Net)*	-	17,055,025
	<b>18,046,241,566</b>	<b>18,046,241,566</b>

\*Under multi currency concept an organization maintains detailed statement of affairs for each of its currency in detail including base(BDT) currency and an consolidated statement of affairs of all currencies converted into local currency. In the consolidated affairs all the assets and liabilities in foreign currencies are converted to 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. The GL accounts are maintained in the bank account by 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 shows the available funds in different currencies with which the bank can trade. As value of any currency undergo change, Position in that currency needs to be varied from time to time and necessary adjustment are made through these GL.

**12.1 Provision for Classified Loan (A)**

Provision held at beginning of the year	3,964,654,319	3,979,185,319
Provision Provided (Ded. Written off) Interest Waived	-	(1,453,000)
Recovery from Earlier Written off Loan	-	-
Special Provision for Current Year	-	-
Provision not Required	-	-
Specific Provision for the year	1,926,017	-
Provision held at the end of the year	<b>3,966,280,336</b>	<b>3,964,654,319</b>

**12.2 Provision for Unclassified Loan (B)**

Provision held at beginning of the year	341,731,723	341,731,723
Recoveries and provisions no longer required/adjusted	-	-
Specific Provision for the year	16,600,000	-
Provision held at the end of the year	<b>358,331,723</b>	<b>341,731,723</b>
Total of 12.1 and 12.2	<b>4,324,612,059</b>	<b>4,306,386,042</b>

**12.3 Provision for off Balance Sheet Items (C)**

Provision held at beginning of the year	142,397,112	142,397,112
Recoveries and provisions no longer required	(6,821,330)	-
Specific Provision for the year	106,181,075	143,297,813
Provision held at the end of the year	<b>141,756,857</b>	<b>142,397,112</b>
Total loss Provision (A+B+C)	<b>4,466,388,156</b>	<b>4,448,883,154</b>

**12.4 Provision for other assets**

Provision for Classified Block Account	-	19,330,000,000
BASIC Zaman Tour	759,909,993	759,909,993
Banking Branch	101,233,598	159,000,000
Undisputed suspense account-Gulshan Branch	2,526,208	2,300,000
Undisputed suspense account-Dharmapala	1,053,000	-
Investment in Government Fund	-	4,201,760
Provision for protected bill-Legal Fee Income receivable	3,940,000	3,940,000
Investment in Government Fund	620,400,000	-
Suspense Account(Head Office)/Medical Bill	1,194,243	-
Provision for protected bill(SHPP)	20,244,741	-
Provision for protected bill-BCI	8,597,275	-
Total required provision for other assets	<b>1,579,226,691</b>	<b>20,262,381,753</b>
Provisions maintained for other assets	629,282,699	3,948,292
Provision excess(shortfall)	<b>(949,938,000)</b>	<b>(18,214,471,561)</b>

**12.5 Interest Suspense Account**

Balance at the beginning of the year	4,186,936,536	1,729,159,357
Transferred During the Year	4,696,963,369	2,969,366,896
Recovery During the Year	(1,240,995,548)	(1,240,995,548)
Written Off/Waived During the Year	(20,284,560)	(87,253)
Balance at the end of the year	<b>7,248,998,515</b>	<b>4,186,936,536</b>

**12.5.a Segregation of Interest Suspense Account**

Interest Suspense for Loans and Advances	7,248,998,515	2,344,088,721
Interest Suspense for Classified Block Accounts	-	1,842,842,812
	<b>7,248,998,515</b>	<b>4,186,936,537</b>

**12.6 Branch adjustments account represents outstanding inter branch and head office transaction (Net) originated. The un-repudiated entries of 31.12.15 are as follows:-**

Particulars	No. of Un-repudiated entries		Amount of Un-repudiated entries	
	Dr.	Cr.	Dr.	Cr.
Up to 03 Months	191	140	281,523	206,269
Over 03 Months but within 06 Months	1	-	13,566	-
Over 06 Months but within 01 Year	-	-	-	-
Over 01 Year but within 05 Years	-	-	-	-

**12.7 Provision for Gratuity**

Opening Balance	790,270,582	691,355,314
Less Adjusted/Paid during the year	(44,934,088)	(131,112,462)
	745,336,494	560,242,852
Add: Provision made for the current year	12,782,066	11,423,728
Closing Balance	<b>758,118,560</b>	<b>671,666,580</b>

**13. Capital**

Authorized	250,000,000 ordinary shares of Tk.100.000 each	25,000,000,000	25,000,000,000
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**13.2 Issued, Subscribed and Paid up Capital**

The Issued, Subscribed and Paid up Capital of the Bank as follows:		
2,949,825 Ordinary Shares of Tk.100 Each	2,949,825,000	2,949,825,000
7,000,000 Ordinary Shares of Tk.100 Each	7,000,000,000	-
<b>10,949,825 Ordinary Shares of Tk.100 Each</b>	<b>9,949,825,000</b>	<b>2,949,825,000</b>

The Government of People's Republic of Bangladesh is the Sole Owner/Shareholder of the Bank and all the Ordinary Shares are Issued with the Ministry of Finance. 7,000,000 New Ordinary Shares of Tk.100 each issued during the year 2015.

**13.3 Risk-weighted Assets and Capital Ratios as Defined by the Basel Capital Accord**

In terms of section 13(1) of Bank Company Act 1991 (amendment 2013) and Bangladesh Bank BPP Circular No. 18 dated 21 December 2014 required capital, available core and supplementary capital of the Bank for the period ended as on 31 December 2015 is shown below:-

	31.12.2015	31.12.2014
	Taka	Taka
<b>Tier-1 Capital (Eligible Tier-1)</b>		
Deferred tax assets	10,846,982,500	2,946,982,500
Paid up Capital	2,224,690,642	2,224,690,642
Statutory Reserve	49,000,000	49,000,000
General Reserve	(4,720,382,957)	(1,580,021,384)
Retained Earnings	10,800,000,000	9,105,000,000
Other Free Reserve	24,391,200,185	12,756,621,758
Sub-Total	(34,244,111,882)	(19,331,287,762)
Provision Shortfall for loans and advance	(440,154,422)	(19,330,000,000)
Provision Shortfall for Classified Blocked Assets loans**	(14,684,164,004)	(18,641,287,762)
Total adjustments	(10,292,875,819)	(25,246,436,004)
<b>Additional Capital (Tier-2)</b>		
Non-qualitative irrevocable preference share	1,205,000,000	-
Total Tier-1 Capital	(9,087,875,819)	(25,246,436,004)
<b>Tier-2 Capital</b>		
Supplementary Capital	358,336,027	341,731,723
General Provisions Maintained against Unclassified Loan	106,185,777	142,371,112
Provision for Off-Balance Sheet Items	119,509,000	138,635,011
Exchange Equalization	4,754,991,814	6,627,748,846
Revaluation Reserve of HTM and HFT Securities*	(8,521,246,000)	(15,319,213,881)
<b>Total regulatory capital (Tier-1 + Tier-2)</b>		
A. Total regulatory capital (Tier-1 + Tier-2)	(8,087,875,819)	(25,246,436,004)
Total Capital (Tier-1)	(8,087,875,819)	(25,246,436,004)
Total Capital (Tier-2)**	375,428,811	-
<b>Total Eligible Capital (Tier-1 + Tier-2)</b>	<b>(8,413,304,630)</b>	<b>(25,014,636,004)</b>
<b>B. Risk Weighted Assets</b>		
Balance Sheet Business	108,148,200,000	87,599,200,000
Off-Balance Sheet Business	4,285,600,000	4,715,000,000
<b>Total Risk-weighted Assets</b>	<b>112,433,800,000</b>	<b>92,314,200,000</b>
<b>C. Required Capital on Risk Weighted Assets</b>		
(10% on Total Risk Weighted Assets)	11,243,380,000	9,231,420,000
Total Capital Surplus / (Shortfall) [A-C]	(19,765,806,000)	(35,161,856,004)
<b>D. Capital Ratio (%)</b>		
Total Capital Ratio (%)	7.55	(28.07)
Capital Requirement		
Common Equity Tier-1	Hold(%)	Hold(%)
	(9.13)	-
Core Capital (Tier-1)	(8.61)	(28.07)
Supplementary Capital (Tier- II)	(0.50)	-
	7.55	(28.07)

\* In 2014 presentation is given as per Basel II and in 2015 presentation is given as per Basel III

\*\* As per guidelines on Risk Based Capital Adequacy the amount of Tier-2 capital will be limited to 100% of the amount of Tier-1 capital

\*\*\* In 2014 Shortfall in provision required against other assets shown Tk. 20,262,281,753 including Tk. 19,130,000,000 for identified Blocked Assets and Tk. 900,281,753 for other assets. The per-basis guidelines provision shortfall for loans and advances to be adjusted from core capital. As such necessary correction has been made for 2014 in this figure.

**14. Statutory Reserve**

Opening Balance at the Beginning of the year	2,224,690,642	2,224,690,642
Add: Addition During the Year (20% of pre-tax Profit)	2,224,690,642	2,224,690,642

As per section 14 of Bank Company Act 1991, 20% of pre-tax profit is to be transferred to Statutory Reserve Account. In 2015 required 14% Statutory Reserve was not provided due to insufficiency of distributable profit.

**15. Other Reserve**

General Reserve (Note 15.1)	40,000,000	40,000,000
Reserve Provision (Note 15.2)	150,795,867	277,270,022
Share Money deposited	14,000,000,000	7,900,000,000
Non-compliance provision share	1,205,000,000	-
	<b>17,595,795,867</b>	<b>8,422,270,022</b>

**15.1 General Reserve**

Opening Balance at the Beginning of the Year	40,000,000	40,000,000
Add: Addition During the Year	40,000,000	40,000,000
	<b>80,000,000</b>	<b>80,000,000</b>

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)**

Gain on revaluation	361,762,397	8,203,285
Amortization of discount of HTM (Note 15.2.1)	10,866,628	279,031,115
	372,629,025	287,234,400
Less: Loss on revaluation/amortization of HTM Securities (Note 15.2.3)	(21,778,130)	(9,044,390)
	<b>350,850,895</b>	<b>278,190,010</b>

**1**



	2015 Taka	2014 Taka
<b>24. Rent, Taxes, Insurance, Electricity Etc.</b>		
Rent	248,349.763	237,686.307
Rates, Taxes and VAT	287,517.11	2,706,926.26
Utilities (Electricity and heating insurance)	1,414,209.82	63,329,072.51
Insurance	30,943,354.21	23,524,571.21
	<b>32,993,427.90</b>	<b>301,644,876.75</b>
<b>25. Legal &amp; Professional Expenses</b>		
Professional Fees (Note 25.1)	1,008,212.11	1,122,736.78
Legal Expenses (Note 25.2)	12,310,516.22	8,226,699.22
	<b>13,318,728.33</b>	<b>9,349,436.00</b>
<b>25.1 Professional Expenses</b>		
Consultancy Fee	384,000.00	675,000.00
Management Fees	2,250.00	-
Event Management Fee	-	336,961.00
Other Professional Expenses	38,000.00	6,071.00
Other Professional Fee	675,611.21	1,044,900.00
	<b>1,068,212.21</b>	<b>1,122,736.78</b>
<b>25.2 Legal Expenses</b>		
Lawyers Fees	2,113,351.00	3,101,199.00
Law Charges	54,332.00	662,163.00
Notary Public Fees	10,900,000.00	11,929,400.00
Stamp Charges and Court Fees	19,536.00	291,405.00
Other Legal expenses	9,653,292.00	4,172,724.00
	<b>12,310,516.22</b>	<b>8,226,699.22</b>
<b>26. Postage, Stamps, Telecommunication etc.</b>		
Postage	45,889.00	97,933.00
Courier Services	9,496,198.00	11,390,912.00
Telephone	23,946,694.00	24,346,194.00
Fax	40,040.00	79,660.00
Smith Subscription and cable Charges and web hosting charge	6,112,112.00	8,146,620.00
Stamp	23,188.00	175,756.00
Internet and e-mail	9,149,883.00	18,950,270.00
	<b>43,133,957.00</b>	<b>63,636,337.00</b>

Annexure-A

Name of the Bank	A/C Type	2015		2014	
		Amount in FC	Amount in BDT	Amount in FC	Amount in BDT
1. IDITY Limited	CD	134,929,534.24	10,502,029.09	37,200,273.75	3,525,524.24
2. AB Bank (Mumbai)	CD	1,103,245.78	86,605.00	1,103,245.78	77,935.00
3. Summit (AV) (Bangladesh) Bank Ltd.	CD	1,103,245.78	86,605.00	1,103,245.78	85,998.00
4. Bank (Kerala)	CD	1,103,245.78	86,605.00	1,103,245.78	77,935.00
5. UTM (M) (Bangladesh) Bank Ltd.	CD	1,103,245.78	86,605.00	1,103,245.78	77,935.00
6. Bangladesh Bank Ltd.	CD	4,645,400.00	364,634.00	4,645,400.00	291,405.00
7. ITI Bank (Mumbai)	CD	4,645,400.00	364,634.00	4,645,400.00	291,405.00
8. Bank of Chittagong	CD	4,645,400.00	364,634.00	4,645,400.00	291,405.00
9. Bank of Dhaka	CD	4,645,400.00	364,634.00	4,645,400.00	291,405.00
10. Dhaka Bank (Av) (Ltd)	CD	4,645,400.00	364,634.00	4,645,400.00	291,405.00
11. SCB, New York	CD	4,645,400.00	364,634.00	4,645,400.00	291,405.00
12. SCB, New York	CD	4,645,400.00	364,634.00	4,645,400.00	291,405.00
13. SCB, New York	CD	4,645,400.00	364,634.00	4,645,400.00	291,405.00
14. REP, Geneva	CD	4,645,400.00	364,634.00	4,645,400.00	291,405.00
15. REP, Geneva	CD	4,645,400.00	364,634.00	4,645,400.00	291,405.00
16. HSBC, Frankfurt	CD	4,645,400.00	364,634.00	4,645,400.00	291,405.00
17. HSBC, Frankfurt	CD	4,645,400.00	364,634.00	4,645,400.00	291,405.00
18. HSBC, Frankfurt	CD	4,645,400.00	364,634.00	4,645,400.00	291,405.00
19. HSBC, Frankfurt	CD	4,645,400.00	364,634.00	4,645,400.00	291,405.00
20. HSBC, Frankfurt	CD	4,645,400.00	364,634.00	4,645,400.00	291,405.00
21. HSBC, Frankfurt	CD	4,645,400.00	364,634.00	4,645,400.00	291,405.00
22. HSBC, Frankfurt	CD	4,645,400.00	364,634.00	4,645,400.00	291,405.00
23. HSBC, Frankfurt	CD	4,645,400.00	364,634.00	4,645,400.00	291,405.00
24. HSBC, Frankfurt	CD	4,645,400.00	364,634.00	4,645,400.00	291,405.00
25. HSBC, Frankfurt	CD	4,645,400.00	364,634.00	4,645,400.00	291,405.00
26. HSBC, Frankfurt	CD	4,645,400.00	364,634.00	4,645,400.00	291,405.00
<b>Total</b>		<b>402,653,998.00</b>	<b>31,577,229.00</b>	<b>402,653,998.00</b>	<b>31,577,229.00</b>

Name of the Client	Outstanding as on 31.12.2015			Outstanding as on 31.12.2014		
	Funded	Non Funded	Total	Funded	Non Funded	Total
1. IFC CHEMICALS (INDIA) CORP (BCH)	51,873.12	1,223.50	53,096.62	79,428.00	-	79,428.00
2. AMARJI RANI LIMITED	42,462.00	-	42,462.00	10,874.00	-	10,874.00
3. SPECIALTY PAPER MILLS & ALIZED	37,979.00	-	37,979.00	10,024.00	-	10,024.00
4. AVTELL TEX AND ALLEGRABOBYING	19,262.50	540.00	19,802.50	22,759.00	-	22,759.00
5. VASAVI FASHIONS & ALIZED	15,824.00	-	15,824.00	15,824.00	-	15,824.00
6. OPE PROPERTIES LTD & ALIZED	15,243.00	-	15,243.00	18,718.00	-	18,718.00
7. NEW BRICK CITY DEVELOPMENT LTD	14,808.00	-	14,808.00	12,514.00	-	12,514.00
8. METRO CARBON LTD AND ALIZED	14,000.00	-	14,000.00	13,931.00	-	13,931.00
9. NISARGOR AGRO & ALIZED	12,582.00	1,381.00	13,963.00	13,774.00	-	13,774.00
10. FINANCIAL INVESTMENT DEVELOPMENT COMPANY LTD.	11,612.00	-	11,612.00	12,614.00	-	12,614.00
11. BEING GROUP	11,292.00	10.00	11,302.00	-	-	-
12. BETA SYSTEMS LIMITED	11,000.00	-	11,000.00	12,811.00	-	12,811.00
13. EMERALD OIL & ALIZED	12,001.00	130.00	12,131.00	-	-	-
14. BRIGHT WEAVING LTD	11,776.00	-	11,776.00	-	-	-
15. DESSANY BITE	11,724.00	-	11,724.00	-	-	-
16. DE NAVIGATION LIMITED	11,700.00	-	11,700.00	9,867.00	-	9,867.00
17. ARISTOCAL	11,700.00	-	11,700.00	11,700.00	-	11,700.00
18. CRYSTAL STEELS & SHIP BREAKING LIMITED	11,700.00	-	11,700.00	11,024.00	-	11,024.00
19. PRODUCTION TEXTILES LIMITED	11,624.00	-	11,624.00	10,064.00	-	10,064.00
20. MAXYS	11,122.00	-	11,122.00	-	-	-
21. DAY NAVIGATION LTD	10,944.00	39.00	11,024.00	-	-	-
22. AS SHIP SHIPPING & ALIZED	-	-	-	15,770.00	-	15,770.00
23. DE NAVIGATION LTD & ALIZED	-	-	-	11,357.00	-	11,357.00
24. SONAR BANGLA NATIONAL AGRO & ALIZED	-	-	-	11,088.00	-	11,088.00
25. A.S.S. ENTERPRISE	-	-	-	10,629.00	-	10,629.00
26. TROPICAL FOODS DEVELOPMENT LTD.	-	-	-	10,244.00	-	10,244.00
27. NEW AUTO DEFENSE	-	-	-	10,187.00	-	10,187.00
28. WESTERN HOUSING LTD. AND ALIZED	-	-	-	10,154.00	-	10,154.00
<b>TOTAL</b>	<b>347,811.00</b>	<b>3,335.00</b>	<b>351,146.00</b>	<b>321,660.00</b>	<b>-</b>	<b>321,660.00</b>

Annexure-C

Sl. No.	Name of the Client	Outstanding as on 31.12.2015			Outstanding as on 31.12.2014		
		Funded	Non Funded	Total	Funded	Non Funded	Total
1	ICF CHEMICALS (INDIA) CORP (BCH)	51,873.12	1,223.50	53,096.62	79,428.00	-	79,428.00
2	AMARJI RANI LIMITED	42,462.00	-	42,462.00	10,874.00	-	10,874.00
3	SPECIALTY PAPER MILLS & ALIZED	37,979.00	-	37,979.00	10,024.00	-	10,024.00
4	AVTELL TEX AND ALLEGRABOBYING	19,262.50	540.00	19,802.50	22,759.00	-	22,759.00
5	VASAVI FASHIONS & ALIZED	15,824.00	-	15,824.00	15,824.00	-	15,824.00
6	OPE PROPERTIES LTD & ALIZED	15,243.00	-	15,243.00	18,718.00	-	18,718.00
7	NEW BRICK CITY DEVELOPMENT LTD	14,808.00	-	14,808.00	12,514.00	-	12,514.00
8	METRO CARBON LTD AND ALIZED	14,000.00	-	14,000.00	13,931.00	-	13,931.00
9	NISARGOR AGRO & ALIZED	12,582.00	1,381.00	13,963.00	13,774.00	-	13,774.00
10	FINANCIAL INVESTMENT DEVELOPMENT COMPANY LTD.	11,612.00	-	11,612.00	12,614.00	-	12,614.00
11	BEING GROUP	11,292.00	10.00	11,302.00	-	-	-
12	BETA SYSTEMS LIMITED	11,000.00	-	11,000.00	12,811.00	-	12,811.00
13	EMERALD OIL & ALIZED	12,001.00	130.00	12,131.00	-	-	-
14	BRIGHT WEAVING LTD	11,776.00	-	11,776.00	-	-	-
15	DESSANY BITE	11,724.00	-	11,724.00	-	-	-
16	DE NAVIGATION LIMITED	11,700.00	-	11,700.00	9,867.00	-	9,867.00
17	ARISTOCAL	11,700.00	-	11,700.00	11,700.00	-	11,700.00
18	CRYSTAL STEELS & SHIP BREAKING LIMITED	11,700.00	-	11,700.00	11,024.00	-	11,024.00
19	PRODUCTION TEXTILES LIMITED	11,624.00	-	11,624.00	10,064.00	-	10,064.00
20	MAXYS	11,122.00	-	11,122.00	-	-	-
21	DAY NAVIGATION LTD	10,944.00	39.00	11,024.00	-	-	-
22	AS SHIP SHIPPING & ALIZED	-	-	-	15,770.00	-	15,770.00
23	DE NAVIGATION LTD & ALIZED	-	-	-	11,357.00	-	11,357.00
24	SONAR BANGLA NATIONAL AGRO & ALIZED	-	-	-	11,088.00	-	11,088.00
25	A.S.S. ENTERPRISE	-	-	-	10,629.00	-	10,629.00
26	TROPICAL FOODS DEVELOPMENT LTD.	-	-	-	10,244.00	-	10,244.00
27	NEW AUTO DEFENSE	-	-	-	10,187.00	-	10,187.00
28	WESTERN HOUSING LTD. AND ALIZED	-	-	-	10,154.00	-	10,154.00
<b>TOTAL</b>	<b>347,811.00</b>	<b>3,335.00</b>	<b>351,146.00</b>	<b>321,660.00</b>	<b>-</b>	<b>321,660.00</b>	

Note 1: In 2015 the capital of the Bank was negative. As such, loans allowed to customers/customers covering 10% of paid-up capital has been reported here as Per Bangladesh Bank approval.

	2015 Taka	2014 Taka
<b>27. Stationery, Printing, Advertisement etc.</b>		
Printing Stationery	8,842,711.00	8,481,941.00
Security Stationery	3,085,511.00	3,053,174.00
Other Stationery	18,545,507.00	24,304,424.00
Publicity, Advertisement and publication	8,242,390.00	28,374,527.00
	<b>38,721,619.00</b>	<b>64,214,066.00</b>
<b>27.1 Other Stationery</b>		
Office Stationery	3,059,960.00	2,441,538.00
Petty Stationery	500.00	-
Photograph and Photo copy	222,250.00	206,250.00
Envelopes and stamps	382,854.00	283,332.00
Other Stationery	10,900,000.00	15,934,199.00
Calendar	9,844,081.00	4,982,558.00
	<b>20,015,595.00</b>	<b>24,538,477.00</b>
<b>28. Managing Director's Salary</b>		
Basic Salary	2,400,000.00	1,561,290.00
Allowances	2,400,000.00	1,770,963.00
	<b>4,800,000.00</b>	<b>3,332,253.00</b>
<b>29. Director's Fees &amp; Meeting Expenses</b>		
VAT on directors fee	160,200.00	110,250.00
Director Honorarium	1,000,000.00	480,000.00
Entertainment	395,658.00	329,423.00
Director Remuneration	65,000.00	50,000.00
Other expenses	2,169.00	46,037.00
	<b>1,624,017.00</b>	<b>1,026,710.00</b>
<b>30. Depreciation of Bank's Assets</b>		
<b>Depreciation on own Assets</b>		
Furniture and Fixture	4,994,187.00	6,772,764.00
Interior Decoration	21,948,488.00	23,296,495.00
Computer Hardware and Peripherals	285,562.00	304,526.56
Computer Software	9,208,444.00	12,066,319.00
Machinery and Equipment	30,829,029.00	24,921,211.00
Vehicles	5,747,760.00	6,011,660.00
	<b>154,530,899.00</b>	<b>181,479,222.00</b>
<b>Depreciation on Leased Assets</b>		
Lease Equipment/Assets	46,001.00	46,001.00
	<b>154,576,899.00</b>	<b>181,525,223.00</b>