STATE OWNED SCHEDULED BANK2

Financial Statements 2008

Auditor's Report

TO THE SHAREHOLDERS OF BASIC BANK LIMITED

We have audited the accompanying Balance Sheet of BASIC Bank Limited as at 31 December 2008 and the related Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement and notes to the financial statements for the year then ended. These financial statements are the responsibility of the management of the Bank. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above which have been prepared in the format prescribed by Bangladesh Bank vide Circular no. 14 dated 25 June 2003 give a true and fair view of the state of affairs of the Bank as at 31 December 2008 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994, the Bank Company Act 1991, Rules and Regulations issued by Bangladesh Bank, Securities and Exchange Rules 1987 and other applicable laws and regulations.

We further report that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- in our opinion, proper books of accounts as required by law were kept by the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
- the Bank's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of accounts and returns;
- the expenditures incurred were for the purpose of the Bank's operations;
- the financial position of the Bank as at 31 December 2008 and the profit for the year then ended have been properly reflected in the financial statements, and the financial statements have been prepared in accordance with the generally accepted accounting principles;
- the financial statements have been drawn up in conformity with the Bank Company Act, 1991 and in accordance with the accounting rules and regulations issued by Bangladesh Bank;
- adequate provisions have been made for advances and other assets which are, in our opinion, doubtful of recovery;
- the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements; the financial statements conform to the prescribed standards set in the accounting regulations
- issued by Bangladesh Bank after consultation with the professional accounting bodies of
- the information and explanations required by us have been received and found satisfactory; Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR) with Bangladesh Bank
- have been maintained as per rule; as far as it was revealed from our test checks, the existing rules and regulations for loan
- sanctioning and disbursements have been followed properly; it appeared from our test checks that the internal control system was satisfactory and adequate to prevent probable frauds and forgeries;
- (xiv) adequate capital of the Bank, as required by law, has been maintained during the year under
- we were not aware of any other matters, which are required to be brought to the notice of the shareholders of the Bank;
- (xvi) 80% of the risk-weighted assets of the Bank have been audited: and
- (xvii) we have spent approximately 2,000 man hours for the audit of books and accounts of the Bank.

Dhaka, 22 February 2009

OTHER COMMITMENTS:

entary credit and short term trade-related transactions Forward assets purchased and forward Deposits placed Undrawn note issuance and revolving underwriting Undrawn formal standby facilities, credit lines and other

Total Off-Balance Sheet Items including Contingent Liabilities

The annexed notes form an integral part of the Balance Sheet

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10,808,780,318 10,189,525,373

Balance Sheet

As at 31 December 2008

AS de ST Dece	111001 2000		
	Notes	31.12.2008	31.12.2007
POSICIONE DE CARACTER DE LA CONTRACTOR DE CO	Notes	Taka	Taka
PROPERTY AND ASSETS			
Cash	3	2,641,007,853	2,125,018,037
Cash in Hand (including foreign currencies)	3	197,866,918	237,050,824
Balance with Bangladesh Bank & Sonali Bank (including		2,443,140,935	1,887,967,213
foreign currencies)		2,113,110,333	1,007,507,215
loreign currences/			
Balance With Other Banks & Financial Institutions	4	8,485,180,775	6,937,531,606
In Bangladesh		8,253,207,992	6,510,675,772
Outside Bangladesh		231,972,783	426,855,834
	-		4
Money at Call and Short Notice	5	1,480,000,000	1,320,000,000
Investments	6	5,688,017,566	5,303,391,104
Government		5,598,825,306	5,271,306,344
Others		89,192,260	32,084,760
Loans & Advances	7	27,269,131,180	22,263,349,609
Loans, Cash Credit & Over Draft etc.		24,344,733,475	20,047,920,838
Bills Purchased and Discounted		2,924,397,705	2,215,428,771
Premises and Fixed Assets	8	228,365,377	196,107,160
Trumbes and tixed resets	•	220,505,577	150,107,100
Other Assets	9	764,296,468	579,144,820
Deferred Tax Assets	36	95,534,955	49,363,500
1 T T T T T T T T T T T T T T T T T T T	30	93,334,933	49,303,300
Non-Banking Assets		-	-
Total Assets		46,651,534,174	38,773,905,837
N			
LIABILITIES & CAPITAL			
Borrowings from other banks / financial	10	1,708,404,250	1,385,810,725
Institutions and agents			And the second control of the second
Deposits and Other Accounts	11	38,368,237,432	31,947,979,100
Current Deposit and other Accounts etc		2,544,515,823	2,867,190,249
Bills Payable		328,491,359 955,508,366	290,755,264 886,304,853
Savings Bank Deposits Fixed Deposits		34,539,721,884	27,903,728,734
Bearer Certificate of Deposit		34,335,721,004	27,303,720,734
Other Deposits			
Other Liabilities	12	3,592,295,651	2,843,532,721
Total Liabilities		43,668,937,333	36,177,322,546
Total Liabilities		43,000,937,333	30,177,322,340
Capital / Shareholders' Equity			
Paid-up Capital	13	1,309,770,000	1,247,400,000
Statutory Reserve	14	1,295,263,804	1,045,085,405
Other Reserve	15	40,000,000	40,000,000
Surplus in Profit and Loss Account	16	304,512,647	129,477,308
Revaluation Reserve of HTM and HFT Securities Total Shareholders' Equity	16.2	33,050,390	134,620,578
Total Shareholders Equity		2,982,596,841	2,596,583,291
Total Liabilities & Shareholders' Equity		46,651,534,174	38,773,905,837
OFF-BALANCE SHEET ITEMS			
CONTINGENT LIABILITIES:	17	10 909 790 319	10,189,525,373
		10,808,780,318	
	-,	2 710 211 310	2 139 046 330
Acceptances and Endorsements Letters of Guarantee	-	2,710,211,319	2,139,046,330
Letters of Guarantee	-	2,002,299,467	1,924,920,407
		2,002,299,467 4,584,740,375	1,924,920,407 4,680,931,429
Letters of Guarantee Irrevocable Letters of Credit		2,002,299,467	1,924,920,407

Profit and Loss Account

3,829,432,686 2,866,572,741 Interest Income Interest paid on Deposits & Borrowings (1,928,472,617) 1,120,517,025 938,100,124 206,480,219 414,081,179 62,389,876 Income from Investment 674,076,716 489,186,616 ssion / Fees, Exchange Earnings & Brokerage TOTAL OPERATING INCOME (A) 1,621,051,399 **Operating Expenses** Salary & Allowances Rent, Taxes, Insurance, Electricity etc. Legal & Professional Expenses Postage, Stamp, Telecommunication etc. Stationery, Printing, Advertisement etc. Managing Director's Salary Directors' Fee 331,184,032 26,123,490 12,871,200 1,828,590 1,828,590 540,000 200,000 37,503,879 52,947,349 12,912,481 53,448,875 **817,276,813 1,534,117,320 Audit Fee** Charges on Loan Losses Depreciation of Bank's Assets Repair & Maintenance of Bank's Assets TOTAL OPERATING EXPENSES (B) 529,942,620 1,091,108,779 Operating Profit / (Loss) Before Provision (C) = (A - B) 232,875,540 43,700,000 Provision for Loan & Advances Provision for Off Balance Sheet Exposures Provision for Diminution in Value of Investme Provision for Protested Bill 6.390.039 283,225,323 282,965,579 Net Profit / (Loss) before Tax (C - D) 808,143,200 1,250,891,997

Provision for Current Tax 747,109,713 545.839.928 (20,661,814) **282,965,086** Provision for Deferred Tax (46,171,454) **549,953,738** Net Profit / (Loss) after Tax Statutory Reserve 250.178.399 161.628.640

Retained Surplus Earning Per Share (EPS)

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

Cash Flow Statement

For the year ended 31 December 2008

Tot the year chided 51 December 2000		
ash Inflows from Operating Activities terest Received in Cash tividend Received in Cash widend Received in Cash ecovery of Loans Previously Written off ash Pald to Employees ash Pald to Suppliers income Tax Pald eceived from Other Operating Activities (Item-Wise) plant from the Coperating Activities (Item-Wise) prevarting Profit before Changes in Operating Assets and Liabilities	4,305,245,957 (2,423,325,272) 5,429,204 489,186,614 1,389,616 (405,147,119) (20,750,260) (486,669,983) 64,455,317 (192,812,247)	3,054,156,410 (1,618,246,317) 5,560,480 414,081,179 5,626,068 (295,781,826) (12,871,200) (541,874,003) 54,687,145 (139,902,279) 826,435,657
hanges in Operating Assets and Liabilities: tatutory Deposit urchase/sales of Trading Securities oans and Advances to Customers ther Assets (Item-Wise) eposits from Other Banks eposits from Customers	(316,504,038) 3,155,561,000 (1,512,551,048) (5,005,781,571) (40,871,902) (5,382,000) 3,270,079,333 (1,71,573,673)	3,287,946,883 1,359,986,000 (1,425,400,000) (3,263,344,921) 154,247,833 (23,671,000) 6,527,004,710

3 Cash Inflows from Investing Activities Proceeds from Sale of Securities Cash Payments for Purchase of Securities Purchase of Fixed Assets Net cash flow from/(used in) Investing Activities

Net cash flow from Operating Activities

C Cash inflows from financing activities Increase/(Decrease) of Long Term Borrowi **Net cash flow from Financing Activities**

Effects of Exchange Rate Changes on Cash and Cash Equivalent Opening Cash and Cash Equivalent Closing Cash and Cash Equivalent Analysis of Closing Cash and Cash Equivalent Cash in Hand and Balance with Bangladesh Bank and Sonali Bank

The annexed note forms an integral part of the Cash Flow Statement.

Cash with Other Banks Money at Call and Short Notice min This is the Cash Flow Statement referred to in our separate report of even date.

Sometimes &

2,190,115,456 (1,163,761,058)

(86,626,820)

260,223,525

8,485,180,776

10,382,549,643 6,464,241,034 12,606,188,630 10,382,549,643

299,775,338

121,336,446

4,114,382,539

(609,616,644) (87,062,414)

(691,818,672)

ACNABIN

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2008

Particulars	Paid-up Capital	Statutory Reserve	Other Reserve	Profit and Loss	Revaluation Reserve	Total
	Taka	Taka	Taka	Taka		Taka
Balance as of 01 January 2008	1,247,400,000	1,045,085,405	40,000,000	129,477,308	134,620,578	2,596,583,29
Net Profit for the Year		250,178,399		299,775,338		549,953,73
Revaluation Reserve for Securities					33,050,390	33,050,39
Adjustment of Revaluation Reserveon					(134,620,578)	(134,620,57
Maturity of Securities					4 4 9 9	
Transferred to Other Reserve		74			0.40	
Cash Dividend Paid During the Year		15		(62,370,000)	1.0	(62,370,00
Dividend Distribution Tax)(*)	
Issuance of bonus share	62,370,000			(62,370,000)		
Balance as of 31 December 2008	1,309,770,000	1,295,263,804	40,000,000	304,512,647	33,050,390	2,982,596,84

ACNABIN Chartered Accounta

Liquidity Statement

	For the	year ended 31	December 20	08		
						(Amount in Tak
Particulars	Upto 01 month	1 - 3 months	3 - 12 months	1 - 5 years	More than 5 years	Total
Assets:						
Cash in Hand	2,641,007,853	•				2,641,007,85
Balance with Other Banks and Financial Institutions	2,110,862,034	4,757,473,309	1,460,312,350	156,533,082	•	8,485,180,77
Money at Call on Short Notice	1,480,000,000				1:-	1,480,000,00
Investment	2,472,100	896,290,186	778,981,302	3,752,442,248	257,831,730	5,688,017,566
Loans and Advances	2,240,785,462	6,053,446,921	11,763,369,453	5,806,207,430	1,405,321,914	27,269,131,18
Fixed Assets Including Premises, Furniture and Fixtures		21,741		142,003,876	86,339,760	228,365,37
Other Assets	11,842,796	487,375,816	151,133,737	74,030,287	135,448,786	859,831,422
Non-banking Assets	-	-	-		-	
Total Assets	8,486,970,245	12,194,607,973	14,153,796,842	9,931,216,923	1,884,942,190	46,651,534,173
Liabilities: Borrowing from Bangladesh Bank, Other Banks, Financial Institutions and Agents			63,300,000		1,645,104,250	1,708,404,25
Deposits & Other Accounts	9,396,070,396	8,867,779,479	14,395,956,776	5,708,430,781		38,368,237,43
Provision and Other Liabilities	162,043,198	677,502,042	1,522,486,523	466,323,608	763,940,281	3,592,295,65
Total Liabilities	9,558,113,594	9,545,281,521	15,981,743,299	6,174,754,389	2,409,044,531	43,668,937,33
Net Liquidity Gap	(1,071,143,349)	2,649,326,452	(1,827,946,457)	3,756,462,534	(524,102,341)	2,982,596,83

Highlights on the overall activities of the Bank

SL	Particulars	2008	2007	Change in %
1	Paid up Capital	1,309,770,000	1,247,400,000	5.00
2	Total Capital	3,374,923,929	2,947,858,896	14.49
3	Capital Surplus / (Deficit)	568,128,029	663,726,896	(14.40
4	Total Assets	46,651,534,174	38,773,905,836	20.32
5	Total Deposits	38,368,237,432	31,947,979,101	20.10
6	Total Loans and Advances	27,269,131,180	22,263,349,608	22.48
7	Total Contingent Liabilities and Commitments	10,808,780,317	10,189,525,373	6.08
8	Credit - Deposit Ratio	71.73%	69.69%	2.93
9	Percentage of Classified Loans against total Loans and Advances	4.59%	3.25%	41.2
10	Profit after Tax and Provision	549,953,738	282,965,086	94.3
11	Amount of Classified Loans and Advances	1,251,209,878	723,233,815	73.00
12	Provision Kept against Classified Loan	415,840,591	436,543,180	(4.7
13	Provision Surplus/ (deficit)	-		-
14	Cost of Fund	8.36%	8.31%	0.60
15	Interest Earning Assets	44,004,968,114	35,046,030,900	25.5
16	Non-interest Bearing Assets	2,655,068,361	3,727,874,936	(28.7
17	Return on Investment (ROI)	9.81%	7.89%	24.3
18	Return on Assets (ROA)	1.30%	.83%	56.6
19	Incomes on Investment	674,076,715	341,100,797	97.6
20	Earning Per Share (EPS)	41.99	21.60	94.4
21	Net Income Per Share	41.99	21.60	94.4
22	Price Earning Ratio	N/A*	N/A*	-

* N/A: Not Applicable

Notes to the Financial Statements

BASIC Bank Limited was incorporated as a banking company under the Companies Act, 1913. In 2001 the Bank has changed its earlier name 'Bank of small Industries and Commerce Bangladesh Limited and registered the new name with the Registrar of Joint Stock Companies. Initially the bank started its operation as a joint venture enterprise of the BCC Foundation, a welfare trust in Bangladesh and the Government of People's Republic of Bangladesh. In 04 June 1992 the Government of Bangladesh took over the entire share of the Bank. BASIC Bank is a scheduled bank. It operates with 31 branches in Bangladesh.

The objective of the BASIC Bank Limited is unique in blending development financing and commercial banking. The Memorandum and Articles of Association of BASIC Bank Limited stipulate that at least fifty percent of its loan able fund shall be used for financing Small

2. Significant Accounting Policies

2.1 Basis of Preparation of Financial Statement

- a) The financial statements of the Bank are made up to 31 December 2008 and are prepared under the historical cost convention, on a going concern basis and in accordance with the "first schedule (Sec- 38) of the Bank Companies Act, 1991 as amended by the Bangladesh Bank vide BRPD circular No. 14 dated 25 June, 2003 and other Bangladesh Bank circulars, International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and other laws and rules applicable in Bangladesh. All inter-branch account balances and transactions among the head office and the branch have
- b) The accounting policies and methods of computation used in the preparation of the financial statements for the year ended 31 December 2008 are consistent with those adopted in

2.2 Foreign Currencies Translation

Foreign currencies transactions are converted into equivalent taka using the ruling exchange rates on the date of transactions. Foreign currencies balances held in US Dollar at the year end are translated in to taka currency at the weighted average rate of inter bank market as determined by Bangladesh Bank. Balances held in foreign currencies other than US Dollar are converted into Mid value of the selling and buying rate of the transaction date of the

All investment securities are initially recognized at cost, being fair value of the consideration given, including acquisition charges associated with the investment. Any premium paid is amortized over the life of the security. Investment by the bank has been made in Government approved securities (Eligible for SLR) & in equities of companies. The valuation method of approved investments used is:

a) Held to Maturity (HTM)

Investments which are intended to be held till maturity of securities are classified as held to maturity. Treasury Bill & Treasury Bond held to maturity are amortization at the year end. The increase or decrease in value due to such amortization is transferred to Revaluation Reserve under capital account, as per DOS Circular Letter No.-05/2008.

b) Held for Trading (HFT)

The securities under this category are the securities acquired by the bank with the intention to trade by taking advantages of short term price / interest movement. Investments classified in this category are also eligible for SLR. These securities are open for secondary trading for the bank. HFT investments are revalued on weekly basis to current market value. Revaluation gain or loss on such securities are transferred to profit & loss account. As revaluation gains on such securities are not eligible for dividend declaration such gains are transferred to Revaluation Reserve account as per DOS-05/2008.

c) Other Investments

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

Value of Investment has been enumerated as follows:

Particulars	Applicable Accounting
Government Treasury Bills / Bonds	Revalued Amount
Prize Bond	Cost Price
House Building Finance Corporation	
Debenture	At redeemable value
Shares (private)	At cost or market value at the
D. C. S.	Balance Sheet date whichever is lower

For the shortfall in the market price of shares, adequate provisions have been made.

2.4 Loans and Advances and Interest Thereon

Loans and advances have been stated at gross value. Interest is calculated on a daily product basis and charged quarterly. Interest on classified loans and advances is not credited to income are kept in interest suspense account until it is realized. Besides, no interest is charged on classified loans and advances from the date of filing suits against the borrowers. Commission and fee income are generally accounted for on the date the transaction. Provision for loans and advances are made on the basis of information furnished by the branches and instructions contained in Bangladesh Bank. BCD Circular # 12 dated 4 September 1995, BRPD Circular # 16 dated 6 December 1998, BRPD Circular # 9 dated 14 May 2001, BRPD Circular # 20 dated 20 December 2005 and BRPD Circular # 5 dated 05 June 2006 at the following rates:

Bu	usiness Unit	UC	SMA	SS	DF	BL
		Prov (%)	Prov (%)	Prov (%)	Prov (%)	Prov (%)
	House building & Professional	2%	5%	20%	50%	100%
Consumer:	Other than House building & Professional	5%	5%	20%	50%	100%
Sma	all & Medium	1%	5%	20%	50%	100%
	All Other	1%	5%	20%	50%	100%

Loans and advances are written off to the extent that (i) there is no realistic prospect to recovery (ii) against which legal cases are pending for more than five years as per guidelines of Bangladesh Bank. However write off will not reduce the claim against the borrower. Detailed records for all such write off accounts are maintained.

Financial Statements 2008

Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. Rates and methods of charging depreciation are as follows:

Particulars of Assets	Rate of Depreciation	Method of Depreciation
Furniture and Fixture	10%	Reducing balance method
Machinery and Equipment	20%	Reducing balance method
Computer and Copier	20%	Straight Line method
Vehicles	25%	Straight Line method
Leasehold buildings		Straight Line method over the lease hold period

Depreciation has been charged on fixed assets from the date of acquisition and suspended on the date of disposal.

2.6 Earning Per Share

Earning per share (EPS) has been calculated in accordance with BAS-33 which has been shown on the face of profit and loss account and computation of EPS is stated in note-39. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding for the year

2.7 Income Taxes

a) Current Tax

Provision for Income Tax has been made @45% as prescribed in the Finance Act, 2008 of accounting profit made by the bank after considering some of the taxable add backs of income vance of expenditures

The bank had adopted deferred tax in 2004 in compliance with the provisions of Bangladesh Accounting Standard (BAS-12) "Income Taxes". The company's policy of recognition of deferred tax assets/liabilities is based on temporary difference (Taxable or deductible) between the carrying amount (Book Value) of assets and liabilities for financial reporting purposes and its tax and accordingly, deferred tax income/expenses has been conside profit after tax and Earnings Per Share (EPS).

2.8 Retirement benefits to the employees

The Bank operates a contributory provident fund benefits of which are given to the staff of the bank in accordance with the provident fund rules. The national board of revenues approved the provident fund as a recognized provident fund. The fund is operated by a Board of Trustees consisting of at least five members. All confirmed employees of the Bank are contributing monthly to the fund a sum equal to 10% of basic salary as a subscription of the fund. The bank also contributes equal amount of the employee's contribution to the fund. Interest earned from the investment is credited to the members' account on yearly basis after examining the fund by its

(b) Gratuity Fund

The Bank made a provision of gratuity fund at the discretion of the management to provide an employee with financial benefit on his ceasing the Bank's service or in the event of his death to his legal heirs / nominees or successors. The management of the bank has created full required provision for gratuity.

The benevolent fund is subscribed by monthly contribution of the employees. The bank also contributes to the fund @ 0.5% of profit before tax at the end of the year. The fund is established to sanction grant in the event of death on duty permanent disabilities of the employees and to provide financial assistance for marriage of his / her dependants.

(d) Superannuation Fund

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

(e) Welfare Fund

The Bank has been maintaining a welfare fund from profit each year. Proposed contribution towards this fund from the profit of the year 2008 is 45.00 lac. This fund is utilized for various social activities as part of corporate social responsibility of the Bank.

The revenue during the year is recognized as following which satisfy all conditions of revenue recognition as prescribed by BAS 18 "Revenue Recognition".

a) Interest Income - The interest receivable on unclassified loans and advances / investments is recognized quarterly on accrual basis. Interest on loans and advances / investments, ceases to be taken into income when such advances are classified or treated as SMA as per Bangladesh Bank BRPD circular No. 5 dated 05 June 2006, kept in interest suspense account. Interest on classified advances is accounted for on a cash

b) Fees and Commission Income - Fees and commission income arises on services provided by the Bank and recognized on a cash receipt basis. Commission charged to customers on letter of credit and letter of guarantee are credited to income at the

c) Dividend Income - Dividend income from shares is recognized at the time when it is

d) Interest paid and other expenses - The interest paid on deposits and borrowings and other expenses are recognized on accrual basis as prescribed by BAS - 1 "Presentation of

2.10 Capital Expenditure Commitment

There was no capital expenditure contracted but incurred or provided for at 31 December 2008 besides, there was no material capital expenditure authorized by the board but not contracted for at 31 December 2008.

2.11 Subsequent Events

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

2.12 Off-balance sheet items & provisions

As per Bangladesh Bank Guidelines Off-balance sheet items have been disclosed under contingent liabilities & other commitments. BASIC Bank Ltd. has maintained provision @ 1% against off-balance sheet exposures (L/C and Guarantee) as per BRPD Circular #10, dated September 18, 2007.

2.13 Cash Flow Statement

Cash Flow Statement is prepared principally in accordance with BAS 7 "Cash Flow Statement" and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated 25th June 2003. The cash flow statement shows the structure of and changes in cash and cash equivalents during the financial year. It is broken down into operating activities, investing activities and financial activities.

2.14 Statement of Changes in Equity

Statement of Changes in Equity is prepared principally in accordance with BAS 1 "Presentation of Financial Statements" and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated 25th June 2003.

2.15 Statement of Liquidity

The liquidity statement has been prepared in accordance with the remaining maturity grouping of the value of the assets and liabilities as on 31 December 2008 and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated 25th June 2003.

2.16 Reconciliation of inter-bank and inter branch accounts

Books of accounts in regard to inter-bank (in Bangladesh and outside Bangladesh) and inter-branch are reconciled and no material difference was found which might effect the financial statements significantly.

Un-reconciled entries in case of inter-branch transactions as on the reporting date are not mentionable due to the time gap before finalizing the same.

2.17 Related Party Transaction

There are no related party transactions requiring disclosure under ISA-24.

(a) Figures of previous year have been rearranged wherever necessary to conform to

(b) Figures appearing in these financial statements have been rounded off to the nearest

2.19 Risk Management

Risk is inherent in all the core business areas of a bank. Managing risks properly is one of the main pillars of banking business. To ensure sustainable growth and performance, the main pillars of banking business. To ensure sustainable growth and performance, proper and sound risk management practice is of vital importance, As a commercial bank BASIC Bank Ltd. attaches full importance to manage the risk involved in its business. The risk management of the bank covers a wide spectrum of risk issues but the 5 (five) core risk areas of banking are; Credit Risk, Foreign Exchange Risk, Internal Control and Compliance Risk, Money Laundering Risk and Asset Liability Management Risk. The principal objective of risk management is to safeguard the bank's capital, financial resources, profitability and market reputation. To this effect, the bank took the following steps under the guidelines of Bangladesh Bank.

(a) Credit Risk Management

Credit risk is the possibility that a borrower or counter party will fail to meet its obligations in accordance with agreed terms. The failure may result from unwillingness of the counter party or decline in his/her financial condition. Credit risk, therefore, arises from the bank's dealing with or lending to corporate, individuals, other banks or financial institutions. A separate Credit Division has been formed at Head Office since the inception of the bank, which is assigned with the duties of marketing and assessment of credit products, maintaining effective relationship with the customer and exploring new business opportunities. In line with Bangladesh Bank guidelines the bank has segregated marketing, approval and monitoring/recovery functions. The credit risk management includes borrower risk analysis, financial statement analysis, industrial analysis, historical performance of the customer, security of the proposed credit facility and market reputation of the borrower etc. BASIC Bank Ltd. takes its lending decision based on the credit risk assessment report by appraisal team. In determining Single Borrowing/Large Loan limit, the instructions of Bangladesh Bank are strictly followed.

(b) Foreign Exchange Risk Management

Foreign Exchange Risk is defined as the potential change in earnings arising due to change in market prices. The market directly affects each country's bond, equities, private property, manufacturing and all assets that are available to foreign investors. Foreign exchange rates also play a major role in determining who finances government deficits, who buys equities in companies and literally affects and influences the economic scenario. Due to high risk market the role of treasury operations is crucial. As per Bangladesh Bank's guidelines the bank has segregated the Front and Back office for Treasury Operations. Front Office independently conducts the transactions and the Back Office is responsible for verification of the deals and ssing of their entries in books of accounts. All Nostro accounts are reconciled on monthly basis and all foreign exchange transactions are revalued at Mark-to-Market rate as

(c) Internal Control and Compliance Risk Management

Internal Control and Compliance (ICC) is a critical component of Bank management and foundation for the safe and sound operation of banking organization. A system of strong internal control and compliance can help to ensure that the goals and objectives of a banking organization will be met, that the bank will achieve long-term profitability targets, and maintain reliable financial and managerial reporting. Operational loss may arise from error and fraud due to lack of strong internal control and compliance culture.

Effective Internal Control & Compliance system can help to ensure that the bank will comply with laws and regulations as well policies, plans, internal rules and procedures, and decrease the risk of unexpected losses or damage to the bank's reputation. To this effect, the bank has formed an ICC Division headed by Senior Executive. The ICC Division has been segregated to three units, which are Audit & Inspection unit, compliance unit and Monitoring unit. The Bank has also developed an Internal Control & mpliance Policy duly approved by the Board of Directors. To ensure effective control DCFCL's, Loan Documentation Check list and Quarterly Operations

Report have been developed and implemented. The Audit and Inspection Team undertakes periodic and special audit. The Audit Committee of Board of Directors plays an effective role in providing bridge between the board and management. The committee reviews the financial reporting process, the system of internal control, the audit process and the bank's process for compliance with laws, regulations and code of conduct.

The Information Systems/Information Technology Audit Unit conducts audits to evaluate the system's efficacy and security protocols, in particular, to evaluate the Bank's ability to protect its information assets and properly dispense information to authorized parties. The IS/IT audit focuses on determining risks that are relevant to information assets, and in assessing & suggesting controls in order to reduce or mitigate these risks to acceptable level.

The Compliance Unit of the division works as the point of contact when any regulatory inspection is carried out and ensures that corrective measures are taken and the appropriate responses are made on a timely fashion. If the regulatory authority identifies any major lapses then it notifies to the senior management and/or to the Audit Committee of the Bank.

Money laundering has been identified as a major threat to the financial services community, It is important that the management of Banks and other Financial Institutions view prevention of money laundering as part of their risk management strategies and not simply as a stand-alone requirement that is being imposed by the legislation. Anti-Money Laundering Guideline of the bank was approved by the Board of Directors of the bank in its 188th meeting held on January 31, 2006. As per the guideline A Central Anti-Money Laundering Compliance Unit (CCU) has been formed at Head Office. General Manager (Operation and Administration) is acting as Chief Anit-Money Laundering Compliance Officer (CAMLCO). The Deputy General Manager of Branch Control & establishment Division has been made the Head of this Central Compliance Unit who will work directly under the CAMLCO. This unit will monitor and review all anti-money laundering issues. A senior level executive from each branch has been nominated to act as Branch Anti-Money Laundering Compliance Officer (BAMLCO). The bank is providing training to the employees on regular basis. New employees getting orientation to the Anit-Money Laundering issues through foundation course. Sound Know Your Customer and Transaction monitoring policies have been taken to recognize the risk associated with accounts. A detailed work plan has been formulated to complete KYC procedures for the accounts commenced prior to 30 April 2002. It is the requirement of Bangladesh Bank to report cash transaction of 5 lac in a single day in a single account and suspicious transaction as and when detected. ICT Division of the Bank has developed software to report the same to Bangladesh. Internal control and compliance policies have been implemented to cheque that an effective Anti-

(e) Asset Liability Management

Asset/liability management has become an almost universally accepted approach to risk management. Since capital and profitability are intimately linked, BASIC Bank Ltd. is managing its asset / liability in order to ensure sustained profitability so that the bank can maintain and augment its capital resources. The asset/liability, management committee (ALCO) usually makes decisions, which is responsible for the financial direction of the bank. The ALCO's goal is to manage the sources and uses of funds, identify balance sheet management issues like balance sheet gaps, interest rate gap etc. ALCO also reviews liquidity contingency plan and implements liability pricing strategy for

2.20 Audit Committee

Members of the Audit Committee of the Board of Directors:

Name	Status with the Bank	Status with the Committee	Educational Qualification
Mr. Mohammad Mahbubur Rahman	Director	Convener	MA in Economics
Mr. Mahbub Ahmed	Director	Member	MA in Economics
Mr.Md. Abdul Matin	Director	Member	MA in English

Audit Committee Meeting held during 2008

26th Meeting of Audit Committee held on 16.03.08 27th Meeting of Audit Committee held on 28.05.08 28th Meeting of Audit Committee held on 18.10.08

29th Meeting of Audit Committee held on 30.10.08

Steps Have Been Taken

As per quidelines enunciated in BRPD Circular No. 12 dated 23 December 2002 of Bangladesh Bank the Audit Committee of the Board of Directors of the bank has been playing an important role with regard to the process of publication of financial statements and development of internal control system for conducting banking operations efficiently and in a disciplined manner.

ides, pursuant to the instructions of the said Circular the Audit Committee is placing its report to the Board of directors of the Bank on its findings and recommendations acknowledging the

2.21 Compliance report on Bangladesh Accounting Standards (BAS)

Name of the BAS	BAS no	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Cash Flow Statement	7	Applied
Accounting Policies, Changes in Accounting estimates & errors	8	Applied
Events after the Balance Sheet Date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Segment Reporting	14	N/A
Property Plant & Equipment	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employee benefits	19	Applied
Accounting for Governments Grants and Disclosure of Government Assistances	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting for investments	25	Applied
Accounting & Reporting by Retirement Benefit Plans	26	Applied
Consolidated & Separate Financial Statements	27	Applied
Investments in Associates	28	N/A
Disclosures in the Financial Statements of Banks and similar Financial Institutions	30	Applied
Interest in Joint Ventures	31	N/A
Earning Per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	N/A
Investment Property	40	Applied
Agriculture	41	N/A

* N/A = Not Applicable

			31.12.2008 Taka	31.12.2007 Taka
3.	Cash			
	Cash in Hand (including foreign currencies) Balance with Bangladesh Bank	(Note: 3.1) (Note: 3.2)	197,866,918 2,443,140,935	237,050,824 1,887,967,213
			2,641,007,853	2,125,018,037
3.1	Cash in Hand (including foreign currencies)			
	In Local Currency		191,872,599	232,079,018
	In Foreign Currencies		5,994,319	4,971,806
			197,866,918	237,050,824
3.2	Balance with Bangladesh Bank and its Agent ba	ank (s)		
	In Local Currency	(Note: 3.2.1)	2,056,128,629	1,757,059,100
	In Foreign Currencies	(Note: 3.2.2)	387,012,306	130,908,113
			2,443,140,935	1,887,967,213
3.2.1	In Local Currency			
	Bangladesh Bank		2,005,787,138	1,711,264,788
	Sonali Bank (acting as agent of Bangladesh Bank)		50,341,491	45,794,312
			2,056,128,629	1,757,059,100
3.2.2	In Foreign Currencies			
	Bangladesh Bank - US\$		383,231,453	128,364,067
	Bangladesh Bank - UKP		2,140,844	1,143,243
	Bangladesh Bank -EURO		1,640,009	1,400,803
			387,012,306	130,908,113

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

2,006,519,000

41,690,111 25,201

156,533,082

100.000.000

300,000,000 200,000,000

30,038,144

400,000,000

Cash Reserve Ratio and Statutory Liquidity Ratio have been calculated and maintained as per Section 33 of the Bank Companies Act 1991 and BCD Circular No.13 dated 24 May 1992, BRPD Circular No.12 dated 20 September 1999 & BRPD Circular No.22 dated 06 November 2003 and BRPD Circular No.

(5% of Average Demand & Time Liabilities)

	Required Reserve	Amount %	1,880,019,000 5.00%	1,525,702,000 5.00%
	Maintained	Amount %	1,930,197,000 5.13%	1,575,868,000 5.16%
3.3.2	Statutory Liquidity Reserve (SLR)			
	(13% of Average Demand & Time Liabilities)			
	Required Reserve	Amount %	4,888,050,000 13%	3,966,825,000 13%
	Maintained	Amount %	5,815,609,000 15.47%	3,916,659,000 12.84%
3.3.3	Total Amount of CRR & SLR			
	Required	Amount %	6,768,069,000 18.00%	5,492,527,000 18.00%
	Maintained	Amount %	7,745,806,000 20.60%	5,492,527,000 18.00%

١.	Balance With Other Banks & Financial Instituti	ions		
	In Bangladesh Outside Bangladesh (Nostro Accounts)	(Note: 4.1) (Note: 4.2)	8,253,207,992 231,972,783	6,510,675,772 426,855,834
			8,485,180,775	6,937,531,606
.1	In Bangladesh			
	Form of Deposits			
	Current Account		2 000 552	E2 440 200
	Sonali Bank Agrani Bank		3,020,663 15,034,982	53,449,298
	Rupali Bank Ltd.		552,300	557,850
	Janata Bank			
	Janata Bank		4,850,456	1,000,456
	Table 1 and		23,458,401	55,007,604

STD Account Sonali Bank Bangladesh Krishi Bank Trust Bank Rupali Bank Ltd.

ther Deposit Fixed Deposit Account Bangladesh Commerce Bank Ltd. The Oriental Bank Ltd. IIDFC
Ultrar Finace and Investment
Lanka Bangla Finanace
Phonix Leasing and Finance
Union Capital
International Leasing and Finance
NCC Bank Ltd.
Arab Bangladesh Bank Ltd.
Prime Bank Ltd.
Prime Bank Ltd.
Dakas Bank Ltd. Dhaka Bank Ltd. Jamuna Bank Ltd. Shajalal Islami Bank Ltd.

100,000,000 100,000,000 50,000,000 50,000,000 100,000,000 300,000,000 200,000,000 500,000,000 400,000,000 200,000,000 400.000.000 300,000,000 200,000,000 100,000,000 National Bank Ltd.
Eastern Bank Ltd.
Mercantile Bank Ltd.
Dutch-Bangla Bank Ltd.
Trust Bank Ltd.
United Commercial Bank Ltd 300,000,000 Pubali Bank Ltd.
Commercial Bank of Ceylon
BRAC Bank Ltd 400,000,000 200,000,000 50,000,000 The City Bank Ltd. 200,000,000

Standard Bank Ltd. One Bank Ltd Sonali Bank Bangladesh Krisi Bank First Security Bank Habib Bank Mutual Trust bank Ltd.

Most of the Fixed deposits are placed for short term maturities up to a period of 3 months and some fixed deposits are for the period of 6

Financial Statements 2008

4.2	Outside Bangladesh (Nostro Accounts and Term Placement)	31.12.2008 Taka 31.12.2007 Taka Taka	31.12.2008 31.12.2007 Taka 31.12.2007 Taka 11. Deposits & Other Accounts		31.12.2008 Taka	31.12.2007 Taka
	Interest-bearing Accounts AMEX New York Bank of Tokyo-Mitsubishi London	6,109,533 38,909,199 3,881,220 5,166,258	a. Advances to Directors b. Advances to Managing Director and other Senior Executives 513,319,000 331,900,000			
	Bank of Tokyo Mitsubishi Japan Mashreq Bank PSC UAE Mashreq Bank New York	2,477,314 1,452,712 491,392 68,730,535 2,457,454	c. Advances to Customers group 9,529,439,180 8,030,049,609 1.1.1 Current and Other Accounts 1,7226,373,000 1.3,901,400,000 2.7,269,311.80 2.2,263,349,609 Current Account	î	1,029,676,524 1,514,839,299	1,166,016,8 1,701,173,4
	CITI Bank Mumbai Sonali Bank Kolkata Bank of Ceylon AMEX (Kolkata)	1,021,483 2,618,139 57,636 496,211 2,040,359 9,412,425 - 10,905,337	7.4.1 Advances to Industrial sector Food and Allied Ind. Amount in Lac taka 20,375 17,345 11.1.2 Bills Payable		2,544,515,823	2,867,190,24
	CITI Bank New York (Import) CITI Bank New York (Export) State Bank of India	- 40,608,711 23,246,373 134,489,861 - 582,142	Textile 39,890 26,616	T	292,936,770 35,554,589	260,333,2 30,422,0
	Standard Chartered Import New York Standard Chartered Bank London Standard Chartered Bank Mumbai	36,320,526 62,539,352 4,049,844 7,590,048 10,855,994 17,350,851	Forest Prod. and Allied Ind. 603 783 Paper, Board, Printing, Pub. and Packaging 8,938 6,985 Tannery Leather and Rubber Prod. 5,475 4,662	Sub-total	328,491,359 2,873,007,182	290,755,26 3,157,945,51
	ICICI Bank Ltd. HSBC New York Dresdner Bank Frankfurt -Euro Bangue de Commerce, Geneva	9,927,929 11,466,982 10,625,562 20,464,755 - 2,899,461 475,336 2,792,191	Chem. Pharm. and Allied Ind. Glass, Crmc. and Other non Metal. Pr. Engineering Electrical and Electronics Ind. 1.27 7,272 7,425 1939 1939 1939 1939 11.2 Interest bearing Account 16,992 11.2.1 Savings Bank Deposits			
	Banque de Commence, Geneva AMEX Frankfurt Wachovia Bank N.Y. Arif Habib Rupali Bank	6,344,108 2,590,201 - 6,292,259 1,239,881 503,444	Service Ind. 32.3 1,073		955,508,366	886,304,85
	Total of Nostro Account (Annexure - A may kindly be seen for details)	187,403,633 382,079,384	7.5 Loans and advances allowed to each customer exceeding 10% of Bank's total Equity 112,263 139,024 11.2.2 Fixed Deposits Short Term Deposits Term Deposits		5,206,029,651 29,333,692,233	4,056,140,5 23,847,588,1
	Term Placement. Citi bank N A New York-Term Commercial Bank of Ceylon-Dhaka-Term	- 20,697,300 13,766,800 13,766,800	Number of Customers Amount of outstanding loans* 6,735,600,000 7,715,400,000	Sub-total		27,903,728,73
	Commercial Bank of Ceylon-Term Commercial Bank of Ceylon-Tokyo-Term Total Term Placement	20,490,000 10,312,350 10,312,350 44,569,150 44,776,450	Classified amount thereon Amount of recovery 152,800,000	Total	38,368,237,432	
	Grand total (Nostro and Term Placement) Maturity grouping of balances with other banks & financial institu		*Loans and Advances allowed to customers' group exceeding 10% of banks total capital fund which is computed of Tk. 33.75 crore of the Bank as at 31 December 2008. (Details are given in Annexure - C) Deposit from Bank			
	On demand Upto 1 month	210,862,035 437,086,988 1,900,000,000 535,568,168 4,757,473,309 5,964,776,450	7.6 Geographical Location - wise Loans and Advances; Inside Bangladesh Above 6 Month but not more than 6 Months Above 6 Month but not more than 1 Year		1,150,881	6,534,0 - -
	Over 1 month but not more than 3 months Over 3 months but not more than 1 year Over 1 year but lnot more than 5 years Over 5 years	1,460,312,350 156,533,081	Inside Bangladesh 15,425,126,029 Above 6 Month but not more than 1 Year Above 6 Month but not more than 1 Year Above 6 Month but not more than 1 Year Above 10 Year but not more than 10 Years Above 10 Year but not more than 10 Years Above 10 Year but not more than 10 Years Above 10 Years but not more than 10 Years Above 10 Ye			-
5.	Money at Call and Short Notice	8,485,180,775 6,937,531,606	Rajshahi Division 1,771,464,403 1,656,155,075 5,946	Sub-total	1,150,881	6,534,00
	Classification of Money at Call & Short Notice	4 222 222 222 222 222 222 222 222 222 2	Outside Bangladesh 27,269,131,180 22,263,349,609 Other Deposits. Payable on Demand		5,152,023,028	415,181,4
	Commercial Banks (Note: 5.1 Financial Institutions (Public & Private) (Note: 5.1		7.7 Distribution of Loans and advances according to BRPD Circular by Bangladesh Bank Less than 01 Months Above 01 Months but not more than 6 Months Above 06 Months but not more than 01 Year		4,242,896,487 5,091,001,146 18,172,735,109	5,812,466,49 12,561,102,30 7,466,592,00
	Commercial Banks Trust Bank Ltd.	150,000,000 150,000,000	Unclassified loan Standard Standard SMA Sub-total Sub-total Sub-total Unclassified loan 25,604,245,829 21,231,194,740 413,675,472 308,921,054 413,675,472 308,921,054 45,617,921,301 21,540,115,794 Above 01 year but not more than 05 Years Above 05 years not more than 10 years Above 10 years		5,708,430,781	5,686,102,8 - -
	Dhaka Bank Ltd. BRAC Bank Ltd. Habib Bank Ltd.	50,000,000 150,000,000 150,000,000 - 100,000,000 -	Classified loan: Sub-total Sub-tandard Sub-standard Doubtful 182,174,509 88,173,184 12. Other Liabilities	Sub-total _ Total _	38,367,086,551 38,368,237,432	31,941,445,10 31,947,979,10
	National Bank of Pakistan The City Bank Ltd. NCC Bank Ltd	70,000,000 - 100,000,000 - 50,000,000 -	Bad and loss Sub-total 1,251,209,879 723,233,815 Total 27,269,331,180 22,263,349,609 Interest Payable on Term Deposits	1	100,072,218 1,288,210,367	105,307,6 997,384,5
	IFIC Bank Ltd. Uttara Bank Ltd Pubali Bank Ltd	- 200,000,000 - 200,000,000 - 100,000,000	7.8 Provision required for loans and advances Privileged Creditors Benevolent Fund Gratuity Fund		27,255,420 7,731,745 184,539,862	21,931,6 5,505,5 84,303,6
	Mutual Trust Bank Mercantile Bank Ltd Bank Asia	- 200,000,000 100,000,000 120,000,000 60,000,000 200,000,000	Status Base for Provision Rate % Unclassified-General provision Agro based and Micro Credit 602,788,600 5 30,139,430 34,313,946 Telephone and Telex Charges Payable		105,305,659 17,667,416 1,061,073	62,148,2 57,000,5 795,6
	Eastern Bank Ltd. Southeast Bank Ltd. Arab Bangladesh Bank Ltd	200,000,000 - 170,000,000 - 130,000,000 -	SMA 413,675,472 5 20,683,774 14,816,187 Expenses Payable Others (excluding staff loan) 24,613,463,400 1 8 2 263,498,215 251,200,088 Provision for Taxes (Note-35) 314,321,419 300,650,221 Miscellaneous Creditors		1,496,138 813,301,889	1,006,5 601,416,6 35,8
	Financial Institutions	1,330,000,000 1,320,000,000	Classified-specific provision Provision for Loan and Advances (Note- 12.1 and 12 Sub-standard 275,030,835 20 55,006,167 1,743,927 Provision for Coff Balance Sheet Exposures (Note- 12.3) Provision for Sundry Debtors Provision	2)	730,162,011 92,980,000 14,172,297	737,193,4 43,700,0 14,172,2
	IPDC IIDFC	100,000,000 - 50,000,000 -	Bad/Loss 309,366,725 100 309,366,725 112,130,444 Provision for Investment Suspense Interest (Note-12.4) Required provision for loans & advances 730,162,012 737,193,403 Excess Cash		331,890 174,868,951 - 3,500,000	331,8 93,891,6 5,0 3,500,0
6.	Investments		Total provision maintained Excess / short provision as at 31 December Total provision maintained Total provision maintained Provision for Welfare Fund Electricity		9,553,366 1,224,096 2,727,124	5,053,3 1,243,1 680,0
	Government Securities (Note: 6. Other Investments (Note: 6.	2) 89,192,260 32,084,760	Details of provision may kindly be seen in Note 12.1 and 12.2 7.9 Listing of Assets Pledge as Security/Collaterals Nature of the secured assets Verious Audit and Rating Fees		6,925,385 266,759 640,126	6,925,3
6.1	Government Securities	5,688,017,5665,303,391,104_	Fixed Assets 27,879,508,162 22,235,035,564 25,379,579,508,162 22,235,035,564 25,379,579,508,162 22,235,035,564 25,379,379,3506 20,379,379,379,379,379,379,379,379,379,379		8,301,859 3,592,295,651	2,843,532,7
	Treasury Bills and Reserve Repo (Note 6.1 Treasury Bonds Prize Bond	.2) 3,903,581,723 600,000,000 2,472,100 1,630,600	Total 38,463,842,742 29,162,101,510 12.1 Provision for Classified Loan (A) 7.10 Particulars of Loans and Advances: Opening Balance	N	436,543,180	323,218,1
	Debenture (Note: 6.1	.3) 17,500,000 20,000,000 5,598,825,306 5,271,306,344	(i) Debts considered good in respect of which the banking company is fully secured. (ii) Debts considered good for which the banking company holds no Special Provision for Current Year	(-) (+) (+)	(240,976,713)	(69,426,5
	Treasury Bills and Reverse Repo (at revalued Amount) 05 Years Government Treasury Bills	- 381,182,812	(iii) Debts considered good for which the balancing company notions not 4,239,276,688 1,662,428,170 Provision not Required Observation and the debtor's personal security. (iii) Debts considered good secured by personal liabilities of one or more parties in addition to the personal security of the debtors. 315,426,164 607,746,756 Closing Balance	(-) (+)	220,274,126 415,840,593	182,751,6 436,543,18
	02 Years Government Treasury Bills 364 Days Government Treasury Bills 364 Days Reverse Repo	575,271,483 3,168,492,932 1,100,000,000 600,000,000	(iv) Debts considered doubtful or bad not provided for. 27,269,131,180 22,263,349,699 12.1.1 Fully Provided Debt Written off/Interest Walved		240,976,713	27,5
	91 Day Government Treasury Bills (at present value) 28 Days Government Treasury Bills 01 Day Reverse Repo-Bangladesh Bank	500,000,000	(v) Debts due by directors and officers of the banking company or any of them either severally or jointly with any other person.* 513,319,000 331,887,545		240,976,713	69,399,0 69,426,5 6
6.1.2	Treasury Bonds (at revalued Amount)	1,675,271,483 4,649,675,744	(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies, as members. 12.2 Provision for Unclassified Loan (B) Opening Balance		300,650,221	250,526,2
	05 Years Government Treasury Bond 10 Years Government Treasury Bond	3,752,442,252 600,000,000 151,139,471 -	(vii) Maximum total amount of advances including temporary advances (viii) Maximum total amount of advances including temporary advances Closing Balance Closing Balance	(-) (+)	13,671,198 314,321,419	50,123,9 300,650,22
6.1.3	Debentures	3,903,581,723 600,000,000	finder at any time during the year to the literature of any of them either severally or officers of the banking company or any of them either severally or jointly with any other person.* (viii) Maximum total amount of advances including temporary advances		730,162,011	737,193,40
	20 years HBFC Debenture - 5.5%	17,500,000 20,000,000	granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the company Charge against Current Year's Profit	(-) (+)	43,700,000 49,280,000	43,700,0
	Other Investments Shares (Note 6.2	.1) 89,192,260 32,084,760	(ix) Due from banking companies. Amount of classified debts on which interest has not been credited 540,817,550 723,233,815 Total Provision (A+B+C)	.,,	92,980,000	43,700,00 780,893,40
6.2.1	Shares	89,192,260 32,084,760	to income* (a-i) (Decrease)/ Increase in provision (4,152,629 133,897,451 (a-ii) Amount realized against loan previously written off 1,389,516 5,626,668 12.4 Suspense Interest			
	Quoted companies Shares in listed companies	72,990,500 15,883,000	(b) Amount of provision kept against loan classified as bad/loss 309,366,726 436,543,180 Opening Balance Transferred During the Year	(+)	93,891,617 130,701,175	101,347,4 82,578,7
	Unquoted companies Share of Karmasangsthan Bank Equity Of Grameen I. T. Park	10,000,000 4,201,760 10,000,000 10,000,000 10,000,000	xi) Classified Loans Which is Written off for current Year * There is no loans in the name of existing Directors. This amount represents loan to officers of the bank. 37,054 * There is no loans in the name of existing Directors. This amount represents loan to officers of the bank.	(-) (-)	(21,471,063) (28,252,778) 174,868,951	(62,248,7 (27,785,9) 93,891,61
	Share of CDB Ltd.	2,000,000 2,000,000 89,192,260 32,084,760	7.11 Bills Purchased and Discounted Payable in Bangladesh 2,665,214,485 1,870,155,448 1,870,155,448 1,870,155,448	d head office 2.08 are given		
	(Details of Investment in shares may kindly be seen in Annexure Investment in Securities are classified as per Bangladesh Bank Ci			n-responded	(Amount in the	onded entries
	Held For Trading (HFT) Held To Maturity (HTM)	3,850,739,802 1,786,847,904 1,745,613,405 3,484,458,440	Not more than 01 months	Cr. 235	210,099	Cr. 189,9
	Treasury bond and treasury bills are catagorized into HTM and HFT as pe		Above 05 months out not more than 06 months 1,088,872,8801 5/0,308,377 2,080,877,005 2,215,428,771 3,080,808 5/0,308,308 4,080,807,808 5/0,308,377 5,080,808 5/0,308,377 6,080,807,808 5/0,308,377 7,080,872,8801 5/0,308,377 9,080,807,808 5/0,308 5/0,308 9,080,807,808 5/0,308 5/0,308 9,080,807,808 5/0,308 5/0,308 9,080,807,808 5/0,308 5/0,308 9,080,807,808 5/0,308 5/0,308 5/0,308 9,080,807,808 5/0,308 5/0,308 5/0,308 9,080,807,808 5/0,308 5/0,308 5/0,308 9,080,807,807,808 5/0,308 5/0,308 5/0,308 9,080,807,808 5/0,308 5/0,308 5/0,308 5/0,308 5/0,308 9,080,807,808 5/0,3			
				1		
	shown as Revaluation Reserve under capital account. Securities are shown	er Bangladesh Bank circular.HTM securities are revalued at the end of Reserve.HFT securities are revalued weekly and gain on revaluation is	8. Premises and Fixed Assets Own Assets Furniture and Fibrures 106.309.544 00.313.049 13. Authorized	1		
	shown as Revaluation Reserve under capital account. Securities are shown Assets pledged as security Assets in the amounts shown below were pledged as security	er Bangladesh Bank circular.HTM securities are revalued at the end of Reserve.HFT securities are revalued weekly and gain on revaluation is	Dwn Assets Furthure and Fixtures 106,399,544 90,313,949 Equipment and Computer 273,075,016 225,485,725 93,111,369 75,140,296 20,000,000 Ordinary Shares of Tk 100.00 Each 13.1 Authorized 20,000,000 Ordinary Shares of Tk 100.00 Each 13.2 Capital 13.3 Capital 13.3 Capital 13.4 Capital 13.4 Capital 13.4 Capital 13.5 Capital 13.5 Capital 13.6	i	2,000,000,000	2,000,000,00
	shown as Revaluation Reserve under capital account. Securities are shown Assets pledged as security	er Bangladesh Bank circular.HTM securities are revalued at the end of Reserve.HFT securities are revalued weekly and gain on revaluation is	Divm Assets Furniture and Fixtures 106,399,544 90,313,949 125,485,725 125,			
	shown as Revaluation Reserve under capital account. Securities are shown Assets pledged as security Assets in the amounts shown below were pledged as security for the following liabilities Liabilities to bank Liabilities to bank Liabilities to customers We have no assets pledged, mortgaged or hypothecated against bank's bit	er Bangladesh Bank circular.HTM securities are revalued at the end of Reserve.HFT securities are revalued weekly and gain on revaluation is at revaled amount.	Dym Assets Furniture and Fixtures 106,399,544 90,313,949 Equipment and Computer 273,075,016 225,485,725 93,111,369 75,140,296 247,780,782 198,419,017 1.2	holder of the Bank	1,309,770,000	1,247,400,00
6.5	shown as Revaluation Reserve under capital account. Securities are shown Assets pledged as security Assets in the amounts shown below were pledged as security for the following liabilities Liabilities to bank Liabilities to bank Liabilities to customers We have no assets pledged, mortgaged or hypothecated against bank's bi Maturity Grouping of Investments On demand Upto 1 month	er Bangladesh Bank circular.HTM securities are revalued at the end of Reserve.HFT securities are revalued weekly and gain on revaluation is at revaled amount.	Dwn Assets Furniture and Fixtures 106,399,544 90,313,949 273,075,016 225,485,725 39,111,369 75,140,296 247,780,782 198,419,017 13.2	ital Accord	1,309,770,000nk and all the Ordinary Sha	1,247,400,00 ares Are Vested v
6.5	shown as Revaluation Reserve under capital account. Securities are shown Assets piedged as security Assets in the amounts shown below were piedged as security for the following liabilities Liabilities to bank Liabilities to bank Liabilities to bank Liabilities to bank Maturity Grouping of Investments On demand Upto 1 month Over 1 month but not more than 1 year Over 1 year but not more than 1 year Over 1 year but not more than 5 years	er Bangladesh Bank circular.HTM securities are revalued at the end of Reserve.HFT securities are revalued weekly and gain on revaluation is at revaled amount.	Dwn Assets Furniture and Fixtures Equipment and Computer Vehicles Less: Accumulated depreciation Leased Assets Leasehold Assets Less: Accumulated depreciation Sub total Less: Accumulated depreciation Sub total A Schedule of Fixed Assets is given in Annexure-D. Other Assets a) Investment in Shares of subsidiary companies; 1 In Bangladesh	ital Accord	1,309,770,000nk and all the Ordinary Sha	1,247,400,00 ares Are Vested v
6.5	Assets pledged as security Assets in the amounts shown below were pledged as security for the following liabilities Liabilities to bank Liabilities to bank Liabilities to bank Liabilities to customers We have no assets pledged, mortgaged or hypothecated against bank's bi Maturity Grouping of Investments On demand Upto 1 month Over 1 month but not more than 3 months Over 3 months but not more than 1 year Over 1 year but not more than 5 years Over 5 years	er Bangladesh Bank circular.HTM securities are revalued at the end of Reserve.HFT securities are revalued weekly and gain on revaluation is at revaled amount.	Dym Assets Furniture and Fixtures 106,399,544 90,313,949 273,075,016 225,485,725 93,111,369 75,140,296 20,000,000 Ordinary Shares of Tk 100.00 Each 124,285,929 330,939,70 247,780,782 198,419,017 192,520,953 184,19,017 184,241 192,520,953 184,245 18	ital Accord	1,309,770,000 nk and all the Ordinary Sha ar No. 03 Dated 09 May 2004	1,247,400,000 ares Are Vested volume 4 and BRPD
6.5 7.	shown as Revaluation Reserve under capital account. Securities are shown Assets pledged as security Assets in the amounts shown below were pledged as security for the following liabilities Liabilities to bank Liabilities to bank Liabilities to bank Liabilities to bank Maturity Grouping of Investments On demand Upto 1 month Over 1 month but not more than 3 months Over 1 month but not more than 1 year Over 1 year but not more than 5 years Over 5 years Loans & Advances Loans, Cash Credits & Overdrafts etc. (Note: 7.	er Bangladesh Bank circular.HTM securities are revalued at the end of Reserve.HFT securities are revalued weekly and gain on revaluation is at revaled amount. 2,472,100	Dwn Assets Furniture and Fixtures 106,399,544 90,313,949 273,075,016 225,485,725 39,111,369 75,140,296 20,000,000 Ordinary Shares of Tk 100.00 Each 247,780,782 198,419,017 13,279 13,27	ital Accord	1,309,770,000 nk and all the Ordinary Sha ar No. 03 Dated 09 May 2004 1,309,770,000 1,295,263,804 40,000,000 304,512,447	1,247,400,000 ares Are Vested w 4 and BRPD 1,247,400,00 1,045,085,41 40,000,0 129,477,3
6.5 7.	shown as Revaluation Reserve under capital account. Securities are shown Assets pledged as security Assets in the amounts shown below were pledged as security for the following liabilities Labilities to bank Labilities to bank Labilities to customers We have no assets pledged, mortgaged or hypothecated against bank's be Maturity Grouping of Investments On demand Upto 1 month Over 1 month but not more than 3 months Over 1 month but not more than 1 year Over 1 year but not more than 5 years Over 5 years Loans & Advances	er Bangladesh Bank circular.HTM securities are revalued at the end of Reserve.HFT securities are revalued weekly and gain on revaluation is at revaled amount. 2,472,100	Down Assets Furniture and Fixtures 106,399,544 90,311,349 273,075,016 225,485,725 39,111,369 75,140,295 20,000,000 Ordinary Shares of Tk 100.00 Each 12,000,000 4,00	ital Accord	1,309,770,000 nk and all the Ordinary Sha ar No. 03 Dated 09 May 2004 1,309,770,000 1,295,263,804 40,00,000	1,247,400,00 ares Are Vested v 4 and BRPD 1,247,400,0 1,045,085,4 40,000,0
7.	Assets pledged as security Assets in the amounts shown below were pledged as security for the following liabilities Liabilities to bank Liabilities to to be the control of the cont	er Bangladesh Bank circular.HTM securities are revalued at the end of Reserve.HFT securities are revalued weekly and gain on revaluation is at revaled amount. 2,472,100	106,399,544 90,313,949 273,075,016 225,485,725 39,111,369 75,140,295 224,825,147 224	ital Accord	1,309,770,000 nk and all the Ordinary Sha ar No. 03 Dated 09 May 2004 1,309,770,000 1,295,263,804 40,000,000 304,512,647 2,949,546,451	1,247,400,06 arres Are Vested v 4 and BRPD 1,247,400,0 1,045,085,4 40,000,0 129,477,3 2,461,962,73 300,650,2 43,700,0
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7.	Assets pledged as security Assets in the amounts shown below were pledged as security for the following liabilities Liabilities to bank Liabiliti	ar Bangladesh Bank circular.HTM securities are revalued at the end of Reserve.HFT securities are revalued weekly and gain on revaluation is at revaled amount. 2,472,100	Down Assets Furniture and Fixtures Equipment and Computer Vehicles Less: Accumulated depreciation Sub total Total Sub total Total A Schedule of Fixed Assets is given in Annexure-D. 9. Other Assets a) Investment in Shares of subsidiary companies; 1 in Bangiadesh b) Stationery, stamps, printing materials etc. 2) Advance rent; 3) Income receivable e) Advance income tax (Note-9.2) 3) 14,782,041 1,584,045 1,584,046 2) Scarrity deposits 6) Security deposits Security deposits Security deposits Security deposits, rent and other prepayments made to statutory authorities, other institutions and individuals are considered good. 10 Income receivable income receivable income receivable income receivable consists of interest income receivable from various investments have been verified and considered good.	ital Accord	1,309,770,000 nk and all the Ordinary Sha ar No. 03 Dated 09 May 2004 1,309,770,000 1,295,263,804 40,000,000 304,512,647 2,949,546,451 314,321,419 92,960,000 6,925,365 11,150,674 425,377,478 3,374,923,929	1,247,400,05 arres Are Vested v 4 and BRPD 1,247,400,00 1,045,085,4 40,000,0 129,477,3 2,461,962,71 43,700,0 43,700,0 43,700,0 43,700,0 43,700,0 43,700,0 42,947,858,896,11 2,947,858,896,11
7.	Assets pledged as security Assets in the amounts shown below were pledged as security for the following liabilities Liabilities to bank Liabilities to the control of	er Bangladesh Bank circular.HTM securities are revalued at the end of Reserve.HFT securities are revalued weekly and gain on revaluation is at revaled amount. 2,472,100	Sub total A Schedule of Fixed Assets is given in Annexure-D. 9. Other Assets 1 In Bangladesh 2 Outside Bangladesh 2 Outside Bangladesh 2 Outside Bangladesh 3 Stationery, stamps, printing materials etc. 4 Advance rent; 4 Advance rent; 6 Security deposits 9 Suspense account (Note-9.1) 1 Suspense account (Note-9.1) 1 Suspense account (Note-9.1) 1 Suspense account (Note-9.3) 1 Sus fees of Dun Breadstreet 9. Security deposits 1 Security deposits, rent and other prepayments made to statutory authorities, other institutions and individuals are considered good. 9. Security deposits 5 Security deposits, rent and other prepayments made to statutory authorities, other institutions and individuals are considered good. 9. Security deposits 5 Security deposits, rent and other prepayments made to statutory authorities, other institutions and individuals are considered good. 9. Security deposits, rent and other prepayments made to statutory authorities, other institutions and individuals are considered good. 9. Security deposits, rent and other prepayments made to statutory authorities, other institutions and individuals are considered good. 9. Security deposits, rent and other prepayments made to statutory authorities, other institutions and individuals are considered good. 9. Security deposits, rent and other prepayments made to statutory authorities, other institutions and individuals are considered good. 9. Security deposits, rent and other prepayments made to statutory authorities, other institutions and individuals are considered good.	ital Accord	1,309,770,000 nk and all the Ordinary Sha ar No. 03 Dated 09 May 2004 1,309,770,000 1,295,263,804 40,000,000 304,512,647 2,949,346,451 314,321,419 92,980,000 6,925,385 11,150,674 425,377,788	1,247,400,000 ares Are Vested v 4 and BRPD 1,247,400,000 1,045,085,4 40,000,0 129,477,3 2,461,962,71 300,650,2 43,700,0 6,925,3 134,620,5
7.1.1	shown as Revaluation Reserve under capital account. Securities are shown Assets pledged as security Assets in the amounts shown below were pledged as security for the following liabilities Liabilities to bank Liabilities to bank Liabilities to bank Liabilities to customers We have no assets pledged, mortgaged or hypothecated against bank's be Maturity Grouping of Investments On demand Upto 1 month Over 1 month but not more than 3 months Over 3 months but not more than 5 years Over 1 year but not more than 5 years Coer 5 years Coer 5 years Coash Credits & Overdrafts etc. (Note: 7. Bills Purchased & Discounted (Note: 7. Loans, Cash Credits & Overdrafts etc. In Bangladesh Loans Cash credit Overdraft (Note: 7.1 Outside Bangladesh Loans Loan General Term Loan Loans secured	er Bangladesh Bank circular.HTM securities are revalued at the end of Reserve.HFT securities are revalued weekly and gain on revaluation is at revaled amount. 2,472,100	Dam Assets Furniture and Pictures Furniture and Computer Visionics Less: Accumulated depreciation Less: Accumulated depreciation Sub total A 5chedule of Pixed Assets Less: Accumulated depreciation Sub total Total A 5chedule of Fixed Assets is given in Annexure-D. 9. Other Assets 1 In Bangladesh 2 Juneary, printing materials etc. 2 Juneary of Pixed Assets and Capital Ratios as Defined by the Basel Capital Circular No. 30 days (1)	ital Accord	1,309,770,000 nk and all the Ordinary Sha ar No. 03 Dated 09 May 2004 1,309,770,000 1,295,263,804 40,000,000 304,512,647 2,949,346,451 314,321,419 92,980,000 6,975,385 11,150,674 425,377,478 3,374,923,929 25,447,401,000 2,605,7959,000 2,806,7959,900	1,247,400,00 ares Are Vested v 4 and BRPD 1,247,400,00 4 4 and BRPD 1,247,400,00 6,200,40 6,200,40 6,200,40 6,200,40 6,200,40 8,2
7. 7.1.1	shown as Revaluation Reserve under capital account. Securities are shown Assets pledged as security Assets in the amounts shown below were pledged as security for the following liabilities Liabilities to bank Liabilities to the security Maturity Grouping of Investments On demand Upto 1 month Over 1 month but not more than 3 months Over 1 year but not more than 1 year Over 1 year but not more than 5 years Ver 3 months but not more than 5 years Over 5 years Loans & Advances Loans, Cash Credits & Overdrafts etc. (Note: 7.1 Rangladesh Loans (Note: 7.1 Cash credit Overdraft (Note: 7.1 Outside Bangladesh Loans Loan General Term Loan Loan secured Others	er Bangladesh Bank circular.HTM securities are revalued at the end of Reserve.HFT securities are revalued weekly and gain on revaluation is at revaled amount. 2,472,100	Dam Assets Purfluture and Flotures Groupter Vehicles Less: Accumulated depreciation Sub total Sub to	ital Accord	1,309,770,000 nk and all the Ordinary Sha ar No. 03 Dated 09 May 2004 1,309,770,000 1,295,263,804 40,000,000 304,512,647 2,949,346,451 314,321,419 92,980,000 6,975,385 11,150,674 425,377,478 3,374,923,929 25,447,401,000 2,620,558,000 28,067,959,000	1,247,400,00 ares Are Vested v 4 and BRPD 1,247,400,00 4 4 and BRPD 1,247,400,00 4 40,000,0 1,045,885,4 40,000,0 6,925,3 43,700,0 6,925,3 6,9
7.1.1 7.1.1	shown as Revaluation Reserve under capital account. Securities are shown Assets pledged as security Assets in the amounts shown below were pledged as security for the following liabilities Liabilities to bank Liabilities to bank Liabilities to bank Liabilities to customers We have no assets pledged, mortgaged or hypothecated against bank's be Maturity Grouping of Investments On demand Upto 1 month but not more than 3 months Over 1 month but not more than 1 year Over 1 year but not more than 5 years Over 9 months but not more than 5 years Over 5 years Loans Advances Loans, Cash Credits & Overdrafts etc. (Note: 7. Bills Purchased & Discounted (Note: 7. Loans, Cash Credits & Overdrafts etc. In Bangladesh Loans Coverdraft (Note: 7.1 Outside Bangladesh Loans Loan General Term Loan Loan secured Others Overdraft Temporary Overdraft	er Bangladesh Bank circular.HTM securities are revalued at the end of Reserve.HFT securities are revalued weekly and gain on revaluation is at revaled amount. 2,472,100	Down Assets Patterns 106,399,544 90,311,949 72,079,016 225,486,725 236,839,970 225,486,725 236,339,970 236,485,347 396,339,970 436,3	ital Accord Int amended Circula Required (%) 5.00	1,309,770,000 nk and all the Ordinary Sha ar No. 03 Dated 09 May 200- 1,395,263,804 40,000,000 304,512,647 2,949,546,451 314,321,419 92,980,000 6,925,385 11,150,674 425,377,478 3,374,923,929 25,447,401,000 2,806,795,900 28,067,959,900 568,128,029 12,02 Held (%) 1,51	1,247,400,00 ares Are Vested v 4 and BRPD 1,247,400,00 4 4 and BRPD 1,045,085,4 40,000,0 129,477,3 134,620,5 43,700,0 6,925,3 134,620,5 42,2947,858,86 2,291,950,0 2,284,132,00 663,726,81
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7. 7. 7. 1. 1 7. 1. 2 7. 1. 2 7. 1. 3	shown as Revaluation Reserve under capital account. Securities are shown Assets pledged as security Assets in the amounts shown below were pledged as security for the following liabilities Liabilities to bank Liabilities to the security Maturity Grouping of Investments On demand Upto 1 month Over 1 month but not more than 3 months Over 1 month but not more than 1 year Over 1 year but not more than 5 years Over 5 years Loans & Advances Loans, Cash Credits & Overdrafts etc. (Note: 7.1 Loans, Cash Credits & Overdrafts etc. In Bangladesh Loans (Note: 7.1 Outside Bangladesh Loan General Term Loan Loan secured Others Overdraft Overdraft Ceverdraft Secured (Bond and Share) Overdraft Secured (Other Securities) Others Others	ar Bangladesh Bank circular.HTM securities are revalued at the end of Reserve.HFT securities are revalued weekly and gain on revaluation is at revaled amount. 2,472,100	Down.Assets Down.A	ital Accord Int amended Circula Required (%) 5.00	1,309,770,000 nk and all the Ordinary Sha ar No. 03 Dated 09 May 200- 1,395,263,804 40,000,000 304,512,647 2,949,546,451 314,321,419 92,980,000 6,925,385 11,150,674 425,377,478 3,374,923,929 25,447,401,000 2,806,795,900 28,067,959,900 568,128,029 12,02 Held (%) 1,51	1,247,400,00 ares Are Vested v 4 and BRPD 1,247,400,00 4 4 and BRPD 1,247,400,00 40,000,01 40,000,000,000,000,000,000,000,000,000,
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7.1.1 7.1.2 7.1.3	shown as Revaluation Reserve under capital account. Securities are shown Assets pledged as security Assets in the amounts shown below were pledged as security for the following liabilities Liabilities to bank Liabilities to bank Liabilities to bank Liabilities to bank Liabilities to customers We have no assets pledged, mortgaged or hypothecated against bank's be Maturity Grouping of Investments On demand Upto 1 month Over 1 month but not more than 3 months Over 3 months but not more than 1 year Over 1 year but not more than 5 years Over 5 years Loans Advances Loans, Cash Credits & Overdrafts etc. In Bangladesh Loans (Note: 7.1 Cash credit Overdraft Cash credit Overdraft Coverdraft Coverdraft Coverdraft Coverdraft Coverdraft Coverdraft Coverdraft Coverdraft Secured (Bond and Share) Overdraft Secured (Other Securities) Others Others Chan Against Foreign Bill Loan Against Foreign Bill Loan Against Foreign Bill Loan Against Trust Receipt Loan Against Import Marchendise Bills Purchased & Discounted Rayable in Bangladesh Locar bills purchased/LADB Payable out-defended Residual maturity grouping of loans including bills purchased and Payable on demand Not more than 3 months	ar Bangladesh Bank circular.HTM securities are revalued at the end of Reserve.HTT securities are revalued weekly and gain on revaluation is at revaled amount. 2,472,100	Four Acade Figure Acade Figure and Figure 2 Figu	Required (%) 5.00 10.00	1,309,770,000 nk and all the Ordinary Sha ar No. 03 Dated 09 May 2004 1,309,770,000 1,295,263,804 40,000,000 304,512,647 2,949,546,451 314,321,419 92,960,000 6,975,385 11,150,674 1425,377,478 3,374,923,929 25,474,913,000 28,067,959,000 28,067,959,000 28,067,959,000 28,067,959,000 12,000,000 10,51 1,01 12,02 Held (%) 10,51 1,51 12,02 1,045,085,405 250,178,399 1,295,263,804 40,000,000 ort to innovative but risky pn	1,247,400,04 area Are Vested v area Are Vested v and BRPD 1,247,400,0 1,045,085,4 40,000,0 129,477,3 2,461,962,7 130,650,2 43,700,0 6,925,1 134,600,2 483,996,1 2,947,858,8 20,549,370,0 22,841,320,0 22,841,320,0 10,2 11,2 Held (9,10,10,10,10,10,10,10,10,10,10,10,10,10,

Financial Statements 2008

31.12.2008 31.12.2007 Taka Taka Income: Interest, Discount and Similar Income Dividend Income Fees, Commission and Brokerage 238,482,523 2,708,915,661 1,928,472,617 134,620,578 Interest income of HTM and HFT securities transferred to Revaluation Reserve Account as per Bangladesh Bank DOS Circular No. 05 dated 26.05.2008 of which 50% of revaluation reserve for HTM will be treated as Supplementary Capital. Directors
Government
Bank and Other Financial Institutions
Others 476,380,729 1,448,539,678 1,924,920,407 3,006,428,346 814,270,112 2,324,428,194 518,606,674 1,689,217,777 144,089,412 48,313,960 46,851,468 On Government Treasury Bill and Bond On Debentures On Shares On Other Investment 667,199,751 1,447,761 5,429,204 674,076,716 206,480,219 Commission / Fees, Exchange Earnings & Brokerage Foreign bill purchased Local Bill Purchased 628,965 9,041,451 8,280,081 39,869,621 106,869,561 8,691,916 10,792,897 570,415 6,491,052 191,235,959 301,500 10,979,430 623,320 16,950,941 9,225,687 1,389,616 26,374,439 1,768,843 583,566 8,410,225 725,811 12,626,600 6,186,504 5,626,068 26,154,438 Postage Charges
Telephone and Cable Charges
Recovery of Telex/ swift Charges
Service Charges
Recoveries of Loan Priviously Write Off 147,959,600 150,981,530 11,679,352 350,414 7,731,745 110,401,928 116,333,797 3,500,000 548,938,366 103,013,486 112,849,376 8,327,647 75,722 5,505,572 26,739,749 71,172,480 3,500,000 331,184,032 25. Legal & Professional Expenses

29. Directors' Fees & Meeting Expenses

Board meeting and audit committee meeting
Other meeting/benefits

Depreciation of Bank's Assets

Machinery and Equipment Vehicles

Lease Equipment/ Assets

Discount Commission and Brokerage

33. Provision for Loans & Advances

On Classified Loans & Advances As Per Bangladesh Bank Circular On Unclassified Loans & Advances

31. Repair & Maintenance of Bank's Assets

		31.12.2008 Taka	31.12.2007 Taka
36.	Deferred Tax		
a	Computation of Deferred Tax		
	Tax Base of Depreciable of Fixed Assets	244,591,845	204,783,041
	Less: Carrying Amount	224,825,148	192,520,953
	Deductable Temporary Difference (A)	19,766,697	12,262,088
	Carrying Amount of Provision for Gratuity/Benevolent/Superannuation Fund:		
	Provision for Gratuity	184,539,862	88,530,661
	Provision for Benevolent Fund(Provision -actual payment)	6,443,340	5,865,449
	Provision for Superannuation Fund(Provision -actual payment)	1,550,000	3,038,469
	Tronsier to superamenda in analy romain decad paymenty	192,533,202	97,434,579
	Less: Tax Base		
	Deductable Temporary Difference (B)	192,533,202	97,434,579
	Total Deductable Temporary Difference (A-B)	212,299,899	109,696,667
	Effective Tax Rate	45%	45%
	Deferred Tax Assets	95,534,955	49,363,500
b	Deferred Tax (Expenses)/Income		
	Closing Deferred Tax Assets	95,534,954	49,363,500
	Opening Deferred Tax Assets	49,363,500	28,701,686
	Deferred Tax (Expenses)/Income	46,171,454	20,661,814

	31.12.2008 Taka	31.12.2007 Taka
Proposed Dividends		
Bonus Share (1:9 and 1:20)	145,530,000	62,370,00
Cash Dividend (@ 11.07% and 5.00%)	145,000,000	62,370,00
	290,530,000	124,740,00
Analysis of Closing Cash and Cash Equivalent		
Cash in hand and balance with Bangladesh bank and Sonali Bank	2,641,007,854	2,125,018,03
Cash with other Banks	8,485,180,776	6,937,531,60
Money at Call and Short Notice	1,480,000,000	1,320,000,00
	12,606,188,630	10,382,549,64
Earning Per Share (EPS)		
Net Profit after Tax (Numerator)	549,953,738	282,965,08
Number of Ordinary Share Outstanding (Denominator)	13,097,700	12,474,00

39.1 Adjusting Earning per Share (Adjusting EPS) for 2007**

There is no litigation pending against the Bank in the Year 2008.

NOSTRO Accounts - Outside Bangladesh

_			12
An	nex	tur	e-A

Name of the Bank A/C Type				2008	ĮI.	2007			
			Currency name	Amount in FC	Conv. Rate per unit FC	Amount in BDT	Amount in FC	Conv. Rate per unit FC	Amount in BDT
1	AMEX Newyork	CD	US\$	88,647	68.92	6,109,533	567,414	68.57	38,909,199
2	BOTM, London	CD	UKP	38,077	101.93	3,881,220	37,438	138.00	5,166,258
3	Rupali Bank Karachi	CD	ACU\$	17,990	68.92	1,239,881	7,342	68.57	503,444
4	BOTM, Tokyo	CD	JAPY	3,145,396	0.79	2,477,314	2,328,810	0.62	1,452,712
5	Mashreq Bank ,UAE	CD	UAED	-	(25,872	18.99	491,392
6	Mashreq Bank, NY	CD	US\$	997,251	68.92	68,730,535	35,837	68.57	2,457,454
7	CITI Bank Mumbai	CD	ACU\$	14,821	68.92	1,021,483	38,180	68.57	2,618,139
8	Sonali Bank, Kol.	CD	ACU\$	836	68.92	57,636	7,236	68.57	496,211
9	Bank of Ceylon	CD	ACU\$	29,605	68.92	2,040,359	137,262	68.57	9,412,425
10	AMEX Kolkata	CD	ACU\$	-	-	-	159,033	68.57	10,905,337
11	Citibank NA, NY(Imp)	CD	US\$	-	-	1.	592,199	68.57	40,608,711
12	Citibank NA, NY(Exp)	CD	US\$	337,295	68.92	23,246,373	1,969,105	68.30	134,489,861
13	State Bank of India	CD	ACU\$	-	-	-	8,489	68.57	582,142
14	SCB, Newyork	CD	US\$	526,995	68.92	36,320,526	912,014	68.57	62,539,352
15	SCB, London	CD	EURO	40,787	99.29	4,049,844	74,350	102.09	7,590,048
16	SCB, Mumbai	CD	ACU\$	157,516	68.92	10,855,994	253,028	68.57	17,350,851
17	Dresdner Bank,F.furt	CD	EURO	-	\ <u>-</u>		28,402	102.09	2,899,461
18	BCP, Geneva	CD	CHF	7,045	67.48	475,336	44,922	62.16	2,792,191
19	AMEX Frankfurt	CD	EURO	63,893	99.29	6,344,108	25,373	102.09	2,590,201
20	Wachovia Bank,NY	CD	US\$	-	V-	-	91,760	68.57	6,292,259
21	HSBC Newyork	CD	US\$	154,172	68.92	10,625,562	298,438	68.57	20,464,755
22	ICICI Mumbai	CD	ACU\$	144,050	68.92	9,927,929	167,223	68.57	11,466,982
	Total					187,403,633			382,079,384

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

Investment in Shares as at 31 December 2008

Annexure-B

SI #	Particulars	Date of Purchase	No. of shares	Face Value (In Taka)	Cost Price (In Taka)	Market Value as at 31.12.07 (In Taka)	accounts	Current market value as at 31.12.08	Dividend received in 2008 (In Taka)
1.	Tamijuddin Textile Mills Ltd.	2-1-92	5,000	500,000	500,000	206,250	328,750	200,000	-
2.	Eastern Bank Ltd.	27-04-93	206,025	20,602,500	20,602,500	237,958,875	-	121,400,231	5,228,404
3.	Mithun Corporation Ltd.	25-08-94	80	8,000	8,000	8,400	3,140	13,200	800
4.	ICB Islami Bank	29-05-08	51,880	51,880,000	51,880,000		-	63,254,690	-
	Total		262,985	72,990,500	72,990,500	238,173,525	331,890	184,868,121	5,229,204

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

Annexure-C

10					(Taka in Lac)	
SI.	Name of the Client	Outst	Outstanding as	Remarks		
No.	Name of the Cheft	Funded Non funded		Total	on 31.12.2007	Remarks
1	R. M. Steel Mills Ltd.	3,673	-	3,673	3,642	
2	Mithun Tallu Group	4,317	1,905	6,222	11,334	
3	United Group	7,025	3,280	10,305	8,570	
4	Max Sweeter BD Ltd.	3,419	1,486	4,905	5,574	
5	Meghna(Fresh) Group	4		-	6,793	
6	A. H. Jute Spinning and Belting Ltd.	3,539	•	3,539	3,539	
7	Anwar Jute	3,446	153	3,599	-	
8	National Tubes Ltd	3,747	801	4,548	4,231	
9	Madina Poultry Feed	-	,	-	3,627	
10	Desktop Computers Connection Ltd.	-	-	-	3,417	
11	Rising Spinning Mills Ltd.	3,931	-	3,931	3,080	
12	Sanji-Well Group	8,142	4,524	12,666	11,723	
13	M M Spinning Mills Ltd	3,466	835	4,301	-	
14	Ananda Shipyard Group	4,979	4,688	9,667	12,237	
	Total	49,684	17,672	67,356	77,767	

Schedule of Fixed Assets As of 31 December 2008

Annexure-D

		Cost Price				Depreciation				
Particulars	Balance as at 01.01.2008	Addition during the year	Disposal/Tra nsfer during the year	Balance as at 31.12.2008	Rate of Dep.	Balance as at 01.01.2008	Addition during the year	Transfer / Adjustment during the year	Balance as at 31.12.2008	Written Down Value as at 31.12.2008
Furniture and Fixtures	90,313,949	16,490,472	(404,876)	106,399,544	10%	37,660,052	5,919,205	(186,005)	43,393,252	63,006,292
Equipment and Computer	225,485,725	49,053,274	(1,463,983)	273,075,016	20%	108,415,805	36,027,527	(904,560)	143,538,772	129,536,244
Vehicles	75,140,296	21,083,074	(3,112,001)	93,111,369	25%	52,343,160	10,954,641	(2,469,043)	60,828,758	32,282,611
Leasehold Assets	4,000,000			4,000,000		413,793	45,977	*	459,770	3,540,230
Total 2008	394,939,970	86,626,820	(4,980,860)	476,585,929		198,832,810	52,947,350	(3,559,608)	248,220,552	228,365,377
Total 2007	310,530,532	87,062,414	(2,652,977)	394,939,969		156,005,925	44,835,108	(2,008,223)	198,832,810	196,107,160

Managing Director









ous Years Tax	813,301,889	601,416,654	22 February 2009
nt Year's Tax	747,109,713	505,839,928 40,000,000	Dhaka,
ng balance	66,192,176	55,576,726	
SIGILIOI TAX			

A provision of Tk.92,980,000 has been made @ 1.00% on off balance sheet exposure (Acceptance & Endorsement, Letter of Credit & Letter of Guarantee) of which Tk.49,280,000 made provision from current year profit as per BRPD Circular # 10 dated 18 September 2007. The total amount of provision of Tk.92,980,000 will be treated as Supplementary Capital of the Bank.

700,647 9,110,355

45,977 **52,947,349**

> 1,101,496 15,574,422 9,518,305 1,984,090 8,629,017 103,503 5,327,299 2,456,025 115,000 44,198 4,500,000 18,178 107,398 39,171 129,000

517,000