annual report 2009

BASIC Bank Limited
Serving people for progress
A STATE OWNED SCHEDULED BANK

annual report '09

BASIC Bank Limited

Serving people for progress

A STATE OWNED SCHEDULED BANK

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

Registered Office

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

Head Office

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

Incorporation

August 2, 1988

Commercial Operation

January 21, 1989

Contacts

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

Handover of cheque to the honorable Prime Minister, **Skeikh Hasina** by the Chairmam, **Mr. Sheikh Abdul Hye Bacchu** to the Prime Minister's Relief and Welfare fund for rehabilitation of fire victims at Nimtoly, Dhaka.

BASIC

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BASIC

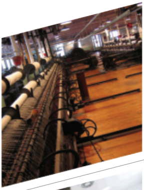
Profile

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

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

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

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



Board of Directors

Mr. Sheikh Abdul Hye Bacchu

Chairman
BASIC Bank Limited

Mr. Jahangir Akhand Salim

Director
BASIC Bank Limited
&
Founder President
Chandpur Chamber of Commerce and Industry

Ms. Razia Begum

Director
BASIC Bank Limited
&
Secretary (In-charge)
Ministry of Women and Children Affairs
Govt. of the People's Republic of Bangladesh
Bangladesh Secretariat
Dhaka.

Board of Directors

As on June 01, 2010

Mr. Md. Siddiqur Rahman

Director
BASIC Bank Limited
&
Chairman
Bangladesh Small and Cottage Industries Corporation (BSCIC)
137 – 138, Motijheel Commercial Area
Dhaka.

Mr. Bijoy Bhattacharjee

Director
BASIC Bank Limited
&
Joint Secretary
Finance Division
Ministry of Finance
Govt. of the People's Republic of Bangladesh
Bangladesh Secretariat
Dhaka.

Ms. Neelufar Ahmed

Director
BASIC Bank Limited
&
Director General
Prime Minister's Office
Old Sangsad Bhaban, Tejgaon
Dhaka.

Board of Directors

Board of Directors

As on June 01, 2010

Mr. Shakhawat Hossain

Director
BASIC Bank Limited
&
Former Commissioner of Customs

Prof. Dr. Kazi Akhtar Hossain

Director
BASIC Bank Limited
&
Chairman
Department of Accounting and Information Systems
Islami University, Kushtia

Mr. Md. Anwarul Islam, FCMA

Director
BASIC Bank Limited
&
Managing Director
ARS Lube Bangladesh Ltd.
Dhaka

Mr. AKM. Sajedur Rahman

Managing Director
BASIC Bank Limited
Head Office
Dhaka

Board of Directors

Members of the Audit Committee

As on June 01, 2010

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

Convener

Mr. Bijoy Bhattacharjee
Director, BASIC Bank Limited
&
Joint Secretary, Ministry of Finance

Member

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

Member

Company Auditor

ACNABIN
Chartered Accountants
BSRS Bhaban (13th Floor)
12 Karwan Bazar, Dhaka-1215

Managing Director

Mr. AKM. Sajedur Rahman

Deputy Managing Director

Mr. Sk. Monzur Morshed

General Managers

Mr. Abdul Hadi Gholam Sanjari

Mr. Kanak Kumar Purkayastha

Mr. Md. Shah Alam Bhuiyan

Mr. Abdul Qayum Mohammad Kibriya

Mr. Fazlus Sobhan

Mr. Md. Zainul Abedin Choudhury

Mr. Md. Shahabad Doza

Our Approach

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

We attach special importance to technical and advisory support to small scale industries in order to enabling them to run their enterprises successfully.

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

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

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

Notice of the Twenty First Annual General Meeting

Notice is hereby given that the 21st Annual General Meeting of BASIC Bank Limited (Bangladesh Small Industries and Commerce Bank Limited) will be held on Thursday, June 17, 2010 at 12:00 noon at Sena Kalyan Bhaban, 195 Motijheel C/A, Dhaka-1000 to transact the following business:

01. To receive, consider and adopt the Directors' Report and Audited Statements of Accounts along with the Auditor's Report thereon for the year ended December 31, 2009;

02. To declare dividend for the year ended December 31, 2009;

03. To elect Directors in place of those who will retire in accordance with the provisions of Articles 105, 106 and 107 of the Articles of Association of the Bank, the retiring Directors are eligible for re-election/re-nomination;

04. To appoint Auditors of the Bank as per Article 144 of the Articles of Association of the Bank for the term until the next Annual General Meeting and to fix their remuneration as per Article 145 of the Articles of Association of the Bank;

Any other business with the permission of the Chair.

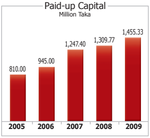
By order of the Board of Directors

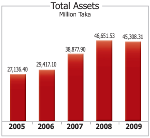
Md. Shah Alam Bhuiyan
Company Secretary

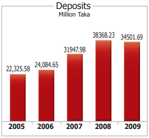
Dated; Dhaka
June 01, 2010

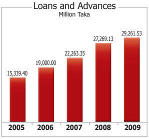
Twenty One Years of BASIC Bank

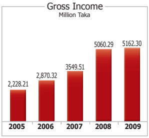
BASIC Bank at a glance	2009	2008	2007	2006	2005
A. From the Balance Sheet (Million Taka)					
Authorized Capital	2000.00	2000.00	2000.00	2,000.00	2,000.00
Paid-up Capital	1455.30	1309.77	1247.40	945.00	810.00
Reserve and Surplus	2468.65	1672.82	1349.17	1,294.00	916.14
Shareholders' Equity	3923.95	2982.59	2596.58	2,239.00	1,726.14
Fixed Assets	232.65	228.36	196.11	154.52	135.78
Total Assets	45699.56	46660.03	38773.91	29,417.09	27,136.37
Deposits	34501.69	38368.23	31947.98	24,084.65	22,325.58
Long- term Debt	2875.16	1708.4	1385.81	830.06	937.51
Loans and Advances	29261.53	27269.13	22263.35	19,000.00	15,339.35
Placement & Investment	12244.91	15659.03	13560.92	8,212.23	10,236.82
B. From the Income Statement (Million Taka)					
Gross Income	5162.30	5060.29	3549.51	2,870.32	2,228.21
Gross Expenditure	3593.96	3526.35	2458.41	1,858.69	1,599.77
Profit before Tax	1568.34	1533.94	1091.10	1,011.62	628.44
Profit after Tax	648.85	549.86	282.96	554.14	285.49
Tax Paid (cumulative)	4225.37	3538.01	2790.98	2,245.16	1,777.70
C. Others (Million Taka)					
Import Business	33976.6	27359.77	21266.57	17,804.27	14,094.96
Export Business	19887.7	22270.87	16794.96	15,463.74	11,097.23
D. Financial Ratios (Percentage)					
Capital Adequacy Ratio	13.48	12.04	12.91	11.98	11.77
Capital Fund to Deposite Liabilities	11.37	7.81	9.23	10.34	10.36
Liquid Assets to Deposit Liabilities	24.67	47.70	49.10	40.42	58.01
Loan to Deposit Liabilities	84.81	71.07	69.69	78.89	69.74
Earning Assets to Deposit Liabilities	116.44	114.69	109.70	112.99	114.56
After Tax Return on Average Assets	1.41	1.30	0.83	1.96	1.23
Net profit to Gross Income	12.57	10.87	7.97	19.31	12.81
Interest Magin Cover	135.79	137.08	176.80	211.72	214.56
After Tax Return on Equity	18.79	19.68	11.70	27.82	17.75
SMI/SSI Loan and Micro Credit to Total Loan	56.93	59.32	56.73	53.43	50.66
Number of Branches	**32**	**31**	**31**	**28**	**27**
Number of Employees	**776**	**735**	**721**	**651**	**601**







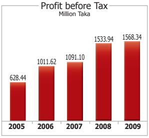


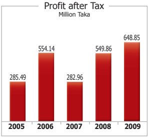


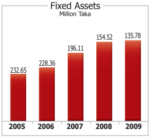
BASIC Bank at a glance	**2004**	**2003**	**2002**	**2001**	**2000**
A. From the Balance Sheet (Million Taka)					
Authorized Capital	2,000.00	2,000.00	500.00	500.00	500.00
Paid-up Capital	675.00	450.00	300.00	300.00	240.00
Reserve and Surplus	816.23	799.29	712.90	461.39	457.77
Shareholders' Equity	1,491.23	1,249.29	1,012.90	761.35	697.77
Fixed Assets	101.41	73.49	76.68	65.73	51.11
Total Assets	19,436.57	14,766.32	13,019.42	9,721.93	7730.67
Deposits	15,509.18	11,266.54	10,021.24	7,512.62	5,845.15
Long- term Debt	839.61	690.95	676.51	582.82	555.98
Loans and Advances	12,000.15	9,282.20	7,957.04	6,260.78	4,618.73
Placement & Investment	6,098.51	4,361.93	3,988.76	2,605.23	2,462.17
B. From the Income Statement (Million Taka)					
Gross Income	1768.85	1,558.52	1,290.66	1,041.76	877.48
Gross Expenditure	1241.63	1,004.85	856.15	685.64	573.30
Profit before Tax	527.22	553.67	434.51	356.12	304.18
Profit after Tax	291.48	236.39	251.55	213.67	173.34
Tax Paid (cumulative)	1,434.76	1,199.02	881.73	698.76	556.31
C. Others (Million Taka)					
Import Business	12,507.80	9,882.80	8,645.00	7,542.80	7,948.00
Export Business	7,908.00	6,933.90	5,557.60	5,957.90	5,557.00
D. Financial Ratios (Percentage)					
Capital Adequacy Ratio	12.49	12.57	13.20	12.49	15.30
Capital Fund to Deposite Liabilities	10.47	10.65	10.11	10.13	11.94
Liquid Assets to Deposit Liabilities	50.56	51.05	54.80	51.47	59.52
Loan to Deposit Liabilities	77.37	82.39	79.40	83.34	79.02
Earning Assets to Deposit Liabilities	116.70	121.10	119.20	118.01	117.74
After Tax Return on Average Assets	1.70	1.70	2.20	2.45	2.33
Net profit to Gross Income	16.48	15.17	19.35	20.51	19.75
Interest Magin Cover	205.07	210.87	187.00	173.91	150.67
After Tax Return on Equity	21.27	20.90	28.18	28.06	27.04
SMI/SSI Loan and Micro Credit to Total Loan	62.21	59.16	63.00	50.18	46.96
Number of Branches	**27**	**26**	**26**	**25**	**25**
Number of Employees	**578**	**523**	**510**	**497.00**	**453**

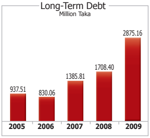
Twenty One Years of BASIC Bank

BASIC Bank at a glance	1999	1998	1997	1996	1995
A. From the Balance Sheet (Million Taka)					
Authorized Capital	500.00	500.00	500.00	100.00	100.00
Paid-up Capital	160.00	80.00	80.00	80.00	80.00
Reserve and Surplus	424.43	394.48	258.34	163.73	105.96
Shareholders' Equity	584.43	474.48	338.34	243.73	185.96
Fixed Assets	37.83	41.96	36.39	25.45	21.27
Total Assets	7,173.17	5620.57	4350.14	3962.55	3280.16
Deposits	5,647.93	4,551.48	3,541.60	3,357.05	2,773.73
Long- term Debt	368.85	344.61	273.29	196.45	166.08
Loans and Advances	3,960.11	3,218.90	2,630.90	1,724.81	1,561.29
Placement & Investment	2,021.19	2,040.72	1,395.59	1,320.43	995.57
B. From the Income Statement (Million Taka)					
Gross Income	794.59	591.64	440.46	311.43	291.62
Gross Expenditure	528.01	364.73	268.83	207.41	191.66
Profit before Tax	266.58	226.91	171.63	104.02	99.96
Profit after Tax	159.95	136.15	94.61	57.77	52.48
Tax Paid (cumulative)	425.47	318.84	228.08	151.06	104.81
C. Others (Million Taka)					
Import Business	7,391.10	7,208.20	7,017.56	4,986.10	4,657.86
Export Business	5,060.30	4,420.20	3,754.87	2,609.30	1,783.09
D. Financial Ratios (Percentage)					
Capital Adequacy Ratio	14.27	14.01	12.45	12.39	-
Capital Fund to Deposite Liabilities	10.34	10.42	9.55	7.26	6.70
Liquid Assets to Deposit Liabilities	59.09	62.29	59.58	70.42	66.22
Loan to Deposit Liabilities	66.71	66.81	69.86	47.82	54.17
Earning Assets to Deposit Liabilities	85.34	115.56	113.69	99.57	97.52
After Tax Return on Average Assets	2.50	2.73	2.28	1.60	1.78
Net profit to Gross Income	20.45	23.01	21.48	18.54	18.00
Interest Magin Cover	112.67	192.07	194.64	112.45	109.68
After Tax Return on Equity	30.21	28.69	27.96	23.70	28.22
SMI/SSI Loan and Micro Credit to Total Loan	40.09	42.21	35.83	40.99	43.44
Number of Branches	**23**	**22**	**21**	**19**	**18**
Number of Employees	**417**	**372**	**351**	**315**	**300**









BASIC Bank at a glance	**1994**	**1993**	**1992**	**1991**	**1990**	**1989**
A. From the Balance Sheet (Million Taka)						
Authorized Capital	100.00	100.00	100.00	100.00	100.00	100.00
Paid-up Capital	80.00	80.00	80.00	80.00	80.00	80.00
Reserve and Surplus	53.49	27.81	10.48	4.83	4.36	1.09
Shareholders' Equity	133.49	107.81	90.48	84.83	84.36	81.09
Fixed Assets	21.37	20.82	16.26	15.15	14.08	7.62
Total Assets	2,609.85	2,321.13	1,646.95	991.37	661.91	406.73
Deposits	2,241.33	1,977.60	1,367.36	843.79	529.19	317.72
Long- term Debt	119.68	122.18	125.80	30.00	30.00	-
Loans and Advances	1,112.24	986.61	715.75	432.80	200.00	66.45
Placement & Investment	483.90	672.29	553.61	404.60	341.11	287.52
B. From the Income Statement (Million Taka)						
Gross Income	232.87	197.67	126.70	98.80	61.11	28.42
Gross Expenditure	181.51	163.01	117.52	95.33	52.22	24.28
Profit before Tax	51.36	34.66	9.18	3.47	8.89	4.14
Profit after Tax	25.68	17.33	4.13	2.87	3.27	1.09
Tax Paid (cumulative)	57.33	31.65	14.32	9.27	8.67	3.05
C. Others (Million Taka)						
Import Business	2,613.50	1,851.13	1,656.70	1,144.16	582.39	296.41
Export Business	1,227.08	718.63	365.50	115.64	36.76	-
D. Financial Ratios (Percentage)						
Capital Adequacy Ratio						
Capital Fund to Deposite Liabilities	5.96	5.45	6.62	10.05	15.94	25.52
Liquid Assets to Deposit Liabilities	68.17	66.91	75.59	61.21	81.86	104.05
Loan to Deposit Liabilities	49.62	49.89	52.35	51.29	37.79	20.91
Earning Assets to Deposit Liabilities	74.04	83.69	92.70	101.48	102.99	111.41
After Tax Return on Average Assets	1.04	0.76	0.23	0.23	0.39	0.35
Net profit to Gross Income	11.03	8.77	3.26	2.90	5.35	3.84
Interest Magin Cover	60.33	84.98	57.85	82.15	102.43	123.1
After Tax Return on Equity	21.28	17.48	4.71	3.39	3.95	1.34
SMI/SSI Loan and Micro Credit to Total Loan	46.25	22.16	15.38	15.56	23.84	28.12
Number of Branches	**17**	**16**	**13**	**10**	**7**	**3**
Number of Employees	**238**	**196**	**159**	**124**	**100**	**48**

Message from the Chairman

It is a pleasure for me to welcome all of you to the 21st Annual General Meeting of the Shareholders of BASIC Bank Limited. I am also pleased to present the Annual Report of the Bank for the year 2009 which is a clear manifestation of the progress made during the year and an optimistic outlook towards a brighter future for the Bank.

BASIC Bank Limited navigated its way through another challenging year, which experienced economic recession that followed the global financial crisis spread from advanced economies to most emerging markets. Despite of sluggish economic condition prevailed during the financial year under review, the business model of the Bank once again proved to be consistent and viable that enabled the Bank to attain an upstanding result. This respectable result achieved in tumultuous time may be viewed as a success, and as an evidence of our sound and conservative business policy. This success is truly attributable on the continued confidence placed by our clients. Just as importantly, devotion of all employees to the goal set for this year and their extraordinary commitment towards overall development of the Bank made such achievement possible. For this, I would like to extend my heartfelt thanks!

Despite most challenging economic conditions in 2009, BASIC Bank Limited was able to secure a net profit of Taka 648.85 million, representing earnings per share of Taka 44.59. Apart from the solid performance, our capital adequacy ratio under the Bangladesh Bank criteria was at 13.48 percent. The ratio of Tier 1 capital stood at 11.30 percent while our ratio of non-performing loans to total loans was only 4.83 percent.

BASIC Bank Limited adopted expansionary policy for the year 2010 and onward. To this effect, two more Branches at Tungipara, Gopalganj and Savar, Dhaka are going to add to the network of the Bank very soon. The Bank also eyes to open 8 more Branches as well as 10 SME Centers this year.

In conclusion, once again I would like to take the opportunity to express my deep gratitude to our esteemed shareholders, customers, business partners and associates for their continued support during the most challenging time. With profound gratefulness I would also like to acknowledge the cooperation received from the concerned Ministries of the Government, Bangladesh Bank and related authorities. May I also thank our management and staff for their most valuable contributions, exemplary hard work and complete dedication to the Bank.

Sheikh Abdul Hye Bacchu
Chairman

Board of Directors of BASIC Bank Limited in a Board Meeting.

Dear shareholders, the report of the Directors starts by reviewing the World economy during the past year 2009 and then briefly provides you an update of current forecasts, then a concise discussion on the features and forecasts of Bangladesh economy followed by the Bank's main activities and achievements during the reporting year and future strategies.

Global Economic Scenario

After the unusually unstable final months of 2008, year 2009 was of stabilization for the global economy. The year saw a steady trend toward normalization except for the first quarter in which financial markets witnessed high volatility, volumes and margins. As the year progressed, mature economies showed signs of recovery, while the emerging economies retrieved healthier growth rates. Equity markets rallied worldwide. Nevertheless, the economic environment in mature markets remained fragile in 2009, with high levels of unemployment and continued reliance on the external stimulus measures taken by governments across the globe following the financial crisis.

The outlook for the global economy has improved considerably over the past few months. In the United States, Latin America and in the emerging Asian economies, short-term economic indicators have picked up significantly, while the return to growth in Japan and Europe has been less dynamic.

The International Monetary Fund (IMF) in its World Economic Outlook released in April 2010 stated that the global recovery has evolved better than expected, but in many economies the strength of the rebound has been moderate given the severity of the recession. The overview of the World economic outlook projections as incorporated in the report are as follows:

As revealed in the table given in the next page, major differences have emerged between advanced economies and emerging markets. Emerging economies, which are increasingly driven by domestic growth factors rather than exports, are now contributing significantly more to growth and investment than advanced countries.

Percentage change assuming constant real effective exchange rates	Real GDP growth rate 2009	2010
World Output	- 0.6	4.2
Advanced Economies	- 3.2	2.3
United States	- 2.4	3.1
Euro Area	- 4.1	1.0
Japan	- 5.2	1.9
Newly Industrialized Asian Economies	- 0.9	5.2
Other Advanced Economies	- 1.1	3.7
Emerging and Developing Economies	2.4	6.3
Central and Eastern Europe	- 3.7	2.8
Developing Asia	6.6	8.7
Middle East and North Africa	2.4	4.5
Sub-Saharan Africa	2.1	4.7
Western Hemisphere	- 1.8	4.0
Commonwealth of Independent States	- 6.6	4.0

Bangladesh Economic Scenario

The Bangladesh economy has performed better than many others in Asia due to its lack of integration with global financial markets as well as the nature of its garment and labor exports, which are targeted mainly at the segment less affected during the early stages of the crisis. The Asian Development Bank (ADB) in its Asian Development Outlook (ADO 2010) stated that GDP growth declined slightly to 5.9 percent in FY2009 (ended June 2009) from 6.2 percent in the previous year largely because of industry's decelerating growth as export production slowed during the global recession. Industry's growth was also constrained by power and natural gas shortages and by a weakening in construction activity.

However, agriculture performed well, aided by favorable weather and government support to farmers that improved their access to inputs and credit. Expansion in services decelerated as the slowdown in industry crimped trade and transport activity.

The ADB forecasted GDP growth in FY2010 at 5.5 percent, somewhat lower than in FY2009 due in part to the lagged effects of depressed external demand on Bangladesh's mainly low-end garment exports. On the contrary, Bangladesh Bank conservatively projected our economy to grow by 5.5 - 6.0 percent in FY2010, which will depend significantly on rebound of export growth, this in turn dependent on the pace of global recovery from the ongoing slowdown.

Our Bank: A Bird's Eye View

The year 2009 was a year of consolidation for BASIC Bank Limited. Regardless of the market challenges and the lowest interest rates, the Bank performed well during a testing period for the financial services sector. This past year was a year during which we further strengthened our Bank in several ways which will help position us well for future growth.

The total assets of the Bank stood at Taka 45308.31 million at the end 2009 against Taka 46651.53 million in the previous year. Deposit decreased from Taka 38368.23 million in 2008 to Taka 34501.69 million in 2009 registering a decline of 10.08 percent. Loans and advances, however, increased to Taka 29261.53 million as on December 31, 2009 against Taka 27269.13 million at the end of 2008, recording a growth rate of 7.31 percent compared to 22.48 percent in the previous year.

All-out efforts were made to improve the recovery rate and control non-performing loans and advances. The proportion of non-performing loans to total loans stood at 4.83 percent in 2009 compared to 4.59 percent in 2008. Emphasis on the maintenance of quality of assets remained the centerpiece of the Bank's business strategy.

Growth of industrial finance was moderate and loans to small industries were 19.95 percent of total loans and advances, which registered a growth of 1.72 percent. The Bank was quite successful to utilize its fund satisfying all conditionality and national priorities. The Bank also successfully utilized a soft term fund of Asian Development Bank under Bangladesh Agribusiness Project and special agro-based industrial development fund provided by the Government of Bangladesh.

Since the inception of the Micro-credit Scheme in 1994, the Bank has been providing funds to NGOs for on–lending to their members. Total outstanding in micro-credit of the bank increased by 40.23 percent to Tk. 1072.10 million during the year under review.

The Bank's financing of import business increased from Taka 27359.77 million in 2008 to Taka 33976.60 million in 2009 registering growth rate of 24.18 percent. On the other hand, Bank's export finance decreased to Taka 19887.70 million in 2009 from Taka 22270.90 million in 2008.

Profit before provision of the Bank rose to Taka 1568.34 million in 2009 against Taka 1534.11 million in 2008. Profit after provision for loan loss and investment increased to Taka 1321.97 million in 2009 against Taka 1250.89 million in 2008. After tax net profit stood at Taka 648.85 million in 2009 compared to Taka 549.95 million in 2008.

A Focus on Core Customers

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

Technology

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

The Bank attaches great importance to acquisition and use of appropriate information technology in the Bank. Computers are being used in the Bank for its day-to-day operation since inception. All the Branches of the Bank are connected with each other, the Head Office and the Data Center through Wide Area Network (WAN). The Bank is always striving to meet the complex dynamic needs of its customers, and technology is playing an important role regarding this. The Bank had its own Banking Software developed in 1991 which was replaced recently by a Centralized Online Banking System to further enhance customer care and increase employee efficiency. Now all the Branches of the Bank have been brought under Centralized Online Banking operation. To enhance the performance and to ease the day-to-day operations, the Bank is using different software developed by its own Software Engineers and is continuously pursuing its efforts in using new software.

Moreover, the Bank has already signed an agreement with Information Technology Consultants Limited (ITCL) to become a member of the shared ATM network (Q-Cash) deployed by ITCL in order to provide ATM and POST services to the clients of the Bank and set up several ATM booths in locations suitable for the Bank in the existing shared ATM network of ITCL. The Bank is also going to launch Internet Banking operation soon, which is now in the implementation phase.

Capital structure and ratios

At the end of the year 2009 Bank's capitalization stood at 11.30 percent for tier 1 and 13.48 percent for total capital against the total risk weighted assets exceeding the required minimum levels of 5 percent and 8 percent respectively. Thus the Bank was able to maintain the confidence of investors and depositors while providing a lucrative return to the Government, the sole shareholder of the Bank. Details of the capital structure were as follows:

Year	2009	2008
Core Capital (Tier 1)	(Amount in million taka)	
Paid up capital	1455.30	1309.77
Statutory reserve	1559.66	1295.26
Other reserve and surplus	583.44	51
Total of Tier 1 Capital	**3598.40**	**2949.54**
Supplementary Capital (Tire 2)		
1% general provision on unclassified loans and off balance sheet exposures	525.46	
Assets revaluation reserve and exchange equalization	169.70	18.08
Total of Tier 2 capital	**695.16**	**425.37**
Total Capital	**4293.56**	**2947.86**
Risk weighted assets	**31850.69**	**22841.32**
Capital Ratios to risk weighted assets		
Tier 1 Capital	11.30%	10.51%
Tier 2 Capital	2.18%	1.51%
Total Capital	**13.48%**	**12.02%**

Dividend

In maintaining the competitive edge and creating a strong financial base the Board of directors decided to improve its equity by issuing bonus shares to its existing shareholders and accordingly, pleased to propose to its sole shareholders, the Ministry of Finance, subject to approval of the Annual General Meeting, 7 (seven) bonus share against each 20 (twenty) shares amounting to Tk. 509.36 million subject to approval of the Bangladesh Bank.

The Board

At the fag end of 2009 by a proclamation of the Ministry of Finance the Board of Directors of the Bank was reconstituted comprising 11 (eleven) members from different sectors and disciplines designating me as the Chairman while Mr. Jahangir Akhand Salim, Ms. Razia Begum, Mr. Ashraf Mohammad Iqbal, Mr. Bijoy Bhattacharjee and Mr. Shakhawat Hossain as Directors. Afterwards, Prof. Dr. Kazi Akhtar Hussain and Mr. Md. Anwarul Islam, FCMA were appointed as Directors on 01.10.2009 and 29.10.2009 respectively. All of them have already proved to be a valuable addition.

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

Mr. Dewan Zakir Hussain, Mr. Mahbub Ahmed, Mr. Mohammad Mahbubur Rahman, Mr. Md. Ehsanul Hoque, Mr. Mustafa Mohiuddin, Mr. Md. Abdul Matin and Mr. Md. Abul Quasem, who retired from the Board during the reporting year, epitomized the best attributes of an effective non-executive director. They brought wise counsel combined with a deep commitment to the welfare of the Bank and I thank them for their significant contribution.

Audit Committee of the Board of Directors

The Audit Committee of the Board of Directors consists of three directors namely, Mr. Shakhawat Hossain, Mr. Bijoy Bhattacharjee and Mr. Md. Anwarul Islam, FCMA. The Committee reviewed the financial statements of the Bank from time to time and made significant contribution to the development of internal control system for conducting banking operations efficiently and in a disciplined manner. The Committee met four times during the reporting year.

Human Resources

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

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

In an increasingly competitive market for highly skilled staff, we are focusing on providing a stimulating corporate environment and attractive compensation packages. This facilitates challenging career opportunities and avenues for improvement. The Bank attaches a great importance to human resources and recruits regularly fresh graduates with outstanding academic achievements. At the end of the year under review total employee strength was 777.

Strategic Priorities

BASIC Bank has been strongly positioned in recent years to take up the opportunities of a growing and transforming Bangladesh marketplace. Our strategy is to serve the full value chain of customers in our operations, from the most basic to the most sophisticated of financial services needs, and to maintain high standards of customer service and cost-effective delivery channels. High standards of customer service must rank as the ultimate differentiator in the banking industry and we would apply ourselves, as we did in previous years, with great commitment to this important task in 2010. Apart from this, our strategic priorities would include:

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

Acknowledgement

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

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

On behalf of the Board

Sheikh Abdul Hye Bacchu
Chairman

Credit Ration of the Bank

Year	Long Term	Short Term
2009	AA	ST-1
2008	AA-	ST-1

Credit Rating Information and Services Limited (CRISL) has upgraded its rating and assigned AA(pronounced as double A) rating in the long term and ST-1 rating in the short term to the Bank for the year 2009.

Banks rated AA in the long term are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may very slightly from time to time because of economic conditions.

Banks rated ST-1 in the short term are considered as the highest certainty of timely payment. Short term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding. Saftey is almost like risk free Government short-term obligations.

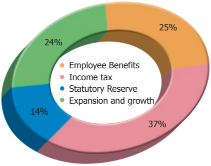
Agreement with CRISL, the credit rating agency of the Bank

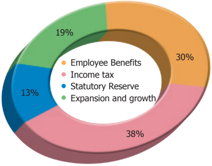
Value Added Statement

For the year ended 31 December 2009

The value added statement of BASIC Bank Ltd. show how the value is created and distributed among different stakeholders of the bank.

Particulars	**2009 Taka**	**%**	**2008 Taka**	**%**
Income from Banking Services	5,162,302,847		5,060,309,791	
Less: Cost of services and supplies	3,076,440,366		2,922,479,019	
Value added by the banking services	**2,085,862,481**		**2,137,830,772**	
Non-banking income	–		–	
Loan written-off and provision	(246,377,585)		(283,225,321)	
Total Value Added	**1,839,484,896**		**1,854,605,451**	
Distribution of added value				
To Employees as salary and allowances	457,327,615	25	550,766,106	30
To Govt. as income tax	673,113,838	37	700,938,259	38
To Statutory Reserve	264,393,447	14	250,178,399	13
To Expansion and growth	444,649,996	24	352,722,687	19
Retained earnings	384,459,952		299,775,338	
Depreciation	60,190,044		52,947,349	
	1,839,484,896	**100**	**1,854,605,451**	**100**





Economic Value added(EVA) statement

For the yearended 31 December 2009

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

Particulars	**2009 Taka**	**2008 Taka**
Equity		
Shareholders' equity	3,923,950,457	2,982,596,840
Add:Cumulative provision for loans and Off-balance sheet items	1,048,856,507	823,142,010
	4,972,806,964	**3,805,738,850**
Average Shareholder's equity	**4,389,272,907**	**3,591,607,771**
Earnings:		
Profit after tax	648,853,399	549,953,737
Add: Provision for loans and Off-balance sheet items and protested bill	246,377,584	283,225,321
	895,230,983	**833,179,058**
Average cost of equity (based on highest rate of Govt. Savings Instruments) plus 2% risk premium	14.00%	14.00%
Cost of average equity	614,498,207	502,825,088
Economic Value Added	**280,732,776**	**330,353,970**

A partial view of a fully compliant ring spinning mill financed by BASIC Bank

Top Executives of the Bank

Management Commentary 2009

The year 2009 was yet another successful year for BASIC Bank. During the year the Bank also maintained its consistent progress. Its unique emphasis on credit quality and customer's services yielded the desired: growth in profit, capital, assets and shareholders' value. We were fortunate to be able to muster adequate resources, both financial and human, and make such achievement. The years ahead will witness the Bank's growing commitment in maintaining the highest standard in all its spheres of activity.

1. Performance of the Bank

1.1 Property and Assets:

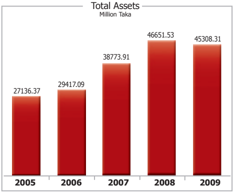
At the end of the year 2009, total assets of the Bank stood at Taka 45,308.31 million against Taka 46,651.53 million in previous year registering a decrease by 2.87%. This decrease of assets caused for withdrawal of deposit of BTRC Taka 3,897.24 million over the year. The deposit of BTRC reduced to Taka 2,121.54 million at the end of 2009 from Taka 6,018.78 million at the end of previous year. As expected, loans and advances comprised the largest share in the assets portfolio of the Bank constituting 64.03%. Investment and Balances with other banks and financial institutions were the second and the third largest constituents being 13.87% and 12.92% of the assets portfolio respectively. Money at call and short notice were 0.39% of total assets.

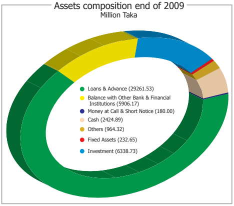
1.1.1 Cash in Hand and Balance with Bangladesh Bank and its Agent:

The amount of cash in hand and balance with Bangladesh bank and its agent decreased to Taka 2,424.89 million in 2009 from 2,641.00 million in 2008 registering a decline of 8.22%. The decline was due to decrease of requirement for maintaining Cash Reserve Requirement (CRR) as a result of decrease of deposit in 2009 than that of 2008 and CRR were maintained adequately.

1.1.2 Balance with Other Banks and Financial Institutions:

The balance with other banks and financial institutions decreased by 30.39% to Taka 5,906.18 million from Taka 8,485.18 million in previous year. Such decrease is the resultant effect of withdrawal of BTRC deposit, which also directly contributed to the decrease of term placement with other banks and financial institutions and decrease of call lending.





1.1.3 Investment:

Investment at the end of 2009 was Taka 6,338.73 million, compared to Taka 5,688.01 million in previous year making a growth of 11.44% over last the year. The investment was increased due to investment of more fund in Treasury Bond. Investment was concentrated in long term approved securities such as Government Treasury Bond. During the year 2009 Treasury bond had the largest share (98.43%) in the investment portfolio. Debentures, shares in listed and unlisted companies and prize bond altogether constituted 1.57%. BASIC's placement in different Banks in Bangladesh and outside Bangladesh was Taka 5,906.18 million in 2009 compared to Taka 8,485.18 million in 2008.

1.1.4 Money at Call and Short Notice:

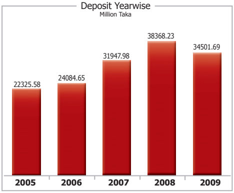
This was an important area of treasury operation of the bank. Money at Call and Short Notice was Taka 180.00 million in 2009 compared to Taka 1,480.00 million in 2008. The amount of placement made with different NBFIs.

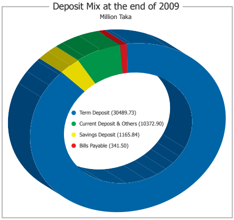
1.1.5 Fixed Assets and Other Assets:

At the end of 2009 the fixed assets increased by 1.88% to Taka 232.66 million from Taka 228.36 million in 2008 and other assets increased to Taka 1,355.57 million from Taka 859.83 million in the previous year. Fixed assets included vehicles, equipment and computer, furniture and fixtures and leased assets. On the other hand, other assets included interest receivable from term placement, advance income tax, stock of stationery, security deposits, sundry debtors, deferred tax and suspense account.

1.1.6 Loans and Advances:

Loans and advances consist of industrial loans, commercial loans, micro credit and bills increased by 7.31% to Taka 29,261.53 million compared to Taka 27,269.13 million in 2008.





1.1.7 Industrial Loans:

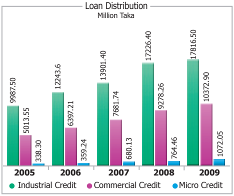
The industrial loan reflected growth of 3.48% over the previous year. Total outstanding industrial loans including term and working capital stood at Taka 17,825.40 million at the end of 2009 compared to Taka 17,226.40 million of 2008. Total outstanding term loan stood at Taka 7,718.34 million as on December 31, 2009 compared to Taka 6,206.75 million in 2008 reflecting a growth of 24.35%. The outstanding working capital finance extended to industrial units stood at Taka 10,098.20 million at the end of the reporting period compared to Taka 11,784.08 million in 2008. BASIC Bank's services are specially directed towards promotion and development of small industries. Its exposure to small and medium industries sector accounted for 56.41% of the total loans and advances. During the year total of 160 projects were sanctioned term loan. Out of which 54 were new and the rest were under BMRE of the existing projects. As on 31 December 2009, total 919 projects were in the portfolio of the bank. The textile sector including garments being one of the major contributors to national economy dominated the loan portfolio of the Bank. Other sectors financed include engineering, food and allied industries, chemicals, pharmaceuticals and allied industries, paper, board, printing and packaging, and other non-metallic goods, leather and jute products. Recovery rate of project loan was 92.00% (approx).

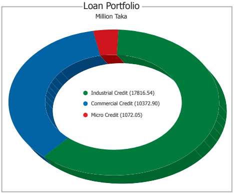
1.1.8 Commercial Credit:

The Bank also supports development of trade, business and other commercial activities in the country. It covers the full range of services to the exporters and importers extending various facilities such as cash credit, export cash credit, packing credit, short term loans, local and foreign bills purchase facilities. As on December 31, 2009, total outstanding commercial loans stood at Taka 10,877.17 million compared to Taka 9,278.26 million in 2008.

1.1.9 Micro Credit:

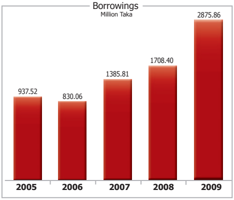
BASIC Bank also provides micro credit to the poor for generation of employment and income on a sustainable basis, particularly in urban and suburban areas. At the end of 2009, total amount of Taka 1,072.05 million remained outstanding as against Taka 764.46 million in 2008. Recovery rate during this period remained at a highly satisfactory level of 97.00 percent (approx).





1.1.10 Non-performing Loan:

Classified (non-performing) loans and advances was 4.83% at the end of the year under review which was 4.59% in 2008. In absolute term classified loans and advances stood at Taka 1,412.34 million in 2009 from Taka 1,251.21 million in 2008. Additional provision made in 2009 was Taka 231.70 million against classified and unclassified loans and advances and off-balance sheet exposure. Total cumulative provision made for loans and advances amounted to Taka 1,048.86 million as on December 31, 2009. During the year 2009 no loan was written off. However, an amount of Taka 0.07 million was recovered against written-off loans.

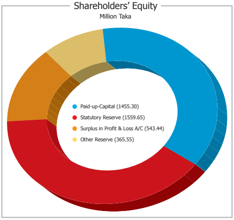


1.2 Liabilities and Shareholders' Equity

1.2.1 Deposit:

Deposit constitutes the core of BASIC Bank's fund mobilization. Total deposit of the Bank at the end of 2009 stood at Taka 34,501.70 million (75.50% of Total liabilities) compared to Taka 38,368.23 million (82.24% of Total liabilities) in 2008. Total amount of deposit declined by 10.07%. The decline of deposit was mainly due to withdrawal of deposit of BTRC. The deposit of BRTC at the end of 2009 was Taka 2,121.54 million which was Taka 6,018.78 million at the end of 2008 registering a decline of Taka 3,897.24 million. During 2009, the fixed term deposit was Taka 30,489.73 million against Taka 34,539.71 million in 2008. Savings bank deposit increased to Taka 1165.84 million in 2009 compared to Taka 955.51 million in 2008. Deposit in current and other accounts including bills payable was Taka 8,846.12 million compared to Taka 2,873.01 million in 2008.

Industrial Credit
Tk. 17817 Million



1.2.2 Borrowing:

Borrowings were made from various sources for long term funding specially for financing development-banking activities. The Bank enjoys a credit line facility from KfW, a German development bank for financing micro-credit scheme and small-scale industries.

It has also utilized an ADB credit line for financing small industries. Another loan of Taka 961.11 million was also received from ADB for financing Agro business development. Ministry of Finance (GOB) and Bangladesh Bank are the other source of finance. An amount of Taka 950.00 million was allocated by the GOB and disbursed to BASIC Bank to finance Agro-based industry. BASIC was included in this scheme for its outstanding performance. Total outstanding borrowing against utilization of funds from the above sources in 2009 was Taka 2,375.15 million against Taka 1,708.40 million in 2008.

1.2.3 Equity:

The bank started its journey with paid-up capital of Taka 80.00 million in 1989 and the same had increased to Taka 1,455.30 million in 2009. The bank has decided to issue 7 bonus shares for every 20 shares and the paid-up capital of the bank would thus be raised to Taka 1,964.65 million if the proposed bonus share is approved. Due to Bangladesh Bank restriction no cash dividend has been proposed this year. However, the bank has so far paid cash dividend of Taka 537.99 million to the government.

1.2.4 Statutory Reserve:

As per section 24 of the Bank Company Act-1991, 20% of profit before tax were transferred to statutory reserve. Hence, the statutory reserve of the bank will stand at Taka 1,559.66 million after transfer of an amount of Taka 264.39 million from the profit of 2009.

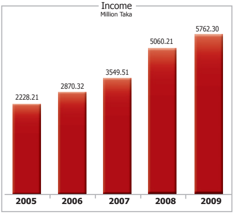
1.2.5 Shareholders' Equity :

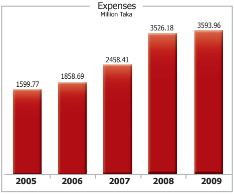
Shareholders' equity of the Bank would increase by Taka 941.36 million to Taka 3,923.95 million in 2009 from Taka 2,982.59 million in 2008 registering a sustainable growth rate of 31.56%.

1.3 Operating results:

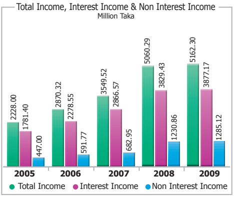
1.3.1 Income:

The Bank's total income was Taka 5,162.30 million in 2009 compared to Taka 5,060.29 million in 2008. Interest income from loans and advances increased to Taka 3,877.17 million in 2009 from Taka 3,829.43 million in 2008.





Average yield on lending was 11.72%. Income on investment increased to Taka 761.82 million against Taka 674.07 million in 2008 while other operating income increased to Taka 68.09 million in 2009 against 67.61 million in 2008. Besides, investment in higher rates long term Treasury bond and increased amount of investment attributed to such growth. The amount of commission was Taka 455.22 million in 2009 compared to Taka 489.18 million of previous year.

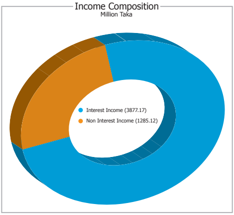


1.3.2 Expenses:

The total expenditure was Taka 3,593.95 million in 2009 compared to Taka 3,526.35 million in 2008. Total expenditure increased due to increase of interest expenditure. Interest expenses increased due to increase of interest expenses for fixed deposit and borrowing. Besides, rent, electricity and insurance, stationery, printing and advertising and loss on HFT revaluation also contributed to such increase. Hiring of space for Gazipur branch, revision of rent agreement of Head office space, Bogra, Agrabad etc. also contributed to increase of rent expenditure.

1.3.3 Contribution to Exchequer

From the very inception, BASIC Bank has been posting profit and paying income tax to the Government. The cumulative figure of contribution to the Government exchequer by way of corporate tax up to December 31, 2009 amounted to Taka 4,225.45 million, which is almost 53 times the amount of original paid-up capital of the Bank.



1.3.4 Export/Import:

The Bank handled total import business of Taka 33,976.60 million and export business of Taka 19,887.70 million in 2009 compared to Taka 27,359.77 million and Taka 22,270.87 million in 2008. Major items of exports were ready made knit & woven garments, sweater, jute & jute products, leather and leather goods, handicrafts etc. Items of import included mainly industrial raw materials, garments accessories, capital machinery, raw cotton, electronic consumer goods, chemicals, tyres and tubes, reconditioned vehicles, bicycle spare parts, food items such as rice, wheat, maize, garlic, onion, sugar, chilly and other essential commodities.

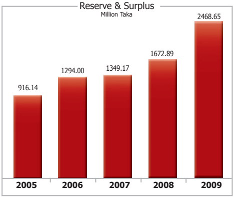
1.4 Other Activities:

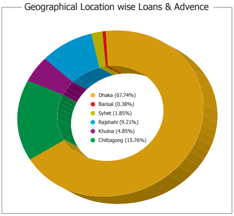
1.4.1 Branch Network

A great deal of investment for developing the physical resource base of the Bank has been made. BASIC Bank has its presence in all the major industrial and commercial centers of Bangladesh in order to cater to the needs of industry and trade. At the end of 2009, there were thirty two conveniently located branches throughout Bangladesh – eleven branches in the capital city of Dhaka, seven in Chittagong and one each in Gazipur,Narayanganj, Narsingdi, Rahshahi, Saidpur, Bogra, Khulna, Jessore, Sylhet, Moulvibazar, Comilla, Barisal, Sirajganj and Rangpur. We are also expecting to open 8(eight) new branches and 5(five) SME centers in 2010. Besides these, the bank has three bill collection booths at Ramna , Sher-e-Bangla Nagar and Gulshan exchange Office of BTCL, Dhaka. A Foreign Exchange booth is also in operation at Osmani Int'l Airport, Shylhet for mobilizing foreign exchange. This is one of the areas where BASIC Bank is relatively lagging behind. The Bank has already signed an agreement with Western Union as sub-agent and also decided to increase its remittance insourcing net work in Malaysia, Middle east,USA and europe for obtaining foreign currency remittances. The Bank started ATM operation in 2008 with 5(five) ATM booths and connection with a Q-Cash net work of over 200 ATM booths which covers 19 banks. The bank is expecting to introduce more ATMs in 2010.

1.4.2 Risk Management

In banking environment no reward can be expected without risk. In this backdrop, the management has established a formal program for managing the business risk faced by the Bank. Considering the present non-performing loan position of the country, BASIC Bank is very much cautious about its investment. Every loan proposal is placed under careful scrutiny before approval. Proposals of large amount of loans need approval of the Board of Directors. Internal Audit team and Recovery team exercise close monitoring on every loan transaction.





Management regularly reviews the Bank's overall assets and liabilities position and makes necessary changes in its mix as and when required. The Bank also has a liquidity policy to ensure financial flexibility to cope with unexpected future cash demands.

1.4.3 Head office and Board of Directors

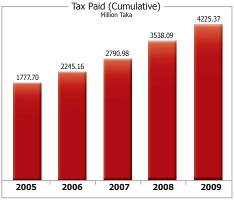
The responsibility of making policies and operational guidelines is vested with the Board of Directors. The Board of the Bank is nominated by the Ministry of Finance and consists of Government officials, professionals, academicians and businessmen. The Managing Director is the Chief Executive of the Bank who is an ex-officio member of the Board. Seven General Managers acting under him and fifteen Divisions are performing daily operational activities of the Bank. The Managers of the branches being responsible functionally to the Heads of Divisions at Head Office and report directly to the Managing Director.

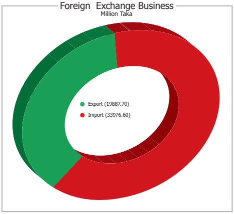
1.4.4 Human Capital Management

BASIC has a well-diversified pool of human resource, which is composed of personnel with high academic background. Also, there is a positive demographic characteristic. Most employees are comparatively young in age yet mature in experience. As at end 2009 the total employee strength was 776.

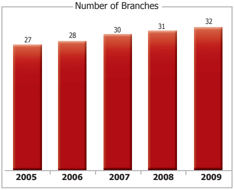
The Bank follows a strict recruitment policy in order to ensure that only the best people are recruited. For fresh recruitment comprehensive written test and viva voce are conducted through the renowned institutions like IBA, BIBM, BIM etc. The Bank, so far, has recruited seven batches of entry-level management staff, all of whom have got excellent academic background. In 2009 the bank recruited 135 fresh employees at various grades from different academic background. A total of 107 employees of different grades were also promoted to the next higher grade in 2009.

Intensive training program, on a regular basis, is being imparted to employees of both management and non-management levels to meet the challenges in the banking industry and to help employees to adapt the changes and new working conditions. Human resource is the main driving force and quality human resources are the key sources for the success of today's banking business.





Keeping this view in mind and recognizing the importance of training for professional excellence BASIC Bank Ltd. established its own training cell in 2005 with modern facilities. In 2009 the cell arranged 39 training courses and provided training to as many as 696 employees of the bank. The bank also sends its employees to BIBM and other local and foreign institutions with a view to enhancing and sharpening their knowledge base. During the year 2009 a total of 44 employees of the Bank were also provided with training in various fields in BIBM and other institutions.



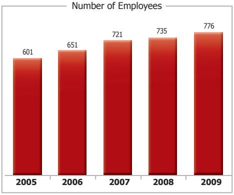
1.4.5 Automation

The Bank had been providing computerized banking service to all its customers since its inception. To accelerate the speedy and accurate account ledger maintained and to make available all potential international banking products, all the branches of the Bank is already providing on-line services. It is expected that in 2010 the bank will introduce new IT based products and serve its customers through the new system including ATM and internet banking facilities.

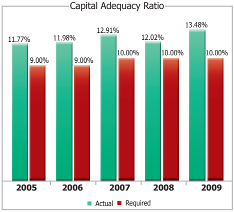
2. Future Strategies:

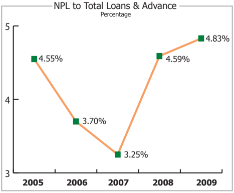
We expect to continue to maintain strong competitive edge in banking sector in Bangladesh in the years ahead. Through our specialization and integrated approach, we aim to build a strong position in the industrial development of Bangladesh. The Bank has the following strategies to implement to increase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

- The Bank will continue to emphasize on small and medium enterprise financing for alleviating poverty, generation of employment and increasing the Gross Domestic Product of Bangladesh.
- To reach the superior banking service with low cost loans and advances for industrial development of Bangladesh to the door steps of general mass, the Bank will open one branch in each district head quarter gradually with on-line banking facility and innovative banking products.
- To promote SME some SME service centers would be opened to provide SME loans, suggestions and guidelines to the borrowers.



- The bank will also open overseas branches in different countries to facilitate cross border trade and to take the bank's operation in international area. Some exchange house will also be opened to expedite the remittance of our expatriate work force.
- We will also start investment banking activities.
- The bank started its operation in 1989 but as yet do not have its own premises. We are expecting to materialize this long cherished dream shortly.
- We consider the employees as the bank's greatest asset. To recruit and retain talented and efficient human resources the bank's pay scale would be revised to make it competitive with the market.
- Initiating effective drive to arrest classified loan and to bring down the existing classified loan substantially to a minimum percent.
- The Bank will provide ATM cards to all of its clients to avail 24 hour modern banking facility.
- To mobilize the deposit from small savers and to provide depositors with fixed income base the bank will introduce new and diversified deposit schemes.
- As part of corporate social responsibility the bank will contribute more for the welfare of underprivileged quarter of the society.
- The Bank has already taken all out preparation for implementation of BASEL-II. The Bank will also invest considerable amount of fund in development of human resources and IT infrastructure to implement BASEL-II under Advanced IRB approach as per guidelines of the Bank.





3. Acknowledgement

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

4. Conclusion

In view of overall performance and global economic recession we had a moderately successful year 2009. We are confident to excel towards growth and expect further progress in operating performance and achievement of targets set for 2010.

Disclosures on Risk Based Capital Requirement under Pillar-III of Basel-II for the year ended December 31, 2009:

Disclosure Overview

This following detailed qualitative and quantitative disclosures are provided in accordance with the guidelines of Bangladesh bank for Risk Based Capital Adequacy Requirement under Basel-II issued through circular on December 31, 2008. This is intended to provide users an insight about the various risks exposures to which the bank is focused and maintenance of adequate capital against them. The users will also be able to compare the bank's performance within the banking industry.

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

Major Requirements of Bangladesh Bank' guidelines for Basel-II:

Pillar-I: Minimum Capital Requirement: Bank shall maintain minimum capital against potential risks (Credit Risks, Market Risks, and Operational Risks) which will be at least 10% of total risk weighted assets. At present all banks operating in Bangladesh is instructed to follow Standardized approach for Credit Risk and Market Risk and Basic Indicator Approach for Operating Risk. Capital Adequacy Assessment and Maintenance shall be submitted to Bangladesh Bank on Quarterly basis.

Pillar-II: Supervisory Review: The banks shall have a process for assessing overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital at an adequate level. Adequate capital shall be more than or equal to 10% of risk weighted assets.

Bank should develop an Internal Capital Adequacy Assessment Process (ICAP) for assessment and maintenance of adequate capital.

Pillar-III: Market Discipline: Purpose of Market discipline is to establish more transparent and disciplined financial market so that stakeholders can assess the position of a bank regarding holding of assets and to identify the risks relating to that assets and capital adequacy to meet the probable loss of assets. Banks shall develop an approved market disclosure policy and publish the same at least once in a year along with annual financial statements and also through website.

The Disclosure:

Assets:

Bank's total asset mainly consists of loans and advances, investment in government securities and money market placements which is increasing gradually. Quality of this asset is standard and percentage of non performing asset is also at tolerable level.

Comments on nature of assets:

Bank's assets may be classified into several categories such as Banking Assets and Non Banking Assets, Trading Book Assets and Banking Book Assets, Earning Assets and Non Earning Assets.

Earning Assets (Trading book asset, Banking book asset, etc):

Earning Asset portfolio of the Bank consists of the followings:

a. Loans and Advances

b. Investment in Government Securities

c. Investment in Equity Shares

d. Investment in other approved Securities

e. Investment in Call and Term Placement with Banks and Financial Institutions

f. Balance with Other Banks (STD account, FC account)

Non-earning assets (Cash, Cash reserve with BB, etc.):

Non Earning Asset portfolio of the Bank consists of the followings:

a. Cash and Cash Equivalents including foreign currency

b. Balance with Bangladesh Bank Current Account for maintaining CRR

c. Non Current Assets including Furniture and Fixtures, Machine and Equipments, Vehicles and Leased Assets.

d. Other assets including receivables.

Disclosures on Risk Based Capital Requirement under Pillar-III of Basel-II for the year ended December 31, 2009:

Definition of Default and Classified Assets:

The Bank follows classification of loans and advances as per applicable circular of Bangladesh Bank. According to Bank Companies Act-1991 the definition of Classified Loan is as follows:

The loans and advances along with interest accrued or a part thereof remaining overdue as per definition of Bangladesh Bank for 06 months or more is termed as Default or Classified Loans.

Addition/Reduction on Classified Assets:

Bank's non performing asset has increased slightly in the year 2009 comparing to that of 2008. Global economic recession has mainly contributed to such increase.

Policies and processes for protecting assets against Core Risks inherent with banking activities:

The Bank has developed its own core risks (Credit Risk, Foreign Exchange Risk, Asset Liability Management Risk, Money Laundering Risk and Internal Control and Compliance Risk) manual in line with core risks guidelines of Bangladesh Bank. As per these guidelines Asset Liability Committee (ALCO) regularly reviews bank's asset and liability position and suggests appropriate course of actions for mitigating any type of potential risks.

Bank has a Risk Management Unit to manage different types of risks. It is also comitted to adhere to core risk guidelines to protect its assets from all sorts of risks.

Banking and Trading Book Asset:

Amount in Crore (Tk.)

Sl. No.	A. Banking Book Assets	Amount
1	Cash in hand & Balance with BB (excluding FC)	**217.37**
2	Money at call	**18.00**
3	Investment	**763.50**
	a. Government –HTM T.Bond, Prize Bond	198.63
	b. Qualifying (Claims on Banks, etc)	564.25
	c. Others (Private Investment)	0.62
4	Loans & advances:	**2926.15**
	a. Classified:	
	Substandard	21.88
	Doubtful	19.57
	Bad and Loss	99.79
	b. Unclassified:	
	Special Mention Account	23.18
	Standard	2761.73
5	Risk Weighted Assets:	
	a. Below 100% RW	801.05
	b. 100% RW	342.50
	c. Above 100% RW	2144.70
6	Rated Status:	
	a. Rated Assets	71.89
	b. Unrated Assets	3949.58
7	Other assets (Including Fixed Assets)	**96.45**
	A. Total Banking Book Assets (1+2+3+4+7)	**4021.47**

	Trading Book Assets:	
1	FC held in hand	**0.50**
2	FC held in BB & Nostro account	**58.14**
3	Investment (trading)	**432.12**
	a. Govt.(part of govt. HTM if held above the required SLR amount)	0
	b. HFT	423.79
	c. AFS (if any)-Share of listed companies	8.33
	B. Total Trading Book Assets (1+2+3)	**490.76**
	Total Assets (A+B)	**4512.23**

Credit Risk on Banking Book

Credit Risk is the probability of loss arising from counterparties' failure to meet repayment obligation. Credit risk mainly arises from direct loans and advances, Trade Finance Business and Off Balance Sheet exposures.

Methods used to measure credit risk:

As per guidelines of Bangladesh Bank for Risk Based Capital Adequacy for Banks Standardized Approach for Credit Risk measurement has been applied. Standardized approach requires risk weight based on risk assessment done by External Credit Assessment Institutions recognized by Bangladesh Bank. Credit exposure not rated by any ECAI will get fixed weight as per Standardized approach.

Credit Risk Management system:

Bank has Credit risk Manual prepared inline with the credit risk of core risks guidelines of Bangladesh Bank. Manual contains the details of policies and procedures of bank's credit operation. Bank has different Credit departments such as Industrial Credit Division, Commercial Credit Division, Micro Credit and Wholesale Finance Division and Trade Finance Division. Credits sanctioned from these departments go through a series of analysis of financials and feasibility of the projects. Bank also has Credit Administration Division and Recovery and Legal Issues Division. Credit Administration Division ensures and monitors the compliance with credit policies, procedures and other rules of Bangladesh Bank. Recovery and Legal Issues Division ensures timely recovery of all assets and provide legal support to any dispute.

Policies and processes for collateral valuation and management:

Bank has clear stipulation in the credit manual about the eligibility of collateral for credit proposals. Collaterals of fixed assets including land, building and factory premises are physically visited by the bank's credit officers and valued by independent professional valuation firm before sanctioning the loans and advances. All the documents relating to the valid title of the property are checked by the penal lawyers of the bank. Main types of collaterals taken by the bank:

a) Cash Collaterals

b) Registered Mortgage of Land and Building in Commercial, Industrial and Residential sectors

c) Stock of inventory, Accounts Receivable and Hypothecation of machinery

Total credit portfolio has been divided into 15 subsectors and it regularly monitored that a particular sector does not get too much of our total credit exposures. In addition the Bank has a mandate of providing at least 50% of its loanable fund to Small and Medium Scale Industries. Therefore credit concentration is automatically managed.

Market risk on Trading Book

Market risk is the possibility of losing assets in balance sheet and off balance sheet position arising out of the volatility in market variables i.e., interest rate, exchange rate and price.

Disclosures on Risk Based Capital Requirement under Pillar-III of Basel-II for the year ended December 31, 2009:

Quantitative disclosure of credit risk

Amount in Crore (Tk.)

Sl. No.	A) Total Exposures of Credit Risk	Amount
1	Funded:	
	a) Domestic	4021.47
	b) Overseas	0
2	Non-Funded	
	a) Domestic	378.79
	b) Overseas	0
3	Distribution of risk exposure by claims	
	A. Claims on sovereigns and central banks	454.54
	B. Claims on other official entities	57.09
	C. Claims on banks and securities firms	769.85
	D. Claims on corporate (Medium Enterprise loans need to be shown separately)	1414.31
	E. Claims included in the retail portfolio & small enterprises (consumer loan need to be shown separately)	284.72
	F. Claims secured by residential property	469.72
	G. Claims secured by commercial real estate	227.97
	H. Consumer	15.38
	I. Other Categories:	
	– Past due loans/NPL (Net of Specific Provision)	112.28
	- Off-balance sheet items	378.79
4	Credit Risk Mitigation	
	Claims secured by financial collateral	145.47
	Net exposure after the application of haircuts.	45.04
	Claims secured by eligible Guarantee	0

Bank uses standardized approach to calculate market risk for trading book exposure as per instruction of Bangladesh Bank. Trading book exposures consists of position in financial instruments held with trading intent. Generally investment in Held for Trading category is main part of trading book exposures.

Trading steps are taken after considering regular update about the market. Bank diversifies its assets in various categories of trading assets. Bank has also a limit policy to mitigate unwanted market risk factors.

Quantitative Disclosure:

SL NO	The capital requirements for:	Amount in Crore (Tk.)
1	Interest rate risk;	9.94
2	Equity position risk;	4.91
3	Foreign exchange risk; and	1.59
4	Commodity risk	0.00

Operational risk

Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and system or from external events.

Bank has internal manuals on Internal Control and Compliance, Human Resource where details of operational policies, procedures and HR related activities have been stated.

Bank regularly monitor and reviews the performance of executives both quantitatively and qualitatively through analysis of achievement of business target in various parameters and behavioral, tactical and leadership aspects through confidential evaluation process.

Bank is running through centralized real time online system. External events like natural disaster and unauthorized access to Bank's centralized computer system can affect the bank significantly. Bank has alternative arrangement for disaster recovery and a highly qualified team of IT experts is working to prevent any type of unauthorized access.

Bank has an Audit and Inspection Division and Compliance Division. Audit and Inspection team regularly work to detect and remove procedural flaws, error and fraud. Compliance Division is working to ensure all sorts of regulatory and policy compliance to help smooth operation and maintain consistency and thus reduce risk.

Bank uses Basic Indicator approach for calculating operational Risk as per instruction of Bangladesh Bank.

The capital requirements for:	Amount in Crore (Tk.)
• Operational Risk	31.30

Maintenance of Specific Provision

Bank determines Specific Provision on Non performing assets as per relevant circulars of Bangladesh Bank and maintains adequate provision as required which is quarterly reported to Bangladesh Bank.

As per instruction of Bangladesh Bank specific provisions is calculated and maintained under the following categories of classified assets:

SL NO	Non Performing Assets Categories	Percentage of Specific Provision
1	Substandard loans and advances	20%
2	Doubtful loans and advances	50%
3	Bad and Loss loans and advances	100%

Apart from above quantitative loan provisioning system bank also applies qualitative judgement to determine the quality of loans and advances and makes appropriate specific provision if necessary.

Movement of Nonperforming Assets & Specific Provision

Amount In Crore (Tk.)

A	Gross Non Performing Assets	141.23
	Non Performing Assets to Outstanding Loans and Advances	4.83%
B	Movement of Nonperforming Assets	
	Opening balance	125.12
	Additions	163.19

Disclosures on Risk Based Capital Requirement under Pillar-III of Basel-II for the year ended December 31, 2009:

	Reductions	147.08
	Closing Balance	141.24
C	Movement of Specific Provision for NPAs	
	Opening Balance	41.58
	Provisions made during the year	11.35
	Write-off	0.60
	Write back of excess provisions	0.00
	Closing Balance	52.34

Maintenance of Regulatory Capital

Capital Instruments eligible for inclusion in Tier-1 or in Upper Tier-2.

In Crore (Tk.)

A	Amount of Tier-1 Capital	
	Paid up Capital	145.53
	Statutory Reserve	155.99
	General reserve	4.00
	Retained Earnings	53.01
	Total of Tier –I	358.53
B	Amount deducted from Tier-1 Capital	
	Good will	00.00
	Shortfall	00.00
	Others	00.00
C	Total amount of Tier-2 capital (net of deductions from Tier-2 capital)	69.48
D	Total eligible capital.	428.01

Capital Adequacy

A summary presentation of the bank's approach to assessing the regulatory capital:

In Crore (Tk.)

A	Amount of Regulatory Capital to meet unforeseen loss	377.14
	Amount to meet Credit Risk	329.40
	Amount to meet Market Risk	16.44
	Amount to meet Operational Risk.	31.30
B	Some additional capital over MCR maintained by the banks”	00.00

Mr. Sheikh Abdul Hye Bacchu is welcomed by the Managing Director and other top executives of the bank on being appionted as the Chairman of the Bank.

Opening of new premises of Asadgonj Branch by Honorable Chairman of the Bank.

Special Events

A cheque worth of Tk. 400.00 million is being handed over to Mr. Sinku Akram-uz-Zaman Chairman, Business Resources Ltd. in presence of Mr. Sheikh Abdul Hye Bacchu, Honorabale Chairman of the Bank as advance payment against purchase of 51,500 square feet floor space for Banks Head Office and Main Branch in Motijheel C/A.

Launching of western union money transfer services by Honorable Managing Director of the Bank.

Mr. Sheikh Abdul Hye Bacchu, Honorable Chairman of the Bank is awarding Prize to the winner of swimming compitition of SA Games 2010

Report on CSR Activities

Corporate Social Responsibility (CSR), also known as corporate responsibility, corporate citizenship, responsible business, sustainable responsible business (SRB), or corporate social performance is an evolving process. It is a relentless journey not a decisive destination. However, its manifestation varies from country to country, from society to society and also from culture to culture. In broadly defining, CSR refers to the voluntary role of business towards building a better society and cleaner environment beyond its financial commitments and regulatory obligations. We, at BASIC Bank Limited, passionately believe that a better society is fundamental precondition for a better business environment. As such, CSR is viewed as one of the core corporate values of the Bank.

As we all know, United Nations set eight goals (popularity known as Millennium Development Goals, such as eradicate extreme poverty and hunger, achieve universal primary education, promote gender equality & empower women, reduce child mortality, improve maternal health, combat HIV/AIDS, malaria and other diseases, ensure environmental sustainability and develop a global partnership for development) in its millennium summit held at the UN Head Quarters, New York, USA in 2000 and Bangladesh is one of the signatories to achieve those goals by 2015. As such, we have aligned our CSR activities partially with those goals. Some of our CSR activities are highlighted below:

Poverty Reduction

It is globally accepted that the Non-Government Organizations (NGOs) have been performing a laudable role in poverty alleviation across the globe, especially in Bangladesh. With a view to widen the access to finance by the poor and ultra poor community, BASIC Bank has been financing NGOs for quite a long time at privileged rates of interest (between 7.00% and 11.00%). So far we have financed 64 NGOs of various categories and capacities from small to large and also from local/ regional to national/ international. Such activities also contributed to generation of income and employment as well.

Women Empowerment

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

Our Concern for the Environment

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

Sports and Cultural Activities

Eleventh South Asian Games (also known as Olympic of South Asia, the largest and most prestigious sports event in South Asia) was hosted at Dhaka. It is our absolute privilege and honor to have contributed for organizing this mega event as a cosponsor by contributing Tk.1.00 crore to Bangladesh Olympic Association (BOA). BASIC Bank also sponsored 25th, 26th, 27th, 28th and 30th National Junior Chess Championship by contributing Tk.1.00 lac in each year. We have also patronized Inter District National Women Handball Tournament-2007 with a contribution of Tk.2.00 lac. In 2005 the Bank came forward in a big way to patronize Bangladesh Chess Federation as a part of an extensive plan to augment the popularity of the game by organizing new talent hunt program in the name of "BASIC Bank National Junior Chess Championship". BASIC has been patronizing the Handball Federation by arranging "BASIC Bank Inter district National Women 'Handball Tournament'. The Bank has also sponsored the National & International BASHAAP Championship in 2008. The Bank sponsored Aga Khan School Football Tournament in 2006 & was a co-sponsor of the Inter School Debate Competition-2009, which was organized by the Motijheel Govt. Girls High School.

BASIC Bank donates Tk.3.00 lac in 2009 to Dhaka Amar Dhaka (a community based organization) to facilitate its elaborated program for celebration of 400 years of our beloved Dhaka City. The bank has been one of the patrons for the Baishakhi Fair arranged by Bangladesh Small and Cottage Industries Corporation (BSCIC) to encourage the development of small and cottage industries since 2005. For this purpose, we contributed Tk.3.00 lac each in 2008 and 2009. In the year 2006 the bank sponsored Tk.1.00 lac for organizing the SME fair. In the year 2008 and 2009, BASIC Bank patronized the different theater groups to stage the drama festival. Recently, the bank took part in the drama festival to celebrate the birth anniversary of Rabindranath Tagor participated by different renowned theater groups from both Bangladesh and India.

Disaster Relief

Bangladesh is very much prone to a number of natural calamities. In the event of occurrence of any such disaster, BASIC Bank acted promptly with its modest contributions for the sufferers. In 2007 the Bank contributed to the Chief Adviser's Relief Fund with a donation of Tk.25.00 lac for the flood affected people and additional Tk.25.00 lac for the SIDR victims.

Education

In 2009 BASIC Bank donated Tk.2.00 lac to Bangladesh Asiatic Society for publishing Bengali version of the largest National encyclopedia of Bangladesh. In publishing the first edition (English version) of the encyclopedia, BASIC Bank donated Tk.5.00 lac as well. 'BASIC Bank Gold Medal' was introduced in collaboration with the Banking Department, University of Dhaka for the students of the department with outstanding academic achievements. With an eye to provide a smooth interface between student life and professional life, we offer internship facility to the BBA and MBA students of different universities with commendable academic records aftercompletion of all other academic requirements. In 2009, one hundred sixty seven interns were granted the opportunities to groom with us in a truly professional, dynamic and challenging corporate environment.

Promotion of Entrepreneurship

The founders of this Bank envisioned to foster entrepreneurship from among the potential, new and small entrepreneurs and to generate employment through financing SMEs. In harmony with the dream dreamt by our forefathers, we never ran after the so called blue chips (the established and larger corporations) to maximize our profit. Rather, we always remained stick to the triple bottom line: People, Planet & Profit and focus attention to the Small and Medium Scale Enterprises (SMEs). In this way, a lot of entrepreneurs have grown with us through which employment opportunities have been created for a large number people.

Health Care Program

Access to healthcare facilities is one of the fundamental rights of every human being. However, most of our people, especially the underprivileged group has little or no access to health care facilities. As such, BASIC Bank is committed to assist those poor people, who have no way to secure basic treatment. The Bank patronizes some organizations, which work for improvement of public health. In 2009 the bank donated Sandhani & Lions Eye Hospital in organizing their free treatment campaign held at different places across the country. The bank has also extended its assistance to some acid victims directly.

Awareness Generation

Generation of awareness is a very useful tool to combat social evils, like drug addiction, smoking, pollution, terrorism, population etc. For this purpose, the bank has continued to display banner, festoon sticker, display board and use such other communication channels for discouraging drug, smoking, pollution, population growth etc. The bank published such sticker and display banners and festoon in observance of the National Family Planning Day - 2009, the World Environment Day 2009, the National Tree Plantation Week-2009 and the National Fisheries Day 2009.

Other Activities

As part of our corporate social responsibility, we received no money from the job applicants, who took part in written examination for the post of Assistant Manager (on Probation), Officer and Assistant Officer in 2009, whereas bank expended more than Tk.25.00 lac in 2009 for this purpose.

Future Goals

We have a plan to further deepen our CSR activities in line with the millennium development goals. For this purpose, we are interested to set up educational facility for the destitute section of the society both in urban and rural areas.

Report on CSR Activities

We are also keen to contribute for improvement of maternal health, reduction of infant mortality and providing medical care facilities for the poor community. A full-fledged foundation is going to be established to bolster the CSR activities by expanding both nature and magnitude of our social commitment. The bank is going to undertake following steps in this regard:

- Introduce products and services that promote environmental sustainability and reduce adverse environmental impact.
- Foster discrimination free working atmosphere upholding equality and respect for all caste, creeds, color and sex.
- Provide vocational training for the unemployed youth.
- Contribute for the well being of the disabled, blind, orphans and elderly people.
- Offer affordable health care facilities for the underprivileged group of the society to promote public health.
- Avoid financing any project that may emit toxic gases or chemicals causing environmental contamination and threatening our very existence.
- Ensure that each of our industrial projects has Effluent Treatment Plant (ETP) of its own.
- Continue to finance labor-intensive small and medium enterprises for promotion of entrepreneurship and generation of employment.

A Cheque is being presented to 'Dhaka Amar Dhaka' on the occassion of celebrating '400 Years of Dhaka'.

Auditor's Report To The Shareholders Of BASIC Bank Limited

We have audited the accompanying financial statements of BASIC Bank Limited which comprise the balance sheet as at 31 December 2009, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Bank Guidelines and Bangladesh Financial Reporting Standards as well as Bangladesh Accounting Standards where applicable, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above which have been prepared in the format prescribed by Bangladesh Bank vide Circular no. 14 dated 25 June 2003 and in accordance with relevant Bangladesh Financial Reporting Standards and Bangladesh Accounting Standards give a true and fair view of the state of affairs of the Bank as at 31 December 2009 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 and other applicable laws and regulations.

We further report that:

(i) 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;

(ii) 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;

(iii) 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;

(iv) the expenditures incurred were for the purpose of the Bank's operations;

(v) the financial position of the Bank as at 31 December 2009 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;

(vi) 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;

(vii) adequate provisions have been made for advances and other assets which are, in our opinion, doubtful of recovery;

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

(ix) 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 Bangladesh;

(x) the information and explanations required by us have been received and found satisfactory;

(xi) Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR) with Bangladesh Bank have been maintained as per rule;

(xii) as far as it was revealed from our test checks, the existing rules and regulations for loan sanctioning and disbursements have been followed properly;

(xiii) 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 audit;

(xv) 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 2,250 man hours for the audit of books and accounts of the Bank.

Dhaka,
30 March 2010

ACNABIN
Chartered Accountants

Financial

tements

Financial Statements 2009 being signed by Honorable Chairman of the Bank

As at 31 December 2009

PROPERTY AND ASSETS	Notes	31.12.2009 Taka		31.12.2008 Taka	
Cash	3		**2,424,890,972**		**2,641,007,853**
Cash in Hand (including foreign currencies)		223,468,569		197,866,918	
Balance with Bangladesh Bank & Sonali Bank (including foreign currencies)		2,201,422,403		2,443,140,935	
Balance With Other Banks & Financial Institutions	4		**5,906,178,460**		**8,485,180,775**
In Bangladesh		5,526,479,443		8,253,207,992	
Outside Bangladesh		379,699,017		231,972,783	
Money at Call and Short Notice	5		**180,000,000**		**1,480,000,000**
Investments	6		**6,338,729,974**		**5,688,017,566**
Government		6,239,236,514		5,598,825,306	
Others		99,493,460		89,192,260	
Loans & Advances	7		**29,261,534,342**		**27,269,131,180**
Loans, Cash Credit & Over Draft etc.		27,226,480,452		24,344,733,475	
Bills Discounted and Purchased		2,035,053,890		2,924,397,705	
Premises and Fixed Assets	8		**232,655,780**		**228,365,377**
Other Assets	9		**964,326,397**		**859,831,423**
Non-Banking Assets			**-**		**-**
Total Assets			**45,308,315,925**		**46,651,534,174**
LIABILITIES & CAPITAL					
Borrowings from other banks / financial Institutions and agents	10		**2,875,157,917**		**1,708,404,250**
Deposits and Other Accounts	11		**34,501,698,265**		**38,368,237,432**
Current Deposit and other Accounts etc		2,504,619,309		2,544,515,823	
Bills Payable		341,500,758		328,491,359	
Savings Bank Deposits		1,165,841,755		955,508,366	
Fixed Deposits		30,489,736,443		34,539,721,884	
Bearer Certificate of Deposit		-		-	
Other Deposits		-		-	
Other Liabilities	12		**4,007,509,285**		**3,592,295,651**
Total Liabilities			**41,384,365,467**		**43,668,937,333**
Capital / Shareholders' Equity					
Paid-up Capital	13	1,455,300,000		1,309,770,000	
Statutory Reserve	14	1,559,657,251		1,295,263,804	
Other Reserve	15	365,550,608		73,050,390	
Surplus in Profit and Loss Account	16	543,442,599		304,512,647	
Total Shareholders' Equity			**3,923,950,458**		**2,982,596,841**
Total Liabilities & Shareholders' Equity			**45,308,315,925**		**46,651,534,174**

Managing Director **Director** **Director** **Chairman**

Dhaka,
30 March 2010

ACNABIN
Chartered Accountants

OFF-BALANCE SHEET ITEMS

As at 31 December 2009

	Notes	31.12.2009 Taka	31.12.2008 Taka
CONTINGENT LIABILITIES:	17	**16,069,084,643**	**10,808,780,318**
Acceptances and Endorsements		1,935,585,288	2,710,211,319
Letters of Guarantee		1,492,242,760	2,002,299,467
Irrevocable Letters of Credit		11,212,607,231	4,584,740,375
Bills for Collection		1,374,242,742	1,463,216,711
Other Contingent Liabilities		54,406,622	48,312,446
Total:			
OTHER COMMITMENTS:			
Documentary credit and short term trade-related transactions		-	-
Forward assets purchased and forward Deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total:		-	-
Total Off-Balance Sheet Items including Contingent Liabilities		**16,069,084,643**	**10,808,780,318**

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

Managing Director **Director** **Director** **Chairman**

Dhaka,
30 March 2010

ACNABIN
Chartered Accountants

Profit and Loss Account

For the year ended 31 December 2009

Operating Income	Notes	31.12.2009 Taka	31.12.2008 Taka
Interest Income	18	3,877,171,227	3,829,432,686
Interest paid on Deposits & Borrowings	19	(2,873,969,387)	(2,708,915,661)
Net Interest Income		**1,003,201,840**	**1,120,517,025**
Income from Investment	20	761,821,420	674,076,716
Commission / Fees, Exchange Earnings & Brokerage	21	455,223,647	489,186,616
Other Operating Income	22	68,086,553	67,613,776
TOTAL OPERATING INCOME (A)		**2,288,333,460**	**2,351,394,133**
Operating Expenses			
Salary & Allowances	23	455,238,315	548,938,366
Rent, Taxes, Insurance, Lighting etc.	24	70,942,126	59,683,757
Legal & Professional Expenses	25	2,162,708	2,399,766
Postage, Stamp, Telecommunication etc.	26	13,811,507	26,123,490
Stationery, Printing, Advertisement etc.	27	25,194,665	20,750,260
Managing Director's Salary	28	2,089,300	1,828,590
Directors' Fee & Meeting Expenses	29	820,000	540,000
Audit Fee		235,125	200,000
Charges on Loan Losses		-	37,503,879
Depreciation of Bank's Assets	30	60,190,044	52,947,349
Repair & Maintenance of Bank's Assets	31	13,785,056	12,912,481
Other Expenses	32	75,519,792	53,448,875
TOTAL OPERATING EXPENSES (B)		**719,988,638**	**817,276,813**
Operating Profit / (Loss) Before Provision (C) = (A - B)		**1,568,344,822**	**1,534,117,320**
Provision for Loan & Advances	33	178,280,235	233,945,324
Provision for Off Balance Sheet Exposures	34	53,424,350	49,280,000
Provision for Diminution in Value of Investments		-	-
Provision for Protested Bill		14,673,000	-
Total Provision (D)		**246,377,585**	**283,225,324**
Net Profit / (Loss) before Tax (C - D)		**1,321,967,236**	**1,250,891,996**
Provision for Current Tax		687,365,442	747,109,713
Provision for Deferred Tax	36	(14,251,604)	(46,171,454)
Net Profit / (Loss) after Tax		**648,853,399**	**549,953,737**
Distribution :			
Statutory Reserve	14	264,393,447	250,178,399
General Reserve		-	-
Dividend		-	-
		264,393,447	**250,178,399**
Retained Surplus		**384,459,952**	**299,775,338**
Earning Per Share (EPS)	**39**	**44.59**	**37.79**

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

Managing Director	Director	Director	Chairman

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

Dhaka,
30 March 2010

ACNABIN
Chartered Accountants

Cash Flow Statement

For the year ended 31 December 2009

	Notes	31.12.2009 Taka	31.12.2008 Taka
A. Cash Inflows from Operating Activities			
Interest Received in Cash		4,698,690,493	4,305,245,957
Interest Paid by Cash		(2,885,115,412)	(2,423,325,272)
Dividend Received in Cash		500,000	5,429,204
Fees and Commission Received in Cash		455,223,647	489,186,614
Recovery of Loans Previously Written off		665,300	1,389,616
Cash Paid to Employees		(443,562,991)	(405,147,119)
Cash Paid to Suppliers		(25,194,665)	(20,750,260)
Income Tax Paid	9 & 35	(667,041,763)	(486,669,983)
Received from Other Operating Activities (Item- Wise)		67,421,253	64,455,317
Paid for Other Operating Activities (Item-Wise)		(182,276,314)	(192,812,247)
Operating Profit before Changes in Operating Assets and Liabilities		**1,019,309,548**	**1,337,001,827**
Changes in Operating Assets and Liabilities:		**(7,029,746,514)**	**(316,504,038)**
Statutory Deposit		(677,826,000)	3,155,561,000
Purchase/sales of Trading Securities		(1,171,256,738)	(1,512,551,048)
Loans and Advances to Customers		(1,992,403,162)	(5,005,781,571)
Other Assets (Item-Wise)		(90,513,187)	(40,871,902)
Deposits from Other Bank		(430,000)	(5,382,000)
Deposits from Customers		(3,188,283,167)	3,270,079,333
Other Liabilities (item-wise)		90,965,740	(177,557,850)
Net cash (used in) / flow from Operating Activities		**(6,010,436,966)**	**1,020,497,789**
B. Cash Inflows from Investing Activities			
Proceeds from Sale of Securities		1,656,211,236	2,190,115,456
Cash Payments for Purchase of Securities		(843,166,691)	(1,163,761,058)
Purchase of Fixed Assets	Ann-D	(64,946,906)	(86,626,820)
Sales of Fixed Assets		466,459	3,190,095
Net cash flow from Investing Activities		**748,564,098**	**942,917,673**
C. Cash inflows from financing activities			
Increase/(Decrease) of Long Term Borrowing		1,166,753,668	322,593,525
Payment of Dividend	16	-	(62,370,000)
Net cash flow from Financing Activities		**1,166,753,668**	**260,223,525**
Net Increase of Cash and Cash Equivalent (A+B+C)		(4,095,119,198)	2,223,638,987
Effects of Exchange Rate Changes on Cash and Cash Equivalent		-	-
Opening Cash and Cash Equivalent		12,606,188,630	10,382,549,643
Closing Cash and Cash Equivalent	38	**8,511,069,432**	**12,606,188,630**
Closing Cash and Cash Equivalent			
Cash in Hand and Balance with Bangladesh Bank and Sonali Bank		2,424,890,972	2,641,007,854
Cash with Other Banks		5,906,178,460	8,485,180,776
Money at Call and Short Notice		180,000,000	1,480,000,000
		8,511,069,432	**12,606,188,630**

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

Managing Director | **Director** | **Director** | **Chairman**

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

Dhaka,
30 March 2010

ACNABIN
Chartered Accountants

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2009

Particulars	Paid-up-Capital	Statutory Reserve	Other Reserve	Profit and Loss	Revaluation Reserve	Loss on revaluation/amortization of HTM securities	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as of 01 January 2009	**1,309,770,000**	**1,295,263,804**	**40,000,000**	**304,512,647**	**33,050,390**	**-**	**2,982,596,841**
Net Profit for the Year	-	264,393,447	-	384,459,952	-		648,853,399
Revaluation reserve for securities	-	-	-	-	293,636,686	(1,136,469)	292,500,217
Adjustment of Revaluation Reserve on	-	-	-	-	-	-	-
Maturity of Securities	-	-	-	-	-	-	-
Transferred to Other Reserve	-	-	-	-	-	-	-
Cash Dividend Paid During the Year	-	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-
Issuance of bonus share	145,530,000	-	-	(145,530,000)	-	-	-
Balance as of 31 December 2009	**1,455,300,000**	**1,559,657,251**	**40,000,000**	**543,442,599**	**326,687,076**	**(1,136,469)**	**3,923,950,457**

Managing Director **Director** **Director** **Chairman**

ACNABIN
Chartered Accountants

Dhaka,
30 March 2010

Liquidity Statement (Asset and Liability Maturity Analysis)

For the year ended 31 December 2009

(Amount in Taka)

Particulars	Upto 01 Month	1-3 Months	3-12 Months	1-5 years	More than 5 years	Total
Assets:						
Cash in Hand	2,424,890,972			-	-	2,424,890,972
Balance with Other Banks and Financial Institutions	2,051,806,878	2,087,826,150	1,610,312,350	156,233,082	-	5,906,178,460
Money at Call and Short Notice	180,000,000	-	-	-	-	180,000,000
Investment	1,731,000		-	5,534,728,394	802,270,580	6,338,729,974
Loans and Advances	1,212,680,795	8,864,146,359	10,074,126,416	6,916,707,939	2,193,872,832	29,261,534,342
Fixed Assets Including Premises, Furniture and Fixtures	-	-	23,265,578	139,593,468	69,796,734	232,655,780
Other Assets	-	283,099,318	646,640,981	34,586,100	-	964,326,398
Non-banking Assets	-	-	-	-	-	-
Total Assets	**5,871,109,645**	**11,235,071,827**	**12,354,345,325**	**12,781,848,983**	**3,065,940,146**	**45,308,315,926**
Liabilities:						
Borrowing from Bangladesh Bank, Other Banks, Financial Institutions and Agents	500,000,000	-	-	978,097,400	1,397,060,518	2,875,157,918
Deposits & Other Accounts	5,887,762,173	8,468,841,931	12,091,477,687	8,048,948,864	4,667,609	34,501,698,264
Provision and Other Liabilities	231,233,108	460,148,197	1,974,251,866	395,576,547	946,299,567	4,007,509,285
Total Liabilities	**6,618,995,281**	**8,928,990,128**	**14,065,729,553**	**9,422,622,811**	**2,348,027,694**	**41,384,365,467**
Net Liquidity Gap	**(747,885,636)**	**2,306,081,699**	**(1,711,384,228)**	**3,359,226,172**	**717,912,452**	**3,923,950,459**

Managing Director **Director** **Director** **Chairman**

Dhaka,
30 March 2010

ACNABIN
Chartered Accountants

Highlights on the overall activities of the Bank:

SL	Particulars	2009	2008	Change in %
1	Paid up Capital	1,455,300,000	1,309,770,000	11.11
2	Total Capital	4,293,562,623	3,374,923,929	27.22
3	Capital Surplus / (Deficit)	1,108,492,823	568,128,029	95.11
4	Total Assets	45,308,315,925	46,651,534,174	(2.88)
5	Total Deposits	34,501,698,265	38,368,237,432	(10.08)
6	Total Loans and Advances	29,261,534,342	27,269,131,180	7.31
7	Total Contingent Liabilities and Commitments	16,069,084,643	10,808,780,318	48.67
8	Credit - Deposit Ratio	84.81%	71.73%	18.24
9	Percentage of Classified Loans against total Loans and Advances	4.83%	4.59%	5.19
10	Profit after Tax and Provision	648,853,399	549,953,737	17.98
11	Amount of Classified Loans and Advances	1,412,346,626	1,251,209,878	12.88
12	Provision Kept against Classified Loan	523,394,422	415,840,591	25.86
13	Provision Surplus/ (deficit)	-	-	-
14	Cost of Fund	7.58%	8.36%	(9.33)
15	Interest Earning Assets	40,172,871,716	44,004,968,114	(8.71)
16	Non-interest Bearing Assets	5,135,444,209	2,646,566,060	94.04
17	Return on Investment (ROI)	12.67%	9.81%	29.15
18	Return on Assets (ROA)	1.41%	1.30%	8.46
19	Incomes on Investment	761,821,420	674,076,716	13.02
20	Earnings Per Share (EPS)	44.59	37.79	17.98
21	Net Income Per Share	44.59	37.79	17.98
22	Price Earning Ratio	N/A*	N/A*	-

*** N/A: Not Applicable**

1. Legal Status

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 32 branches in Bangladesh.

1.1 Objective

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 and Medium Scale Industries.

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 2009 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 been taken into accounts.

b) The accounting policies and methods of computation used in the preparation of the financial statements for the year ended 31 December 2009 are consistent with those adopted in Bangladesh.

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 year of the bank.

2.3 Investment

All investment securities are initially recognized at cost, being fair value of the consideration given, including acquisition charges associated with the investment. 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 amortized 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 by 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 face value.

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 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 of 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:

Business Unit		UC Prov (%)	SMA Prov (%)	SS Prov (%)	DF Prov (%)	BL Prov (%)
Consumer:	House building & Professional	2%	5%	20%	50%	100%
	Other than House building & Professional	5%	5%	20%	50%	100%
Small & 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.

2.5 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 @42.5% as prescribed in the Finance Act, 2009 of accounting profit made by the bank after considering some of the taxable add backs of income and disallowance of expenditures.

b) Deferred Tax:

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 base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax and Earnings Per Share (EPS).

2.8 Retirement benefits to the employees

(a) Provident Fund

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 Auditor.

(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.

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

(d) Superannuation Fund

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

(e) Welfare Fund

The Bank has been maintaining a welfare fund from profit each year. Proposed contribution towards this fund from the profit of the year 2009 is 50.00 Lac. This fund is utilized for various social activities as part of corporate social responsibility of the Bank.

2.9 Revenue Recognition

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 receipt basis.

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 time effecting the transactions.

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

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 Financial Statements".**

2.10 Capital Expenditure Commitment

There was no capital expenditure contracted but incurred or provided for at 31 December 2009 besides, there was no material capital expenditure authorized by the board but not contracted for at 31 December 2009.

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 2009 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.**

2.18 General

(a) Figures of previous year have been rearranged wherever necessary to conform to current year's presentation.

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

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, 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 6 (Six) core risk areas of banking are; Credit Risk, Foreign Exchange Risk, Internal Control and Compliance Risk, Money Laundering Risk, Asset Liability Management Risk and Information & Communication Technology 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. Another division naming Credit Administration Division (CAD) has also been established to oversee mainly documentation formalities. 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 passing 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 determined by Bangladesh Bank.

(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 & Compliance 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.

(d) Money Laundering Prevention

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 (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 are 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 Bank. Internal control and compliance policies have been implemented to check that an effective Anti-Money Laundering system is in force.

(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 the bank.

(f) ICT Risk Management

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

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. Shakhwat Hossain	Director	Convener	MA in Economics
Mr. Bijoy Bhattacharjee	Director	Member	M Com in Management
Mr.Md. Anwarul Islam, FCMA	Director	Member	M Com, MBA, FCMA

Audit Committee Meeting held during 2009

30th Meeting of Audit Committee held on 14.01.2009
31th Meeting of Audit Committee held on 19.08.2009
32th Meeting of Audit Committee held on 03.12.2009
33th Meeting of Audit Committee held on 29.12.2009

Steps Have Been Taken

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

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 for Retirement Benefit Plans	26	Applied
Consolidated & Separate Financial Statements	27	N/A
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

			31.12.2009 Taka	31.12.2008 Taka
3.	**Cash**			
	Cash in Hand (including foreign currencies)	(Note: 3.1)	223,468,569	197,866,918
	Balance with Bangladesh Bank	(Note: 3.2)	2,201,422,403	2,443,140,935
			2,424,890,972	**2,641,007,853**
3.1	**Cash in Hand (including foreign currencies)**			
	In Local Currency		218,516,712	191,872,599
	In Foreign Currencies		4,951,856	5,994,319
			223,468,569	**197,866,918**
3.2	**Balance with Bangladesh Bank and its Agent Bank(S)**			
	In Local Currency	(Note: 3.2.1)	1,955,218,651	2,056,128,629
	In Foreign Currencies	(Note: 3.2.2)	246,203,752	387,012,306
			2,201,422,403	**2,443,140,935**
3.2.1	**In Local Currency**			
	Bangladesh Bank		1,911,291,988	2,005,787,138
	Sonali Bank (acting as agent of Bangladesh Bank)		43,926,663	50,341,491
			1,955,218,651	**2,056,128,629**
3.2.2	**In Foreign Currencies**			
	Bangladesh Bank - US$		245,022,959	383,231,453
	Bangladesh Bank - UKP		1,057,819	2,140,844
	Bangladesh Bank -EURO		122,973	1,640,009
			246,203,752	**387,012,306**
3.2.2.1	**Balance with Bangladesh Bank as per DB-5**		**1,926,200,000**	**2,006,519,000**

Reason of Difference between balance with Bangladesh Bank and DB-5

The reason of such difference 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 dates after receiving from Bangladesh Bank

3.3 Statutory Deposits

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. 05 dated 21.07.2004 and BRPD Circular No. 11 dated 25.08.2005.

The statutory cash reserve required on the Bank's on time & Demand Liabilities at the rate of 5% has been calculated and maintained with Bangladesh Bank in current account and 18% statutory liquidity ratio, including cash reserve ratio, on the same liabilities is also maintained in the form of treasury bills, bonds and debentures including foreign currency balance with Bangladesh Bank. Both the reserves are maintained by the bank in excess of the statutory requirements, as shown below:

			31.12.2009 Taka	31.12.2008 Taka
3.3.1	**Cash Reserve Ratio (CRR)**			
	(5% of Average Demand & Time Liabilities)			
	Required Reserve	Amount	1,691,734,000	1,880,019,000
		%	5.00%	5.00%
	Maintained	Amount	1,734,448,000	1,930,197,000
		%	5.13%	5.13%
3.3.2	**Statutory Liquidity Ratio (SLR)**			
	(13% of Average Demand & Time Liabilities)			
	Required Reserve	Amount	4,398,509,000	4,888,050,000
		%	13%	13%
	Maintained	Amount	6,512,244,000	5,815,609,000
		%	19.25%	15.47%
3.3.3	**Total Amount of CRR & SLR**			
	Required	Amount	6,090,243,000	6,768,069,000
		%	18.00%	18.0%
	Maintained	Amount	8,246,692,000	7,745,806,000
		%	24.38%	20.60%

		31.12.2009 Taka	31.12.2008 Taka
4. Balance With Other Banks & Financial Institutions			
In Bangladesh	(Note: 4.1)	5,526,479,443	8,253,207,992
Outside Bangladesh (Nostro Accounts)	(Note: 4.2)	379,699,017	231,972,783
		5,906,178,460	**8,485,180,775**
4.1 In Bangladesh			
Form of Deposits			
Current Account			
Sonali Bank		38,079,656	3,020,663
Agrani Bank		7,507,863	15,034,982
Rupali Bank Ltd.		7,299,036	552,300
Janata Bank		3,300,456	4,850,456
		56,187,011	**23,458,401**
STD Account			
Sonali Bank		209,365,956	41,690,111
Bangladesh Krishi Bank		26,376	25,201
Trust Bank		17,440,255	223,025
Rupali Bank Ltd.		37,219,322	31,278,172
Agrani Bank		7,440	-
		264,059,350	**73,216,509**
Other Deposit			
Receivable from ICB Islami Bank		156,233,082	156,533,082
Fixed Deposit Account			
Bangladesh Commerce Bank Ltd.		150,000,000	100,000,000
IPDC		-	200,000,000
IDLC		100,000,000	200,000,000
BFIC		200,000,000	300,000,000
IIDFC		200,000,000	200,000,000
Premier Leasing		50,000,000	-
Prime Finance and Investment		150,000,000	-
BIFC		100,000,000	-
MIDAS		50,000,000	-
Uttara Finance and Investment		100,000,000	100,000,000
Lanka Bangla Finance		200,000,000	100,000,000
Peoples Leasing		100,000,000	-
Phonix Leasing and Finance		100,000,000	50,000,000
Union Capital		100,000,000	50,000,000
International Leasing and Finance		150,000,000	100,000,000
NCC Bank Ltd.		-	300,000,000
Arab Bangladesh Bank Ltd.		-	200,000,000
Investment Corporation of Bangladesh		500,000,000	-
Southeast Bank Ltd.		400,000,000	500,000,000
Prime Bank Ltd.		-	700,000,000
Dhaka Bank Ltd.		-	400,000,000
Exim Bank		500,000,000	-
Jamuna Bank Ltd.		100,000,000	300,000,000
Shajalal Islami Bank Ltd.		-	200,000,000
National Bank Ltd.		-	100,000,000
Eastern Bank Ltd.		-	400,000,000
Mercantile Bank Ltd.		-	600,000,000
Dutch-Bangla Bank Ltd.		-	-
Trust Bank Ltd.		-	-
United Commercial Bank Ltd		200,000,000	-
Bank Asia		-	300,000,000
Pubali Bank Ltd.		-	-
Commercial Bank of Ceylon		-	-
BRAC Bank Ltd		400,000,000	400,000,000
Bank Al-fala		-	50,000,000
The City Bank Ltd.		-	200,000,000
Standard Bank Ltd.		-	150,000,000
One Bank Ltd		-	400,000,000
Sonali Bank		-	-
Bangladesh Krisi Bank		850,000,000	750,000,000
First Security Bank		350,000,000	150,000,000
Habib Bank		-	100,000,000
Mutual Trust bank Ltd.		-	400,000,000
		5,050,000,000	**8,000,000,000**
Sub-Total		**5,526,479,443**	**8,253,207,992**

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

	31.12.2009 Taka	31.12.2008 Taka
4.2 Outside Bangladesh (Nostro Accounts and Term Placement)		
Interest-bearing Accounts		
AMEX New York	-	6,109,533
BOTM, London	30,580,557	3,881,220
Arif Habib (Rupali) Bank Karachi	4,826,332	1,239,881
BOTM, Tokyo	8,092,502	2,477,314
Mashreq Bank ,UAE	-	-
Mashreq Bank, NY	35,148,238	68,730,535
CITI Bank Mumbai	1,402,088	1,021,483
Sonali Bank, Kol.	27,380,940	57,636
Bank of Ceylon	474,983	2,040,359
AMEX Kolkata	-	-
Citibank NA, NY(Imp)	-	-
Citibank NA, NY(Exp)	21,602,712	23,246,373
State Bank of India	-	-
SCB, New York	45,761,118	36,320,526
SCB, London	13,304,350	4,049,844
SCB, Mumbai	9,065,804	10,855,994
Dresdner Bank,F.furt	-	-
BCP, Geneva	318,886	475,336
AMEX Frankfurt	2,812,038	6,344,108
Wachovia Bank,NY	10,765,842	-
HSBC New York	115,545,353	10,625,562
ICICI Mumbai	7,805,194	9,927,929
Sonali Bank, Kol. ACUEUR	242,930	-
Total of Nostro Account	**335,129,867**	**187,403,633**
(Annexure - A may kindly be seen for details)		
Term Placement		
Citi bank N A New York-Term	-	-
Commercial Bank of Ceylon-Dhaka-Term	13,766,800	13,766,800
Commercial Bank of Ceylon-Term	20,490,000	20,490,000
Commercial Bank of Ceylon-Tokyo-Term	10,312,350	10,312,350
Total Term Placement	**44,569,150**	**44,569,150**
Grand total (Nostro and Term Placement)	**379,699,017**	**231,972,783**
4.3 Maturity grouping of balances with other banks & financial institutions		
On demand	391,316,878	210,862,035
Upto 1 month	1,660,490,000	1,900,000,000
Over 1 month but not more than 3 months	2,087,826,150	4,757,473,309
Over 3 months but not more than 1 year	1,610,312,350	1,460,312,350
Over 1 year but not more than 5 years	156,233,082	156,533,081
Over 5 years	-	-
	5,906,178,460	**8,485,180,775**
5. Money at Call and Short Notice:		
5.1 Classification of Money at Call & Short Notice		
Commercial Banks (Note: 5.1.1)	-	1,330,000,000
Financial Institutions (Public & Private) (Note: 5.1.2)	180,000,000	150,000,000
	180,000,000	**1,480,000,000**
5.1.1 Commercial Banks:		
Trust Bank Ltd.	-	150,000,000
Dhaka Bank Ltd.	-	50,000,000
BRAC Bank Ltd.	-	150,000,000
Habib Bank Ltd.	-	100,000,000
National Bank of Pakistan	-	70,000,000
The City Bank Ltd.	-	100,000,000
NCC Bank Ltd	-	50,000,000
IFIC Bank Ltd.	-	-
Uttara Bank Ltd	-	-
Pubali Bank Ltd	-	-
Mutual Trust Bank	-	-
Mercantile Bank Ltd	-	100,000,000
Bank Asia	-	60,000,000
Eastern Bank Ltd.	-	200,000,000
Southeast Bank Ltd.	-	170,000,000
Arab Bangladesh Bank Ltd	-	130,000,000
	-	**1,330,000,000**

			31.12.2009 Taka	31.12.2008 Taka
5.1.2	**Financial Institutions**			
	IPDC		-	100,000,000
	Union Capital		40,000,000	-
	International Leasing		40,000,000	-
	IDLC		100,000,000	-
	IIDFC		-	50,000,000
			180,000,000	**150,000,000**
6.	**Investments**			
	Government Securities	(Note: 6.1)	6,239,236,514	5,598,825,306
	Other Investments	(Note: 6.2)	99,493,460	89,192,260
			6,338,729,974	**5,688,017,566**
6.1	**Government Securities**			
	Treasury Bills and Reserve Repo	(Note 6.1.1)	-	1,675,271,483
	Treasury Bonds	(Note 6.1.2)	6,222,505,514	3,903,581,723
	Prize Bond		1,731,000	2,472,100
	Debenture	(Note: 6.1.3)	15,000,000	17,500,000
			6,239,236,514	**5,598,825,306**
6.1.1	**Treasury Bills and Reverse Repo (at revalued Amount)**			
	05 Years Government Treasury Bills		-	-
	02 Years Government Treasury Bills		-	-
	364 Days Government Treasury Bills		-	575,271,483
	364 Days Reverse Repo		-	1,100,000,000
	91 Day Government Treasury Bills (at present value)		-	-
	28 Days Government Treasury Bills		-	-
	01 Day Reverse Repo-Bangladesh Bank		-	-
			-	**1,675,271,483**
6.1.2	**Treasury Bonds (at revalued Amount)**			
	05 Years Government Treasury Bond		5,534,728,394	3,752,442,252
	10 Years Government Treasury Bond		179,217,799	151,139,471
	15 Years Government Treasury Bond		508,559,322	-
			6,222,505,514	**3,903,581,723**
6.1.3	**Debentures**			
	20 years HBFC Debenture - 5.5%		**15,000,000**	**17,500,000**
6.2	**Other Investments**			
	Shares	(Note 6.2.1)	**99,493,460**	**89,192,260**
6.2.1	**Shares**			
	Quoted companies			
	Shares in listed companies		**83,291,700**	**72,990,500**
	Unquoted companies			
	Share of Karmasangsthan Bank		10,000,000	10,000,000
	Equity Of Grameen I. T. Park		4,201,760	4,201,760
	Share of CDB Ltd.		2,000,000	2,000,000
			99,493,460	**89,192,260**
	(Details of Investment in shares may kindly be seen in Annexure - B)			
6.3	**Investment in Securities are classified as per Bangladesh Bank Circular**			
	Held For Trading (HFT)		4,237,934,571	3,850,739,802
	Held To Maturity (HTM)		2,001,301,943	1,745,613,405
			6,239,236,514	**5,596,353,207**

Treasury bond and treasury bills are categorized into HTM and HFT as per Bangladesh Bank circular.HTM securities are revalued at the end of the year and revaluation gain is shown in capital account as Revaluation Reserve.HFT securities are revalued weekly and gain on revaluation is shown as Revaluation Reserve under capital account. Securities are shown at revalued amount.

		31.12.2009 Taka	31.12.2008 Taka
6.4 Assets pledged as security			
Assets in the amounts shown below were pledged as security for the following liabilities			
Liabilities to bank		-	-
Liabilities to customers		-	-
		-	-
We have no assets pledged, mortgaged or hypothecated against bank's borrowings.			
6.5 Maturity Grouping of Investments			
On demand		1,731,000	2,472,100
Upto 1 month		-	-
Over 1 month but not more than 3 months		-	896,290,186
Over 3 months but not more than 1 year		-	778,981,302
Over 1 year but not more than 5 years		5,534,728,394	3,752,442,248
Over 5 years		802,270,581	257,831,730
		6,338,729,974	**5,688,017,566**
7. Loans & Advances			
Loans, Cash Credits & Overdrafts etc.	(Note: 7.1)	27,226,480,452	24,344,733,475
Bills Purchased & Discounted	(Note: 7.2)	2,035,053,890	2,924,397,705
		29,261,534,342	**27,269,131,180**
7.1 Loans, Cash Credits & Overdrafts etc.			
In Bangladesh			
Loans	(Note: 7.1.1)	13,170,177,792	10,401,148,941
Cash credit		7,103,025,139	6,448,156,050
Overdraft	(Note: 7.1.2)	2,169,655,450	2,775,402,761
Others	(Note: 7.1.3)	4,783,622,072	4,720,025,723
		27,226,480,452	**24,344,733,475**
Outside Bangladesh		-	-
		27,226,480,452	**24,344,733,475**
7.1.1 Loans			
Loan General		3,988,159,551	3,773,039,250
Term Loan		9,126,766,504	6,592,133,183
Loan secured		1,738,897	2,469,253
Others		53,512,839	33,507,255
		13,170,177,792	**10,401,148,941**
7.1.2 Overdraft			
Temporary Overdraft		64,326,938	157,138,018
Overdraft Secured (Bond and Share)		-	3,186,663
Overdraft Secured Mortgage		149,767,158	10,706,258
Overdraft Secured (Other Securities)		1,955,561,354	2,604,371,822
		2,169,655,450	**2,775,402,761**
7.1.3 Others			
Loan Against Foreign Bill		103,300,831	258,158,576
Loan Against Packing Credit		517,349,503	460,438,347
Loan Against Documents		195,745,072	394,431,448
Loan Against Trust Receipt		3,913,007,955	3,381,259,682
Loan Against Import Merchandise		54,218,711	225,737,670
		4,783,622,072	**4,720,025,723**
7.2 Bills Purchased & Discounted			
Payable in Bangladesh			
Local bills purchased/LADB		1,824,598,803	2,665,214,485
Payable outside Bangladesh			
Foreign bills purchased and discounted		210,455,087	259,183,220
		2,035,053,890	**2,924,397,705**

		31.12.2009 Taka	31.12.2008 Taka
7.3	**Residual maturity grouping of loans including bills purchased and discounted**		
	Payable on demand	812,680,795	925,510,223
	Not more than 3 months	9,264,146,359	7,368,722,160
	Above 3 months but not more than 1 year	10,074,126,416	11,763,369,453
	Above 1 year but not more than 5 years	6,916,707,939	5,806,207,430
	Above 5 years	2,193,872,832	1,405,321,914
		29,261,534,342	**27,269,131,180**
7.4	**Loans on the basis of significant concentration including bills purchased & discounted**		
a.	Advances to Directors	-	-
b.	Advances to Managing Director and other Senior Executives	558,958,815	513,319,000
c.	Advances to Customers group	10,877,175,526	9,529,439,180
d.	Advances to Industrial sector (Note: 7.4.1)	17,825,400,000	17,226,373,000
		29,261,534,342	**27,269,131,180**

7.4.1 Advances to Industrial sector

	Amount in Lac Taka	
Food and Allied Ind.	21,903	20,375
Textile	36,954	39,890
ERGM	19,077	19,383
Accessories	8,937	8,547
Jute Prod. and Allied Ind.	21,131	16,830
Forest Prod. and Allied Ind.	657	603
Paper, Board, Printing, Pub. and Packaging	6,574	8,938
Tannery Leather and Rubber Prod.	6,392	5,475
Chem. Pharm. and Allied Ind.	10,219	7,272
Glass, Crmc. and Other non Metal. Pr.	1,475	1,971
Engineering	22,804	20,021
Electrical and Electronics Ind.	559	523
Service Ind.	14,495	14,939
Misc. Industries	2,351	1,807
Ind. Not Elsewhere Classified	4,725	5,689
	178,254	**172,263**

7.5 Loans and advances allowed to each customer exceeding 10% of Bank's total Equity

Number of Customers	9	11
Amount of outstanding loans*	5,599,000,000	6,735,600,000
Classified amount thereon	-	-
Measures taken for recovery	-	164,700,000

*Loans and Advances allowed to customers' group exceeding 10% of banks total capital fund which is computed of Tk. 42.93 crore of the Bank as at 31 December 2009.

(Details are given in Annexure - C)

7.6	**Geographical Location - wise Loans and Advances Inside Bangladesh**		
	Dhaka Division	19,822,276,416	18,969,163,589
	Chittagong Division	4,611,071,589	4,404,889,314
	Khulna Division	1,418,373,631	1,536,059,588
	Rajshahi Division	2,694,580,494	1,771,464,403
	Sylhet Division	604,185,591	507,246,031
	Barisal Division	111,046,621	80,308,255
		29,261,534,342	**27,269,131,180**
	Outside Bangladesh	**-**	**-**
		29,261,534,342	**27,269,131,180**
7.7	**Distribution of Loans and advances according to BRPD Circular by Bangladesh Bank**		
	Unclassified loan:		
	Standard	27,617,360,130	25,729,571,419
	SMA	231,827,585	288,349,882
	Sub-total	**27,849,187,715**	**26,017,921,301**
	Classified loan:		
	Sub-standard	218,761,270	528,217,820
	Doubtful	195,694,737	182,174,509
	Bad and loss	997,890,619	540,817,550
	Sub-total	**1,412,346,626**	**1,251,209,879**
	Total	**29,261,534,341**	**27,269,131,180**

7.8 Provision required for loans and advances

Status	Base for Provision	Rate %	31.12.2009 Taka	31.12.2008 Taka
Unclassified-General provision				
Agro based and Micro Credit	782,266,231	5	39,113,312	30,139,430
SMA	227,682,506	5	11,384,125	20,683,774
Others (excluding staff loan)	26,276,135,084	1 & 2	328,560,298	263,498,215
			379,057,735	**314,321,419**
Classified-specific provision				
Sub-standard	98,089,824	5 & 20	18,255,722	55,006,167
Doubtful	91,684,017	50	45,842,009	51,467,701
Bad/Loss	459,296,691	100	459,296,691	309,366,725
			523,394,422	**415,840,593**
Required provision for loans & advances			**902,452,157**	**730,162,012**
Total provision maintained			**902,452,157**	**730,162,012**
Excess / short provision as at 31 December			-	-

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	31.12.2009 Taka	31.12.2008 Taka
Fixed Assets	32,314,397,872	27,879,508,162
Cash and quasi-cash	2,114,768,264	3,256,762,037
Others	7,671,621,319	7,327,572,543
Total	**42,100,787,455**	**38,463,842,742**

7.10 Particulars of Loans and Advances:

		31.12.2009 Taka	31.12.2008 Taka
(i)	Debts considered good in respect of which the banking company is fully secured.	24,648,761,204	22,714,428,328
(ii)	Debts considered good for which the banking company holds no other security other than debtor's personal security.	3,414,696,595	4,239,276,688
(iii)	Debts considered good secured by personal liabilities of one or more parties in addition to the personal security of the debtors.	1,198,076,543	315,426,164
(iv)	Debts considered doubtful or bad not provided for.	-	-
		29,261,534,342	**27,269,131,180**
(v)	Debts due by directors and officers of the banking company or any of them either severally or jointly with any other person.*	558,958,815	513,319,000
(vi)	Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies, as members.	-	-
(vii)	Maximum total amount of advances including temporary advances made at any time during the year to the directors or managers or officers of the banking company or any of them either severally or jointly with any other person.*	606,788,312	528,020,818
(viii)	Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private company	-	-
(ix)	Due from banking companies.	-	-
	Amount of classified debts on which interest has not been credited to income*	1,412,346,626	1,251,209,879
	(a) (Decrease)/ Increase in provision	(106,730,207)	44,152,629
	(a) Amount realized against loan previously written off	665,300	1,389,616
	(b) Amount of provision kept against loan classified as bad/loss	459,296,691	309,366,726
(x)	Cumulative amount of Classified Loans Which is Written off	587,707,402	587,707,402
(xi)	Classified Loans Which is Written off for current Year	-	304,324,378

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

7.11 Bills Purchased and Discounted

	31.12.2009 Taka	31.12.2008 Taka
Payable in Bangladesh	1,824,598,803	2,665,214,485
Payable outside Bangladesh	210,455,087	259,183,220
	2,035,053,890	**2,924,397,705**

		31.12.2009 Taka	31.12.2008 Taka
7.11.1 Maturity grouping of bills purchased & discounted			
Not more than 01 months		411,674,695	315,185,852
Above 01 months but not more than 03 months		906,176,420	1,455,029,165
Above 03 months but not more than 06 months		715,234,009	1,088,872,880
Above 06 months		1,968,766	65,309,808
		2,035,053,890	**2,924,397,705**
8. Premises and Fixed Assets			
Own Assets			
Furniture and Fixtures		117,150,935	106,399,544
Equipment and Computer		317,802,601	273,075,016
Vehicles		101,361,369	93,111,369
		536,314,905	472,585,929
Less: Accumulated depreciation		307,153,378	247,760,782
	Sub total	**229,161,527**	**224,825,146**
Leased Assets			
Leasehold Assets		4,000,000	4,000,000
Less: Accumulated depreciation		505,747	459,770
	Sub total	**3,494,253**	**3,540,230**
	Total	**232,655,780**	**228,365,377**
A Schedule of Fixed Assets is given in Annexure-D.			
9. Other Assets			
a) Investment in Shares of subsidiary companies;			
1 In Bangladesh		-	-
2 Outside Bangladesh		-	-
b) Stationery, stamps, printing materials etc.		14,950,049	14,762,041
c) Advance rent;		34,586,100	32,556,551
d) Income receivable	(Note-9.2)	281,751,758	341,949,604
e) Advance income tax		347,201,223	287,273,190
f) Security deposits	(Note-9.1)	6,425,332	5,900,396
g) Suspense account	(Note-9.3)	616,268	1,829,483
h) Other prepayments		56,818	231,680
I) Suspense account (Proposed Gazipur Chowrastha Branch)		-	12,054,911
j) Branch adjustment account		400,225	16,486,397
k) Sundry debtors	(Note-9.4)	164,936,468	48,254,593
l) Subs fees of Dun Bread street		3,341,351	2,997,622
m) Deferred Tax Assets	(Note-36)	109,786,558	95,534,955
n) Position Clearing (Net)		-	-
o) Position general Ledger (Net)		274,249	-
		964,326,397	**859,831,423**

9.1 Security deposits

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

9.2 Income receivable

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

9.3 Suspense account

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

9.4 Sundry Debtors

Protested bill, Main branch	6,535,881	6,535,881
Protested bill, Khatungonj branch	244,800	244,800
Protested bill, Khulna branch	416,367	416,367
BCCI-Bombay	584,884	584,884
BCCI-London	326	326
Protested bill, SWIFT charges	20,244,921	5,571,921
	28,027,179	**13,354,179**
Others	136,909,289	34,900,414
	164,936,468	**48,254,593**

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

			31.12.2009 Taka	31.12.2008 Taka
10	**Borrowing from other banks Including Financial Institutions & Agents**			
	In Bangladesh	(Note-10.1)	1,743,681,616	1,015,312,703
	Outside Bangladesh	(Note-10.2)	1,131,476,301	693,091,547
			2,875,157,917	**1,708,404,250**
10.1	**In Bangladesh**			
	a) Money at call and on short notice			
	Agrani Bank Ltd		300,000,000	-
	Sonali Bank Ltd		200,000,000	-
	Sub-total		**500,000,000**	**-**
	b) Term Borrowing			
	Long term loan from Bangladesh Bank		110,637,000	174,010,290
	Bangladesh Bank Refinance Loan for House building		84,890,709	33,895,000
	Loan from Bangladesh Bank under ESP scheme		-	-
	Government Placement for Agro based Industries		1,048,153,907	807,407,413
	Sub-total		**1,243,681,616**	**1,015,312,703**
	Grand total		**1,743,681,616**	**1,015,312,703**
10.2	**Outside Bangladesh**			
	Term Borrowing			
	Small and Cottage Industries Project loan under ADB loan No. - 1070 - BAN(SF)		-	605,051
	Loan for Micro Credit and Small Scale Industries (KfW, Germany)		170,356,779	189,545,950
	Agro business Development Project of ADB		961,119,522	502,940,546
			1,131,476,301	**693,091,547**
	Secured and unsecured borrowing from other banks			
	Secured (Assets pledged as security for liabilities)		-	-
	Unsecured		2,875,157,917	1,708,404,250
			2,875,157,917	**1,708,404,250**
11.	**Deposits & Other Accounts**			
	Non-Interest bearing Accounts	(Note-11.1)	2,846,120,067	2,873,007,182
	Interest bearing Account	(Note-11.2)	31,655,578,198	35,495,230,250
			34,501,698,265	**38,368,237,432**
11.1	**Non-Interest bearing Accounts**			
11.1.1	**Current and Other Accounts**			
	Current Account		1,021,964,720	1,029,676,524
	Sundry Deposit		1,482,654,589	1,514,839,299
		Sub-total	**2,504,619,309**	**2,544,515,823**
11.1.2	**Bills Payable**			
	Payment Order		291,598,824	292,936,770
	Demand Draft		49,901,934	35,554,589
		Sub-total	**341,500,758**	**328,491,359**
		Total	**2,846,120,067**	**2,873,007,182**
11.2	**Interest bearing Account**			
11.2.1	**Savings Bank Deposits**			
	Savings Account		1,165,841,755	955,508,366
11.2.2	**Fixed Deposits**			
	Short Term Deposits		3,078,039,992	5,206,029,651
	Term Deposits		27,411,696,451	29,333,692,233
		Sub-total	**30,489,736,443**	**34,539,721,884**
		Total	**31,655,578,198**	**35,495,230,250**

		31.12.2009 Taka	31.12.2008 Taka
11.3 Maturity Grouping of Deposits and Other Accounts			
Deposit from Bank			
Payable on Demand		4,838,216	1,150,881
Less than 01 Month		6,970,457	-
Above 01 Month but not more than 6 Month		-	-
Above 6 Month but not more than 1 Year		-	-
Above 01 Year but not more than 05 Years		-	-
Above 05 Years but not more than 10 Years		-	-
Above 10 Years		-	-
	Sub-total	**11,808,673**	**1,150,881**
Other Deposits			
Payable on Demand		2,890,744,457	5,152,023,028
Less than 01 Month		2,985,209,043	4,242,896,487
Above 01 Months but not more than 6 Months		8,768,841,931	5,091,001,146
Above 06 Months but not more than 01 Year		11,791,477,687	18,172,735,109
Above 01 year but not more than 05 Years		8,048,948,864	5,708,430,781
Above 05 years not more than 10 years		4,667,609	-
Above 10 years		-	-
	Sub-total	**34,489,889,591**	**38,367,086,551**
	Total	**34,501,698,264**	**38,368,237,432**
12. Other Liabilities			
Interest Payable on Borrowing		107,299,033	100,072,218
Interest Payable on Term Deposits		1,269,837,527	1,288,210,367
Privileged Creditors		41,088,218	27,255,420
Benevolent Fund		8,380,155	7,731,745
Provision for Incentive Bonus	(Note- 12.6)	94,719,539	105,305,659
Gratuity Fund	(Note- 12.7)	208,242,191	184,539,862
Sundry Creditors		18,996,213	17,667,416
Telephone and Telex Charges Payable		656,386	1,061,073
Expenses Payable		1,066,834	1,496,138
Provision for Taxes	(Note-35)	893,553,601	813,301,889
Miscellaneous Creditors		-	-
Provision for Loan and Advances	(Note- 12.1 and 12.2)	902,452,157	730,162,011
Provision for Off Balance Sheet Exposures	(Note- 12.3)	146,404,350	92,980,000
Provision for Sundry Debtors		28,845,297	14,172,297
Provision for Investment		331,890	331,890
Suspense Interest	(Note-12.4)	255,211,243	174,868,951
Excess Cash		24,574	-
Provision for Superannuation Fund		3,500,000	3,500,000
Provision for Welfare Fund		14,553,367	9,553,365
Electricity		630,014	1,224,096
Clearing		2,574,264	2,727,124
Provision for advertisement		945,000	-
Provision for fuel		296,465	-
Exchange Equalization Fund		6,925,384	6,925,385
Printing Stationary			266,759
Various Audit and Rating Fees		666,250	640,126
Position General Ledger (Net)*		309,331	-
Proposed Gazipur Branch		-	8,301,859
		4,007,509,285	**3,592,295,651**

*Under multi currency concept an organization maintains different statement of affairs for each currency it deals in including base(BDT) currency and one consolidated statement of affairs of all currencies converted into base currency. In the consilidated affairs all the assets and liabilities in foreign currencies are converted in base currency and presented with other assets and liabilities in base currency. This consolidated affairs reflects the overall position of the bank expressed in base currency. Two GL are maintained in the bank to account any foreign currency transaction. These GLs are Position GL for foreign currency position and Position Clearing GL . Position GL, accounts for original currency units other than base currency and Position Clearing GL accounts for correnponding value of foreign currency converted into base currency. As value of any currency undergo change, Position in that currency need to be evaluated from time to time and necessary adjustments are made through these GLs.

			31.12.2009 Taka	31.12.2008 Taka
12.1 Provision for Classified Loan (A)				
Opening Balance			415,840,593	436,543,180
Fully Provided Debt Written off/Interest Waived	(Note: 12.1.1)	(-)	(5,990,090)	(240,976,713)
Recovery from Earlier Written off Loan		(+)	-	-
Special Provision for Current Year		(+)	-	-
Provision not Required		(-)	-	-
Charge against Current Year's Profit		(+)	113,543,919	220,274,126
Closing Balance			**523,394,422**	**415,840,593**
12.1.1 Fully Provided Debt Written off/Interest Waived				
Loan Written off			-	240,976,713
Interest Waived			5,990,090	-
	Sub-total		**5,990,090**	**240,976,713**
12.2 Provision for Unclassified Loan (B)				
Opening Balance			314,321,419	300,650,221
Provision not Required		(-)	-	-
Charge against Current Year's Profit		(+)	64,736,316	13,671,198
Closing Balance	**Sub-total**		**379,057,735**	**314,321,419**
Total of 12.1 and 12.2	**Total**		**902,452,157**	**730,162,011**
12.3 Provision for off Balance Sheet Items (C)				
Opening Balance			92,980,000	43,700,000
Provision not Required		(-)	-	-
Charge against Current Year's Profit		(+)	53,424,350	49,280,000
Closing Balance			**146,404,350**	**92,980,000**
Total Provision (A+B+C)			**1,048,856,507**	**823,142,011**
12.4 Suspense Interest				
Opening Balance			174,868,951	93,891,617
Transferred During the Year		(+)	216369386	130,701,175
Recovery During the Year		(-)	(133,872,317)	(21,471,063)
Suspense Written off/Waived During the Year		(-)	(2,154,777)	(28,252,778)
Closing Balance			**255,211,243**	**174,868,951**

12.5 Branch adjustments account represents outstanding inter branch and head office transaction (Net) originated. The un-responded entries of 31.12.09 are given below:

(Amount in thousand)

Particulars	No. of Un-responded entries		Un-responded entries	
	Dr.	Cr.	Dr.	Cr.
Up to 03 Months	187	243	250,723	250,579
Over 03 Month but within 06 Months	-	-	-	-
Over 06 Month but within 01 Year	-	-	-	-
Over 01 Year but within 05 Years	-	-	-	-

By January 2010 all the Entries are Responded

	31.12.2009 Taka	31.12.2008 Taka
12.6 Provision for Incentive Bonus		
Opening Balance	105,305,659	62,148,214
Less: Adjusted/Paid during the Year	69,286,609	49,667,357
Amount remained unpaid	36,019,050	12,480,857
Add: Provision made for the current Year	58,700,489	92,824,802
Closing Balance	**94,719,539**	**105,305,659**

		31.12.2009 Taka	31.12.2008 Taka
12.7	**Gratuity Fund**		
	Opening Balance	184,539,862	84,303,645
	Add: Addition during the Year	32,105,476	110,394,744
		216,645,338	194,698,389
	Less: Adjusted/Paid during the Year	8,403,148	10,158,527
	Closing Balance	**208,242,191**	**184,539,862**
13.	**Capital**		
13.1	**Authorized**		
	20,000,000 Ordinary Shares of Tk 100.00 Each	**2,000,000,000**	**2,000,000,000**
13.2	**Issued and Fully Paid**		
	The Issued, Subscribed and Paid up Capital of the Bank as follows:		
	Ordinary Shares of Tk. 100.00 Each	**1,455,300,000**	**1,309,770,000**

The Government of People's Republic of Bangladesh is the Sole Owner-Shareholder of the Bank and all the Ordinary Shares Are Vested with the Ministry of Finance.

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

		31.12.2009 Taka	31.12.2008 Taka
Core Capital (Tier - 1)			
Paid up Capital		1,455,300,000	1,309,770,000
Statutory Reserve		1,559,657,251	1,295,263,804
General Reserve/Capital Reserve		40,000,000	40,000,000
Retained Earnings		543,442,599	304,512,647
		3,598,399,850	**2,949,546,451**
Supplementary Capital (Tier - 2)			
General Provision Maintained against Unclassified Loan		379,057,735	314,321,419
Provision for Off -Balance Sheet Items		146,404,350	92,980,000
Exchange Equalization		6,925,384	6,925,385
Revaluation of HTM & HFT Securities		162,775,304	11,150,674
		695,162,774	**425,377,478**
A. Total Eligible Capital (Tier-1 + Tier-2)		**4,293,562,624**	**3,374,923,929**
B. Risk Weighted Assets			
Balance Sheet Business		29,429,439,000	25,447,401,000
Off- Balance Sheet Business		2,421,259,000	2,620,558,000
Total Risk-weighted Assets		**31,850,698,000**	**28,067,959,000**
C. Required Capital on Risk Weighted Assets		3,185,069,800	2,806,795,900
(10% on Total Risk Weighted Assets)			
D. Capital Surplus / (Shortfall) [A-C]		1,108,492,824	568,128,029
Total Capital Ratio (%)		13.48	12.02
Capital Requirement	Required (%)	Held (%)	Held (%)
Core Capital (Tier-I)	5.00	11.30	10.51
Supplementary Capital (Tier - II)	-	2.18	1.52

			31.12.2009 Taka	31.12.2008 Taka
14.	**Statutory Reserve**			
	Opening Balance at the Beginning of the Year		1,295,263,804	1,045,085,405
	Add: Addition During the Year from Net Profit		264,393,447	250,178,399
	Closing Balance at the End of the Year		**1,559,657,251**	**1,295,263,804**

As per Section 24 of Bank Companies Act 1991, 20% of pre tax profit has been transferred to Statutory Reserve Account.

			31.12.2009 Taka	31.12.2008 Taka
15.	**Other Reserve**			
	General Reserve	(Note-15.1)	40,000,000	40,000,000
	Investment Revaluation Reserve	(Note-15.2)	325,550,608	33,050,390
	Total		**365,550,608**	**73,050,390**
15.1	**General Reserve**			
	Opening Balance at the Beginning of the Year		40,000,000	40,000,000
	Add: Addition During the Year		-	-
	Closing Balance at the End of the Year		**40,000,000**	**40,000,000**

The Bank has been maintaining this reserve as venture capital fund since 1999 for equity support to innovative but risky project.

			31.12.2009 Taka	31.12.2008 Taka
15.2	**Investment revaluation reserve (Treasury Bills & Treasury Bonds)**			
	Revaluation Reserve for:			
	Held to Maturity (HTM)	(Note: 15.2.1)	-	22,301,347
	Held for Trading (HFT)	(Note: 15.2.2)	326,687,077	10,749,043
	Loss on revaluation/amortization of HTM securities		(1,136,469)	-
			325,550,608	**33,050,390**
15.2.1	**Revaluation Reserve for Held to Maturity (HTM)**			
	Opening Balance at the Beginning of the Year		22,301,347	134,620,578
	Add: Addition During the Year		-	22,301,347
			22,301,347	**156,921,925**
	Less: Adjustment (Loss on revaluation/Amortization) during the year		22,301,347	134,620,578
	Closing Balance at the End of the Year		**-**	**22,301,347**
15.2.2	**Revaluation Reserve for Held for Trading (HFT)**			
	Opening Balance at the Beginning of the Year		10,749,043	-
	Add: Addition During the Year		523,079,768	10,749,043
			533,828,811	**10,749,043**
	Less: Adjustment (Loss on revaluation/Amortization) during the year		207,141,733	-
	Closing Balance at the End of the Year		**326,687,077**	**10,749,043**
16.	**Surplus in Profit and Loss Account**			
	Balance as on 1st January		304,512,647	129,477,309
	Change in Accounting Policy		-	-
	Profit During the Year		384,459,952	299,775,338
	Transfer to other reserve		-	-
	Cash Dividend Paid During the Year		-	(62,370,000)
	Issuance of Bonus Share		(145,530,000)	(62,370,000)
			543,442,599	**304,512,647**
16.1	**Item-Wise Profit and Loss Account**			
	Income:			
	Interest, Discount and Similar Income		4,638,492,647	4,498,080,197
	Dividend Income		500,000	5,429,204
	Fees, Commission and Brokerage		203,661,357	238,482,523
	Gains less Losses Arising from Dealing Securities		-	-
	Gains less Losses Arising from Investment Securities		-	-
	Gains less Losses Arising from Dealing in Foreign Currencies		251,562,290	250,704,092
	Income from Non-Banking Assets		-	-
	Other Operating Income		68,086,553	67,613,775
			5,162,302,847	**5,060,309,791**

			31.12.2009 Taka	31.12.2008 Taka
	Expenses:			
	Interest, Fee and Commission		2,873,969,387	2,708,915,661
	Losses on Loans and Advances		-	-
	Administrative Expenses		471,113,147	550,766,106
	Other Operating Expenses		207,470,980	213,563,356
	Depreciation on Banking Assets		60,190,043	52,947,349
			3,612,743,557	**3,526,192,472**
	Profit Before Tax and Provision		**1,549,559,290**	**1,534,117,319**
17.	**Contingent Liabilities**			
	Letters of Guarantee	(Note: 17.1)	1,492,242,760	2,002,299,467
	Local Bills for Collection		272,959,186	659,803,314
	Foreign Bills for Collection		1,101,283,556	803,413,397
	Acceptances		1,935,585,288	2,710,211,320
	Letters of Credit		10,651,469,367	4,215,282,375
	Back to Back L/C		561,137,865	369,458,000
	Travelers Cheques Stock		54,406,100	7,546,400
	Value of Wage Earners Bond in Hand		522	40,766,046
			16,069,084,643	**10,808,780,318**
17.1	**Letters of guarantee**			
	A. Claim against the Bank which is not recognized as Loan		-	-
	B. Money for which the Bank is contingently liable in respect of guarantees favoring:			
	Directors		-	-
	Government		511,280,349	533,361,554
	Bank and Other Financial Institutions		39,145,455	53,923,448
	Others		941,816,957	1,415,014,465
			1,492,242,760	**2,002,299,467**
18.	**Interest Income**			
	Interest from Clients		3,140,512,336	3,006,428,346
	Interest from Banks and Financial Institutions		733,304,633	814,270,112
	Interest from Foreign Banks		3,354,258	8,734,228
			3,877,171,227	**3,829,432,686**
19.	**Interest Paid on Deposits & Borrowings**			
	On Fixed Deposit		2,507,051,668	2,323,128,279
	On Short Term Deposit		223,091,115	273,996,260
	On Savings Bank Deposit		52,940,107	46,195,001
	On Borrowing from Bangladesh Bank and Other Financial Institutions		90,886,497	65,596,121
			2,873,969,387	**2,708,915,661**
20.	**Income from Investment**			
	On Government Treasury Bill and Bond	(Note: 20.1)	759,875,664	667,199,751
	On Debentures		1,445,756	1,447,761
	On Shares		500,000	5,429,204
	On Other Investment		-	-
			761,821,420	**674,076,716**
20.1	**On Government Treasury Bill and Bond**			
	Interest on GT Bill		33,274,726	276,072,243
	Interest on GT Bond		616,741,965	352,504,293
	Interest on Reserve Repo		-	38,623,214
	Gain on Sale of Securities		87,986,094	-
	Gain on Portfolio Transfer		21,872,879	-
	Total		**759,875,664**	**667,199,751**
21.	**Commission / Fees, Exchange Earnings & Brokerage**			
	Foreign bill purchased		1,059,225	1,118,585
	Local Bill Purchased		8,574,134	7,791,613
	Remittance		7,458,290	8,698,956
	Letter of Guarantee		24,250,749	38,310,375
	Letter of Credit		132,433,042	146,230,971

		31.12.2009 Taka	31.12.2008 Taka
	Bills for Collection	13,919,101	15,230,622
	Acceptances	10,595,355	14,049,618
	Export Bill	2,011,099	1,629,488
	Miscellaneous (includes commission on sale of PSP,TC)	3,360,362	5,422,296
		203,661,357	**238,482,524**
	Exchange Gain		
	Profit on Exchange Trading	251,562,290	250,704,092
		455,223,647	**489,186,616**
22.	**Other Operating Income**		
	Rent (Go-down and locker)	476,200	301,500
	Postage Charges	11,261,414	10,979,430
	Telephone and Cable Charges	26,885	623,320
	Telex Charges	17,242,445	16,950,941
	Service Charges	12,205,531	9,225,687
	Recoveries of Loan Previously Write Off	665,300	1,389,616
	Recoveries and miscellaneous earnings	26,208,778	26,374,439
	Profit on Sale of Fixed Assets	-	1,768,843
		68,086,553	**67,613,776**
23.	**Salary and Allowances**		
	Salaries	155,479,732	147,959,600
	Allowances	159,424,273	150,981,530
	Provident Fund	12,747,017	11,679,352
	Pension Fund	54,385	350,414
	Benevolent Fund	8,380,155	7,731,745
	Gratuity Fund	32,105,476	110,401,928
	Bonus	83,547,278	116,333,797
	Superannuation Fund	3,500,000	3,500,000
		455,238,315	**548,938,366**
24.	**Rent, Taxes, Insurance, Lighting Etc.**		
	Rent	45,562,913	38,945,210
	Rates, Taxes and VAT	1,697,817	2,001,408
	Electricity and Heating	11,362,066	10,461,286
	Insurance	12,319,330	8,275,853
		70,942,126	**59,683,757**
25.	**Legal & Professional Expenses**		
	Professional Fees	1,993,410	1,983,033
	Stamps and Court Fees	169,298	416,733
		2,162,708	**2,399,766**
26.	**Postage, Stamps, Telecommunication Etc.**		
	Postage	375,692	700,647
	Telephone	6,401,483	9,110,355
	Telex	-	-
	Courier Services	5,787,715	4,891,565
	Swift Subscription and cable Charges	1,246,616	11,420,923
		13,811,507	**26,123,490**
27.	**Stationery, Printing, Advertisement Etc.**		
	Security Stationery	1,038,652	1,065,036
	Printing Stationery	8,178,637	6,858,486
	Other Stationery	8,076,237	7,605,358
	Publicity, Advertisement and publication	7,901,138	5,221,380
		25,194,665	**20,750,260**
28.	**Managing Director's Salary**		
	Basic Salary	612,300	525,344
	Allowances	1,385,000	1,157,246
	Bonus	92,000	146,000
		2,089,300	**1,828,590**

		31.12.2009 Taka	31.12.2008 Taka
29.	**Directors' Fees & Meeting Expenses**		
	Board meeting and audit committee meeting	664,000	540,000
	Other meeting/benefits	156,000	-
		820,000	**540,000**

Each Director is paid for Tk.4000.00 per meeting. There was no other financial benefits provided to the directors of the bank.

		31.12.2009 Taka	31.12.2008 Taka
30.	**Depreciation of Bank's Assets:**		
	Depreciation on Own Assets		
	Furniture and Fixture	6,963,122	5,919,205
	Machinery and Equipment	40,049,012	36,027,527
	Vehicles	13,131,933	10,954,640
		60,144,067	**52,901,372**
	Depreciation on Leased Assets		
	Lease Equipment/ Assets	45,977	45,977
		60,190,044	**52,947,349**
31.	**Repair & Maintenance of Bank's Assets**		
	Furniture and Fixture	1,369,007	854,228
	Machinery and Equipment	5,244,812	3,882,444
	Vehicles	3,788,017	4,159,910
	Rented Premises	3,383,220	4,015,899
		13,785,056	**12,912,481**
32.	**Other Expenses**		
	Discount	26,907	26,900
	Commission and Brokerage	870,890	1,101,496
	Entertainment	17,472,007	15,574,422
	Car Expenses	10,169,546	9,518,305
	Subscription	1,659,701	1,984,090
	Traveling	7,280,212	8,629,017
	Cartage and Freight	178,966	103,503
	Computer Expenses	5,610,097	5,327,299
	Staff Training Expenses	3,026,925	2,456,025
	Donation	605,000	115,000
	Management Fees	6,000	44,198
	Welfare Fund	5,000,000	4,500,000
	Loss on revaluation of HFT securities	14,302,623	-
	Other Audit Fee	391,425	18,178
	Loss of exchange Trading	35,102	107,398
	Loss on Sale of Other Banking Assets	-	39,171
	Various Committee Members Fees and Allowances	2,964,220	129,000
	Miscellaneous	5,920,172	3,774,873
		75,519,792	**53,448,875**

No item of the miscellaneous expenses exceeds 1 percent of the total revenue expenses.

			31.12.2009 Taka	31.12.2008 Taka
33.	**Provision for Loans & Advances**			
	On Classified Loans & Advances As Per Bangladesh Bank Circular	(Note: 12.1)	113,543,919	220,274,126
	On Unclassified Loans & Advances	(Note: 12.2)	64,736,316	13,671,198
			178,280,235	**233,945,324**

34. Provision for Off Balance Sheet Exposures

A provision of Tk.146,404,350 has been made @ 1.00% on off balance sheet exposure (Acceptance & Endorsement, Letter of Credit & Letter of Guarantee) of which Tk.53,424,350 made provision from current year profit as per BRPD Circular # 10 dated 18 September 2007. The total amount of provision of Tk.146,404,350 will be treated as Supplementary Capital of the Bank.

		31.12.2009 Taka	31.12.2008 Taka
35.	**Provision for Tax**		
	Opening balance	813,301,889	601,416,654
	Add: Provision made during the year	687,365,442	747,109,713
		1,500,667,331	**1,348,526,367**
	Less: Adjustment during the year	607,113,730	535,224,478
	Balance at 31 December	**893,553,601**	**813,301,889**

		31.12.2009 Taka	31.12.2008 Taka
36.	**Deferred Tax**		
	a) Computation of Deferred Tax		
	Tax Base of Depreciable of Fixed Assets	263,427,155	244,591,845
	Less: Carrying Amount	229,161,526	224,825,148
	Deductible Temporary Difference **(A)**	**34,265,629**	**19,766,697**
	Carrying Amount of Provision for Gratuity/Benevolent/Superannuation Fund:		
	Provision for Gratuity	208,242,190	184,539,862
	Provision for Benevolent Fund (Provision - actual payment)	13,838,495	6,443,340
	Provision for Superannuation Fund (Provision - actual payment)	1,975,000	1,550,000
		224,055,685	**192,533,202**
	Less: Tax Base	-	-
	Deductible Temporary Difference **(B)**	**224,055,685**	**192,533,202**
	Total Deductible Temporary Difference **(A+B)**	**258,321,314**	**212,299,899**
	Effective Tax Rate	42.5%	45%
	Deferred Tax Assets	**109,786,559**	**95,534,955**
	b) Deferred Tax (Expenses)/Income		
	Closing Deferred Tax Assets	109,786,559	95,534,955
	Opening Deferred Tax Assets	95,534,955	49,363,500
	Deferred Tax (Expenses)/Income	**14,251,604**	**46,171,454**

Deferred Income Tax Assets and Liabilities reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for income tax purposes. The significant components of deferred income tax assets and liabilities of 31 December 2009 are as above.

		31.12.2009 Taka	31.12.2008 Taka
37.	**Proposed Dividends**		
	Bonus Share (7:20 and 1:9)	509,355,000	145,530,000
	Cash Dividend (@ 0%; 11.07%)	-	145,000,000
		509,355,000	**290,530,000**
38.	**Analysis of Closing Cash and Cash Equivalent**		
	Cash in hand and balance with Bangladesh bank and Sonali Bank	2,424,890,972	2,641,007,854
	Cash with other Banks	5,906,178,460	8,485,180,776
	Money at Call and Short Notice	180,000,000	1,480,000,000
		8,511,069,432	**12,606,188,630**
39.	**Earning Per Share (EPS)**		
	Net Profit after Tax (Numerator)	648,853,399	549,953,737
	Number of Ordinary Share Outstanding (Denominator)	14,553,000	14,553,000
	Earning Per Share (EPS)	**44.59**	**37.79**

Earnings per share (EPS) has been calculated in accordence with BAS-33 " Earning Per Share (EPS)". Previous year's figures have been adjusted for the issue of 1,455,300 Bonus Shares (for 2008) during the year.

40. Litigation Pending against Bank

There is no litigation pending against the Bank in the Year 2009.

41. Coverage of External Audit

The external auditor has covered 80% of the risk-weighted assets and have spent around 2,250 hours to complete the audit as per Bangladesh Standards on Auditing (BSA). The external auditor has audited 9 branches and Head office of the Bank.

Annexure-A

NOSTRO Accounts - Outside Bangladesh

	Name of the Bank	A/C Type	Currency name	2009 Amount in FC	2009 Conv. Rate per unit FC	2009 Amount in BDT	2008 Amount in FC	2008 Conv. Rate per unit FC	2008 Amount in BDT
1	AMEX Newyork	CD	US$	-	-	-	88,647	68.92	6,109,533
2	BOTM, London	CD	UKP	276,000	110.80	30,580,557	38,077	101.93	3,881,220
3	Arif Habib (Rupali) Bank Karachi	CD	ACU$	69,678	69.27	4,826,332	17,990	68.92	1,239,881
4	BOTM, Tokyo	CD	JAPY	10,314,175	0.79	8,092,502	3,145,396	0.79	2,477,314
5	Mashreq Bank ,UAE	CD	UAED	-	-	-	-	-	-
6	Mashreq Bank, NY	CD	US$	507,433	69.27	35,148,238	997,251	68.92	68,730,535
7	CITI Bank Mumbai	CD	ACU$	20,242	69.27	1,402,088	14,821	68.92	1,021,483
8	Sonali Bank, Kol.	CD	ACU$	395,297	69.27	27,380,940	836	68.92	57,636
9	Bank of Ceylon	CD	ACU$	6,857	69.27	474,983	29,605	68.92	2,040,359
10	AMEX Kolkata	CD	ACU$	-	-	-	-	-	-
11	Citibank NA, NY(Imp)	CD	US$	-	-	-	-	-	-
12	Citibank NA, NY(Exp)	CD	US$	311,877	69.27	21,602,712	337,295	68.92	23,246,373
13	State Bank of India	CD	ACU$	-	-	-	-	-	-
14	SCB, Newyork	CD	US$	660,651	69.27	45,761,118	526,995	68.92	36,320,526
15	SCB, London	CD	EURO	131,439	101.22	13,304,350	40,787	99.29	4,049,844
16	SCB, Mumbai	CD	ACU$	130,883	69.27	9,065,804	157,516	68.92	10,855,994
17	Dresdner Bank,F.furt	CD	EURO	-	-	-	-	-	-
18	BCP, Geneva	CD	CHF	4,691	67.97	318,886	7,045	67.48	475,336
19	AMEX Frankfurt	CD	EURO	27,781	101.22	2,812,038	63,893	99.29	6,344,108
20	Wachovia Bank,NY	CD	US$	155,426	69.27	10,765,842	-	-	-
21	HSBC Newyork	CD	US$	1,668,123	69.27	115,545,353	154,172	68.92	10,625,562
22	ICICI Mumbai	CD	ACU$	112,683	69.27	7,805,194	144,050	68.92	9,927,929
23	Sonali Bank, Kol. ACUEUR	CD	ACUEUR	2,400	101.22	242,930	-	-	-
24	Term Deposit CBCL	INVES	US$	300,000	68.30	20,490,000	-	-	-
25	Term Deposit CBCL	FDR	US$	213,967	64.34	13,766,800	-	-	-
26	Term Deposit CBCL	FDR	US$	157,950	65.29	10,312,350	-	-	-
	Total					**379,699,017**			**187,403,633**

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.

Annexure-B

Investment in Shares as at 31 December 2009

Sl	Particulars	Date of Purchase	No. of shares	Face Value (In Taka)	Cost Price (In Taka)	Market Value as at 31.12.08 (In Taka)	Provision exists in the accounts (In Taka	Current market value as at 31.12.09	Dividend received in 2009 (In Taka)
1.	Tamijuddin Textile Mills Ltd.	02-01-92	5,000	500,000	500,000	200,000	328,750	322,500	-
2.	Eastern Bank Ltd.	27-04-93	206,025	20,602,500	30,903,700	121,400,231	-	128,302,069	-
3.	Mithun Corporation Ltd.	25-08-94	80	8,000	8,000	13,200	3,140	42,780	-
4.	ICB Islami Bank	29-05-08	51,880	51,880,000	51,880,000	63,254,690	-	52,450,680	-
	Total		**262,985**	**72,990,500**	**83,291,700**	**184,868,121**	**331,890**	**181,118,029**	**-**

Annexure - C

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

(Taka in Lac)

Sl. No.	Name of the Client	Outstanding as on 31.12.2009			Outstanding as on 31.12.2008	Remarks
		Funded	Non Funded	Total		
1	R. M. Steel Mills Ltd.	-	-	-	3,673	
2	Mithun Tallu Group	4,482	2,174	6,656	6,222	
3	United Group	6,200	423	6,623	10,305	
4	Max Sweeter BD Ltd.	-	-	-	4,905	
5	A. H. Jute Spinning and Belting Ltd.	4,939	166	5,105	3,539	
6	Anwar Jute	3,737	964	4,701	3,599	
7	National Tubes Ltd	-	-	-	4,548	
8	Madina Poultry Feed	-	-	-	-	
9	Desktop Computers Connection Ltd.	-	-	-	-	
10	Rising Spinning Mills Ltd.	-	-	-	3,931	
11	Usha Paragon Group	3,932	910	4,842	-	
12	Sanji-Well Group	6,990	4,380	11,370	12,666	
13	M M Spinning Mills Ltd	4,121	429	4,550	4,301	
14	Ananda Shipyard Group	5,799	902	6,701	9,667	
15	AbulKhair Steel and Power Ltd.	5,402	40	5,442	-	
	Total	45,602	10,388	55,990	67,356	

Annexure-D

BASIC Bank Limited

Schedule of Fixed Assets
As of 31 December 2009

Particulars	Cost Price				Depreciation					Written Down Value as at 31.12.2009
	Balance as at 01.01.2009	Addition during the year	Disposal/Transfer during the year	Balance as at 31.12.2009	Rate of Dep.	Balance as at 01.01.2009	Addition during the year	Transfer/ Adjustment during the year	Balance as at 31.12.2009	
Furniture and Fixtures	106,399,544	10,942,078	(190,687)	117,150,935	10%	43,393,252	6,963,122	(69,546)	50,286,828	66,864,107
Equipment and Computer	273,075,016	45,754,828	(1,027,243)	317,802,601	20%	143,538,772	40,049,012	(681,925)	182,905,859	134,896,742
Vehicles	93,111,369	8,250,000	-	101,361,369	25%	60,828,758	13,131,933	-	73,960,691	27,400,678
Leasehold Assets	4,000,000	-	-	4,000,000		459,770	45,977	-	505,747	3,494,253
Total 2009	**476,585,929**	**64,946,906**	**(1,217,930)**	**540,314,905**		**248,220,552**	**60,190,044**	**(751,471)**	**307,659,125**	**232,655,780**
Total 2008	**394,939,970**	**86,626,820**	**(4,980,860)**	**476,585,930**		**198,832,810**	**52,947,350**	**(3,559,608)**	**248,220,552**	**228,365,377**

List of Executives

as on 15 **June, 2010**

Managing Director

AKM. Sajedur Rahman

Deputy Mananging Director

Sk. Monzur Morshed

General Managers

Abdul Hadi Gholam Sanjari
Kanak Kumar Purkayastha
Md. Shah Alam Bhuiyan
Abdul Qayum Mohammad Kibriya
Fazlus Sobhan
Md. Zainul Abedin Choudhury
Md. Shahabad Doza

Deputy General Managers

S. Ashif Ahmed
Shahadat Hossain
Md. Wahidul Alam
Hasan Tanvir
Mohammad Mosharraf Hossain
Kh. Shamim Hasan
Md. Abul Hashem
Md. Mozammel Hossain
S.A.K. Nazmul Huq
S.M.A. Razzaque
Syed Mushahid Ahmed
Md. Omar Faruque
Mohammad Moniruzzaman
Abdul Adud
Md. Kabir Uddin
Md. Abul Kalam Azad
Emdadul Haque
A.K.M Masudur Rahman
Khan Iqbal Hasan
Md. Salim
Md. Ismail
Mohammed Ali
Ahmad Hossain
Abu Md. Mofazzal
Golam Faruk Khan
A. Monaem Khan
Mohammad Ali

Assistant General Managers

Md. Moktadir Hossain
Md. Mahboobur Rahman
Md. Anwar Hossain
Kazi Siddiqur Rahman
Jan-E-Alam
Humayun Kabir
Nurur Rahman Chowdhury
Ms. Mariom Begum
S.M. Ataur Rahman
Saifur Rahman
Momenul Haque
Abdus Sabur
Md. Masum Uddin Khan
Mohammad Faruk Hossain
Mahbub Alam Khan
Niranjan Chandra Debnath
Niaz Musawwir Shah
Md. Fida Hasan
Arif Hossain
Harun-ur-Rashid
Mohammed Idris Bhuiyan
Md. Mahbubul Alam
Mohammad Al-Amin
Md. Rezaul Alam
Shakir Mahmud Sharafuddin
Moinul Islam
Md. Ashrafuzzaman
A.M. Shahed Husain
Md. Abdus Satter Khan
Md. Khosh Newaz
ASM Rowshanul Haque
Shawkot Mahmood
Md. Mahabubul Alam
Kaafi Mahmud Sarker
Md. Abdul Maleque Kibria
Md. Mahmud Hasan

Executives on Contract

Md. Korban Ali
Asok Bondhu Das
Kajjal Kanti Datta
Md. Abdul Gofur Talukder

Managers as Branch In-Charge

Faisal Shah Qureshi
Ekramul Bari
SK. Mahfuzur Rahman

MAIN BRANCH
Bana Shilpa Bhaban (Ground floor)
73 Motijheel C/A, Dhaka-1000
Tel: 88-02-9563068, 9553322, 9570713
Fax: 88-02-9569417
SWIFT: BKSIBDDHOO2
E-mail: basicmai@bttb.net.bd

DILKUSHA BRANCH
13 Dilkusha C/A, Dhaka-1000
Tel: 02-9563793-4
Fax: 02-7169528
SWIFT: BKSIBDDH015
E-mail: basicdil@bttb.net.bd

BANGSHALBRANCH
230 North South Road
Bangshal, Dhaka-1100
Tel: 02-9563686, 9562615
Fax: 88-02-9557141
SWIFT: BKSIBDDH006
E-mail: basicban@bttb.net.bd

SHANTINAGAR BRANCH
Concord Grand (1st floor)
169/1, Shantinagar Road, Dhaka-1217
Tel: 02-9337441, 8314057, 9348056, 9347547
Fax: 88-02-9332674, SWIFT : BKSIBDDH009
E-mail : basicsan@bttb.net.bd

GULSHAN BRANCH
112 Gulshan Avenue
Gulshan, Dhaka-1212
Tel: 02-9883501-2, 9862127
Fax: 02-8857307
SWIFT: BKSIBDDH021
E-mail: basicgul@bttb.net.bd

MIRPUR BRANCH
BSCIC Electronics Complex, Industrial Plot No. 1/1
Section 7, Avenue 4, Road No. 3 Pallabi, Dhaka-1221
Tel : 02-9006249-50, Fax : 02-9011732
SWIFT : BKSIBDDH022
E-mail : basicmir@bttb.net.bd

BABUBAZAR BRANCH
Hajee Yusuf Mansion (1st floor)
56 Milford Road, Babubazar, Dhaka-1100
Tel : 02-7391335, 7393875, Fax : 02-7341828
SWIFT: SKSIBDDH023
E-mail: basicbab@bttb.net.bd

UTTARA BRANCH
Plot No. 67/A (1st floor), Rabindra Saroni
Sector - 7, Uttara Model Town, Dhaka-1230.
Tel : 02-8961032, Fax : 02-8961031
E-mail : basicutt@bttb.net.bd

MOULVIBAZAR BRANCH
Gulshan Market (1st Floor)
4 Moulvibazar, Dhaka-1211
Tel : 02-7315356, 7316991
Fax : 02-7341740, SWIFT: BKSIBDDH024
E-mail: basicmou@bttb.net.bd

DHANMONDI BRANCH
Manna's Tower (1st floor), House # 54
Road # 4/A, Satmasjid Road,
Dhanmodi R/A, Dhaka-1209
Tel: 02-8652189, 8650863
Fax: 02-9676156/101
E-mail : basicdha@bttb.net.bd

KARWAN BAZAR BRANCH
Latif Tower, 47 Karwan Bazar
Dhaka-1215
Tel: 02-914 6282, 914 6294
Fax: 02-914 6364

TANBAZAR BRANCH
55/21 S.T.S Tower, S.M Maleh Road
Tanbazar, Narayanganj-1400
Tel : 02-7631862, Fax : 02-7646233
SWIFT: BKSIBDDH014
E-mail: basictan@bttb.net.bd

NARSINGDI BRANCH
Sutapatti Road
Narshingdi - 1600
Tel : 9463145
Fax : 9451631

Gazipur Chowrasta Branch
Noor Plaza (1st floor), Gazipur Chowrasta
Mymensingh Road, Gazipur
Tel: 02-9263115, 9263134
Fax: 02-9263197

AGRABAD BRANCH
Pine View (Ground floor)
100 Agrabad C/A, Chittagong-4100
Tel: 031-2520080, 725527, 814041
Fax: 88-031-714822
SWIFT: BKSIBDDH008
E-mail: basicagr@bttb.net.bd

KHATUNGANJ BRANCH
193 Khatunganj Chitagong-4000
Tel: 031-614200, 614280
Fax: 031-622435
E-mail : basicden@bttb.net.bd

Executives of BASIC Bank

JUBILEE ROAD BRANCH
G.R. Plaza, 5 Jubilee Road
Chittagong- 4100
Tel: 031-634879, 638305 Fax: 031-2851738
SWIFT : BKSIBDDHO13
E-mail : basicjubCcubttb.net.bd

SHOLASHAHAR BRANCH
Proskov Bhaban (1st floor), 110 CDA
Avenue, Nasirabad, Muradpur, Chittagong
Tel: 031-651066, 650855
Fax: 031-655304
E-mail : basicsho@bttb.net.bd

CEPZ BRANCH
Moon Tower (1st Floor), E.P.Z Gate
South Halishahar, Chittagong- 4100
Tel : 031-740094, Fax : 031-800512
E-mail : basiccep@bttb.net.bd

ASADGANJ BRANCH
M.A. Salam Market
774, Asadgonj, Chittagong-4100
Tel: 031-614569, 632112
Fax: 031-614942
SWIFT : SKSIBDDHO16
E-mail : basicasa@-bttb.net.bd

DEWANHAT BRANCH
4/B D.T. Road, Postarpar
Dewanhat, Chittagong-4100
Tel: 031-2512480-1
Fax: 031-2512482

COMILLA BRANCH
156/162 A.K. Fazlul Haque Road Monohorpur,
Comilla- 3500
Tel : 081-65886, Fax : 081-71444
E-mail : basiccom@bttb.net.bd

ZINDABAZAR BRANCH
Wahid View (1st floor)
5477 East Zindabazar, Sylhet-3100
Tel :0821-718462
Fax : 0821-712548
E-mail : basiczin@bttb.net.bd

CHOWMUHANA BRANCH
152 Shamsernagar Road Chowmuhana, Moulvibazar-3200
Tel : 0861-53238, Fax : 0861-53060
E-mail : basiccho@bttb.net.bd

BARISAL BRANCH
102, Chawkbazar Road, Barisal
Tel : 0431-65022, Fax : 0431-61022
E-mail : basicbar@bttb.net.bd

BOGRA BRANCH
Bhabani Shachin Bhaban
Hari Dashi Market
120 Baragola, Bogra -5800
Tel : 051-78793, 65672 Fax : 051-6572/111
E-mail : Basicbog@bttb.net.bd

SAIDPUR BRANCH
T. R. Road (Dinajpur Road),Saidpur 5310, Nilphamari
Tel: 05526-72299, 72211
Fax: 05526-72288
E-mail : basic@bttb.net.bd

RAJSHAHI BRANCH
Anam Plaza (1st floor)
Shaheb Bazar, Rajshahi- 6100
Tel : 0721-776278, Fax : 0721-770976
E-mail : basicraj@bttb.net.bd

SIRAJGANJ BRANCH
Shapneel Shoping Complex
S.S. Plaza House No. 305 (1st Floor)
S.S. Road, Sirajganj
Tel : 0751-64355, 64356, Fax : 0751-64357

RANGPUR BRANCH
97/1, Central Point, Central Road,
Rangpur- 5400
Tel: 0521-67811,67812
Fax: 0521-67813

KHULNA BRANCH
107, Sir Igbal Road,
Khulna-9100
Tel: 041-720361, 721672
Fax: 041-812255

JESSORE BRANCH
35, M.K. Road (1st floor), Jessore-7400
Tel : 0421-68586, 64288
Fax : 0421-68587

T&T BILLS COLLECTION BOOTHS

Sher-E-Bangla Nagar
Telephone Exchange Bhaban
Sher-E-Bangla Nagar, Dhaka-1215
Tel: 8154040

Gulshan Telephone Exchange Bhaban
Gulshan-1, Dhaka 1212
Tel: 8819907

Ramna Telephone Exchange Bhaban
Ramna, Dhaka 1000
Tel: 9566042

FOREIGN EXCHANGE BOOTH
Osmani International Airport, Sylhet

ATM Booths of the Bank

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

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

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

Rifles Square Booth, Dhaka
Rifles Square Market Complex PeelKhana,
Dhaka-1209

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

Places of Proposed Booths

01. Sena Kalyan Bhaban, Dhaka.
02. Zindabazar, Sylhet.
03. Monohorpur, Comilla.
04. Gazipur Chowrasta, Gazipur.
05. Madhobdi, Narshingdi.
06. Sena Kallyan Premise under Main or Dilkusha Branch, Dhaka.
07. Dhaka New / Market / Nilkhet under Dhanmondi Branch, Dhaka.
08. Malibagh / Kharail Chowrastha under Shantinagar Branch, Dhaka.
09. B.B. Road / Nitaigonj under Tanbazar Branch, Narayanganj.
10. Agrabad Br. premise, Chittagong.
11. Anderkilla under Khatungong Branch, Chittagong.
12. Kandirpar under Comilla Branch, Comilla.
13. Rajshahi New Market under Rajshahi Branch.
14. Royal Chowrastha / Shibbari Chowrastha under Khulna Branch, Khulna.
15. Zindabazar / Al-Hamra Market under Zindabazar Barnch, Sylhet.

Other Events

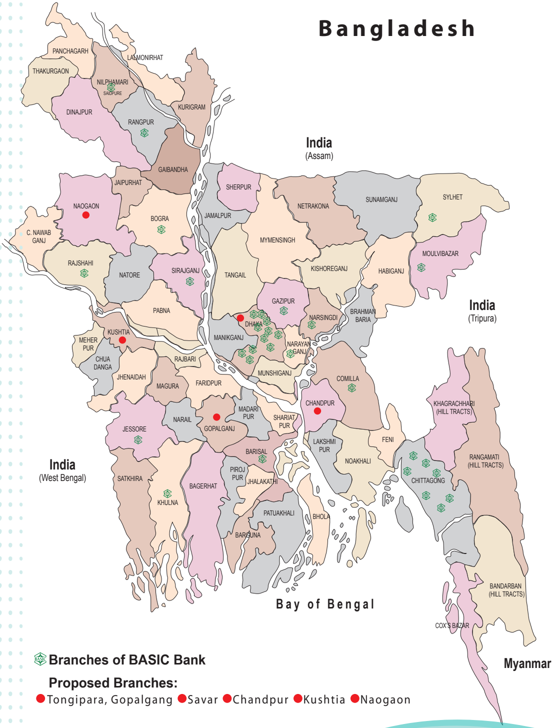
The Managing Director, Deputy Managing Director & other Executives of the Bank with the Newly appointed Assistant Managers in their orientation program.

Mr. Sheikh Monzur Morshed, Deputy Managing Director of the Bank awerding certificates to a participant of a traning on Money Laundering Prevention.


CLIENT CONFERENCE
2010
MANAGERS' 1ST

Chairman and other members of the board with the executives of the Bank

Bangladesh



Branches of BASIC Bank

Proposed Branches:

Tongipara, Gopalgang Savar Chandpur Kushtia Naogaon

BASIC Bank Limited

Serving people for progress

A STATE OWNED SCHEDULED BANK

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