

annual
report

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BASIC Bank Limited
Serving people for progress

A STATE OWNED SCHEDULED BANK



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

Registered Office

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

Head Office

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

Incorporation

August 2, 1988

Commercial Operation

January 21, 1989

Contacts

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





Honorable Prime Minister Sheikh Hasina is receiving a cheque of Tk.1.00 crore from Mr. Sheikh Abdul Hye Bacchu, Chairman of BASIC Bank Ltd. as a donation for Bangabandhu Sheikh Mujibur Rahman Memorial Trust.



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

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

Adjudged as one of the soundest banks in Bangladesh, BASIC Bank is unique in its

objectives. It is a blend of development and commercial banking functions.

Steady growth in clientele base and their high retention rate since Bank's inception 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. Reality is individuals matter in this Bank. This motto has been followed for development of clientele as well as human resources of the Bank.



As on May 31, 2011

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



Mr. Fakhrul Islam

Director
BASIC Bank Limited
&
Chairman
Bangladesh Small and Cottage Industries Corporation (BSCIC)

As on May 31, 2011

Board of Directors



Mr. Shubhashish Bose

Director
BASIC Bank Limited
&
Director General
Prime Minister's Office



Ms. Neelufar Ahmed

Director
BASIC Bank Limited
&
Former Director General
Prime Minister's Office



Mr. Shakhawat Hossain

Director
BASIC Bank Limited
&
Former Commissioner of Customs



As on May 31, 2011

Board of Directors



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. Sk. Monzur Morshed

Managing Director (In-Charge)
BASIC Bank Limited



We Deeply Mourn



We express our heartfelt Condolence at the sad demise of our two honorable Directors of BASIC Bank Limited Ms. Razia Begum, Secretary-in-Charge of the Ministry of Women & Children Affairs and Mr. Mohammad Siddiquir Rahman, Chairman of BSCIC died following a tragic road accident at Manikganj on 31st July 2010 on their way to attend the Inaugural Ceremony of BASIC Bank Tungipara Branch (Inna Lillahi ...Razeun).

We express our deepest sympathy to the members of their bereaved families and pray to Almighty Allah for salvation of their departed souls.

Convener

Mr. Shakhawat Hossain

Director, BASIC Bank Limited

&

Former Commissioner of Customs

Member

Mr. Jahangir Akhand Salim

Director, BASIC Bank Limited

&

Founder President

Chandpur Chamber of Commerce and Industry

Member

Prof. Dr. Kazi Akhtar Hossain

Director

BASIC Bank Limited

&

Chairman

Department of Accounting and Information Systems

Islami University, Kushtia

Company Auditor

Syful Shamsul Alam & Co.

Chartered Accountants

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

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

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

We provide an environment in which our staff members feel free to exercise their initiative and 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 is hereby given that the 22nd Annual General Meeting of BASIC Bank Limited (Bangladesh Small Industries and Commerce Bank Limited) will be held on Thursday, June 09, 2011 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, 2010;
02. To declare dividend for the year ended December 31, 2010;
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;
05. To consider and, if thought fit, to pass the following resolution with or without modification, as a Special Resolution:

"RESOLVED that the authorized capital of the company be increased from Tk.200,00,00,000 (Taka two hundred crore) divided into 2,00,00,000 (two crore), ordinary shares of Tk.100/- (Taka one hundred) each to Tk.500,00,00,000 (Taka five hundred crore) divided into 5,00,00,000 (five crore), ordinary shares of Tk.100/- (Taka one hundred) each."

"RESOLVED further that the necessary amendments to be made in the Clause VI of the Memorandum of Association and Article 4 of the Articles of Association of the company as per the above resolution."

By order of the Board of Directors

Dated; Dhaka
May 16, 2011



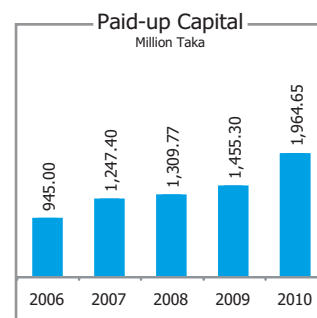
Md. Shah Alam Bhuiyan
Company Secretary



BASIC Bank at a glance

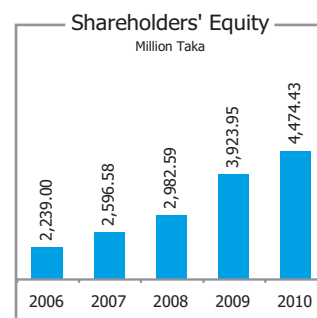
A. From the Balance Sheet (Million Taka)

	2010	2009	2008	2007	2006	2005
Authorized Capital	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Paid-up Capital	1,964.65	1,455.30	1,309.77	1,247.40	945.00	810.00
Reserve and Surplus	2,509.78	2,468.65	1,672.82	1,349.17	1,294.00	916.14
Shareholders' Equity	4,474.43	3,923.95	2,982.59	2,596.58	2,239.00	1,726.14
Fixed Assets	283.12	232.65	228.36	196.11	154.52	135.78
Total Assets	61,569.38	45,308.31	46,660.03	38,773.91	29,417.09	27,136.37
Deposits	49,259.60	34,501.69	38,368.23	31,947.98	24,084.65	22,325.58
Long- term Debt	2,718.46	2,875.16	1,708.40	1,385.81	830.06	937.51
Loans and Advances	46,341.51	29,261.53	27,269.13	22,263.35	19,000.00	15,339.35
Placement & Investment	9,294.02	12,244.91	15,659.03	13,560.92	8,212.23	10,236.82



B. From the Income Statement (Million Taka)

Gross Income	6,120.53	5,162.30	5,060.29	3,549.51	2,870.32	2,228.21
Gross Expenditure	4,403.49	3,593.96	3,526.35	2,458.41	1,858.69	1,599.77
Profit before Tax and provision	1,717.05	1,568.34	1,533.94	1,091.10	1,011.62	628.44
Profit after Tax	660.93	648.85	549.86	282.96	554.14	285.49
Tax Paid (cumulative)	4,948.64	4,225.37	3,538.01	2,790.98	2,245.16	1,777.70

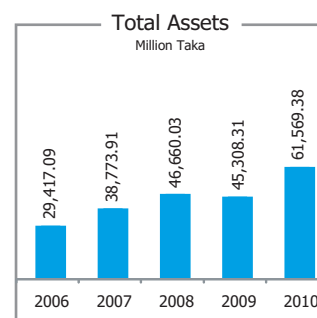


C. Others (Million Taka)

Import Business	4,2205.90	33,976.60	27,359.77	21,266.57	17,804.27	14,094.96
Export Business	23,998.80	19,887.70	22,270.87	16,794.96	15,463.74	11,097.23

D. Financial Ratios (Percentage)

Capital Adequacy Ratio	9.41	13.48	12.04	12.91	11.98	11.77
Capital Fund to Deposit Liabilities	9.08	11.37	7.81	9.23	10.34	10.36
Liquid Assets to Deposit Liabilities	12.06	24.67	47.70	49.10	40.42	58.01
Loan to Deposit Liabilities	94.08	84.81	71.07	69.69	78.89	69.74
Earning Assets to Deposit Liabilities	81.55	116.44	114.69	109.70	112.99	114.56
After Tax Return on Average Assets	1.24	1.41	1.30	0.83	1.96	1.23
Net profit to Gross Income	10.80	12.57	10.87	7.97	19.31	12.81
Interest Margin Cover	95.15	135.79	137.08	176.80	211.72	214.56
After Tax Return on Equity	14.95	18.79	19.68	11.70	27.82	17.75
SMI/SSI Loan and Micro Credit to Total Loan	56.78	56.93	59.32	56.73	53.43	50.66



Number of Branches	34	32	31	31	28	27
Number of Employees	964	776	735	721	651	601
Deposit per employee (Million Taka)	51.10	44.46	52.20	44.31	37.00	37.15
Advance per employee (Million Taka)	48.07	37.71	37.10	30.88	29.19	25.52
Profit before tax per employee	1.78	2.02	2.09	1.51	1.55	1.05

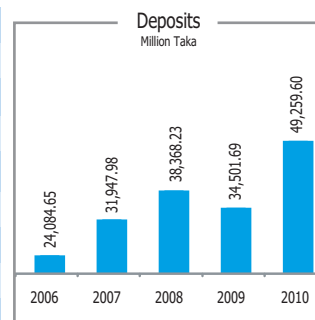


BASIC Bank at a glance

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	7,730.67
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)

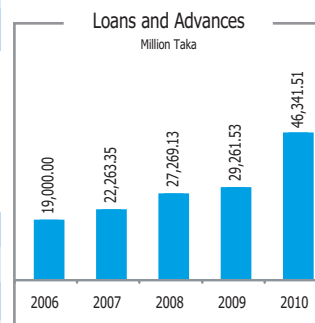
Gross Income	1768.85	1,558.52	1,290.66	1,041.76	877.48
Gross Expenditure	1241.63	1,004.85	856.15	685.64	573.30
Profit before Tax and provision	527.22	553.67	434.51	356.12	304.18
Profit after Tax	291.48	236.39	251.55	213.67	173.34
Tax Paid (cumulative)	1,434.76	1,199.02	881.73	698.76	556.31

C. Others (Million Taka)

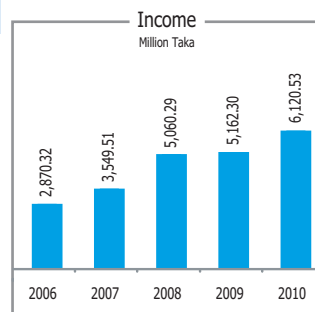
Import Business	12,507.80	9,882.80	8,645.00	7,542.80	7,948.00
Export Business	7,908.00	6,933.90	5,557.60	5,957.90	5,557.00

D. Financial Ratios (Percentage)

Capital Adequacy Ratio	12.49	12.57	13.20	12.49	15.30
Capital Fund to Deposit 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 Margin 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



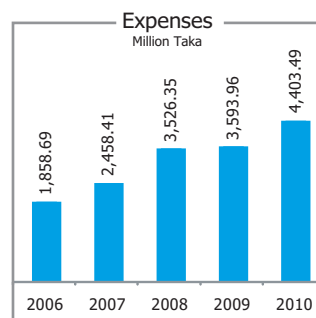
Number of Branches	27	26	26	25	25
Number of Employees	578	523	510	497	453
Deposit per employee (Million Taka)	26.83	21.54	19.65	15.12	12.90
Advance per employee (Million Taka)	20.76	17.75	15.60	12.60	10.20
Profit before tax per employee	0.91	1.06	0.85	0.72	0.67



BASIC Bank at a glance

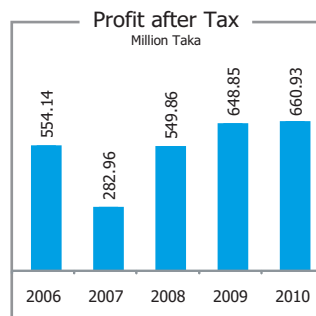
A. From the Balance Sheet (Million Taka)

	1999	1998	1997	1996	1995	1994
Authorized Capital	500.00	500.00	500.00	100.00	100.00	100.00
Paid-up Capital	160.00	80.00	80.00	80.00	80.00	80.00
Reserve and Surplus	424.43	394.48	258.34	163.73	105.96	53.49
Shareholders' Equity	584.43	474.48	338.34	243.73	185.96	133.49
Fixed Assets	37.83	41.96	36.39	25.45	21.27	21.37
Total Assets	7,173.17	5,620.57	4,350.14	3,962.55	3,280.16	2,609.85
Deposits	5,647.93	4,551.48	3,541.60	3,357.05	2,773.73	2,241.33
Long- term Debt	368.85	344.61	273.29	196.45	166.08	119.68
Loans and Advances	3,960.11	3,218.90	2,630.90	1,724.81	1,561.29	1,112.24
Placement & Investment	2,021.19	2,040.72	1,395.59	1,320.43	995.57	483.90



B. From the Income Statement (Million Taka)

Gross Income	794.59	591.64	440.46	311.43	291.62	232.87
Gross Expenditure	528.01	364.73	268.83	207.41	191.66	181.51
Profit before Tax and provision	266.58	226.91	171.63	104.02	99.96	51.36
Profit after Tax	159.95	136.15	94.61	57.77	52.48	25.68
Tax Paid (cumulative)	425.47	318.84	228.08	151.06	104.81	57.33

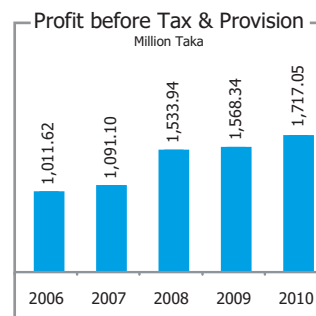


C. Others (Million Taka)

Import Business	7,391.10	7,208.20	7,017.56	4,986.10	4,657.86	2,613.50
Export Business	5,060.30	4,420.20	3,754.87	2,609.30	1,783.09	1,227.08

D. Financial Ratios (Percentage)

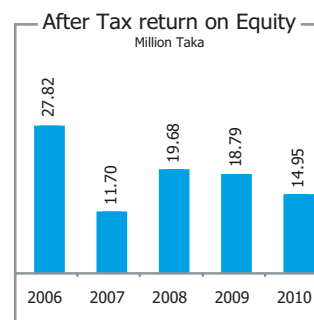
Capital Adequacy Ratio	14.27	14.01	12.45	12.39	-	-
Capital Fund to Deposit Liabilities	10.34	10.42	9.55	7.26	6.70	5.96
Liquid Assets to Deposit Liabilities	59.09	62.29	59.58	70.42	66.22	68.17
Loan to Deposit Liabilities	66.71	66.81	69.86	47.82	54.17	49.62
Earning Assets to Deposit Liabilities	85.34	115.56	113.69	99.57	97.52	74.04
After Tax Return on Average Assets	2.50	2.73	2.28	1.60	1.78	1.04
Net profit to Gross Income	20.45	23.01	21.48	18.54	18.00	11.03
Interest Margin Cover	112.67	192.07	194.64	112.45	109.68	60.33
After Tax Return on Equity	30.21	28.69	27.96	23.70	28.22	21.28
SMI/SSI Loan and Micro Credit to Total Loan	40.09	42.21	35.83	40.99	43.44	46.25



Number of Branches	23	22	21	19	18	17
Number of Employees	417	372	351	315	300	238
Deposit per employee (Million Taka)	13.54	12.24	10.09	10.66	9.25	9.42
Advance per employee (Million Taka)	9.50	8.65	7.50	5.48	5.20	4.67
Profit before tax per employee	0.64	0.61	0.49	0.33	0.33	0.22

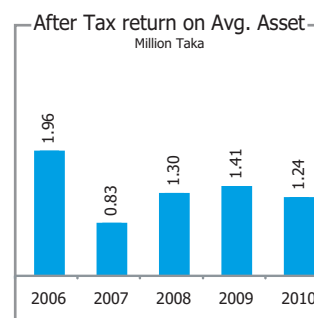
BASIC Bank at a glance

	1993	1992	1991	1990	1989
A. From the Balance Sheet (Million Taka)					
Authorized Capital	100.00	100.00	100.00	100.00	100.00
Paid-up Capital	80.00	80.00	80.00	80.00	80.00
Reserve and Surplus	27.81	10.48	4.83	4.36	1.09
Shareholders' Equity	107.81	90.48	84.83	84.36	81.09
Fixed Assets	20.82	16.26	15.15	14.08	7.62
Total Assets	2,321.13	1,646.95	991.37	661.91	406.73
Deposits	1,977.60	1,367.36	843.79	529.19	317.72
Long- term Debt	122.18	125.80	30.00	30.00	-
Loans and Advances	986.61	715.75	432.80	200.00	66.45
Placement & Investment	672.29	553.61	404.60	341.11	287.52



B. From the Income Statement (Million Taka)

Gross Income	197.67	126.70	98.80	61.11	28.42
Gross Expenditure	163.01	117.52	95.33	52.22	24.28
Profit before Tax and provision	34.66	9.18	3.47	8.89	4.14
Profit after Tax	17.33	4.13	2.87	3.27	1.09
Tax Paid (cumulative)	31.65	14.32	9.27	8.67	3.05

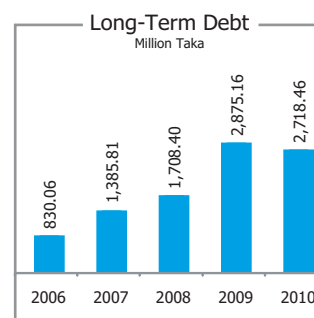


C. Others (Million Taka)

Import Business	1,851.13	1,656.70	1,144.16	582.39	296.41
Export Business	718.63	365.50	115.64	36.76	-

D. Financial Ratios (Percentage)

Capital Adequacy Ratio	-	-	-	-	-
Capital Fund to Deposit Liabilities	5.45	6.62	10.05	15.94	25.52
Liquid Assets to Deposit Liabilities	66.91	75.59	61.21	81.86	104.05
Loan to Deposit Liabilities	49.89	52.35	51.29	37.79	20.91
Earning Assets to Deposit Liabilities	83.69	92.70	101.48	102.99	111.41
After Tax Return on Average Assets	0.76	0.23	0.23	0.39	0.35
Net profit to Gross Income	8.77	3.26	2.90	5.35	3.84
Interest Margin Cover	84.98	57.85	82.15	102.43	123.10
After Tax Return on Equity	17.48	4.71	3.39	3.95	1.34
SMI/SSI Loan and Micro Credit to Total Loan	22.16	15.38	15.56	23.84	28.12



Number of Branches	16	13	10	7	3
Number of Employees	196	159	124	100	48
Deposit per employee (Million Taka)	10.09	8.60	6.80	5.29	6.62
Advance per employee (Million Taka)	5.03	4.50	3.49	2.00	1.38
Profit before tax per employee	0.18	0.06	0.03	0.09	0.09



Honorable Prime Minister, Sheikh Hasina receiving a cheque of Taka 1.00 crore from Mr. Sheikh Abdul Hye Bacchu, Chairman, BASIC Bank Ltd. as a donation for fire victims of Nimtoly Tragedy





Message from the Chairman

Dear Valued Shareholders and Clients,

It is indeed a great pleasure for me to welcome you all in this august ceremony at the 22nd Annual General Meeting of the Bank on behalf of the Board of Directors of BASIC Bank Limited. I would like to take the privilege to express my felicitation and profound gratitude to all of you for keeping trust on us and extending continuous support.

It is a matter of immense pleasure to let you know that BASIC Bank Limited has completed its another successful and memorable year and now presenting the Annual Report for the year ended December 31, 2010.

The Bank has reached a new height this year in terms of performance in comparison to previous year. We have completed 22 years of banking activities and established very strong footings in the markets. This may kindly be noticed that the Bank has been rated as AA₂ by CRAB in 2010.

During the period from 1st January 2010 to 31st December 2010 our authorized capital raised to Tk.500.00 crore and we earned gross operating profit of Tk.216.69 crore, operating profit of Tk.171.71 crore and net profit after tax of Tk.66.09 crore. We have provided for income tax this year amounting to Tk.72.32 crore. Our asset increases to Tk.6156.94 crore from Tk.4530.83 crore and deposit increases to Tk.4925.96 crore from Tk.3450.16 crore in previous year. Besides, we have opened two new branches at Tungipara, Gopalganj and Savar, Dhaka in 2010.

The Bank has a vision to become the top bank in the country. It is a matter of great satisfaction that the Bank has been able to match the market demand and offered its clients with faster service.

We look at 2011 as a year of expansion and we are committed to keep the bank stable. We focus to enhance SME Lending for which the Bank was established and we would also expand our CSR activities. On behalf of the Board of Directors as well as the management of the Bank, we express our gratitude to the Almighty Allah for blessings and pray for good luck and opportunities for all of us in the days ahead.

With profound regards



Sheikh Abdul Hye Bacchu
Chairman



Dear Shareholders, Customers, Associates and Friends:

I am pleased to report the results of BASIC Bank Limited for the year 2010, an eventful and exciting year that lies behind us. Thanks to the tireless, dedicated and often creative efforts and work of our people, and with the support and confidence of our Directors and Shareholders, for which we are most grateful, we are able to confront all challenges successfully – as we believe the financial results in this Report clearly show. As usual we continued to deliver impressive earnings compared to our peers' results despite many challenges.

This report contains a concise discussion on the features and forecasts of the global economy as well as the Bangladesh economy followed by the Bank's main activities and achievements during the reporting year.

Global Economy: Asia Steering the Growth

After the sharp growth deceleration of 2008 and the contraction in 2009, the worst year for economic performance in recent memory, global GDP is estimated to have increased 3.9 percent in 2010 with contribution of nearly half (46 percent) by the low and middle-income countries, the World Bank reports. Strong growth of domestic demand in such countries

led the world economy and will continue further.

The recent crisis has underlined the emergence of Asia as a powerhouse for global economy. Several dynamic economies in the region are generating growth outcomes that are helping pull the world economy out of recession. China and India are leading the way, but the phenomenon is by no means limited to these two countries. As expected, Asia will continue leading global growth in 2011, with China, now the world's second largest economy overtaking Japan, steady at about 10 percent growth. Nevertheless, serious tensions and pitfalls persist in the global economy, which in the short-run could de-rail the recovery to differing degrees.

The International Monetary Fund (IMF) meanwhile released its annual World Economic Outlook (WEO) in April 2011. The foreword states, "The world economic recovery continues, more or less as predicted...We expect the world economy to grow at about 4½ percent a year in both 2011 and 2012, but with advanced economies growing at only 2½ percent while emerging and developing economies grow at a much higher 6½ percent".

The overview of the World economic outlook projections as incorporated in the report are as follows:



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

Percentage change assuming constant real effective exchange rates	Real GDP growth rate		
	2010	2011	2012
World Output	5.0	4.4	4.5
Advanced Economies	3.0	2.4	2.6
United States	2.8	2.8	2.9
Euro Area	1.7	1.6	1.8
Japan	3.9	1.4	2.1
Newly Industrialized Asian Economies	8.4	4.9	4.5
Other Advanced Economies	5.7	3.9	3.8
Emerging and Developing Economies	7.3	6.5	6.5
Central and Eastern Europe	4.2	3.7	4.0
Developing Asia	9.5	8.4	8.4
Middle East and North Africa	3.8	4.1	4.2
Sub-Saharan Africa	5.0	5.5	5.9
Commonwealth of Independent States	4.6	5.0	4.7

As revealed in the above table, the recovery is broadly moving at two speeds, with large output gaps in advanced economies and closing or closed gaps in emerging and developing economies, but there are appreciable differences among each set of countries. Among emerging and developing economies, those in Asia are in the lead, followed by those in sub-Saharan Africa, whereas those in Eastern Europe are only just beginning to enjoy significant growth, the IMF maintained.

Bangladesh Economy: Plateaued Growth Set to Pick up

For more than last one decade, growth rate of the Bangladesh economy maintained a plateau in the neighborhood of 6 percent per year despite many challenges. According to Bangladesh Economic Review, the country had clocked over 6 percent growth between 2006 and 2008; in fiscal year (FY) 2009 and 2010, economy grew by 5.7 percent and 5.8 percent respectively. However, Bangladesh is expected to head back to more than 6 percent economic growth this fiscal year, after a two-year spell of slowdown due to global recession and dipping exports, according to predictions of World Bank

(WB) and Asian Development Bank (ADB).

WB and ADB, two multilateral lenders, estimate the size of Bangladesh economy to grow by 6.2-6.3 percent by end of FY 2011, widening the scopes for increased jobs opportunities, income and purchasing capacity. While the government maintains that economic expansion will be at the rate of 6.7 percent this year.

However, our economy is now facing several challenges: inflation, liquidity dearth in the money market, ongoing power and energy crunch, weak roads and port performances and fear of a negative impact of low remittances amidst looming crisis in the Middle East and North African countries. Higher food prices are likely to put an adverse impact on poverty reduction efforts. The Monthly Economic Trends, April 2011 released by the Bangladesh Bank shows the rate of inflation on point-to-point basis increased to 10.49 percent at the end of March 11 from 8.78 percent at the end of March 10.

Economists say 7 percent annual growth is attainable by solving the infrastructure and other constraints. "There is no doubt about it. It is quite feasible. It's not a fantasy to achieve

more than 7 percent growth”, a senior economist of the WB maintained.

Our Bank: Built for Long-term Success

The year 2010 was a year of solid growth for BASIC Bank Limited. The total assets of the Bank stood at Taka 61569.39 million at the end 2010 against Taka 45308.31 million in the previous year. Deposit increased from Taka 34501.69 million in 2009 to Taka 49259.60 million in 2010 registering a growth of 42.77 percent. Loans and advances also increased to Taka 46341.51 million as on December 31, 2010 against Taka 29261.53 million at the end of 2009, recording a growth rate of 58.37 percent compared to 7.31 percent in the previous year.

The proportion of non-performing loans remained stagnant at 4.83 percent since 2009. However, all-out efforts are made to improve the recovery rate and control non-performing loans and advances. 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 29.09 percent of total loans and advances, which registered a growth of 134.26 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 stands at Tk.988.72 million during the year under review.

The Bank's financing of import business increased from Taka 33976.60 million in 2009 to Taka 42205.90 million in 2010 registering growth rate of 24.22 percent. On the other

hand, Bank's export finance increased to Taka 23998.80 million in 2010 from Taka 19887.70 million in 2009.

Profit before provision of the Bank rose to Taka 1717.05 million in 2010 against Taka 1568.34 million in 2009. Profit after provision for loan loss and investment increased marginally to Taka 1325.17 million in 2010 against Taka 1321.97 million in 2009. Consequently, after tax net profit stood at Taka 660.94 million in 2010 compared to Taka 648.85 million in 2009.

A Focus on Core Customers

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

Technology

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

The Bank attaches great importance to acquisition and use of appropriate information technology. Computers are being used in the Bank for its day-to-day operations since inception. All the Branches of the Bank are connected with each other, the Head Office and the Data Center through Wide Area Network (WAN). The Bank is always striving to meet the complex dynamic needs of its customers, and technology is playing an important role regarding this. The Bank had its own Banking Software developed in 1991 which was replaced by a Centralized Online Banking System to further enhance customer care and increase

employee efficiency. Now all the Branches and the Head Office of the Bank have been brought under Centralized Online Banking operation. To enhance the performance and to ease the day-to-day operations, the Bank is using different software developed by its own Software Engineers and is continuously pursuing its efforts in using new software.

The Bank provides money transfer services to its customers as well as non-customers through all of its Branches using the facilities of Western Union. The Bank is also successfully participating in the Bangladesh Automated Clearing House (BACH) process.

The Bank has already become a member of the shared ATM network (Q-Cash) deployed by Information Technology Consultants Limited (ITCL) in order to provide ATM and POST services to its clients and set up several ATM booths in suitable locations in the existing

shared ATM network of ITCL. Expansion of the ATM network is going to take place soon. Moreover, the Bank is going to launch Internet Banking operations shortly.

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

Capital Structure and Ratios

At the end of the year 2010 Bank's capitalization stood at 7.90 percent for tier 1 and 9.41 percent for total capital against the total risk weighted assets exceeding the required minimum levels of 5 percent and 9 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 are as follows:

Year	2010	2009
(Amount in million taka)		
Core Capital (Tier 1)		
Paid up capital	1,964.66	1,455.30
Statutory reserve	1,824.69	1,559.66
Other reserve and surplus	469.99	583.44
Total of Tier 1 Capital	4,259.34	3,598.40
Supplementary Capital (Tier 2)		
1% general provision on unclassified loans and off balance sheet exposures	706.18	525.46
Assets revaluation reserve and exchange equalization	107.55	169.70
Total of Tier 2 capital	813.73	695.16
Total Capital	5,373.07	4,293.56
Risk weighted assets	53,907.00	31,850.69
Capital Ratios to risk weighted assets		
Tier 1 Capital	7.90%	11.30%
Tier 2 Capital	1.51%	2.18%
Total Capital	9.41%	13.48%

Dividend

In maintaining the competitive edge and creating a strong financial base the Board of Directors decided to improve its equity by issuing bonus shares to its existing shareholders and accordingly, pleased to propose to its sole shareholders, the Ministry of Finance, subject to approval of the Annual General Meeting, 1 (one) bonus share against each 5 (five) shares amounting to Tk. 392.93 million subject to approval of the Bangladesh Bank.

The Board

I am pleased 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. Ashraf Mohammad Iqbal and Mr. Bijoy Bhattacharjee 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. While evaluating the Board and its performance I also want to express my deep sorrow at the sad and untimely demise of Ms. Razia Begum and Mr. Md. Siddiqur Rahman, Directors who played significant role for the development of the Bank and acknowledge the contribution made by them in the decision making process.

Audit Committee of the Board of Directors

The Audit Committee of the Board of Directors consists of three Directors namely, Mr. Shakhawat Hossain, Mr. Fakhrul Islam and Mr. Md. Anwarul Islam, FCMA. The Committee

reviewed the financial statements of the Bank from time to time and made significant contribution to the development of internal control system for conducting banking operations efficiently and in a disciplined manner. The Committee met three times during the reporting year.

The Power of BASIC People

The success of the Bank comes down to its employees; the number was 964 at the year end. I am grateful to these committed employees who strive each day to provide quality service, professional advice and care to our customer base. This level of dedication translates into the results we continue to deliver to the shareholders of the Bank.

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 Prime Minister's Office, Ministry of Finance, Bangladesh Bank, Ministry of Industries and Bangladesh Small and Cottage Industries Corporation 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

Year	Long Term	Short Term
2010	AA ₂	ST-2

Credit Rating Agency of Bangladesh Limited (CRAB) has assigned AA₂ (Double A two) in the long term and ST-2 in the short term for the year 2010.

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

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

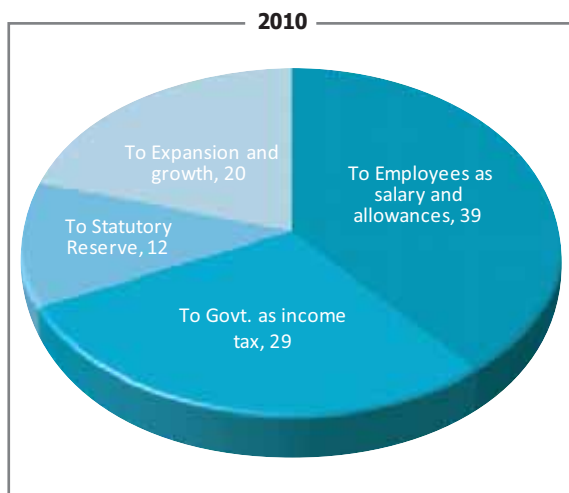


Agreement with CRAB, the credit rating agency of the Bank

For the year ended 31 December 2010

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

Particulars	2010	%	2009	%
Income from Banking Services	6,120,543,826		5,162,302,847	
Less: Cost of services and supplies	3,452,596,600		3,076,440,366	
Value added by the banking services	2,667,947,226		2,085,862,481	
Non-banking income			0	
Loan written-off and provision	(391,875,062)		(246,377,585)	
Total Value Added	2,276,072,164		1,839,484,896	
Distribution of added value				
To Employees as salary and allowances	883,327,579	39	457,327,615	25
To Govt. as income tax	664,239,136	29	673,113,838	37
To Statutory Reserve	265,035,082	12	264,393,447	14
To Expansion and growth	463,470,367	20	444,649,996	24
Retained earnings	395,901,187		384,459,952	
Depreciation	67,569,180		60,190,044	
	2,276,072,164	100	1,839,484,896	100



For the year ended 31 December 2010

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. 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.

Particulars

Shareholders' equity

Add: Cumulative provision for loans and Off-balance sheet items

Average **Shareholder's equity**

Earnings:

Profit after tax

Add: Provision for loans and Off-balance sheet items during the year

Average cost of equity (based on average rate of sanchay patra issued by the Bangladesh Government) plus 2% risk premium

Cost of average equity

Economic Value Added

2010 Taka	2009 Taka
4,474,435,950	3,923,950,457
1,440,731,570	1,048,856,507
5,915,167,520	4,972,806,964
5,443,987,242	4,389,272,907
660,936,269	648,853,399
391,875,062	246,377,584
1,052,811,331	895,230,983
12.64%	14.00%
762,158,214	614,498,207
290,653,117	280,732,776



As on May 31, 2011



Mr. Sk. Monzur Morshed
Managing Director (In-Charge)



Mr. Fazlus Sobhan
Deputy Managing Director



Mr. A.H. Gholam Sanjari
Deputy Managing Director



Mr. Kanak Kumar Purkayastha
Deputy Managing Director



Mr. Md. Shahabud Doza
Deputy Managing Director



Mr. A Q M Kibriya
General Manager



Mr. Md. Zainul Abedin Choudhury
General Manager



Mr. Shahadat Hossain
General Manager



Mr. Md. Wahidul Alam
General Manager



Mr. Kh. Shamim Hasan
General Manager



Mr. Md. Mozammel Hossain
General Manager



Mr. A. Monaem Khan
General Manager



Mr. Md. Shah Alam Bhuiyan
Company Secretary



Year 2010 was yet another successful year for BASIC Bank Limited. During the year the bank also maintained its consistent progress. Its unique emphasis on credit quality and customer's services yielded the desired growth in profit, capital, assets and shareholders' value. We are fortunate to be able to muster adequate resources, both financial and human, which fostered such remarkable achievement. Years ahead will witness the Bank's growing commitment in maintaining the highest standard in all its spheres of activity.

1. Performance of the bank

1.1 Property and Assets:

At the end of the year 2010, total assets of the bank stood at Taka 61,569.39 million against Taka 45,308.31 million in previous year registering an increase by 35.89%. This increase of assets caused by mobilization of additional deposits to meet the growing demand of investments to clients with economically viable projects. As expected, loans and advances comprised the largest share in the assets portfolio of the Bank constituting 75.27 percent. Investment and Cash were the second and third largest constituents being 10.84 percent and 4.99 percent of the assets portfolio respectively. Money at call and short notice were 0.41 percent of total assets.

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

The amount of cash in hand and balance with Bangladesh bank and its agent increased to Taka 3,057.37 million in 2010 from 2,424.89 million in 2009 registering an increase of 26.08%. The increase was due to increased requirement for maintaining Cash Reserve Ratio (CRR) resulted from increase of deposit in 2010 than that of 2009 and increased CRR requirement by Bangladesh Bank from 5.00% to 5.50% in May 2010 and to 6.00% in December 2010. CRR was maintained adequately.

1.1.2 Balance with Other Banks and Financial Institutions:

The balance with other banks and financial institutions decreased by 55.51% to Taka 2,627.44 million from Taka 5,906.18 million in previous year. Such decrease is the resultant effect of increase of Loans and Advances, which also directly contributed to the decrease of term placement with other banks and financial institutions. Keeping bank's deposit with other banks without investment was discouraged by the regulatory authority. So the step was executed to reduce balance with other banks and investing more fund in normal banking activity in accordance with the observations and recommendations of the Central Bank.

1.1.3 Investment:

Investment at the end of 2010 was Taka 6,676.43 million, compared to Taka 6,338.73 million in previous year; making a growth of 5.33 % over last year. The investment was increased due to investment of more funds in Treasury bond to meet SLR requirement. Investment was concentrated in long term approved securities such as Government Treasury bond. During the year 2010 Treasury bond had the largest share (97.46%) in the investment portfolio. Debentures, shares in listed and unlisted companies and prize bond altogether constituted 2.54 percent.

1.1.4 Money at Call and Short Notice:

This was an important area of treasury operation of the bank. Money at Call and Short Notice was Tk.250.00 million in 2010 compared to Tk.180.00 million in 2009. The amount of placement made with different Banks.



1.1.5 Fixed assets and other assets:

At the end of 2010 the fixed assets increased to Taka 283.12 million from Taka 232.66 million in 2009 with a growth of 21.66 percent increase and Other assets increased to Taka 2,315.51 million from Taka 964.33 million in the previous year. Fixed assets include vehicles, equipment and computer, furniture and fixtures and leased assets. On the other hand, other assets included interest receivable from term placement, advance against acquisition of premises under construction for Head Office, Main Branch and proposed Banani Branch, advance income tax, stock of stationery, security deposits, sundry debtors, deferred tax and suspense account.

1.1.5.1 Acquisition of Premises for Head Office and Corporate Branch:

BASIC Bank Limited has been in operation for 21 years through rented premises with its 34 Branches and Head Office of the Bank. As per Board's approval Management of the Bank has entered into an agreement with M/s. Business Resources Limited and Mr. Sinku A Zaman to purchase floor spaces for Head Office of the Bank measuring 51500sft in the ZAMAN BASIC TOWER at 10/1 Toyenbee Circular Road, Motijheel, Dhaka at a cost of Tk.80.00 Crore which is scheduled to be completed within 30.03.2013. Initially BASIC Bank Limited has made an advance payment of Tk. 40.00 Crore and the remaining amount to be paid by installments on regular basis.

Bank has also purchased floor space measuring 7400 sft in the 2nd Floor of Prashad Trade Center (PTC) at 6, Kamal Ataturk Avenue, Banani, Dhaka at a cost of Tk.19.98 crore out of which Bank has paid Tk.16.00 Crore and the remaining portion will be paid at the time of registration. Bank will shortly open its Corporate Branch at Banani there after getting approval from Bangladesh Bank.

1.1.6 Loans and Advances:

Loans and advances consist of industrial loans, commercial loans, micro credit, Small Enterprise Financing, Loan for women entrepreneurs, Agro based industry financing, Agricultural loan and bills etc. which increased by 58.37 percent to Taka 46341.51 million in 2010 compared to Taka 29,261.53 million in 2009. This increase resulted from expansion of our business in response to the growth of national economy.

1.1.7 Industrial Loans:

The industrial loan reflected growth of 55.83 percent over the previous year. Total outstanding industrial loans including term and working capital stood at Taka 27,777.89 million at the end of 2010 compared to Taka 17,825.40 million of 2009. Total outstanding term loan stood at Taka 12,225.49 million as on December 31, 2010 compared to Taka 7,718.34 million in 2009 reflecting a growth of 58.40 percent. The outstanding working capital finance extended to industrial units stood at Taka 15,552.40 million at the end of the reporting period compared to Taka 10,098.20 million in 2009 reflecting a growth of 54.01 percent. BASIC Bank's services are specially directed towards promotion and development of small and medium industries. Its exposure to small and medium industries sector accounted for 54.65 percent of the total loans and advances. During the year total of 111 projects were sanctioned term loan. As on 31 December 2010, total 966 projects were in the portfolio of the bank. The textile sector including garments being one of the major contributors to national economy dominated the loan portfolio of the Bank. Financing in other sectors include agrobased industry like poultry, engineering; food and allied industries; chemicals, pharmaceuticals and allied industries; paper, board, printing and packaging; and other non-metallic goods, leather and jute products.



1.1.8 Commercial Credit:

The Bank also continued support in developing trade, general business and other commercial activities in the country. 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 of December 31 2010, total outstanding commercial loans stood at Taka 16915.32 million compared to Taka 10,877.17 million in 2009 reflecting a growth of 55.51 percent.

1.1.9 Agricultural Credit: Being instructed by Bangladesh bank, BASIC Bank set a fiscal target to invest its loanable fund in agricultural sector and achieves 100% during the year 2009-2010.

1.1.10 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 2010, total amount of Taka 988.72 million remained outstanding as against Taka 1,072.05 million in 2009. Recovery rate during this period remained at a highly satisfactory level of 97.32 percent (approx).

1.1.11 Non-performing loan:

Relative figure of classified (non-performing) loans and advances remain stable at 4.83 percent at the end of the year despite a total recovery of Taka 479.20 million under review like previous year. Additional provision made in 2010 was Taka 391.88 million against classified and unclassified loans and advances and off-balance sheet exposure. Total cumulative provision made for loans and advances and off balance sheet exposures amounted to Taka 1440.73 million as on December 31, 2010. During the year 2010 interest was waived Tk. 122.08 million but no loan was written off. However, an amount of Taka 7.57 million was recovered against written-off loans at the same time.

1.2 Liabilities and shareholders' equity

1.2.1 Deposit:

Deposit constitutes the core of BASIC Bank's fund mobilization as it is told that deposit is the life blood of a bank. Total deposit of the Bank at the end of 2010 stood at Taka 49,259.60 million (86.28% of Total liabilities) compared to Taka 34,501.70 million (75.50 % of Total liabilities) in 2009. Total amount of deposit increased by 42.77 percent. The increase of deposit was mainly due to all out effort exerted by the management and the employees for mobilization of individual and corporate deposit. During 2010, the fixed term and SND deposit was Taka 42,447.22 million against Taka 30,489.73 million in 2009. Savings bank deposit increased to Taka 1,328.22 million in 2010 compared to Taka 1,165.84 million in 2009. Deposit in current and other accounts including bills payable was Taka 5,481.16 million compared to Taka 2,846.12 million in 2009.

1.2.2 Borrowing:

Borrowings were made from various sources for long term funding specially for financing development-banking activities. The Bank enjoys a credit line facility from Kfw, a German development bank for financing micro-credit scheme and small-scale industries. Another loan of Tk 1142.52 million was also received from ADB for financing Agro business development. Ministry of Finance (GOB) and Bangladesh Bank are the main source for accumulating fund. An amount of Tk 1082.98(including accumulated interest) 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. The fund received from Bangladesh Bank under House Building Refinance Scheme was Tk.118.46 million which was disbursed in full to the desired people to purchase flats or to construct house to relieve their residential problem.



1.2.3 Equity:

The bank started its journey with paid-up capital of Tk. 80.00 million in 1989 and the same had increased to Taka 1,964.65 million in 2010. The bank has decided to issue 1 bonus shares for every 5 shares and the paid-up capital of the bank would thus be raised to Taka 2,357.58 million if the proposed bonus share is approved. Due to Bangladesh Bank instruction for raising capital to Tk.4,000.00 million and maintaining sufficient capital against risk weighted assets under Basel-II guidelines, no cash dividend has been proposed this year. However, the bank has so far paid cash dividend of Tk 537.99 million to the Government.

1.2.4 Statutory reserve: As per section 24 of the Bank Company Act-1991, 20% of profit before tax was transferred to statutory reserve. Hence, the statutory reserve of the bank will stand at Taka 1824.69 million after transfer of an amount of Taka 265.03 million from the profit of 2010.

1.2.5 Shareholders' Equity : Shareholders' equity of the Bank would increase by Taka 550.48 million to Taka 4,474.45 million in 2010 from Taka 3,923.95 million in 2009 registering a sustainable growth rate of 14.03 percent.

1.3 Operating results:

1.3.1 Income:

The Bank's total income was Taka 6,120.53 million in 2010 compared to Taka 5,162.30 million in 2009. Interest income from loans and advances increased to Taka 4,337.04 million in 2010 from Taka 3,877.17 million in 2009. Average yield on lending was 11.10%. Income on investment increased to Taka 651.52 million in 2010 against Taka 761.82 million in 2009 while other operating income and profit from sale of shares increased to Taka 476.67 million in 2010 against 68.09 million in 2009. Decrease of investment income registered due to lower yield on Government Treasury Bond. The amount of commission was Taka 655.30 million in 2010 compared to Taka 455.22 million of previous year.

1.3.2 Expenses:

The total expenditure was Taka 4,403.49 million in 2010 compared to Taka 3,593.95 million in 2009. Total expenditure increased due to increase of interest expenditure and new pay scale allowed to the employees of the Bank. Higher Interest expenses were resulting from increased interest expenses for fixed deposit, borrowings. Besides, rent, electricity and insurance, stationary, printing and advertising contributed to such increase. Hiring of space for Savar branch and Tungipara Branch 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, 2010 amounted to Taka 4,948.64 million, which is almost 62 times the amount of original paid-up capital of the Bank.

1.3.4 Export/Import:

The Bank handled total import business of Taka 42,205.80 million and export business of Taka 23,998.47 million in 2010 compared to Tk. 33,976.60 million and Taka 19,887.70 million in 2009. Major items of exports were ready made knit & woven garments, sweater, jute & jute products, leather and leather goods, handicrafts, potatoes etc. Items of import included mainly industrial raw materials, garments accessories, capital machinery, raw cotton, electronic consumer goods, chemicals, tires and tubes, reconditioned vehicles, bicycle spare parts, 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 the needs of industry and trade. At the end of 2010, there were 34 (thirty four) conveniently located branches throughout Bangladesh 12 branches in the capital city of Dhaka, 7 in Chittagong and one each in Gazipur, Narayanganj, Narsingdi, Rahshahi, Saidpur, Bogra, Khulna, Jessore, Tungipara, Sylhet, Moulvibazar, Comilla, Barisal, Sirajganj and Rangpur. We are also expecting to open 23 new branches and 15 SME centers. Besides these, the bank has three bill collection booths at Ramna, Sher-e-Bangla Nagar and Gulshan exchange Office of BTCL, Dhaka. The Bank has an arrangement with Western Union for obtaining foreign currency remittances. The bank started ATM operation in 2008 with 5(five) ATM booths and connection with a Q-Cash net work of over 350 ATM booths which covers 19 banks. The bank is expecting to introduce more ATMs in 2011.

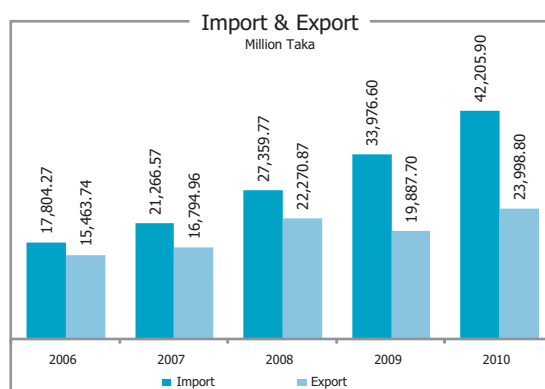
1.4.2 Risk Management

The banking business always involves huge risks. 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. Credit Administration Division ensures documentation before disbursement. Internal Audit and inspection 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. To manage the risks efficiently and effectively Bank has been continuously adhering all instructions and guidelines of Bangladesh Bank under Core Risk Management, Anti Money Laundering, Credit Risk Grading (CRG), Risk Based Capital Adequacy Framework (BASEL-II), SRP and Stress Testing etc.

1.4.3 Head office and Board of Directors

The responsibility of making policies and operational guidelines is vested with the Board of Directors. The Board of the bank is nominated by the Ministry of Finance, Government of the Peoples Republic of Bangladesh and consists of Government officials, professionals, academicians and



businessmen. The Managing Director is the Chief Executive of the Bank who is an ex-officio member of the Board. One additional Managing Director, Four Deputy Managing Directors and Seven General Managers are acting under him and 24 Divisions are performing daily operational activities of the Bank. The Managers of the branches are responsible functionally to the Head Office.

1.4.4 Human Capital Management:

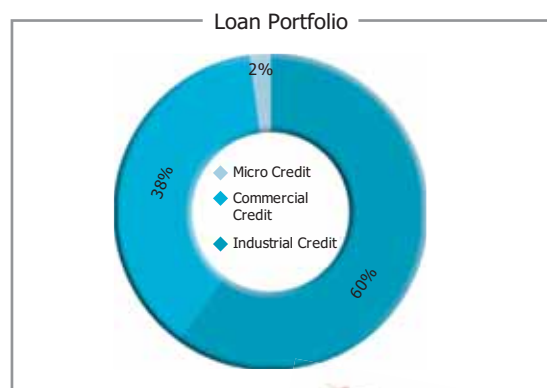
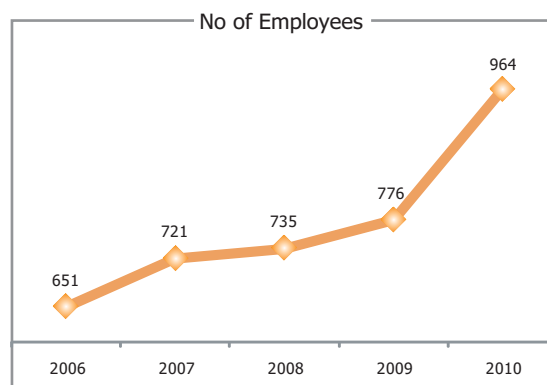
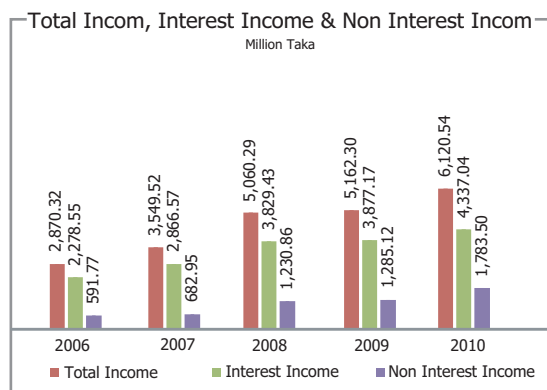
BASIC has a well-diversified pool of human resources, which entails personnel with high academic background. Also, there is a positive demographic characteristic. Most employees are comparatively young in age yet mature in experience. As at end 2010 the total employee strength registered as 964.

The Bank follows a strict recruitment policy in order to ensure that only the best candidates are recruited. For fresh recruitment, comprehensive written test and viva voce are being conducted through the renowned institutions like IBA, BIBM, BIM etc. The Bank, so far, has recruited seven batches of entry-level management staff, all of whom have got excellent academic background. In 2010 the bank recruited 221 fresh employees at various grades from different academic background.

Intensive training program, on a regular basis, is being imparted to employees of all levels to meet the challenges in the banking industry and to help employees to adapt the changes and new working conditions. 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 2010 the cell arranged 23 training courses and provided training to as many as 464 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 2010 a total of 48 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 real time on-line services. It is expected that in 2011 the bank will introduce new IT based products and serve its customers through the new system including ATM and internet banking facilities.

1.4.6: Introducing Consumer Loan Schemes:

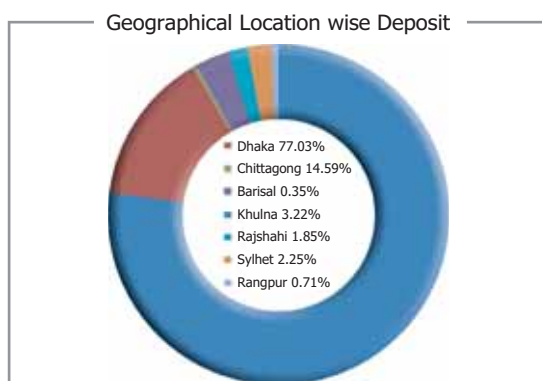
Consumer financing market is one of the fastest growing avenues around the globe and has become a key driving force in the financial marketplaces today. Bankers have emerged in recent decades to become dominant providers of credit to individuals and families. It has been observed that many banks and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

2. Future Strategies:

2.1: Launching of New Saving Products:

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

1. Double Benefit Deposit Scheme.
2. Premium Plus Current Account.
3. Monthly Benefit Scheme.
4. Reality Pension Scheme.
5. Hajj Deposit Scheme.
6. Marriage Deposit Scheme.
7. Education Deposit Scheme.
8. BASIC Fortune Plus.



2.2 Sustainable and environment friendly banking (Green Banking):

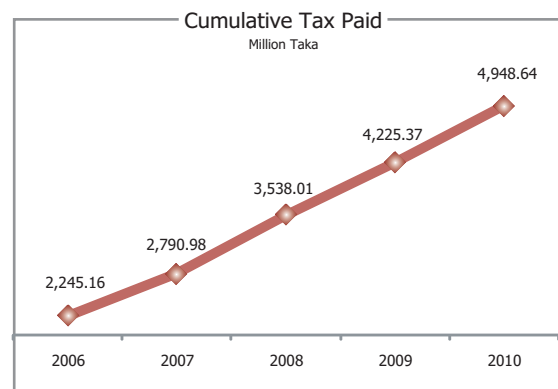
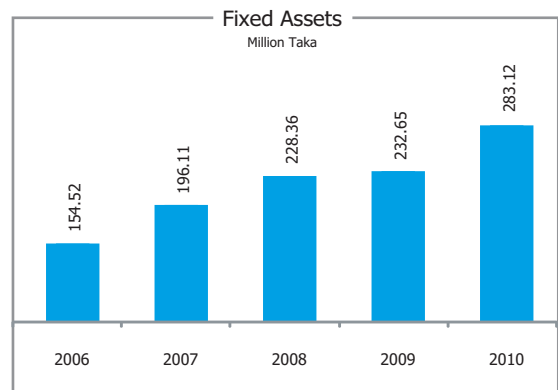
We are aware that global warming is an issue that calls for a global response. The rapid change in climate will be too great to allow many eco-systems to suitably adapt, since the change have direct impact on biodiversity, agriculture, forestry, water resources and human health. Due to unusual weather pattern, rising greenhouse gas, declining air quality etc. society demands that business also take responsibility in safeguarding the planet.

BASIC Bank is well aware of the threat of environmental degradation. In response to such threats and Bangladesh Bank directives, BASIC Bank has already taken initiatives such as implementation of on-line banking, approval of environment friendly projects and projects with ETP facility etc. We would also take required initiative and measures as per Bangladesh Bank directives with a view to lessen the threat of environmental degradation and thus sustainable and environment friendly banking has been chalked out as our mission towards implementing Green Banking.

2.3: Other Strategies:

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

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



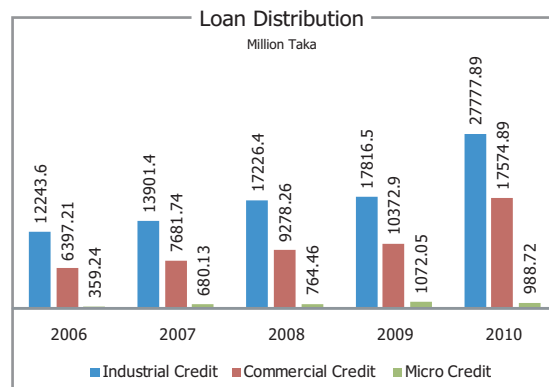
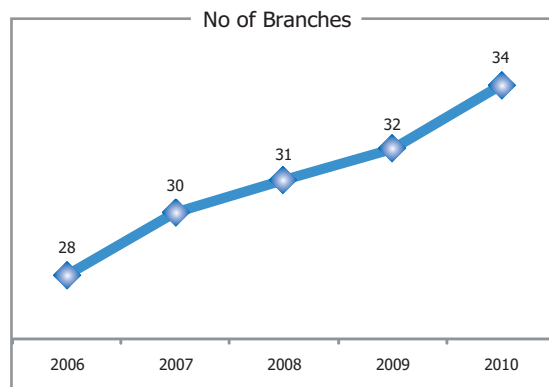
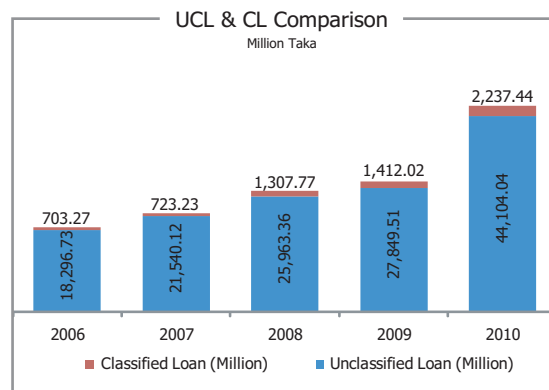
- ✿ BASIC Bank has launched Debit Card under Q-Cash network and planning to widen its coverage in 2011.
- ✿ We are expecting to open overseas branches in different countries to facilitate cross border trade and to take the bank's operation in international area. Some exchange house will also be opened to expedite the remittance of our expatriate work force.
- ✿ Employees are the greatest asset to us. So, we would continue our efforts to recruit and retain talented and efficient human resources providing them deserving benefits.
- ✿ Initiating effective drive to arrest classified loan and to bring down the existing classified loan substantially to a minimum per cent.
- ✿ We are expecting to provide ATM cards to all of our clients to avail 24 hour modern banking facility.
- ✿ As part of corporate social responsibility the bank will contribute more for the welfare of underprivileged quarter of the society.

3. Acknowledgement

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

4. Conclusion:

In view of overall performance and global economic condition; we went through a moderately successful year 2010. We are confident to excel towards growth and foster continuous progress in operating performance and achievement of targets set for 2011.



Disclosure Overview

The 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 the users an insight about various risks exposures to which the bank is focused and maintained 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's 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 9% 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 is an addition to minimum capital requirement.

Bank should develop an Internal Capital Adequacy Assessment Process (ICAAP) 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 these assets 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.



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 2010 comparing to that of 2009. 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 & Information & Communication Technology Risk) manual in line with core risks guidelines of Bangladesh Bank. As per these guidelines Asset Liability Management 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 committed 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	A. Banking Book Assets	Amount
1	Cash in hand & Balance with BB	34.40
2	Money at call	25.00
3	Invest ment	679.20
	a. Government –HTM, T.Bond, Prize Bond	197.64
	b. Qualifying (Claims on Banks, etc)	466.94
	c. Others (Private Investment)	14.62
4	Loans & advances:	4634.15
	a. Classified:	
	Sub-standard	29.66
	Doubtful	28.25
	Bad and Loss	166.09
	b. Unclassified	
	Special Mention Account	25.26
	Standard	4384.89
5	Risk Weighted Assets:	
	a. Below 100% RW	2880.25
	b. 100% RW	684.41
	c. Above 100% RW	2064.64
6	Rated Status:	
	a. Rated Assets	864.89
	b. Unrated Assets	4764.41
7	Other assets (Including Fixed Assets)	256.55
	A .Total Banking Book Assets (1+2+3+4+7)	5629.30

SL	B. Trading Book Assets:	Amount
1	FC held in hand	0.29
2	FC held in BB & Nostro account	67.95
3	Investment (trading)	459.40
	a. Govt. (part of govt. HTM if held above the required SLR amount)	0.00
	b. HFT	444.78
	c. AFS (if any) - Share of listed companies	14.62
	B. Total Trading Book Assets (1+2+3)	527.64
	Total Assets (A+B)	6156.94

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.

Quantitative disclosure of credit risk:

Amount in Crore (Tk.)

SI no.	A) Total Exposures of Credit Risk	Amount
1	Funded:	
	a) Domestic	5629.30
	b) Overseas	0.00
2	Non-Funded	
	a) Domestic	848.87
	b) Overseas	0.00
3	Distribution of risk exposure by claims	
	A. Claims on sovereigns and central banks	466.37
	B. Claims on other official entities	138.16
	C. Claims on banks and securities firms	441.06
	D. Claims on corporate	2710.63
	E. Claims included in the retail portfolio & small enterprises	437.27
	F. Claims secured by residential property	328.33
	G. Claims secured by commercial real estate	360.05
	H. Consumer finance	6.63
	I. Other Categories:	
	- Past due loans/NPL (Net of Specific Provision)	176.00
	- Off-balance sheet items	848.87
4	Credit Risk Mitigation	
	Claims secured by financial collateral	184.26
	Net exposure after the application of haircuts.	61.19
	Claims secured by eligible Guarantee	0.00

Market risk on Trading Book

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

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:

(Amount in Crore)

SL No.	The capital requirements for:	Amount
1	Interest rate risk	8.66
2	Equity position risk	1.96
3	Foreign exchange risk	1.28
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.

Quantitative Disclosure:

The capital requirements for:	Amount in Crore
Operational Risk	43.12

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:

for the year ended December 31,2010

SL	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 judgment to determine the quality of loans and advances and makes appropriate specific provision if necessary.

(Amount In Crore)

A	Gross Non-performing Assets	223.99
	Non-Performing Assets to Outstanding Loans and Advances	4.83%
B	Movement of Non-performing Assets	
	Opening balance	141.24
	Movement during the year	82.75
	Closing Balance	223.99
C	Movement of Specific Provision for NPAs	
	Opening Balance	52.34
	Provisions made during the year	33.32
	Write off/Interest Waiver	(12.21)
	Write back of excess provisions	0.00
	Closing Balance	73.45

Maintenance of Regulatory Capital

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

(Amount In Crore)

A	Amount of Tier-1 Capital	Amount
	Paid up Capital	196.47
	Statutory Reserve	182.00
	General reserve	7.41

	Retained Earnings	27.30
	Total of Tier –I	413.18
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)	78.14
D	Total eligible capital.	491.32



Capital Adequacy

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

A	Amount of Regulatory Capital to meet unforeseen loss	485.16
	Amount to meet Credit Risk	430.15
	Amount to meet Market Risk	11.89
	Amount to meet Operational Risk.	43.12
B	Some additional capital over MCR maintained by the banks"	00.00



your DREAM our RESPONSIBILITY

A State Owned Bank at Your Service



BASIC Double Benefit Scheme

Double Your Money

- Double Your Deposit in 6 Years

BASIC Monthly Benefit Scheme

Enjoy Regular Benefit

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

BASIC Premium Plus Current Account

Interest Bearing Current Account ? **YES**

Remittance Charges ? **NO**

* Loan facility available on Deposit
* Condition & Regulations Apply



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



Opening Ceremony of Tungipara Branch, Gopalganj.



The honorable Principal Secretary to the Prime Minister visiting the Banks Stall in the agree business fair at Chittagong. Other Executives of the Bank were also present



The honorable Chairman and the other members of the Board of Directors in a Meeting with the Clients in Dhaka



Honorable Chairman and the other members of the Board of Directors in Managers 1st Conference





Honorable Prime Minister Sheikh Hasina handover a cheque of BASIC Bank Ltd. amounting Tk. 50.00 Lac to the Family Members of late Secretary Razia Begum and Mohammad Siddiquir Rahman who had died in a road accident in the year 2010. Honorable Chairman of the Bank Mr. Sheikh Abdul Hye Bacchu is also present on that event

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 (popularly known as Millennium Development Goals, such as eradicate extreme poverty and hunger, achieve universal primary education, promote gender equality & empower women, reduce child mortality, improve maternal health, combat HIV/AIDS, malaria and other diseases, ensure environmental sustainability and develop a global partnership for development) in its millennium summit held at the UN Head Quarters, New York, USA in 2000 and Bangladesh is one of the signatories to achieve those goals by 2015. As such, we have aligned our CSR activities partially with those goals. Some of our CSR activities are summarized 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 Limited 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 the Bank has been mobilizing credit facilities to the capable women entrepreneurs at a reduced rate of interest. So far we have financed several woman entrepreneurs and it will gain due momentum in the days to come.

Our Concern for the Environment

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

Sports and Cultural Activities

11th SA Games was held on January 29, 2010 to February 09, 2010 at Dhaka. It is our absolute privilege and honor to have contributed for organizing this mega event as a co-sponsor by contributing Tk.1.00 Crore to Bangladesh Olympic Association (BOA). BASIC Bank Limited also sponsored 25th, 26th, 27th, 28th, 30th and 31st 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 Limited National Junior Chess Championship". BASIC has been patronizing the Handball Federation by arranging "BASIC Bank Limited 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.

In the year 2010, BASIC Bank Limited has donated Tk. 0.50 lac to Kabitalap for holding a program marking its 30 years anniversary. The bank also donated a fund of Tk. 1.00 lac to Krishibid Institution for organizing their national convention. On the other hand, our bank donated Tk.3.00 lac in 2009 to Dhaka Amar Dhaka (a community based organization) to facilitate its elaborated program for celebration of 400 years of our beloved Dhaka City. The bank has been one of the patrons for the Baishakhi Fair arranged by Bangladesh Small and Cottage Industries Corporation (BSCIC) to encourage the development of small and cottage industries since 2005. In the year 2010, the Bank has contributed a sum of Tk. 0.50 lac for this purpose, while in the year 2008 and 2009, the amount of Tk. 3.00 lac each. In the year 2006 the bank sponsored Tk.1.00 lac for organizing the SME fair. In the year 2008 and 2009, BASIC Bank Limited patronized the different theater groups to stage the drama festival. Recently, the bank took part in the drama festival to celebrate the birth anniversary of Rabindranath Tagore participated by different renowned theater groups from both Bangladesh and India.

Disaster Relief

Bangladesh is very much prone to a number of natural calamities. In the event of occurrence of any such disaster, BASIC Bank Limited acted promptly with its modest contributions for the sufferers. In the year 2010, BASIC Bank Limited has contributed a fund of Tk. 1.00 Crore to the Prime Minister's Fund for the rehabilitation of the victims of the Nimtoli Fire Tragedy. 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 the year 2010, BASIC Bank Limited has donated a fund of Tk. 50.00 lac to the aggrieved families of the two late secretaries of the government of Bangladesh for maintaining the educational expenditure of their children. Besides, the bank also contributed a fund of Tk. 5.00 lac to the daughters of late Chapa Rani Bhowmik for their education purpose. In 2009 BASIC Bank Limited donated Tk.2.00 lac to Bangladesh Asiatic Society for publishing Bengali version of the largest National encyclopedia of Bangladesh. In publishing the first edition (English version) of the encyclopedia, BASIC Bank Limited donated Tk.5.00 lac as well. 'BASIC Bank Limited Gold Medal' was introduced in collaboration with the Banking Department, University of Dhaka for the students of the department with outstanding academic achievements. With a view to provide a smooth interface between student life and professional life, we offer internship facility to the BBA and MBA students of different universities with commendable academic records after



completion of all other academic requirements. In year 2010, a huge numbers of interns were granted the opportunities to groom with us in a truly professional, dynamic and challenging corporate environment.

Promotion of Entrepreneurship

The 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 Limited is committed to assist those poor people, who have no way to secure basic treatment. In the year 2010, the Bank patronizes some organizations, which work for improvement of public health. Also in 2009 the bank donated SANDHANI & Lions Eye Hospital in organizing their free treatment campaign held at different places across the country. The bank 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. In the year 2010, BASIC Bank Limited has donated a sum of Tk.0.50 lac to Sundarban Supporters Committee for creating awareness to elect Sundarban as the new "Seven Wonders of the World". Earlier, the bank published such sticker and display banners and festoon in observance of the National Family

Planning Day - 2010, the World Environment Day - 2010, the National Tree Plantation Week - 2010 and the National Fisheries Day - 2010.

Other Activities

As part of our corporate social responsibility, the bank does not impose any fee to the job applicants for the position of Assistant Manager (on Probation), Officer and Assistant Officer whereas the bank expended a sizeable amount for this purpose.

Future Goals

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





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

Audited Financial Statements

2010



Auditor's Report to the Shareholders

Balance Sheet

Off Balance Sheet Items

Profit and Loss Account

Cash Flow Statement

Statement of Changes in Equity

Liquidity Statement

Highlights on the overall activities of the Bank

Notes to the Financial Statements



Financial Statements 2010 being signed by Honorable Chairman of the Bank

We have audited the accompanying financial statements of BASIC Bank Limited ("the Bank") which comprise the balance sheet as of 31 December 2010, profit and loss account, statement of changes in equity, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements of the Bank, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements of the Bank in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements of the Bank.

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

Opinion

In our opinion the financial statements of the Bank prepared in accordance with the Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the financial position of the Bank as of 31 December 2010 and the results of its financial performance and its cash flows for the year ended 31 December 2010 and comply with the Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.



We also report that:

- I) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- II) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- III) the balance sheet and profit and loss account of the Bank dealt with by the report are in agreement with the books of account and returns;
- IV) the expenditure incurred was for the purposes of the Bank's business;
- V) the financial position of the Bank as of 31 December 2010 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 Companies Act 1991 and in accordance with the accounting rules and regulations issued by Bangladesh Bank;
- VII) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- VIII) the financial statements of the Bank conform to the prescribed standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- IX) the records and statements submitted by the branches have been properly maintained and in the financial statements;
- X) the information and explanations required by us have been received and found satisfactory.
- XI) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 2,250 person hours for the audit of the books and accounts of the Bank; and
- XII) the capital adequacy ratio, in compliance with Basel II has been maintained adequately during the year.

Dhaka,
28 April 2011



SYFUL SHAMSUL ALAM & CO
CHARTERED ACCOUNTANTS



As at 31 December 2010

	Notes	31.12.2010 Taka	31.12.2009 Taka
PROPERTY AND ASSETS			
Cash	3	3,075,372,781	2,424,890,972
Cash in Hand (including foreign currencies)		344,012,334	223,468,569
Balance with Bangladesh Bank & Sonali Bank (including foreign currencies)		2,731,360,447	2,201,422,403
Balance With Other Banks & Financial Institutions	4	2,627,442,164	5,906,178,460
In Bangladesh		1,992,010,143	5,526,479,443
Outside Bangladesh		635,432,021	379,699,017
Money at Call and Short Notice	5	250,000,000	180,000,000
Investments	6	6,676,431,838	6,338,729,974
Government		6,506,731,752	6,239,236,514
Others		169,700,086	99,493,460
Loans & Advances	7	46,341,513,504	29,261,534,342
Loans, Cash Credit & Over Draft etc.		43,257,526,832	27,226,480,452
Bills Purchased and Discounted		3,083,986,672	2,035,053,890
Premises and Fixed Assets	8	283,116,626	232,655,780
Other Assets	9	2,315,509,761	964,326,397
Non-Banking Assets		-	-
Total Assets		61,569,386,675	45,308,315,925
LIABILITIES & CAPITAL			
Borrowings from other banks / financial Institutions and agents	10	2,718,463,342	2,875,157,917
Deposits and Other Accounts	11	49,259,600,843	34,501,698,265
Current Deposits and Other Accounts		4,887,144,405	2,504,619,309
Bills Payable		597,015,587	341,500,758
Savings Bank Deposits		1,328,222,087	1,165,841,755
Fixed Deposits		42,447,218,763	30,489,736,443
Bearer Certificate of Deposit		-	-
Other Deposits		-	-
Other Liabilities	12	5,116,886,539	4,007,509,285
Total Liabilities		57,094,950,724	41,384,365,467
Capital / Shareholders' Equity			
Paid-up Capital	13	1,964,655,000	1,455,300,000
Statutory Reserve	14	1,824,692,334	1,559,657,251
Other Reserve	15	255,099,831	365,550,608
Surplus in Profit and Loss Account	16	429,988,786	543,442,599
Total Shareholders' Equity		4,474,435,951	3,923,950,458
Total Liabilities & Shareholders' Equity		61,569,386,675	45,308,315,925

Place: Dhaka
Date: 28 April 2011

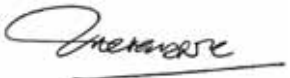
Syful Shamsul Alam & Co.
Chartered Accountants



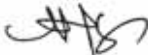
As at 31 December 2010

	Notes	31.12.2010 Taka	31.12.2009 Taka
CONTINGENT LIABILITIES:			
Acceptances and Endorsements	17	22,161,472,129	16,069,084,644
Letters of Guarantee		5,367,167,387	1,935,585,288
Irrevocable Letters of Credit		1,350,964,214	1,492,242,760
Bills for Collection		14,482,011,411	11,212,607,231
Other Contingent Liabilities		911,712,241	1,374,242,742
Total:		49,616,876	54,406,622
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		22,161,472,129	16,069,084,644

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


Managing Director (In-Charge)


Director


Director


Chairman

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

Place: Dhaka
Date: 28 April 2011

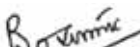

Syful Shamsul Alam & Co.
Chartered Accountants

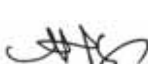
For the year ended 31 December 2010

	Notes	2010 Taka	2009 Taka
Operating Income			
Interest Income	18	4,337,044,641	3,877,171,227
Interest paid on Deposits & Borrowings	19	(3,033,562,579)	(2,873,969,387)
Net Interest Income		1,303,482,062	1,003,201,840
Income from Investment	20	651,524,002	761,821,420
Commission / Fees, Exchange Earnings & Brokerage	21	655,303,829	455,223,647
Other Operating Income	22	476,671,354	68,086,553
TOTAL OPERATING INCOME (A)		3,086,981,247	2,288,333,460
Operating Expenses			
Salary & Allowances	23	877,127,579	455,238,315
Rent, Taxes, Insurance, Electricity etc.	24	85,968,179	70,942,126
Legal & Professional Expenses	25	4,135,727	2,162,708
Postage, Stamp, Telecommunication etc.	26	27,853,213	13,811,507
Stationery, Printing, Advertisement etc.	27	30,772,319	25,194,665
Managing Director's Salary	28	6,200,000	2,089,300
Directors' Fee	29	1,140,000	820,000
Audit Fee		235,125	235,125
Charges on Loan Losses		-	-
Depreciation of Bank's Assets	30	67,569,180	60,190,044
Repair & Maintenance of Bank's Assets	31	19,823,786	13,785,056
Other Expenses	32	249,105,671	75,519,792
TOTAL OPERATING EXPENSES (B)		1,369,930,780	719,988,638
Operating Profit / (Loss) Before Provision (C) = (A - B)		1,717,050,467	1,568,344,822
Provision for Loan & Advances	33	326,277,982	178,280,235
Provision for Off Balance Sheet Exposures	34	65,597,080	53,424,350
Provision for Diminution in Value of Investments		-	-
Provision for Protested Bill		-	14,673,000
Provision against equity of Grameen IT Park		-	-
Total Provision (D)		391,875,062	246,377,585
Net Profit / (Loss) before Tax (C - D)		1,325,175,405	1,321,967,237
Provision for Current Tax		723,274,196	687,365,442
Provision for Deferred Tax	36	(59,035,060)	(14,251,604)
Net Profit / (Loss) after Tax		660,936,269	648,853,399
Distribution :			
Statutory Reserve	14	265,035,082	264,393,447
General Reserve		-	-
Dividend		-	-
Retained Surplus		395,901,187	384,459,952
Earning Per Share (EPS)	39	33.64	44.59

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


Managing Director (In-Charge)


Director


Director


Chairman

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

Place: Dhaka
Date: 28 April 2011


Syful Shamsul Alam & Co.
Chartered Accountants

For the year ended 31 December 2010

A Cash Inflows from Operating Activities

Interest Received in Cash	
Interest Paid by Cash	
Dividend Received in Cash	
Fees and Commission Received in Cash	
Recovery of Loans Previously Written off	
Cash Paid to Employees	
Cash Paid to Suppliers	
Income Tax Paid	
Received from Other Operating Activities (Item- Wise)	
Paid for Other Operating Activities (Item-Wise)	
Operating Profit before Changes in Operating Assets and Liabilities	

Changes in Operating Assets and Liabilities:

Statutory Deposit	
Purchase/sales of Trading Securities	
Loans and Advances to Customers	
Other Assets (Item-Wise)	
Deposits from Other Bank	
Deposits from Customers	
Other Liabilities (item-wise)	

Net cash flow from Operating Activities

B Cash Inflows from Investing Activities

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

C Cash inflows from financing activities

Increase/(Decrease) of Long Term Borrowing	
Payment of Dividend	

Net cash flow from Financing Activities

Net Increase of Cash and Cash Equivalent (A+B+C)	
Effects of Exchange Rate Changes on Cash and Cash Equivalent	
Opening Cash and Cash Equivalent	
Closing Cash and Cash Equivalent	

Analysis of Closing Cash and Cash Equivalent

Cash in Hand and Balance with Bangladesh Bank and Sonali Bank	
Cash with Other Banks	
Money at Call and Short Notice	

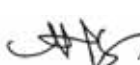
2010 Taka	2009 Taka
4,935,127,321	4,698,690,493
(3,044,386,504)	(2,885,115,412)
7,698,339	500,000
655,303,829	455,223,647
7,570,819	665,300
(667,744,406)	(443,562,991)
(30,772,319)	(25,194,665)
(606,784,827)	(667,041,763)
463,586,389	67,421,253
(388,261,705)	(182,276,314)
1,331,336,936	1,019,309,548
(3,620,380,967)	(7,029,746,514)
2,487,494,000	(677,826,000)
(448,152,641)	(1,171,256,738)
(17,079,979,162)	(1,992,403,162)
(1,249,019,373)	(90,513,187)
13,771,000	(430,000)
12,256,637,578	(3,188,283,167)
398,867,631	90,965,740
(2,289,044,031)	(6,010,436,966)
-	1,656,211,236
-	(843,166,691)
(118,338,650)	(64,946,904)
5,822,769	466,459
(112,515,881)	748,564,101
(156,694,576)	1,166,753,668
-	-
(156,694,576)	1,166,753,668
(2,558,254,488)	(4,095,119,197)
-	-
8,511,069,433	12,606,188,630
5,952,814,945	8,511,069,433
3,075,372,781	2,424,890,972
2,627,442,164	5,906,178,461
250,000,000	180,000,000
5,952,814,945	8,511,069,433

Note 38

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


Managing Director (In-Charge)


Director


Director


Chairman

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

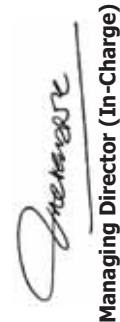
Place: Dhaka
Date: 28 April 2011


Syful Shamsul Alam & Co.
Chartered Accountants

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2010

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 2010	1,455,300,000	1,559,657,251	40,000,000	543,442,599	326,687,076	(1,136,469)	3,923,950,457
Net Profit for the Year	-	265,035,082	-	395,901,187	-	-	660,936,269
Revaluation Reserve for Securities	-	-	-	-	(100,118,041)	(10,332,735)	(110,450,776)
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	509,355,000	-	-	(509,355,000)	-	-	-
Balance as of 31 December 2010	1,964,655,000	1,824,692,333	40,000,000	429,988,786	226,569,035	(11,469,204)	4,474,435,951


Managing Director (In-Charge)


Director


Director


Chairman

Place: Dhaka
Date: 28 April 2011

(Asset and Liability Maturity Analysis)

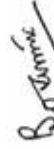
For the year ended 31 December 2010

(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	366,613,781	-	-	-	2,708,759,000	3,075,372,781
Balance with Other Banks and Financial Institutions	1,364,861,683	559,852,829	547,094,570	155,633,082	-	2,627,442,164
Money at Call on Short Notice	250,000,000	-	-	-	-	250,000,000
Investment	2,177,800	-	23,035,100	5,789,642,061	861,576,877	6,676,431,838
Loans and Advances	876,146,801	9,047,194,674	17,358,786,508	15,225,095,477	3,834,290,044	46,341,513,504
Fixed Assets Including Premises, Furniture and Fixtures	-	-	-	200,684,154	82,432,472	283,116,626
Other Assets	-	740,033,637	585,705,459	989,770,665	-	2,315,509,762
Non-banking Assets	-	-	-	-	-	-
Total Assets	2,859,800,065	10,347,081,140	18,514,621,637	22,360,825,439	7,487,058,393	61,569,386,675
Liabilities:						
Borrowing from Bangladesh Bank, Other Banks, Financial Institutions and Agents	-	-	-	1,635,481,969	1,082,981,373	2,718,463,342
Deposits & Other Accounts	9,409,191,011	6,634,889,664	25,526,200,670	7,656,078,867	33,240,632	49,259,600,844
Provision and Other Liabilities	200,967,296	209,176,469	2,854,430,683	1,309,140,749	543,171,342	5,116,886,539
Total Liabilities	9,610,158,307	6,844,066,133	28,380,631,353	10,600,701,585	1,659,393,347	57,094,950,724
Net Liquidity Gap	(6,750,358,242)	3,503,015,007	(9,866,009,715)	11,760,123,854	5,827,665,046	4,474,435,951



Managing Director (In-Charge)



Director



Director



Chairman

Place: Dhaka

Date: 28 April 2011

For the year ended 31 December 2010

SL	Particulars	2010	2009
1	Paid up Capital	1,964,655,000	1,455,300,000
2	Total Capital	5,073,072,836	4,293,562,623
3	Capital Surplus / (Deficit)	221,442,836	1,108,492,823
4	Total Assets	61,569,386,675	45,308,315,925
5	Total Deposits	49,259,600,843	34,501,698,265
6	Total Loans and Advances	46,341,513,504	29,261,534,342
7	Total Contingent Liabilities and Commitments	22,161,472,129	16,069,084,644
8	Credit - Deposit Ratio	94.08%	84.81%
9	Percentage of Classified Loans against total Loans and Advances	4.83%	4.83%
10	Profit after Tax and Provision	660,936,270	648,853,399
11	Amount of Classified Loans and Advances	2,239,968,230	1,412,346,626
12	Provision Kept against Classified Loan	734,544,770	523,394,422
13	Provision Surplus/ (deficit)	-	-
14	Cost of Fund	8.13%	7.58%
15	Interest Earning Assets	52,810,422,036	40,172,871,716
16	Non-interest Bearing Assets	8,758,964,640	5,135,444,209
17	Return on Investment (ROI)	10.01%	12.67%
18	Return on Assets (ROA)	1.24%	1.41%
19	Incomes on Investment	651,524,002	761,821,420
20	Earnings Per Share (EPS)	33.64	44.59
21	Net Income Per Share	33.64	44.59
22	Price Earning Ratio	N/A*	N/A*

* N/A: Not Applicable



1.1 Status of the Bank

The BASIC Bank Limited ("the Bank") was incorporated as a banking company under the Companies Act, 1913. In 2001 the Bank changed its earlier name ' Bank of Small Industries and Commerce Bangladesh Limited' and registered the new name with the Registrar of Joint Stock Companies. Initially the Bank started its operation as a joint venture enterprise of the BCC foundation, a welfare trust in Bangladesh and the Government of People's Republic of Bangladesh. On 4 June 1992 the Government of Bangladesh took over 70% shares held by the than BCIC Foundation and became the sole owner of the bank. It operates with 34 branches in Bangladesh. The registered office of the company is located at 73 Motijheel C/A, Dhaka-1000.

1.1.1 Objectives

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

1.2 Significant accounting policies and basis of preparation of financial statements

1.2.1 Basis of accounting

Statement of compliance

The financial statements of the Bank are made up to 31 December 2010 and are prepared under the historical cost basis, except for the assets and liabilities which are stated at fair value and in accordance with the "First Schedule (Sec-38) of the Bank Companies Act, 1991, BRPD Circular # 14 dated 25 June 2003, BRPD Circular # 15 dated 09 November 2009 and DFIM Circular # 11 dated 23 December 2009, other Bangladesh Bank Circulars, International Accounting Standards and International Financial Reporting Standards adopted by the Institute of Chartered Accountants of Bangladesh titled as "BAS", Companies Act, 1994, the Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchanges' listing regulations and other laws and rules applicable in Bangladesh. All Inter-branch account balances and transactions among the head office and the branch have been taken into accounts.

The accounting policies and methods of computation used in the preparation of the financial statements for the year ended 31 December 2010 are consistent with those adopted in Bangladesh.

1.2.3 Use of estimates and judgments

In the preparation of the financial statements management required to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

1.2.4 Foreign currency transaction

a) Foreign currency

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

b) Foreign currencies translation

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per BAS-21" The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into taka at weighted average rate of inter bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into Taka equivalent.

c) Commitments

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

d) Translation gains and losses

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

1.2.5 Statement of cash flows

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

1.2.6 Liquidity statement

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

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

1.2.7 Reporting period

These financial statements cover one calendar year from 1 January to 31 December 2010.

1.2.8 Offsetting

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

1.3 Assets and basis of their valuation

1.3.1 Cash and cash equivalents

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

1.3.2 Loans, advances and lease / investments

- a) Loans and advances are stated in the balance sheet on gross basis.
- b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest on classified loans and advances is kept in suspense account as per Bangladesh Bank instructions and such interest is not accounted for as income until realised from borrowers. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank. Records of such interest amount are kept in separate accounts.
- c) Commission and discounts on bills purchased and discounted are recognized at the time of realization.
- d) Provision for loans and advances is made on the basis of year-end review by the management following instructions contained in Bangladesh Bank BCD Circular no. 34 dated 16 November 1989, BCD Circular no. 20 dated 27 December 1994, BCD Circular no. 12 dated 4 September 1995, BRPD Circular no. 16 dated 6 December 1998, BRPD Circular no. 9 dated 14 May 2001, BRPD Circular no. 02 of 15 February 2005, BRPD Circular no. 09 of 20 August 2005, BRPD Circular no. 17 dated 06 December 2005 and BRPD circular no.



32 dated 27 October 2010. The provision rates are given below:

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

e) Loans and advances are written off to the extent that (i) there is no realistic prospect of recovery, (ii) and against which legal cases are pending for more than five years as per guidelines of Bangladesh Bank. These write off however will not undermine / affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.

f) Amounts receivable on credit cards are included in advances to customers at the amounts expected to be recovered.

g) As per BRPD circular no. 5 dated 5 June 2006 a general provision at 1% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained. However such general provision cannot satisfy the conditions of provision as per IAS 37. At the year end the company has recognized an accumulated general provision of Tk. 1,144 million in the balance sheet under liabilities as per Bangladesh Bank's requirement.

1.3.3 Investments

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

Held to maturity (HTM)

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

Held for trading (HFT)

Investments classified in this category are acquired principally for the purpose of selling or repurchasing -in short-trading or if designated as such by the management. After initial recognition, investments are measured at fair value and any change in the fair value is recognised in the statement of income for the period in which it arises.

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

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

Investment in listed securities

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

Investment in unquoted securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

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.

As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment. As such the company measures and recognizes investment in quoted and unquoted shares at cost if the year end market value (for quoted shares) and book value (for unquoted shares) are higher than the cost. At the year-end the company's market value and book value of quoted and unquoted shares was higher than cost price by Tk. 36.93 crore. However as per requirements of BAS 39 investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the year-end is taken to profit and loss account or revaluation reserve respectively.

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

1.3.4 Property, plant and equipment

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

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

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

d) For additions during the year, depreciation is charged for the remaining days of the year and for disposal depreciation is charged up to the date of disposal.

e) On disposal of fixed assets, the cost and accumulated depreciation are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sale proceeds.

g) Leasehold floor area in Sholoshahar, Chittagong are treated as operating lease as the legal title of the floor area will not pass to the Bank at the end of the lease term thus the Bank has charged rentals to the income statement on a straight line basis over the lease term as per BAS 17.

1.3.5 Intangible assets

a) An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably.

b) Software represents the value of computer application software licensed for use of the Bank, other than software applied to the operation software system of computers. Intangible assets are carried at its cost, less accumulated amortization and any impairment losses.

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

c) Expenditure incurred on software is capitalized only when it enhances and extends the economic benefits of computer software beyond their original specifications and lives and such cost is recognized as capital improvement and added to the original cost of software.

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

1.3.7 Other assets

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

1.3.9 Receivables

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

1.3.10 Inventories

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

1.3.11 Leasing

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

1.3.12 Non-banking assets:

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

1.3.13 Reconciliation of inter-bank and inter-branch account

Accounts with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled regularly and there are no material differences which may affect the financial statements significantly.

Un-reconciled entries / balances in the case of inter-branch transactions as on the reporting date are not material.

1.4 Share capital

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

1.5 Statutory reserve

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

1.7 Deposits and other accounts

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

1.8 Borrowings from other banks, financial institutions and agents

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

1.9 Basis for valuation of liabilities and provisions**1.9.1 Provision for current taxation**

Provision for current income tax has been made as per prescribed rate in the Finance Ordinance, 2010 on the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure as per income tax laws in compliance with BAS-12 "Income Taxes".

1.9.2 Provision for deferred taxation

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences.

1.9.3 Benefits to the employees

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

a) Provident fund

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

b) Gratuity fund

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

c) Benevolent Fund

The benevolent fund is subscribed by monthly contribution of the employees. The Bank also 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 profit for the year 2010 is BDT 100 lac. This fund is utilized for various social activities as part of corporate social responsibility of the Bank.

1.9.4 Provision for liabilities

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

1.9.5 Provision for Off-balance sheet exposures

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

1.9.6 Provision for nostro accounts

As per instructions contained in the circular letter no. FEPD (FEMO) / 01 / 2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, Bank are required to make provision regarding the un-reconciled debit balance of nostro account over more than 3 months as on the reporting date in these financials. Since there is no unreconciled entries which are outstanding more than 3 months then Bank's are not required to make provision.

1.10 Revenue recognition**1.10.1 Interest income**

In terms of the provisions of the BAS-18 "Revenue", the interest income is recognised on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified. It is then kept in interest suspense. After the loans is classified as bad, interest ceases to apply and recored in a memorandum account. Interest on classified advances is accounted for on a cash receipt basis.

1.10.2 Investment income

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

1.10.3 Fees and commission income

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

1.10.4 Dividend income on shares

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

1.10.5 Interest paid and other expenses

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

1.10.7 Dividend payments

The proposed dividend for the year 2010 has not been recognized as a liability in the balance sheet in accordance with the BAS-10 : Events After the Balance Sheet Date.

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

1.11 Risk management

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

1.11.1 Credit risk

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

The Bank has segregated duties of the officers / executives involved in credit related activities. A separate Corporate Division has been formed at Head Office which is entrusted with the duties of maintaining effective relationship with the customers, marketing of credit products, exploring new business opportunities, etc. Moreover, credit approval, administration, monitoring and recovery functions have been segregated. Another division naming Credit Administration Division (CAD) has also been established to oversee mainly documentation facilities. In line with Bangladesh Bank guidelines the Bank has segregated marketing, approval and monitoring/recovery functions. The credit risk management includes borrower risk analysis, financial statement analysis, industrial analysis, historical performance of the customer, security of the proposed credit facility and market reputation of the borrower etc.

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

1.11.2 Liquidity risk

The object of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. To this end, the Bank is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional balance. Management of liquidity and funding is carried out by Treasury Department under approved policy guidelines. Treasury front office is supported by a very structured Mid office and Back office. The Liquidity management is monitored by Asset Liability Committee (ALCO) on a regular basis. A written contingency plan is in place to manage extreme situation.

1.11.3 Market risk

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

Foreign exchange risk

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

Treasury Department independently conducts the transactions and the back office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to-Market rate as determined by Bangladesh Bank at the month-end. All Nostro accounts are reconciled on a monthly basis and outstanding entry beyond 30 days is reviewed by the management for its settlement. The position maintained by the bank at the end of day was within the stipulated limit prescribed by the Bangladesh Bank.



Interest rate risk

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

Equity risk

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

1.11.4 Reputation risk arising from money laundering incidences

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. Money laundering has been identified as a major threat to the financial services community, the management of the Banks have taken prevention of money laundering as part of their risk management strategies. Anti-Money laundering Guideline of the Bank was approved by the board of directors of the Bank in its 188th meeting held on 31st January 2006. For mitigating the risks, the Bank has established a Central Anti-Money Laundering Compliance Unit (CCU). Mr. Kanak Kumar Purkayastha, Deputy Managing Director is acting as Chief Anti-Money Laundering Compliance Officer (CAMLCO) and Deputy General Manager Establishment Division is working as a head of CCU who works under direct supervision CAMLCO. CCU continuously monitoring and reviewing all anti-money laundering issues. The Branch In-charges are working as a Branch Anti-Money Laundering Compliance Officer (BAMLCO). Sound Know Your Customer (KYC) and Transaction Monitoring Policies are in place to recognize the risk associated with accounts.

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

1.11.5 Operational risk

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

Asset Liability management

"Asset Liability Management (ALM) is a risk management technique designed to earn an adequate return while maintaining a comfortable surplus of assets beyond liabilities. The scope of ALM function can be described as liquidity risk management, management of market risks, trading risk management, funding and capital planning and profit planning and growth projection etc. Risks in ALM are:

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

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

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

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

1.12 ICT Risk Management

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

1.13 Earnings per share**Basic earnings per share**

Basic earnings per share has been calculated in accordance with BAS 33 "Earnings per Share" which has been shown on the face of the profit and loss account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Calculation of weighted earnings per share

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

1.14 Events after the balance sheet date

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

1.15 Directors' responsibility on statement

The board of directors takes the responsibility for the preparation and presentation of these financial statements.

Memorandum items

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

Capital Expenditure Commitment

There was no capital expenditure contracted but incurred or provided for at 31 December 2010 besides, there was no material capital expenditure authorized by the board but not contracted for at 31 December 2010.

1.16 Subsequent Events

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

1.17 Related party transaction

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

1.18 Compliance report on Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). While preparing the financial statements, BASIC Bank applied all the applicable IAS and IFRS as adopted by ICAB. Details are given below:



Name of the BAS	BAS no	Status
Presentation of Financial	1	Applied
Inventories	2	Applied
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the balance sheet	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Accounting and Reporting by Consolidated and Separate Financial Statements	26	Applied
Investments in Associates	27	N/A
Interests in Joint Ventures	28	N/A
Earnings per share	31	N/A
Interim Financial Reporting	33	Applied
Impairment of Assets	34	Applied
Provisions, Contingent Liabilities and Contingent Assets	36	Applied
Intangible Assets	37	Applied
Financial Instruments: Recognition and Measurement	38	Applied
Investment Property	39	N/A
Agriculture	40	N/A
	41	N/A

We followed Bangladesh Bank Guidelines instead of BAS-39

Name of the BFRS	BFRS no.	Status
Share Based Payment	2	N/A
Business Combinations	3	N/A
Non-current Assets Held for Sale	5	N/A
Exploration for and Evaluation of	6	N/A
Financial Instruments: Disclosure	7	Applied
Operating Segments	8	Applied

1.19 Audit Committee

Members of the Audit Committee of the Board of Directors:

Name	Status with the Committee	Educational Qualification
Mr. Shakhwat Hossain	Convener	MA in Economics
Mr. Bijoy Bhattacharjee	Member (Retired on 30 September 2010)	M Com in Management
Mr. Md. Anwarul Islam, FCMA	Member	M Com, MBA, FCMA
Mr. Fakhruul Islam	Member (Since 30 September 2010)	MSS in Economics

Audit Committee Meeting held during 2010

34th Meeting of Audit Committee held on 16 May 2010

35th Meeting of Audit Committee held on 18 July 2010

36th Meeting of Audit Committee held on 06 October 2010

Steps Have Been Taken

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

1.20 Approval of financial statements

The financial statements were approved by the Board of directors on 28 April 2011

2 General

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



for the year ended 31 December 2010

			31.12.2010 Taka	31.12.2009 Taka
3. Cash				
Cash in Hand (including foreign currencies)	Note 3.1		344,012,334	223,468,569
Balance with Bangladesh Bank	Note 3.2		2,731,360,447	2,201,422,403
			3,075,372,781	2,424,890,972
3.1 Cash in Hand (including foreign currencies)				
In Local Currency			341,115,137	218,516,712
In Foreign Currencies			2,897,197	4,951,856
			344,012,334	223,468,569
3.2 Balance with Bangladesh Bank and its Agent bank (s)				
In Local Currency	Note 3.2.1		2,687,277,987	1,955,218,651
In Foreign Currencies	Note 3.2.2		44,082,460	246,203,752
			2,731,360,447	2,201,422,403
3.2.1 In Local Currency				
Bangladesh Bank			2,595,609,918	1,911,291,988
Sonali Bank (acting as agent of Bangladesh Bank)			91,668,069	43,926,663
			2,687,277,987	1,955,218,651
3.2.2 In Foreign Currencies				
Bangladesh Bank - US\$			37,520,761	245,022,959
Bangladesh Bank - UKP			5,043,495	1,057,819
Bangladesh Bank -EURO			1,518,204	122,973
			44,082,460	246,203,752
3.2.2.1 Balance with Bangladesh Bank as per DB -5			2,689,323,000	1,926,200,000

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

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

3.3 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.

3.3.1 Cash Reserve Ratio (CRR)

(6% & 5% of Average Demand & Time Liabilities)

Required Reserve	2,708,759,000 6.00%	1,691,734,000 5.00%
Maintained	2,740,225,000 6.07%	1,734,448,000 5.13%

As at 31 December 2010

3.3.2 Statutory Liquidity Reserve (SLR)

(13% of Average Demand & Time Liabilities)

Required Reserve

Maintained

3.3.3 Total Amount of CRR & SLR

Required

Maintained

4. Balance With Other Banks & Financial Institutions

In Bangladesh

Outside Bangladesh (Nostro Accounts)

Note 4.1

Note 4.2

4.1

**In Bangladesh
Form of Deposits**

Current Account

Sonali Bank Ltd.

Agrani Bank Ltd.

Rupali Bank Ltd.

Janata Bank Ltd.

STD Account

Sonali Bank Ltd.

Bangladesh Krishi Bank

Trust Bank Ltd.

Rupali Bank Ltd.

Agrani Bank Ltd.

Other Deposit

Receivable from ICB Islami Bank

Fixed Deposit Account

Bangladesh Commerce Bank Ltd.

IDLC

BFIC

IIDFC

Premier Leasing

Prime Finance and Investment

BIFC

Hajj Finance Company Ltd.

MIDAS

Uttara Finace and Investment

Lanka Bangla Finanace

Peoples Leasing

Phonix Leasing and Finance

NHFI Limited

Union Capital

International Leasing and Finance

Investment Corporation of Bangladesh

Southeast Bank Ltd.

Exim Bank Ltd.

Jamuna Bank Ltd.

United Commercial Bank Ltd

BRAC Bank Ltd

Bangladesh Krixi Bank

First Security Bank

Sub-Total

31.12.2010 Taka	31.12.2009 Taka
5,868,978,000 13%	4,398,509,000 13%
6,867,263,000 15.21%	6,512,244,000 19.25%
8,577,737,000 19.00%	6,090,243,000 18.00%
9,607,488,000 21.28%	8,246,692,000 24.38%
1,992,010,143 635,432,021 2,627,442,164	5,526,479,443 379,699,017 5,906,178,460
26,934,326 14,521,858 620,349 2,002,775 44,079,307	38,079,656 7,507,863 7,299,036 3,300,456 56,187,011
25,871,020 526,712 3,578,289 12,314,069 7,663 42,297,753	209,365,956 26,376 17,440,255 37,219,322 7,440 264,059,350
155,633,082	156,233,082
- - 100,000,000 - - - 100,000,000 50,000,000 - - 100,000,000 100,000,000 100,000,000 150,000,000 200,000,000 50,000,000 50,000,000 150,000,000 - - - 400,000,000 - 300,000,000 - -	150,000,000 100,000,000 200,000,000 200,000,000 50,000,000 150,000,000 100,000,000 - 50,000,000 100,000,000 100,000,000 200,000,000 100,000,000 100,000,000 100,000,000 100,000,000 100,000,000 150,000,000 500,000,000 400,000,000 500,000,000 100,000,000 200,000,000 400,000,000 850,000,000 350,000,000 5,050,000,000
1,750,000,000 1,992,010,143	5,050,000,000 5,526,479,443

for the year ended 31 December 2010

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

4.2 Outside Bangladesh (Nostro Accounts and Term Placement)

Interest-bearing Accounts

	31.12.2010	31.12.2009
	Taka	Taka
Bank of Tokyo-Mitsubishi London	3,094,589	30,580,557
Bank of Tokyo Mitsubishi Japan	21,197,036	8,092,502
Mashreq Bank New York	61,206,806	35,148,238
Mashreq Bank India	10,064,753	-
CITI Bank Mumbai	304,180	1,402,088
Sonali Bank Kolkata	47,162,876	27,380,940
Sonali Bank Kolkata-EURO	641,133	242,930
Sonali Bank London	7,048,519	-
Sonali Bank London(UKP)	4,255,423	-
Bank of Ceylon	3,759,917	474,983
CITI Bank New York (Export)	298,878,420	21,602,712
Standard Chartered Import New York	10,823,668	45,761,118
Standard Chartered Bank London	-	13,304,350
Standard Chartered Bank Mumbai	12,233,973	9,065,804
Standard Chartered Bank Frankfurt	40,394,836	-
ICICI Bank Ltd.	12,118,510	7,805,194
HSBC New York	52,563,811	115,545,353
Banque de Commerce, Geneva	1,323,321	318,886
AMEX Frankfurt	-	2,812,038
Wachovia Bank N.Y.	954,569	10,765,842
Arif Habib Rupali Bank	311,112	4,826,332
Total of Nostro Account	588,337,452	335,129,867

(Annexure - A may kindly be seen for details)

Term Placement

Citi bank N A New York-Term		
Commercial Bank of Ceylon-Dhaka-Term	14,149,940	13,766,800
Eastern Bank Term(USD)	11,719,720	-
Commercial Bank of Ceylon-Term	21,224,910	20,490,000
Commercial Bank of Ceylon-Tokyo-Term	-	10,312,350

Total Term Placement

Grand total (Nostro and Term Placement)

	47,094,570	44,569,150
	635,432,021	379,699,017

4.3 Maturity grouping of balances with other banks & financial institutions

On demand	632,416,759	391,316,878
Upto 1 month	732,444,924	1,660,490,000
Over 1 month but not more than 3 months	559,852,829	2,087,826,150
Over 3 months but not more than 1 year	547,094,570	1,610,312,350
Over 1 year but not more than 5 years	155,633,082	156,233,082
Over 5 years	-	-
	2,627,442,164	5,906,178,460

5. Money at Call and Short Notice

5.1 Classification of Money at Call & Short Notice

Commercial Banks	Note 5.1.1	250,000,000	-
Financial Institutions (Public & Private)	Note 5.1.2	-	180,000,000
		250,000,000	180,000,000

5.1.1 Commercial Banks

National Bank of Pakistan	50,000,000	-
Arab Bangladesh Bank Ltd	200,000,000	-
	250,000,000	-

for the year ended 31 December 2010

		31.12.2010 Taka	31.12.2009 Taka
5.1.2 Financial Institutions			
Union Capital		-	40,000,000
International Leasing		-	40,000,000
IDLC		-	100,000,000
		-	180,000,000
6. Investments			
Government Securities	Note 6.1	6,506,731,752	6,239,236,514
Other Investments	Note 6.2	169,700,086	99,493,460
		6,676,431,838	6,338,729,974
6.1 Government Securities			
Treasury Bills and Reserve Repo	Note 6.1.1	-	-
Treasury Bonds	Note 6.1.2	6,422,053,952	6,222,505,514
Prize Bond		2,177,800	173,100
Debenture	Note 6.1.3	82,500,000	15,000,000
		6,506,731,752	6,239,236,514
6.1.1 Treasury Bills and Reverse Repo (at revalued Amount)			
05 Years Government Treasury Bills		-	-
02 Years Government Treasury Bills		-	-
364 Days Government Treasury Bills		-	-
364 Days Reverse Repo		-	-
91 Day Government Treasury Bills (at present value)		-	-
28 Days Government Treasury Bills		-	-
01 Day Reverse Repo-Bangladesh Bank		-	-
		-	-
6.1.2 Treasury Bonds (at revalued Amount)			
05 Years Government Treasury Bond		5,642,977,075	5,534,728,394
10 Years Government Treasury Bond		270,761,835	179,217,799
15 Years Government Treasury Bond		508,315,042	508,559,322
		6,422,053,952	6,222,505,514
6.1.3 Debentures			
20 years HBFC Debenture - 5.5%		12,500,000	15,000,000
Mutual Trust bank bond		70,000,000	-
		82,500,000	15,000,000
6.2 Other Investments			
Shares	Note 6.2.1	169,700,086	99,493,460
		169,700,086	99,493,460
6.2.1 Shares			
Quoted companies			
Shares in listed companies		146,664,986	83,291,700
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.		8,833,340	2,000,000
		169,700,086	99,493,460

for the year ended 31 December 2010

**6.3 (Details of Investment in shares may kindly be seen in Annexure - B)
Investment in Securities are classified as per Bangladesh Bank Circular**

Held For Trading (HFT)
Held To Maturity (HTM)

31.12.2010 Taka	31.12.2009 Taka
4,447,815,744	4,237,934,571
1,974,238,208	2,001,301,943
6,422,053,952	6,239,236,514

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

6.4 Assets pledged as security

Assets in the amounts shown below were pledged as security for the following liabilities

Liabilities to bank
Liabilities to customers

-	-
-	-
-	-

We have no assets pledged, mortgaged or hypothecated against bank's borrowings.

6.5 Maturity Grouping of Investments

On demand
Upto 1 month
Over 1 month but not more than 3 months
Over 3 months but not more than 1 year
Over 1 year but not more than 5 years
Over 5 years

2,177,800	1,731,000
-	-
-	-
23,035,100	-
5,789,642,061	5,534,728,394
861,576,877	802,270,581
6,676,431,838	6,338,729,974

7. Loans & Advances

Loans, Cash Credits & Overdrafts etc.
Bills Purchased & Discounted

Note 7.1
Note 7.2

43,257,526,832	27,226,480,452
3,083,986,672	2,035,053,890
46,341,513,504	29,261,534,342

7.1 Loans, Cash Credits & Overdrafts etc.

In Bangladesh

Loans
Cash credit
Overdraft
Others

Note 7.1.1
Note 7.1.2
Note 7.1.3

20,822,595,023	13,170,177,792
10,629,475,991	7,103,025,139
4,022,853,609	2,169,655,450
7,782,602,209	4,783,622,072
43,257,526,832	27,226,480,452

Outside Bangladesh

-	-
43,257,526,832	27,226,480,452

7.1.1 Loans

Loan General
Term Loan
Loan secured
Others

3,503,549,859	3,988,159,551
16,286,874,333	9,126,766,504
-	1,738,897
1,032,170,831	53,512,839
20,822,595,023	13,170,177,792

7.1.2 Overdraft

Temporary Overdraft
Overdraft Secured Mortgage
Overdraft Secured (Other Securities)

54,206,639	64,326,938
1,776,369,955	149,767,158
2,192,277,014	1,955,561,354
4,022,853,609	2,169,655,450

for the year ended 31 December 2010

7.1.3 Others

Loan Against Foreign Bill
Loan Against Packing Credit
Payment Against Documents
Loan Against Trust Receipt
Other short term advance
Staff Loan
Loan Against Import Merchandise

31.12.2010 Taka	31.12.2009 Taka
-	103,300,831
763,633,272	517,349,503
199,006,125	195,745,072
6,075,822,517	3,913,007,955
51,958,178	-
645,509,435	-
46,672,683	54,218,711
7,782,602,209	4,783,622,072

7.2 Bills Purchased & Discounted

Payable in Bangladesh

Local bills purchased/LADB

Payable outside Bangladesh

Foreign bills purchased and discounted

2,593,050,695	1,824,598,803
490,935,976	210,455,087
3,083,986,672	2,035,053,890

7.3 Residual maturity grouping of loans including bills purchased and discounted

Payable on demand
Not more than 3 months
Above 3 months but not more than 1 year
Above 1 year but not more than 5 years
Above 5 years

749,458,468	812,680,795
9,173,883,007	9,264,146,359
17,358,786,508	10,074,126,416
15,225,095,477	6,916,707,939
3,834,290,044	2,193,872,832
46,341,513,504	29,261,534,342

7.4 Loans on the basis of significant concentration including bills purchased & discounted

- Advances to Directors
- Advances to Managing Director and other Senior Executives
- Advances to Customers group
- Advances to Industrial sector

Note 7.4.1

-	-
645,509,435	558,958,815
17,918,111,069	10,877,175,526
27,777,893,000	17,825,400,000
46,341,513,504	29,261,534,342

7.4.1 Advances to Industrial sector

Food and Allied Ind.
Textile
ERGM
Accessories
Jute Prod. and Allied Ind.
Forest Prod. and Allied Ind.
Paper, Board, Printing, Pub. and Packaging
Tannery Leather and Rubber Prod.
Chem. Pharm. and Allied Ind.
Glass, Crmc. and Other non Metal. Pr.
Engineering
Electrical and Electronics Ind.
Service Ind.
Misc. Industries
Ind. Not Elsewhere Classified

Amount in lac taka	Amount in lac taka
35,433.58	21,903.20
63,136.15	36,953.92
32,304.31	19,076.86
10,182.19	8,936.97
33,892.45	21,131.14
661.08	657.47
9,941.15	6,573.84
9,274.98	6,391.99
14,783.63	10,218.53
1,607.43	1,475.25
12,894.87	22,803.52
5,677.46	558.93
28,097.49	14,495.48
8,225.14	2,351.37
11,667.01	4,725.42
277,779	178,254

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

Number of Customers
Amount of outstanding loans*
Classified amount thereon
Amount of recovery

8	9
6,746,500,000	5,599,000,000
-	-

*Loans and Advances allowed to customers' group exceeding 10% of banks total capital fund which is computed of Tk.50.73 crore of the Bank as at 31 December 2010.

for the year ended 31 December 2010

7.6 Geographical Location - wise Loans and Advances;

Inside Bangladesh

Dhaka Division
Chittagong Division
Khulna Division
Rajshahi Division
Sylhet Division
Barisal Division
Rangpur Division

Outside Bangladesh

7.7 Distribution of Loans and advances according to BRPD Circular by Bangladesh Bank

Unclassified loan
Standard
SMA

Classified loan:
Sub-standard
Doubtful
Bad and loss

7.8 Provision required for loans and advances

Status	Base for Provision	Rate %
Unclassified-General provision		
Agro based and Micro Credit	703,422,000	5
SMA	245,838,000	5
Others (excluding staff loan)	43,145,444,360	1 & 2
Classified-specific provision		
Sub-standard	160,250,920	5 & 20
Doubtful	184,378,980	50
Bad/Loss	610,305,100	100

Required provision for loans & advances

Total provision maintained

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

Fixed Assets
Cash and quasi-cash
Others

7.10 Particulars of Loans and Advances:

- Debts considered good in respect of which the banking company is fully secured.
- Debts considered good for which the banking company holds no other security other than debtor's personal security.
- Debts considered good secured by personal liabilities of one or more parties in addition to the personal security of the debtors.
- Debts considered doubtful or bad not provided for.

31.12.2010 Taka	31.12.2009 Taka
32,284,507,161	19,822,276,416
7,417,262,754	4,611,071,589
1,894,406,322	1,418,373,631
2,454,413,284	2,694,580,494
871,131,043	604,185,591
132,804,599	111,046,621
1,286,988,340	-
46,341,513,504	29,261,534,342
-	-
46,341,513,504	29,261,534,342
43,848,867,094	27,617,360,130
252,678,180	231,827,585
44,101,545,274	27,849,187,715
296,593,990	218,761,270
282,520,660	195,694,737
1,660,853,580	997,890,619
2,239,968,230	1,412,346,626
46,341,513,504	29,261,534,341
35,171,100	39,113,312
12,291,910	11,384,125
446,722,360	328,560,298
494,185,370	379,057,735
32,050,180	18,255,722
92,189,490	45,842,009
610,305,100	459,296,691
734,544,770	523,394,422
1,228,730,140	902,452,157
1,228,730,140	902,452,157
-	-
46,806,776,650	32,314,397,872
2,876,366,941	2,114,768,264
10,437,380,996	7,671,621,319
60,120,524,587	42,100,787,455
40,550,640,918	24,648,761,204
4,227,149,511	3,414,696,595
1,563,723,075	1,198,076,543
46,341,513,504	29,261,534,342

for the year ended 31 December 2010

	31.12.2010 Taka	31.12.2009 Taka
(v) Debts due by directors and officers of the banking company or any of them either severally or jointly with any other person.*	645,509,435	558,958,815
(vi) Debts due by companies or firms in which the directors of 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.*	645,509,435	606,788,312
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private company	-	-
(ix) Due from banking companies.		
Amount of classified debts on which interest has not been credited to income*	2,239,968,230	1,412,346,626
(a-i) (Decrease)/ Increase in provision	97,606,429	(106,730,207)
(a-ii) Amount realized against loan previously written off	7,570,819	665,300
(b) Amount of provision kept against loan classified as bad/loss	610,305,100	459,296,691
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	-	-

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

7.11 Bills Purchased and Discounted

Payable in Bangladesh	2,593,050,695	1,824,598,803
Payable outside Bangladesh	490,935,976	210,455,087
	3,083,986,671	2,035,053,890

7.11.1 Maturity grouping of bills purchased & discounted

Not more than 01 months	472,554,509	411,674,695
Above 01 months but not more than 03 months	1,408,796,305	906,176,420
Above 03 months but not more than 06 months	1,201,281,283	715,234,009
Above 06 months	1,354,574	1,968,766
	3,083,986,671	2,035,053,890

7.12 The following borrowers' accounts considered as marginal/watch list loans and advances due to the fact that the movements and transactions and recovery are not satisfactory. The Bank management is closely monitoring those accounts and if no satisfactory movement is made with in 30 June 2011, In that case the Bank management will take necessary action against the borrowers according to the guideline of Bangladesh Bank.

Name of the Borrower	Branch Name	Outstanding on 31 December 2010 (BD Taka)
Shah Amanat Shipping	Dhanmondi	115,551,298
City Communication	Dhanmondi	73,370,032
City Heart Mobile Centre	Dhanmondi	57,504,553

8. Premises and Fixed Assets

Own Assets

Furniture and Fixtures	135,924,255	117,150,935
Equipment and Computer	370,490,285	317,802,601
Vehicles	134,832,794	101,361,369
	641,247,334	536,314,905
Less: Accumulated depreciation	361,578,983	307,153,378
	279,668,350	229,161,527

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Leased Assets

Leasehold Assets

Less: Accumulated depreciation

31.12.2010 Taka	31.12.2009 Taka
4,000,000	4,000,000
551,724	505,747
3,448,276	3,494,253
283,116,626	232,655,780

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.
- c) Advance rent;
- d) Income receivable Note 9.2
- e) Advance income tax
- f) Security deposits Note 9.1
- g) Suspense account Note 9.3
- h) Other prepayments
 - Advances/expenditures incurred against proposed branches
 - Advance for space of HO and Main Branch
 - Balance with Fakrul Islam securities
- j) Branch adjustment account
- k) Sundry debtors Note 9.4
- l) Subs fees of Dun Breadstreet
- m) Deferred Tax Assets Note 36
- n) Position Clearing(Net)
- o) Position General Ledger(Net)

12,700,404	14,950,049
44,257,894	34,586,100
327,494,741	281,751,758
344,587,168	347,201,223
1,108,666	6,425,332
11,622,523	616,268
940,517	56,818
163,045,080	-
400,000,000	-
2,696,172	-
383,828,289	400,225
240,176,756	164,936,468
3,341,176	3,341,351
168,821,619	109,786,558
-	-
210,888,757	274,249
2,315,509,761	964,326,397

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
Protested bill, Khatungonj branch
Protested bill, Khulna branch
BCCI-Bombay
BCCI-London
Protested bill, SWIFT charges

6,535,881	6,535,881
244,800	244,800
416,367	416,367
1,399,580	584,884
611	326
20,244,921	20,244,921
28,842,160	28,027,179
211,334,596	136,909,289
240,176,756	164,936,468

Others

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

10 Borrowing from other banks Including Financial Institutions & Agents

In Bangladesh
Outside Bangladesh

Note 10.1
Note 10.2

1,391,196,871	1,743,681,616
1,327,266,471	1,131,476,301
2,718,463,342	2,875,157,917

10.1 In Bangladesh(a+b)

a) Money at call and on short notice

Agrani Bank Ltd

Sonali Bank Ltd

Sub total

b) Other borrowing:

Bangladesh bank Clearing Account

Sub-total

b) Term Borrowing

Long term loan from Bangladesh Bank

Bangladesh Bank Refinance Loan for Housebuilding

Loan from Bangladesh Bank under EDF scheme

Government Placement for Agro based Industries

Sub-total

Grand total

10.2 Outside Bangladesh

Term Borrowing

Loan for Micro Credit and Small Scale Industries (KfW, Germany)

Agro business Development Project of ADB

Secured and unsecured borrowing from other banks

Secured (Assets pledged as security for liabilities)

Unsecured

10.3 Overall transaction of Repo and Reverse Repo:

Minimum outstanding
during the year

Maximum
outstanding during
the year

Daily average
outstanding during
the year

Securities sold under repo:

- | | | |
|-----|------------------------|-------------|
| i) | with Bangladesh Bank | 850,000,000 |
| ii) | with other banks & FIs | 439,363,001 |

11. Deposits & Other Accounts

Non-Interest bearing Accounts

Interest bearing Account

Note 11.1

Note 11.2

11.1 Non-Interest bearing Accounts

Current and Other Accounts

Bills Payable

Note 11.1.1

Note 11.1.2

11.1.1 Current and Other Accounts

Current Account

Sundry Deposit

31.12.2010 Taka	31.12.2009 Taka
-	300,000,000
-	200,000,000
-	500,000,000
106,073,028	-
106,073,028	-
82,978,000	110,637,000
118,467,939	84,890,709
696,531	-
1,082,981,373	1,048,153,907
1,285,123,843	1,243,681,616
1,391,196,871	1,743,681,616
184,742,670	170,356,779
1,142,523,802	961,119,522
1,327,266,471	1,131,476,301
2,718,463,342	2,875,157,917
2,718,463,342	2,875,157,917
Maximum outstanding during the year	Daily average outstanding during the year
208,899,881	2,941,389
286,120,911	6,111,313
5,484,159,992	2,846,120,067
43,775,440,851	31,655,578,198
49,259,600,843	34,501,698,265
4,887,144,405	2,504,619,309
597,015,587	341,500,758
5,484,159,992	2,846,120,067
1,775,489,401	1,021,964,720
3,111,655,004	1,482,654,589
4,887,144,405	2,504,619,309

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		31.12.2010 Taka	31.12.2009 Taka
11.1.2 Bills Payable			
Payment Order		531,468,666	291,598,824
Demand Draft		65,546,921	49,901,934
		597,015,587	341,500,758
11.2 Interest bearing Account			
Savings Bank Deposits	Note 11.2.1	1,328,222,087	1,165,841,755
Fixed Deposits	Note 11.2.2	42,447,218,763	30,489,736,443
		43,775,440,851	31,655,578,198
11.2.1 Savings Bank Deposits			
Savings Account		1,328,222,087	1,165,841,755
		1,328,222,087	1,165,841,755
11.2.2 Fixed Deposits			
Short Term Deposits		6,539,861,239	3,078,039,992
Term Deposits		35,829,291,395	27,411,696,451
Other Deposit Scheme		78,066,130	-
		42,447,218,763	30,489,736,443
11.3 Maturity Grouping of Deposits and Other Accounts			
<u>Deposit from Bank</u>			
Payable on Demand		14,492,000	4,838,216
Less than 01 Month		-	6,970,457
Above 01 Month but not more than 6 Months		-	-
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		-	-
		14,492,000	11,808,673
<u>Other Deposits</u>			
Payable on Demand		3,006,533,254	2,890,744,457
Less than 01 Month		6,388,165,757	2,985,209,043
Above 01 Months but not more than 6 Months		16,938,119,010	8,768,841,931
Above 06 Months but not more than 01 Year		15,222,971,322	11,791,477,687
Above 01 year but not more than 05 Years		7,656,078,867	8,048,948,864
Above 05 years not more than 10 years		33,240,632	4,667,609
Above 10 years		-	-
		49,245,108,842	34,489,889,591
		49,259,600,842	34,501,698,264

for the year ended 31 December 2010

		31.12.2010	31.12.2009
		Taka	Taka
12. Other Liabilities			
Interest Payable on Borrowing		107,789,518	107,299,033
Interest Payable on Deposits		1,258,523,117	1,269,837,527
Provision for Loan and Advances	Note 12.1 & 12.2	1,228,730,140	902,452,157
Provision for Off Balance Sheet Exposures	Note 12.3	212,001,430	146,404,350
Suspense Interest	Note 12.4	361,342,695	255,211,243
Privileged Creditors		114,156,015	41,088,218
Provision for Incentive Bonus	Note 12.6	170,691,631	94,719,539
Benevolent Fund		10,834,708	8,380,155
Gratuity Fund	Note 12.7	343,898,718	208,242,191
Sundry Creditors		20,224,145	18,996,213
Telephone and Telex Charges Payable		703,662	656,386
Expenses Payable		7,231,148	1,066,834
Provision for Taxes	Note 35	1,007,428,915	893,553,601
Miscellaneous Creditors		77,269	-
Provision for Sundry Debtors		7,782,258	7,782,258
Provision for Investment		9,142,148	331,890
Provision for depreciation		1,644,817	-
Excess Cash		45,991	24,574
Provision for SWIFT		21,063,039	21,063,039
Provision for Superannuation Fund		5,000,000	3,500,000
Provision for Welfare Fund		14,553,367	14,553,367
Provision for electricity expenses		683,632	630,014
Clearing		-	2,574,264
Provision for advertisement		4,142,614	945,000
Provision for fuel		-	296,465
Exchange Equalization Fund		-	6,925,384
Printing Stationary		19,093	-
Veriuous Audit and Rating Fees		290,050	666,250
Position General Ledger(Net)*		-	309,331
Position Clearing(Net)*		208,886,420	-
		5,116,886,539	4,007,509,285

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

12.1 Provision for Classified Loan (A)

Opening Balance		523,394,422	415,840,593
Fully Provided Debt Written off/Interest Waived	Note 12.1.1	(122,085,197)	(5,990,090)
Recovery from Earlier Written off Loan		-	-
Special Provision for Current Year		-	-
Provision not Required		-	-
Charge against Current Year's Profit		333,235,545	113,543,919
Closing Balance		734,544,770	523,394,422

12.1.1 Fully Provided Debt Written off/Interest Waived

Loan Written off		-	-
Interest Waived		122,085,197	5,990,090
		122,085,197	5,990,090

for the year ended 31 December 2010

12.2 Provision for Unclassified Loan (B)

Opening Balance
Provision not Required
Charge against Current Year's Profit
Closing Balance

Total of 12.1 and 12.2

12.3 Provision for off Balance Sheet Items (C)

Opening Balance
Provision not Required
Charge against Current Year's Profit
Closing Balance

Total Provision (A+B+C)

12.4 Suspense Interest

Opening Balance
Transferred During the Year
Recovery During the Year
Suspense Written off/Waived During the Year
Closing Balance

12.5 Branch adjustments account represents outstanding inter branch and head office transaction (Net) originated. The un - responded entries of 31.12.10 are given below:

(Amount in thousand)

Particulars	No. of Un-responded entries		Amount of Un-responded entries	
	Dr.	Cr.	Dr.	Cr.
Up to 03 Months	191	96	487,694	211,388
Over 03 Month but within 06 Months	-	-	-	-
Over 06 Month but within 01 Year	-	-	-	-
Over 01 Year but within 05 Years	-	-	-	-

12.6 Provision for Incentive Bonus

Opening Balance
Less: Adjusted/Paid during the year
Amount remained unpaid
Add: Provision made for the current year
Closing Balance

12.7 Gratuity Fund

Opening Balance
Less: Adjusted/Paid during the year

Add: Provision made for the current year
Closing Balance

13. Capital

13.1 Authorized

20,000,000 Ordinary Shares of Tk 100.00 Each

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

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.

31.12.2010 Taka	31.12.2009 Taka
379,057,735	314,321,419
-	-
115,127,635	64,736,316
494,185,370	379,057,735
1,228,730,140	902,452,157
146,404,350	92,980,000
-	-
65,597,080	53,424,350
212,001,430	146,404,350
1,440,731,570	1,048,856,507
255,211,243	174,868,951
179,874,051	216,369,386.2
(72,809,746)	(133,872,317)
(932,853)	(2,154,777)
361,342,695	255,211,243

94,719,539	105,305,659
76,151,029	69,286,609
18,568,510	36,019,050
152,123,121	58,700,489
170,691,631	94,719,539
208,242,191	184,539,862
5,381,310	8,403,148
202,860,881	176,136,714
141,037,837	32,105,476
343,898,718	208,242,191
2,000,000,000	2,000,000,000
1,964,655,000	1,455,300,000

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

Calculated as per BRPD Circular No. 10 dated 25 November 2002 and subsequent amended Circular No. 03 Dated 09 May 2004 and BRPD Circular No.05 dated 14.05.2007 respectively issued by Bangladesh Bank.

	31.12.2010 Taka	31.12.2009 Taka
Core Capital (Tier - 1)		
Paid up Capital	1,964,655,000	1,455,300,000
Statutory Reserve	1,824,692,334	1,559,657,251
General Reserve/Capital Reserve	40,000,000	40,000,000
Retained Earnings	429,988,786	543,442,599
	4,259,336,120	3,598,399,850
Supplementary Capital (Tier - 2)		
General Provision Maintained against Unclassified Loan	494,185,370	379,057,735
Provision for Off -Balance Sheet Items	212,001,430	146,404,350
Exchange Equalization	-	6,925,384
Revaluation Reserve of HTM and HFT Securities	107,549,915	162,775,304
	813,736,715	695,162,774
A. Total Eligible Capital (Tier-1 + Tier-2)	5,073,072,835	4,293,562,623
B. Risk Weighted Assets		
Balance Sheet Business	48,977,900,000	29,429,439,000
Off- Balance Sheet Business	4,929,100,000	2,421,259,000
Total Risk-weighted Assets	53,907,000,000	31,850,698,000
C. Required Capital on Risk Weighted Assets (9% on Total Risk Weighted Assets)	4,851,630,000	3,185,069,800
D. Capital Surplus / (Shortfall) [A-C]	221,442,835	1,108,492,823
Total Capital Ratio (%)	9.41	13.48
Capital Requirement	Held (%)	Held (%)
Core Capital (Tier-I)	7.90	11.30
Supplementary Capital (Tier - II)	1.51	2.18
Total	9.41	13.48
14. Statutory Reserve		
Opening Balance at the Beginning of the Year	1,559,657,252	1,295,263,804
Add: Addition During the Year (20% of pre-tax Profit)	265,035,082	264,393,447
Closing Balance at the End of the Year	1,824,692,334	1,559,657,251
As per section 24 of Bank Companies Act 1991, 20% of pre-tax profit has been transferred to Statutory Reserve Account.		
15. Other Reserve		
General Reserve	Note 15.1 40,000,000	40,000,000
Investment Revaluation Reserve	Note 15.2 215,099,831	325,550,608
	255,099,831	365,550,608
15.1 General Reserve		
Opening Balance at the Beginning of the Year	40,000,000	40,000,000
Add: Addition During the Year	-	-
Closing Balance at the End of the Year	40,000,000	40,000,000
The Bank has been maintaining this reserve as venture capital fund since 1999 for equity support to innovative but risky project.		
15.2 Investment Revaluation Reserve (Treasury Bills & Treasury Bonds)		
Revaluation Reserve for:		
Held to Maturity (HTM)	Note 15.2.1 -	-
Held for Trading	Note 15.2.2 226,569,035	326,687,077
Loss on revaluation/amortization of HTM Securities	(11,469,204)	(1,136,469)
	215,099,831	325,550,608

for the year ended 31 December 2010

15.2.1 Revaluation Reserve for Held to Maturity (HTM)

Opening Balance at the Beginning of the Year	-
Add: Addition During the Year	-
	-
Less :Adjustment (Loss on revaluation/amortization) during the year	-
Closing Balance at the End of the Year	-

15.2.2 Revaluation Reserve for Held for Trading (HFT)

Opening Balance at the Beginning of the Year	326,687,077
Add: Addition During the Year	27,559,607
	354,246,684
Less :Adjustment (Loss on revaluation/amortization) during the year	127,677,649
Closing Balance at the End of the Year	226,569,035

16. Surplus in Profit and Loss Account

Balance as on 1st January	543,442,599
Change in Accounting Policy (Deferred tax effect upto 2004)	-
Profit During the Year	395,901,187
Transferred to Other Reserve	-
Cash Dividend Paid During the Year	-
Issuance of Bonus Share	(509,355,000)
	429,988,786

16.1 Item-Wise Profit and Loss Account

Income:

Interest, Discount and Similar Income	4,980,870,303
Dividend Income	7,698,339
Fees, Commission and Brokerage	287,080,821
Gains less Losses Arising from Dealing in Foreign Currencies	368,223,009
Income from Non-Banking Assets	-
Other Operating Income	476,671,354
	6,120,543,826

Expenses:

Interest, Fee and Commission	3,033,562,579
Losses on Loans and Advances	-
Administrative Expenses	883,327,579
Other Operating Expenses	419,034,020
Depreciation on Banking Assets	67,569,180
	4,403,493,358

Profit Before Tax and Provision

17. Contingent Liabilities

Letters of Guarantee	1,350,964,214
Local Bills for Collection	37,471,365
Foreign Bills for Collection	874,240,877
Acceptances	5,367,167,387
Letters of Credit	13,485,802,046
Back to Back L/C	996,209,365
Travellers Cheques Stock	466,674
Value of Wage Earners Bond in Hand and others	49,150,203
	22,161,472,129

Note 17.1

31.12.2010 Taka	31.12.2009 Taka
-	22,301,347
-	-
-	22,301,347
-	22,301,347
-	-
326,687,077	10,749,043
27,559,607	523,079,768
354,246,684	533,828,810
127,677,649	207,141,733
226,569,035	326,687,077
543,442,599	304,512,647
-	-
395,901,187	384,459,952
-	-
-	-
(509,355,000)	(145,530,000)
429,988,786	543,442,599
4,980,870,303	4,638,492,647
7,698,339	500,000
287,080,821	203,661,357
368,223,009	251,562,290
-	-
476,671,354	68,086,553
6,120,543,826	5,162,302,847
3,033,562,579	2,873,969,387
-	-
883,327,579	471,113,147
419,034,020	207,470,980
67,569,180	60,190,043
4,403,493,358	3,612,743,557
1,717,050,467	1,549,559,290
1,350,964,214	1,492,242,760
37,471,365	272,959,186
874,240,877	1,101,283,556
5,367,167,387	1,935,585,288
13,485,802,046	10,651,469,367
996,209,365	561,137,865
466,674	54,406,100
49,150,203	522
22,161,472,129	16,069,084,643

for the year ended 31 December 2010

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 favouring:
Directors
Government
Bank and Other Financial Institutions
Others

31.12.2010 Taka	31.12.2009 Taka
-	511,280,349
9,025,175	39,145,455
1,341,939,039	941,816,957
1,350,964,214	1,492,242,760

18. Interest Income

- Interest on Loans/from Clients
Interest from Banks and Financial Institutions
Interest from Foreign Banks

3,925,746,571	3,140,512,336
533,322,559	733,304,633
60,708	3,354,258
4,459,129,838	3,877,171,227
122,085,197	-
4,337,044,641	3,877,171,227

Less: Interest Waiver

19. Interest Paid on Deposits & Borrowings

- On Fixed Deposit
On Short Term Deposit
On Savings Bank Deposit
Other Deposit schemes
On Borrowing from Bangladesh Bank and Other Financial Institutions

2,560,949,329	2,507,051,668
236,670,324	223,091,115
60,288,273	52,940,107
3,517,685	-
172,136,968	90,886,497
3,033,562,579	2,873,969,387

20. Income from Investment

- On Government Treasury Bill and Bond
On Debentures
Dividend on Shares
On Other Investment

Note 20.1

642,379,909	759,875,664
1,445,754	1,445,756
7,698,339	500,000
-	-
651,524,002	761,821,420

20.1 On Government Treasury Bill and Bond

- Interest on GT bill
Interest on GT bond
Interest on Reverse repo
Gain on sale of security
Gain on portfolio transfer
Total

-	33,274,726
639,575,994	616,741,965
2,803,915	-
-	87,986,094
-	21,872,879
642,379,909	759,875,664

21. Commission / Fees, Exchange Earnings & Brokerage

- Foreign bill purchased
Local Bill Purchased
Remittance
Letter of Guarantee
Letter of Credit
Bills for Collection
Acceptances
Export Bill
Miscellaneous (includes commission on sale of PSP,TC)

1,601,656	1,059,225
5,540,246	8,574,134
6,381,465	7,458,290
31,097,957	24,250,749
165,695,180	132,433,042
7,981,691	13,919,101
48,111,472	10,595,355
4,896,568	2,011,099
15,774,585	3,360,362
287,080,821	203,661,357

Exchange Gain

- Profit on Exchange Trading

368,223,009	251,562,290
655,303,829	455,223,647

for the year ended 31 December 2010

22. Other Operating Income

Various Fees
Rent (Go-down and locker)
Postage Charges
Telephone and Cable Charges
Miscellaneous/ Recovery of Telex/ swift Charges
Service Charges
Recoveries of Loan Previously Write Off
Recoveries and miscellaneous earnings
Profit on Repo trading
Profit on Sale of Fixed Assets
Extra ordinary gain (Exchange equalization)
Miscellaneous income
Non-operating income
Profit on sale of share trading

31.12.2010 Taka	31.12.2009 Taka
5,558,258	-
712,150	476,200
-	11,261,414
-	26,885
34,471,681	17,242,445
28,434,459	12,205,531
7,570,819	665,300
-	26,208,778
126,714,724	-
5,514,146	-
6,925,384	-
22,637,164	-
238,132,569	-
476,671,354	68,086,553

23. Salary and Allowances

Salaries
Allowances
Provident Fund
Pension Fund
Benevolent Fund
Gratuity Fund
Bonus
Superannuation Fund

235,246,344	155,479,732
273,298,328	159,424,273
19,367,663	12,747,017
34,805	54,385
10,834,708	8,380,155
141,171,598	32,105,476
192,174,133	83,547,278
5,000,000	3,500,000
877,127,579	455,238,315

24. Rent, Taxes, Insurance, Lighting Etc.

Rent
Rates, Taxes and VAT
Electricity and Heating
Insurance

64,498,830	45,562,913
1,324,134	1,697,817
13,803,033	11,362,066
6,342,182	12,319,330
85,968,179	70,942,126

25. Legal & Professional Expenses

Professional Fees
Stamps and Court Fees

431,334	1,993,410
3,704,393	169,298
4,135,727	2,162,708

26. Postage, Stamps, Telecommunication etc.

Postage
Telephone
Fax
Stamp
Internet and E-mail
Courier Services
Swift Subscription and cable Charges

95,739	375,692
7,169,015	6,401,483
31,148	-
70,480	-
10,221,916	-
5,728,392	5,787,715
4,536,523	1,246,616
27,853,213	13,811,507

27. Stationery, Printing, Advertisement etc.

Security Stationery
Printing Stationery
Other Stationery
Publicity, Advertisement and publication

2,087,028	1,038,652
7,506,601	8,178,637
8,468,700	8,076,237
12,709,991	7,901,138
30,772,319	25,194,665

28. Managing Director's Salary

Basic Salary
Allowances
Bonus

2,400,000	612,300
2,400,000	1,385,000
1,400,000	92,000
6,200,000	2,089,300

As at 31 December 2010

	31.12.2010 Taka	31.12.2009 Taka
29. Directors' Fees & Meeting Expenses		
Board meeting and audit committee meeting	1,140,000	664,000
Other meeting fees/benefits	-	156,000
	1,140,000	820,000
30. Depreciation of Bank's Assets		
Depreciation on own Assets		
Furniture and Fixture	7,599,942	6,963,122
Machinery and Equipment	46,627,172	40,049,012
Vehicles	13,296,089	13,131,933
	67,523,203	60,144,067
Depreciation on Leased Assets		
Lease Equipment/ Assets	45,977	45,977
	67,569,180	60,190,044
31. Repair & Maintenance of Bank's Assets		
Furniture and Fixture	1,152,324	1,369,007
Machinery and Equipment	9,776,365	5,244,812
Vehicles	5,142,875	3,788,017
Rented Premises	3,752,222	3,383,220
	19,823,786	13,785,056
32. Other Expenses		
Discount	2,723	26,907
Commission and Brokerage	448,166	870,890
Entertainment	18,355,550	17,472,007
Car Expenses	11,897,174	10,169,546
Subscription	2,337,766	1,659,701
Travelling	7,636,017	7,280,212
Cartage and Freight	-	178,966
Computer Expenses	9,578,035	5,610,097
ICT expenses	10,261,500	-
Staff Training and HR development Expenses	4,651,019	3,026,925
Donation	20,156,000	605,000
Management Fees	-	6,000
Welfare Fund	10,000,000	5,000,000
Loss on revaluation of HFT securitie	116,732,662	14,302,623
Other Audit Fee	25,675	391,425
Loss on exchange Trading	12,727,037	35,102
Price erosion of shares	8,810,258	-
Verious Committee Members Fees and Allowances	235,500	2,964,220
Miscellaneous	6,087,806	5,920,172
Non-operating loss(loss on sale of investment and fixed assets)	9,162,783	-
	249,105,671	75,519,792
No item of the miscellaneous expenses exceeds 1 percent of the total revenue expenses.		
33. Provision for Loans & Advances		
On Classified Loans & Advances As Per Bangladesh Bank Circul:Note 12.01	333,235,545	113,543,919
On Unclassified Loans & Advances Note 12.02	115,127,635	64,736,316
	448,363,180	178,280,235
34. Provision for Off Balance Sheet Exposures		
A provision of Tk. 212,001,430 has been made @ 1.00% on off balance sheet exposure (Acceptance & Endorsement, Letter of Credit & Letter of Guarantee) of which Tk. 65,597,080 made provision from current year profit as per BRPD Circular # 10 dated 18 September 2007. The total amount of provision of Tk. 212,001,430 will be treated as Supplementary Capital of the Bank.		

for the year ended 31 December 2010

35. Provision for Tax

Opening balance
Add: Propvision made for current years tax

Less: Adjustment made during the year

Closing balance

36. Deferred Tax

a) Computation of Deferred Tax

Tax Base of Depreciable Fixed Assets
Less: Carrying Amount
Deductible Temporary Difference **(A)**

Carrying Amount of Provision for Gratuity/Benevolent/Superannuation Fund:
Provision for Gratuity
Provision for Benevolent Fund(Provision -actual payment)
Provision for Superannuation Fund(Provision -actual payment)

Less: Tax Base
Deductible Temporary Difference **(B)**

Total Deductible Temporary Difference **(A+B)**

Effective Tax Rate
Deferred Tax Assets

b) Deferred Tax (Expenses)/Income

Closing Deferred Tax Assets
Opening Deferred Tax Assets
Deferred Tax (Expenses)/Income

37. Proposed Dividends

Bonus Share (5:1 and 9:1)
Cash Dividend

38. Analysis of Closing Cash and Cash Equivalent

Cash in hand and balance with Bangladesh bank and Sonali Bank
Cash with other Banks
Money at Call and Short Notice

39. Earning Per Share (EPS)

Net Profit after Tax (Numerator)
Number of Ordinary Share Outstanding (Denominator)
Earning Per Share (EPS)

39.1 Adjusting Earning per Share (Adjusting EPS) for 2009**

** Previous year's figure has been adjusted for the issue of 5,093,550 bonus shares and the adjusted EPS is Tk. 33.03.

40. Litigation Pending against Bank

There is no litigation pending against the Bank in the Year 2010.

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 10 branches and Head office of the Bank.

31.12.2010 Taka	31.12.2009 Taka
893,553,601	813,301,889
723,274,196	687,365,442
1,616,827,797	1,500,667,331
609,398,882	607,113,730
1,007,428,915	893,553,601
287,983,663	263,427,155
264,046,637	229,161,526
23,937,026	34,265,629
343,898,718	208,242,190
23,341,595	13,838,495
6,050,000	1,975,000
373,290,313	224,055,685
-	-
373,290,313	224,055,685
397,227,339	258,321,314
42.50%	42.50%
168,821,619	109,786,559
168,821,619	109,786,559
109,786,559	95,534,955
59,035,060	14,251,604
392,931,000	509,355,000
-	-
392,931,000	509,355,000
3,075,372,781	2,424,890,972
2,617,589,335	5,906,178,460
250,000,000	180,000,000
5,942,962,116	8,511,069,432
660,936,269	648,853,399
19,646,550	14,553,000
33.64	44.59

Annexure-A

NOSTRO Accounts - Outside Bangladesh

Name of the Bank	A/C Type	Currency name	2010			2009		
			Amount in FC	Conv. Rate per unit FC	Amount in BDT	Amount in FC	Conv. Rate per unit FC	Amount in BDT
1 BOTM, London	CD	GBP	28,197.51	109.75	3,094,589	276,000.30	110.80	30,580,557
2 Arif Habib(Rupali) Bank Karachi	CD	ACU\$	4,397.36	70.75	311,112	69,677.52	69.27	4,826,332
3 BOTM, Tokyo	CD	JAPY	24,398,061.80	0.8688	211,970.36	10,314,174.78	0.79	8,092,502
4 Mashreq Bank, NY	CD	USD	865,117.54	70.7497	612,068.06	507,433.41	69.27	35,148,238
5 CTT Bank Mumbai	CD	ACU\$	4,299.38	70.7497	304,179,845.2	20,241.88	69.27	1,402,088
6 Sonali Bank, Koli.	CD	ACU\$	666,615.92	70.75	47,162,876	395,297.31	69.27	27,380,940
7 Bank of Ceylon	CD	ACU\$	53,143.93	70.75	3,759,917	6,857.31	69.27	474,983
8 Citibank NA, NY(Exp)	CD	USD	4,224,447.88	70.75	298,878,420	311,877.31	69.27	21,602,712
9 SCB, Newyork	CD	USD	152,985.35	70.75	10,823,668	660,651.05	69.27	45,761,118
10 SCB, London	CD	EURO	-	-	-	131,438.63	101.22	13,304,350
11 SCB, Mumbai	CD	ACU\$	172,919.08	70.75	12,233,973	130,882.57	69.27	9,065,804
12 BCP, Geneva	CD	CHF	17,630.65	75.06	1,323,321	4,691.33	67.97	318,886
13 AMEX Frankfurt	CD	EURO	-	-	-	27,781.17	101.22	2,812,038
14 Wachovia Bank, NY	CD	USD	13,492.20	70.75	954,569	155,425.94	69.27	10,765,842
15 HSBC Newyork	CD	USD	742,954.54	70.75	52,563,811	1,668,122.68	69.27	115,545,353
16 ICICI Mumbai	CD	ACU\$	171,287.08	70.75	12,118,510	112,683.21	69.27	7,805,194
17 Sonali Bank Koli ACUEUR	CD	ACUEUR	6,847.50	93.63	641,133	2,400.00	101.22	242,930
18 Mashreq Bank, Mumbai	CD	ACU\$	142,258.59	70.75	10,064,753	-	-	-
19 SCB Frankfurt	CD	EURO	431,429.58	93.63	40,394,838	-	-	-
20 Sonali, London EUR	CD	EURO	75,280.40	93.63	7,048,519	-	-	-
21 Sonali Bank London	CD	GBP	38,774.88	109.75	4,255,423	-	-	-
22 Commercial Bank of Ceylon (TD)	Term Deposit(FDR)	USD	300,000.00	70.75	21,224,910	300,000.00	68.30	20,490,000
23 Commercial Bank of Ceylon (TD)	Term Deposit(FDR)	USD	213,966.68	70.75	14,149,940	213,966.68	64.34	13,766,800
24 Eastern Bank Limited (TD)	Term Deposit(FDR)	USD	165,650.45	70.75	11,719,720	157,950.00	65.29	10,312,350
Total					635,432,021			379,699,017

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

Investment in Shares as at 31 December 2010

Annex-B

Sl.	Particulars	Date of Purchase	No. Of Shares	Face Value (InTaka)	Cost Price (In Taka)	Market Value as at 31.12.2010 (In Taka)	Provision Exists in the accounts (In Taka)	Dividend received in 2010 (In Taka)
1	FIRST JANATA BANK MUTUAL FUND	22-Dec-10	119,000	1,190,000	1,514,279.25	1,547,000	-	-
2	ARAB BANGLADESH (AB) BANK LTD.	1-Dec-10	500	50,000	732,190.00	790,250	-	-
3	BEACON PHARMACEUTICALS LTD.	22-Dec-10	25,000	250,000	2,150,131.10	1,717,500	432,631	-
4	BEXIMCO LIMITED	20-Nov-10	20,000	200,000	6,380,757.60	6,230,000	150,758	-
5	BEXTEX LIMITED	22-Dec-10	85,000	850,000	7,288,416.86	6,485,500	802,917	-
6	BRAC BANK LTD.	8-Dec-10	2,000	200,000	1,725,260.60	1,712,500	12,761	-
7	BEXIMCO PHARMACEUTICALS LTD.	23-Dec-10	38,000	380,000	5,568,605.85	5,133,800	434,806	-
8	DHAKA ELECTRIC SUPPLY CO. LTD.	8-Dec-10	1,500	150,000	3,233,421.25	3,047,250	186,171	-
9	EXIM BANK OF BANGLADESH LTD.	1-Nov-10	75,000	750,000	4,567,915.00	4,552,500	15,415	-
10	FIRST SECURITY ISLAMI BANK LTD.	25-Nov-10	60,000	600,000	2,457,271.41	2,436,000	21,271	-
11	GOLDEN SON LTD.	22-Dec-10	37,000	370,000	1,110,000.00	3,785,100	-	-
12	GRAMEEN PHONE LTD.	21-Dec-10	2,000	20,000	452,639.50	491,600	-	-
13	HEIDELBERG CEMENT BD. LTD.	8-Dec-10	1,100	110,000	4,202,810.92	4,025,175	177,636	14,000
14	I P D C	5-Dec-10	1,000	100,000	723,912.88	687,750	36,163	-
15	KHULNA POWER COMPANY LTD.	22-Nov-10	77,200	772,000	11,125,662.31	8,522,880	2,602,782	-
16	M. I. CEMENT FACTORY LTD.	30-Nov-10	32,338	323,380	3,608,920.80	3,608,921	-	-
17	MEGHNA PETROLEUM LTD.	23-Nov-10	10,000	100,000	2,828,640.54	2,371,000	457,641	-
18	NAVANA CNG LIMITED	31-Oct-10	19,000	190,000	4,652,465.65	3,857,000	795,466	-
19	NATIONAL BANK LTD.	26-Dec-10	5,000	50,000	788,869.00	958,000	-	-
20	N C C BANK LTD.	26-Dec-10	8,250	82,500	524,902.50	567,600	-	-
21	POWER GRID CO. OF BANGLADESH LTD.	2-Dec-10	1,000	100,000	1,125,366.00	915,750	209,616	-
22	THE PREMIER BANK LTD.	25-Nov-10	10,000	100,000	590,856.00	644,000	-	-
23	PRIME FINANCE & INVESTMENT LTD.	9-Nov-10	8,000	80,000	3,975,892.00	3,727,200	248,692	-
24	RAK CERAMICS (BANGLADESH) LTD.	31-Oct-10	14,600	146,000	3,142,444.16	2,505,360	637,084	-
25	SHINEPUKUR CERAMICS LTD.	22-Nov-10	3,000	30,000	256,599.20	328,500	-	-
26	SQUARE PHARMACEUTICALS LTD.	23-Dec-10	2,200	220,000	8,252,218.61	7,748,400	503,819	-
27	STANDARD BANK LTD	2-Dec-10	500	50,000	232,059.76	323,000	-	-
28	SUMMIT POWER LTD.	8-Dec-10	35,000	350,000	5,220,113.50	4,903,500	316,614	-
29	TITAS GAS TRANSMISSION & D.C.L	26-Dec-10	9,500	950,000	10,475,407.23	9,490,500	984,907	-
30	UNITED AIRWAYS (BD) LIMITED	5-Dec-10	50	5,000	30,040.78	36,850	-	-
31	EASTERN BANK LTD.	27-Apr-93	2,860,660	28,606,600	20,367,899.20	370,169,404	-	7,416,880
32	ICB ISLAMIC BANK LTD.	29-May-08	2,684,000	26,840,000	26,840,000.00	52,069,600	-	-
33	TAMJUDDIN TEXTILE MILLS LTD.	2-Jan-92	5,000	500,000	500,000.00	385,000	115,000	25,000
34	MITHUN KNITTING LTD.	25-Aug-94	80	8,000	8,000.00	132,460	-	-
Total			6,252,478	64,723,480	146,653,969.46	515,906,850	9,142,148	7,455,880

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 31.12.2010			Outstanding as on 31.12.2009	Remarks
		Funded	Non funded	Total		
1	Mithun Tallu Group	4,595	2,262	6,857	6,656	
2	United Group	5,858	5,059	10,917	6,623	
3	A. H. Jute Spinning and Belting Ltd.	6,980	19	6,999	5,105	
4	Abulkhair Steel and Power Ltd.	-	-	-	5,442	
5	Usha and Paragon allied	5,149	2,867	8,016	4,842	
6	Anwar Jute	6,161	80	6,241	4,701	
7	National Tubes Ltd	5,484	2,242	7,726	-	
8	Sanji-Well Group	10,899	3,615	14,514	11,370	
9	M M Spinning Mills Ltd	4,332	1,863	6,195	4,550	
10	Ananda Shipyard Group	-	-	-	6,701	
Total		49,458	18,007	67,465	55,990	

Annexure-D

Schedule of Fixed Assets
As of 31 December 2010

Particulars	Cost Price			Rate of Dep.	Depreciation				Written Down Value as at 31.12.2010
	Balance as at 01.01.2010	Addition during the year	Disposal/Tra nsfer during the year		Balance as at 01.01.2010	Addition during the year	Transfer / Adjustment during the year	Balance as at 31.12.2010	
Furniture and Fixtures	117,150,935	20,028,640	(1,255,321)	10%	135,924,255	7,599,942	(946,711)	56,940,059	78,984,196
Equipment and Computer	317,802,601	53,240,007	(53,090)	20%	370,989,518	46,627,172	(53,089)	229,479,942	141,509,576
Vehicles	101,361,369	45,070,001	(11,598,576)	25%	134,832,794	13,296,089	(11,598,564)	75,658,216	59,174,578
Leasehold Assets	4,000,000	-	-		4,000,000	45,977	-	551,724	3,448,276
Total 2010	540,314,905	118,338,649	(12,906,987)		645,746,567	67,569,180	(12,598,364)	362,629,941	283,116,626
Total 2009	476,585,929	64,946,906	(1,217,930)		540,314,905	60,190,044	(751,471)	307,659,125	232,655,780

Managing Director (In-Charge)

Sk. Monzur Morshed

Deputy Managing Director

Fazlus Sobhan

Abdul Hadi Gholam Sanjari

Kanak Kumar Purkayastha

Md. Shahabad Doza

General Managers

Abdul Qayum Mohammad Kibriya

Md. Zainul Abedin Choudhury

Shahadat Hossain

Md. Wahidul Alam

Kh. Shamim Hasan

Md. Mozammel Hossain

A. Monaem Khan

Company Secretary

Md. Shah Alam Bhuiyan

Deputy General Managers

Hasan Tanvir

Mohammed Mosharraf Hossain

Md. Abul Hashem

Shaikh Md. Abdur Razzaque

Syed Mushahid Ahmed

Md. Omar Faruque

Mohammad Moniruzzaman

Abdul Adud

Md. Kabir Uddin

Md. Abul Kalam Azad

Md. Emdadul Haque

A.K.M Masudur Rahman

Mohammad Ali

Khan Iqbal Hasan

Md. Salim

Md. Ismail

Mohammed Ali

Ahmad Hossain

Abu Md. Mofazzal

Golam Faruk Khan

Assistant General Managers

Md. Moktadir Hossain

Humayun Kabir

Jan-E-Alam Sheikh

Nurur Rahman Chowdhury

Mariom Begum

S.M. Ataur Rahman

Saifur Rahman

Md. Momenul Haque

Abdus Sabur

Md. Masum Uddin Khan

Mohammad Faruk Hossain

Mahbub Alam Khan

Niranjana Chandra Debnath

Niaz Musawwir Shah

Md. Fida Hasan

Arif Hossain

Md. Harun-Ur-Rashid

Mohammed Idris Bhuiyan

Md. Mahbubul Alam

Md. Ashrafuzzaman

Md. Al-Amin

A.M. Shahed Husain

Md. Abdus Satter Khan

Md. Khosh Newaz

ASM Rowshanul Haque

Shakir Mahmud Sharafuddin

Shawkot Mahmood

Md. Mahmud Hasan

Md. Rezaul Alam

Moinul Islam

Md. Mahabubul Alam

Kaafi Mahmud Sarker

Md. Abdul Maleque Kibria

Helena Perveen

Jahir Uddin Ahmed

Md. Abdul Gofur Talukder

Md. Kamrul Islam

Shiper Ahmed

Executives on Contract

Md. Korban Ali

Kazzal Kanti Datta

Kazi Siddiqur Rahman

Md. Anwar Hossain

Managers as Branch In-Charge

Faisal Shah Qureshi

Ekramul Bari

Md. Shariful Islam

SK. Mahfuzur Rahman

Md. Salequr Rahman

Md. Masud Hasan



MAIN BRANCH

Bana Shilpa Bhaban (Ground floor)
73 Motijheel C/A, Dhaka-1000
Tel : 88-02-9563068, 9553322, 9570713
Fax : 88-02-9569417
SWIFT : BKSIBDDH002
E-mail : main@basicbanklimited.com



DILKUSHA BRANCH

13 Dilkusha C/A, Dhaka-1000
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BANGSHAL BRANCH

230 North South Road
Bangshal, Dhaka-1100
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Fax : 88-02-9557141
SWIFT : BKSIBDDH006
E-mail : bangshal@basicbanklimited.com



SHANTINAGAR BRANCH

Concord Grand (1st floor)
169/1, Shantinagar Road, Dhaka-1217
Tel : 02-9337441, 8314057, 9348056, 9347547
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GULSHAN BRANCH

112 Gulshan Avenue
Gulshan, Dhaka-1212
Tel : 02-9883501-2, 9862127
Fax : 02-8857307
SWIFT : BKSIBDDH021
E-mail : gulshan@basicbanklimited.com



MIRPUR BRANCH

BSCIC Electronics Complex, Industrial Plot No. 1/1
Section 7, Avenue 4, Road No. 3 Pallabi, Dhaka-1221
Tel : 02-9006249-50, Fax : 02-9011732
SWIFT : BKSIBDDH022
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BABUBAZAR BRANCH

Hajee Yusuf Mansion (1st floor)
56 Mitford Road, Babubazar, Dhaka-1100
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SWIFT : BKSIBDDH023
E-mail : babubazar@basicbanklimited.com



UTTARA BRANCH

Plot No. 67/A (1st floor), Rabindra Saroni
Sector - 7, Uttara Model Town, Dhaka-1230.
Tel : 02-8961032, Fax : 02-8961031
E-mail : uttara@basicbanklimited.com



MOULVIBAZAR BRANCH

Gulbadhan Market (1st floor)
4 Moulvibazar, Dhaka-1211
Tel : 02-7315356, 7316991
Fax : 02-7341740
SWIFT : BKSIBDDH024
E-mail : moulvibazar@basicbanklimited.com



DHANMONDI BRANCH

Manna's Tower (1st floor), House # 54
Road # 4/A, Satmasjid Road,
Dhanmodi R/A, Dhaka-1209
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E-mail : dhanmondi@basicbanklimited.com



KARWAN BAZAR BRANCH

Latif Tower, 47 Karwan Bazar
Dhaka-1215
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Fax : 02-914 6364
E-mail : karwanbazar@basicbanklimited.com



TANBAZAR BRANCH

55/21 S.T.S Tower, S.M Maleh Road
Tanbazar, Narayanganj-1400
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SWIFT : BKSIBDDH014
E-mail : tanbazar@basicbanklimited.com



NARSINGDI BRANCH

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Narsingdi - 1600
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Fax : 9451631
E-mail : narsingdi@basicbanklimited.com



Gazipur Chowrasta Branch

Noor Plaza (1st floor), Gazipur Chowrasta
Mymensingh Road, Gazipur
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Fax : 02-9263197
E-mail : gazipurchowrasta@basicbanklimited.com



AGRABAD BRANCH

Pine View (Ground floor)
100 Agrabad C/A, Chittagong-4100
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KHATUNGANJ BRANCH

193 Khatunganj
Chittagong-4000
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JUBILEE ROAD BRANCH

G.R. Plaza, 5 Jubilee Road, Chittagong- 4000
Tel : 031-634879, 638305, Fax : 031-2851738
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SHOLASHAHAR BRANCH

Proskov Bhaban (1st floor), 110 CDA Avenue,
Nasirabad, Muradpur, Chittagong
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CEPZ BRANCH

Moon Tower (1st Floor), E.P.Z Gate
South Halishahar, Chittagong- 4100
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ASADGANJ BRANCH

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DEWANHAT BRANCH

4/B D.T Road, Postarpar
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COMILLA BRANCH

156/162 A.K. Fazlul Haque Road
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ZINDABAZAR BRANCH

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CHOWMUHANA BRANCH

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BARISAL BRANCH

102, Chawkbazar Road, Barisal
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E-mail : barisal@basicbanklimited.com



BOGRA BRANCH

Bhabani Shachin Bhaban
Hari Dashi Market, 120 Baragola, Bogra-5800
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SAIDPUR BRANCH

T. R. Road (Dinajpur Road), Saidpur 5310, Nilphamari
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RAJSHAHI BRANCH

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SIRAJGANJ BRANCH

Shapneel Shopping Complex
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RANGPUR BRANCH

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KHULNA BRANCH

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Fax : 041-812255
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JESSORE BRANCH

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

Savar New Market, Holding No. 3 Ward No. 7
Savar, Dhaka. Tel : 7745582, Fax : 7745581
E-mail : savar@basicbanklimited.com



TUNGIPARA BRANCH

220, Poura Super Market, Patgati Bazar, Tungipara
Gopalganj. Tel : 06655-56465, Fax : 06655-56466
E-mail : tungipara@basicbanklimited.com

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



Proposed New Branches of the Bank

Banani Branch

Prasad Trade Centre, 6, Kemal Ataturk Avenue
Banani, Dhaka.

Islampur Branch

Holding no-6-7, Islampur Road, Islampur, Dhaka.

Chandpur Branch

Sri Sri Kalimandir, Comilla Road, Chandpur.

Fakirhat Branch

Sheikh Matiru Rahman Market (1st Floor)
Old Dhaka Road, Fakirhat Bazar, Fakirhat, Bagherhat.

Kushtia Branch

Biswas Super Market (1st Floor)
95/170 N.S. Road, Thana Para, Kushtia.

Proposed SME/Krishi Shakha of the Bank

Belkuchi Shakha

Bhuiyan Plaza, Mukundoganti Bazar,
Shernagar, Belkuchi, Sirajganj.

Madhabdi Shakha

Bank Para, Madhabdi
Narsingdi.

Mouna Shakha

Hamida Complex
Mouna Chowrasta, Gazipur.

ATM Booths of the Bank

Gulshan Booth

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

Uttara Booth

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

Bashundhara City Booth, Dhaka

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

Rifles Square Booth, Dhaka

Rifles Square Market Complex Peelkhana
Dhaka-1209

CDA Booth, Chittagong

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

Proposed Places of Branch :

01. New Market, Dhaka
02. Mohammadpur, Dhaka
03. Mohakhali, Dhaka
04. Bashundhara, Dhaka
05. Siddhirgonj, Narayanganj
06. Mymensingh
07. Faridpur
08. Gopalganj
09. Lohaghara, Chittagong
10. Chowmuhani, Noakhali
11. Naogaon
12. Dinajpur
13. Panchagar
14. KDA Avenue, Khulna
15. Navaron, Jessore
16. Satkhira

Proposed Places of SME/Krishi Shakha :

01. Elenga, Tangail
02. Dholaikhal, Dhaka
03. Vulta, Narayanganj
04. Kamrangirchar, Dhaka
05. Baridhara, Dhaka
06. Tekerhat, Madaripur
07. Bhairab, Kishoregonj
08. Pahartali, Chittagong
09. Chapainawabgonj
10. Jhikorghacha, Jessore
11. Daulatpur, Khulna
12. Bishawnath, Sylhet

Proposed Places of Booths :

01. Sena Kalyan Bhaban, Dhaka
02. Zindabazar, Sylhet
03. Monohorpur, Comilla
04. Gazipur Chowrasta, Gazipur
05. Madhobdi, Narshingdi
06. New Market / Nilkhet, Dhaka.
07. Malibagh / Kharail Chowrasta, Dhaka
08. B.B. Road/ Nitaigonj, Narayanganj.
09. Agrabad, Chittagong
10. Kandirpar, Comilla.
11. Rajshahi New Market, Rajshahi.
12. Royal Chowrasta / Shibbari Chowrasta
Khulna.
13. Zindabazar / Al-Hamra Market, Sylhet.



The Honorable Chairman of the Bank are with the honorable guests in the last year Annual Congregation program of the Bank



The honorable Governor of Bangladesh Bank is receiving flowers from the Managing Director (In-Charge) of the Bank at Bogra on the Agro based Light Engineering Industry Exhibition Fair. Other Executives of the Bank were also present



The honorable Governor of Bangladesh Bank is receiving a Cheque from our General Manager as a loan for the SME entrepreneurs at the SME Financing Fair at Chittagong.



The Managing Director (In-Charge) of the Bank and Executive Director of Bangladesh Bank is Exchanging an Agreement for the SME Refinance Scheme



Bangladesh





BASIC Bank Limited

Serving people for progress

A STATE OWNED SCHEDULED BANK

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