

2012



Serving people for progress

A STATE OWNED SCHEDULED BANK

Annual Report 2012



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

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

Registered Office

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

Head Office

Sena Kalyan Bhaban
(5th, 6th, 7th, 12th & 19th floor)
195, Motijheel Commercial Area
Dhaka-1000, Bangladesh

Incorporation

August 2, 1988

Commercial Operation

January 21, 1989

Contacts

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Webstie : www.basicbanklimited.com
SWIFT : BKSIBDDH



BANGLADESH BANK

(Central Bank of Bangladesh)

Dr. Atiur Rahman
Governor

Ref : ACFID(MD)/101(3)/2012- 1412

Date-21 October, 2012

Managing Director
BASIC Bank Limited
Head Office
Dhaka.

Letter of Appreciation

Bangladesh Bank would like to thank you and your bank for achieving disbursement target of Agricultural/Rural Credit for the year 2011-2012. It will be highly appreciated if you continue your drive in the year 2012-2013 as well.

(Dr. Atiur Rahman)

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“As recognition and feat for contribution to **Agriculture**, bank received **Letter of Appreciation** from the **Governor of the Bangladesh Bank** for fulfilling target set for the FY 2011-2012”

Profile



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

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

Adjudged one of the soundest banks in Bangladesh, BASIC Bank is unique in its objectives. It is blend of development and commercial banking function mix. It is one of the specialized banks in Bangladesh which takes pride itself as the pioneer in financing to small and medium scale industries. By-laws of constitution the bank is obliged to invest its 50% loanable fund for development and growth of Small and Medium Scale industries accommodating the growing number of non-farming labor force. Our motto is to boost Small and Medium industries as it is now being treated as employment generating machine across the world for creating employment opportunities and thus to reduce poverty and raise income of the developing society.

With the prudent and true guidance of the Board, BASIC continued to register growth in prime areas-expansion through opening of new branches, launching on-line services and widening ATM card facility covering broader area and targeting opening of exchange houses abroad and notable achievement in profit, capital and assets. Our achievement over the years offers ample testimony of success in the strength of our industrial-commercial focused based business mix, as well as the exercising franchise of client-oriented model of banking that allowed us to overcome all barriers and contemporary challenges of the time.

Being treated as development bank BASIC works with local and international agencies like Government





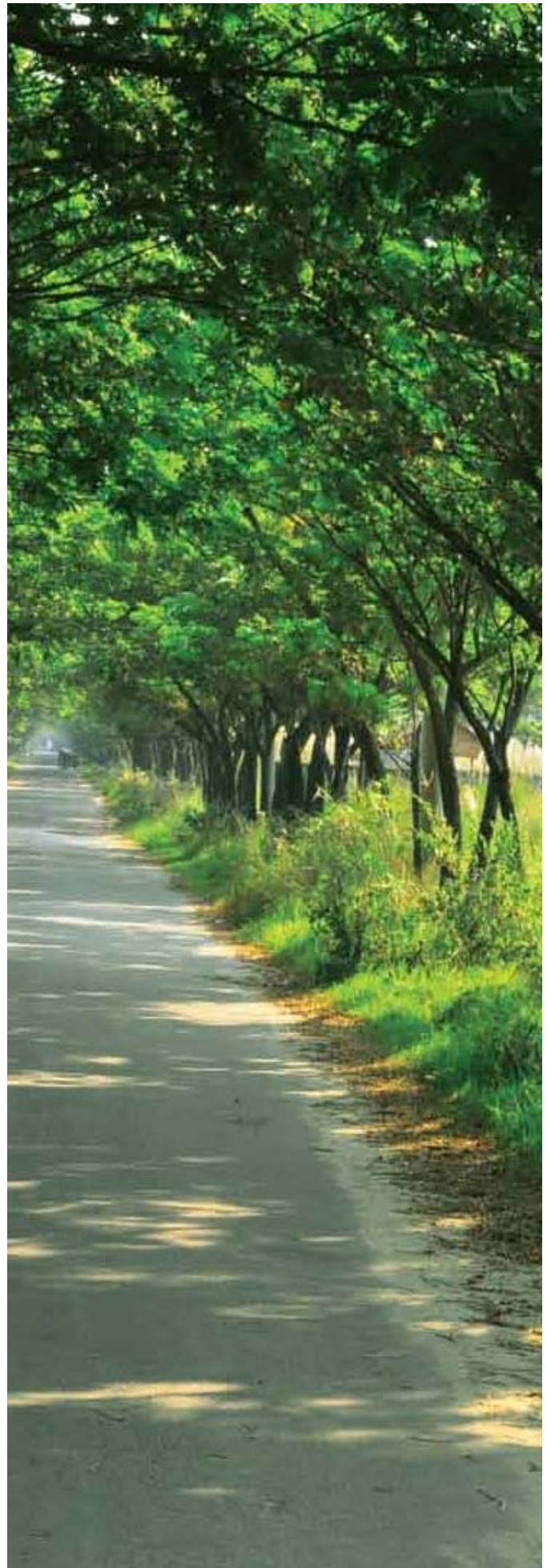
► Profile

Ministries, ADB and internationally reputed local NGOs, as a development partner for implementing various development project of the government for developing agribusiness in expansion of down streaming activities of the agriculture sector for rural employment and popularizing and enhancing High Yield crop production aiming at reduction of poverty through creating employment opportunities side by side with ensuring food security, fair pricing of agriculture commodity and uplifting of living standard of the rural people.

Besides, BASIC started working with different renowned NGO/MFI under joint venture, since beginning period of the bank from the point of view of corporate social responsibility for eradication of extreme poverty of the society, specially for poor women under bank's own micro credit scheme.

Apart from this, for development of agriculture sector BASIC is concerned from the very beginning of its instituting with providing loan to farmers directly at field level and to different agro-based processing industries at soft interest rate. As recognition and feat for contribution to Agriculture, bank received Letter of Appreciation from the Governor of the Bangladesh Bank for fulfilling target set for the FY 2011-2012.

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



Board of Directors



Mr. Sheikh Abdul Hye Bacchu
Chairman
BASIC Bank Limited



Mr. Fakhruul Islam
Director
BASIC Bank Limited &
Former Chairman, BSCIC &
Chairman, Bangladesh Economic Zone Authority



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



► Board of Directors



Mr. Shyam Sunder Sikder
Director
BASIC Bank Limited &
Chairman

Bangladesh Small and Cottage Industries Corporation (BSCIC)



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



Ms. Quamrun Naher Ahmed
Director
BASIC Bank Limited &
Joint Secretary

Bank and Financial Institutions Division
Ministry of Finance



Mr. AKM Rezaur Rahman
Director
BASIC Bank Limited &
Former Additional Secretary



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



Mr. AKM Kamrul Islam, FCA
Director
BASIC Bank Limited &
Partner
Islam Aftab Kamrul & Co.
Chartered Accountants



Mr. Anis Ahamad
Director
BASIC Bank Limited &
Assistant Editor
Uttaran



Mr. Kazi Faqurul Islam
Managing Director
BASIC Bank Limited





Members of the Audit Committee



Convener

Mr. Fakhru Islam

Director
BASIC Bank Limited &
Former Chairman, BSCIC &
Chairman, Bangladesh Economic Zone Authority

Member

Mr. Shubhashish Bose

Director
BASIC Bank Limited &
Vice Chairman
Export Promotion Bureau

Member

Mr. Md. Anwarul Islam, FCMA

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

Member

Mr. AKM Kamrul Islam, FCA

Director
BASIC Bank Limited &
Partner
Islam Aftab Kamrul & Co.
Chartered Accountants

Company Auditors

Syful Shamsul Alam & Co.

Chartered Accountants

Aziz Halim Khair Choudhury

Chartered Accountants



“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”

Pioneer in SME financing BASIC Bank Limited, a specialized bank blending of development and commercial banking mix, has already created its stance in the banking arena providing its clients with a full range of customer franchise services to help them grow in assets and net worth.

Before coming into focus and getting momentum the concept of SME as employment generating machine in the recent, BASIC started its journey long back in 1989 with the motto to exclusively invest in Small and Medium scale industries by allocating its 50% loanable fund. At present Bank has wider net-work through its branches which are acting as SME centre side by side with its identity as branch. We place particular emphasis on small business, quality assets and steady and sustainable growth. We offer project loan (term loan) to clients, especially to develop small and medium scale industrial enterprises for processing and manufacturing goods and services. We facilitate full-fledged commercial banking services like collection of deposits, short term trade finance and working capital finance in trading unit side by side with providing international trade services.

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, semi urban poor people and farmers in rural areas through linkage with NGOs with a view to facilitate their access to formal financial market for mobilization of resources is another diversification of our services.

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

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

► Our Approach

Our strategic direction focuses on broad-head priorities and to execute the strategies we plan to start big and build momentum in 2013

- Being number one bank in Bangladesh.
- To keep uphold our position as pioneer in SME financial services and to bring more momentum in the coming year.
- To grow product portfolio with focus on SME need based financial services in line with market demand under new challenging situation.
- Drive consumer finance to cater to the need of middle income group people in urban and rural area.
- Expand geographical reach in the major part of the country and abroad.
- Intensify cooperate and coordination with Government and large national and international corporate agencies like ADB for mutual beneficial relationship.
- Manage credit risk effectively.
- Maintaining quality asset and net-worth of the institution and strive to contain deviation at zero level.

Balance Sheet Management

- Strengthening our capital and asset base and improve our funding positions with adopting diversified strategies.
- Optimum utilisation of fund and capital ensuring diversified investment with utmost precaution.

Customer Service

- Simplify processes and providing services at minimal cost.
- Broadening areas of customer service like on-line facilities, ATM, opening branch and exchange houses abroad.
- Prioritize sound lending to productive sectors with simplified processes and at competitive price.
- Adopting new technology to make our human resources updated, efficient and competitive to ensure better customer services.

Create a sustainable brand

- Ensure good governance and transparency
- Increase contribution to the national exchequer through increasing profitability
- Increase support to abject poor specially women through micro credit scheme of the bank.

Culturing talent through skill development

- Provide on and off the job training for developing high skilled talent pool.
- Maintain congenial working atmospheres to have the best output from the employee.
- Ensuring attractive competitive benefit packages and promotion.
- Promote and nurturing talent to maintain standard and practice corporate culture.



NOTICE OF THE TWENTY FOURTH ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting of BASIC Bank Limited (Bangladesh Small Industries and Commerce Bank Limited) will be held on Thursday, June 27, 2013 at Bank's Head Office at 10:30 A.M. 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, 2012;
02. To elect Directors in place of those who will retire in accordance with the provisions of Articles 105, 106 and 107 of the Articles of Association of the Bank whereas the retiring Directors are eligible for re-election/ re-nomination;
03. To appoint Auditors for the Bank as per Article 144 of the Articles of Association of the Bank for the term until the next Annual General Meeting and to fix their remuneration as per Article 145 of the Articles of Association of the Bank;

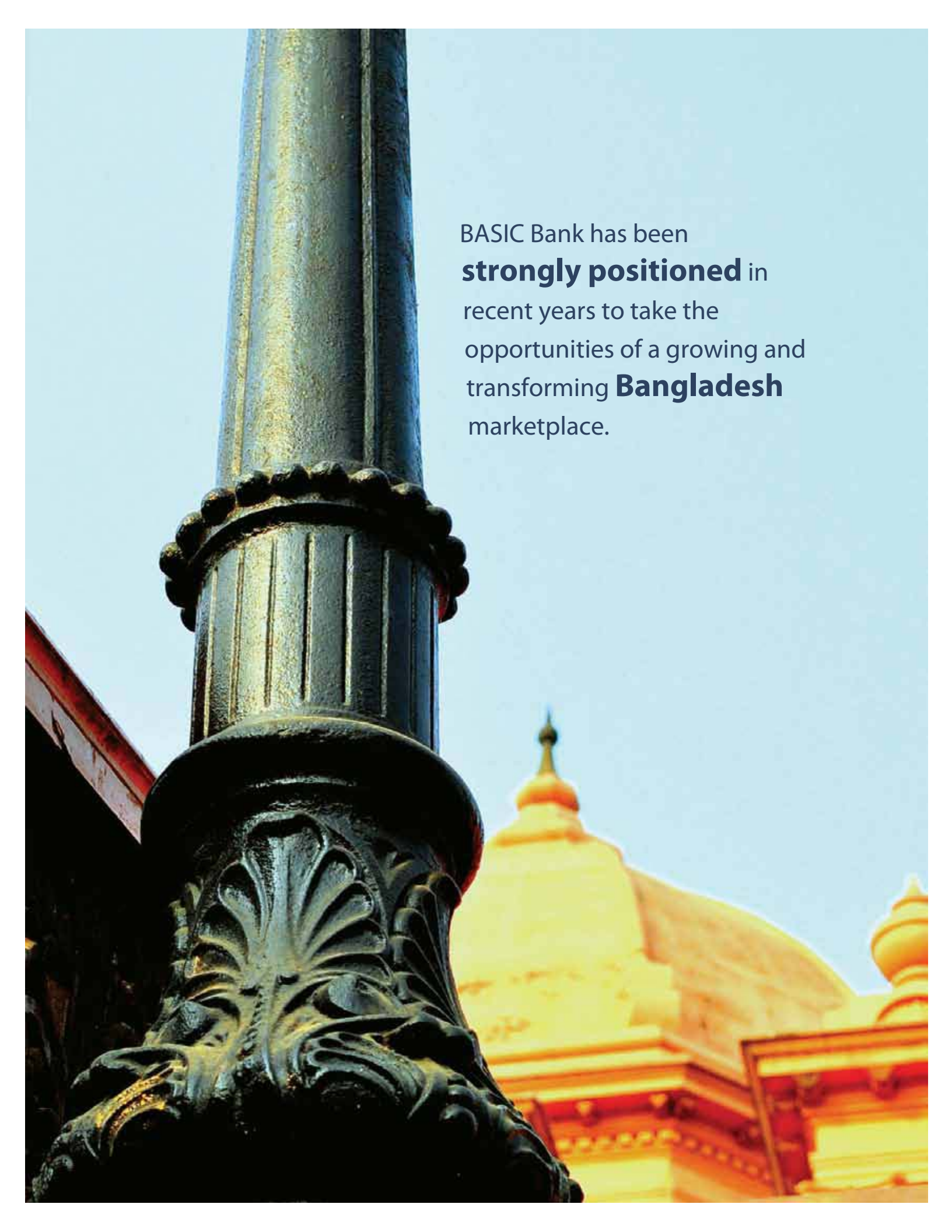
By order of the Board of Directors



Md. Shah Alam Bhuiyan
Company Secretary

Dated; Dhaka
June 13, 2013



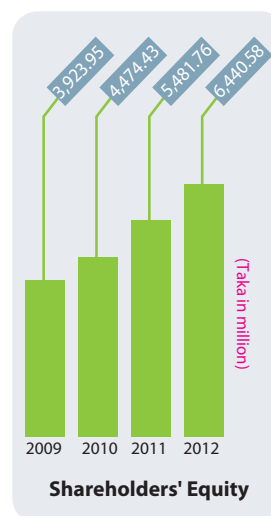


BASIC Bank has been
strongly positioned in
recent years to take the
opportunities of a growing and
transforming **Bangladesh**
marketplace.

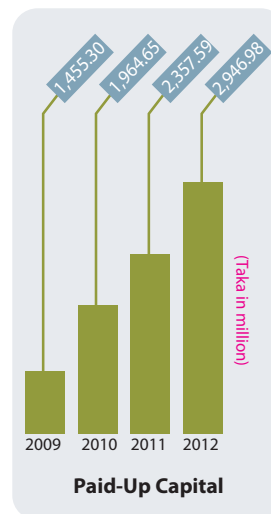
Twenty Four Years of BASIC Bank



	2012	2011	2010	2009
A. From the Balance Sheet (Million Taka)				
Authorized Capital	5,000.00	5,000.00	2000.00	2000.00
Paid-up Capital	2,946.98	2357.59	1964.65	1455.30
Reserve and Surplus	3493.60	3124.17	2509.78	2468.65
Shareholders' Equity	6,440.58	5481.76	4474.43	3923.95
Fixed Assets	526.82	364.46	283.12	232.65
Total Assets	109,682.06	78031.73	61569.38	45308.31
Deposits	87,693.23	62650.73	49259.60	34501.69
Long- term Debt	5,492.93	2788.15	2718.46	2875.16
Loans and Advances	85,955.76	56884.76	46341.51	29261.53
Placement & Investment	14,111.57	13760.82	9294.02	12244.91

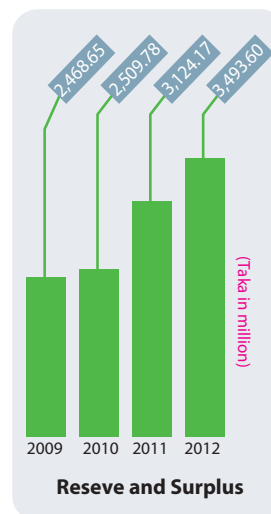


B. From the Income Statement (Million Taka)				
Gross Income	13,402.26	8825.2	6120.53	5162.3
Gross Expenditure	10,792.18	6476.7	4403.49	3593.96
Profit before Tax and provision	2610.08	2348.5	1717.05	1568.34
Profit after Tax	27.89	976.11	660.93	648.85
Tax Paid (cumulative)	7,066.80	5987.61	4948.64	4225.37



C. Others (Million Taka)				
Import Business	37,093.50	47087.80	42205.9	33976.6
Export Business	29,939.20	33061.10	23998.8	19887.7

D. Financial Ratios (Percentage)				
Capital Adequacy Ratio	10.05	10.13	9.41	13.48
Capital Fund to Deposit Liabilities	7.34	8.75	9.08	11.37
Liquid Assets to Deposit Liabilities	9.91	14.28	12.06	24.67
Loan to Deposit Liabilities	91.75%	87.74	94.08	84.81
Earning Assets to Deposit Liabilities	105.56	108.22	81.55	116.44
After Tax Return on Average Assets	0.03	1.40	1.24	1.41
Net profit to Gross Income	0.21	11.06	10.80	12.57
Interest Margin Cover	110.17	139.76	95.15	135.79
After Tax Return on Equity	0.47	19.61	14.95	18.79
SMI/SSI Loan and Micro Credit to Loanable Fund	52.12	54.67	56.78	56.93



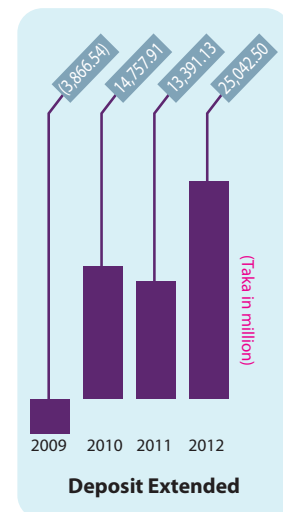
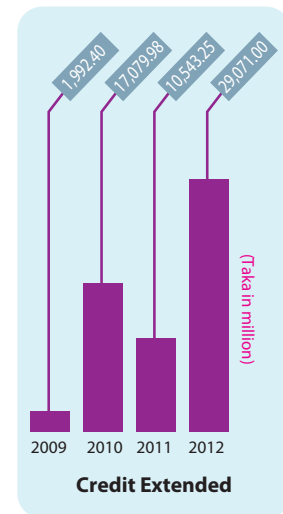
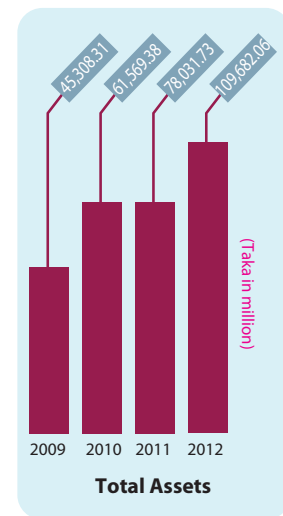
Number of Branches	62	45	34	32
Number of Employees	1,657	1132	964	776
Deposit per employee (Million Taka)	52.92	55.35	51.10	44.46
Advance per employee (Million Taka)	51.87	50.25	48.07	37.71
Profit before tax per employee (Million Taka)	1.58	2.07	1.78	2.02



► Twenty Four Years of BASIC

	2008	2007	2006	2005	2004	2003
A. From the Balance Sheet (Million Taka)						
Authorized Capital	2000.00	2000.00	2,000.00	2,000.00	2,000.00	2,000.00
Paid-up Capital	1309.77	1247.40	945.00	810.00	675.00	450.00
Reserve and Surplus	1672.82	1349.17	1,294.00	916.14	816.23	799.29
Shareholders' Equity	2982.59	2596.58	2,239.00	1,726.14	1,491.23	1,249.29
Fixed Assets	228.36	196.11	154.52	135.78	101.41	73.49
Total Assets	46660.03	38773.91	29,417.09	27,136.37	19,436.57	14,766.32
Deposits	38368.23	31947.98	24,084.65	22,325.58	15,509.18	11,266.54
Long- term Debt	1708.4	1385.81	830.06	937.51	839.61	690.95
Loans and Advances	27269.13	22263.35	19,000.00	15,339.35	12,000.15	9,282.20
Placement & Investment	15659.03	13560.92	8,212.23	10,236.82	6,098.51	4,361.93
B. From the Income Statement (Million Taka)						
Gross Income	5060.29	3549.51	2,870.32	2,228.21	1768.85	1,558.52
Gross Expenditure	3526.35	2458.41	1,858.69	1,599.77	1241.63	1,004.85
Profit before Tax and provision	1533.94	1091.10	1,011.62	628.44	527.22	553.67
Profit after Tax	549.86	282.96	554.14	285.49	291.48	236.39
Tax Paid (cumulative)	3538.01	2790.98	2,245.16	1,777.70	1,434.76	1,199.02
C. Others (Million Taka)						
Import Business	27359.77	21266.57	17,804.27	14,094.96	12,507.80	9,882.80
Export Business	22270.87	16794.96	15,463.74	11,097.23	7,908.00	6,933.90
D. Financial Ratios (Percentage)						
Capital Adequacy Ratio	12.04	12.91	11.98	11.77	12.49	12.57
Capital Fund to Deposit Liabilities	7.81	9.23	10.34	10.36	10.47	10.65
Liquid Assets to Deposit Liabilities	47.70	49.10	40.42	58.01	50.56	51.05
Loan to Deposit Liabilities	71.07	69.69	78.89	69.74	77.37	82.39
Earning Assets to Deposit Liabilities	114.69	109.70	112.99	114.56	116.70	121.10
After Tax Return on Average Assets	1.30	0.83	1.96	1.23	1.70	1.70
Net profit to Gross Income	10.87	7.97	19.31	12.81	16.48	15.17
Interest Margin Cover	137.08	176.80	211.72	214.56	205.07	210.87
After Tax Return on Equity	19.68	11.70	27.82	17.75	21.27	20.90
SMI/SSI Loan and Micro Credit to Loanable Fund	59.32	56.73	53.43	50.66	62.21	59.16
Number of Branches	31	31	28	27	27	26
Number of Employees	735	721	651	601	578	523
Deposit per employee (Million Taka)	52.20	44.31	37.00	37.15	26.83	21.54
Advance per employee (Million Taka)	37.10	30.88	29.19	25.52	20.76	17.75
Profit before tax per employee (Million Taka)	2.09	1.51	1.55	1.05	0.91	1.06

	2002	2001	2000	1999
A. From the Balance Sheet (Million Taka)				
Authorized Capital	500.00	500.00	500.00	500.00
Paid-up Capital	300.00	300.00	240.00	160.00
Reserve and Surplus	712.90	461.39	457.77	424.43
Shareholders' Equity	1,012.90	761.35	697.77	584.43
Fixed Assets	76.68	65.73	51.11	37.83
Total Assets	13,019.42	9,721.93	7,730.67	7,173.17
Deposits	10,021.24	7,512.62	5,845.15	5,647.93
Long- term Debt	676.51	582.82	555.98	368.85
Loans and Advances	7,957.04	6,260.78	4,618.73	3,960.11
Placement & Investment	3,988.76	2,605.23	2,462.17	2,021.19
B. From the Income Statement (Million Taka)				
Gross Income	1,290.66	1,041.76	877.48	794.59
Gross Expenditure	856.15	685.64	573.30	528.01
Profit before Tax and provision	434.51	356.12	304.18	266.58
Profit after Tax	251.55	213.67	173.34	159.95
Tax Paid (cumulative)	881.73	698.76	556.31	425.47
C. Others (Million Taka)				
Import Business	8,645.00	7,542.80	7,948.00	7,391.10
Export Business	5,557.60	5,957.90	5,557.00	5,060.30
D. Financial Ratios (Percentage)				
Capital Adequacy Ratio	13.20	12.49	15.30	14.27
Capital Fund to Deposit Liabilities	10.11	10.13	11.94	10.34
Liquid Assets to Deposit Liabilities	54.80	51.47	59.52	59.09
Loan to Deposit Liabilities	79.40	83.34	79.02	66.71
Earning Assets to Deposit Liabilities	119.20	118.01	117.74	85.34
After Tax Return on Average Assets	2.20	2.45	2.33	2.50
Net profit to Gross Income	19.35	20.51	19.75	20.45
Interest Margin Cover	187.00	173.91	150.67	112.67
After Tax Return on Equity	28.18	28.06	27.04	30.21
SMI/SSI Loan and Micro Credit to Loanable Fund	63.00	50.18	46.96	40.09
Operational Performance				
Number of Branches	26	25	25	23
Number of Employees	510	497.00	453	417
Deposit per employee (Million Taka)	19.65	15.12	12.90	13.54
Advance per employee (Million Taka)	15.60	12.60	10.20	9.50
Profit before tax per employee (Million Taka)	0.85	0.72	0.67	0.64



► Twenty Four Years of BASIC

	1998	1997	1996	1995	1994	1993
A. From the Balance Sheet (Million Taka)						
Authorized Capital	500.00	500.00	100.00	100.00	100.00	100.00
Paid-up Capital	80.00	80.00	80.00	80.00	80.00	80.00
Reserve and Surplus	394.48	258.34	163.73	105.96	53.49	27.81
Shareholders' Equity	474.48	338.34	243.73	185.96	133.49	107.81
Fixed Assets	41.96	36.39	25.45	21.27	21.37	20.82
Total Assets	5620.57	4350.14	3962.55	3280.16	2,609.85	2,321.13
Deposits	4,551.48	3,541.60	3,357.05	2,773.73	2,241.33	1,977.60
Long- term Debt	344.61	273.29	196.45	166.08	119.68	122.18
Loans and Advances	3,218.90	2,630.90	1,724.81	1,561.29	1,112.24	986.61
Placement & Investment	2,040.72	1,395.59	1,320.43	995.57	483.90	672.29
B. From the Income Statement (Million Taka)						
Gross Income	591.64	440.46	311.43	291.62	232.87	197.67
Gross Expenditure	364.73	268.83	207.41	191.66	181.51	163.01
Profit before Tax and provision	226.91	171.63	104.02	99.96	51.36	34.66
Profit after Tax	136.15	94.61	57.77	52.48	25.68	17.33
Tax Paid (cumulative)	318.84	228.08	151.06	104.81	57.33	31.65
C. Others (Million Taka)						
Import Business	7,208.20	7,017.56	4,986.10	4,657.86	2,613.50	1,851.13
Export Business	4,420.20	3,754.87	2,609.30	1,783.09	1,227.08	718.63
D. Financial Ratios (Percentage)						
Capital Adequacy Ratio	14.01	12.45	12.39	-		
Capital Fund to Deposit Liabilities	10.42	9.55	7.26	6.70	5.96	5.45
Liquid Assets to Deposit Liabilities	62.29	59.58	70.42	66.22	68.17	66.91
Loan to Deposit Liabilities	66.81	69.86	47.82	54.17	49.62	49.89
Earning Assets to Deposit Liabilities	115.56	113.69	99.57	97.52	74.04	83.69
After Tax Return on Average Assets	2.73	2.28	1.60	1.78	1.04	0.76
Net profit to Gross Income	23.01	21.48	18.54	18.00	11.03	8.77
Interest Margin Cover	192.07	194.64	112.45	109.68	60.33	84.98
After Tax Return on Equity	28.69	27.96	23.70	28.22	21.28	17.48
SMI/SSI Loan and Micro Credit to Loanable Fund	42.21	35.83	40.99	43.44	46.25	22.16
Number of Branches	22	21	19	18	17	16
Number of Employees	372	351	315	300	238	196
Deposit per employee (Million Taka)	12.24	10.09	10.66	9.25	9.42	10.09
Advance per employee (Million Taka)	8.65	7.50	5.48	5.20	4.67	5.03
Profit before tax per employee (Million Taka)	0.61	0.49	0.33	0.33	0.22	0.18

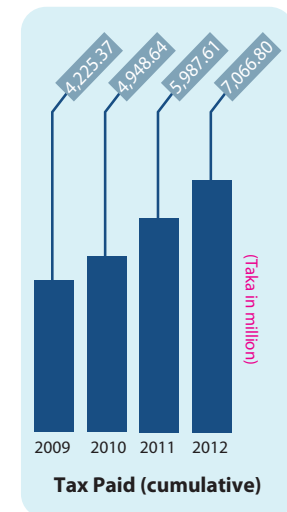
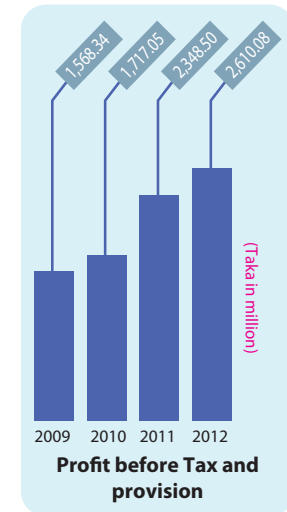
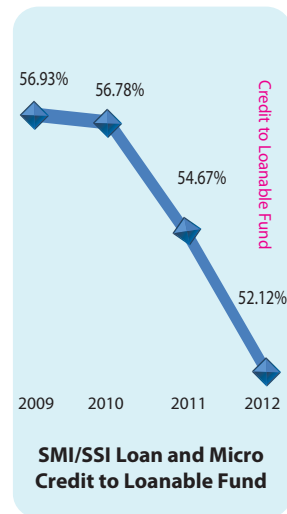
	1992	1991	1990	1989
A. From the Balance Sheet (Million Taka)				
Authorized Capital	100.00	100.00	100.00	100.00
Paid-up Capital	80.00	80.00	80.00	80.00
Reserve and Surplus	10.48	4.83	4.36	1.09
Shareholders' Equity	90.48	84.83	84.36	81.09
Fixed Assets	16.26	15.15	14.08	7.62
Total Assets	1,646.95	991.37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

B. From the Income Statement (Million Taka)				
Gross Income	126.70	98.80	61.11	28.42
Gross Expenditure	117.52	95.33	52.22	24.28
Profit before Tax and provision	9.18	3.47	8.89	4.14
Profit after Tax	4.13	2.87	3.27	1.09
Tax Paid (cumulative)	14.32	9.27	8.67	3.05

C. Others (Million Taka)				
Import Business	1,656.70	1,144.16	582.39	296.41
Export Business	365.50	115.64	36.76	-

D. Financial Ratios (Percentage)				
Capital Adequacy Ratio				
Capital Fund to Deposit Liabilities	6.62	10.05	15.94	25.52
Liquid Assets to Deposit Liabilities	75.59	61.21	81.86	104.05
Loan to Deposit Liabilities	52.35	51.29	37.79	20.91
Earning Assets to Deposit Liabilities	92.70	101.48	102.99	111.41
After Tax Return on Average Assets	0.23	0.23	0.39	0.35
Net profit to Gross Income	3.26	2.90	5.35	3.84
Interest Margin Cover	57.85	82.15	102.43	123.1
After Tax Return on Equity	4.71	3.39	3.95	1.34
SMI/SSI Loan and Micro Credit to Loanable Fund	15.38	15.56	23.84	28.12

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





Mr. Sheikh Abdul Hye Bacchu
Honourable Chairman of BASIC Bank Limited

Message From The Chairman



It is a great honor and privilege for me to place before you the Annual Report and Financial Statements of the Bank for the year ended on 31 December 2012. I will start by saying that the year gone by was not a healthy one for the banking industry in Bangladesh. Despite that, 2012 has been another solid and successful year for the Bank.

We all know that despite recession in the world economy, Bangladesh economy has shown resilient growth momentum in this time in all major areas. Bangladesh economy has been maintaining an annual GDP growth rate of over 6.5 percent on an average for the last four years; the export of the country in 2012 was USD 28 billion, the wage earners remittance for the year 2012 was USD 14.2 billion, the food production was about 3 crore metric ton, the year end foreign exchange reserve was over USD 14 billion. Bangladesh Government and Bangladesh Bank through their fiscal and monetary policies provided supportive help to the economy.

Despite economic slowdown, the Bank posted operating profit of Tk 2,610.09 million registering a growth of 11.14 percent. Deposit of the Bank increased to Tk 87,693.23 million having grown 39.97 percent over the last year. The Bank financed Taka 37,094 million of import and Taka 29,939 million of export in 2012, continuing its support to cross-border trading.

BASIC Bank Limited in its expansion program opened 17 branches in 2012. We have now 62 branches compared to 32 branches three years ago. Corporate governance, strong control measures, risk management practices, compliance and ethical values have always been core components of our corporate values and foundation of our sustainable banking.

In 2013, we expect the Government and Bangladesh Bank to maintain a similar watchful approach. Under various constraints, we are planning to greatly impel our deposit drive up to Tk. 1,10,000.00 million to keep our liquidity position comfortable at an optimum cost. We have planned to add 20 new branches to bring our total network to 80 plus branches. Year 2013 will be a year of progress and consolidation.

Finally, I thank my colleagues in the Board of Directors for their faith in my leadership and their support throughout. My most sincere thanks goes to Bangladesh Bank. I express my sincere gratitude to all the members of BASIC Bank Limited for their loyalties and hard-work. The year ahead will have its challenges as our economy continues to recover from the global financial crisis and the local setback posed by the crash of our secondary stock market. However, I am quite confident that BASIC Bank will continue to rise up to these challenges successfully by managing its cost lines, driving its efficiency, and providing even better products and services to the customers.

Sheikh Abdul Hye Bacchu
Chairman



- 
- To employ 50 percent of loanable funds in financing small and medium industries sector.
 - Contract or negotiate all kinds of loans, aid or assistance, private or public, from any source, local or foreign and to take all such steps as may be required to complete and effectuate such deals.
 - Act as agents for the sale and purchase of any stocks, share or securities or for any other monetary or mercantile transaction.

our aims

- Guarantee or become liable for the payment of money or for the performance of any obligation and generally to transact all kinds of guarantee business and also transact all kinds of agency business.
- Promote the development of small and medium industries including women entrepreneurship and to provide finance and all kinds of banking facilities and technical services to small and medium industries in Bangladesh.
- Establish and open offices and branches to carry on all or any of the above businesses at home and abroad, provided prior permission is obtained from Bangladesh bank and conduct on all sorts of banking transactions.



“
Total asset of the Bank stood at Taka **109,682** million at the end of 2012, increasing 41% from Taka 78,032 million in the previous year. Deposit also increased 40% to reach Taka **87,693** million in 2012. With Taka **85,956** million at the end of 2012, Loans & Advances has grown more than 51% over the last year's balance
”

Dear shareholders, the report of the Directors starts by reviewing the World economy during the past year, 2012, then briefly provides you an update of current forecasts and a concise discussion on the features and forecasts of Bangladesh economy, followed by the Bank's main activities and achievements during the reporting year and the Bank's future strategies.

Global Economic scenario

More than four-year after the global financial crisis hit, high-income countries still struggle to restructure their economies and regain fiscal sustainability. Developing countries, where growth is 1-2 percentage below what it was during the pre-crisis period, have been affected by the weakness in high-income countries' economies. To regain pre-crisis growth rates, they will need to focus on productivity-enhancing domestic policies rather than demand stimulus.

The International Monetary Fund in its World Economic Outlook update released on January 23, 2013 summarized that "Global growth is projected to increase during 2013, as the factors underlying soft global activity are expected to subside. However, this upturn is projected to be more gradual than the October 2012 World Economic Outlook (WEO) projections. Policy actions have lowered acute crisis risks in the euro area and in the United States. But in the euro area, the return to recovery after a protracted

► Directors' Report

contraction is delayed. While Japan has slid into recession, stimulus is expected to boost growth in the near term." It is also reported that effective policies have also helped support a modest growth pickup in some emerging markets and developing economies, and recovery in the United States remains broadly on track. Global growth is projected to strengthen to 3.5 percent this year, from 3.2 percent in 2012 - an upward revision of 0.3 percentage from the October 2012 World Economic Outlook.

If crisis risks do not materialize and financial conditions continue to improve, global growth could even be stronger than the forecasts, the report said. But downside risks remain significant, including prolonged stagnation in the euro area, excessive short-term fiscal tightening in the United States and commodity price shock among others. The overview of the world economic outlook projections as incorporated in the report are as follows:

Percentage change assuming real constant real effective exchange rates	Real GDP Growth Rate		
	2011	2012	2013 (Projection)
World Output	3.9	3.2	3.5
Advanced Economies	1.6	1.3	1.4
United States	1.8	2.3	2
Euro Area	1.4	-0.4	-0.2
Japan	-0.6	2	1.2
Other Advanced Economies	3.3	1.9	2.7
Newly Industrialized Asian Economies	4	1.8	3.2
Emerging Market and Developing Economies	6.3	5.1	5.5
Central and Eastern Europe	5.3	1.8	2.4
Developing Asia	8	6.6	7.1
China	9.3	7.8	8.2
India	7.9	4.5	5.9
Middle East and North Africa	3.5	5.2	3.4
Sub-Saharan Africa	5.3	4.8	5.8
Commonwealth of Independent States	4.9	3.6	3.8

Source: IMF World Economic Outlook updates (January 23, 2013)

Economic scenario of Bangladesh

As of May 2012 Standard and Poor's (S&P), an US based rating agency, reaffirmed Bangladesh's rating for 2012 with a stable outlook delineating the fact quoted as follows: "The stable outlook reflects strong growth prospects and ongoing donor support, which ensures low cost and long maturity external debt and minimizes refinancing risk". Bangladesh (BB-) is rated second highest in South Asia behind India (BBB), ahead of Sri Lanka (B+) and Pakistan (B-).

According to a published report in an UK-based newspaper, The Guardian, Bangladesh economy might overtake the western countries by 2050. This prediction is based on the assumption that Bangladesh, like a number of other emerging markets, would be able to import new technologies from the west, thus making up for the lack of physical infrastructure and boosted productivity. A young and growing population would also add to its high economic growth rate. Earlier Goldman Sachs listed Bangladesh among its "Next 11" (N-11) countries (Bangladesh, Egypt,

Indonesia, Iran, Korea, Mexico, Nigeria, Pakistan, Philippines, Turkey and Vietnam) who have the potential to become major economies after the BRIC (Brazil, Russia, India and China), with the collective potential to rival the G-7 in terms of new growth.

Asian Development Bank (ADB) in its Bangladesh Quarterly Economic Outlook released in September 2012 stated that Bangladesh attained a respectable 6.30% growth in gross domestic product (GDP) in FY 2012, close to the Asian Development Outlook 2012 projection of 6.2%. While export growth slowed sharply, private consumption held up well, supported by a recovery in remittance growth and healthy credit flows. Agricultural growth slowed down to only 2.5% because of higher production costs, mainly from higher power, fuel, and fertilizer prices. Industry grew robustly by 9.5%, boosted by construction and small-scale manufacturing for the domestic market. Service sector growth stood at 6.1%. Electricity and gas shortages continued to hamper economic activity and discourage investments. For FY2013, ADB has projected growth rate of 6.0% and inflation rate of 8.5%. Growth in garments export is expected to be

modest, but remittances will grow substantially as more workers leave for jobs in the Middle East.

According to the monthly Economic Trends released by Bangladesh Bank in March 2013, the annual rate of inflation decreased to 8.19 percent at the end of February 2013 from 10.96 percent at the end of February 2012, reflecting notable progress in easing inflation in the economy. Notably, foreign currency reserve of the country reached a new height with USD 13,848.30 Million at the end of February 2013.

Real GDP growth for Bangladesh is currently projected by IMF at 6.1% in its world economic outlook October 2012. Although headline inflation continues to moderate, led by food prices, nonfood inflation has ticked up recently, suggesting that demand-side pressure continues to be an issue. Besides, as part of an economic program to adjust policies and make additional external support available, an extended credit facility from the International Monetary Fund aims at enhancing macroeconomic stability, strengthening the balance of payments, and supporting faster and more inclusive economic growth.





► Directors' Report

Review of operations: 2012

The year gone by was not a healthy one for the banking industry in Bangladesh. Some major sectors in the economy like textiles, ship-breaking, real estate, commodity import and RMG suffered from various external and internal events. The overall profitability of the banking industry was also affected due to various reasons.

Total asset of the Bank stood at Taka 109,682 million at the end 2012, increasing 41% from Taka 78,032 million in the previous year. Deposit also increased 40% to reach Taka 87,693 million in 2012. With Taka 85,956 million at the end of 2012, Loans & Advances has grown more than 51% over the last year's balance, compared to 23% in 2011. The Bank was cautious in maintaining loan deposit ratio in compliance with guidelines of the regulatory authority.

All-out efforts were made to recover existing and newly extended loans and to control non-performing loans and advances. Emphasis on the maintenance of quality of assets remained the centerpiece of the Bank's business strategy. The proportion of non-performing loans to total loans was 8.22 percent by the end of 2012.

As a development partner of local and international agencies, BASIC Bank Limited continues to utilize soft term fund amounting to Taka 160 million from ADB to implement two agro-based Government entailed development projects, Bangladesh Agribusiness Development Project, aiming at eradication of poverty, increase in income of rural people and creation of employment opportunities, and Second Crop Diversification Project, promoting high value crops to ensure fair prices for the poor farmers, which will benefit more than half a million farmers to drive out of abject poverty.

Providing funds to NGOs for on-lending to their members, which has been an integral part of the Bank's lending activity since the inception of Micro-credit scheme in 1994, was continued by the Bank in 2012. Total outstanding for micro-credit related loans and advances of the Bank stood at Taka 1,130 million at the end of the year under review.

The Bank Financed Taka 37,094 million of import business in 2012, which is 79% of what it was in 2011. Export, which has always been a priority, was financed Taka 29,939 million in 2012, which is 3,122 million less than its previous year's total. Advances to industrial sector was 53.24% of total loans and advances standing at Tk. 45,763 million, compared to 58.58% in 2011.

The Bank registered Taka 2,610 million in 2012 as profit before allowing for provisions, increasing 11.11 percent from Taka 2,349 million in 2011. After allowing provisions for loan losses and investment decreases, Taka 1,076 million was accounted as Profit before taxes for the year 2012, falling from Taka 2,000 million in 2011.

Branch Expansion:

From the very outset the Bank was slow but steady in expanding its Branch network. But in 2009, the Board of Directors felt that this strategy would hold the Bank back while competing with the others. So, the Bank took expansive program to raise its number of branches and opened 11 branches in 2011 and 17 in 2012. Presently, the number of branches of the Bank stands at 62 and the Bank eyes to raise this number to 80 by the end of 2013. It is worth mentioning here that the Bank has a program to open Branches overseas.

A Focus on Core customers:

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

Technology:

The Bank continues to embrace new technology to meet complex dynamic needs of its customers by offering them suitable products and services and facilitating them in managing their financial transactions safely and conveniently in terms of place, time and preferred form.

The Bank adopted IT enabled banking operations at its inception and always attached great

importance to acquisition and use of appropriate information technology. All the branches of the Bank are connected to the Head Office, to the Data Center and to each other through Wide Area Network (WAN). The Bank had its own Banking Software developed in 1991 which was replaced by a Centralized Core Banking System to further enhance customer care and increase employee efficiency. All the Branches and the Head Office of the Bank have been operating through Centralized Core Banking System for quite a few years now. In addition, 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 and non-customers alike through all of its branches using the facilities of Western Union. The Bank is also successfully participating both in Bangladesh Automated Cheque Processing

System (BACPS) and Bangladesh Electronic Fund Transfer Network (BEFTN) operations under Bangladesh Automated Clearing House (BACH) of Bangladesh Bank.

The Bank is a member of the Q-Cash shared ATM and POS network. At present, debit card holders of the Bank can carry out transactions through more than 800 ATMs and 7,000 POS terminals of Q-Cash network of which several ATMs have been set up by the Bank itself at suitable locations. The Bank has also undertaken a program to increase the number of its own ATMs significantly. Moreover, the Bank is going to start its Credit Card operations soon. The Bank has also taken initiatives to strengthen its MIS and fully automate its various operations, approval processes, document management system etc.

The Bank is maintaining a Disaster Recovery Site (DRS) in order to carry out its banking operations seamlessly from there in case the Data Center of the Bank becomes inoperative or inaccessible.

		2012	2011
Core Capital (Tier 1)		(Amount in million taka)	
	Paid up capital	2946.98	2357.59
	Statutory reserve	2224.69	2224.69
	Other reserve and surplus	1296.67	653.17
	Total of Tier 1 Capital	6468.34	5235.45
Supplementary Capital (Tier 2)			
	1% general provision on unclassified loans and off balance sheet exposures	548.90	752.35
	Revaluation reserve of HTM and HFT securities	-	123.16
	Total of Tier 2 Capital	548.90	875.51
Total Capital (Tier 1+ Tier 2)		7017.24	6110.96
Risk weighted assets		69838.40	60304.50
Capital Ratios to risk weighted assets			
	Tier 1 Capital	9.26%	8.68%
	Tier 2 Capital	0.79%	1.45%
	Total Capital	10.05%	10.13%



► Directors' Report



The Board:

I want to recognize the continued support of my fellow Directors, who have dedicated themselves diligently to their Board duties during the period. We are fortunate in getting the mix of skills and experience that is represented by 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 the Bank management.

During the reporting year Mr Jahangir Akhand Salim, Mr Shakhawat Hossain and Prof. Dr. Kazi Akhter Hossain retired from the Board. On the other hand, Mr. AKM Rezaur Rahman, Mr AKM Kamrul Islam and Mr Anis Ahamad joined in. Mr Md Anwarul Islam, FCMA retired from the Board and later was reappointed.

Audit Committee of the Board of Directors:

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

Human Resources:

BASIC Bank's sustainable growth over a prolonged period of time can be attributed to the excellence of its members. The Bank has a well-diversified pool of human resources with sound academic knowledge and enriched professional experiences. Employees' strong work ethic, dedication to help the customers, devotion towards development of the society and loyalty to the organization have been the determining factors in achieving Bank's strategic objective of steady and sustainable growth of the country.

In order to ensure the quality and integrity of the Human Capital of the Bank, fresh graduates with outstanding academic achievements and innovative ideas are regularly recruited through a rigorous process that challenges multifarious level of intellect in the participants. The Bank has adopted state-of-the-art Human Resource Management System, need-based training assessment and supervisory performance management systems to help its human capital develop and flourish. Strong focus has been exerted on evolution of latent leadership qualities and enactment of succession planning to build a solid foundation for the future.

BASIC Bank's human resources possess a unique demographic characteristic- most employees of

the Bank are comparatively young in age yet rich in experience. To maintain the advantage, the Bank constantly works on providing a stimulating corporate environment and attractive compensation package for the employees. Through collective measures, BASIC Bank upholds admirable retention rate with 1657 employees at the end of the year 2012. I thank them for their outstanding contributions to the performance of the Bank.

Strategic Priorities:

For the past few years, through extensive growth and expansion, BASIC Bank has positioned itself strongly to take up the opportunities of a growing and transforming Bangladesh economy. The drive to serve the customers' every financial need, from the most basic to the most sophisticated, and to maintain cost-effective delivery channels have been our strategic objective in the past. Besides, high standards of customer service remain our priority as the ultimate differentiator in terms of value creation in the banking industry. Apart from these, our strategic priorities include:

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

Acknowledgement:

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

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

On behalf of the Board



Sheikh Abdul Hye Bacchu
Chairman





Special Events



In appreciation to the outstanding contribution on social development and anti-terrorism support Mr. Sheikh Abdul Hye Bacchu, Chairman of the BASIC Bank Limited has been awarded with the Special Congressional Recognition Certificate by Congressman Peter T. King, Chairman of the US Homeland Security Congressional Committee in presence of Sheikh Hasina, Hon'ble Prime Minister of Bangladesh





Prime Minister Sheikh Hasina is exchanging greetings with Congresswoman Carolyn Jane Maloney, USA Representative for New York's 14th Congressional District Chairman of BASIC Bank Sheikh Abdul Hye Bacchu, among others, is seen



Mr. Sheikh Abdul Hye Bacchu, Honorable Chairman, BASIC Bank Limited with Honorable Mr. Joseph Crowley, Chairman of the new Democratic Coalition and Chairman, Bangladesh Congressional Coccus in the USA during March 2012



Mr. Sheikh Abdul Hye Bacchu, Chairman of BASIC Bank Limited is seen with Mr. Peter T. King, Chairman of the Congressional Committee on Homeland Security of the United States of America

► Special Events



Prime Minister Sheikh Hasina was presented a Memento by Peter T. King, Chairman of Congressional Committee on Homeland Security in her visit to USA. Chairman of BASIC Bank Sheikh Abdul Hye Bacchu was also present at that occasion with IT Expert and son of Prime Minister Sajib Wazed Joy, Foreign Minister Dr. Dipu Moni and Bangladesh Ambassador to USA Akramul Quader



Honourable Prime Minister Sheikh Hasina is seen with the delegates of BASIC Bank Limited headed by Chairman of the Bank Mr. Sheikh Abdul Hye Bacchu, Managing Director Mr. Kazi Faqurul Islam, Deputy Managing Director Mr. A. Monaem Khan and General Manager Md. Ruhul Alam on an official visit at Gonobhaban on September 16, 2012



The Honorable Chairman of BASIC Bank Limited Mr. Sheikh Abdul Hye Bacchu paid homage to the Father of the Nation Bangabandhu Sheikh Mujibur Rahman by placing wreaths at Bangabandhu's mazar at Tungipara, Gopalganj on 29th January, 2013. The Managing Director of the Bank Mr. Kazi Faqurul Islam, Deputy Managing Director Mr. Fazlus Sobhan and General Manager Mr. Md Ruhul Alam were present there



Honorable Prime Minister Sheikh Hasina presents the "Autobiography of the Father of Nation" to Mr. Peter T. King, Chairman of the Congressional Committee on Homeland Security of the USA during her official visit. Among other distinguished person Mr. Sheikh Abdul Hye Bacchu, the Chairman of BASIC Bank Limited is also present



Chairman Of BASIC Bank Sheikh Abdul Hye Bacchu is being greeted with flower by Managing Director Kazi Faqurul Islam and other senior Executives of the Bank after reappointment of Mr. Sheikh Abdul Hye Bacchu for further two years as Chairman of the BASIC Bank



Mr. Sheikh Abdul Hye Bacchu, the Chairman of BASIC Bank Limited was honored by the people of Mathbaria Pourashava while opening of a new branch of the bank at Mathbaria. On behalf of the people of Mathbaria Pourashava, the Mayor Mr. Md. Rafiuddin Ahmed Ferdous presented a crest to the honorable Chairman of the bank



On behalf of BASIC Bank Limited, DMD Kanak Kumar Purkayastha is receiving 3rd prize from Commerce Minister G M Quader MP, won by BASIC Bank Limited on general and preserved category at 18th Dhaka International Trade Fair. Chairman of the Parliamentary Standing Committee on the Ministry of Commerce Abul Kashem Master MP and other concerned high officials are present on the occasion

► Special Events



Recently a Meeting was held with the delegates of Indian High Commission, Small Industries Development Bank of India (SIDBI), National Small Industries Corporation (NSIC) of India on SME development issues. Mr. Kazi Faqurul Islam along with senior executive of the Bank are seen here.



BASIC Bank Limited was nominated "Lead Bank" by Bangladesh Bank to arrange a day long Training Workshop on "Prevention of Money Laundering and Combating Financing of Terrorism" for the branch managers of the scheduled banks operating in Gopalganj District. Mr. Kanak Kumar Purkayastha, Deputy Managing Director and Chief Anti Money Laundering Compliance Officer (CAMLCO) of the Bank attended the program as Chief Guest



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



The Bank arranged a Milad Mahfil marking the sad demises of Mr. Md. Shahabad Doza, Deputy Managing Director and Mr. Mohammed Mosharraf Hossain, Deputy General Manager of the Bank



Credit Rating of the Bank

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

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

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

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

Mentionable that the credit rating of the Bank for the year 2012 is under process.



Value Added Statement

for the year ended on 31 December 2012

The value added statement-2012 of BASIC Bank Ltd. shows how the value is created and distributed among different stakeholders of the bank such as employees, government and shareholders in the form of salaries and allowances, income tax, retained surplus etc. in 2012. It also indicates the value of use of fixed assets through depreciation during the same period.

Particulars	2012	%	2011	%
Income from Banking Services	13,402,283,925		8,825,219,702	
Less: Cost of services and supplies	9,516,813,994		5,397,773,714	
Value added by the banking services	3,885,469,931		3,427,445,988	
Non-banking income				
Loan written-off and provision	(1,534,207,214)		(348,529,380)	
Total Value Added	2,351,262,717	-	3,078,916,608	-
Distribution of added value				
To Employees as salary and allowances	1,165,972,180	49.59	999,236,317	32.46
To Govt. as income tax	1,047,989,935	44.57	1,023,878,729	33.25
To Statutory Reserve	-		399,998,309	12.99
To Expansion and growth	137,300,602	5.84	655,803,253	21.30
Retained surplus	27,896,325		576,114,507	
Depreciation	109,404,277		79,688,746	
	2,351,262,717	100.00	3,078,916,608	100.00





Signing Ceremonies

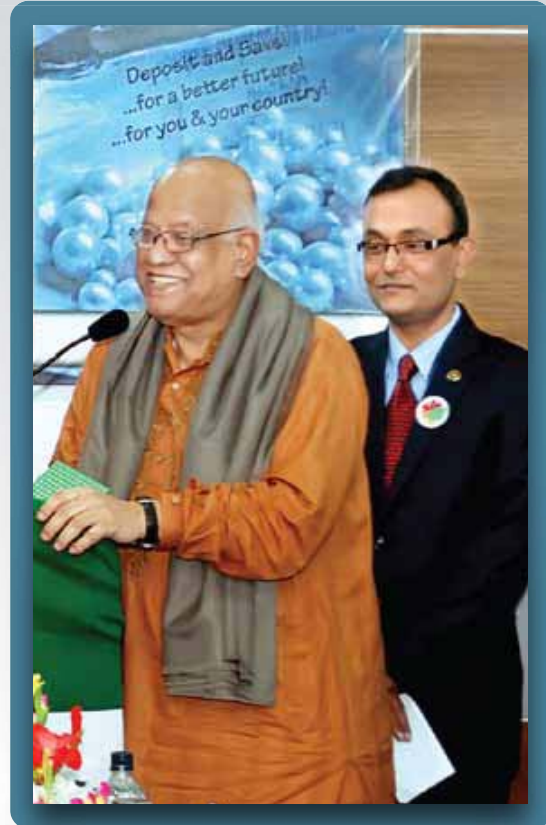


Mr. Kazi Faqurul Islam, Managing Director, BASIC Bank Limited and Mr. Muzaffar Ahmed, FCMA, FCS, President and CEO, Credit Rating Information and Services Limited (CIRSL) are exchanging document after signing Memorandum of Understanding (MoU) on behalf of their respective organizations. The Deputy Managing Directors, General Managers of the Bank and senior official of CIRSL are seen in the picture. Mentionable that under this MoU, CIRSL would accomplish credit rating of clients of the Bank.



A Memorandum of Understanding was executed between BASIC Bank Limited and Alpha Credit Rating Limited (Alpha Rating) for counter party rating of the Bank. Mr. Kazi Faqurul Islam, Managing Director of the Bank, Muhammed Asadullah, Managing Director of Alpha Rating, Deputy Managing Directors, Senior Executives of the Bank and officials of the said rating company are seen in the picture.





57th Branch at Sonarpara (Raynagar), Sylhet

► Expanding Our Horizon



50th Branch at Satkhira



51th Branch at Mymensingh



52th Branch at Shyamoli



53th Branch at Chapainawabganj

► Expanding Our Horizon



54th Branch at Natore



55th Branch at Cox's Bazar



56th Branch at Mathbaria



58th Branch at Dohajari

► Expanding Our Horizon



59th Branch at Patherhat



60th Branch at Matuail



61st Branch at Mirpurbazar, Habiganja



62nd Branch at Keraniganj



**We
Deeply
Mourn**



Late Md. Shahabad Doza
Deputy Managing Director
10.10.1961 - 22.04.2012

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



Late Mohammed Mosharraf Hossain
Deputy General Manager
01.07.1957 - 30.05.2012



Late Md. Anamul Haque
Assistant Officer (Cash)
Saidpur Branch, Nilphamari
26.12.1978 - 20.04.2011

Economic Value Added (EVA) Statement

for the year ended on 31 December 2012

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

Particulars	2012 Taka	2011 Taka
Shareholders' equity	6,460,468,997	5,481,758,422
Add: Cumulative provision for loans and Off-balance sheet items	3,114,211,182	1,646,732,596
	9,574,680,179	7,128,491,018
Average Shareholder's equity	8,351,585,599	6,521,829,269
Earnings:		
Profit after tax	27,896,325	976,112,816
Add: Provision for loans and Off-balance sheet items during the year	1,534,207,214	348,529,380
Total earnings (a)	1,562,103,539	1,324,642,196
Average cost of equity (based on average rate of treasury bills issued by the Bangladesh Bank) plus 2% risk premium	13.90%	13.55%
Total cost of average equity (b)	1,160,870,398	864,142,378
Economic Value Added (a-b)	401,233,141	460,499,818



Bank with us

because our more than 1600 employees work with clients to understand the challenges they face and design customer-focused strategies to help them meet their needs and goals.

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





Mr. Kazi Faqurul Islam
Managing Director



Mr. Fazlus Sobhan
Deputy Managing Director



Mr. Kanak Kumar Purkayastha
Deputy Managing Director



Mr. Abdul Qayum Mohammad Kibriya
Deputy Managing Director



Mr. A. Monaem Khan
Deputy Managing Director



► Top Executives of the Bank



Mr. Md. Shah Alam Bhuiyan
Company Secretary



Mr. Md. Zainul Abedin Choudhury
General Manager



Mr. Md. Wahidul Alam
General Manager



Mr. Khandakar Shamim Hasan
General Manager



Mr. Md. Mozammel Hossain
General Manager

Top Executives of the Bank ◀



Mr. Md. Salim
General Manager



Mr. Ahmad Hossain
General Manager



Mr. Golam Faruk Khan
General Manager



Mr. Mohammad Ali
General Manager



Mr. Hasan Tanvir
General Manager



► Top Executives of the Bank



Mr. Mohammad Moniruzzaman
General Manager



Mr. Md. Mahbubul Alam
General Manager



Mr. ASM Rowshanul Haque
General Manager



Mr. Md Ruhul Alam
General Manager



“We were able to muster both **financial and human resources** in such a fruitful manner that fostered remarkable **achievement** in different areas.”

The year 2012 was another successful year for BASIC Bank Limited. Despite macroeconomic challenges, capital and money market volatility and world economic crisis the bank continued to increase growth in key areas, e.g. opening of 17 new branches having all of them under on-line services, widening card services, yielding remarkable growth in profit, capital, assets and shareholders' value. Achievement of the bank over the years demonstrates the strength of our industrial-commercial focused business mix, as well as the client-oriented franchise model of banking. This allowed us to outperform facing contemporary challenges and regulations. We believe we have the right strategy to focus on building competitive businesses to make significant progress towards achieving a leading position in the banking arena.

We continue to look for new revenue streams and have already launched new products and services which make sense for our customers and help us grow steadily. This included investments in ATM and online banking capabilities, driving new product innovation and services. Our services revolve around the understanding what customers seek from the banker.

We were able to muster both financial and human resources in such a fruitful manner that fostered remarkable achievement in different areas. We were committed to maintaining the highest standard in all spheres of activities in 2012 and hope to keep it up in 2013 also.



1. Performance of the bank

1.1 Property and Assets:

At the end of the year 2012, total assets of the bank stood at Taka 109,682.06 million against Taka 78,031.73 million in previous year registering an increase by 40.56%. This increase of assets was possible due to increase in investments and loans and advances to clients with economically viable projects financed out of our increased deposits mobilized throughout the year. As planned, loans and advances comprised the largest share in the assets portfolio of the Bank constituting 78.37 percent. Investment and Cash were the second and third largest constituents being 10.67 percent and 5.73 percent of the assets portfolio respectively. Money at call and short notice were 0.91 percent of total assets.

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

The amount of cash in hand and balance with Bangladesh Bank and its agent was increased to Taka 6,289.26 million in 2012 from 4,682.12 million in 2011 registering an increase of 34.33%. The increase was due to enhanced requirement for maintaining Cash Reserve Ratio (CRR) resulted from increase of deposit in 2012 than that of 2011. CRR was maintained adequately.

1.1.2 Balance with Other Banks and Financial Institutions:

The balance with other banks and financial institutions was decreased by 30.71% to Taka 1,404.34 million from Taka 2,026.74 million in previous year. Such decrease was the resultant effect of increase in Loans and Advances and balance with Bangladesh Bank and its agent, which also directly caused to the decrease of term placement with other banks and financial institutions. Keeping bank's deposit with other banks without investment was discouraged by the regulatory authority. So the step was taken to reduce balance with other banks and invest more funds in normal banking activities in accordance with the observations and recommendations of the Central Bank

1.1.3 Investment:

Investment mainly in approved securities at the end of 2012 was Taka 11,707.25 million, compared to Taka 9,494.08 million in previous year showing a growth of 23.31 % over last year. The investment was increased due to investment of more funds in Treasury Bonds to meet SLR requirement. Investment was concentrated in long term approved securities such as Government Treasury Bonds. During the year 2012 Treasury Bond had the largest share (97.78%) in the investment portfolio. Debentures, shares in listed and unlisted companies and prize bond altogether constituted 2.22 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 Taka 1,000.00 million in 2012 compared to Taka 2,224.00 million in 2011. The amount of placement made with different Banks and NBFIs.

1.1.5 Fixed assets and other assets:

At the end of 2012 the fixed assets were increased to Taka 526.82 million from Taka 364.46 million in 2011 with a growth of 44.55 percent whereas the other assets were increased to Taka 2,798.63 million from Taka 2,339.57 million in the previous year. Fixed assets include vehicles, equipment, computer (hardware and software), furniture and fixtures and leased assets. On the other hand, other assets included interest receivable from term placement, advance against acquisition of premises under construction for Head Office and Main Branch and advance/expenditure made against proposed branches, advance income tax, stock of stationery, security deposits, sundry debtors, deferred tax and suspense accounts.

1.1.5.1 Acquisition of Premises for Head Office and Main Branch:

BASIC Bank Limited has been in operation for 24 years through rented premises with its 62 Branches and Head Office. As per Board's approval Management of the Bank had entered into an

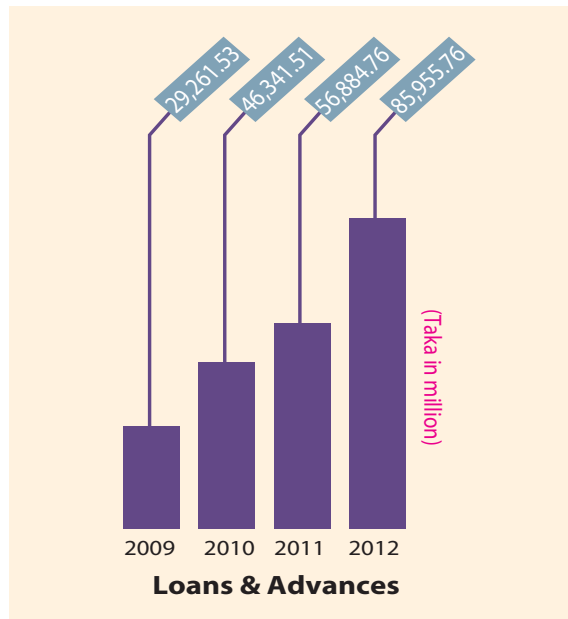
agreement with M/s. Business Resources Limited and Mr. Sinku A Zaman to purchase floor spaces for Head Office and Main Branch of the Bank measuring 51500 sft in the ZAMAN BASIC TOWER at 10/1 Toyenbee Circular Road, Motijheel, Dhaka at a cost of Taka 800.00 million which is expected to be completed by the end of 2013. Initially BASIC Bank Limited had made an advance payment of Taka 400.00 million. Thereafter, Taka 333.17 million was also paid upto 31st December 2012 and the remaining amount to be paid in installments.

1.1.6 Loans and Advances:

Loans and advances consist of Industrial Loans, Commercial Loans, Micro Credit, Small Enterprise Financing, Loan for Women Entrepreneurs, Agro-based Industry Financing and Agricultural Loan, Bills etc. which were increased by 51.11 percent to Taka 85,955.76 million in 2012 compared to Taka 56,884.76 million in 2011.

1.1.7 Industrial Loans:

The industrial loan reflected growth of 37.33 percent over the previous year. Total outstanding industrial loans including term loan and working capital stood at Taka 45,762.67 million at the end of 2012 compared to Taka 33,323.05 million of 2011. Total outstanding of term loan stood at Taka 22,805.17 million as on December 31, 2012 compared to Taka 14,731.97 million in 2011 reflecting a growth of 54.80 percent. The outstanding working capital finance extended to industrial units stood at Taka 22,957.50 million at the end of the reporting period compared to Taka 18,591.03 million in 2011 reflecting a growth of 23.49 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 53.24 percent of the total lendable fund. Term loan in 160 projects were in portfolio as on 31 December 2012. As on 31 December 2012, total 1,078 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 agro-based industry like poultry, engineering; food and allied industries; chemicals, pharmaceuticals and allied industries; paper, board, printing and packaging; and other non-metallic goods, leather and jute products.

1.1.8 Commercial Credit:

The Bank also continued support in developing trade, general business and other commercial activities in the country which covers the full range of services such as cash credit, work order financing, secured overdraft etc. As on 31st December 2012, total outstanding commercial loans stood at Taka 38,919.92 million compared to Taka 22,727.40 million in 2011 reflecting a growth of 73.39 percent.

1.1.9 Financing to Agro Based Industries:

BASIC is also actively involved in financing agro-based industries. It has been utilizing the Govt. fund under "Government's Agro-based Projects Financing Scheme" as well as its own fund to finance agro-based projects and so far helped setting up a total of 298 projects with Taka 11,928.60 million which have been running successfully.



1.1.10 Bank's role in Micro Credit Financing:

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

BASIC is the only bank among the scheduled banks of Bangladesh which can boast of pioneering micro credit through NGO linkage which became an exemplary instance to other that two types of institution can work jointly to help eradicating poverty through micro credit operation. In this respect, BASIC is working with more than 46 NGOs/MFIs as co-partner and distributed credit amounting Taka 3,527.80 million to the poor class of our society through MFIs, which has benefited near about 330,550 people who had opportunity to address their economic hardships. Majority of these people are the women who particularly had no formal source of fund. Here it is observed that the recovery percentage is also very much high in the micro credit among these segments of the society.

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

Apart from this, BASIC is working with GoB as one of the implementing agents for implementing different agri-farming and business development project namely Bangladesh Agribusiness Development Project (BADP) & Second Crop Diversification Project (SCDP) funded by Asian Development Bank with the object to eradicate poverty and increase income of the rural people through internationally reputed local MFIs and so far disbursed Taka 1,300.00 million upon receipt of fund from ADB. At the end of 2012, Micro Credit Finance of BASIC was almost Taka 1,273.22 million where the same was Taka 835.39 million at the

end of 2011, showing a sharp growth of almost 52.42% in 2012. Recovery rate during this period remained at a highly satisfactory level of 96.31 percent (approx).

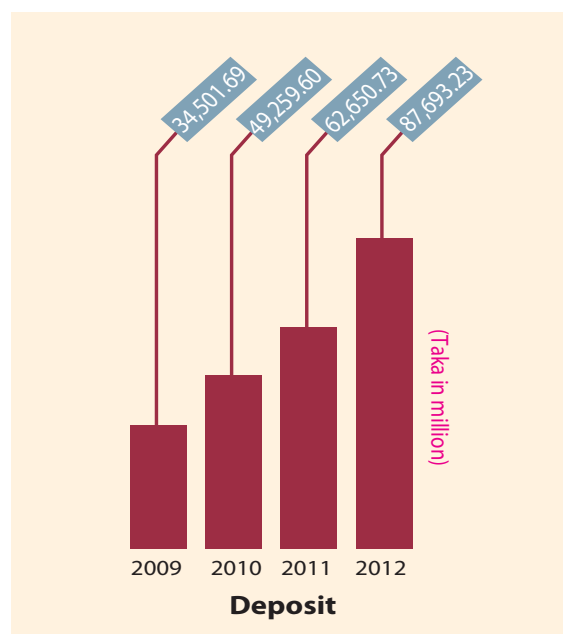
1.1.11 Non-performing loan:

The classified loans and advances of the bank increased mainly due to new classification circular of Bangladesh Bank and overall economic recession. The classified (non-performing) loans and advances is 8.22 percent at the end of the year. A total recovery of Taka 4,512.23 million in the year under review was also possible. Additional provision made in 2012 was Taka 1,534.21 million against classified, unclassified credits and total off-balance sheet exposure. Total cumulative provision made for total credit and off balance sheet exposures amounted to Taka 3,114.21 million as on December 31, 2012. During the year 2012 an amount of Taka 17.43 million was recovered against written-off loans.

1.2 Liabilities and shareholders' equity:

1.2.1 Deposit:

Deposit is the life blood of a bank. Deposit constitutes the core of BASIC Bank's fund mobilization. Total deposit of the Bank at the end of 2012 stood at Taka 87,693.23 million (79.90% of



Total liabilities & Shareholders' Equity) compared to Taka 62,650.73 million (80.28% of Total Liabilities & Shareholders' Equity) in 2011. Total deposit increased by almost 40 percent, which was a result of all out effort exerted by the management and the employees for mobilization of individual and corporate deposit. During 2012, the Fixed Term and SND deposit was Taka 81,093.48 million against Taka 56,978.60 million in 2011 registering a growth of 42.32 percent. Savings bank deposit increased to Taka 1,709.22 million in 2012 compared to Taka 1,496.28 million in 2011. Deposit in current and other accounts including bills payable was Taka 4,441.03 million compared to Taka 3,984.51 million in 2011.

1.2.2 Borrowing:

Total Borrowing of BASIC in 2012 was Taka 5,492.93 million where an amount of Taka 1,750.00 million was borrowed at call & on short notice, Taka 2,000.00 million was borrowing in long term from various Banks & NBFIs. Moreover, BASIC has been enjoying a fund under House Building Refinance Scheme from Bangladesh Bank having an outstanding balance of Taka 107.15 million as on 31st December 2012. Besides, borrowings were made from various foreign sources for long term funding specially for financing development-banking activities. The Bank enjoys credit line facilities from various organizations especially from Asian Development Bank (ADB) and KFW, a German development bank for financing micro-credit scheme, small-scale industries and other special financing. Total borrowing from these foreign development organizations was Taka 160.81 million as on 31st December 2012.

1.2.3 Equity:

The bank started its journey with paid-up capital of Taka 80.00 million in 1989 and it gradually increased to Taka 2,946.98 million at the end of 2012 by issuing stock dividend. At the same time, the bank has paid cash dividend of Taka 537.99 million to the Government.

1.2.4 Statutory reserve:

As per section 24 of the Bank Company Act-1991, 20% of profit before tax is transferred to statutory

reserve. Hence, the statutory reserve of the bank stands at Taka 2,224.69 million at the end of 2012.

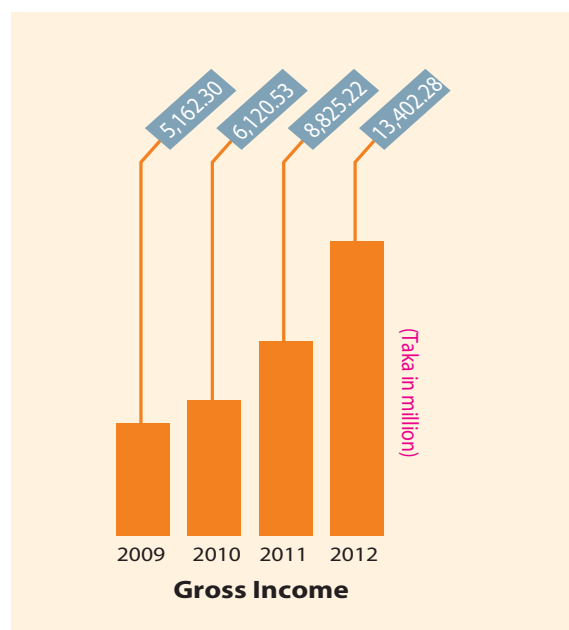
1.2.5 Shareholders' Equity:

Shareholders' equity of the Bank would increase by Taka 978.71 million to Taka 6,460.47 million in 2012 from Taka 5,481.76 million in 2011 registering a sustainable growth rate of 17.85 percent. Starting from Taka 80.00 million, the shareholders equity has already reached to Taka 6,460.47 million from profit in 24 years of operation which is a tremendous growth of 80.75%.

1.3 Operating results:

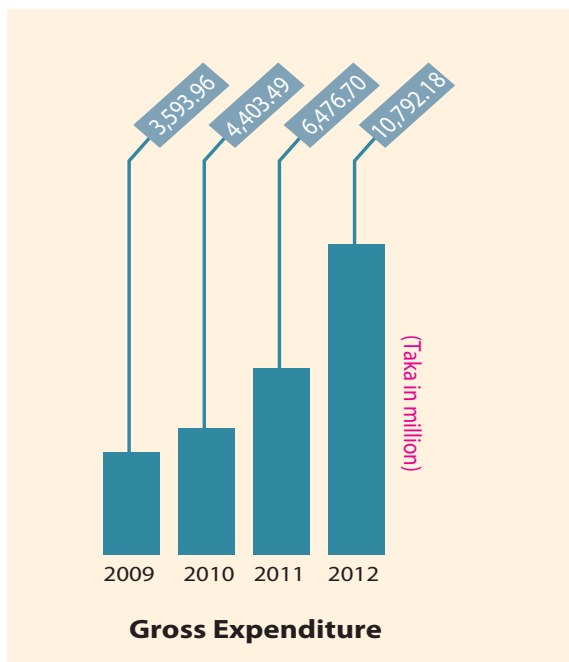
1.3.1 Income:

The Bank's total income was Taka 13,402.28 million in 2012 compared to Taka 8,825.22 million in 2011. Interest income from loans and advances was increased to Taka 11,020.89 million in 2012 from Taka 7,099.00 million in 2011. Average yield on lending was 14.98%. Income on investment was increased to Taka 1,559.17 million in 2012 against Taka 751.63 million in 2011 while other operating income and profit from sale of shares was Taka 129.10 million in 2012 against Tk. 189.23 million in 2011. The amount of commission and exchange gain was Taka 693.14 million in 2012 compared to Taka 785.35 million of previous year.



1.3.2 Expenses:

The total expenditure was Taka 10,792.18 million in 2012 compared to Taka 6,476.70 million in 2011. Total expenditure was increased due to increase of interest expenditure and salary and allowances for promotion, increment and appointment of employees to support expansion of the Bank. Higher Interest expenses were resulted from increased interest expenses for increase of deposit and mobilizing deposit at higher interest rates as the deposit market was very tight and competitive. Besides, rent, electricity, insurance, stationary, printing and advertising contributed to such increase. Depreciation, rent and establishment expenses of 17 new branches also contributed to increase of total expenditure.



1.3.3 Contribution to Exchequer:

From the very inception, BASIC Bank has been posting earning and paying income tax to the Government. The cumulative figure of contribution to the Government exchequer by way of corporate tax up to December 31, 2012 amounted to Taka 7,066.80 million, which is almost 88 times the amount of original paid-up capital of the Bank.

1.3.4 Trade Financing (Export/Import):

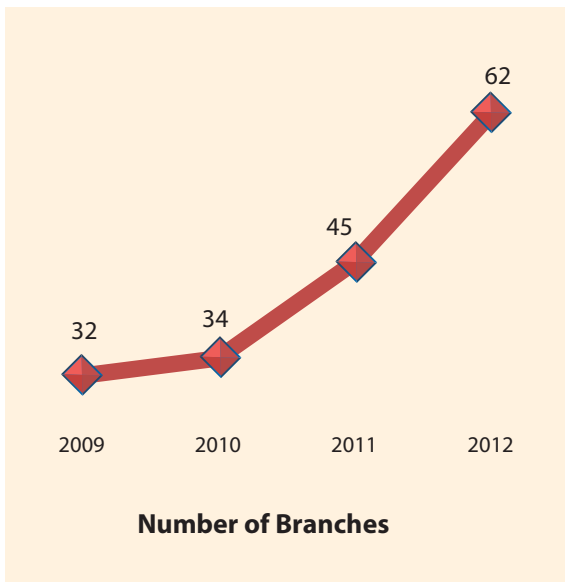
The Bank managed total import business of Taka 37,093.50 million and export business of Taka 29,939.20 million in 2012 compared to Taka 47,087.80 million and export business of Taka 33,061.10 million in 2011 respectively. Major items of exports were ready made knit & woven garments, sweater, jute & jute products, leather and leather goods, handicrafts, potatoes and frozen food etc. Items of import included mainly industrial raw materials, garments accessories, capital machinery, raw cotton, electronic consumer goods, chemicals, tires and tubes, reconditioned vehicles, bicycle spare parts, poultry feeds and food items such as rice, wheat, maize, garlic, onion, sugar, chilly and other essential commodities.

1.4 Other activities:

1.4.1 Branch Network:

A substantial amount of investment for developing the physical resource base of the Bank has been made. BASIC Bank has its presence in all the major industrial and commercial centers of Bangladesh in order to cater the needs of industry and trade. Besides, BASIC has expanded its branch network to rural areas with a view to providing modern banking services to the rural people keeping conformity of its slogan "serving people for progress". In 2012 the bank expanded its operation drastically by opening 17 new branches. At the end of 2012, there were 62 (sixty two) conveniently located branches throughout Bangladesh being 27 branches in Dhaka division, 13 in Chittagong division, 8 in Khulna division, 6 in Rajshahi division, 4 in Sylhet division, 2 in Barisal division and 2 in Rangpur Division. Besides, the bank has 03 (three) bill collection booths at Ramna, Sher-e-Bangla Nagar and Gulshan Exchange Office of BTCL, Dhaka. In addition, we are expecting to open more 12 new branches including 01 overseas branch in Kolkata and 05 exchange houses in abroad. The Bank has an arrangement with Western Union for obtaining foreign currency remittances. The bank started ATM operation in 2008 with a membership of

Q-Cash (payment gateway), which has a country-wide network of 952 ATMs as on 31st December 2012. Moreover, the Bank's ATM holder can avail Omnibus ATM network, which has more than 1500 ATM booths in Bangladesh. Now, the Bank has its own 7 ATM booths and is going to set up more 20 ATM booths by the end of this year. Besides, the Bank has already obtained VISA Principal Membership for issuing different types of VISA cards. Hence, BASIC is going to launch VISA Debit, Credit and prepaid cards very shortly.



1.4.2 Risk Management:

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

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

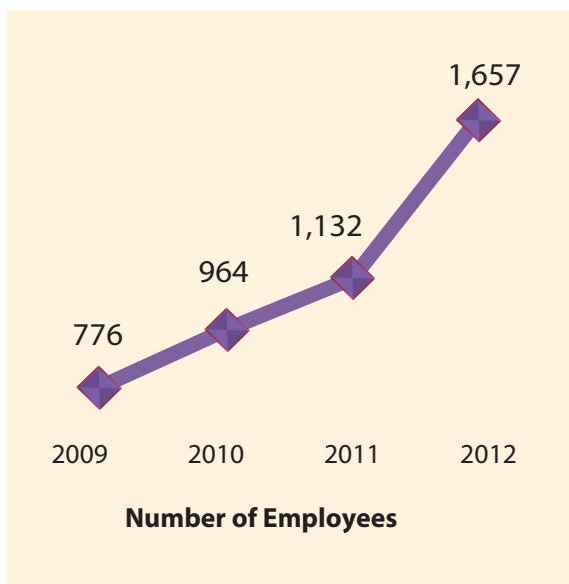
1.4.3 Head office and Board of Directors:

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

1.4.4 Human Capital Management:

BASIC has a well-diversified pool of human resources, which entails personnel with high academic background. Also, there is a positive demographic characteristic. Most employees are comparatively young in age yet mature in experience. As at the end of 2012, total number of employees was 1657. 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 conducted through renowned institutions like IBA, BIBM, BIM etc. The Bank, so far, has recruited entry-level management staffs in seven batches, all of whom have excellent academic backgrounds. In 2012, the bank recruited 284 employees (except sub staffs) at various ranks from different academic discipline.

► Management Commentary



Intensive training programs, on a regular basis, are imparted to employees at all levels to meet the challenges in the banking industry and to help employees adapt to the changes and new working conditions. The Bank believes that quality human resource is the key for success in today's banking business. Keeping this view in mind and recognizing the importance of training for professional excellence, BASIC Bank established its own training institute in 2012 with all modern facilities. In 2012, they arranged 20 training courses and provided training to as many as 498 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 2012, a total of 191 employees of the Bank were provided with training in various fields at BIBM, BBTA and other training institutions. Moreover, 5 officials were provided with overseas training programs in 3 different programs.

1.4.5 Automation:

The Bank had been providing computerized banking service to all its customers since its inception. To provide all modern banking services especially Information Technology based services and accelerate the speedy and accurate account

ledger maintenance and to make available all potential international banking products, all the branches of the bank is already providing real time on-line services. Besides, Online CIB, EDW, BACH and MICR related services are also accommodated in our online banking services. It is expected that in 2012 the bank will introduce new IT based products and serve its customers through the new system including ATM and internet banking facilities.

1.4.6: Introducing Consumer Loan Schemes:

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

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

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

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

1.4.7: Introducing new Saving Products:

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

1. Super Double Deposit Scheme
2. BASIC Rapid Grow Deposit Scheme

2. Future Strategies:

2.1: Launching of deposit Products:

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

1. Reality Pension Scheme
2. BASIC Marriage Deposit Scheme
3. BASIC Education Deposit Scheme
4. Hajj Deposit Scheme

2.2: Other Strategies:

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

- As per its mandate, the Bank will continue to emphasize on small and medium enterprise financing for alleviating poverty, generation of employment and increasing the Gross Domestic Product of Bangladesh.
- To make available the superior banking service with low cost loans and advances in line with the pace of industrial development of Bangladesh to the door steps of general mass, the bank will open one branch in each district 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 2013.
- We are expecting to open overseas branches in different countries to facilitate cross border trade and to take the bank's operation in international arena. Some branches and exchange house will also be opened to expedite the remittance of our expatriate work force.
- Quality manpower is the greatest asset to us. So, we would continue our efforts to recruit and retain talented and efficient human resources providing them deserving benefits.
- Initiating effective drive to arrest classified loan and to bring down the existing classified loan substantially to a minimum level.
- We are providing real time online Core Banking Solution (CBS) in all 62 branches including 19 rural branches around the country.
- We are expecting to provide ATM cards to all of our clients to avail 24 hour modern banking facility.
- As part of corporate social responsibility the bank will contribute more for the welfare of underprivileged quarter of the society.



- The Bank has already taken all out preparation for implementation of BASEL-II and implementing SRP, Stress Testing and Internal Capital Adequacy Assessment Process (ICAAP) under Supervisory Review Process (Pillar –II) as per Bangladesh Bank guidelines.

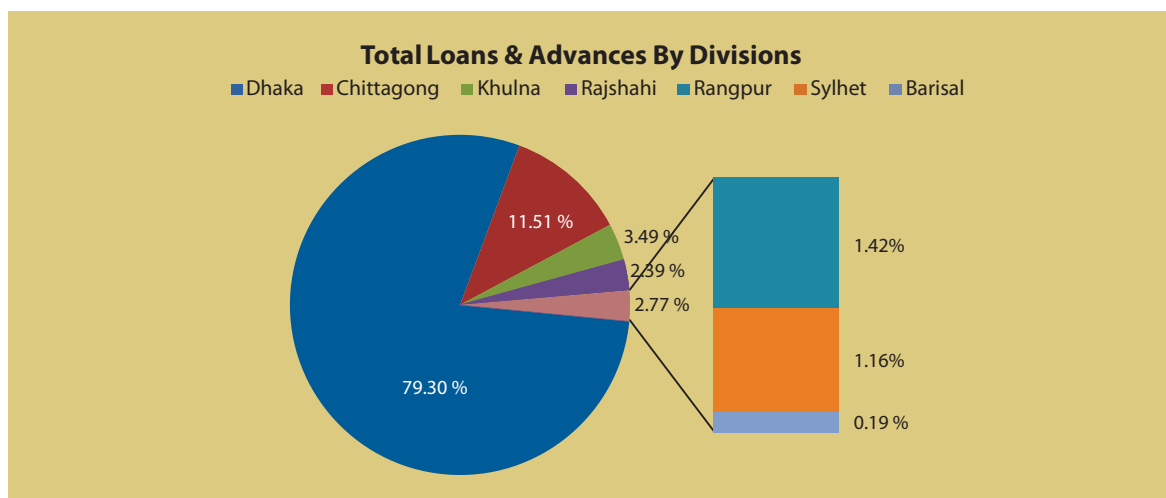
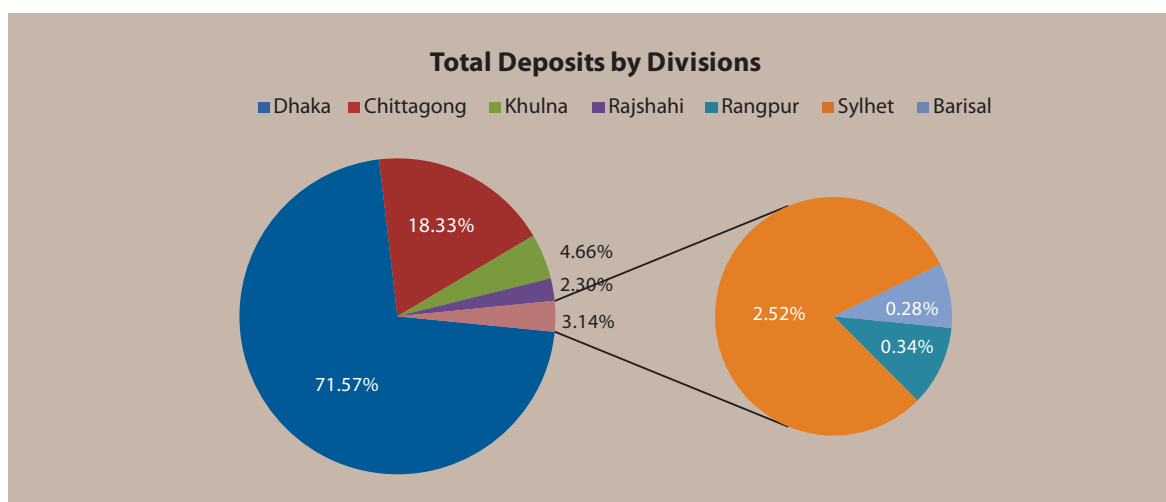
3. Acknowledgement:

The management of the bank takes the opportunity to express its thanks and gratitude to the Chairman and all the members of the Board of Directors for their invaluable counsel. The management also places on record its appreciation for the employees of all levels for their efforts and devotion in carrying out their

tasks and duties. Sincere thanks of the management also goes to the Government, the sole shareholder of the bank, the Bank and Financial Institutions Division, the Ministry of Finance, valued clients, correspondents, all Banks and Financial Institutions in Bangladesh, well wishers, other stakeholders, Bangladesh Bank and all its patrons like KFW, ADB for their confidence, continued support and cooperation.

4. Conclusion:

In view of overall performance and global economic condition; we went through a moderately successful year 2012. We are confident to excel towards growth and foster continuous progress in operating performance and achievement of targets set for the year 2013.





► Managers' Conference 2013



Disclosures on Risk Based Capital Requirement under Basel-II



for the year ended on 31 December 2012

Disclosure Overview

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

stakeholders can assess the position of a bank regarding holding of assets and to identify the risks relating to the assets and capital adequacy to meet probable loss of assets.

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

Scope and purpose

The purpose of Market discipline in the Revised Capital adequacy Framework is to complement the minimum capital requirements and the supervisory review process. The aim of introducing Market discipline in the revised framework is to establish more transparent and more disciplined financial market so that

All the quantitative disclosure furnished here are on **solo basis** and on the basis of audited financial statement of BASIC Bank Limited for the year ended 31 December 2012 prepared under relevant international accounting and financial reporting standards as adopted by the Institute of Chartered Accountant of Bangladesh (ICAB) and related circulars/instructions issued by Bangladesh Bank from time to time.

a) Scope of application

Qualitative Disclosures

a. The name of the top corporate entity in the group to which this guidelines applies.	BASIC Bank Limited
b. An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group: (i) that are fully consolidated; (ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted)	The Risk Based Capital Adequacy framework applies to BASIC Bank Limited on "Solo Basis" as there are no subsidiaries of the bank on reporting date.
c. Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	Not applicable
d. The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the name(s) of such subsidiaries.	Not applicable

► Disclosures on Risk Based Capital Requirement under Basel-II

b) Capital Structure

Qualitative Disclosures

a. Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or in Tier 2.	Paid up capital: TK 294.70 crore As per stipulation of Memorandum and Articles of Association of the Bank at least 50% of net Profit (after tax) is re-invested in the capital of the bank and to that extent bonus share is generally issued to the shareholders. Statutory reserve: TK 222.47 crore As per section 24 of Bank Companies Act 1991, we have to transfer 20% of profit before tax to Statutory Reserve each year. General reserve: TK 4.00 crore In addition to the above there is a General reserve of TK 4.00 crore which was created for venture capital. Retained earnings: TK 5.17 crore; Other Reserve for issuing Non-cumulative irredeemable preference share: Tk. 120.50 Crore General provision: TK 54.89 crore;
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Quantitative Disclosures

(a) The amount of Tier-1 capital, with separate disclosure of:

(Amount in crore TK)

Paid up capital	294.70
Non-repayable share premium account	0.00
Statutory reserve	222.47
General reserve	4.00
Retained earnings	5.17
Minority interest in subsidiaries	0.00
Non-cumulative irredeemable preference shares	0.00
Dividend equalization account	0.00
Others, if any	120.50
Total amount of Tier-1 capital	646.84
(a) The total amount of Tier 2 and Tier 3 capital	54.89
(b) Other deductions from capital	0.00
(c) Total eligible capital	701.73

c) Capital Adequacy**Qualitative Disclosures**

a. Summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities.	Capital Adequacy is the cushion required to be maintained for covering the Credit risk, Market risk and Operational risk so as protecting the depositors and general creditors' interest against such losses. In line with BRPD Circular no. 35 dated 29 December, 2010, the bank has adopted Standardized Approach for Credit Risk & Market Risk and Basic Indicator Approach for Operational risk for calculating the capital adequacy.
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Quantitative Disclosures

(Amount in crore TK)

(a) Capital requirement for Credit Risk	620.09
(b) Capital requirement for Market Risk	12.11
(c) Capital requirement for Operational Risk	66.18
(d) Total and Tier 1 capital ratio:	9.26%
• For the consolidated group; and	Not applicable
• For stand alone	10.05%

d) Credit Risk**Qualitative Disclosures**

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

Definitions of past due and impaired (for accounting purposes);	Loans and advances (loans and bill discount in the nature of an advance) of a bank are classified in to performing and non-performing loans (NPL) in accordance with the Bangladesh bank guidelines. An NPL is defined as a loan or an advance where interest and/or installment of principal remain overdue for more than 90 days in respect of continuous credit, demand loan or a term loan etc. Classified loan is categorized under following 03 (three) categories: 1. Sub-standard (SS); 2. Doubtful (DF); 3. Bad & Loss (BL). Continuous Loan: Any continuous loan will be classified as: 1. Sub-standard if it is past due/overdue for 3 months or beyond but less than 6 month; 2. Doubtful if it is past due/overdue for 6 months or beyond but less than 9 month; 3. Bad & Loss if it is past due/overdue for 9 months or beyond. Demand Loan: Any demand loan will be classified as: 1. Sub-standard if it remains past due/overdue for 3 months or beyond but not over 6 months from the date of claim by the bank or from the date of creation of forced loan;
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► Disclosures on Risk Based Capital Requirement under Basel-II

Definitions of past due and impaired (for accounting purposes);	- Doubtful if it remains past due/overdue for 6 months or beyond but not over 9 month from the date of claim by the bank or from the date of creation of forced loan; - Bad & Loss if it remains past due/overdue for 9 months or beyond from the date of claim by the bank or from the date of creation of forced loan; Fixed Term Loan: In case of any installment(s) or part of installment(s) of Fixed Term Loan is not repaid within the due date, the amount of unpaid installment(s) will be termed as "defaulted installment". In case of Fixed Term loans amounting more than Tk. 10.00 lac, - If the amount of "defaulted installments" is equal to or more than the amount of installment(s) due within 3 month, the entire loan will be classified as Sub-standard. - If the amount of "defaulted installments" is equal to or more than the amount of installment(s) due within 6 month, the entire loan will be classified as Doubtful. - If the amount of "defaulted installments" is equal to or more than the amount of installment(s) due within 9 month, the entire loan will be classified as Bad & Loss. In case of Fixed Term loans amounting up to Tk. 10.00 lacs: - If the amount of "defaulted installments" is equal to or more than the amount of installment(s) due within 6 month, the entire loan will be classified as Sub-standard. - If the amount of "defaulted installments" is equal to or more than the amount of installment(s) due within 9 month, the entire loan will be classified as Doubtful. - If the amount of "defaulted installments" is equal to or more than the amount of installment(s) due within 12 months, the entire loan will be classified as Bad & Loss.
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Description of approaches followed for specific and general allowances and statistical methods;	Type of loans & Advances		Provision				
			UC	SMA	SS	DF	BL
	Consumer Finance	House building and loans to Professionals	2%	5%	20%	50%	100%
		Other than House building and Professionals to setup Business	5%	5%	20%	50%	100%
	Loans to Brokerage House, Merchant Bank or stock dealers, etc.		2%	5%	20%	50%	100%
	SME Financing		0.25%	5%	20%	50%	100%
	Others		1%	5%	20%	50%	100%
Discussion of the bank's credit risk management policy	Short term Agri. Credit and Micro Credit		5%	-	5%	5%	100%
	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.						

Disclosures on Risk Based Capital Requirement under Basel-II ◀

Quantitative Disclosures

a. Total gross credit risk exposures broken down by major types of credit exposure Type	Type	Amount (in crore)	Percentage
	Continuous Loan	3,926.85	45.68%
	Term Loan	2,649.20	30.82%
	Bill portfolio	186.40	2.17%
	Other loan products	1,833.13	21.33%
b. Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.	Division	Amount (in crore)	Percentage
	Dhaka	6,816.00	79.30%
	Chittagong	898.46	11.51%
	Khulna	299.85	3.49%
	Rajshahi	252.19	2.93%
	Sylhet	99.51	1.16%
	Barisal	16.10	0.19%
	Rangpur	122.47	1.42%
c. Industry or counterparty type distribution of exposures, broken down by major types of credit exposure	Sector (only industrial loan)	Amount (in crore)	Percentage
	Food & Allied	746.29	8.68%
	Textile	663.53	7.72%
	ERMG	514.81	5.99%
	Accessories	78.98	0.92%
	Jute product & Allied	439.33	5.11%
	Forest product & Allied	7.24	0.08%
	Paper, Board, Printing & Packg.	199.16	2.32%
	Tannery, Leather and Rubber	79.62	0.93%
	Chem. Pharm. and Allied	176.75	2.06%
	Glass, Crmc. and other non metal	38.60	0.45%
	Engineering	54.10	0.63%
	Electrical & Electronics	219.47	2.55%
	Service Industry	1,263.49	14.70%
	Misc. Industry	19.45	0.23%
	Industry not elsewhere classified	75.44	0.88%
d. Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	Sector (only industrial loan)	Amount (in crore)	Percentage
	Up to 01 Month	1,666.49	19.39%
	Above 1 month but not more than 3 month	794.12	9.24%
	Above 3 month but not more than 1 year	2,894.37	33.67%
	Above 1 year but not more than 5 years	1,901.75	22.12%
	Above 5 years	1,338.85	15.58%
e. By major industry or counterparty type:		(Amount in crore)	
- Amount of impaired loans and if available, past due loans, provided separately; - Specific and general provisions; and - Charges for specific allowances and charge-offs during the period.		706.57	(8.22%)
		298.50	
		173.76	

► **Disclosures on Risk Based Capital Requirement under Basel-II**

f. Gross Non Performing Assets (NPAs) Non Performing Assets (NPAs) to Outstanding Loans & advances	(Amount in crore)
Movement of Non Performing Assets (NPAs)	
Opening balance	248.98
Additions	908.81
Reductions	451.22
Closing balance	706.57
Movement of specific provisions for NPAs	
Opening balance	89.44
Provisions made during the period	173.76
Write-off/ Interest Waived	6.67
Write-back of excess provisions	0.00
Closing balance	256.53

N.B.- Additional provision required as per Bangladesh Bank Audit report:

Total additional provision required to be provided as per BB audit report	209.98
Provided from the profit of 2012	74.04
To be provided within 30 th June 2013	135.94*

* [Bangladesh Bank, vide their letter no. ডিবিআই-২(উবি-৫)/৭০৩৪/২০১৩-২৭৫ তার- ২৬-০৫-২০১৩, has allowed time to BASIC Bank Limited up to 30th June 2013 to provide the amount of provision Tk. 135.94 crore.]

e) Equities: Disclosures for Banking Book Positions

Qualitative Disclosures

a. The general qualitative disclosure requirement with respect to equity risk, including:	
- differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and - Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	Equity investments are mainly for capital gain purpose. Bank also has some equity investment for relationship and strategic purpose. The holding of bank's quoted and unquoted share are values at cost price. Provisions are made at the end of the year if market price is below the cost price.

Quantitative Disclosures

a. Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	The bank invested TK 18.94 crore in quoted and unquoted securities. Out of which the bank invested TK 15.11 crore in 31 quoted/ listed companies and TK 3.83 crore in 4 unquoted/unlisted companies.
b. The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	In the reporting year the cumulative realized gains (as capital gain) was TK 52.97 lac.
c. - Total unrealized gains (losses) - Total latent revaluation gains (losses) - Any amounts of the above included in Tier 2 capital.	At the end of 2012 market value of securities stood at TK 29.56 crore against cost price of TK 18.94 crore resulting net gain (unrealized) of TK 10.62 crore. Not Applicable. Not Applicable.
d. Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.	Specific Market Risk: 1.97 crore General Market Risk: 1.97 crore

f) Interest rate risk in the banking book (IRRBB)

Qualitative Disclosures

a. The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non maturity deposits, and frequency of IRRBB measurement.	Interest rate risk in the banking book is the risk of changes in market interest rate. Any positive or negative movement in the market interest rate affects the value of the banking book. It affects the current earning as well as the net worth of the bank.
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Quantitative Disclosures

a. The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).	Market Value of Assets: 10,976.87 crore Market Value of Liabilities: 10,323.40 crore Weighted average of Duration Gap: 1.02 yr CAR after different level of shocks: - Minor Level : 8.65% - Moderate Level : 7.24% - Major Level : 5.83%
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► Disclosures on Risk Based Capital Requirement under Basel-II

g) Market Risk

Qualitative Disclosures

a.

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

Quantitative Disclosures

a. The capital requirements for:	(Amount in Crore Tk.)
1. Interest rate risk;	7.71
2. Equity position risk;	3.94
3. Foreign exchange risk; and	0.46
4. Commodity risk.	0.00

h) Operational Risk

Qualitative Disclosures

a.

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

Quantitative Disclosures

a. The capital requirements for operational risk:	66.18 crore
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Human Resources Development Programs





► Human Resources Development Programs





“BASIC Bank has taken **initiative** at the very beginning to implement green banking and formulated its **Green Banking** policy approved by the Board of Directors”

Green Banking in BASIC Bank



Green Banking is a part of international initiative. Governments and central banks have been undertaking initiatives and formulating directives to support green banking activities. Global warming, climate change, green house effect, air pollution, water pollution, waste disposal all these have negative impact on the environment. The Green Banking is a an ethical banking, sustainable banking & socially responsible banking and center focus of its is the concern of Environment. BASIC Bank being socially and environmentally responsible bank to improve its own standard is also contributing to build up socially responsible business considering the interest of customers, employees, shareholders, communities and environment. Green Banking ensures contribution to the transition to resource efficient and low Carbon industry.

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

The Bank is complying with the instructions stipulated in the detailed guidelines on Environmental Risk Management (ERM) of Bangladesh Bank. BASIC Bank is assessing Environmental Risk (EnvRR) in addition to existing Credit Risk Grading for any existing/proposed/prospective industrial project. The Bank has already assessed EnvRR of 414 (Four Hundred Fourteen) numbers of project & rest of the projects will be taken under purview of environmental risk very soon. The Bank also takes environmental issues very cautiously while financing new projects.

Green finance as a part of Green Banking makes great contribution to the transition to resource-efficient and low carbon industries i.e. green industry and green economy in general. Bangladesh Bank directed to all banks to finance on Green project. The BASIC has stepped into green finance and already financed 42 (Forty two) projects, out of which 1 (One) Solar panel



► Green Banking in BASIC Bank

manufacturing project, 20 (Twenty) numbers are ETP (Effluent Treatment Plant), 3 (Three) Bio gas plants, 18 (Eighteen) Brick fields using 5(Five) HHK (Hybrid Holfman Kiln) & 13 (Thirteen) Zigzag kiln technology projects (as of 31-12-2012) as under project loan & working capital.

About two hundred employees have been trained on Green Banking which includes all executives of the Bank. The Bank has kept budgetary provision in the expenditure budget for the year 2013 to address to: a) fund for green finance, b) climate risk fund & c) marketing and capacity building.

As part of in-house environmental management, awareness building program/ plans are set forth for branches and Head Office divisions- i.e. to take measures to save electricity, water, paper and stationary consumption in the line of Bangladesh Bank's guidelines. BASIC believes in fostering behavioral change at both the institution and individual levels to contribute to climate change mitigation efforts.

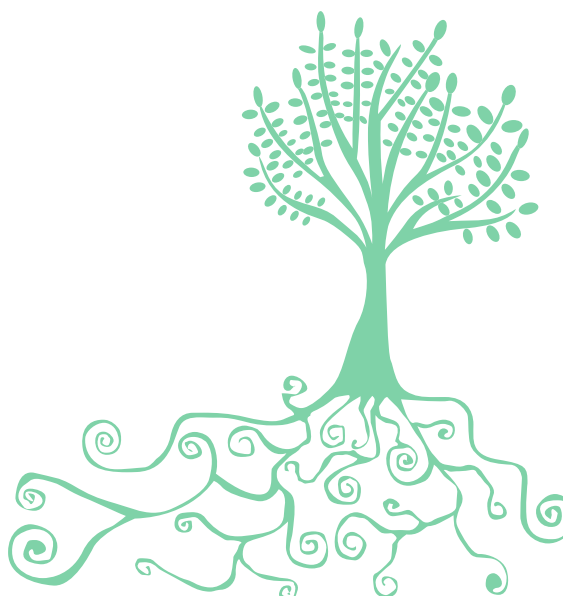
All of its sixty Two Branches including Head Office are running with online operation mode. Appropriate disclosure of Green Banking activities are being made regularly through web site (www.basicbanklimited.com/Green_Banking.php) and necessary reporting to Bangladesh Bank is regular.

As activities of phase II of the Green Banking policy of Bangladesh Bank, BASIC Bank has already formulated (Draft) strategies to design specific policies for 06 (Six) environmental sensitive sectors such as Agro-poultry, Agro-dairy, Cement, Textile, pulp & paper, leather & tannery and cement industries.

BASIC Bank is following ERM (Environmental Risk Management) manual/guidelines of Bangladesh Bank in their assessment and monitoring of project and working capital loans.

The bank is preparing specific ERM planning. It will determine a set of achievable targets and strategies, and disclose these in their annual reports and web sites for green financing and in-house environment management as well.

BASIC Bank exerts utmost effort to implement Green Banking and always eager to embrace latest technology and methods to ensure eco-friendly banking operation. BASIC Bank believes that, green banking ensures sustainable development and preservation of resources for next generation. All of its activities always have been propelled to take care of people and planet first then profit.





BASIC Bank donate Taka 15 million to the Hon'ble Prime Minister's relief and welfare fund for the affected people of Rana Plaza tragic incident. Hon'ble Chairman of the Bank Mr. Sheikh Abdul Hye Bacchu handed over the cheque to the Hon'ble Prime Minister Sheikh Hasina in her office at the Parliament on 28 April 2013

Primarily **CSR** starts with the consideration of social implications by any body corporate which is ultimately reflected through its initiatives towards betterment of the disadvantaged **peoples of a society.**

As a stakeholder of the society, the Bank is keen to augment CSR activities gradually in the days to come.

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

We, at BASIC Bank Limited passionately believe that a better society is fundamental precondition for a better business environment. As such, CSR is viewed as one of the core corporate values of the Bank. As we all know, United Nations set eight goals (popularity known as Millennium Development Goals, such as eradicate extreme poverty and hunger, achieve universal primary education, promote gender equality & empower women, reduce child mortality, improve maternal health, combat HIV/AIDS, malaria and other diseases, ensure environmental sustainability and develop a global partnership for development) in its millennium

► CSR Activities of BASIC Bank



On behalf of BASIC Bank, Chairman of the Bank Sheikh Abdul Hye Bacchu is handing over a cheque to prime Minister Sheikh Hasina for the Nimtoli fire-affected people of Old Dhaka



BASIC Bank Limited donated 25,000 pieces of blankets to the honorable Prime Minister's Relief Fund under Banks CSR related obligations in the year 2012. Mr. Sheikh Abdul Hye Bacchu, Chairman of the Bank along with Managing Director Mr. Kazi Faqurul Islam, A. Monaem Khan, Deputy Managing Director and Mr. Md Ruhul Alam, General Manager handed over blankets to the Honorable Prime Minister Sheikh Hasina

summit held at the UN Head Quarters, New York, USA in 2000 and Bangladesh is one of the signatories to achieve those goals by 2015. As such, we have aligned our CSR activities partially with those goals. Some of our CSR activities involved are summarized below:

Poverty Alleviation

It is globally accepted that the Non-Government Organizations (NGOs) have been performing a laudable role in poverty alleviation across the globe, especially in Bangladesh. With a view to widen the access to finance by the poor and ultra poor community, BASIC Bank Limited has been financing NGOs for quite since 1995 at privileged rates of interest (between 7.00% and 11.00%). So far we have financed 65 NGOs of various categories and capacities from small to large and also from local/regional to national/international. Such activities also contributed to generation of income and employment as well.

Women Empowerment

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

Our Concern for the Environment

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



BASIC Bank Limited donated Tk 15.00 lac to Bangladesh Olympic Association (BOA) for organizing the 8th Bangladesh Games. Here the cheque for Tk 15.00 is handed over to the Honorable State Minister for Youth and Sports Mr. Md. Ahad Ali Sarker MP. Among others Mr. Fazlus Sobhan, Deputy Managing Director of the Bank is also seen

Sports and Cultural Activities

In the year 2012, the bank has donated Tk. 100.00 lac to Abahani Limited and Tk. 150.00 lac to Sheikh Russel Krira Chakra. Both these two teams are competing to clinch the title of Bangladesh Premier League Football. The bank also donated Tk. 15.00 lac to Bangladesh Olympic Association [BOA] for organizing the 8th Bangladesh Games. Besides, during the year 2011, the Bank extended financial support Tk.1.00 crore each to Sheikh Russel Krira Chakra and Sheikh Jamal Dhanmondi Club towards development of games and sports. The Bank also contributed Tk.5.00 lac for making documentary on Bangabandhu Sheikh Mujibur Rahman, the father of the nation, viewing tribute and homage to him. In the year 2011, an amount of Tk.8.00 lac was contributed for making documentary exhibition and archive of scarce footage of our great independence war. The Bank also contributed Tk.10.00 lac to Bangladesh Table Tennis Federation in the year 2011. The Bank also sponsored 25th to 31st National Junior Chess Championship by contributing Tk.1.00 lac in each year. It was a privilege and honor for the Bank to work with the 11th SA Games held since January 29, 2010 to February 09, 2010 in Dhaka as a co sponsor by contributing Tk.1.00 crore to Bangladesh Olympic Association. BASIC has been patronizing the Handball Federation by arranging



► CSR Activities of BASIC Bank

"BASIC Bank Limited Inter district National Women Handball Tournament. The Bank also sponsored the National & International BASHAAP Championship in 2008.

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 2012, the Bank sponsored Tk. 5.00 lac to arrange Baishakhi Fair -

1419. Besides, the bank also sponsored Bangladesh Small & Cottage Industries Corporation (BSCIC) to publish supplementary / memorandum book and organizing different events marking the 55th founding anniversary of BSCIC. The bank also spent some of its CSR related expenses at various private, semi government and government bodies and socio cultural organizations. Details of them are mentioned below:

SL No. Particulars of donation Amount in Taka

SL No.	Particulars of Donation	Amount in Taka
1.	Chitalmari Press Club for infrastructural development	50,000.00
2.	Sabuj Sanga, Chitalmari, for infrastructural development	50,000.00
3.	Shilpakala Academy, Chitalmari	25,000.00
4.	Begum Fazilatunnesa Mujib Hall, Dhaka University for performing Swaraswati Puja	10,000.00
5.	Bangladesh Kuwait Moitree Hall, Dhaka University for performing Swaraswati Puja	5,000.00
6.	District Commissioner, Chandpur, for the construction of a monument at Boro Station for the memory of the victims of genocide at 1971	3,00,000.00
7.	National Committee for organizing 1st Bengali Convention	1,00,000.00
8.	05 nos. of Desktop computers and 05 nos. of FAX machines to the 05 thanas of Gopalganj and Bagherhat districts	3,80,000.00
9.	Jatiyo Rabindra Sangeet Sammilan Parishad	20,000.00
10.	Dr. Humayun Azad Foundation for the construction of Dr. Azad sculpture and library at his burial premises	1,00,000.00
11.	Bangladesh Bannya Prani Sheba Foundation	1,00,000.00
12.	Dhaka Repoters' Unity	10,000.00
13.	Bangladesh Arthanity Samity	3,00,000.00
14.	Ministry of Women and Children Affairs	50,000.00
15.	Ministry of Expatriates' Welfare and Overseas Employment	1,00,000.00
16.	Officers' Club, Dhaka	3,00,000.00

In the year 2010, BASIC Bank Limited 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. 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

During the year 2012, the bank has spent from bank's CSR fund Tk. 80.00 lac for the donation of blankets to the cold stricken poor people of the country through Prime Minister's Relief Fund and directly. Moreover, in a gesture of positive point of



On behalf of BASIC Bank, Chairman Mr. Sheikh Abdul Hye Bacchu is handing over a sample of some pieces of 25,000 blankets to the Honorable Prime Minister Sheikh Hasina for Prime Minister's Relief Fund for distribution among the cold affected people

view, the bank has donated Tk. 200.00 lac to the Prime Minister's Relief and Welfare Fund for the rehabilitation of the fire victims of Tazreen Fashions and Bahaddarhat Flyover tragedy. The bank also donated Tk. 1.00 lac to Gomostapur Union Parishad, Gomostapur, Chapainawabgonj to purchase corrugated iron sheets to be distributed among the storm affected distress poor people. The bank also donates Tk. 150.00 lac to the Prime Minister's Relief and Welfare Fund for the relief and rehabilitation works of the victims of Savar Tragedy. The bank also donates Tk. 1.00 to the Association of Banks Bangladesh [ABB] for the Tornado affected people of Brahmanbaria. In the year 2011, the Bank donate 25,000 piece blankets to Prime Minister's Relief and Welfare Fund. In the previous year the Bank donated an amount Tk.1.00 crore to the same Fund for the rehabilitation of the victims of the Nimtoli Fire Tragedy. In the year 2007, the Bank donated Tk.25.00 lac to the Chief Adviser's Relief Fund for the flood affected people and Tk.25.00 lac for the SIDR victims.

Education

Akin to the previous years, BASIC Bank Limited has donated a sizeable amount to various educational institutions. Details are mentioned as under:

SL No.	Particulars of Donation	Amount in Taka
1.	Borobaria Ideal Commercial College, Chitalmari, for infrastructural development	2,00,000.00
2.	Sher e Bangla Degree College, Chitalmari, for infrastructural development	2,00,000.00
3.	Bangabandhu Mohila College, Chitalmari, for infrastructural development	2,00,000.00
4.	Jahagirnagar University, for the arrangement of convocation	1,00,000.00
5.	Ekushey Girls' School of Hazigonj, Chandpur for infrastructural development	1,00,000.00
6.	Naogaon Zilla Samity, Dhaka to accolade the meritorious students of the district who have achieved CGPA 5 at the SSC, HSC and similar examinations	1,00,000.00
7.	Jamia Arabia Qashemul Ulum Zafarabad Madrasha, Chandpur, towards construction of the building for orphanage	1,00,000.00
8.	Wazed Memorial Model Maddhyamik Biddalaya, Mollahat, Bagherhat	1,00,000.00
9.	Gopalganj Zilla Samity, Dhaka to accolade the meritorious students of the district who have achieved CGPA 5 at the SSC, HSC and similar examinations	5,00,000.00
10.	Khalilur Rahman Degree College, Mollahat, Bagherhat	2,00,000.00
11.	Damura Mahmudia Dakhil Madrasha, Ujirpur, Barishal	50,000.00
12.	Sponsorship for organizing Golden Jubilee Celebration of Jhenidah Cadet College and Jhenidah Ex-Cadets Association's 11th reunion.	10,00,000.00
13.	Donation of 10 computers to Noapara Degree College, Raojan, Chittagong	2,80,000.00
14.	Noapara Degree College, Raojan, Chittagong for infrastructural development	1,00,000.00
15.	Donation of an airconditioned minibus to Jahangirnagar University for carrying the teachers	36,10,089.00

► CSR Activities of BASIC Bank

During 2011, the Bank distributed Tk.5.00 lac among the meritorious students of Gopalganj Zilla Samity. In 2010, BASIC Bank Limited donated a fund of Tk.50.00 lac to the aggrieved families of the two late secretaries of the Government of Bangladesh for maintaining the educational expenditure of their children. Besides, the Bank also contributed a fund of Tk.5.00 lac to the daughters of late Chapa Rani Bhowmik for their education purpose. In 2009 BASIC Bank Limited donated Tk.2.00 lac to Bangladesh Asiatic Society for publishing Bengali version of the largest National encyclopedia of Bangladesh. In publishing the first edition (English version) of the encyclopedia, BASIC Bank Limited donated Tk.5.00 lac as well. 'BASIC Bank Limited Gold Medal' was introduced in collaboration with the Banking Department, University of Dhaka for the students of the department with outstanding academic achievements. With a view to provide a smooth interface between student life and professional life, we offer internship facility to the BBA and MBA students of different universities with commendable academic records after completion of all other academic requirements. In the year 2010, a huge numbers of interns were granted the opportunities to groom with us in a truly professional, dynamic and challenging corporate environment.

Promotion of Entrepreneurship

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



Chairman of the Bank Mr. Sheikh Abdul Hye Bacchu along with Mr. Kazi Faqurul Islam, Managing Director and General Manager, Mr. Md Ruhul Alam are seen to distribute blankets among the cold stricken poor peoples in Gopalganj and Bagerhat districts.

Ambulance for poor patients of Mathbaria Pouro Area



As a part of the Corporate Social Initiatives, BASIC Bank Limited donated an ambulance to the Mathbaria Pouroshava Authority for the distressed and poor patients of the locality with the honor of Hon'ble Prime Minister Sheikh Hasina

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.

During the year 2012, the bank has given financial assistance from its CSR fund a sum of Tk. 1.00 lac to Mr. Kamal Hossain, Senior Officer, Sonali Bank Limited, Agargaon Branch, Dhaka for the treatment of his baby who is suffering from leukemia and Tk. 0.50 lac to Mr. Borhan Uddin

Bhuiyan, Deputy Secretary of the Ministry of Youth and Sports, for the treatment of his ailing daughter.

The bank donated Tk. 1.00 lac to Mr. Kamal Hossain, a Guard cum messenger of the bank for the treatment of his ailing brother suffering lung cancer.

The bank also donates 01 unit of ambulance to Kotalipara Upazilla Health Complex at the cost of Tk. 18.99 lac and 01 unit of ambulance to the Mathbaria Pourashava at the cost of Tk. 18.99 lac.

In the year 2011, the Bank distributed about Tk.3.00 lac amongst different disadvantaged individuals. In the year 2010, the Bank patronizes some organizations, which work for improvement of public health. Also in 2009 the bank donated SANDHANI & Lions Eye Hospital in organizing their free treatment campaign held at different places across the country. The Bank also extended its assistance to some acid victims directly.

Awareness Building

Generation of awareness is a very useful tool to combat social evils, like drug addiction, smoking, pollution, terrorism, population etc. For this purpose, the Bank has continued to display banner, festoon sticker, display board and use such other communication channels for discouraging drug, smoking, pollution, population growth etc. The Bank kept continued such awareness building activities for the year 2011 and 2012. In the year 2010, the Bank 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.

Ambulance for poor patients of Kotalipara Upazilla



As a part of the Corporate Social Initiatives, BASIC Bank Limited donated an ambulance to the Kotalipara Upazilla Health Complex for the welfare of the distressed and poor patients of the locality with the honor of Hon'ble Prime Minister Sheikh Hasina

► CSR Activities of BASIC Bank



As a part of the Corporate Social Initiatives, BASIC Bank Limited donated an air conditioned minibus for the teachers of Jahangirnagar University with the honor of Hon'ble Prime Minister Sheikh Hasina

Other Activities

In the year 2012, the bank has subscribed Tk. 30.20 lac to the Institute of Bankers, Bangladesh [IBB]. The Bank donated for publishing a souvenir marking the 90 years of anniversary of Bangla Department of Dhaka University in the year 2011. The Bank does not impose any fee to the job applicants for the position of Assistant Manager, Officer and Assistant Officer whereas the Bank is required to make a sizeable expense for this purpose.

Future Plan

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



“BASIC as a scheduled Bank, gives **top priority** towards meticulous compliance with all regulatory requirements of Bangladesh Bank **focusing core risk management**, capital adequacy, loan classification and provisioning, foreign exchange regulations, liquidity management, anti-money laundering guidelines etc.

Preface:

The meaning of the term ‘corporate governance’ is widen to a large extent in the arena of corporate world. At its broadest, corporate governance encompasses the framework of rules, relationships, systems and processes within and by which fiduciary authority is exercised and controlled in companies. Relevant rules include applicable laws of the land as well as internal rules of a company. Relationships include those between all related parties, the most important of which are the owners, managers, directors of the board, regulatory authorities and to a lesser extent employees and the community at large. Systems and processes deal with matters such as delegation of authority, performance measures, assurance mechanisms, reporting requirements and accountabilities. The parties involved in corporate governance include the governing or regulatory body e.g., Securities and Exchange Commission, the Managing Director/ Chief Executive Officer, the board of directors, management and shareholders. Other stakeholders who take part include employees, suppliers, creditors, lenders, customers and the community at large. As such good governance is an essential ingredient in corporate success and sustainable economic growth. The corporate governance framework depends on the legal, regulatory, institutional and ethical environment of the community. Being a stakeholder of the society BASIC Bank is keen to augment the corporate governance practices towards accountability, sustainable growth of the Bank as well as better economy of the country.

The Board:

The members of the Board of Directors are appointed by the Bank and Financial Institutions Division, Ministry of Finance, Government of the People’s Republic of Bangladesh. The present Board is comprised of ten members of whom four are bureaucrats, three are professionals and the rest three are businessman, retired government high official and CEO of the Bank. As such all the members of the Board are non-executive Directors except one. The Directors having sound academic background, skills and experience add value towards corporate governance and maximizing the shareholders value.

► Corporate Governance Practices of the Bank

The Board discharges its duties through convening Board meetings on regular basis as per Memorandum and Articles of Association of the Bank, directives of Bangladesh Bank, usual banking norms and practices towards overall betterment of the Bank.

Chairman of the Board:

The present Chairman of the Bank is Mr. Sheikh Abdul Hye Bacchu. In recognition of his contribution towards the Bank, the Government re-appointed him for another period of two years on 05.09.2012 after successful completion of initial period of three years.

Number of Board Meetings held in 2012:

Name of the Directors	Meetings Held	Meetings attended
Mr. Sheikh Abdul Hye Bacchu	15	15
Mr. Jahangir Akhand Salim	15	11
Mr. Fakhurul Islam	15	15
Mr. Shubhashish Bose	15	13
Ms. Neelufar Ahmed	15	14
Ms. Quamrun Naher Ahmed	15	14
Mr. Shakhawat Hossain	15	8
Prof. Dr. Kazi Akhtar Hossain	15	11
Mr. Md. Anwarul Islam, FCMA	15	9
Mr. AKM Rezaur Rahman	15	1
Mr. AKM Kamrul Islam, FCA	15	1
Mr. Kazi Faqurul Islam	15	15

Mentionable that Mr. Jahangir Akhand Salim, Mr. Shakhawat Hossain and Prof. Dr. Kazi Akhtar Hossain retired from the Board immediately after completion of tenure as per appointment of the Bank and Financial Institutions Division, Ministry of Finance.

Besides, Mr. AKM Rezaur Rahman and Mr. AKM Kamrul Islam, FCA are appointed as Directors of the Bank in the month of December, 2012 for a period of three years. In addition, Mr. Md. Anwarul Islam, FCMA is re-appointed as a Director for another period of three years in the month of January, 2013.

The Committees of the Board of the Directors:

There are two Committees of the Board of Directors namely the Executive Committee and the Audit Committee as per guidelines of Bangladesh Bank. Each Committee operates under the Terms of Reference (TOR) as stipulated by the Board and the guidelines of Bangladesh Bank.

Executive Committee of the Board:

The Board delegated administrative, financial and business authority to the Executive Committee though all policy matters and strategic issues are under the jurisdiction of the Board of Directors of the Bank. Presently the Executive Committee is comprised of the following members:

- | | | |
|---------------------------------|---|----------|
| 01. Mr. Sheikh Abdul Hye Bacchu | - | Chairman |
| 02. Mr. Fakhurul Islam | - | Member |
| 03. Mr. Shubhashish Bose | - | Member |
| 04. Ms. Neelufar Ahmed | - | Member |
| 05. Ms. Quamrun Naher Ahmed | - | Member |
| 06. Mr. Md. Anwarul Islam, FCMA | - | Member |
| 07. Mr. Kazi Faqurul Islam | - | Member |

Audit Committee of the Board:

The TOR of the Audit Committee is based on the guidelines of Bangladesh Bank. Presently the Audit Committee is comprised of the following members:

- | | | |
|---------------------------------|---|----------|
| 01. Mr. Fakhurul Islam | - | Convener |
| 02. Mr. Shubhashish Bose | - | Member |
| 03. Mr. AKM Kamrul Islam, FCA | - | Member |
| 04. Mr. Md. Anwarul Islam, FCMA | - | Member |

Compliance with Bangladesh Bank regulations:

BASIC as a scheduled Bank, gives top priority towards meticulous compliance with all

regulatory requirements of Bangladesh Bank focusing core risk management, capital adequacy, loan classification and provisioning, foreign exchange regulations, liquidity management, anti-money laundering guidelines etc.

Compliance with Corporate Governance guidelines of Bangladesh Bank:

The Bank follows the guidelines of Bangladesh Bank on corporate governance (published through BRPD Circular No 06 dated February 04, 2010) regarding responsibilities and accountabilities of the Board of Directors, responsibilities of Chairman of the Board, responsibilities of the Adviser, responsibilities and accountabilities of the CEO, Training of Directors covering overall business activities of the Bank focusing credit and risk management, internal control, human resources management as well as income and expenses.

Compliance with BSEC regulations:

The Bank follows the relevant regulations of the Bangladesh Securities and Exchange Commission (BSEC) though the Bank is yet to be a listed company.

Credit Rating of the Bank:

In terms of BRPD Circular No. 06 dated July 05, 2006 of Bangladesh Bank, credit rating of the Bank for the year 2011 was accomplished by Credit Rating Agency of Bangladesh Limited (CRAB). The date of rating by CRAB was April 17, 2012. CRAB assigned 'AA2' (pronounced as double AA two) rating in the Long Term and ST-2 rating in the Short Term. Credit rating has been continuing regularly on a yearly basis and credit rating of 2012 will be completed before June 30, 2013.



PRODUCTS & SERVICES

BASIC FORTUNE PLUS (DPS)

This is a recurring deposit scheme with attractive benefits. Realization of monthly installments will start from the day of opening and all subsequent installments will be realized/deposited by the last day of the same month onward. Up to 80% loan facility on deposit amount excluding interest accrued will be provided

BASIC DOUBLE BENEFIT SCHEME

This scheme will double one's money within 06 years. Deposit of Tk. 25,000/- and multiplies thereof but maximum limit of Tk. 50,00,000/- at a time will be acceptable. a

RFC & NFC DEPOSIT

BASIC Bank Limited gives opportunity to maintain foreign currency account through its Authorized Dealer Branches.

INDUSTRIAL FINANCE

The main focus of the bank is to cater small and medium industries through its entire branch network in the form of various industrial loans.

COMMERCIAL CREDIT

The Bank provides Commercial credit for day-to-day operations of business on commercial purpose.

SME FINANCE

To help in creating a strong base of SME through funding of small and medium sized enterprises.

FOREIGN TRADE

Facilitating diversified export import services towards industrial and commercial enterprises.

CREDIT FOR AGRICULTURE & AGRO BASED PROJECTS

Loan for Primary Products, Crops, Farming & other Farming Activities as well as agro based industries is a priority of the bank.

CURRENT DEPOSIT ACCOUNT

We offer current deposit facility to our customers. It is an easy-to-use account for daily business transactions with no restriction, instant access and withdrawals of money anywhere in Bangladesh.

PREMIUM PLUS CURRENT ACCOUNT

This is a unique current A/C with free remittance facility where interest amount will be paid on the basis of average monthly balance and will be credited in June and December of each year.

FIXED DEPOSIT

BASIC Bank offers fixed term deposit a/c which will boost up customers savings amount in time. For earning a higher rate of interest in return one can deposit a lump sum amount for a fixed period.

BASIC RAPID GROW DEPOSIT SCHEME

Initial deposit will be 1.5 times in 03 years & 03 months term. Minimum acceptable limit of deposit will be Tk. 25,000/- and maximum limit will be Tk. 50,00,000/- at a time.

KRISHOK SAVINGS

Account is a unique savings deposit product for the farmers. Any adult individual farmer in single or joint name(s) can open this account. Initial deposit of this account can start with Tk. 10.00 only. No bank charge.

MICRO CREDIT

Micro credit to the urban, sub-urban and rural poor through linkage with Non-Government Organizations (NGOs) with a view to facilitating their access to the formal financial market for the mobilization of resources.

WOMEN ENTREPRENEURS BASIC KALYANI BASIC KALYANI

Any enterprise owned or led by woman may be eligible to get loan up to Tk. 5 lac without collateral security and up to Tk. 25 lac with collateral security

LETTER OF CREDIT BANK GUARANTEES BILL PURCHASE & COLLECTION

CONSUMER CREDIT

SAVINGS DEPOSIT ACCOUNT (SB)

In this deposit account customers are allowed to withdraw their money whenever required. It also promotes the savings habit among the people.

SPECIAL NOTICE DEPOSIT ACCOUNT (SND)

BASIC Bank provides Special Notice Deposit A/C for corporate customers for day-to-day business operations.

BASIC MONTHLY BENEFIT SCHEME

Any adult individual(s) who has/have a Savings/Current/Special Noticed Deposit A/C can open this scheme in single or in joint names by depositing TK 1,00,000/- or multiplies thereof for 05 (Five) years term.

SCHOOL BANKING

is a special product for school students with a vision to grow their savings habits and familiarize young generations with banking. Account can be opened in the name of any school going citizen who is under 18 years of age.

SUPER DOUBLE BENEFIT SCHEME

This scheme will double one's money within 05 years 3 months. Deposit of Tk. 25,000/- and multiplies thereof but maximum limit of Tk. 25,00,000/- at a time will be acceptable.

ATM / DEBIT CARD

ATM/Debit card can be used for withdrawal of cash as well as for purchasing goods or services wherever VISA and Q-cash POS under this network is available.

ONLINE BANKING

Experiencing true online facility around the country

REMITTANCE (MONEY TRANSFER)

Cash Credit (CC), Export Cash Credit, Loan for Bid Instrument Purchase (BIP) [Personal, Contractors & Suppliers], Commercial Service Provider, LIM, LTR, PC etc.

WORKING CAPITAL LOAN

Cash Credit (CC), Export Cash Credit, Loan for Bid Instrument Purchase (BIP) [Personal, Contractors & Suppliers], Commercial Service Provider, LIM, LTR, PC etc.



AUDITED FINANCIAL STATEMENTS

- Auditors' Report
- Balance Sheet
- Profit & 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
- Nostro Accounts- Outside Bangladesh: (Annexure-A)
- Investment in Shares: (Annexure-B)
- Loans and advances allowed to each customer exceeding 10% of Bank's total Equity: (Annexure - C)
- Fixed Assets Schedule: (Annexure - D)



Auditors' Report

Auditors' Report to the Shareholders' of BASIC Bank Limited

We have audited the accompanying financial statements of BASIC Bank Limited (the "Bank") which comprise the balance sheet as at 31 December 2012, profit and loss account, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements of the Bank in accordance with Bangladesh Financial Reporting Standards, 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. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting & applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 judgment, 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 qualified audit opinion.

Basis for Qualified Opinion:

As disclosed in Note 12 to the financial statements, the Bank has made provision for loans & advances Taka 2,985.01 million whereas we have observed that a further provision of Taka 1,359.40 million is required on account of loans & advances. As a result, provision for loans and advances is understated by Taka 1,359.40 million and net profit after tax as well as Core Capital (Tier-1) is overstated to the same extent.

However, Bangladesh Bank (Central Bank) has allowed to make provision of the said amount i.e. Taka 1,359.40 million within 30 June 2013 vide Bangladesh Bank letter no. DBI-2 (UB-5)/7034/2013-275; Dated: 26.05.2013.

Qualified Opinion:

In our opinion, except for the matter described in the basis for qualified opinion paragraph, the financial statements of the bank prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the financial position of the bank as at 31 December 2012 and of the results of its financial performance and its cash flows for the year then ended 31 December 2012 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 except those matters mentioned in the management letter;
- ii) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- iii) the balance sheet and profit and loss account of the Bank dealt with by the report are in agreement with the books of account and returns;
- iv) the expenditure incurred was for the purpose of the Bank's business;
- v) the financial position of the Bank as at 31 December 2012 & the profit for the year then ended have been properly reflected in the financial statements & that of the Bank except the matter described above in the basis for qualified opinion paragraph; the financial statements of the Bank 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 except for the matters described above in the basis for qualified opinion paragraph;
- 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, except those matters mentioned in the management letter;
- 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 5,500 man hours for the audit of the books and accounts of the Bank; we have covered 30 branches (15 branches each auditor) which have been selected by the bank authority;
- xii) guidelines of Core Risk Management issued by Bangladesh Bank vide BRPD circular no. 17 dated 7 October 2003 were not fully complied with.



Sydul Shamsul Alam & Co.
Chartered Accountants

Dhaka, 10 June 2013



Aziz Halim Khair Choudhury
Chartered Accountants



Balance Sheet

As at 31 December 2012

PROPERTY AND ASSETS

Cash:

Cash in hand (Including foreign currencies)
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)

Balance with other banks & financial institutions

In Bangladesh
Outside Bangladesh

Money at call on Short Notice

Investments:

Government
Others

Loans & Advances:

Loans, Cash Credit & Overdraft etc.
Bills purchased & discounted

Fixed assets including premises, furniture and fixtures

Other assets

Non-banking Assets

Total Assets:

LIABILITIES AND CAPITAL

Liabilities:

Borrowings from other banks, financial Institutions and agents

Deposits and other accounts:

Current Accounts and other Accounts
Bills Payable
Savings Bank Deposits
Fixed Deposits
Bearer Certificates of Deposit
Other Deposits

Other liabilities

Total Liabilities:

Capital/Shareholders' Equity

Paid up Capital
Statutory Reserve
Other Reserve
Surplus in Profit and Loss A/C

Total Shareholders' Equity

Total Liabilities and Shareholders' Equity

Note	Amount in Taka	
	31.12.2012	31.12.2011
	6,289,262,686	4,682,116,663
	530,259,947	420,532,562
	5,759,002,739	4,261,584,101
	1,404,339,168	2,026,743,534
	1,239,825,254	1,723,297,815
	164,513,914	303,445,719
	1,000,000,000	2,240,000,000
	11,707,246,360	9,494,082,996
	11,447,739,226	9,234,513,931
	259,507,134	259,569,065
	85,955,762,411	56,884,757,885
	84,091,736,283	54,266,599,661
	1,864,026,128	2,618,158,224
	526,822,778	364,461,024
	2,798,630,373	2,339,569,927
	-	-
	109,682,063,776	78,031,732,029
	5,492,934,551	2,788,155,658
	87,693,231,680	62,650,734,774
	3,664,287,133	3,398,048,925
	829,492,084	591,866,053
	1,709,220,720	1,496,282,507
	81,490,231,743	57,164,537,289
	-	-
	-	-
	10,035,428,549	7,111,083,175
	103,221,594,780	72,549,973,607
	2,946,982,500	2,357,586,000
	2,224,690,642	2,224,690,642
	1,237,123,737	286,309,487
	51,672,117	613,172,293
	6,460,468,996	5,481,758,422
	109,682,063,776	78,031,732,029



Off-Balance Sheet Items

Note	Amount in Taka	
	31.12.2012	31.12.2011

Contingent liabilities:

17

Acceptances and Endorsements
Letters of Guarantee
Irrevocable Letters of Credit
Bills for Collection
Other Contingent Liabilities

Total:

4,143,752,994	5,458,254,177
2,325,627,108	1,823,215,099
6,455,101,876	8,336,789,137
673,841,506	870,335,800
328,798,949	56,928,816
13,927,122,433	16,545,523,029

Other commitments:

Documentary credits 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:

-	-
-	-
-	-
-	-
-	-

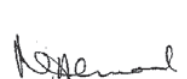
Total Off-Balance Sheet items including contingent liabilities:

13,927,122,433	16,545,523,029
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These financial statements should be read in conjunction with the annexed notes.


Managing Director


Director


Director


Chairman

Signed as per our annexed report on same date.


Chartered Accountants


Aziz Halim Khair Choudhury
Chartered Accountants

Dhaka, 10 June 2013





Profit & Loss Account

For the year ended 31 December 2012

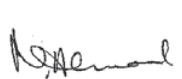
Interest income
Interest paid on deposits and borrowings etc.
Net interest income
Investment income
Commission, exchange and brokerage
Other operating income
Total operating income
Salary and allowances
Rent, taxes, insurance, electricity etc.
Legal expenses
Postage, stamp, telecommunication etc.
Stationery, Printings, Advertisements etc.
Managing Director's salary and fees
Directors' fees
Auditors' fees
Charges on loan losses
Depreciation of bank's assets
Repair of bank's assets
Other expenses
Total operating expenses
Profit/Loss before provision
Provision for loan
Provision(excess provision) for Off Balance Sheet Exposures
Provision for diminution in value of investments
Other provisions
Total provision
Total Profit/Loss before taxes
Provision for Current Tax
Provision for Deferred Tax
Net Profit after Taxation
Appropriations:
Statutory Reserve
General Reserve
Dividends etc.
Retained surplus
Earnings per share (EPS)

Note	Amount in Taka	
	2012	2011
18	11,020,886,815	7,099,007,386
19	(8,544,607,147)	(4,911,660,920)
	2,476,279,668	2,187,346,466
20	1,559,166,570	751,630,731
21	693,134,330	785,349,085
22	129,096,210	189,232,500
	4,857,676,778	3,913,558,783
23	1,160,050,181	993,577,829
24	205,343,677	108,519,337
25	8,922,961	5,775,685
26	41,998,924	32,833,946
27	63,331,297	42,586,755
28	5,922,000	5,658,488
29	859,750	1,727,479
	697,475	657,900
	-	-
30	109,404,277	79,688,746
31	35,226,905	23,991,807
32	615,825,858	270,019,885
	2,247,583,305	1,565,037,857
	2,610,093,473	2,348,520,926
33	1,561,189,794	404,348,230
34	(26,982,580)	(55,818,850)
	-	-
	-	-
	1,534,207,214	348,529,380
	1,075,886,259	1,999,991,546
35	1,079,199,412	1,038,973,188
36	(31,209,477)	(15,094,458)
	27,896,324	976,112,816
14	-	399,998,309
	-	-
	-	-
	27,896,324	576,114,507
39	0.95	33.12

These financial statements should be read in conjunction with the annexed notes.


Managing Director


Director


Director


Chairman

Signed as per our annexed report on same date.


Chartered Accountants


Aziz Halim Khair Choudhury
Chartered Accountants

Dhaka, 10 June 2013



Cash Flow Statement

For the year ended 31 December 2012

Cash flows from operating activities

Interest receipts in cash
Interest payments
Dividends receipts
Fee and commission receipts in Cash
Recoveries on loans previously written off
Cash payments to employees
Cash payments to suppliers
Income taxes paid
Receipts from other operating activities (item-wise)
Payments for other operating activities (item-wise)

Operating profit before changes in operating assets and liabilities

Increase/Decrease in operating assets and liabilities

Statutory deposits
Purchase/sale of trading securities
Loans & advances to customers
Other assets (item-wise)
Deposits from other banks
Deposits from customers
Other liabilities (item-wise)

Net cash from operating activities

Cash flows from investing activities

Purchase of property, plant & equipment
Sale of property, plant & equipment

Net cash from investing activities

Cash flows from financing activities

Increase/(Decrease) of Long Term Borrowing
Conversion of borrowing into reserve

Net cash from financing activities

Net increase/decreasing cash
Cash and cash equivalents at beginning period

Cash and cash equivalents at end of period

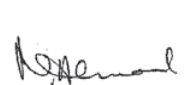
Analysis of Cash and cash equivalents at end of period

Cash
Balance with other banks & financial institutions
Money at call on Short Notice

Amount in Taka	
2012	2011
12,461,286,095	7,746,017,865
(7,397,093,466)	(3,737,347,531)
4,454,955	913,501
693,134,330	785,349,085
17,442,440	83,737,916
(1,124,869,202)	(894,840,152)
(63,331,297)	(42,586,755)
(970,479,737)	(684,557,724)
111,577,865	105,470,466
(908,875,550)	(443,526,039)
2,823,246,433	2,918,630,632
(6,716,593,543)	168,731,330
4,511,780,000	2,737,754,000
(2,467,349,114)	(2,786,441,502)
(29,071,004,526)	(10,543,244,381)
(203,897,168)	121,339,024
(341,481,092)	1,499,747,000
20,872,197,998	9,153,632,931
(16,839,641)	(14,055,742)
(3,893,347,110)	3,087,361,962
(271,766,607)	(161,643,194)
76,481	634,168
(271,690,126)	(161,009,026)
2,704,778,893	69,692,316
1,205,000,000	-
3,909,778,893	69,692,316
(255,258,343)	2,996,045,252
8,948,860,197	5,952,814,945
8,693,601,854	8,948,860,197
6,289,262,686	4,682,116,663
1,404,339,168	2,026,743,534
1,000,000,000	2,240,000,000
8,693,601,854	8,948,860,197


Managing Director


Director


Director


Chairman

Dhaka, 10 June 2013



Statement of Changes in Equity

For the year ended 31 December 2012

Particulars	Paid-up Capital	Statutory Reserve	Other Reserve				Profit and Loss	Total
	Taka	Taka	General Reserve	Revaluation Reserve of HFT Securities	Loss on Revaluation/Amortization of HTM securities	Sub- Total	Taka	Taka
Balance as at 01 January 2012	2,357,586,000	2,224,690,642	40,000,000	268,924,587	(22,615,100)	286,309,487	613,172,293	5,481,758,422
Net Profit for the Year	-	-	-	-	-	-	27,896,324	27,896,324
Revaluation Reserve for Securities	-	-	-	(202,341,954)	(51,843,796)	(254,185,750)	-	(254,185,750)
Transferred to Other Reserve	-	-	-	-	-	-	-	-
Cash Dividend paid during the year	-	-	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-	-
Issuance of bonus share	589,396,500	-	-	-	-	-	(589,396,500)	-
Free Reserve	-	-	1,205,000,000	-	-	-	-	1,205,000,000
Balance as at 31 December 2012	2,946,982,500	2,224,690,642	1,245,000,000	66,582,633	(74,458,896)	1,237,123,737	51,672,117	6,460,468,996

These financial statements should be read in conjunction with the annexed notes.



Managing Director



Director



Director



Chairman



Liquidity Statement

(Asset and Liability Maturity Analysis)

As at 31 December 2012

(Amount in Taka)

Particulars	Up to 01 month	1 - 3 months	3 - 12 months	1 - 5 years	More than 5 years	Total
Assets:						
Cash in hand	1,286,576,686	-	-	-	5,002,686,000	6,289,262,686
Balance with other banks and financial institutions	1,084,013,176	150,000,000	15,969,980	154,356,012	-	1,404,339,168
Money at call on short notice	1,000,000,000	-	-	-	-	1,000,000,000
Investment	251,682,033	1,250,642,856	3,202,108,173	4,214,596,592	2,788,216,706	11,707,246,360
Loans and Advances	14,334,882,606	10,691,179,805	31,923,687,818	20,367,512,753	8,638,499,429	85,955,762,411
Fixed assets including premises, furniture & fixtures	10,633,790	20,882,145	84,812,583	308,215,245	102,279,015	526,822,778
Other assets	-	-	-	2,798,630,373	-	2,798,630,373
Non-banking assets	-	-	-	-	-	-
Total Assets	17,967,788,291	12,112,704,806	35,226,578,554	27,843,310,975	16,531,681,150	109,682,063,776
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	1,750,400,000	2,000,900,000	3,900,000	19,400,000	1,718,334,551	5,492,934,551
Deposits & Other accounts	14,061,960,772	15,874,163,834	46,738,246,350	8,018,159,146	3,000,701,578	87,693,231,680
Provision and other liabilities	1,855,113,116	1,030,121,115	2,647,604,141	1,319,387,204	3,183,202,973	10,035,428,549
Total Liabilities	17,667,473,888	18,905,184,949	49,389,750,491	9,356,946,350	7,902,239,102	103,221,594,780
Net Liquidity Gap	300,314,403	(6,792,480,143)	(14,163,171,937)	18,486,364,625	8,629,442,048	6,460,468,996

Managing Director

Director

Director

Chairman





Highlights on the overall activities of the Bank

Sl. No.	Particulars	2012 Taka	2011 Taka
1	Paid up Capital	2,946,982,500	2,357,586,000
2	Total Capital	7,017,244,100	6,110,959,759
3	Capital Surplus / (Deficit)	33,404,100	80,509,759
4	Total Assets	109,682,063,776	78,031,732,029
5	Total Deposits	87,693,231,680	62,650,734,774
6	Total Loans and Advances	85,955,762,411	56,884,757,885
7	Total Contingent Liabilities and Commitments	13,927,122,433	16,545,523,029
8	Credit - Deposit Ratio	91.75%	87.74%
9	Percentage of Classified Loans against total Loans & Advances	8.22%	4.38%
10	Profit after Tax and Provision	27,896,324	976,112,816
11	Amount of Classified Loans and Advances	7,065,685,261	2,489,790,200
12	Provision Kept against Classified Loan	2,565,312,341	894,376,516
13	Provision Surplus/ (deficit)*	(1,359,400,000)	-
14	Cost of Fund	11.71%	9.70%
15	Interest Earning Assets	92,568,399,870	67,798,389,425
16	Non-interest Bearing Assets	17,113,663,906	10,233,342,604
17	Return on Investment (ROI)	14.71%	9.30%
18	Return on Assets (ROA)	0.03%	1.40%
19	Incomes on Investment	1,559,166,570	751,630,731
20	Earnings Per Share (EPS)	0.95	33.12
21	Net Income Per Share	0.95	33.12
22	Price Earning Ratio**	N/A	N/A

* Bangladesh Bank has allowed to make provision of the said amount i.e. Taka 1,359.40 million within 30 June 2013 vide Bangladesh Bank letter no. DBI-2 (UB-5)/7034/2013-275; Dated: 26.05.2013.

** 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 then BCC foundation, a welfare trust in Bangladesh and the Government of People's Republic of Bangladesh. On 4 June 1992 the Government of Bangladesh took over 70% shares held by the then BCC Foundation and became the sole owner of the bank. It operates with 62 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 2012 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" and "BFRS", 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 2012 are consistent with those adopted in Bangladesh.

1.2.2 Use of estimates and judgments

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

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

1.2.3 Foreign currency transaction

a) Foreign currency

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

b) Foreign currencies translation

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



► Notes to the Financial Statements

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

c) Commitments

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

d) Transaction gains and losses

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

1.2.4 Statement of cash flows

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

1.2.5 Liquidity statement

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

- i) Balance with other Banks and financial institutions, money at call on 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 & agents, etc are as per their maturity/repayment terms;

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

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

1.2.6 Reporting period

These financial statements cover one calendar year from 01 January 2012 to 31 December 2012.

1.2.7 Offsetting

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

1.3 Assets and basis of their valuation

1.3.1 Cash and cash equivalents

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

1.3.2 Loans, advances and provisions

Loans and advances are stated in the balance sheet on gross basis. General provisions on unclassified loans and contingent assets, specific provisions for classified loans and interest suspense

account thereon are shown under other liabilities. Provision against classified loans and advances is made on the basis of quarter end review by the management and instructions contained in BRPD Circular no. 14 dated 23 September 2012 and BRPD Circular no. 19 dated 27 December 2012.

Particulars	Rate
General provision on	
Unclassified general loans and advances	1%
Unclassified small and medium enterprise	0.25%
Loans to BHs/MBs/SDs against Shares etc.	2%
Unclassified loans for housing finance and loans for professionals	2%
Unclassified consumer financing other than housing finance & loans for professionals	5%
Short term agri credit and micro credit	5%
Special mention account	5%
Off balance sheet exposure	1%

Particulars	Rate
Specific provision on	
Substandard loans & advances other than Short term agri credit & micro credit	20%
Doubtful loans and advances other than Short term agri credit & micro credit	50%
Bad / loss loans and advances	100%
Substandard Short term agri credit & micro credit	5%
Doubtful Short term agri credit & micro credit	5%

As per BRPD Circular No. 05 dated 05 June 2006 & BRPD Circular No. 14 dated 23 September 2012 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 & accumulated general provision of Taka 419,698,841 in the Balance Sheet under liabilities as per Bangladesh Bank's requirement.

1.3.3 Investments

The investment in government securities (Treasury bills & bonds) are classified into Held to Maturity (HTM) & Held for Trading (HFT) as per Bangladesh Bank's guidelines

contained in DOS Circular Letter No. 05 dated 26 May 2008, DOS Circular Letter No. 05 dated 28 January 2009, DOS Circular No. 06 dated 15 July 2010 & under reference Letter No. DOS (SR)1153/120-A/2011-746 dated 29 December 2011. Reclassification of HTM securities into HFT securities are also done in compliance with Bangladesh Bank's guidelines.

Held to Maturity (HTM)

The government securities under 'Held to Maturity (HTM)' category are valued at present value at amortized cost at the end of the year. The Held to Maturity securities are amortized to ensure a constant yield over the remaining period of maturity of the securities. The resulting gains/(losses) are credited to revaluation reserve account and shown in the equity. Such gains/(losses) are credited to income account at the time of maturity or sale of the security. Investment (HTM)-BHBFC is shown in the financial statements at cost price.

Held for Trading (HFT)

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

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

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 whichever is lower



According to DOS Circular No. 05 Dated 26 May, 2008 & 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 loss of Taka 7,876,263 for T-bonds & T-bills. However as per requirement of BAS 39, such T-bill and T-bonds will fall under the category of "Held for Trading" & "Held to Maturity" where any change in the fair value of held for trading is recognized in profit and loss account & amortized cost method is applicable for held to maturity using an effective interest rate.

Investment in listed securities

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

Investment in unquoted securities

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

Other Investments

Other investments like HBFC debenture & prize bond are also eligible for SLR, HBFC debentures are valued at redeemed value & prize bond are shown at 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 per DOS Circular # 04, dated

20 November 2011 of Bangladesh Bank, banks are allowed to kept provision by netting off unrealized gain or loss on the basis of market value of shares. As such the company measures and recognizes investment in quoted and unquoted shares at cost if the year end market value (for quoted shares) and book value (for unquoted shares) are higher than the cost. At the year-end the company's market value and book value of quoted and unquoted shares was higher than cost price by Tk. 10.61 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.

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 recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company
- 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.
- f) Leasehold floor area in Sholoshahar, Chittagong are treated as operating lease as the legal title of the floor area will not pass to the Bank at the end of the lease term thus the Bank has charged rentals to the income statement on a straight line basis over the lease term as per BAS 17.

1.3.5 Intangible assets

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

at its cost, less accumulated amortization and any impairment losses.

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

- c) Expenditure incurred on software is capitalized only when it enhances and extends the economic benefits of computer software beyond their original specifications and lives and such cost is recognized as capital improvement and added to the original cost of software.
- d) Software is amortized using the straight line method over the estimated useful life of 5 (five) years commencing from the date of the application software is available for use over the best estimate of its useful economic life.

1.3.6 Other assets

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

1.3.7 Receivables

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

1.3.8 Inventories

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

1.3.9 Leasing

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

1.3.10 Non-banking assets

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

1.3.11 Reconciliation of inter-bank and inter-branch account

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

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

1.4 Share capital

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

1.5 Statutory reserve

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

1.6 Deposits and other accounts

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

1.7 Borrowings from other banks, financial institutions and agents

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

1.8 Basis for valuation of liabilities and provisions

1.8.1 Provision for current taxation

Provision for current income tax has been

made as per prescribed rate in the Finance Ordinance, 2012 on the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure as per income tax laws in compliance with BAS-12 "Income Taxes".

1.8.2 Provision for deferred taxation

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

1.8.3 Benefits to the employees

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

a) Provident fund

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



b) Gratuity fund

The Bank made provision of gratuity fund at discretion of the management to provide an employee with financial benefit on his ceasing the Bank's service or in the event of his death to his legal heirs/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 event of death on duty, permanent disabilities of the employees & to provide financial assistance for marriage of his/her dependants.

d) Superannuation Fund

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

e) Welfare fund

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

1.8.4 Provision for liabilities

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

1.8.5 Provision for Off-balance sheet exposures

Off-balance sheet items have been

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

1.8.6 Provision for nostro accounts

As per instructions contained in the circular letter no. FEPD (FEMO)/01/2005-677 dated 13 Sep 05 issued by Foreign Exchange Policy Department of BB, Banks are required to make provision regarding the un-reconciled debit balance of nostro account for more than 3 months as on the reporting date in these financials. Since there is no unreconciled entries which are outstanding more than 3 months then Bank's are not required to make provision.

1.9 Revenue recognition

1.9.1 Interest income

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

1.9.2 Investment income

Interest income on investments is recognized on accrual basis. Capital gain is recognized when it is realized.

1.9.3 Fees and commission income

Fees & commission income arising on services provided by Bank are recognized on a cash basis. Commission charged to customers on LC & LG is credited to income at the time of effecting transactions.

1.9.4 Dividend income on shares

Dividend income on shares is recognized



► Notes to the Financial Statements

and ascertained.

1.9.5 Interest paid and other expenses

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

1.10 Risk management

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

1.10.1 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. A separate credit division has been formed at head office since the

inception of the Bank, which is assigned with duties of marketing and assessment of credit products, maintaining effective relationship with the customer and exploring new business opportunities. Another division naming Credit Administration Division (CAD) has also been established to oversee mainly documentation facilities. In line with Bangladesh Bank guidelines the Bank has segregated marketing, approval and monitoring/recovery functions. The credit risk management includes borrower risk analysis, financial statement analysis, 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 & Regulatory policies. Loans are classified as per BB guidelines. Concentration of single borrower/large loan limit is shown in the notes to the financial statements.

1.10.2 Liquidity risk

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



1.10.3 Market risk

The exposure of market risk of the Bank is restricted to foreign exchange risk, interest rate risk & 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 division independently conducts the transactions & the back office of treasury is responsible for verification of the deals & passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to-Market rate as determined by the bank as mid rate at the month end & the mid rate is being published by the treasury division of the bank as per approved policy. All Nostro accounts are reconciled on a monthly basis & outstanding entry beyond 30 days is reviewed by the management for its settlement. The position maintained by 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 future yield of an asset & its funding cost. Asset Liability Committee monitors interest rate movement on a regular basis.

Equity risk

Equity risk arises from movement in market value of equities held. The risks are monitored by Investment Committee

under a well designed policy framework. The market value of equities held was however higher than the cost price at the balance sheet date.

1.10.4 Reputation risk arising from money laundering incidences

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. Money laundering has been identified as a major threat to the financial services community. The management of the 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 31 Jan 2006 & subsequently revised & got approved by the Board of Directors of the bank in its 318 meeting dated 27 Dec 2012.

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

Bank has completed KYC procedures for the accounts opened prior 30 April 2002. It is the requirement of Bangladesh Bank to report cash transaction of BDT 10 Lac and above 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



► Notes to the Financial Statements

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.

1.10.5 Operational risk

Operational risk may arise from error and fraud due to lack of internal control and compliance. Management through Internal Control and Compliance Division controls operational procedure of the Bank. Internal Control and Compliance Division undertakes periodical and special audit of the branches and divisions 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:

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.

1.11 ICT Risk Management

ICT risk refers to the potential of ensuring harmful effects that an organization might

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

1.12 Earnings per share

Basic earnings per share

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

Calculation of weighted earnings per share

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

1.13 Events after the balance sheet date

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

1.14 Directors' responsibility on statement

The Board of Directors takes the responsibility

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 2012 besides, there was no material capital expenditure authorized by

the board but not contracted for at 31 December 2012.

1.15 Subsequent Events

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

1.16 Related party transaction

Related party transaction is a transfer of resources, services or obligation between related parties, regardless of whether a price is charged as per BAS 24.

1.17 Board of Directors

Name	Status	Other Position
Mr. Sheikh Abdul Hye Bacchu	Chairman	Former Member of Parliament
Mr. Fakhru Islam	Director	Chairman, BSCIC
Mr. Shubhashish Bose	Director	Vice Chairman, Export Promotion Bureau
Ms. Neelufar Ahmed	Director	Director General, Prime Minister's Office
Ms. Quamrun Naher Ahmed	Director	Joint Secretary, Bank & Financial Institutions Division, Ministry of Finance
Mr. AKM Rezaur Rahman	Director	Retired Additional Secretary, Govt. of Bangladesh
Mr. AKM Kamrul Islam, FCA	Director	Partner, Islam Aftab Kamrul & Co., Chartered Accountants
Mr. Md. Anwarul Islam, FCMA	Director	Managing Director, ARS Lube Bangladesh Ltd.
Mr. Kazi Faqurul Islam	Managing Director	Managing Director of BASIC Bank Ltd.

The Board of Directors conduct fifteen meetings during the year.

1.18 Audit Committee

Members of the Audit Committee of the Board of Directors:

Name	Status with the Committee	Educational Qualification
Mr. Fakhru Islam	Convener	M.S.S. in Economics
Mr. Shubhashish Bose	Member	M.Com, MBA
Mr. Md. Anwarul Islam, FCMA	Member	M.Com, FCMA, MBA
Mr. AKM Kamrul Islam, FCA	Member	FCA

► Notes to the Financial Statements

Audit Committee Meeting held during 2012

40th Meeting of Audit Committee held on 11 January 2012

41th Meeting of Audit Committee held on 15 March 2012

42th Meeting of Audit Committee held on 28 March 2012

Steps Have Been Taken

As per guidelines enunciated in BRPD Circular No. 12 dated 23 December 2002 of Bangladesh Bank the Audit Committee of

the Board of Directors of the Bank has been playing an important role with regard to the process of publication of financial statements and development of internal control systems for conducting banking operations efficiently and in a disciplined manner. Besides, pursuant to the instructions of the said circular the audit committee is placing its report to the Board of Directors of the bank on its findings and recommendations acknowledging the background and purpose of constitution of the committee.

1.19 Head office Management Committee

Members of the Head Office Management Committee

Name	Designation	Status with the Committee
Mr. Kazi Faqurul Islam	Managing Director	Chairman
Mr. Fazlus Sobhan	Deputy Managing Director	Member
Mr. Kanak Kumar Purkayastha	Deputy Managing Director	Member
Mr. A. Q. M. Kibriya	Deputy Managing Director	Member
Mr. A. Monaem Khan	Deputy Managing Director	Member
Mr. Md. Shah Alam Bhuiyan	Company Secretary	Member
Mr. Zainul Abedin Choudhury	General Manager	Member
Mr. Khandakar Shamim Hasan	General Manager	Member
Mr. Md. Salim	General Manager	Member
Mr. Hasan Tanvir	General Manager	Member
Mr. Mohammad Moniruzzaman	General Manager	Member
Mr. Md. Mahbubul Alam	General Manager	Member
Mr. ASM Rowshanul Haque	General Manager	Member
Mr. Md Ruhul Alam	General Manager	Member
Mr. Md. Abul Hashem	Deputy General Manager	Member
Mr. Shaikh Mohammad Abdur Razzaq	Deputy General Manager	Member
Mr. Md. Emdadul Haque	Deputy General Manager	Member
Mr. Khan Iqbal Hasan	Deputy General Manager	Member
Mr. Md. Ismail	Deputy General Manager	Member
Mr. Md. Momenul Hoque	Deputy General Manager	Member
Ms. Sahara Khatun	Deputy General Manager	Member
Mr. Niranjana Chandra Debnath	Deputy General Manager	Member
Ms. Helena Perveen	Deputy General Manager	Member
Ms. Mariom Begum	Assistant General Manager	Member
Mr. S.M. Anisuzzaman	Assistant General Manager	Member

The Head office Management committee conduct twelve meetings during the year.

1.20 Compliance report on Bangladesh Accounting Standards (BAS) & Bangladesh Financial Reporting Standards (BFRS)

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

Name of the BAS	BAS no.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates & Errors	8	Applied
Events after the balance sheet date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Govt. Grants & Disclosure of Govt. Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	Applied
Investments in Associates	28	Applied
Interests in Joint Ventures	31	N/A
Financial Instruments Presentation	32	Applied to the extent of compliance with BRPD Circular No. 14 dated 25 June 2003, DOS Circular No. 05 dated 26 May 2008 and DOS Circular No. 05 dated 28 January 2009 see note 1.3.3
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied to the extent of compliance with BRPD Circular No. 05 dated 05 June 2006 and BRPD Circular No. 14 dated 23 September 2012 see note 1.3.2
Intangible Assets	38	Applied
*Financial Instruments: Recognition and Measurement	39	Applied to the extent of compliance with BRPD Circular No. 14 dated 25 June 2003, DOS Circular No. 05 dated 26 May 2008 and DOS Circular No. 05 dated 28 January 2009 see note 1.3.3
Investment Property	40	N/A
Agriculture	41	N/A

* We followed Bangladesh Bank Guidelines instead of BAS-39

► Notes to the Financial Statements

Name of the BFRS	BFRS no.	Status
First Time Adoption of Bangladesh Financial Reporting Standard	1	N/A
Share Based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-current Assets Held for Sale and Discontinued	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosure	7	Applied to the extent of compliance with core risk management guideline of Bangladesh Bank.
Operating Segments	8	N/A
Consolidated Financial Statements	10	Applied

1.21 Approval of financial statements

The financial statements were approved by the Board of directors on 10 June 2013.

2.00 General

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

Note	Particulars	Amount in Taka	
		31.12.2012	31.12.2011
3. Cash			
	Cash in hand (Including foreign currencies) Note 3.1	530,259,947	420,532,562
	Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies) Note 3.2	5,759,002,739	4,261,584,101
	Total	6,289,262,686	4,682,116,663
3.1 Cash in Hand (including foreign currencies)			
	In Local Currency	519,193,285	414,582,230
	In Foreign Currencies	11,066,662	5,950,332
	Total	530,259,947	420,532,562
3.2 Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)			
	In Local Currency Note 3.2.1	5,103,721,972	3,892,588,270
	In Foreign Currencies Note 3.2.2	655,280,767	368,995,831
	Total	5,759,002,739	4,261,584,101
3.2.1 In Local Currency			
	Bangladesh Bank	5,007,073,716	3,765,242,249
	Sonali Bank (acting as agent of Bangladesh Bank)	96,648,256	127,346,021
	Total	5,103,721,972	3,892,588,270
3.2.2 In Foreign Currencies			
	Bangladesh Bank - US\$	651,206,974	360,784,586
	Bangladesh Bank - GBP	1,328,709	6,411,409
	Bangladesh Bank -EURO	2,745,084	1,799,836
	Total	655,280,767	368,995,831
3.2.2.1 Balance with Bangladesh Bank as per DB -5		5,240,464,845	3,782,498,000

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 BRPD Circular No.11 and 12 dated August 25,2005, MPD Circular No. 1 and 2 dated May 4,2010 and MPD Circular No. 4 and 5 dated December 1, 2010.

The Cash Reserve Requirement on the Bank's time and demand liabilities at the rate of 6% has been calculated and maintained with Bangladesh Bank in current account and 19% Statutory Liquidity Ratio, including CRR, on the same liabilities has also been maintained in the form of treasury bills, bonds and debentures including FC balance with Bangladesh Bank. Both the reserves maintained by the bank are in excess of the statutory requirements, as shown below:

► Notes to the Financial Statements

Note	Particulars	Amount in Taka	
		31.12.2012	31.12.2011
3.3.1 Cash Reserve Ratio (CRR)			
	(6% of Average Demand & Time Liabilities)		
	Required Reserve	4,998,085,501	3,573,313,000
		6.00%	6.00%
	Actual reserve maintained	5,292,964,845	3,644,729,000
		6.06%	6.12%
3.3.2 Statutory Liquidity Reserve (SLR)			
	(13% of Average Demand & Time Liabilities)		
	Required Reserve	10,829,185,253	7,742,178,000
		13.00%	13.00%
	Actual reserve maintained including CRR	12,063,580,767	8,670,513,000
		14.30%	15.21%
3.3.3 Total Statutory Liquidity Reserve (SLR)			
	(19% of Average Demand & Time Liabilities)		
	Required Reserve	15,827,270,754	11,315,491,000
	Actual reserve maintained including CRR	17,356,545,612	12,315,242,000
	Surplus/(Deficit)	1,529,274,858	999,751,000
4. Balance with other banks & financial institutions			
	In Bangladesh	Note 4.1	
	Outside Bangladesh	Note 4.2	
	Total	1,404,339,168	2,026,743,534
4.1 In Bangladesh			
	Current Account		
	Sonali Bank Ltd.	9,506,749	5,482,776
	Agrani Bank Ltd.	3,520,742	5,020,867
	Rupali Bank Ltd.	4,579,571	539,749
	Janata Bank Ltd.	1,000	104,350
	Sub-Total	17,608,062	11,147,742
	STD Account		
	Sonali Bank Ltd.	11,185,864	25,427,306
	Bangladesh Krishi Bank	2,505	4,005
	Janata Bank	3,581,561	-
	Trust Bank Ltd.	6,055,660	1,591,919
	Premier Bank Ltd.	21,000,000	-
	Rupali Bank Ltd.	19,019,060	10,142,588
	Agrani Bank Ltd.	5,280	6,173
	Sub-Total	60,849,930	37,171,991
	Other Deposit		
	Receivable from ICB Islami Bank	154,356,012	154,978,082
	Sub-Total	154,356,012	154,978,082

Note	Particulars	Amount in Taka	
		31.12.2012	31.12.2011
	Fixed Deposit Account		
	Bangladesh Commerce Bank Ltd.	100,000,000	350,000,000
	IFIC Bank	-	320,000,000
	Premier Leasing	-	100,000,000
	Prime Finance and Investment	-	100,000,000
	First Lease Finance and Investment Ltd.	-	200,000,000
	BIFC	50,000,000	150,000,000
	Peoples Leasing	100,000,000	200,000,000
	International Leasing and Finance	-	100,000,000
	Investment Corporation Bangladesh	757,011,250	-
	Sub-Total	1,007,011,250	1,520,000,000
	Total	1,239,825,254	1,723,297,815

Most of the Fixed deposits are placed for short term maturities up to a period of 90 days or 3 months and some fixed deposits are for the period of 6 months or 1 year at the approximate market rate.

4.2 Outside Bangladesh (Nostro & FC Term Placement)

Interest-bearing Accounts

Bank of Tokyo-Mitsubishi London	1,446,406	5,611,352
Bank of Tokyo Mitsubishi Japan	342,558	287,476
Mashreq Bank New York	14,576,146	17,458,439
Mashreq Bank India	7,591,268	452,970
CITI Bank Mumbai	85,023	87,155
Sonali Bank Kolkata	7,191,278	18,946,371
Sonali Bank Kolkata-EURO	230,142	230,811
Sonali Bank London	174,651	456,588
Sonali bank London-USD	2,668,532	733,911
Sonali Bank London(UKP)	114,950	3,334,034
Bank of Ceylon	968,514	10,531,186
CITI Bank New York (Export)	65,776,096	77,895,043
Standard Chartered Import New York	15,262,887	19,501,970
Standard Chartered Bank Mumbai	2,077,365	14,998,409
Standard Chartered Bank Frankfurt	1,610,759	4,707,593
AB Bank Ltd(USD)	288,688	-
ICICI Bank Ltd.	544,651	9,802,872
Habib Metropolitan bank Ltd	234,817	-
HSBC New York	-	33,089,097
Banque de Commerce, Geneva	49,033	1,695,071
Arif Habib Rupali Bank	315,187	449,600
Total of Nostro Account	121,548,951	220,269,948

(Annexure - A may kindly be seen for details)

Term Placement

Eastern Bank Term(USD)	15,969,980	13,772,052
Eastern Bank Term(USD)	26,994,983	26,658,560
Eastern Bank Term(USD)	-	18,189,288
Eastern Bank Term(USD)	-	8,185,290
Commercial Bank of Ceylon-Term	-	16,370,580
Total Term Placement	42,964,963	83,175,770
Grand total (Nostro and Term Placement)	164,513,914	303,445,718

► Notes to the Financial Statements

Note	Particulars	Amount in Taka		
		31.12.2012	31.12.2011	
4.3	Maturity grouping of balances with other banks & financial institutions			
	On demand	139,157,013	231,417,691	
	Upto 1 month	967,861,180	1,257,171,990	
	Over 1 month but not more than 3 months	100,000,000	194,847,848	
	Over 3 months but not more than 1 year	42,964,963	188,327,923	
	Over 1 year but not more than 5 years	154,356,012	154,978,082	
	Over 5 Years	-	-	
	Total	1,404,339,168	2,026,743,534	
5	Money at call on Short Notice			
	Commercial Banks	Note 5.1	950,000,000	2,040,000,000
	Financial Institutions (Public & Private)	Note 5.2	50,000,000	200,000,000
	Total	1,000,000,000	2,240,000,000	
5.1	Commercial Banks			
	National Bank of Pakistan	-	100,000,000	
	Mercantile Bank Ltd	-	150,000,000	
	Uttara Bank Ltd.	650,000,000	600,000,000	
	Agrani Bank Ltd.	-	200,000,000	
	National Bank Ltd.	-	100,000,000	
	Sonali Bank Ltd.	-	400,000,000	
	Mutual Trust Bank Ltd.	300,000,000	490,000,000	
	Total	950,000,000	2,040,000,000	
5.2	Financial Institutions			
	Union Capital	50,000,000	100,000,000	
	International Leasing	-	100,000,000	
	Total	50,000,000	200,000,000	
6.	Investments			
	Government	Note 6.1	11,447,739,226	9,234,513,931
	Others	Note 6.2	259,507,134	259,569,065
	Total	11,707,246,360	9,494,082,996	
6.1	Government			
	Treasury Bills and Reverse Repo	Note 6.1.1	629,756,021	-
	Treasury Bonds	Note 6.1.2	10,808,691,605	9,222,804,031
	Prize Bond		1,791,600	1,709,900
	Debenture	Note 6.1.3	7,500,000	10,000,000
	Total	11,447,739,226	9,234,513,931	
6.1.1	Treasury Bills and Reverse Repo (at revalued Amount)			
	364 Days Government Treasury Bills	186,368,028	-	
	182 Days Government Treasury Bills	302,544,598	-	
	91 Days Government Treasury Bills (at present value)	140,843,395	-	
	Total	629,756,021	-	
6.1.2	Treasury Bonds (at revalued Amount)			
	05 Years Government Treasury Bond	8,128,815,550	7,224,569,348	
	10 Years Government Treasury Bond	2,021,594,031	1,490,192,624	
	15 Years Government Treasury Bond	571,708,208	508,042,059	
	20 Years Government Treasury Bond	86,573,816	-	
	Total	10,808,691,605	9,222,804,031	

Note	Particulars	Amount in Taka	
		31.12.2012	31.12.2011
6.1.3 Debentures			
	20 years HBFC Debenture - 5.5%	7,500,000	10,000,000
	Total	7,500,000	10,000,000
6.2 Others			
	Shares	189,458,134	189,534,065
	Investment others (Memorial Coin)	49,000	35,000
	Mutual Trust Bank Bond	70,000,000	70,000,000
	Total	259,507,134	259,569,065
6.2.1 Shares			
	Quoted companies		
	Shares in listed companies	151,117,484	151,193,415
	Sub-Total	151,117,484	151,193,415
	Unquoted companies		
	Share of Karmasangsthan Bank	10,000,000	10,000,000
	Preference Share of BDCL	21,000,000	21,000,000
	Equity Of Grameen I. T. Park	4,201,760	4,201,760
	Share of CDB Ltd.	3,138,890	3,138,890
	Sub-Total	38,340,650	38,340,650
		189,458,134	189,534,065

(Details of Investment in shares may kindly be seen in Annexure - B)

6.3 Investment in Securities are classified as per Bangladesh Bank Circular

Held For Trading (HFT)	3,636,848,626	6,175,874,493
Held To Maturity (HTM)	7,801,599,000	3,046,929,538
Total	11,438,447,626	9,222,804,031

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 loss on revaluation is shown in P/L account and gain 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	-	-
Total	-	-

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

6.5 Maturity Grouping of Investments

On demand	1,840,600	1,744,900
Upto 1 month	249,841,433	-
Over 1 month but not more than 3 months	1,250,642,856	-
Over 3 months but not more than 1 year	3,202,108,173	704,083,441
Over 1 year but not more than 5 years	4,214,596,592	6,710,019,972
Over 5 years	2,788,216,706	2,078,234,683
Total	11,707,246,360	9,494,082,996

► Notes to the Financial Statements

Note	Particulars	Amount in Taka	
		31.12.2012	31.12.2011
7. Loans & Advances			
	Loans, Cash Credit & Overdraft etc. Note 7.1	84,091,736,283	54,266,599,661
	Bills purchased & discounted Note 7.2	1,864,026,128	2,618,158,224
	Total	85,955,762,411	56,884,757,885
7.1 Loans, Cash Credit & Overdraft etc.			
	In Bangladesh		
	Loans Note 7.1.1	28,808,976,423	25,935,567,835
	Cash credit	25,485,615,243	14,346,858,693
	Overdraft Note 7.1.2	13,782,782,133	6,279,490,073
	Others Note 7.1.3	16,014,362,484	7,704,683,060
	Total Inside Bangladesh	84,091,736,283	54,266,599,661
	Outside Bangladesh	-	-
	Total	84,091,736,283	54,266,599,661
7.1.1 Loans			
	Loan General	3,446,447,752	4,157,096,263
	Term Loan	25,362,528,671	20,832,637,475
	Loan secured	-	72,562,301
	Others	-	873,271,796
	Total	28,808,976,423	25,935,567,835
7.1.2 Overdraft			
	SOD against financial obligation	251,768,555	-
	Temporary Overdraft	233,061,359	195,977,620
	Overdraft Secured Mortgage	9,897,995,721	3,760,548,963
	Overdraft Secured (Other Securities)	2,189,422,305	2,322,963,490
	Overdraft (Clean)	1,210,534,193	-
	Total	13,782,782,133	6,279,490,073
	Overdraft Secured (Other Securities)	-	2,323,983,581
	Less: Adjustment for wrongly charged interest- Zindabazar Br.	-	1,020,092
	Total	-	2,322,963,490

Note	Particulars	Amount in Taka	
		31.12.2012	31.12.2011
7.1.3 Others			
	Loan Against Foreign Bill	-	-
	Export Credit/Loan Against Packing Credit	1,076,615,462	984,630,795
	Payment Against Documents	326,673,401	879,206,006
	Loan Against Trust Receipt	3,812,194,576	4,949,720,855
	Real Estate Loan	3,489,176,268	-
	Other short term advance	43,531,844	156,011,003
	Transport loan	4,284,451,575	-
	Loan against Govt. Fund and other scheme	65,418,899	-
	Micro Credit Finance	1,129,498,429	-
	Work order finance	354,458,171	-
	Staff Loan	784,588,894	733,651,230
	Sundry/Misc. Loan	647,754,965	-
	Loan Against Import Merchandise	-	1,463,171
	Total	16,014,362,484	7,704,683,060
7.2 Bills purchased & discounted			
	<u>Payable in Bangladesh</u>		
	Local bills purchased/LADB	1,397,978,582	2,228,148,433
	<u>Payable outside Bangladesh</u>		
	Foreign bills purchased and discounted	466,047,546	390,009,791
	Total	1,864,026,128	2,618,158,224
7.3 Residual maturity grouping of loans including bills purchased and discounted			
	Payable on demand	2,012,430,589	1,573,808,315
	Not more than 3 months	23,013,631,822	9,683,138,206
	Above 3 months but not more than 1 year	31,923,687,818	20,625,574,421
	Above 1 year but not more than 5 years	20,367,512,753	19,144,007,363
	Above 5 years	8,638,499,429	5,858,229,580
	Total	85,955,762,411	56,884,757,885
7.4 Loans on the basis of significant concentration including bills purchased & discounted			
	a. Advances to Directors	-	-
	b. Advances to MD and other Senior Executives	784,588,894	733,651,230
	c. Advances to Customers group	39,408,473,517	22,828,101,655
	d. Advances to Industrial sector	45,762,700,000	33,323,005,000
	Total	85,955,762,411	56,884,757,885
7.4.1 Advances to Industrial sector			
	Food and Allied Ind.	7,462,900,000	4,450,000,000
	Textile	6,635,300,000	6,684,300,000
	ERGM	5,148,100,000	3,652,000,000
	Accessories	789,800,000	1,129,400,000
	Jute Prod. and Allied Ind.	4,393,300,000	3,211,200,000
	Forest Prod. and Allied Ind.	72,400,000	54,900,000
	Paper, Board, Printing, Pub. and Packaging	1,991,600,000	1,720,800,000
	Tannery Leather and Rubber Prod.	796,300,000	926,600,000
	Chem. Pharm. and Allied Ind.	1,767,500,000	1,394,800,000
	Glass, Crmc. and Other non Metal. Pr.	386,000,000	219,100,000
	Engineering	541,000,000	2,058,005,000
	Electrical and Electronics Ind.	2,194,700,000	669,400,000
	Service Ind.	12,634,900,000	4,752,300,000
	Misc. Industries	194,500,000	90,300,000
	Ind. Not Elsewhere Classified	754,400,000	2,309,900,000
	Total	45,762,700,000	33,323,005,000

► Notes to the Financial Statements

Note	Particulars	Amount in Taka	
		31.12.2012	31.12.2011
7.5	Loans & advances allowed to each customer exceeding 10% of Bank's total Equity		
	Number of Customers	26	12
	Amount of outstanding loans*	21,346,800,000	10,810,500,000
	Classified amount thereon		
	Amount of recovery		
	*Loans and Advances allowed to customers' group exceeding 10% of banks total capital fund which is computed of Tk.70.13 crore of the Bank as at 31 December 2012.		
	(Details are given in Annexure - C)		
7.6	Geographical Location - wise Loans and Advances		
	Inside Bangladesh		
	Dhaka Division	68,159,959,427	40,671,068,784
	Chittagong Division	9,894,556,559	8,982,221,977
	Khulna Division	2,998,528,813	2,695,990,948
	Rajshahi Division	2,521,904,022	3,065,705,733
	Sylhet Division	995,118,452	890,663,231
	Barisal Division	161,024,429	166,625,319
	Rangpur Division	1,224,670,709	412,481,893
	Total Inside Bangladesh	85,955,762,411	56,884,757,885
	Outside Bangladesh	-	-
	Total	85,955,762,411	56,884,757,885
7.7	Distribution of Loans and advances according to BRPD Circular by Bangladesh Bank		
	Unclassified loan		
	Standard	78,270,032,892	53,989,096,940
	SMA	620,044,258	406,890,840
	Sub-Total	78,890,077,150	54,395,987,780
	Classified loan:		
	Sub-standard	1,846,059,176	229,718,980
	Doubtful	761,930,041	88,228,690
	Bad and loss	4,457,696,044	2,171,842,530
	Sub-Total	7,065,685,261	2,489,790,200
	Total	85,955,762,411	56,885,777,980
7.8	Provision required for loans and advances		
	Status	Base for Provision	Rate %
	<u>Unclassified-General provision</u>		
	Agro based & Micro Credit	553,825,967	5
	SMA	618,425,514	5
	Others (exclude staff loan)	76,931,432,528	1,2,0.25
	Sub-Total	419,698,841	596,173,500
	<u>Classified-specific provision</u>		
	Sub-standard	701,024,561	5 & 20
	Doubtful	196,605,736	50
	Bad/Loss	1,510,840,275	100
	Sub-Total	1,749,348,055	879,633,200
	*Additional provision	2,175,364,286	14,743,316
	Required provision for loans & advances	4,344,411,182	1,490,550,016
	Total provision maintained	2,985,011,182	1,490,550,016
	Excess / (short) provision as at 31 December	(1,359,400,000)	-

Note	Particulars	Amount in Taka	
		31.12.2012	31.12.2011
	* Additional provision		
	Provision provided as per Bangladesh Bank Direction	740,400,000	-
	Provision provided as per External Auditors Direction	75,564,286	-
	Additional Provision maintained	815,964,286	-
	Additional Provision required as per Bangladesh Bank Direction	1,359,400,000	-
	Total Additional Provision	2,175,364,286	-

Total provision for Loans & Advances is maintained as per the direction of Bangladesh Bank vide letter no. DBI-2 (UB-5)/7034/2013-275 dated 26 May, 2013. Additional provision required for the year 2012 amounting Tk. 1,359,400,000 is to be provided within 30 June 2013 as per the said direction.

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	121,360,729,021	63,946,573,624
Cash and quasi-cash	7,728,119,053	2,318,258,846
Others	6,640,856,341	11,888,402,448
Total	135,729,704,415	78,153,234,918

7.10 Particulars of Loans and Advances:

(i) Debts considered good in respect of which the banking company is fully secured.	82,120,695,635	54,353,665,087
(ii) Debts considered good for which the banking company holds no other security other than debtor's personal security	2,773,702,465	2,354,942,235
(iii) Debts considered good secured by personal liabilities of one or more parties in addition to the personal security of the debtors.	1,061,364,308	176,150,563
(iv) Debts considered doubtful or bad not provided for	-	-
Total	85,955,762,408	56,884,757,885
(v) Debts due by directors and officers of the banking company or any of them either severally or jointly with any other person.*	784,588,894	733,651,230
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies, as members.	-	-
(vii) Maximum total amount of advances including temporary advances made at any time during the year to the directors or managers or officers of the banking company or any of them either severally or jointly with any other person.*	784,588,894	733,651,230
(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.	-	-
(x) Classified Loans and Advances:		
a) Classified loans and advances on which interest has not been credited to income	7,065,685,261	2,896,681,040
b) (Decrease)/ Increase in provision(specific)	1,670,935,825	76,466,436
c) Amount realized against loan previously written off	17,442,440	83,737,916
d) Amount of provision kept against loan classified as bad/loss	1,510,840,275	849,434,980
(xi) Amount of the written off loan:		
a) Cumulative amount of Classified Loans Which is Written off	688,783,000	688,783,000
b) Classified Loans/Interest wave Written off in current Year	67,843,631	101,075,598
c) The amount of written off/classified loan for which law suits have been filed	549,816,000	-

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

► Notes to the Financial Statements

Note	Particulars	Amount in Taka	
		31.12.2012	31.12.2011
7.11 Bills Purchased and Discounted			
	Payable in Bangladesh	1,397,978,582	2,228,148,433
	Payable outside Bangladesh	466,047,546	390,009,791
	Total	1,864,026,128	2,618,158,224
7.12 Maturity grouping of bills purchased & discounted			
	Not more than 01 months	1,162,052,795	624,109,962
	Above 01 months but not more than 03 months	553,916,075	914,277,457
	Above 03 months but not more than 06 months	148,057,258	1,022,651,486
	Above 06 months	-	57,119,319
	Total	1,864,026,128	2,618,158,224
8. Fixed assets including premises, furniture			
	Own Assets		
	Furniture and Fixtures	244,598,269	154,738,903
	Equipment and Computer	548,291,366	426,893,571
	Vehicles	268,439,719	217,096,177
		1,061,329,354	798,728,651
	Less: Accumulated depreciation	537,862,898	437,669,926
	Total Own Assets	523,466,456	361,058,725
	Leased Assets		
	Leasehold Assets	4,000,000	4,000,000
	Less: Accumulated depreciation	643,678	597,701
	Total Leased Assets	3,356,322	3,402,299
	Total Premises and Fixed Assets	526,822,778	364,461,024
A Schedule of Fixed Assets is given in Annexure-D.			
9. Other assets			
	i) Income generating	-	-
	ii) Non-Income generating		
	a) Stationery, stamps, printing materials etc.	16,907,337	13,114,787
	b) Advance rent	310,955,050	90,079,736
	c) Income receivable Note 9.1	545,513,828	431,201,493
	d) Advance income tax	480,826,613	371,185,148
	e) Security deposits Note 9.2	1,926,111	1,384,933
	f) Suspense account Note 9.3	29,211,928	14,019,454
	g) Other prepayments	1,489,236	1,133,890
	h) Advances/expenditures incurred against proposed branches	40,604,618	192,109,823
	i) Advance for space of HO and Main Branch	733,173,331	466,666,667
	j) Balance with Fakrul Islam securities	1,020	1,762,850
	k) ICB Securities Trading Co. Ltd.	34,938	-
	l) Due from branches-EDF	-	805,842
	m) Branch adjustment account	328,161,459	127,602,818
	n) Sundry debtors Note 9.4	56,516,670	114,332,828
	o) Subs fees of Dun Breadstreet	-	3,341,176
	p) Deferred Tax Assets Note 36	215,125,554	183,916,077
	q) Position General Ledger (Net)	38,182,680	326,912,406
	Total Non-Income generating	2,798,630,373	2,339,569,928
	Total Other Assets	2,798,630,373	2,339,569,927

Note	Particulars	Amount in Taka		
		31.12.2012	31.12.2011	
9.1	Income receivable			
	Income receivable consists of interest income receivable from various investments and Loans have been verified and considered good.			
9.2	Security deposits			
	Security deposits, rent and other prepayments made to statutory authorities, other institutions and individuals are considered good.			
9.3	Suspense account			
	Suspense account consists of DD paid without advice, clearing, petty cash etc.			
9.4	Sundry Debtors			
	Protested bill, Main branch	6,535,881	6,535,881	
	Protested bill, Khatungonj branch	244,800	244,800	
	Protested bill, Khulna branch	416,367	416,367	
	BCCI-Bombay	1,399,580	1,399,580	
	BCCI-London	719	704	
	Protested bill, SWIFT charges	20,244,921	20,244,921	
	Sundry Debtors	5,554,030	-	
	Encashment of Sanchaya Patra	21,631,601	-	
	Encashment of Bond	468,771	-	
	Cash Shortage	20,000	-	
	Others	-	85,490,575	
	Total	56,516,670	114,332,828	
	Full provision for protested bill of BCCI & SWIFT charges has been made in the account & Others included encashment of Sanchaypatras, which will be adjusted after receiving Bangladesh Bank advice.			
10	Borrowings from other banks, financial Institutions and agents			
	In Bangladesh	Note 10.1	3,884,813,785	1,293,427,511
	Outside Bangladesh	Note 10.2	1,608,120,766	1,494,728,147
	Total		5,492,934,551	2,788,155,658
10.1	In Bangladesh			
	a) Money at call and on short notice			
	Rupali Bank Ltd	300,000,000	-	
	UCBL	300,000,000	-	
	The premier Bank Ltd.	100,000,000	-	
	Bank Asia Ltd	100,000,000	-	
	Trust Bank Ltd	300,000,000	-	
	State Bank of India	150,000,000	-	
	AB Bank Ltd	500,000,000	-	
	Sub total	1,750,000,000	-	
	b) Term Borrowing			
	Long term loan from Bangladesh Bank	27,660,000	55,319,000	
	Bangladesh Bank Refinance Loan for House building	107,153,785	113,860,545	
	Loan from Bangladesh Bank under EDF scheme	-	805,842	
	Interbank Bank Term Borrowing	2,000,000,000	-	
	Government Placement for Agro based Industries	-	1,123,442,124	
	Sub-total	2,134,813,785	1,293,427,511	
	Total	3,884,813,785	1,293,427,511	

► Notes to the Financial Statements

Note	Particulars	Amount in Taka	
		31.12.2012	31.12.2011
10.2 Outside Bangladesh			
Term Borrowing			
Loan for Micro Credit and Small Scale Industries (KfW, Germany)		153,379,147	200,274,147
SME Refinance -ADB Fund-2		50,960,119	-
JDPC-ECCOMPLEX-Skyland Fame		9,379,000	-
Second Crop Diversification Project		106,262,000	-
Agro business Development Project of ADB		1,288,140,500	1,294,454,000
Total		1,608,120,766	1,494,728,147
Secured and unsecured borrowing from other banks			
Secured		-	-
Unsecured		5,492,934,551	2,788,155,658
Total		5,492,934,551	2,788,155,658
10.3 Overall transaction of Repo and Reverse Repo:			
		Minimum outstanding during the year	Maximum outstanding during the year
Securities sold under repo:			Maximum outstanding during the year
i) with Bangladesh Bank	135,320,000	1,150,400,000	-
ii) with other banks & FIs	-	-	-
11. Deposits and other accounts			
Current Accounts and other Accounts	Note 11.1	3,664,287,133	3,398,048,925
Bills Payable	Note 11.2	829,492,084	591,866,053
Savings Bank Deposits		1,709,220,720	1,496,282,507
Fixed Deposits	Note 11.3	81,490,231,743	57,164,537,289
Bearer Certificates of Deposit		-	-
Total		87,693,231,680	62,650,734,774
11.1 Current Accounts and other Accounts			
Current Account		1,700,924,729	1,518,792,326
Margin/Sundry Deposit		1,910,615,953	1,873,853,895
Current Account (Interest bearing)		52,746,451	5,402,704
Total		3,664,287,133	3,398,048,925
11.2 Bills Payable			
Payment Order		784,370,328	556,342,175
Demand Draft		45,121,756	35,523,878
Total		829,492,084	591,866,053
11.3 Fixed Deposits			
Short Notice Deposits		8,232,181,707	6,177,898,653
Term Deposits		72,861,300,782	50,800,704,331
Other Deposit Scheme		396,749,254	185,934,305
Total		81,490,231,743	57,164,537,289

Note	Particulars	Amount in Taka	
		31.12.2012	31.12.2011
11.4 Maturity Grouping of other deposits & inter-bank deposits			
<u>Other Deposits</u>			
Repayable on demand		3,294,296,490	3,793,645,573
Repayable within 1 month		10,767,612,527	7,218,844,928
Over 1 month but within 6 months		25,933,039,685	13,654,771,488
Over 6 months but within 1 year		35,879,370,499	31,477,597,641
Over 1 year but within 5 years		8,018,159,146	4,480,447,737
Over 5 years but within 10 years		3,000,701,578	1,274,976,401
Sub-Total		86,893,179,925	61,900,283,768
<u>Inter-bank Deposits</u>			
Repayable on demand		51,755	100,451,006
Repayable within 1 month		-	-
Over 1 month but within 6 months		800,000,000	650,000,000
Over 6 months but within 1 year		-	-
Over 1 year but within 5 years		-	-
Over 5 years but within 10 years		-	-
Sub-Total		800,051,755	750,451,006
Total		87,693,231,680	62,650,734,774
12. Other liabilities			
Interest Payable on Borrowing		85,612,342	111,847,510
Interest Payable on Deposits		3,602,527,363	2,428,778,514
Provision for Loan and Advances	Note 12.1	2,985,011,182	1,490,550,016
Provision for Off Balance Sheet Exposures	Note 12.2	129,200,000	156,182,580
Interest Suspense Account	Note 12.3	609,822,351	419,898,470
Privileged Creditors		188,735,679	99,104,053
Provision for Incentive Bonus		188,695,311	201,706,222
Benevolent Fund		14,251,867	13,115,734
Gratuity Fund	Note 12.5	469,476,498	416,499,266
Sundry Creditors		37,647,051	29,969,162
Telephone and Telex Charges Payable		-	646,854
Expenses Payable	Note 12.6	2,838,921	7,275,044
Provision for Taxes	Note 35	1,606,803,499	1,388,442,359
Miscellaneous Creditors		445,530	117,067
Provision for Sundry Debtors		7,782,258	7,782,258
Deposit Insurance Premium Payable		6,500,000	3,538,788
Provision for Investment		9,142,148	9,142,148
Excess Cash		57,696	13,912
Other provision		13,676,440	6,314,931
Provision for SWIFT		21,063,039	21,063,039
Provision for Superannuation Fund		3,500,525	3,500,000
Provision for Welfare Fund		14,253,367	14,253,367
Provision for electricity expenses		1,163,954	1,071,668
Various Audit and Rating Fees		713,000	680,525
Position Clearing(Net)*		36,508,527	279,589,688
Total		10,035,428,549	7,111,083,175

*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 corresponding value of foreign currency converted into base currency. Position, from the treasury point of view, means the available funds in different currencies with which the bank can trade. As value of any currency undergo change, Position in that currency need to be evaluated from time to time and necessary adjustments are made through these GLs.

► Notes to the Financial Statements

Note	Particulars	Amount in Taka	
		31.12.2012	31.12.2011
12.1 Provision for Loans & Advances			
	Provision for classified loans & advances (A)		
	Provision held at beginning of the year	894,376,516	734,544,770
	Fully provided debt written off	(66,728,628)	(142,528,354)
	Specific Provision for the year	1,737,664,453	302,360,100
	Provision held at the end of the year	2,565,312,341	894,376,516
	Provision for unclassified loans & advances (B)		
	Provision held at beginning of the year	596,173,500	494,185,370
	Recoveries and provisions no longer required	(176,474,659)	-
	Specific Provision for the year	-	101,988,130
	Provision held at the end of the year	419,698,841	596,173,500
	Total (A+B)	2,985,011,182	1,490,550,016
12.2 Provision for Off Balance Sheet Exposures			
	Provision held at beginning of the year	156,182,580	212,001,430
	Recoveries and provisions no longer required	(26,982,580)	(55,818,850)
	Specific Provision for the year	-	-
	Provision held at the end of the year	129,200,000	156,182,580
	Total Provision (12.1+12.2)	3,114,211,182	1,646,732,596
12.3 Interest Suspense Account			
	Balance at the beginning of the year	419,898,470	361,342,695
	Amount transferred to "Interest suspense" Account during the year	486,080,744	256,425,252
	Amount recovered in "Interest suspense" Account during the year	(287,970,494)	(169,672,789)
	Amount written off during the year	(8,186,369)	(28,196,689)
	Balance at the end of the year	609,822,351	419,898,470

12.4 Branch adjustments account represents outstanding inter branch and head office transaction (Net) originated. The un - responded entries of 31.12.12 are given below:

Particulars	No. of Un-responded entries		Amount of Un-responded entries	
			Figure in '000	
	Dr.	Cr.	Dr.	Cr.
Up to 03 Months	228	178	713,203	432,463
Over 03 Month but within 06 Months	-	-	-	-
Over 06 Month but within 01 Year	-	-	-	-
Over 01 Year but within 05 Years	-	-	-	-

12.5 Gratuity Fund

Opening Balance	416,499,266	343,898,718
Less: Adjusted/Paid during the year	(12,410,814)	(13,361,088)
	404,088,452	330,537,630
Add: Provision made for the current year	65,388,046	85,961,636
Closing Balance	469,476,498	416,499,266

Note	Particulars	Amount in Taka	
		31.12.2012	31.12.2011
12.6 Expenses Payable			
	Provision for water, gas and sewerage	146,581	183,852
	Provision for postage expenses	3,852	29,587
	Provision for telephone-office and residence	529,211	-
	Provision for advertisement	142,500	6,001,250
	Provision for rent	555,933	3,600
	Provision for telex	14,568	-
	Provision for repairs, improvement and maintenance	18,450	441,200
	Provision for vehicle expenses	107,000	320,614
	Provision for decoration maintenance	-	6,000
	Loan installment payable	250,000	250,000
	Other provision for expenses	1,070,826	38,941
	Total	2,838,921	7,275,044
13 Authorized Capital			
	50,000,000 ordinary shares of Tk 100.00 each	5,000,000,000	5,000,000,000
13.1 Issued, Subscribed and Paid-up Capital			
	The Issued, Subscribed and Paid up Capital of the Bank as follows:		
	2,94,69,825 and 23,575,860 Ordinary Shares of Tk. 100.00 Each	2,946,982,500	2,357,586,000
	The Government of People's Republic of Bangladesh is the Sole Owner-Shareholder of the Bank and all the Ordinary Shares are vested with the Ministry of Finance.		
13.2 Capital Adequacy Ratio			
	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.		
	Core Capital (Tier - 1)		
	Paid up Capital	2,946,982,500	2,357,586,000
	Statutory Reserve	2,224,690,642	2,224,690,642
	General Reserve/Capital Reserve	40,000,000	40,000,000
	Retained Earnings	51,672,117	613,172,293
	Other	1,205,000,000	-
	Total Core Capital	6,468,345,259	5,235,448,935
	Supplementary Capital (Tier - 2)		
	General Provision Maintained against Unclassified Loan	419,698,841	596,173,500
	Provision for Off -Balance Sheet Items	129,200,000	156,182,580
	Revaluation Reserve of HTM and HFT Securities	-	123,154,744
	Total Supplementary Capital	548,898,841	875,510,824
	A. Total Eligible Capital (Tier-1 + Tier-2)	7,017,244,100	6,110,959,759
	B. Risk Weighted Assets		
	Balance Sheet Business	65,728,600,000	54,072,200,000
	Off- Balance Sheet Business	4,109,800,000	6,232,300,000
	Total Risk-weighted Assets	69,838,400,000	60,304,500,000
	C. Required Capital on Risk Weighted Assets	6,983,840,000	6,030,450,000
	(10% on Total Risk Weighted Assets)		
	D. Capital Surplus / (Shortfall) [A-C]	33,404,100	80,509,759
	Total Capital Ratio (%)	10.05	10.13
	Capital Requirement	Held (%)	Held (%)
	Core Capital (Tier-I)	9.26	8.68
	Supplementary Capital (Tier - II)	0.79	1.45
	Total	10.05	10.13

► Notes to the Financial Statements

Note	Particulars	Amount in Taka	
		31.12.2012	31.12.2011
14 Statutory Reserve			
	Opening Balance at the Beginning of the Year	2,224,690,642	1,824,692,333
	Add: Addition During the Year (20% of pre-tax Profit)	-	399,998,309
	Closing Balance at the End of the Year	2,224,690,642	2,224,690,642
	As per section 24 of Bank Companies Act 1991, 20% of pre-tax profit has been transferred to Statutory Reserve Account in 2011. In 2012 required statutory reserve was not provided due to insufficiency of distributable profit.		
15 Other Reserve			
	General Reserve Note 15.1	40,000,000	40,000,000
	Investment Revaluation Reserve Note 15.2	(7,876,263)	246,309,487
	Other Free Reserve	1,205,000,000	-
	Total	1,237,123,737	286,309,487
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	1,946,213	-
	Loss on revaluation/amortization of HTM Note 15.2.2	(76,405,109)	(22,615,100)
	Revaluation Reserve for Held for Trading Note 15.2.3	66,582,633	268,924,587
	Total	(7,876,263)	246,309,487
15.2.1 Revaluation Reserve for Held to Maturity (HTM)			
	Opening Balance at the Beginning of the Year	5,164	-
	Add: Addition During the Year	1,946,213	5,164
		1,951,377	5,164
	Less :Adjustment (Loss on revaluation/amortization) during the year	(5,164)	-
	Closing Balance at the End of the Year	1,946,213	5,164
15.2.2 Loss on revaluation/amortization of Held to Maturity (HTM)			
	Opening Balance at the Beginning of the Year	(22,615,100)	(11,469,204)
	Add: Addition During the Year	(53,790,009)	5,164
		(76,405,109)	(11,464,040)
	Less: Adjustment (Loss on revaluation/amortization) during the year	-	(11,151,060)
	Closing Balance at the End of the Year	(76,405,109)	(22,615,100)
15.2.3 Revaluation Reserve for Held for Trading (HFT)			
	Opening Balance at the Beginning of the Year	268,924,587	226,569,035
	Add: Addition During the Year	99,956,125	42,355,552
		368,880,712	268,924,587
	Less :Adjustment (Loss on revaluation/amortization) during the year	(302,298,079)	-
	Closing Balance at the End of the Year	66,582,633	268,924,587

Note	Particulars	Amount in Taka	
		31.12.2012	31.12.2011
16. Surplus in Profit and Loss Account			
	Opening Balance	613,172,293	429,988,786
	Profit During the Year	27,896,324	576,114,507
	Issuance of Bonus Share	(589,396,500)	(392,931,000)
	Surplus in Profit and Loss Account during the year	51,672,117	613,172,293
16.1 Item-Wise Profit and Loss Account			
	Income:		
	Interest, Discount and Similar Income	12,575,598,430	7,849,724,616
	Dividend Income	4,454,955	913,501
	Fees, Commission and Brokerage	329,334,213	355,527,272
	Gains less Losses Arising from Dealing in FC	363,800,117	429,821,813
	Other Operating Income	129,096,210	189,232,500
	Total Income	13,402,283,925	8,825,219,702
	Expenses:		
	Interest, Fee and Commission	8,544,607,147	4,911,660,920
	Administrative Expenses	1,165,972,181	999,236,317
	Other Operating Expenses	972,206,847	486,112,793
	Depreciation on Banking Assets	109,404,277	79,688,746
	Total Expenses	10,792,190,452	6,476,698,776
	Profit Before Tax and Provision	2,610,093,473	2,348,520,926
17. Contingent Liabilities			
	Acceptances and Endorsements	4,143,752,994	5,458,254,177
	Letters of Guarantee Note 17.1	2,325,627,108	1,823,215,099
	Irrevocable Letters of Credit Note 17.2	6,455,101,876	8,336,789,137
	Bills for Collection Note 17.3	673,841,506	870,335,800
	Other Contingent Liabilities Note 17.4	328,798,949	56,928,816
	Total	13,927,122,433	16,545,523,029
17.1 Letters of guarantee			
	A. Claim against the Bank which is not recognized as Loan		
	B. Money for which the Bank is contingently liable in respect of guarantees favoring:		
	Directors	-	-
	Government	773,332,615	882,544,986
	Bank and Other Financial Institutions	37,393,004	1,415,115
	Others	1,514,901,489	939,254,998
	Total	2,325,627,108	1,823,215,099
17.2 Irrevocable Letters of Credit			
	Irrevocable Letters of Credit	4,661,303,879	7,141,464,587
	Back to Back L/C	1,793,797,997	1,195,324,550
	Total	6,455,101,876	8,336,789,137

► Notes to the Financial Statements

Note	Particulars	Amount in Taka	
		31.12.2012	31.12.2011
17.3 Bills for Collection			
	Local Bills for Collection	1,854,920	7,264,750
	Foreign Bills for Collection	671,986,586	863,071,050
	Total	673,841,506	870,335,800

17.4 Other Contingent Liabilities

	Travelers Cheques Stock	4,368,015	1,175,902
	Value of Wage Earners Bond in Hand and others	324,430,934	55,752,914
	Total	328,798,949	56,928,816

Note	Particulars	Amount in Taka	
		2012	2011
18. Interest income			
	Interest on Loans	10,689,107,296	6,517,144,190
	Interest from Banks and Financial Institutions	331,170,796	581,015,866
	Interest from Foreign Banks	608,723	1,867,422
		11,020,886,815	7,100,027,478
	Less: Adjustment for interest inadvertently charged- Zindabazar Branch	-	(1,020,092)
	Total	11,020,886,815	7,099,007,386

19. Interest paid on deposits and borrowings etc.

	On Fixed Deposit	7,381,953,412	4,180,594,101
	On Short Notice Deposit	494,750,968	435,313,121
	On Savings Bank Deposit	88,241,307	75,506,443
	Other Deposits and deposit schemes	25,334,887	11,329,209
	On Borrowing from Bangladesh Bank and Other Financial Institutions	554,326,573	208,918,046
	Total	8,544,607,147	4,911,660,920

20. Investment income

	On Government Treasury Bill and Bond	1,007,815,365	748,709,080
	On Debentures	1,443,745	1,712,452
	Dividend on Shares	4,454,955	913,501
	On Other Investment	22,332,452	295,698
	Profit on sale of investment	523,120,053	-
	Total	1,559,166,570	751,630,731

21. Commission, exchange and brokerage

	Foreign bill purchased	2,639,893	3,360,444
	Local Bill Purchased	7,742,481	7,160,924
	Remittance	4,277,589	4,784,982
	Letter of Guarantee	53,873,815	41,793,607
	Letter of Credit	158,737,706	195,270,416
	Bills for Collection	11,515,517	11,853,873
	Acceptances and endorsement	61,391,582	63,833,901
	Export Bill	7,926,932	5,871,532
	Miscellaneous	21,228,697	21,597,593
	Exchange gain net of exchange loss	363,800,117	429,821,813
	Total	693,134,330	785,349,085

Note 21.1

Note	Particulars	Amount in Taka	
		2012	2011
21.1	Exchange gain net of exchange loss		
	Profit on exchange trading	643,635,572	730,998,422
	Less Exchange Loss	(279,835,455)	(301,176,610)
	Total	363,800,117	429,821,812
22.	Other operating income		
	a) Operating income		
	Various Fees	2,182,354	4,828,363
	Rent (Go-down and locker)	961,568	625,005
	Recovery of Telex/ swift Charges	34,895,942	31,972,501
	Service and other Charges	42,137,830	37,414,617
	Recoveries of Loan Previously Write Off	17,442,440	83,737,916
	Profit on Sale of Fixed Assets	75,905	24,118
	Miscellaneous income	26,075,101	21,778,208
	Total Operating income	123,771,140	180,380,728
	b) Non-operating income		
	Profit on sale of share	5,325,070	8,851,772
	Total Non-operating income	5,325,070	8,851,772
	Total Other Operating Income (a+b)	129,096,210	189,232,500
23.	Salary and allowances		
	Salaries	381,441,292	298,830,089
	Allowances	447,194,998	347,945,884
	Provident Fund	26,136,855	23,417,217
	Benevolent Fund	14,251,692	13,115,734
	Gratuity Fund	65,388,046	85,961,636
	Bonus	222,137,298	220,807,269
	Superannuation Fund	3,500,000	3,500,000
	Total	1,160,050,181	993,577,829
24.	Rent, taxes, insurance, electricity etc.		
	Rent	150,768,996	78,074,642
	Rates, Taxes and VAT	7,854,749	2,938,714
	Utilities/Electricity and Heating	26,302,632	15,609,488
	Insurance	20,417,300	11,896,493
	Total	205,343,677	108,519,337
25.	Legal expenses		
	Legal Expenses	4,083,555	4,279,382
	Professional Expenses	4,839,406	1,496,303
	Total	8,922,961	5,775,685
26.	Postage, stamp, telecommunication etc.		
	Postage	126,477	219,296
	Telephone	9,475,978	8,366,994
	Fax	32,991	23,688
	Stamp	63,500	58,430
	Internet and E-mail	15,622,604	11,405,584
	Courier Services	11,141,968	7,828,512
	Swift Subscription and cable Charges	5,535,406	4,931,442
	Total	41,998,924	32,833,946

► Notes to the Financial Statements

Note	Particulars	Amount in Taka	
		2012	2011
27. Stationery, Printings, Advertisements etc.			
	Security Stationery	1,215,199	1,367,799
	Printing Stationery	10,369,958	10,857,782
	Other Stationery	23,712,649	13,476,430
	Publicity, Advertisement and publication	28,033,491	16,884,744
	Total	63,331,297	42,586,755
28. Managing Director's salary and fees			
	Basic Salary	2,400,000	2,116,223
	Allowances	2,422,000	2,179,770
	Bonus	1,100,000	1,362,495
	Total	5,922,000	5,658,488
29. Directors' fees			
	Board meeting and audit committee meeting	859,750	1,727,479
	Other meeting fees/benefits	-	-
	Total	859,750	1,727,479
Each Director is paid for Tk.5000 per meeting. There was no other financial benefits provided to the directors of the bank.			
30. Depreciation of bank's assets			
	Depreciation on own Assets		
	Furniture and Fixture	12,695,314	8,135,100
	Machinery and Equipment	52,726,006	45,344,734
	Vehicles	43,936,980	26,162,935
	Total	109,358,300	79,642,769
	Depreciation on Leased Assets		
	Lease Equipment/ Assets	45,977	45,977
	Total	109,404,277	79,688,746
31. Repair of bank's assets			
	Furniture and Fixture	1,667,318	2,409,709
	Machinery and Equipment	13,607,204	9,549,431
	Vehicles	12,880,337	8,055,113
	Rented Premises	7,072,046	3,977,554
	Total	35,226,905	23,991,807

Note	Particulars	Amount in Taka	
		2012	2011
32. Other expenses			
	Discount	-	120
	Commission and Brokerage	178,177	246,143
	Entertainment	41,566,268	26,928,628
	Car Expenses	21,043,896	15,444,568
	Fuel and Lubricant	4,708,785	-
	Subscription	3,466,463	3,938,834
	Travelling	13,168,790	9,381,087
	Cartage and Freight	204,093	415,997
	ITC expenses	25,374,184	27,855,137
	Uniform and Leverage	2,633,171	2,713,060
	Staff Training and HR development Expenses	7,924,133	4,431,423
	Donation	21,470,300	2,743,000
	Loss on revaluation of HFT securities	420,633,320	138,761,897
	Corporate Social Responsibility Expenses	33,099,640	29,956,043
	Directors entertainment	76,800	-
	Miscellaneous	17,429,073	7,195,342
	Non-operating loss(loss on sale of investment and fixed assets)	2,848,765	8,605
	Total	615,825,858	270,019,885

33. Provision for loans

Provision for classified loans & advances	Note 12.01	1,737,664,453	302,360,100
Provision for unclassified loans & advances	Note 12.02	(176,474,659)	101,988,130
Total		1,561,189,794	404,348,230

34. Provision (excess provision) for Off Balance Sheet Exposures

A provision of Tk. 129,200,000 has been made @ 1.00% on off balance sheet exposure (Acceptance & Endorsement, Letter of Credit & Letter of Guarantee). The total amount of provision of Tk. 129,200,000 will be treated as Supplementary Capital of the Bank.

35. Provision for Current Tax

Opening balance	1,388,442,359	1,007,428,915
Add: Provision made for current years tax	1,079,199,412	1,038,973,188
	2,467,641,771	2,046,402,103
Less: Adjustment made during the year	(860,838,272)	(657,959,744)
Closing balance	1,606,803,499	1,388,442,359

► Notes to the Financial Statements

Note	Particulars	Amount in Taka	
		2012	2011
36. Deferred Tax			
a) Computation of Deferred Tax			
	Tax Base of Depreciable Fixed Assets	513,288,622	357,406,486
	Carrying Amount	(523,466,456)	(361,058,726)
	Deductable Temporary Difference (A)	(10,177,834)	(3,652,240)
	Carrying Amount of Provision for Gratuity/ Benevolent/ Superannuation Fund:		
	Provision for Gratuity	469,476,498	416,499,266
	Provision for Benevolent Fund	37,934,111	11,746,685
	Provision for Superannuation Fund	8,945,000	8,150,000
		516,355,609	436,395,951
	Less: Tax Base	-	-
	Deductable Temporary Difference (B)	516,355,609	436,395,951
	Total Deductable Temporary Difference (A+B)	506,177,775	432,743,711
	Effective Tax Rate	42.50%	42.50%
	Deferred Tax Assets	215,125,554	183,916,077
b) Deferred Tax (Expenses)/Income			
	Closing Deferred Tax Assets	215,125,554	183,916,077
	Opening Deferred Tax Assets	(183,916,077)	(168,821,619)
	Deferred Tax (Expenses)/Income	31,209,477	15,094,458
37. Proposed Dividends			
	Bonus Share (4:1 in 2011)	-	589,396,500
	Cash Dividend	-	-
	Total	-	589,396,500
38. Analysis of Closing Cash and Cash Equivalent			
	Cash in hand and balance with Bangladesh Bank & Sonali Bank	6,289,262,686	4,682,116,663
	Balance with other banks & financial institutions	1,404,339,168	2,026,743,534
	Money at call on Short Notice	1,000,000,000	2,240,000,000
	Total	8,693,601,854	8,948,860,197
39. Earning Per Share (EPS)			
	Net Profit after Tax (Numerator)	27,896,324	976,112,816
	Number of Ordinary Share Outstanding (Denominator)	29,469,825	29,469,825
	Earning Per Share (EPS)	0.95	33.12

39.1 Adjusting Earning per Share (Adjusting EPS) for 2011*

* Previous year's figure has been adjusted for the issue of 5,893,965 bonus shares & the adjusted EPS is Tk. 33.12.

40. Litigation Pending against Bank

The tax authority has claimed an additional tax amount of Tk 25.17 crore for the FY 2000-01, 2001-02, 2006-07, 2009-10 and 2010-11 which has yet to be settled. However the bank maintaining sufficient provision against the stated

claim. Besides the provision for Income Tax which has been made during the year by the bank is also sufficient for the current year tax liability.

41. Coverage of External Audit

The external auditor has covered 80% of the risk-weighted assets and have spent around 5,500 man hours to complete the audit as per Bangladesh Standards on Auditing (BSA). The external auditor has audited 30 branches and Head office of the Bank.



Nostro Accounts- Outside Bangladesh

As at 31 December 2012

Annexure-A

Sl. No.	Name of the Bank	A/C Type	Currency Name	2012		Amount in BDT	2011	
				Amount in FC	Conversion Rate per unit FC		Amount in FC	Conversion Rate per unit FC
1	BOTM, London	CD	GBP	11,200.19	129.14	1,446,406	44,354.38	126.51
2	AB Bank, Mumbai	CD	ACUS	3,615.38	79.85	288,688	-	-
3	Summit (Arif Habib)-Rupali Bank, Karachi	CD	ACUS	3,947.25	79.85	315,188	5,492.78	81.85
4	Habib Metropolitan Bank Ltd.	CD	ACUS	2,940.73	79.85	234,817	-	-
5	BOTM, Tokyo	CD	JAPY	368,976.78	0.93	342,558	267,568.78	1.07
6	Mashreq Bank, NY	CD	USD	182,544.33	79.85	14,576,146	213,290.42	81.85
7	CITI Bank Mumbai	CD	ACUS	1,064.78	79.85	85,023	1,064.78	81.85
8	Sonali Bank, Kol.	CD	ACUS	90,059.95	79.85	7,191,278	231,468.54	81.85
9	Bank of Ceylon	CD	ACUS	12,129.18	79.85	968,514	128,659.90	81.85
10	Citibank NA, NY(Exp)	CD	USD	823,746.76	79.85	65,776,096	951,646.71	81.85
11	SCB, Newyork	CD	USD	191,144.72	79.85	15,262,887	238,256.31	81.85
12	SCB, London	CD	EURO	-	-	-	-	-
13	SCB, Mumbai	CD	ACUS	26,015.87	79.85	2,077,365	183,236.13	81.85
14	BCP, Geneva	CD	CHF	560.70	87.45	49,033	19,509.70	86.88
15	AMEX Frankfurt	CD	EURO	-	105.57	-	-	-
16	Wachovia Bank, NY	CD	USD	-	79.85	-	-	-
17	HSBC Newyork	CD	USD	-	79.85	-	404,250.76	81.85
18	ICICI Mumbai	CD	ACUS	6,820.94	79.85	544,651	119,762.06	81.85
19	Sonali Bank Kol ACUEUR	CD	ACUEUR	2,180.00	105.57	230,142	2,180.00	105.88
20	Mashreq Bank, Mumbai	CD	ACUS	95,069.22	79.85	7,591,268	5,533.95	81.85
21	SCB Frankfurt	CD	EURO	15,257.79	105.57	1,610,759	44,462.97	105.88
22	Sonali, London EUR	CD	EURO	1,654.37	105.57	174,651	4,312.45	105.88
23	Sonali Bank London	CD	GBP	890.11	129.14	114,950	26,353.54	126.51
24	Sonali Bank London	CD	USD	33,419.36	79.85	2,668,533	8,966.22	81.85
Total						121,548,951		220,269,948

N.B. FC Term placement Tk. 83,175,770 shown in note 4.2 separately deleting from the figure of 2011 of this annexure.

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 2012

Annexure-B

A. Listed Securities

Sl. No.	Particulars	Date of Purchase	No. of Shares	Face Value Taka	Cost Price Taka	Market Value as on 31-12-2012 Taka	Market Value as on 31-12-2011 Taka	Gain/(Loss) Taka	Dividend Received in 2012
1.	Beacon Pharmaceuticals Ltd.	22-Dec-10	26,250	262,500	2,150,131	433,125	813,750	(1,717,006)	-
2.	Beximco Ltd.	20-Nov-10	74,912	749,120	15,837,824	4,824,333	6,772,090	(11,013,492)	36
3.	Beximco Pharmaceuticals Ltd.	23-Dec-10	56,628	566,280	5,696,990	3,165,505	2,193,600	(2,531,485)	-
4.	Brac Bank Ltd.	8-Dec-10	57,600	576,000	3,092,701	2,004,480	4,380,480	(1,088,221)	-
5.	Dhaka Electric Supply Co. Ltd.	8-Dec-10	31,625	316,250	4,508,182	2,280,163	3,121,250	(2,228,019)	22,000
6.	Eastern Bank Ltd.	27-Apr-93	5,701,066	57,010,660	19,415,953	180,723,792	286,501,293	161,307,840	2
7.	Exim Bank Of Bangladesh Ltd.	1-Nov-10	107,730	1,077,300	4,263,365	2,240,784	2,627,100	(2,022,581)	-
8.	First Janata Bank Mutual Fund	22-Dec-10	125,000	1,250,000	1,568,522	875,000	1,112,500	(693,522)	-
9.	First Security Islami Bank Ltd.	25-Nov-10	73,920	739,200	2,457,271	1,367,520	1,767,360	(1,089,751)	-
10.	Fu-Wang Ceramics Inds.Ltd.	19-Apr-12	11,000	110,000	396,185	248,600	-	(147,585)	-
11.	Heidelberg Cement Bd. Ltd.	8-Dec-10	13,000	130,000	4,822,620	3,441,100	3,326,700	(1,381,520)	58,500
12.	ICB AMCL 2nd NRB Mutual Fund	23-Mar-11	-	-	-	-	423,000	-	69,000
13.	ICB Islami Bank Ltd.	23-May-08	2,684,000	26,840,000	26,840,000	20,130,000	26,840,000	(6,710,000)	-
14.	Industrial Prom. & Dev. Co. Ltd.	5-Dec-10	12,100	121,000	723,913	217,800	342,100	(506,113)	-
15.	Jamuna Oil Company Ltd.	21-Sep-11	780	7,800	118,653	139,230	465,920	20,577	6,000
16.	Khulna Power Company Ltd.	22-Nov-10	115,800	1,158,000	11,125,662	5,766,840	5,817,792	(5,358,822)	-
17.	M. I. Cement Factory Ltd.	30-Nov-10	1,051	10,510	79,047	87,128	105,638	8,081	3,538
18.	Meghna Petroleum Ltd.	23-Nov-10	12,545	125,450	1,995,721	1,988,383	1,972,950	(11,338)	45,000
19.	Mithun Knitting & Dying Ltd.	25-Aug-94	800	8,000	8,000	58,720	103,360	50,720	-
20.	N C C Bank Ltd.	26-Dec-10	12,741	127,410	524,903	231,886	331,056	(293,016)	10,890
21.	Navana Cng Ltd.	31-Oct-10	24,909	249,090	4,652,466	1,987,738	1,810,776	(2,664,727)	21,660
22.	One Bank Ltd.	28-Jul-11	57,000	570,000	2,238,741	1,299,600	1,908,000	(939,141)	-
23.	Power Grid Co. of Bangladesh Ltd.	2-Dec-10	18,150	181,500	1,521,501	1,009,140	1,039,500	(512,361)	24,750
24.	Premier Bank Ltd.	25-Nov-10	28,182	281,820	979,017	456,548	711,480	(522,469)	-
25.	Prime Finance & Investment Ltd.	9-Nov-10	20,160	201,600	3,975,892	661,248	1,416,960	(3,314,644)	-
26.	Rak Ceramics(Bangladesh) Ltd.	31-Oct-10	17,666	176,660	3,142,444	1,003,429	1,259,104	(2,139,015)	24,090
27.	Social Islami Bank Ltd.	18-Apr-12	15,000	150,000	329,987	291,000	-	(38,987)	15,750
28.	Southeast Bank Ltd.	18-Apr-12	15,000	150,000	354,059	300,000	-	(54,059)	-
29.	Square Pharmaceuticals Ltd.	23-Dec-10	48,000	480,000	9,447,659	8,092,800	7,278,970	(1,354,859)	81,750
30.	Standard Bank Ltd.	2-Dec-10	33,600	336,000	888,058	645,120	755,000	(242,938)	-
31.	Summit Power Ltd.	8-Dec-10	56,875	568,750	5,220,114	3,031,438	3,385,200	(2,188,676)	-
32.	Tamizuddin Textiles Ltd.	2-Jan-92	5,000	50,000	500,000	385,000	385,000	(115,000)	-
33.	Titas Gas Transmission & D.C.L.	26-Dec-10	120,750	1,207,500	12,237,904	7,884,975	7,774,000	(4,352,929)	345,000
A. Sub-Total			9,578,840	95,788,400	151,117,484	257,272,424	376,741,929	106,154,941	727,966





B. Non Listed & Preference Shares

Sl. No.	Particulars	Date of Purchase	No. of Shares	Face Value Taka	Cost Price Taka	Market Value as on 31-12-2012 Taka	Market Value as on 31-12-2011 Taka	Gain/(Loss) Taka	Dividend Received in 2012
1.	Bangladesh Development Co.Ltd.	--	210,000	21,000,000	21,000,000	21,000,000	21,000,000	-	-
2.	Central Depository Bangladesh Ltd.	--	1,142,361	11,423,610	3,138,890	3,138,890	3,138,890	-	913,889
3.	Equity of Grameen IT Park	--	42,018	4,201,800	4,201,760	4,201,760	4,201,760	-	-
4.	Karmasangsthan Bank	--	100,000	10,000,000	10,000,000	10,000,000	10,000,000	-	-
B. Sub-Total			1,494,379	46,625,410	38,340,650	38,340,650	38,340,650	-	913,889
Grand Total (A+B)			11,073,219	142,413,810	189,458,134	295,613,074	415,082,579	106,154,941	1,641,855

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

For the Year ended 31 December 2012

Annexure-C

Sl. No.	Name of the Client	Outstanding as on 31.12.2012			Outstanding as on 31.12.2011 (in Lac)	Remarks
		Funded (in Lac)	Non funded (in Lac)	Total (in Lac)		
1	S.Suhi Shipping Group	11,776	-	11,776	-	
2	OPE Group	10,311	-	10,311	-	
3	Bangladesh Development Company Ltd.	9,443	-	9,443	-	
4	A.R.S.S. Enterprise	9,124	-	9,124	-	
5	New Auto Define	8,972	-	8,972	-	
6	New Dhaka City Development Ltd.	8,925	-	8,925	-	
7	Emerald-1 Group	8,208	380	8,588	-	
8	Regent Group	8,203	-	8,203	-	
9	Western Group	7,842	-	7,842	-	
10	IG Navigation Limited	7,820	-	7,820	-	
11	Bay Navigation Limited	7,485	-	7,485	6,731	
12	R.I. Enterprise	7,395	-	7,395	-	
13	A. H. Jute Spinning and Belting Ltd.	8,559	69	8,628	6,578	
14	Sanji-Well Group	8,230	4,747	12,977	13,073	
15	SQ Hues Limited	7,990	3,922	11,912	14,154	
16	Feaz Enterprise	7,947	-	7,947	8,136	
17	Amader Bari Ltd.	8,063	-	8,063	7,654	
18	Adib Dying and Well Allied	10,098	3,608	13,706	16,654	
19	Vasavi Group	10,006	1,503	11,509	7,500	
20	Nilsagor Group	8,580	2,762	11,342	7,587	
21	Rupayan Group	-	-	-	6,364	
22	Appollo Group	-	-	-	6,703	
23	Sea Blue Textile	-	-	-	6,971	
24	R.K.Foods Ltd.	7,290	-	7,290	-	
25	MA Tex	7,185	-	7,185	-	
26	Azad and Little Allied	7,025	-	7,025	-	
Total		196,477	16,991	213,468	108,105	



Fixed Assets Schedule

As at 31 December 2012

Annexure-D

Particulars	Cost Price				Rate of Dep.	Depreciation				Written Down Value as at 31.12.2012
	Balance as at 01.01.2012	Addition during the year	Disposal/ Transfer during the year	Balance as at 31.12.2012		Balance as at 01.01.2012	Addition during the year	Transfer / Adjustment during the year	Balance as at 31.12.2012	
Furniture and Fixtures	154,738,903	89,886,658	(27,291)	244,598,270	10%	65,324,639	12,695,314	(694,343)	77,325,610	167,272,660
Equipment and Computer	426,893,571	127,561,547	(6,163,751)	548,291,367	20%	272,112,980	52,726,006	(5,495,126)	319,343,860	228,947,507
Vehicles	217,096,177	54,319,402	(2,975,861)	268,439,718	25%	100,232,307	43,936,980	(2,975,858)	141,193,429	127,246,289
Leasehold Assets	4,000,000	-	-	4,000,000		597,701	45,977	-	643,678	3,356,322
Total 2012	802,728,651	271,767,607	(9,166,903)	1,065,329,355		438,267,627	109,404,277	(9,165,327)	538,506,577	526,822,778
Total 2011	645,746,567	151,308,676	5,673,408	802,728,651		362,629,942	80,701,042	(5,063,357)	438,267,627	364,461,024

MANAGING DIRECTOR

Kazi Faqurul Islam

DEPUTY MANAGING DIRECTORS

Fazlus Sobhan

Kanak Kumar Purkayastha

Abdul Qayum Mohammad Kibriya

A. Monaem Khan

COMPANY SECRETARY

Md. Shah Alam Bhuiyan (On Contract)

GENERAL MANAGERS

Md. Zainul Abedin Choudhury

Md. Wahidul Alam

Khandakar Shamim Hasan

Md. Mozammel Hossain

Golam Faruk Khan

Md. Salim

Mohammad Ali

Ahmad Hossain

Hasan Tanvir

Mohammad Moniruzzaman

Md. Mahbubul Alam

ASM Rowshanul Haque

Md Ruhul Alam

DEPUTY GENERAL MANAGERS

Md. Abul Hashem

Shaikh Mohammad Abdur Razzaque

Md. Omar Faruque

Abdul Adud

Md. Kabir Uddin

Md. Abul Kalam Azad

Md. Emdadul Haque

A.K.M. Masudur Rahman

Khan Iqbal Hasan

Md. Ismail

Mohammed Ali

Abu Md. Mofazzal

Md. Momenul Hoque

Shiper Ahmed

Jan-E-Alam

Nurur Rahman Chowdhury

Md. Masum Uddin Khan

Niranjana Chandra Debnath

Saifur Rahman

Md. Fida Hasan

Md. Masudul Alam

Mahbub Alam Khan

Md. Mahabubul Alam

Helena Perveen

Md. Hasan Imam

Debasish Karmaker

B. M. Kamruzzaman

M. Kamran Hamid

Mohammad Musa Khan

Md. Azizul Hoque

Md. Humayun Kabir

Niaz Musawwir Shah

Arif Hossain

Md. Harun-Ur-Rashid

ASSISTANT GENERAL MANAGERS

Mariom Begum

S.M. Ataur Rahman

Abdus Sabur

Mohammad Faruk Hossain

Mohammed Idris Bhuiyan

Md. Ashrafuzzaman

Md. Al-Amin

A.M. Shahed Husain

Abdus Satter Khan

Md. Khosh Newaz

Shakir Mahmud Sharafuddin

Shawkot Mahmood

Md. Mahmud Hasan

Md. Rezaul Alam

Md. Abdul Maleque Kibria

Jahir Uddin Ahmed

Md. Abdul Gofur Talukder



► List of Executives

Md. Kamrul Islam
 Md. Nurul Islam
 Md. Helal Uddin
 Md. Ruhul Amin
 Muhammad Imrul Islam
 Mohammad Didarul Alam
 Dominic Philip Sampson
 Md. Nashir Uddin
 Sumit Ranjan Nath
 Palash Das Gupta
 Md. Saifullah
 Faisal Shah Qureshi
 A.K.M. Kamruzzaman
 Md. Zahir Uddin
 Ghulam Sayeed Khan
 Sanjay Kumar Datta
 Md. Jahangir Kabir
 Md. Mizanur Rahman
 Md. Shamsul Huq
 Shehab Chowdhury
 S.M. Anisuzzaman
 Md. Nasir Uddin
 Md. Billal Hossain
 Sadia Akhter Shahin
 Shamima Akther
 ASM Anisur Rahman Chowdhury
 Mohammad Siful Islam
 Md. Ekhwanul Islam
 Iftekhar Ahmed
 Md. Mafizur Rahman Talukdar
 Ferdousi Begum
 Saidur Rahman Sohel
 Rabiul Hossain Chowdhury
 Md. Abu Sahid
 Golam Kabir
 Mohammed Yusuf
 Sk. Nazrul Islam
 Md. Abdul Ali
 Ekramul Bari
 Md. Abul Kalam Azad
 Md. Shariful Islam

Muhammad Nazmul Hasan
 Md. Raihan Ali
 Md. Salequr Rahman
 Mahbubor Rahman
 Md. Gahar Ali Khan
 Md. Abdul Hannan Howlader
 A.B.M. Zahid Hossain
 Md. Taslim Uddin
 S. M. Zahid Hassan Sayed
 Md. Rakibul Hassan
 Md. Mahmudur Rahman

EXECUTIVES ON CONTRACT

Asoke Bandhu Das

MANAGERS AS BRANCH IN-CHARGE

Md. Abdul Matin
 Md. Masud Hasan
 Md. Mominul Hoque Chowdhury
 Md. Shamim Khan
 Mohammad Haider Ali Sikder
 M. Mustafizur Rahman
 Majir Uddin Ahmed Chowdhury
 Md. Anower-Ul- Haq
 Md. Delowar Hossain Mondol
 Md. Khalequzzaman Talukder
 Shafi Ahmed

DEPUTY MANAGERS AS BRANCH IN-CHARGE

Mohammad Rafiqul Islam
 Md. Belal Hossen
 Md. Kamruzzaman Halder
 A.K.M. Mamunur Rashid
 Farid Ahamed
 Dinu Pramanik
 Md. Saifuddin Khaled
 Nirmal Kanti Talukder
 Md. Akhter Hossain

DHAKA DIVISION

MAIN BRANCH

Bana Shilpa Bhaban (Ground floor)
73 Motijheel C/A, Dhaka-1000
Tel: 88-02-9563068

BABUBAZAR BRANCH

Hajee Yusuf Mansion (1st floor)
56 Mitford Road, Babubazar, Dhaka-1100
Tel: 02-7391335

BANANI BRANCH

6, Kemal Ataturk Avenue,
Banani-1213
Tel: 02-8833402

BANGSHAL BRANCH

230 North South Road
Bangshal, Dhaka-1100
Tel: 02-9563686

BASHUNDHARA BRANCH

Plot: 13, Block: A, Main Road,
Bashundhara R/A, Dhaka-2012
Tel: 02-8402495

DHANMONDI BRANCH

54, Manna's Tower (1st floor), Road # 4/A,
Satmasjid Road, Dhanmodi R/A, Dhaka-1209
Tel: 02-8652189

DILKUSHA BRANCH

14 Dilkusha C/A
Dhaka-1000
Tel: 02-9563793-4

GULSHAN BRANCH

Ridge Park, Crystal Palace(1st Floor),
SE(D) 22(New), Road No. 140,
Gulshan South Avenue, Gulshan-1, Dhaka
Tel: 02-9883501-2

ISLAMPUR BRANCH

6-7, Islampur Road (2nd floor), Islampur
Dhaka-1100
Tel: 02-7394422

KARWAN BAZAR BRANCH

Latif Tower, 47 Karwan Bazar
Dhaka-1215
Tel: 02-9146282

MIRPUR BRANCH

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

MOULVIBAZAR BRANCH

Gulbadan Market (1st Floor)
4 Moulvibazar, Dhaka-1211
Tel: 02-7315356

SHANTINAGAR BRANCH

Concord Grand (1st floor)
169/1, Shantinagar Road, Dhaka-1217
Tel: 02-9337441

SHYAMOLI BRANCH

House# 24/1, Mohammadpur Housing Estate
Block B, Ring Road, Shyamoli, Dhaka-1207
Tel: 02-9142412

UTTARA BRANCH

Plot No. 67/A (1st floor), Rabindra Saroni
Sector-7, Uttara Model Town, Dhaka-1230.
Tel: 02-8961032

KERANIGANJ BRANCH

Century City Complex, (2nd floor), Shaheed Delwar Hossain
Road, East Aganagar, South Keraniganj, Dhaka
Tel: 02-7764284

MATUAIL BRANCH

Asiatic Shopping Mall Complex, Mominbagh
Chowrasta, Paradogair, Matuail, Demra, Dhaka
Tel: 02-7550792

GAZIPUR CHOWRASTA BRANCH

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

MAWNA BRANCH

Hamida Complex, Telihati
Sripur, Gazipur-1741
Tel: 0682-551155

SAVAR BRANCH

Savar New Market
Holding # 3, Ward # 7, Savar, Dhaka-1340
Tel: 02-7745582

MYMENSINGH BRANCH

76/A, Chhoto Bazar Road
Mymensingh-2200
Tel: 091-51612



► Branches of BASIC Bank

TANBAZAR BRANCH

55/21 S.T.S Tower, S.M Maleh Road
Tanbazar, Narayanganj-1400
Tel: 02-7631862

NARSINGDI BRANCH

Sutapatti Road
Narsingdi-1600
Tel: 9463145

MADHABDI BRANCH

Bank Para
Madhabdi Bazar, Narsingdi-1604
Tel: 88-02-9446984

FARIDPUR BRANCH

Holding no. 29/D, Ward no. 2,
Kotwali, Faridpur
Tel: 0631-67228

KOTALIPARA BRANCH

Bank Bhaban, Sultan Market,
Ghagore Bazar, Kotalipara, Gopalganj
Tel: 02-6651344

TUNGIPARA BRANCH

220, Powra Super Market, Patgati Bazar
Tungipara, Gopalganj
Tel: 02-6656465

CHITTAGONG DIVISION

AGRABAD BRANCH

Pine View (Ground floor)
100 Agrabad C/A, Chittagong-4100
Tel: 031-2520080

ASADGONJ BRANCH

M.A. Salam Market
774, Asadgonj, Chittagong-4100
Tel: 031-614569

CEPZ BRANCH

Moon Tower (1st Floor), E.P.Z. Gate
South Haliashahar, Chittagong-4100
Tel: 031-740094

DEWANHAT BRANCH

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

DOHAZARI BRANCH

Janakalyan Tower (1st floor), Main Raod,
Dohazari, Chandanaish, Chittagong
Tel: 04439009133

JUBILEE ROAD BRANCH

G.R. Plaza, 5 Jubilee Road
Chittagong-4100
Tel: 031-634879

KHATUNGONJ BRANCH

193 Khatungonj,
Chitagon-4000
Tel: 031-614200

PAHARTOLI BRANCH

Plot No. 9 & 10, Block-G, Firoz Shah Housing Estate
Pahartoli, Chittagong
Tel: 031 2773449

PATHERHAT BRANCH

Ibrahim Soban Tower, Patherhat, Noapara,
Raozan, (Kaptai Road), Chittagong
Tel: 031-2573404

SHOLOSHAHAH BRANCH

Proskov Bhaban (1st floor), 110 CDA
Avenue, Nasirabad, Muradpur, Chittagong
Tel: 031-651066

COX'SBAZAR BRANCH

Holding no.: 30 (Rashid Complex)
Main Road, Cox'sbazar Sadar, Cox'sbazar-4700
Tel: 0341-63585

COMILLA BRANCH

156/162 A.K. Fazlul Haque Road Monohorpur,
Comilla-3500
Tel: 081-65886

CHANDPUR BRANCH

Holding No.- 121, (Kalibari More), Comilla Road
Ward No-7, Pourashava Chandpur, Chandpur-3600
Tel: 0841-67201

SYLHET DIVISION

ZINDABAZAR BRANCH

Wahid View (1st floor)
5477 East Zindabazar, Sylhet-3100
Tel: 0821-718462

CHOWMUHANA BRANCH

152, Shamsernagar Road
Chowmuhana, Moulvibazar-3200
Tel: 0861-53238

MIRPUR BAZAR BRANCH

Chowdhury Complex, Dhulia Khal Road,
Mirpur Bazar, Bahubal, Habiganj

SONARPARA (RAYNAGAR) BRANCH

RASOS 61, Monsuf-Rowshan Plaza, Sylhet-Tamabil Road,
Raynagar, Sonarpara, Sylhet
Tel: 0821-728780

RAJSHAHI DIVISION**RAJSHAHI BRANCH**

Anam Plaza (1st floor)
Shaheb Bazar, Rajshahi-6100
Tel: 0721-776278

CHAPAINAWABGANJ BRANCH

Holding No.- 449, Huzrapur Road,
Chapainawabganj-6300
Tel: 0781-51570

NATORE BRANCH

Holding No.- 327, Rosy Market
Station Bazar, Natore, Sadar, Natore
Tel: 0771-66374, 66514

SIRAJGANJ BRANCH

Shapneel Shopping Complex
305, S.S. Plaza, S.S. Road, Sirajganj
Tel: 0751-64355

BELKUCHI BRANCH

Bhuyan Plaza
Mukundagati Bazar, Belkuchi, Sirajganj
Tel: 07522-56317

BOGRA BRANCH

Bhabani Shachin Bhaban
Hari Dashi Market, 120 Baragola, Bogra-5800
Tel: 051-78793

RANGPUR DIVISION**RANGPUR BRANCH**

97/1, Central Point, Central Road,
Rangpur-5400
Tel: 0521-67811

SAIDPUR BRANCH

T. R. Road (Dinajpur Road),
Saidpur 5310, Nilphamari
Tel: 05526-72299

KHULNA DIVISION**KHULNA BRANCH**

107, Sir Iqbal Road,
Khulna-9100
Tel: 041-720361

KDA AVENUE BRANCH

Al-Mumin Centre(1st floor), 58, KDA Avenue,
Sonadanga, Khulna-9100
Tel: 041-2832920

SATKHIRA BRANCH

12478(Old), Itagacha Bazar More,
Sultanpur Bara Bazar Road, Satkhira-9400
Tel: 0471-64010

CHITALMARI BRANCH

Meem Sargical Clinic, Vill: Aruaborni,
Shaheed Minar Road, Chitalmari, Bagerhat
Tel: 04652-56035

FAKIRHAT BRANCH

Sheikh Matiur Rahman Market
Old Dhaka Road, Fakirhat, Bagerhat
Tel: 04653-56340

JESSORE BRANCH

35, M.K. Road (1st floor),
Jessore-7400
Tel: 0421-68586

JHIKARGACHA BRANCH

Samad Market, Krishnanagar, Jhikargacha
Jessore
Tel: 04225-71635

KUSHTIA BRANCH

Biswas Super Market (1st floor)
95/170, N.S. Road, Shapla Chattar,
Thanapara, Kushtia-7000
Tel: 071-63041

BARISAL DIVISION**BARISAL BRANCH**

102, Chawkbazar Road,
Barisal
Tel: 0431-65022

MATHBARIA BRANCH

Thanapara Road, Ward no. 09
Mathbaria, Pirojpur
Tel: 04625-75896





Branches Underway & Proposed Branches

BRANCHES UNDERWAY

- (1) **Ishwarganj Branch, Mymensingh**
41, Pat Bazar Road, Ward # 5, Pourashava: Ishwarganj, Thana: Ishwarganj, Dist: Mymensingh.
- (2) **Jhenidah Branch, Jhenidah**
"Khan Super Market", 203, Hussain Shaheed Suhrawardi Road, Ward # 6, Pourashava: Jhenidah, Thana: Jhenidah Sadar, Dist: Jhenidah.
- (3) **Elenga (Rural) Branch, Tangail**
"Dr. Hasan Ali Super Market", Elenga Bus Stand, Holding # 1665, ward# 6, Pourashava: Elenga, Upazila: Kalihati, Dist: Tangail.
- (4) **Dhaka Cantonment Branch, Dhaka**
Holding # CB 211/4, Kachukhet, VIP Road, Dhaka Cantonment, Dhaka.
- (5) **Jorarganj, Mirsharai, Chittagong**
- (6) **Mohipur, Potuakhali**

PROPOSED BRANCHES

Pabna Sadar
Pragati Sarani, Dhaka
Lohagara, Chittagong
Chuadanga Sadar
Sunamganj Sadar
Chandina, Comilla
Ishwardi Sadar
Manikganj
Mirpur-10
Feni
Laxmipur
Noakhali
Bandarban
Rangamati
Kurigram
Joypurhat
Thakurgaon
Gaibandha
Sherpur
Bhola
Brahmanbaria
Netrokona
Magura
Meherpur
Rajbari
Munshiganj
Barguna
Shariatpur
Madaripur

Our ATM Networks

Present ATM Booths

1. Agrabad Branch ATM, Agrabad Branch, 100 Pine view Agrabad C/A
2. Bashundhara City Shopping Centre, Ground Floor, Panthapath
3. Rifle Square Market, Rifle Square Market Car Parking
4. Gulshan DCC Market, Circle-1, Gulshan
5. Uttara Tower, Jashimuddin Road, Uttara
6. Shantinagar Branch, Concord Grand, Shantinagar

Proposed ATM Locations

1. Bashundhara Branch
2. Shyamoli Branch
3. Mirpur Branch
4. Khulna KDA
5. Delta Medical College, Mirpur
6. IIEB, Ramna
7. Main Branch
8. Zindabazar Branch
9. Comilla Branch
10. Narsingdi Branch
11. Jubilee Road Branch
12. Jessore Branch
13. Uttara Branch
14. Matuail Branch
15. Khulna Branch





BASIC Bank Limited

Serving people for progress

A STATE OWNED SCHEDULED BANK

HEAD OFFICE

Sena Kalyan Bhaban (5th Floor)

195 Motijheel C/A, Dhaka-1000

Tel: 880-2-9568190, 9564830, 7175691, 7175692, 9556616

www.basicbanklimited.com