

# ANNUAL REPORT 2015



*serving people for progress*

# ***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 & 20th Floor)  
195, Motijheel Commercial Area  
Dhaka-1000, Bangladesh

## **Incorporation**

August 2, 1988

## **Commercial Operation**

January 21, 1989

## **Contacts**

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## Letter of Transmittal

To  
The Shareholders  
Bangladesh Bank  
Bangladesh Securities and Exchange Commission  
Registrar of Joint Stock Companies & Firms

**Subject: Annual Report of BASIC Bank Limited for the year ended December 31, 2015.**

Dear Sir(s),

We are pleased to present before you the Bank's Annual Report 2015 together with the Audited Financial Statements for the year ended December 31, 2015 and as on that date for your kind information and record. The Financial Statements comprise Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity and Liquidity Statement along with notes thereon.

Best regards,

Yours faithfully,



**Md. Hasan Imam**  
Company Secretary



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# Corporate Profile



## Constitution of the Bank

**B**ASIC Bank Limited (Bangladesh Small Industries and Commerce Bank Limited) launched its operation on January 21, 1989 being incorporated as a banking company on August 2, 1988 under the erstwhile Companies Act 1913. It is now governed by the Bank Company Act 1991 with its amendment till 2013.

pride in itself as the pioneer in financing to small and medium scale industries, being inspired by its Memorandum with a stipulation that 50 percent of loanable fund shall be invested in small and Medium Scale industries. The Bank's motto is to boost up Small and Medium industries as now-a-days SME is being regarded as one of dominating employment generating tools across the world for its intensity in involvement of labor in larger number.

The Bank came into being as outcome of the pragmatic thinking of the policy makers of the country of urgency for a bank in the private sector for financing small scale Industries (SSIs). At the outset, it had been a joint venture enterprise of the defunct BCC Foundation with 70 percent shares and the Government of Bangladesh (GOB) with the remaining 30 percent shares. After the closure of BCCI, when BCC Foundation became nonfunctional the Government of Bangladesh took over 100 percent ownership of the Bank on June 4, 1992. Thus it is recognized as a state-owned Bank.

**“Once treated as one of the soundest banks in Bangladesh it takes pride in itself as the pioneer in financing to small and medium scale industries, being inspired by its Memorandum with a stipulation that 50 percent of loanable fund shall be invested in small and Medium Scale industries”**

### Working with Local & International Agencies like ADB

In addition to regular banking activities, BASIC Bank works with local and international agencies like Government Ministries, ADB and internationally reputed local MFIs/NGOs, as a development partner for implementing various development scheme carried out by the Government among which

Government's Agro-based Project Financing Scheme, Agribusiness Development Project & Second Crop Diversification Project involving the fund of Asian Development Bank (ADB) are worthy to mention. The ultimate objectives of those projects are to create rural employment opportunities through scaling up agro-enterprises, to encourage production of High Value Crops to rise income of rural people, and thus, to cut reduction of poverty.

Under Government's Agro-based Project Financing Scheme, the Bank has so far facilitated 140 small-scaled agro-based projects with soft loan of Taka 1,205.0 million through which employment opportunity for 2,105 peoples was created. Besides, the Bank

## Introduction of SME Concept in Bangladesh

Long before the concept of SME getting into surface, BASIC Bank is the first bank in the country which started practicing SME banking in exploring the potential assistance to small investors through providing financial and advisory support successfully. Since inception, BASIC Bank has been unique in its objectives - blending of development and commercial banking. Once treated as one of the soundest banks in Bangladesh it takes



has so far distributed Taka 3,064.5 million with the assistance of BRAC, ASA & TMSS, under Bangladesh Agri-Business Development Program (BADP), among 61,290 agro-enterprises for scaling up activities of the beneficiary farms & Taka1,019.4 million among 2,04,000 marginal farmers under Second Crop Diversification Project (SCDP), with assistance of BRAC, for production and promoting of High Value Crops (HVC) to increase income of rural people, involving 50% women.

Besides, under its own micro credit scheme, BASIC Bank is now working with 75 reputed NGOs/MFIs for uplifting the livelihood of urban, semi-urban poor people and the rural farmers.

### Financing in Agricultural & Rural Sector

For development of agriculture sector BASIC Bank is concerned from the very beginning of its operation with providing loan to farmers directly at field level and to different agro-based processing industries at affordable interest rates. As recognition and feat for contribution to agriculture, the Bank received Letter of Appreciation from the Governor of

the Bangladesh Bank for fulfilling targets set for the FY 2011-2012. Thereafter, it has upheld the spirit and continued to attain the target set by Bangladesh Bank from time to time. In 2015, the Bank achieved Taka1,062.1 million through disbursement of agricultural and rural credit among 26,278 farmers, as against the target of Taka1,000.0 million set by Bangladesh Bank, which in percentage is 106%.

### Conclusion

Steady growth in clientele base and their high retention rate since the 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, as well as commercial and trading activities attract entrepreneurs from varied economic fields. Along with promotion of products, special importance is given to individual clients in line with individual needs. "Serving people for progress", is the motto of the Bank which has been followed for development of clientele as well as human resources of the Bank.







# Vision

To be a bank of choice by intertwining excellence in customer service experience, optimum profitability with efficiency, imitable corporate culture in terms of compliant banking activities, efficient and motivated human resources and endless quest for becoming the best corporate citizen through serving people for progress.



# Mission

Establishing ourselves (the Bank) as a strong bank in the market and society with good fundamentals by:

- offering best value-based greener products and services;
- embracing appropriate knowledge and technology;
- creating an environment for professional, efficient and motivated pool of human resources;
- establishing a culture of innovation and continuous improvement;
- ensuring maximum return/value to shareholders;
- establishing good corporate governance and compliance culture;
- maintaining good relations with stakeholders; and
- fostering financial inclusion and opening up a compassionate and humane side of banking.



# Our Goals & Objectives

- To invest 50 percent of loanable funds in financing small and medium industries sector;
- To serve the depositors in safekeeping and growing their savings;
- To 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;
- To act as agents for the sale and purchase of any stocks, shares or securities or for any other monetary or mercantile transactions;
- To 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;
- To promote the development of small and medium industries and to provide finance to all kinds of banking facilities and to provide technical services to small and medium industries in Bangladesh;
- To develop a culture of compassionate banking;
- To establish and open offices and branches to carry on all or any or the above businesses within the country and abroad, provided prior permission is obtained from the Bangladesh bank and carry on, transact, undertake and conduct the business of banking in all its branches and to transact and do all relevant matters and things; and
- To ensure secured banking.



# Our Approach





**P**ioneer in SME financing BASIC Bank, specialized in development banking has already created stance and brand in the banking arena providing its clients with a full range of customer franchise services to help them grow in assets and net worth.

Even before the concept of SME as employment generating machine came into focus and got momentum, BASIC Bank started its journey long back in 1989 with the motto to exclusively invest in Small and Medium scale industries by allocating its 50% loanable funds. At present Bank has wider network through its branches which are acting as SME centres.

BASIC Bank places particular emphasis on small business, quality assets and steady and sustainable growth. The Bank offers project loan (term loan) to clients, especially to develop small and medium scale industrial enterprises for processing and manufacturing goods and services. The Bank facilitates full-fledged commercial banking services like collection of deposits, working capital finance in trading and short term trade finance along with providing international trade services.

BASIC Bank attaches special importance to technical and advisory support to small and medium scale industries in order to enable them to run their enterprises smoothly. The Bank's diversified services also include micro

**“BASIC Bank attaches special importance to technical and advisory support to small and medium scale industries in order to enable them to run their enterprises smoothly”**

credit to the urban, semi urban poor people and farmers in rural areas through linkage with NGOs with a view to facilitating their access to formal financial market for mobilization of resources.

The Bank provides an environment where all employees feel free to exercise their initiatives and judgment within a clearly established framework. The Bank is a 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.

**In 2016, the Bank's strategic planning will be moving ahead with emphasis on following priorities for placing the Bank in strong foothold to bring excellency in all strata:**

#### **Providing Best Services and Attaining Excellence**

- To bring back glory of being number one bank in Bangladesh in all consideration;
- To uphold our position as pioneer in SME financial services and to bring more momentum in the years to come;
- To grow product portfolio with focus on SME need based financial services in line with market demand under new challenging situation;
- To continue financing to agricultural and rural sector for its sustainability and generation of rural employment and food security also;



- To lift the ultra poor especially women, out of abject poverty through micro credit programme of the bank making them self-reliant establishing their self-dignity;
- To drive consumer finance to cater to the need of middle income group people in urban and rural areas;
- To expand geographical reach in the major part of the country;
- To intensify cooperation and coordination with Government and large national and international corporate agencies like ADB for mutual beneficial relationship;
- To manage credit risk in effective manner; and
- To maintain quality asset and net-worth of the institution and to contain deviation at zero level.

#### **Balance Sheet Management**

- To strengthen our capital and asset base and to improve our funding positions with adopting diversified strategies including recovery of bad debt, keeping regular loan on right track, and
- To make optimum utilization of fund and capital ensuring diversified investment with utmost precaution.

#### **Customer Service**

- To ease and simplify processes and to provide services at minimal cost;
- To broaden areas of customer service like real time core banking facilities, ATM & card operations, opening of new branches and engagement of alternative credit delivery channels and MFIs/NGOs with a view to providing banking services to mass people;

**“To strengthen our capital and asset base and to improve our funding positions with adopting diversified strategies including recovery of bad debt, keeping regular loan on right track”**

- To prioritize sound lending to productive/prospective/thrust sectors with simplified processes at competitive price; and
- To adopt new technology to make our human resources updated, efficient and competitive to ensure better customer services.

#### **Create a Sustainable Brand**

- To ensure good governance, stability, reliability, trust and transparency; and
- To regain ability to contribute to the national exchequer through earning profitability.

#### **Nurturing Talent through Skill Development**

- To provide on and off the job training for developing high skilled talent pool;
- To maintain congenial working atmospheres to have the best output from the employee;
- To ensure attractive competitive benefit packages and promotion; and
- To promote, motivate, courage and nurture talent to maintain standard and to practice corporate culture.



# Forward Looking Statement

The Banking sector in recent times has been plagued by various problems including fraud, embezzlement, malpractices and scams. Unfortunately, BASIC Bank Limited was in the front line of the list for being so noncompliance with the rules, policies and guidelines during the period from 2010 to June 2014 and that caused huge non-performing loans, operating loss and capital shortfall in the Bank, which was once one of the best performing banks in Bangladesh.

But, things always do not remain the same; hence need restoration, if required. Tellingly, the then new yet adept management and the prudent Board of the Directors took the mammoth task of resurrecting this Bank from dying stage and adroitly handled the dilapidated situation. As a result, the Bank started to exhibit some signs of improvements which are quite obvious to all. Keeping the goal of escalating the performance of the Bank to a satisfactory level in mind and ironing out the poor condition, the Bank will go for venturing strategies which will bring some results in future. These results will be our actual performance in the near and distant future.

The performance and other messages of a bank are presented through Annual Reports. The users of an Annual Report are myriad of stakeholders. Our interactions are both publicly and privately spoken and written. And this is where the issue of forward-looking statement becomes relevant.

We wish to caution you that these statements are based on management's expectations, estimates, projections and assumptions, which always carry some intrinsic risks and uncertainties. These risks and uncertainties may cause the Bank's actual results to differ significantly from those in its forward-looking statements. Words such as 'expects,' 'anticipates,' 'plans,' 'believes,' 'estimates,' and words of same expressions of future are intended to identify forward-looking statements, which include but are not limited to projections of revenues, earnings, cash flows etc.

Forward-looking statement is not assurance of future performance. Hence, do not unduly rely on forward-looking statements. Actual future results and trends may differ materially from what is forecast in forward-looking statements due to the variety of factors, but are not limited to, which are:

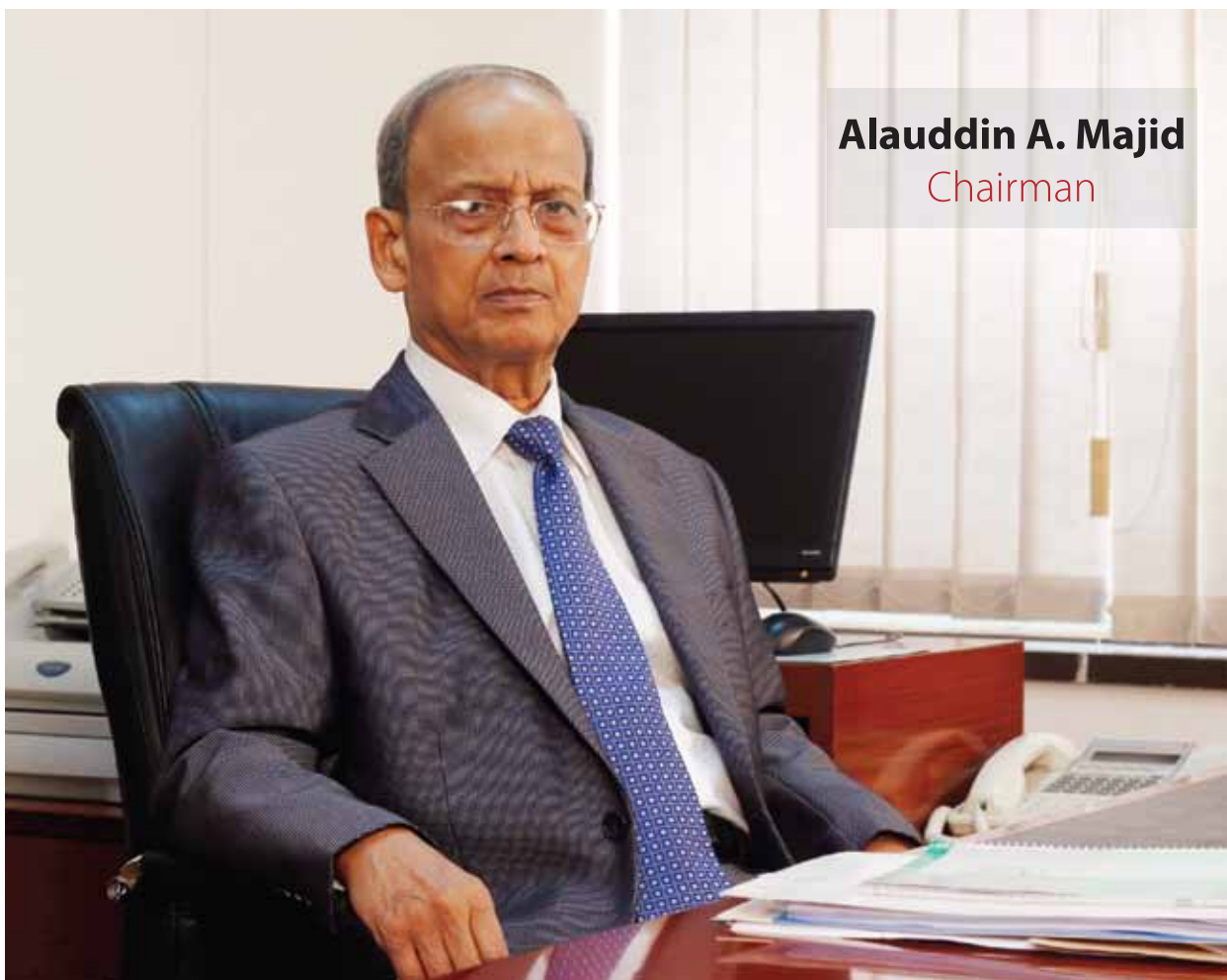
- National political and economic conditions;
  - Changes in the monetary policy and fiscal policies of the Government, including policies of Bangladesh Bank;
  - Volatility of interest rates, both borrowing and lending, which may affect net interest income;
  - Down gradation of our Bank's credit ratings which may restrict our access to other forms of market which may eventually affect our operations, pricing and services;
  - Changes in corporate tax structure along with changes in regulation of VAT on banking services;
  - Changes in provisioning requirement of CRR and SLR which may affect and bring change in ROA and ROE;
  - The probability of not being able to take into account all relevant factors in Bank's own risk management models;
  - Changes in customers' demand or preference for deposit, loan and investment products and other financial services of our Bank;
  - Volatility in capital market and currency value;
  - Changes in international prices of essential which puts pressure on foreign exchange market resulting in instability in the overall foreign exchange market;
  - International embargo on certain countries which is likely to affect remittances and trade;
  - Expansion of existing distribution channels and development and realization of revenues from new distribution channels which may not be attained as expected;
  - Changes in competition among peers of this industry;
  - Changes in accounting principles, policies, practices and guidelines in line with IFRS, BASB and BB requirements;
  - Any changes in the priority set by the Government and the Regulator;
  - Changes in judicial and regulatory proceedings;
  - Requirements of the customers; and
  - Major changes in ICT policy of the country and of the Bank.
- “When relying on forward-looking statements to make decisions with respect to the Bank and its securities, investors and others should carefully consider the preceding factors, other uncertainties and potential events”**
- The preceding list of important factors is not exhaustive. When relying on forward-looking statements to make decisions with respect to the Bank and its securities, investors and others should carefully consider the preceding factors, other uncertainties and potential events.
- All the terms mentioned above in forward-looking statement may be altered at any point of time. However, the Bank will not be accountable to update this amended information in the Annual Report, which may be affected with a future progression.



# Board of Directors







Mr. Alauddin A. Majid, a veteran retired banker, was appointed as Chairman of the Bank on July 6, 2014 by the Bank and Financial Institutions Division of the Ministry of Finance. He earned fame as an illustrious banker while he was the Chief Executive Officer of the present Bank, BASIC Bank Limited. During his incumbency for about six years in the Bank, he was able to establish it as one of the top most banks in the country. He obtained B.S. in 1963 and M.S. in 1966 from the American University of Beirut, Lebanon. Later, in 1983 Mr. Majid was conferred M. Agr. Ec. degree by the University of Sydney, Australia. He started his banking career at Bangladesh Krishi Bank (BKB) as Agricultural Economist in 1974. As stated earlier, Mr. Majid was the Chief Executive Officer of BASIC Bank from 1996 to 2001. He served as a Director of Bangladesh Krishi Bank for a period of three years from September 14, 2009. Later, he was appointed Chairman of the same Bank and remained there from January 31, 2013 to July 6, 2014 when he was appointed Chairman of BASIC Bank. Mr. Majid was also an Independent Director of Industrial Promotion and Development Company of Bangladesh Limited (IPDC).





**Kazi Shofiqul Azam**

Director

Mr. Kazi Shofiqul Azam was appointed as Director of BASIC Bank Limited on December 30, 2015 by the Bank and Financial Institutions Division of the Ministry of Finance. He belongs to Audit and Accounts Cadre. Presently, he is the Additional Secretary (Wing-2: World Bank) in Economic Relations Division of Ministry of Finance of the Government of the People's Republic of Bangladesh. He is also a member of the Board of Directors of Infrastructure Investment Facilitation Company (IIFC), a Government Owned Company registered under Company Law. Formerly, he was Joint Secretary/Additional Secretary, Middle East and Administration Wing of Economic Relations Division, Ministry of Finance; the Joint Secretary of Budget-1 and Budget-2 of Finance Division of Ministry of Finance; the Deputy Secretary of Budget-4 of Finance Division; the Additional Controller General of Accounts of Bangladesh and Director of Sugar and Food Industries Corporation.

He worked as Government nominated Director on the Board of Directors, Investment Corporation of Bangladesh (ICB), a leading Financial Institution from July 29, 2010 to January 4, 2016 including acting as Chairman of the ICB Board from September 29, 2014 to November 10, 2014. He was also a Director of Padma Oil Co. Ltd., Meghna Petroleum Co. Ltd., Bangladesh Petroleum Institute and Teletalk Bangladesh Ltd. Besides, he was a Senate member of University of Dhaka and Member of University Grant Commission.

He did his B. Com. (Hons.) and M. Com. in Finance from University of Dhaka and Diploma Course on Course Design and Instructional Technique in Bangkok. He got INTOSAI Development Initiative (IDI) Diploma. He is recognized as an IDI Training Specialist. In professional career he has participated in a number of trainings and seminars at home and abroad. Mr. Azam has been the Chairman of Audit Committee and a member of Risk Management Committee of the Board of Directors of the Bank since April 2016.



**Parag**  
Director

Ms. Parag, an Additional Secretary to the Government of Bangladesh, is presently working in the Ministry of Industries. Ms. Parag was appointed as Director of the Bank on July 8, 2014 by the Bank and Financial Institutions Division of the Ministry of Finance. She has an M. A. in English Literature with Honours. Ms. Parag has also acquired M. Soc. Sci. in Development Administration from the School of Public Policy, University of Birmingham UK.

Ms. Parag has gathered experience of different sectors through her working in the Ministries; which includes among others Energy & Mineral Resources, Finance, Commerce, Local Government, Road Communications, Public Administration and Cultural Affairs. She has successfully completed a number of professional development programmes in-country and abroad.

Ms. Parag has also worked with the development partners when she was in the UN systems on secondment for a number of years.

Besides being a member of BASIC Bank Board, Ms. Parag is a member on the Board of Nuvista Pharma Ltd., Unilever Bangladesh Ltd. and is a Senate member of Dhaka University of Engineering and Technology.



**Hasan Mahmood, FCA**  
Director

Mr. Hasan Mahmood, FCA, a prominent professional in the related field of chartered accountancy, was appointed as Director of the Bank on July 7, 2014 by the Bank and Financial Institutions Division of the Ministry of Finance. He obtained B. Com. (Honours) and M. Com. in Accounting from the University of Dhaka. Mr. Mahmood qualified as a Chartered Accountant in 1989. He is an expert in International Financial Reporting Standards, Auditing Standards, Tax Laws, Company Laws and BSEC Rules and Regulations. He is a member of the Taxation and Companies Law Committee of Institute of Chartered Accountants of Bangladesh (ICAB). He is also a member of Tariff and Taxation Committee of Metropolitan Chamber of Commerce and Industries (MCCI). Mr. Mahmood was appointed as a member of the "Company Law Reform Committee" by the Ministry of Commerce. Mr. Mahmood is a Partner of M. J. Abedin & Co., Chartered Accountants, a member firm of the Moore Stephens International Limited. He was the Chairman of Audit Committee of the Board of Directors of the Bank till March, 2016 and at present he is a member of the said Committee.



**Raihana Aneesa Yusuf Ali**

Director

Ms. Raihana Aneesa Yusuf Ali, an experienced banker having bright banking career of over three decades, was appointed as Director of the Bank on July 7, 2014 by the Bank and Financial Institutions Division of the Ministry of Finance. She obtained B.A. (Honours) and M.A. in Economics from University of Dhaka. She started her banking career at Bangladesh Krishi Bank (BKB) through Bankers Recruitment Committee in 1977. Ms. Aneesa served BKB as General Manager from 1999 to 2001. Then she was posted to Agrani Bank as General Manager and discharged duties up to 2004. She served as Deputy Managing Director of Sonali Bank Limited and Managing Director of Bangladesh House Building Finance Corporation. Ms. Aneesa in her long career attended many trainings and seminars at home and abroad. She is the Chairman of Risk Management Committee of the Board of Directors of the Bank.





**Md. Mamun-Al-Rashid**

Director

Mr. Md. Mamun-Al-Rashid, a Joint Secretary to the Government of the People's Republic of Bangladesh, was appointed as Director of BASIC Bank on July 7, 2014 by the Bank and Financial Institutions Division of the Ministry of Finance. He obtained M. Com. in Management from University of Dhaka and M.A. in Govt. Finance from University of Ulster, UK. He has gathered experience of working in Bank and Financial Institutions Division, Ministry of Finance. Mr. Mamun was engaged in framing of Rules, Regulations and Acts relating to Banking as well as Insurance. Moreover, he dealt with criminal cases relating to fraud, forgery, money laundering, negotiable instruments etc. while discharging his duties as Metropolitan Magistrate in Dhaka. His special interest in study is bank related laws and rules of different countries. Mr. Mamun is a member of the Risk Management Committee of the Board of Directors of the Bank.



**Tabarak Hussain**  
Director

Mr. Tabarak Hussain hails from a respectable Muslim Family of village Nandua under the District of Moulvibazar. Mr. Hussain was appointed as a member to the Board of Directors of BASIC Bank on May 03, 2016 by the Bank and Financial Institutions Division of the Ministry of Finance. He obtained graduation degree from MC College in 1970. During college life Mr. Hussain actively participated in student politics and was involved in the movement for establishment of Democracy, Rule of Law and the struggle for autonomy of the then East Pakistan which culminated into struggle for independence of Bangladesh. Mr. Hussain actively participated in the war of liberation in 1971. After obtaining LL.B degree he joined his legal profession in 1983 and thereafter he was enrolled as an advocate of the Supreme Court and has been practicing in the Supreme Court of Bangladesh. He was elected as a member of the Executive Committee of Supreme Court Bar Association in 1993. He was elected as a member of Bangladesh Bar Council for two terms from 1998 to 2004 and was also Editor of Bangladesh Legal Decision (BLD) published by Bangladesh Bar Council. Mr Hussain is still in practice as a lawyer in both the Divisions of the Supreme Court.

Earlier Mr. Hussain was a journalist and worked as the staff reporter with the designation of Special Correspondent. He was General Secretary of Sylhet Press Club and Vice President of the National Committee of Bangladesh Sangbadik Samity. Mr Hussain was also associated with various socio-cultural activities and he was President of Udichi Shilpi Goshthi and Sylhet Khelaghor Ashar for several years and at present adviser of the central committees of those two organizations. He is also involved in various activities aimed to establish a democratic, progressive and secular society in Bangladesh.



**Mahabubur Rahman Bhuiyan**  
Director

Mr. Mahabubur Rahman Bhuiyan hails from a respectable family of Syednagar, Narsingdi. Mr. Bhuiyan was appointed as a member of the Board of Directors of BASIC Bank on June 6, 2016 by the Bank and Financial Institutions Division, Ministry of Finance. Earlier he served as Director of Bangladesh Krishi Bank (BKB) for a period of six years. In early age, Mr. Bhuiyan actively participated in student politics. He was the Vice President of Chatra Sangsad at Narsingdi College during 1967-68. Mr. Bhuiyan is a freedom fighter as well as an organizer of our liberation war in 1971. He was also the founder President of Narsingdi Zilla Jubo League. Mr. Bhuiyan acted as General Secretary of Narsingdi Zilla Awami League from 1982 to 1986. He also took part in three national parliamentary elections. At present he is a member of national committee of Bangladesh Awami League, number one Senior Vice President of Narsingdi Zilla Awami League, President of Governing Body of Mannan Bhuiyan Degree College, Narsingdi and Aaur Rahman School, Shibpur, Narsingdi. He was also the Chairman of Governing Body of Joynagar Degree College, Narsingdi. Mr. Bhuiyan, as an Adviser, attended the 70th United Nations General Assembly in October 2015 with Honourable Prime Minister Sheikh Hasina.



**Khondoker Md. Iqbal**  
Managing Director

Khondoker Md. Iqbal was born in a respectable Muslim family in the district of Barisal. Mr. Iqbal was appointed as the Managing Director by the Board of Directors of the Bank and he joined the Bank on October 1, 2014. He obtained B.Com (Honors) and Master's in Accounting from the University of Dhaka. He also obtained Diploma in Banking from the Institute of Bankers, Bangladesh and in Decision Base from Stockholm, Sweden. Mr. Iqbal started his banking career as class-1 Officer in Investment Corporation of Bangladesh (ICB) in 1981. During his colourful banking career, Mr. Iqbal worked in different divisions in ICB, and his performance was outstanding in the respective area of operations. He was the Chief Executive Officer (CEO) of ICB Asset Management Company Limited. He worked as General Manager in Agrani Bank Limited and Sonali Bank Limited. Then he worked as CEO of Sonali Bank (UK) Ltd. and Deputy Managing Director (DMD) of Sonali Bank Limited. Prior to joining BASIC, Mr. Iqbal was the Managing Director of state owned Karmasangsthan Bank. He participated in a number of training programme, seminars and workshops at home and abroad.



# Report of the Audit Committee

## Constitution/Formation of the Audit Committee

The Audit Committee, an important functional committee, was constituted by the Board in its 148th meeting held on April 05, 2003 in compliance with the guidelines of BRPD Circular No.12 dated December 23, 2002

of Bangladesh Bank to provide an independent oversight of the financial reporting, non-financial corporate disclosures, internal control and compliance to governing rules and laws. After issuance of BRPD Circular No.11 dated October 27, 2013 by Bangladesh Bank, reconstitution of the Committee is being made whenever needed in compliance of the stipulation enunciated in the said circular.

## Particulars of the Members of the Audit Committee as on December 31, 2015

| Sl. No. | Name                   | Status with the Bank | Status with the Committee | Educational Qualification                           |
|---------|------------------------|----------------------|---------------------------|-----------------------------------------------------|
| 01      | Mr. Hasan Mahmood, FCA | Director             | Chairman                  | FCA, M.Com.                                         |
| 02      | Ms. Parag              | Director             | Member                    | MSS in Development Administration<br>M.A in English |

The Company Secretary of the Bank is entrusted to conduct the secretarial functions of the Audit Committee meeting.

## Meetings Held During 2015

During the year 2015 the Audit Committee met four times wherein efforts were there to accomplish the duties and responsibilities that would serve the purpose of constitution

of the Committee. Details of the meetings held in 2015 are as under:

| Sl. No. | Meeting No. | Date       |
|---------|-------------|------------|
| 01      | 54          | 30.03.2015 |
| 02      | 55          | 27.04.2015 |
| 03      | 56          | 03.08.2015 |
| 04      | 57          | 17.12.2015 |



## Activities of the Audit Committee During 2015

The Committee while discharging its duties and responsibilities followed the guidelines enunciated in the BRPD Circular No.11 dated October 27, 2013 of Bangladesh Bank. As such, emphasis was given on the following fundamentals:

- Internal Control
- Financial Reporting
- Internal Audit
- External Audit
- Compliance



- Audit reports of Branches on major irregularities detected by Audit and Inspection Division of the Bank during the year 2014 and compliance status thereagainst;

- Internal Audit Report on Gulshan Branch of the Bank for the year 2014;

- Compliance status on major irregularities as pointed out in the internal Audit Report for the year 2014 in the account of eighty seven clients of Gulshan Branch;

The major areas reviewed/discussed/evaluated/recommended by the Audit Committee during the year 2015 are as under:

- Statement of Accounts for the year ended December 31, 2014;
- Appointment of auditors and fixing their remuneration for the year 2015;
- Management Report 2014 of the Bank;
- Management Action Triggers (MATs) for Internal Control & Compliance (ICC) of the Bank;
- Status of pending suits filed by the Bank;
- Status report on 56 clients (Gulshan Branch: 18, Karwan Bazar Branch: 08, Shantinagar Branch: 05, Main Branch: 14 and Dilkusha Branch: 11) who had been selected for the purpose of conducting functional audit on loans and advances of the Bank;
- Special investigation report on overvaluation of mortgaged property in the account of some selected clients; and
- Progress report on adjustment of EOL/overdue and regularization of the shortcomings remained in the account of some selected clients of the Bank.

**Hasan Mahmood, FCA**  
Chairman

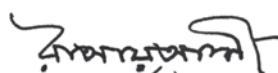
# Report of the Risk Management Committee

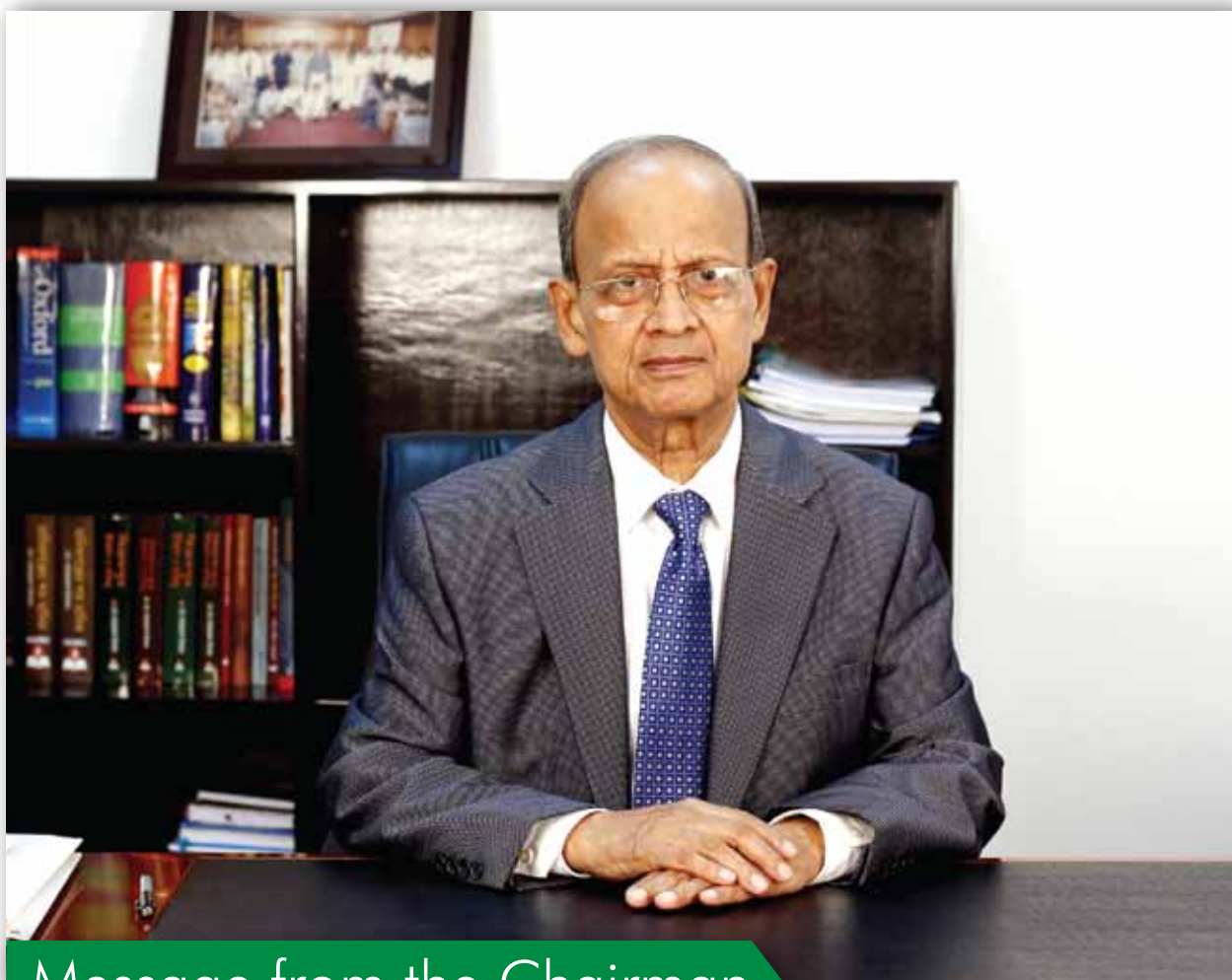
The Risk Management Committee of the Board of Directors was formed in consistency with the Bangladesh Bank's BRPD Circular No.11 dated October 27, 2013 which is now comprised of the following members:

|    |                              |            |
|----|------------------------------|------------|
| 1. | Ms. Raihana Aneesa Yusuf Ali | - Chairman |
| 2. | Mr. Md. Mamun-Al-Rashid      | - Member   |

In the year 2015, the Risk Management Committee of the Board of Directors conducted 04 (four) meetings in which, among others, the following issues were perused/discussed/analyzed/evaluated/reviewed and delivered necessary advices/instructions to the management:

- i. Management Action Triggers (MATs) for Internal Control & Compliance (ICC) with an advice to properly maintain the time frame of MATs for ICC and review the process on yearly basis;
- ii. Information on status of legal suits filed against the borrowers out of 523 problematic borrowers, identified as on 31 August 2014 of the Bank and a list of borrowers of the Bank whose account information were sent to the Anti-Corruption Commission of Bangladesh;
- iii. Process Document for SRP-SREP Dialogue on ICAAP and responsibility as per the revised Process Document;
- iv. ICT Risk Assessment Procedure of the Bank;
- v. Management Action Triggers (MATs) for Credit Risk, Asset-Liability Management Risk, Foreign Exchange Risk and ICT Risk with an advice to maintain time frame of MATs for the above mentioned risks and review the process after six months;
- vi. 'Statements on ICAAP under Supervisory Review Process' for 2014 prepared and submitted in accordance with 'Revised Process Document for SRP-SREP Dialogue on ICAAP (May-2014)' of Bangladesh Bank;
- vii. Process of strengthening and timely upgrading of the risk management system of the Bank; and
- viii. Draft 'Detailed Capital Plan' of the Bank for the years 2016-2020.

  
**Raihana Aneesa Yusuf Ali**  
Chairman



## Message from the Chairman

On behalf of Board of Directors, I welcome you all to the 27th Annual General Meeting of BASIC Bank Limited. It is my honor and privilege to present the Annual Report along with Audited Financial Statements of BASIC Bank Limited for the year 2015.

Before I present the highlights of the Bank's performance during the year 2015, I would like to share with you the overall environment of banking sector that prevailed during the year having significant implications for the banking sector's performance.

Though there was a sign of slight development in case of handling the Non Performing Assets in the banking sector of the country in the year 2015, the financial system could not come out from the stress caused by several financial scams and resultant loan defaults in the State-owned Commercial Banks (SCBs) which placed them into a position of capital shortage. Banking sector faced numerous challenges mainly due to downward credit growth in private sector, poor risk management and excess liquidity.



However, the NPL ratio decreased to 9.89% at the end of December 2015 from 11.60% at the end of December 2014 and the banking sector showed an impressive operating performance during the year 2015. Core banking sector performance was satisfactory primarily due to its efficiency in generating non interest and investment income, but the higher provision requirements for NPLs caused net income to drop below the level of 2014.

Macroeconomic conditions, influencing the financial system, were mostly favorable in 2015. The positive development for financial stability was underpinned by cautious monetary policy and responsive fiscal policy, despite some upward pressure on prices caused by fairly optimistic expectations of the market.

After a period of resurrection in the previous year, BASIC Bank Limited was undergoing a period of rebuilding its strengths and keeping the indicators upward in the year 2015 by a significant reform and re-arrangement in its various segments. Total asset of the Bank stood at Taka 194,173.35 million at the end of year 2015, increasing about 13.47% from Taka 171,118.53 million in the previous year. Deposit reached Taka 148,167.23 million registering 5.88% growth in 2015. Loans and advances stood at Taka 128,807.01 million as on December 31, 2015 posting a 7.89% increase during the year. The Bank remained cautious in maintaining loan deposit ratio in compliance with guidelines of Bangladesh Bank.

Measures were taken to assess the real scenario of non-performing loans removing previous practice of window dressing in this regard so as to determine actual financial health of the Bank and set strategy to come out of the delicate situation. Accordingly all-out efforts were made for recovery and timely repayment of non-performing loans and advances. Emphasis on the maintenance of quality of assets remained the centerpiece of the Bank's business strategy.

The Bank financed Taka 32,104.80 million in import business in 2015. Export, which has always been a priority for the Bank, was financed to the extent of Taka 21,892.64 million during the reporting year. The Bank incurred an operating loss of Taka 2,564.25 million in 2015 before keeping provisions for loans and advances and taxes for the year 2015. A new provision of Taka 624.08 million was created for other assets. As a result the amount of provision against unclassified loans, Off Balance Sheet items and other assets was Taka 5,101.71 million at the end of 2015.

BASIC Bank has 68 (sixty eight) branches at important locations throughout the country covering both rural and urban areas. Besides, the Bank operates 07 (Seven) booths for collecting different types of bills. Moreover, the Bank has 15 (fifteen) ATM booths of its own. It is expected to set up some new ATM booths throughout the country shortly.

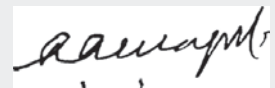
The Bank is successfully participating in Bangladesh Automated Cheque Processing System (BACPS), Bangladesh Electronic Fund Transfer Network (BEFTN) operations under Bangladesh Automated Clearing House (BACH) and Real Time Gross Settlement System (RTGS) of Bangladesh Bank.

We express our heartfelt gratitude to the Government of the People's Republic of Bangladesh, the sole owner of the Bank for injecting fresh capital to the Bank to the tune of Taka 16,000.00 million in 2015 in addition to Taka 7,900.00 million provided in 2014.

With a view to achieving professional excellence in Banking, a total of 1080 employees attended seminars, workshops & training programs at BBTI, BIBM, BBTA & other training institutions during the year 2015.

Finally, I, on behalf of the members of the Board, would like to take this opportunity to convey our sincere gratitude to the Government for its continued support and guidance. I acknowledge the gracious relationship with Government autonomous bodies who keep their deposits with the Bank. I sincerely thank Bangladesh Bank for their support and judicious guidance. Congenial atmosphere prevailed during the process of active discussions on agenda items made by fellow members of the Board, though many a time opinion differed and, at times, were very incisive. Results were, however, in all cases; unanimous decisions. I am grateful to the fellow members of the Board of Directors for their valuable support, constant cooperation and active participation. I am thankful to the clients for giving us an opportunity to serve them. I admit and acknowledge the efforts and dedication of all employees of BASIC Bank Limited led by its Managing Director who are engaged in relentless endeavour to turn the Bank around.

We hope, with the sincere support and cooperation of all stakeholders we will be able to steer the Bank to glory again in the near future.



**Alauddin A. Majid**  
Chairman  
BASIC Bank Limited



SERVING PEOPLE FOR PROGRESS



A STATE OWNED SCHEDULED BANK





## Message from the Managing Director

### **Greetings to All!**

It is my pleasure to present to you, as we enter into another year, our accomplishments we made in the year 2015. This report demonstrates our achievements in rebuilding the Bank from its dire conditions and our commitment to working in improving the Bank's financials and rebuilding the Bank's image.

### **Follow-up of the Last Address**

Last year I concluded my message with the confirmation from my side to meet the expectation of all stakeholders as well as to do justice to the trust reposed on the management. Now after passing of another year, I believe the Bank was on the right way in line with the commitments we had given earlier. Moreover I am confident and truly more enthusiastic in bringing the Bank into its right track which you all will surely notice in the annual report.

### **Struggle to be Continued**

During the short span of twelve months I always believed that we would be progressing if we could struggle to correct the areas which were destroyed earlier. During the last year's journey in running and managing the Bank, which was forced to go down on its knees in the bleak months of October 2009 to June 2014, I always considered that any changes would require the players of the game to change first to unlearn the bad habits of the past and then start learning and applying the ones required for progress towards achievement. And this point, as I expected, brought about more challenges towards achieving the desired goals.

During 2015, I met many of our customers, regulators, key stakeholders and employees. These interactions made it clear that the Bank is widely viewed as having a strong image in the mindset of all related parties with excellent opportunities for growth. Our strategy was clear and well understood. Our customers appreciated the knowledge, expertise and commitment of our personnel. And there is great pride in being once the best Bank of the country.

### **Priorities being Taken Care of**

In doing the regular banking in 2015, we had to realign our priorities, definitely different from that of other banks for obvious reasons, and set our objectives and strategies accordingly. We set our topmost priority in bringing the toxic assets (being knowingly and purposefully created and/or developed during October 2009 to June 2014) into the ones which would provide the revenue streams into the Bank's P/L account. There were cases for which we were in a very tough position in recovering and regularizing many bad assets (loans and advances). However, at the request of many of the defaulting borrowers and pragmatic & judicious decision of the Board of Directors, many of those toxic account holders availed opportunities, permissible at the policy levels as well as outside policy boundaries (upon receipt of due approval from Bangladesh Bank). At the same time, we were focused on increasing our quality asset base (loans and advances) through opening some fronts like approving loans to new borrowers, bringing back old and trusted ones.

We were also successful in cleansing our human capital segments by weeding out the corrupt, immoral and untrusted elements out of the Bank. At the same time, we are thankful to the Almighty, that we could award long-due promotions to different eligible Officials and Executives of the Bank to continue to incentivize them.

### **Our Commitment to Stakeholders**

In recent years, banks have experienced several challenges. We are trying to bring back ourselves in successful track record of balancing the interests of our stakeholders, including shareholders, customers, employees and the communities where we live and work. We are trying our best to have a strong foundation of integrity, trust, and ethical behaviour in all of our businesses. In all aspects of operations, our commitment to stakeholders extends far beyond taking deposits and giving loans.

## Presenting Some Facts and Figures

While putting maximum efforts in regularizing NPL and housekeeping activities, we were able to reduce the NPL by 16.82% from 67.91 % on December 31, 2014 to 51.09 % on December 31, 2015. This reduction and other measures directly helped to reduce provision requirement by Tk 438.24 crore. We were also able to reduce the gap in regulatory capital requirement by 20.52% through the regularization of NPL and receipt of Tk.1,600.00 crore as capital from the Government of Bangladesh. Moreover 43 branches have been registered in the profit zone in 2015. We were also able to maintain Loan-to-Deposit (LD) ratio, the important indicator of a bank's liquidity, within the regulator's set limit of 85% that portrays our strong liquidity position.

## Looking Ahead

Looking ahead, we are confident to enter into the operating profit zone by the third quarter of 2016. Moreover, we will see improvement in assets quality contributing to the reduction of NPL, provision and capital requirements. We are hopeful of getting enhanced support from the Government in the form of capital replenishment, adding to the contribution of Tk2,390.00 crore made in the years of 2014 & 2015. You will also see more operational efficiency in the coming days ahead in continuation to our achievement of the last year which will contribute to the overall profit earnings capability of the Bank.

## Acknowledgements

In closing, I would like to thank our customers, patrons and well-wishers for being with us throughout the year. It is a privilege for us to serve our customers well. Moreover, I want to thank and express my gratitude to our only shareholder, the Government of Bangladesh, the regulator, Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC). I also convey my gratitude to the Board of Directors for their innovative approaches to solutions of Bank's problems, and for their guidance to and confidence in the management. And finally, I want to thank all of my colleagues (ranging from sub-staffs to higher executives), engaged in day to day activities for building good rapport with our customers and rebuilding the image of the Bank. Let's stand together for a very bright future.

## Last Words

I want to end my message by quotating the words of **Audrey Hepburn**, British actress and humanitarian: **"Nothing is impossible, the word itself says 'I'm possible!'"**



**Khondoker Md. Iqbal**  
Managing Director  
BASIC Bank Limited





# Directors' Report

The Board of Directors of BASIC Bank Limited is pleased to present the Annual Directors' Report along with the Audited Financial Statements for the year 2015. This report comprehensively outlines the performance of the Bank for the year ended December 31, 2015. The Board of Directors has reviewed the financial statements to ensure effective financial control, transparency and accuracy of financial data and financial reporting of the Bank. The report briefly summarizes the global and local economic scenario and then presents the detailed analysis of the Bank's performance for the year 2015.

## Global Economic Scenario

In 2015, global economic activity remained subdued. Growth in emerging markets and developing economies, still accounting for over 70 percent of global growth, declined for the fifth consecutive year, while a modest recovery continued in advanced economies.

In the year 2015, the global economic growth was 3.1%, though it was predicted to be 3.0% earlier by the economic analysts. This is 0.5%

higher than that of 2014 which was 2.6%. This 3.1% is constituted by a growth of 2.2% in the high income countries and a better 4.8% in the developing countries.

Global growth is projected at 3.4% in 2016 and 3.6% in 2017.

Europe faced a tide of refugees which in turn might bring not only demographical but also economic transition in many of the countries, particularly in the eastern and southern part of the continent. Furthermore, tension in the far-east caused by the recent developments in the Korean Peninsula and in the South China Sea forebodes accumulate uncertainty in the Asian economy.

Three key transitions continue to influence the global outlook: (1) the gradual slowdown and rebalancing of economic activity in China, (2) lower prices for energy and other commodities, and (3) a gradual tightening in monetary policy in the United States in the context of a resilient U.S. recovery as several other major advanced economy central banks continue to ease monetary policy.





Oil prices have declined markedly since September 2015, reflecting expectations of sustained increases in production by Organization of the Petroleum Exporting Countries (OPEC) members amid continued global oil production in excess of oil consumption. Lower oil prices strain the fiscal positions of fuel exporters and weigh on their growth prospects, while it is supporting household demand and lowering business energy costs in importing countries, especially in advanced economies, where price declines are passed on to end users to a great extent.

Growth in emerging markets and developing economies is projected to increase from 4.0% in 2015—the lowest since the 2008–09 financial crisis—to 4.3% and 4.7% in 2016 and 2017, respectively.

Among the developed economies, the USA is expected to make progress in 2016 especially after the erratic fluctuations their market went through in the previous year. However, only a slight rise in economic activities is expected in Western Europe as the region is yet to regain its pre-recession peak. In contrast, the developing countries are expected to attain greater degree of growth. East Asia will remain the fastest-growing region and is expected to see stable growth of 6.10%.

Growth in China is expected to slow down to 6.3% in 2016 and 6.0% in 2017, primarily reflecting weaker investment growth as the economy continues to rebalance. India and the rest of emerging Asia are generally projected to continue growing at a robust pace, although with some countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness.

Aggregate GDP in Latin America and the Caribbean is now projected to contract in 2016 as well, albeit at a smaller rate than in 2015, despite positive growth in most countries in the region. This reflects the recession in Brazil and other countries in economic distress.

Higher growth is projected for the Middle East, but lower oil prices, and in some cases geopolitical tensions and domestic strife, continue to weigh on the outlook.

An escalation of ongoing geopolitical tensions in a number of regions is affecting confidence and disrupting global trade, financial activities, and tourism flows.

Commodity markets pose two-sided risks. On the downside, further declines in commodity prices would worsen the outlook for already-fragile commodity producers, and increasing yields on energy sector debt would threaten a broader tightening of credit conditions. On the upside, the recent decline in oil prices might provide a stronger boost to demand in oil importers than currently envisaged.

### **Economic Scenario of Bangladesh**

The year 2015 was a welcome period for the economy of Bangladesh as it ushered hope and restoration of macroeconomic stability in terms of recovery, investment, inflation, foreign trade and other significant economic indicators. In 2015, Bangladesh came back on the right track of growth in contrast to 2014.



A gradual restoration from political disturbances not only restored consumer confidence but also helped enhance investment climate that was evident from the higher imports of capital machinery and decent term loan disbursements.

The economy also benefited from a lot of other factors including global commodity price decline. Declining commodity prices worldwide and a tight monetary policy helped in reducing inflation that came down slightly to 6.10% in December 2015 from 6.11% in December 2014. Being a net importer of oil, Bangladesh had a major improvement in its petroleum sector from the falling worldwide oil prices in 2015 and is expected to reap multi-layered benefits in the years ahead.

The external sector appeared fairly stable. An all-time high Foreign Exchange Reserve was recorded in this period which in turn became a pleasant problem for the Central Bank, as quoted by the Governor. Foreign Exchange Reserve increased to USD 27.5 bn in 2015 from USD 22.3 bn in 2014. The Central Bank continued to purchase US Dollars to stabilize the local currency throughout the year except towards the end when it momentarily became a net seller. Imports grew 14.93% in 2015, indicating higher business confidence, while exports grew 3.30%. The slower growth in exports was a result of some consolidation in the garments industry. Remittance grew to the extent of 15.16% in 2015. The Government predicted a Real GDP Growth of 7.00% for FY 2015-16.

### Economic Outlook

Bangladesh economy is poised to achieve a respectable growth rate in the region

between 6.50% and 6.80% in 2016 if political stability prevails. To strike a balance between moderate inflation and growth, the Bangladesh Bank might pursue a monetary policy with following targets:

- Increase in Gross Domestic Investment to 31.00% of GDP
- Decline in inflation to 6.00%
- Growth in private sector credit to 15.50%

From a macroeconomic perspective, the major challenges for Bangladesh are lack of private investment, slow implementation of ADP and revenue shortfall. Though the concrete measures to address the challenges are yet not clear, the projected economic growth would depend on the credit and financial policies reforms that would target environmentally sustainable growth and poverty eradication.

### Financial Review

2015 was the year for Bangladesh economy starting to reap the benefits of its endeavor made in the previous years. However, the desired level of momentum was yet to come as the drawback of the past was hard to overcome. Despite having some significant and encouraging measures taken by the competent authorities, the financial sector of Bangladesh could not recoup as was expected because of a slow recovery in 2015 from disruptions of regular economic activities particularly in the first quarter of the year, aided by other various factors. Credit and risk management outlook had largely been unsatisfactory in the banking sector due to deterioration of asset quality in the banks. Capital market activities too could not make any significant progress throughout 2015.



Meeting of the Board of Directors of BASIC Bank Limited

### Review of Banking Industry in 2015

Though there was a sign of slight development in case of handling the Non Performing Assets in the Banking sector of the country in the year 2015, the financial system could not come out from the stress caused by several financial scams and resultant loan defaults in the State-owned Commercial Banks (SCBs) which placed them into a position of capital shortage. Banking sector faced numerous challenges mainly due to downward credit growth in private sector, poor risk management and excess liquidity. The NPL ratio decreased to 9.89% at the end of December 2015 from 11.60% at the end of December 2014.

Among other criteria, Capital Adequacy Ratio (CAR) decreased to 10.27% at the end of December 2015 from 10.60% in December 2014 which was still exceeding the Basel Accord of minimum 10%. Private Commercial Banks and Foreign Commercial Banks had been successfully maintaining the prevailing standard since December 2010 whereas State-owned Commercial Banks and Specialized Banks were struggling to fulfill this regulatory requirement.

However, the Central Bank took various steps to improve supervision so that financial frauds could be minimized in the banking sector. Technology had been deployed to investigate big financial transactions and loans in order to stop the repetition of banking irregularities.

The banking sector showed an impressive operating performance. Core banking sector performance was satisfactory primarily due to its efficiency in generating non interest and investment income, but the higher provision requirements for NPLs caused net income to drop below the level of 2014.

In 2015, a number of developments took place in banking sector in the area of Financial Inclusion, identification of the Domestic Systemically Important Banks (DSIBs), Emergency Liquidity Assistance etc.

Macroeconomic conditions, influencing the financial system, were mostly favorable in 2015. The positive development for financial stability was underpinned by cautious monetary policy and responsive fiscal policy,



despite some upward pressure on prices caused by fairly optimistic expectations of the market.

### Review of BASIC Bank Operations in 2015

The banking sector of Bangladesh comprises four categories of scheduled banks- State-owned Commercial Banks (SCBs), State-owned Development Financial Institutions (DFIs), Private Commercial Banks (PCBs) and Foreign Commercial Banks (FCBs). Recently, BASIC Bank has been categorised as an SCB instead of DFI. The scheduled banks had a total number of 9040 branches as of December 2014 which increased from 8685 of 2013 mainly due to opening of new branches during the year. At the end of June 2015, the total number of bank branches increased further to 9131 with total number of scheduled banks remained unchanged at 56.

After a period of resurrection in the previous year, BASIC Bank Limited was undergoing a period of rebuilding its strengths and keeping the indicators upward in the year 2015 by a significant reform and re-arrangement in its various segments. Total asset of the Bank stood at Taka 194,173.35 million at the end of year 2015, increasing about 13.47% from Taka 171,118.53 million in the previous year. Deposit reached Taka 148,167.23 million registering 5.88% growth in 2015. Loans and advances stood at Taka 128,807.01 million as on December 31, 2015 posting a 7.89% increase during the year. The

Bank remained cautious in maintaining loan deposit ratio in compliance with guidelines of Bangladesh Bank.

The Bank has been working with Local and International Agencies like ADB. For ADB Fund, Taka 197.17 million had been disbursed from Bank's own fund out of which 75% or Taka 147.88 million was replenished by Bangladesh Bank under refinance scheme of ADB. As on

December 31, 2015, outstanding was Taka 100.08 million of which Taka 15.89 million was overdue. Recovery rate was 89.45%. Number of borrowers was 110 out of which 95 were male and 15 were female. Total employment generation was 5,258 out of which 4,522 were male and 736 were female.

For Women Entrepreneur Development, the Bank is continuing its contribution by financing 93 women

entrepreneurs. Being honoured as one of the implementing agents, BASIC Bank came into an agreement with the GOB on September 11, 2006 under which the Bank received Taka 1,294.5 million in 17 phases at an interest of 3.5% for onward lending to selected NGOs namely ASA, BRAC and TMSS. Cumulative disbursement of the fund up to December 31, 2015 was Taka 3,064.5 million in which Taka 730.0 million was disbursed in the year 2015. Under Wholesale Bank Financing Agreement, the Bank received Taka 1,019.4 million from Bangladesh Bank and subsequently lent to BRAC on different occasions in accordance with on-lending agreement with BRAC to meet loan requirement of High Value Crops (HVC) farmers.

**‘After a period of resurrection in the previous year, BASIC Bank Limited was undergoing a period of rebuilding its strengths and keeping the indicators upward in the year 2015 by a significant reform and re-arrangement in its various segments.’**



Measures were taken to assess the real scenario of non-performing loans removing previous practice of window dressing in this regard so as to determine actual financial health of the Bank and set strategy to come out of this dire situation. Accordingly 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 centrepiece of the Bank's business strategy. Amount of provision kept against unclassified loans & off Balance Sheet items was Taka 464.53 million at the end of 2015.

Loans to industrial sector were 64% of total loans and advances standing at Taka 82,402.23 million at the end of the year under review. Extending funds to NGOs for onward 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 2015. Total outstanding for micro-credit related loans and advances of the Bank stood at Taka 2,103.24 million in 2015 increasing 28.16% over the same in previous year.

The Bank financed Taka 32,104.80 million of import business in 2015. Export, which has always been a priority for the Bank, was financed to the extent of Taka 21,892.64 million during the reporting year. The Bank incurred loss of Taka 2,564.25 million in 2015 before keeping provisions for loans and advances and taxes for the year 2015.

### Branch Network

BASIC Bank has 68 (sixty eight) branches at important locations throughout the country covering both rural and urban areas. Besides, the Bank operates 07 (Seven) booths for

collecting different types of bills. Moreover, the Bank has 15 (fifteen) ATM booths of its own. It is expected to set up some new ATM booths throughout the country shortly.

**“BASIC Bank Limited has been enthusiastic to receive every client as a development partner. It pays attention to meet clients' appropriate needs and wants by providing best services at affordable prices.”**

### Focus on Core Customers

BASIC Bank Limited has been enthusiastic to receive every client as a development partner. It pays attention to meet clients' appropriate needs and wants by providing best services at affordable prices. The Bank intends to be the referral to the new clients from the existing by increasing focus on customer service. The Bank is cautious not to be trapped in the myopic view on customer rather exerting relentless efforts to bond relationship with its clients by enhancing its service quality. The Bank remains caring to all of its customers, however, the small and medium sized entrepreneurs continuing to be its main focus.





## Technology

BASIC Bank Limited embraces automation and new technology to meet complex dynamic needs of its customers by offering them suitable products and services and facilitating them to manage their financial transactions safely and conveniently in terms of place, time and form they prefer. The Bank adopted IT enabled banking operations at its inception and always attaches great importance to acquisition and use of appropriate information technology. In all the Branches of the Bank as well as the Head Office, computers connected to each other through Local Area Network (LAN) are being used in all aspects of daily operations. All the Branches are connected with each other, the Head Office, the Data Center and the Disaster Recovery Site (DRS) through Wide Area Network (WAN).

The Bank had its own Banking Software developed in 1991 which was replaced by a Centralized Real Time 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 this Centralized Core Banking System for quite a few years. 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 is successfully participating in Bangladesh Automated Cheque Processing System (BACPS), Bangladesh Electronic Fund Transfer Network (BEFTN) operations under Bangladesh Automated Clearing House (BACH) and Real Time Gross Settlement System (RTGS) of Bangladesh Bank.

The Bank provides money transfer services to its customers and non-customers alike through its Branches using the facilities of Western Union.

The Bank collects different types of utility bills through its own various online utility bill collection software. The Bank has also implemented SMS alert services for its customers.

The Bank is providing ATM / Debit Card services to its customers under Q-Cash shared ATM/POS Network as well as through National Payment Switch (NPS) of Bangladesh Bank.

## Capital Structure

During the year 2015, the Government of the People's Republic of Bangladesh, the sole owner of the Bank, injected fresh capital to the Bank to the tune of Taka 16,000.00 million. The year-end capital position of the Bank stands as under.

| Particulars                | (Figures in million taka) |           |
|----------------------------|---------------------------|-----------|
|                            | 2015                      | 2014      |
| Paid up capital            | 10,846.98                 | 2,946.98  |
| Statutory reserve          | 2,224.69                  | 2,224.69  |
| Other reserves             | 12,875.42                 | 7,842.25  |
| Total shareholders' equity | 25,947.09                 | 13,013.92 |

## Human Resources

The environments in which corporate organizations operate today are divergent. To survive and thrive in a globally competitive marketplace, organizations must adopt a broad human resource strategy that gives them a sustainable competitive advantage. The Bank provides



an environment where multi-layer manpower comprising professionals and support staff are treated with respect, just and equality. The Bank focuses on attracting, developing and engaging best talents. Hence, the Bank has a well-diversified pool of human resources with sound academic knowledge and enriched professional experiences.

**‘The Bank focuses on attracting, developing and engaging best talents. Hence, the Bank has a well-diversified pool of human resources with sound academic knowledge and enriched professional experiences.’**

BASIC Bank believes in human capital development by improving and enhancing capabilities of the work-force through on-the-job and class room training. To maintain the advantage of having skilled work-force, BASIC Bank Training Institute (BBTI) conducts various training courses and workshops for officers and executives of the Bank adopting structured modular training programmes. With a view to achieving professional excellence in banking, a total of 1,080 employees attended seminar, workshops & training programmes at BBTI, BIBM, BBTA & other training institutions during the year 2015.

## Strategic Priorities

Delivering service excellence to the customers remains priority of the Bank as the ultimate differentiator in terms of value creation in the banking industry. Strategic priorities of the Bank in 2016 include:

- Enhancing Asset Quality;
- Total Business Banking;
- Technological Advancement;
- Operational Excellence;
- Trust and Team Spirit;
- Attaining Operating Profits as well as Maximizing Shareholders' Value; and
- Accelerating Recovery.

## Acknowledgement

The Board expresses its sincere gratitude to Bangladesh Bank, Bank and Financial Institutions Division, Ministry of Finance and Ministry of Industries for their continued support and prudent guidance. Special thanks are due to Government and autonomous bodies who remained with us by keeping their working funds as deposits in the Bank. The Board wishes to place on record its appreciation for the support and cooperation received from other depositors and clients in all respects of business of the Bank. NGOs who have been working with BASIC Bank in expanding micro credit program and also in eradicating poverty from society deserve special thanks from the Board of Directors. The Board acknowledges hard work, commitment and dedication of employees of the Bank led by its Managing Director who, in spite of difficulties, have been discharging their duties efficiently for the betterment of the Bank.



# Disclosures on Risk Based Capital Requirement under Basel-III



## Disclosure Overview

The following detailed qualitative and quantitative disclosures are provided in accordance with the Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III) issued by Bangladesh Bank through circular no. BRPD-18 dated 21 December 2014. 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.

## 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 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.

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 2015 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.
- 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:
  - (a) that are fully consolidated;
  - (b) that are given a deduction treatment; and
  - (c) that are neither consolidated nor deducted
- c. Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.

#### BASIC Bank Limited

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.

#### Not applicable

#### Quantitative Disclosure

- d. The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.

#### Not applicable

## 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 CET 1, Additional Tier 1 or Tier 2.

For the purpose of calculating capital under capital adequacy framework, the capital of banks shall be classified into two tiers-

- Tier 1 Capital (going-concern capital)
- Tier 2 Capital (gone-concern capital)

Tier 1 Capital is further classified into two categories-

- Common Equity Tier 1
- Additional Tier 1

Common Equity Tier 1 (CET1) capital, which is the sum of core capitals like Paid up capital, Retained Earnings, Statutory reserve, General reserve etc. after netting regulatory adjustments like Shortfall in loan loss provision maintained, Goodwill, Deferred Tax assets etc., of BASIC Bank as on 31st December 2015 was negative BDT 1,029.29 crore. Here, huge shortfall in maintained specific provision against NPL of the Bank affects mostly to its strong CET1 base.

Additional Tier 1 (AT1) capital shall consist of Non-cumulative Irredeemable Preference Share account, Instruments issued by the banks that meet the qualifying criteria for the same, minority interest etc. after netting regulatory adjustments. On 31st December 2015, the Bank only had a Non-cumulative Irredeemable Preference Share account for BDT 120.50 crore in AT1 capital.

On the other hand, Tier 2 capital represents other elements which fall short of some of the characteristics of the core capital but contribute to the overall strength of a bank. Tier 2 Capital shall consist of General Provisions, Subordinated debt / Instruments issued by the banks etc. after netting regulatory adjustments. The Bank had a total of BDT 57.54 crore eligible Tier-2 capital on 31st December 2015.

These instructions will be adopted in a phased manner starting from the January 2015, with full implementation of capital ratios from the beginning of 2019. All banks will be required to maintain the capital adequacy ratios on an ongoing basis as per following table:



|                                    | 2015   | 2016    | 2017   | 2018    | 2019   | 2020   |
|------------------------------------|--------|---------|--------|---------|--------|--------|
| Minimum CET-1 Capital Ratio        | 4.50%  | 4.50%   | 4.50%  | 4.50%   | 4.50%  | 4.50%  |
| Minimum T-1 Capital Ratio          | 5.50%  | 5.50%   | 6.00%  | 6.00%   | 6.00%  | 6.00%  |
| Minimum Total Capital Ratio        | 10.00% | 10.00%  | 10.00% | 10.00%  | 10.00% | 10.00% |
| Capital Conservation Buffer (CCB)  | -      | 0.625%  | 1.25%  | 1.875%  | 2.50%  | 2.50%  |
| Minimum CET-1 plus CCB             | 4.50%  | 5.125%  | 5.75%  | 6.375%  | 7.00%  | 7.00%  |
| Minimum T-1 Capital Ratio plus CCB | 5.50%  | 6.125%  | 7.25%  | 7.875%  | 8.50%  | 8.50%  |
| Minimum Total Capital plus CCB     | 10.00% | 10.625% | 11.25% | 11.875% | 12.50% | 12.50% |

## Quantitative Disclosures

b. The amount of Regulatory capital, with separate disclosure of:

- CET1 Capital
- Additional Tier 1 Capital
- Total Tier 1 Capital
- Tier 2 Capital

| (Amount in crore BDT)                                                         |                   |
|-------------------------------------------------------------------------------|-------------------|
| <b>Tier 1 Capital (Going Concern Capital)</b>                                 |                   |
| <b>Common Equity Tier 1</b>                                                   |                   |
| Fully Paid-up Capital                                                         | 1084.70           |
| Statutory Reserve                                                             | 222.47            |
| General Reserve                                                               | 4.00              |
| Retained Earnings                                                             | (472.04)          |
| Others (fresh fund provided by Govt. in the process of converting to capital) | 1,600.00          |
|                                                                               | 2,439.13          |
| <b>Regulatory Adjustments (from CET 1):</b>                                   |                   |
| Shortfall in provisions against NPL                                           | (3,424.40)        |
| Deferred Tax Assets (DTA)                                                     | (44.02)           |
|                                                                               | (3,468.42)        |
| • <b>Total Common Equity Tier 1 Capital</b>                                   | <b>(1,029.29)</b> |
| <b>Additional Tier 1 Capital</b>                                              |                   |
| Non-cumulative irredeemable pref. shares                                      | 120.50            |
| • <b>Total Additional Tier 1 Capital</b>                                      | <b>120.50</b>     |
| • <b>Total Tier 1 Capital</b>                                                 | <b>(908.79)</b>   |
| <b>Tier 2 Capital (Gone Concern Capital)</b>                                  |                   |
| General Provision                                                             | 46.45             |
| Revaluation Reserves as on 31 Dec, 2014                                       | 13.86             |
|                                                                               | 60.31             |
| <b>Regulatory Adjustments:</b>                                                |                   |
| 20% phase in deduction from Rev. Reserve                                      | (2.77)            |
| • <b>Total Tier 2 Capital</b>                                                 | <b>57.54</b>      |
| <b>Total Regulatory Capital</b>                                               | <b>(851.24)</b>   |

## 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 latest Guidelines on Risk Based Capital Adequacy that has been issued through BRPD Circular no. 18 dated 21 December, 2014, the bank has adopted Standardised Approach for computing capital requirement for credit risk, Standardized Measure Method for market risk and Basic Indicator Approach (BIA) for computing capital requirement for operational risk.

### Quantitative Disclosures

(Amount in crore TK)

- b) Capital requirement for Credit Risk
- c) Capital requirement for Market Risk
- d) Capital requirement for Operational Risk
- e) **Capital Adequacy ratio:**
  - For the consolidated group
  - For stand alone
- f) Capital Conservation Buffer
- g) Available Capital under Pillar-2 req.

|        |        | 994.98 |        |        |
|--------|--------|--------|--------|--------|
|        |        | 35.17  |        |        |
|        |        | 97.19  |        |        |
| Total  | CET1   |        | Tier 1 | Tier 2 |
| N/A    | N/A    |        | N/A    | N/A    |
| -7.55% | -9.13% |        | -8.06% | 0.51%  |
|        |        | N/A    |        |        |
|        |        | 0.00   |        |        |

## 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 into 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;
2. 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;
3. 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,

1. 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.
2. 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.
3. 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.

- Description of approaches followed for specific and general allowances and statistical methods;

| Type of loans & Advances                                      |                                                              | Required Provision (% of Base for Provision) |       |     |     |      |
|---------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------|-------|-----|-----|------|
|                                                               |                                                              | Standard                                     | SMA   | SS  | DF  | BL   |
| Consumer Finance                                              | House building and loans to Professionals                    | 2%                                           | 2%    | 20% | 50% | 100% |
|                                                               | Other than House building and professional to setup business | 5%                                           | 5%    | 20% | 50% | 100% |
| Loans to Brokerage House Merchant Bank or stock dealers, etc. |                                                              | 2%                                           | 2%    | 20% | 50% | 100% |
| SME Financing                                                 |                                                              | 0.25%                                        | 0.25% | 20% | 50% | 100% |
| Others                                                        |                                                              | 1%                                           | 1%    | 20% | 50% | 100% |
| Short term Agri. Credit and Micro Credit                      |                                                              | 5%                                           |       |     |     | 100% |

- Discussion of the bank's credit risk management policy

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 (ECAI) recognized by Bangladesh Bank. Credit exposure not rated by any ECAI will get fixed weight as per Standardized approach.

#### Quantitative Disclosures

- b.** Total gross credit risk exposures broken down by major types of credit exposure.

| Type                        | Amount<br>(in crore) | Percentage  |
|-----------------------------|----------------------|-------------|
| Term Loan                   | 4,499.79             | 34.93%      |
| Cash Credit                 | 3,271.71             | 25.40%      |
| Overdraft                   | 1,817.54             | 14.11%      |
| Export/Packing Credit       | 37.79                | 0.29%       |
| Loan Against Trust Receipt  | 805.45               | 6.25%       |
| Real Estate Loan            | 754.05               | 5.85%       |
| Transport loan              | 652.36               | 5.06%       |
| Micro Credit Financing      | 210.32               | 1.63%       |
| Staff Loan                  | 96.54                | 0.75%       |
| Bill Purchased & Discounted | 112.15               | 0.87%       |
| Others                      | 623.00               | 4.84%       |
| <b>Total</b>                | <b>12,880.70</b>     | <b>100%</b> |

- c.** Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.

| Division     | Amount<br>(in crore) | Percentage  |
|--------------|----------------------|-------------|
| Dhaka        | 10,825.33            | 84.05%      |
| Chittagong   | 1,155.87             | 8.97%       |
| Rajshahi     | 246.00               | 1.91%       |
| Khulna       | 318.20               | 2.47%       |
| Barisal      | 23.71                | 0.18%       |
| Sylhet       | 107.34               | 0.83%       |
| Rangpur      | 182.70               | 1.42%       |
| Mymensingh   | 21.55                | 0.17%       |
| <b>Total</b> | <b>12,880.70</b>     | <b>100%</b> |

d. 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                             | 1,211.83          | 9.41%         |
| Textile                                   | 498.51            | 3.87%         |
| ERMG                                      | 984.01            | 7.64%         |
| Accessories                               | 154.94            | 1.20%         |
| Jute product & Allied                     | 405.25            | 3.15%         |
| Forest product & Allied                   | 5.44              | 0.04%         |
| Paper, Board, Printing & Packaging        | 269.45            | 2.09%         |
| Tannery, Leather and Rubber               | 169.03            | 1.31%         |
| Chem. Pharm. and Allied                   | 664.59            | 5.16%         |
| Glass, Plastic, Ceramic & other non-metal | 129.83            | 1.01%         |
| Engineering                               | 207.83            | 1.61%         |
| Electrical & Electronics                  | 23.41             | 0.18%         |
| Service Industry                          | 457.79            | 3.55%         |
| Misc. Industry                            | 3,041.68          | 23.61%        |
| Industry not elsewhere classified         | 16.64             | 0.13%         |
| <b>Total</b>                              | <b>8,240.23</b>   | <b>63.96%</b> |

e. Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.

| Type of credit exposure                 | Amount (in crore) | Percentage  |
|-----------------------------------------|-------------------|-------------|
| Up to 01 Month                          | 957.27            | 7.43%       |
| Above 1 month but not more than 3 month | 1,058.42          | 8.22%       |
| Above 3 month but not more than 1 year  | 2,526.37          | 19.61%      |
| Above 1 year but not more than 5 years  | 4,500.05          | 34.94%      |
| Above 5 years                           | 3,838.59          | 29.80%      |
| <b>Total</b>                            | <b>12,880.70</b>  | <b>100%</b> |

a. By major industry or counterparty type:

(Amount in crore)

|                                                                                  |          |
|----------------------------------------------------------------------------------|----------|
| • Amount of impaired loans and if available, past due loans provided separately; | 6,581.25 |
| • Specific and general provisions; and                                           | 434.26   |
| • Charges for specific allowances and charge-offs during the period.             | 1.96     |





| <b>a. Gross Non Performing Assets (NPAs) Non Performing Assets (NPAs) to Outstanding Loans &amp; advances</b> |  | (Amount in crore) |
|---------------------------------------------------------------------------------------------------------------|--|-------------------|
| <b>Movement of Non Performing Assets (NPAs)</b>                                                               |  |                   |
| Opening balance                                                                                               |  | 5,109.12          |
| Additions                                                                                                     |  | 3,984.07          |
| Reductions                                                                                                    |  | 2,511.94          |
| Closing balance                                                                                               |  | 6,581.25          |
| <b>Movement of specific provisions for NPAs</b>                                                               |  |                   |
| Opening balance                                                                                               |  | 396.47            |
| Provisions made during the period                                                                             |  | 1.96              |
| Write-off/ <b>Interest Waived</b>                                                                             |  | 0.00              |
| Write-back of excess provisions                                                                               |  | 0.00              |
| Closing balance                                                                                               |  | 398.43            |

## 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 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

**b.** 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 48.41 crore in quoted and unquoted securities. Out of which the bank invested TK 44.79 crore in 76 quoted/ listed companies and TK 3.62 crore in 4 unquoted/unlisted companies.



c. The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.

- Total unrealized gains (losses)

- Total latent revaluation gains (losses)

- Any amounts of the above included in Tier 2 capital.

e. 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.

In the reporting year the cumulative realized gains (as capital gain) was TK 30.96 crore.

At the end of 2015 market value of securities stood at TK 48.06 crore against cost price of TK 44.79 crore resulting net gain (unrealized) of TK 3.27 crore.

Not applicable.

Not applicable.

Specific Market Risk: 4.84 crore  
General Market Risk: 4.84 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.

### Quantitative Disclosures

b. 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: 19,579.26 crore  
Market Value of Liabilities: 16,796.32 crore  
Weighted average of Duration Gap: 0.55 yr  
CAR after different level of shocks:

- Minor Level : -8.50%
- Moderate Level : -9.38%
- Major Level : -10.25%

## 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 (HFT) category is main part of trading book exposures.

Policies and processes for mitigating market risk

Trading decisions are taken after considering regular updates about the market. Bank diversifies its assets in various categories. Bank also has a concentration limit to mitigate unwanted market risk factors.

### Quantitative Disclosures

#### b. The capital requirements for:

Interest rate risk;

22.49

Equity position risk;

9.68

Foreign exchange risk; and

3.00

Commodity risk.

0.00

(Amount in Crore Tk.)



## 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 three divisions under Internal Control and Compliance Risk, namely Audit & Inspection Division, Audit Findings Monitoring 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

The capital requirements for operational risk:

97.19 crore



## I) Liquidity Ratio

### Qualitative Disclosures

#### a. Views of BOD on system to reduce liquidity Risk

Methods used to measure Liquidity risk

Board of Directors (BoD) has instructed to follow all the guidelines and instructions related to liquidity risk management with utmost importance. Moreover, the BoD has also instructed to maintain liquidity at an optimum level so that no liquidity ratio can violate regulatory range.

BASIC uses 'Cash-Flow Approach' and 'Stock Approach' for measuring liquidity risk. Under 'Cash-Flow Approach' liquidity risk is tracked through maturity or cash flow mismatches. Calculation of gaps at various 'time-buckets', is adopted as standard tool for measuring Liquidity Risk. While, Liquidity Risk under 'Stock Approach' is measured liquidity position of various Balance-Sheet items.

Liquidity risk management system

Liquidity risk is the potential inability to meet the liabilities as they become due. 'Cash-Flow Approach' and 'Stock Approach' are used for managing, monitoring and measuring liquidity risk. The Liquidity/ Funds requirements under Stress Situations, sources of raising the funds and its possible impact on Profit and Loss are also worked out at quarterly interval.

Policies and processes for mitigating liquidity risk

Various regulatory ratios/ limits like ADR, CRR, SLR, LCR, and NFSR, etc. are in place to apply the stock approach to monitor and to control liquidity risk and various liquidity related ratios are reported to Bangladesh Bank on weekly, monthly and quarterly basis.

### Quantitative Disclosures

#### b. Liquidity Coverage Ratio

Net Stable Funding Ratio (NSFR)

274.04%

Stock of High quality liquid assets

80.54%

Total net cash outflows over the next 30 calendar days

4,632.44

Available amount of stable funding

1,690.43

Required amount of stable funding

12,839.61

15,942.36





## J) Leverage Ratio

### Qualitative Disclosures

#### a. Views of BOD on system to reduce excessive leverage

Policies and processes for managing excessive on and off-balance sheet leverage

Approach for calculating exposure

The Board of Directors has instructed to follow all guidelines and instructions that are given by regulators in order to reduce excessive leverage in the Bank.

The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. The leverage ratio is intended to constrain the build-up of leverage in the Bank and to reinforce the risk based requirements with an easy to understand and a non-risk based measure.

The Bank has been aware of its leverage and has been trying to increase its core capital as well has controlling the growth of on and off-balance sheet exposure.

The accounting measure of exposure is generally followed to calculate total exposure for leverage ratio. The Bank includes both on and off-balance sheet items for measuring total exposure as instructed by the Guidelines on Risk Based Capital Adequacy of Bangladesh Bank.

### Quantitative Disclosures

#### b. Leverage Ratio

On-Balance Sheet Exposure

Off-Balance Sheet Exposure

Total Exposure (after related deductions)

-5.65%

19,058.66

490.90

16,081.14

## K) Remuneration Policy

### Qualitative Disclosures

#### a. Information relating to the bodies that oversee remuneration.

Name, composition and mandate of the main body overseeing remuneration.

External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.

A description of the scope of the bank's remuneration policy (e.g., by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.

A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.

The Board of Directors through the Pay scales Committee (PSC) shall oversee the remuneration policy. The Committee is generally comprised of three members. The committee examines the proposed pay scales, fringe benefits thoroughly along with other allowances of bank & submits their recommendations after suitable adjustment, amendment or modification where applicable. Human Resource Division under the guidance of PSC shall execute the remuneration structure in line with the best suited practices and statutory requirements as applicable.

No advice has been sought from external consultants for the last financial period.

The scope of the Remuneration Policy encompasses remuneration practices in relation to all employees based on their position and whose activities, individually or collectively, may affect the financial soundness of the Bank with the exception of those covered under disciplinary action.

By definition there are no material risk takers. In case of Bank "material risk-taker" refers to persons other than responsible persons and risk and financial control personnel. In general "Senior Manager" refers to each responsible person from Deputy General Manager to Managing Director.

**b. Information relating to the design and structure of remuneration processes.**

An overview of the key features and objectives of remuneration policy.

Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that was made.

A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.

Remuneration arrangements include measures of performance of the bank, the forms of remuneration and the timing and eligibility of employees to receive payments. Only cash, and cash equivalent remuneration shall be permitted – no equity or equity linked payments is permitted. Main objectives are: to attract and retain skilled and motivated employees and to incentivize executive to lead employees to achieve goals.

The policy has been revised every after about 03 (three) years. For example, pay scales were revised in 2013, 2010, 2007 etc. and is reviewed annually with no material changes. The remuneration policy has been designed to recognize and reward each employee's role with the range of wages / salaries for similar positions.

The policy seeks to ensure that quality employees are employed retained and are remunerated in accordance with their responsibilities and experience.

**c. Description of the ways in which current and future risks are taken into account in the remuneration processes.**

An overview of the key risks that the bank takes into account when implementing remuneration measures.

An overview of the nature and type of the key measures used to take account of these risks; including risks difficult to measure (values need not be disclosed).

Bank ensures that the level and composition of remuneration is appropriate and fair and the interests of the bank, its shareholders, and its stakeholders are clear in present and future environments. Bank aims to maintain a strong risk framework and continuous self-assessment of risk across bank to protect capital, losses, safety, people, etc. which is involved with implementing remuneration measures.

- Manage all loan arrears to acceptable levels
- Ensure that the Bank meets all its regulatory obligations within designated timeframes
- Manage all compliance requirements of Bank to a standard that protects Bank from regulatory/financial reputational risk
- Deliver risk guidelines for all existing and new products
- Job responsibilities & job rotation.
- Repercussions for deceptive behavior

A discussion of the ways in which these measures affect remuneration.

A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.

**d. Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.**

An overview of main performance metrics for bank, top-level business lines and individuals.

A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance.

A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak.

The financial performance objectives are profit before income tax and after income tax compared to budgeted amounts. At the end of the financial year, the board assesses the actual performance of the bank with the objectives set at the beginning of the financial year. So the profit depends on the fair achievement of those measures periodically.

The key measures relating to remuneration are seen as appropriate and as such our existing process of setting targets, Key Performance Indicators (KPIs) and the long term plan remain applicable to the financial year. It is observed that risks surrounding the remuneration policy will be minimized through maintaining measures taken by the pay scale committee.

The main performance metrics depends on the Boards' review on the basis of the following performance metrics: Profit, Capital Adequacy Ratio, Liquidity Ratio, Return on Assets (RoA), Cost to Income Ratio, Net Interest Margin (NIM), and Non-performing loans to Total Receivables, Loan Growth, and Deposit Growth etc.

Though fixed remuneration pool is defined over the years (generally after 03 years), variable remuneration package (incentives bonus) does not arise unless a predetermined level of profit is achieved despite personal achievements of employees.

If the Bank performance is weak, no increases in remuneration will take place despite personal achievements of employees.



**e. Description of the ways in which the bank seeks to adjust remuneration to take account of longer-term performance.**

A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance.

A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements.

**f. Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms.**

An overview of the forms of variable remuneration offered (i.e., cash, shares and share-linked instruments and other forms)

A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees, a description the factors that determine the mix and their relative importance.

The bank does not offer any deferred variable remuneration.

Not Applicable

Only offers cash based remuneration.

Not applicable as the bank only offers cash based remuneration.





## Quantitative Disclosures

**g.** Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.

Nil

**h.**

Nil

- Number of employees having received a variable remuneration award during the financial year.

There are no guaranteed bonuses.

- Number and total amount of guaranteed bonuses awarded during the financial year.

No such awards during the financial year.

- Number and total amount of sign-on awards made during the financial year.

Nil

- Number and total amount of severance payments made during the financial year.

**i.** Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. Total amount of deferred remuneration paid out in the financial year.

Nil

**j. Breakdown of amount of remuneration awards for the financial year to show:**

- Fixed
- Variable.
- Deferred and non-deferred.
- Different forms used (cash, shares and share linked instruments, other forms).

Tk.15.24 crore only.

Nil

Nil

Cash only

**k. Quantitative information about employees' exposure to implicit (e.g., fluctuations in the value of shares or performance units) and explicit adjustments (e.g., claw backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:**

- Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.

Not Applicable

- Total amount of reductions during the financial year due to ex post explicit adjustments.

Not Applicable

- Total amount of reductions during the financial year due to ex post implicit adjustments.

Not Applicable



## Introduction

**G**reen Banking refers to the banking business conducted in selected areas and manners that helps to reduce the level of environmental pollution and carbon emission. Global warming, climate change, green-house effect, air pollution, water pollution, waste disposal etc. have adverse impact on the environment. Governments and Central Banks of different countries have undertaken initiatives and formulated directives to support Green Banking. Green Finance as a part of Green Banking makes great contribution to the transition to resource-efficient and low carbon industries i.e. green industries and green economies in general. In this context, Bangladesh Bank has directed all Banks of the country to finance in Green Projects.

### Green Banking Initiatives in BASIC Bank Limited – A Brief Study

BASIC Bank Limited being a socially and environmentally responsible Bank endeavors to improve its own standard to promote socially responsible businesses considering the interest of customers, employees, stakeholders, communities and environment. Since beginning, the Bank has been taking initiatives to implement Green Banking and formulated its own Green Banking Policy. A High Powered Committee comprising Directors from the Board (Risk Management Committee) has been entrusted 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. The Bank is assessing Environmental Risk (EnvRR) in addition to

# Green Banking Initiatives in BASIC Bank Limited

existing Credit Risk Grading for any existing/proposed/prospective industrial project financing. During the year 2015, the Bank assessed EnvRR of 561 (five hundred sixty one) nos of projects/businesses. To expedite finance on Green product/industry, BASIC Bank Limited has already signed Participation Agreement under Financing Brick Kiln Efficiency Improvement Project with Bangladesh Bank.

### In-house Green Banking Initiatives of the Bank

Through prioritizing the in-house environmental management process, awareness building programs/plans have been set forth to reduce electricity consumption, water, paper and stationery consumption in accordance with Bangladesh Bank's guidelines. The Bank believes in fostering behavioral changes at both the institutional and individual levels to contribute to climate change mitigation efforts. Appropriate disclosures of Green Banking initiatives of the Bank are readily available at web link ([www.basicbanklimited.com/Green\\_Banking.php](http://www.basicbanklimited.com/Green_Banking.php)). Moreover, the Bank timely reports to Bangladesh Bank in this regard.

BASIC Bank Limited is adhering to the ERM (Environmental Risk Management) manuals / guidelines of Bangladesh Bank in its assessment and monitoring of project loans and working capital loans. The Bank has launched a green product namely "BASIC Alternative Power Solution (Solar Home System)".

The Bank is imparting training to its Human Resources on Green Banking. So far, about seven hundred employees of the Bank have been trained on Green Banking. Moreover, the Bank has kept budgetary provision in the expenditure budget for the year 2016 for the followings:

- i. fund for green finance;
- ii. climate risk fund; and
- iii. marketing and capacity building.

#### Future Goal

Specific Environmental Risk Management ERM plan is under process which will determine a set of achievable targets and strategies. The Bank discloses these plans in its annual report and web site. Meanwhile, the Bank instructed all of its Branches and related Divisions to give preference to Green Projects

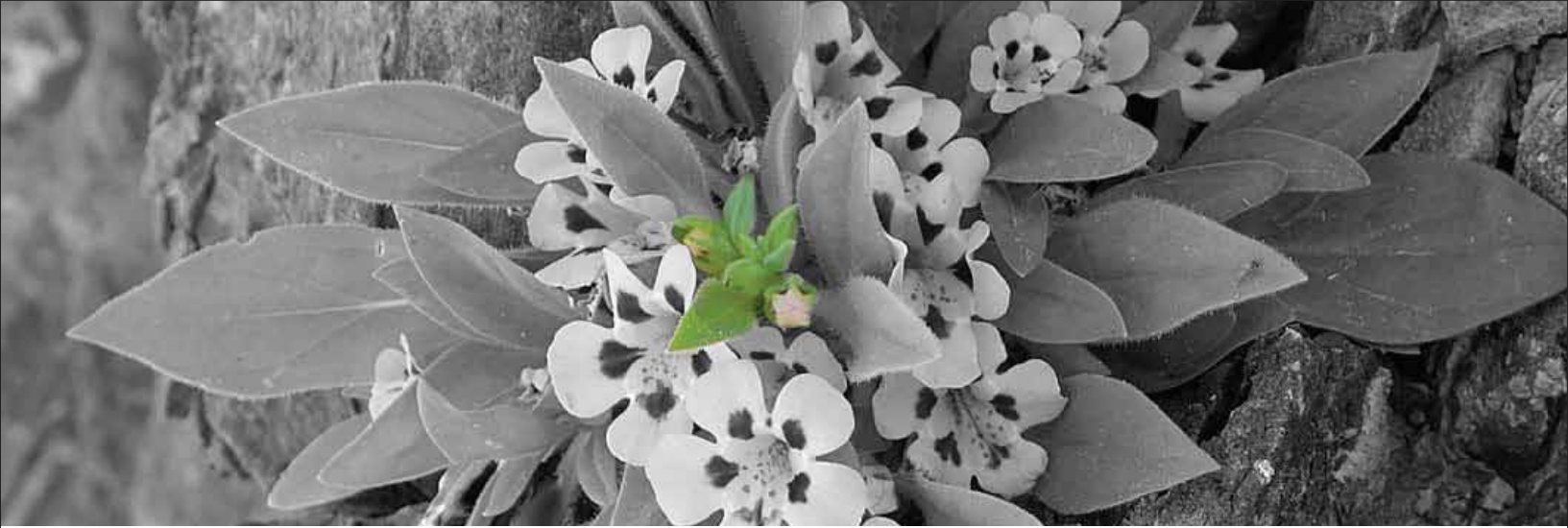
while sanctioning of new loans or making enhancement existing credit facilities to achieve this target.

Utilizing resources with responsibility, lessening waste and giving priority to the environment are some of the core components of the objectives of the Bank. The Bank exerts utmost effort to implement Green Banking and is always keen to embrace latest technology and methodology to cater eco-friendly banking operation.

BASIC Bank Limited believes that Green Banking ensures sustainable development and preservation of resources for the next generation. All of its activities have been propelled for taking care of people and planet first before making profit.







# CSR Activities of BASIC Bank Limited

**B**ASIC Bank Limited, a state owned scheduled Bank, enthused by Bangladesh Bank's CSR mainstreaming campaign, is engaged in a broad range of direct and indirect CSR activities including humanitarian relief and disaster response; widening of advancement opportunities for disadvantaged population segments with support in areas of healthcare, education and training; 'greening' initiatives arresting environmental degradation, and so forth. In order to augment its CSR commitments, the Bank formed a dedicated CSR Unit. Some of the direct CSR commitments of the Bank during the year 2015 are summarized below:

## **Day Care Center**

Five Public Commercial Banks namely Sonali Bank Limited, Janata Bank Limited, Agrani Bank Limited, Rupali Bank Limited and BASIC Bank Limited jointly established a Shishu Diba Jatna Kendra (day care center) on September, 2015 situated at Dilkusha C/A, Dhaka. As part of its direct CSR commitments, BASIC Bank Limited contributed an amount of Taka 42.00 lac during the year 2015 for this purpose.

## **Disaster Relief**

Since inception, BASIC Bank Limited has been responding to the relief and rehabilitation works pertaining to natural disasters. During the year 2015, the Bank donated 2,000 pcs of blankets under its CSR related initiatives for the earth quake affected people of Nepal. Besides, 500 pcs of blankets were distributed

by the Bank among the cold stricken people of Dashiarcara Chitmahal.

Although the Bank had been more actively engaged into various CSR related commitments during the previous years, direct CSR commitments of the Bank was downsized during the last couple of years due to unavoidable reasons. Some major contributions made by the Bank under direct CSR initiatives during the previous years are mentioned below:

## **Health Care Program**

BASIC Bank donated a sum of Taka 46.50 lac to Laksmipur Diabetic Association for purchasing medical and pathological equipment such as Kidney Dialysis Machine, USG Machine, etc. during the year 2014. In the year 2013, the Bank spent Taka 69.00 lac from its CSR fund to purchase 03 [three] units of Ambulance for Pabna Diabetic Association, Kotalipara Upazilla Health Complex and Mathbaria Pourashava Authority for carrying the poor and distressed patients of those areas.

## **Education**

BASIC Bank Limited donated a fund of Taka 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 during the year 2013.

## Sports and Cultural Activities

Besides direct CSR initiatives, the Bank has also carried out some other indirect CSR commitments which are summarized below:

It is widely accepted that the Non-Government Organizations (NGOs) have been performing a pivotal role in poverty alleviation across the world. In order to eradicate poverty and to include the disadvantageous

poor community into financial sector, BASIC Bank Limited has been financing various NGOs of the country since 1995 at concessional rates of interest (between 7.00% to 13.00%). So far the Bank has financed 95 NGOs of various categories such as small, medium and large.

Without economic emancipation and empowerment of women as well as active participation of women in economic activities, accomplishment of development agenda of Bangladesh cannot be achieved. Considering this, the Bank has been providing credit facilities to women entrepreneurs at preferential rates.

To ensure more involvement of women in national economic activities, to ease bank credit for women entrepreneurs and to promote women entrepreneurship, Bangladesh Bank has directed all banks to form "Women Entrepreneur Development Unit" at Head Office level and "Women Entrepreneur Dedicated Desk" at Branch level. Accordingly, BASIS Bank Limited has formed "Women Entrepreneur Development Unit" at Head Office level and "Women Entrepreneur Dedicated Desk" at Branch level. As on December 31, 2015, total outstanding loans disbursed by the Bank to women entrepreneurs was Taka 333.00 crore.

We anticipate that investment in CSR activities by the Bank will be increased considerably in the coming years for betterment of Bangladesh.







# Corporate Governance Practices of BASIC Bank

## **Preface**

Corporate governance encompasses the framework of rules, relationships, systems and processes within which fiduciary authority is exercised and controlled in companies. The parties involved in corporate governance include the governing or regulatory bodies e.g., Bangladesh 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. Good governance is an essential element 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 of the Bank are appointed by the Bank and Financial Institutions Division, Ministry of Finance,

Government of the People's Republic of Bangladesh. The said Ministry through its notification dated July 6, 2014 reconstituted the Board of Directors of the Bank. The present Board started its journey through convening its first meeting (333<sup>rd</sup> Board meeting) held on July 14, 2014. As on December 31, 2015 the Board is comprised of seven members of whom three are professionals, three are bureaucrats and the rest one is the CEO of the Bank. Since January 2015, 28 Board meetings were held up to December 2015. The Directors, having sound academic and professional background, skills and experiences, add value towards corporate governance and maximizing the shareholders' value.

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 as well as usual banking norms and practices.

## **Chairman of the Board**

The present Chairman, Mr. Alauddin A. Majid, a veteran banker, was appointed on July 6, 2014 by the Ministry of Finance. Mr. Majid was the Chairman of Bangladesh Krishi Bank prior to his appointment as Chairman of BASIC Bank Limited.



### Attendance of the Directors in Board Meetings held during 2015

| SI | Name of the Director                     | Total No. of meetings held | No. of attendance |
|----|------------------------------------------|----------------------------|-------------------|
| 1. | Mr. Alauddin A. Majid<br>Chairman        | 28                         | 28                |
| 2. | Mr. Kazi Shofiqul Azam*<br>Director      | 28                         | 0                 |
| 3. | Ms. Parag<br>Director                    | 28                         | 26                |
| 4. | Mr. Hasan Mahmood, FCA<br>Director       | 28                         | 26                |
| 5. | Ms. Raihana Aneesa Yusuf Ali<br>Director | 28                         | 26                |
| 6. | Mr. Md. Mamun-Al-Rashid<br>Director      | 28                         | 25                |
| 7. | Khondoker Md. Iqbal<br>Managing Director | 28                         | 28                |

\*Mr. Kazi Shofiqul Azam, Additional Secretary, Economic Relations Division appointed as Director by the Bank and Financial Institutions Division, Ministry of Finance on 30.12.2015. No meeting was held after his appointment in the year 2015.

### The Committees of the Board of Directors

As per Banking Companies Act 1991 (amended up to 2013), presently there are three committees of the Board, namely Executive Committee, Audit Committee and Risk Management Committee. Each Committee operates under separate Terms of Reference (TOR) as per Banking Companies Act and the guidelines of Bangladesh Bank.

#### Executive Committee

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

1. Mr. Alauddin A. Majid - Chairman
2. Ms. Raihana Aneesa Yusuf Ali - Member
3. Mr. Md. Mamun-Al-Rashid - Member
4. Managing Director - Member

It is mentionable here that during 2015, no meeting of the Executive Committee was held as Board meetings were held regularly.

### Audit Committee

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

1. Mr. Hasan Mahmood, FCA - Chairman
2. Ms. Parag - Member

A total of 4 meetings of the Audit Committee were held in 2015.

### Risk Management Committee

The Risk Management Committee of the Board of Directors is a relatively new concept that was reflected through amendments to the Banking Companies Act in 2013. The TOR of the Risk Management Committee is based on the guidelines of Bangladesh Bank. The Risk Management Committee of the Bank is comprised of the following members:

1. Ms. Raihana Aneesa Yusuf Ali - Chairman
2. Mr. Md. Mamun-Al-Rashid - Member

A total of 4 meetings of the Risk Management Committee were held in 2015.

### **Compliance with Bangladesh Bank regulations**

The Bank as a scheduled commercial bank gives 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, BASEL implementation 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.11, BRPD Circular Letter No.18 and BRPD Circular Letter No.19 all dated October 27, 2013) regarding responsibilities and accountabilities of the Board of Directors, responsibilities of the Chairman of the Board focusing credit and risk management, internal control, human resources management as well as income and expenses, responsibilities and accountabilities of the CEO and the contractual appointment of the Adviser, Consultant for any bank.

### **Compliance with BSEC regulations**

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

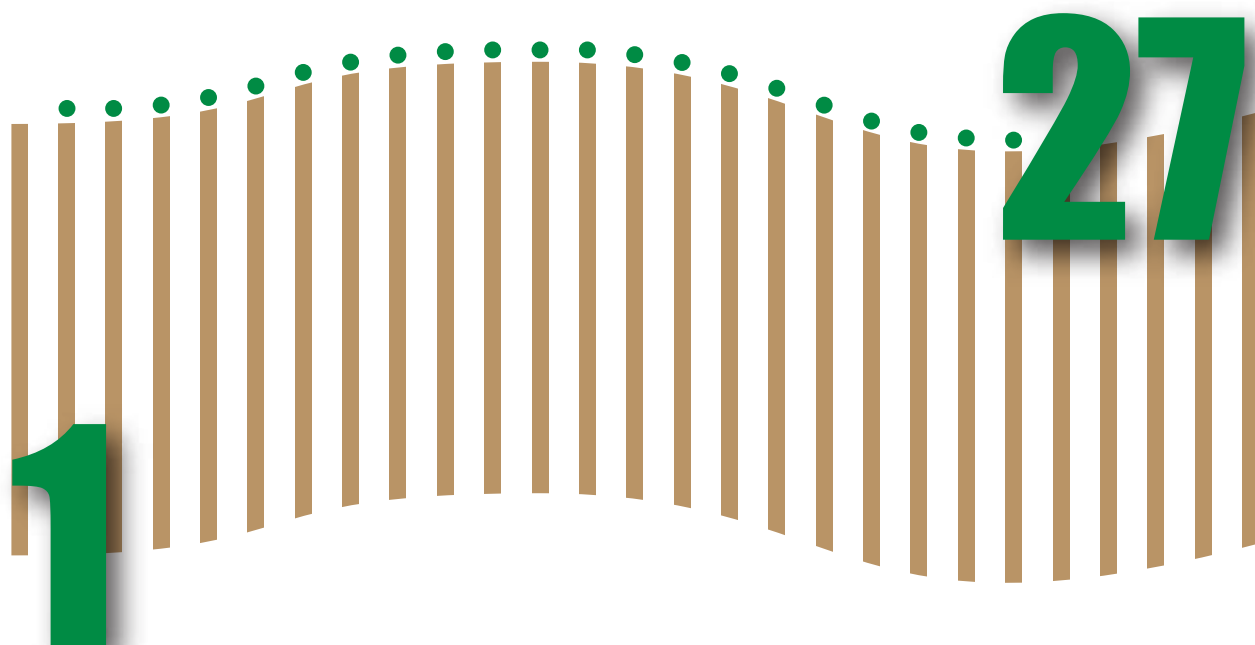
**“The Risk Management Committee of the Board of Directors is a relatively new concept that was reflected through amendments to the Banking Companies Act in 2013.”**

**“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 as well as usual banking norms and practices.”**





# Twenty Seven Years of BASIC Bank







**A. From the Balance Sheet** (Million Taka)

|                        | 2015       | 2014       | 2013       | 2012       |
|------------------------|------------|------------|------------|------------|
| Authorized Capital     | 25,000.00  | 25,000.00  | 5,000.00   | 5,000.00   |
| Paid-up Capital        | 10,846.98  | 2,946.98   | 2,946.98   | 2,946.98   |
| Reserve and Surplus    | 15,100.10  | 10,066.94  | 3,092.20   | 3,493.60   |
| Shareholders' Equity   | 25,947.08  | 13,013.92  | 6,039.18   | 6,440.58   |
| Fixed Assets           | 514.23     | 649.68     | 723.08     | 526.82     |
| Total Assets           | 194,173.36 | 171,118.53 | 157,072.19 | 109,682.06 |
| Deposits               | 148,167.23 | 139,934.06 | 134,493.45 | 87,693.23  |
| Long-term Debt         | 2,482.94   | 2,673.97   | 2,780.50   | 3,742.93   |
| Loans and Advances     | 128,807.01 | 89,392.85  | 109,428.44 | 85,955.76  |
| Placement & Investment | 44,677.93  | 37,299.33  | 34,584.88  | 14,111.57  |

**B. From the Income Statement** (Million Taka)

|                                 |            |            |           |           |
|---------------------------------|------------|------------|-----------|-----------|
| Gross Income                    | 11,514.96  | 15,113.56  | 17,338.74 | 13,402.26 |
| Gross Expenditure               | 14,079.21  | 16,237.94  | 15,868.54 | 10,792.18 |
| Profit before Tax and Provision | (2,564.25) | (1,124.38) | 1,470.20  | 2,610.08  |
| Profit/(Loss) after Tax         | (3,140.36) | (1,100.16) | (531.53)  | 27.89     |
| Tax Paid (cumulative)           | 7,879.44   | 7,844.26   | 7,798.92  | 7,066.80  |

**C. Others** (Million Taka)

|                 |           |           |           |           |
|-----------------|-----------|-----------|-----------|-----------|
| Import Business | 32,104.90 | 38,318.80 | 42,007.20 | 37,093.50 |
| Export Business | 21,892.70 | 26,691.30 | 30,538.30 | 29,939.20 |

**D. Financial Ratios** (Percentage)

|                                       |          |         |        |        |
|---------------------------------------|----------|---------|--------|--------|
| Capital Adequacy Ratio                | (7.55)   | (29.08) | (1.66) | 10.05  |
| Capital Fund to Deposit Liabilities   | 17.51    | 9.30    | 4.49   | 7.34   |
| Liquid Assets to Deposit Liabilities  | 16.88    | 12.03   | 11.80  | 9.91   |
| Loan to Deposit Liabilities           | 84.72    | 82.46   | 78.31  | 91.75  |
| Earning Assets to Deposit Liabilities | 70.47    | 54.14   | 84.52  | 105.56 |
| After Tax Return on Average Assets    | (1.72)   | (0.67)  | (0.40) | 0.03   |
| Net Profit to Gross Income            | (27.27)  | (7.28)  | (3.07) | 0.21   |
| Interest Margin Cover                 | (115.46) | (50.36) | 61.62  | 110.17 |

|                                                |         |         |        |       |
|------------------------------------------------|---------|---------|--------|-------|
| After Tax Return on Equity                     | (12.10) | (11.55) | (8.50) | 0.47  |
| SMI/SSI Loan and Micro Credit to Loanable Fund | 37.07   | 41.18   | 43.07  | 52.12 |

|                                               |        |        |       |       |
|-----------------------------------------------|--------|--------|-------|-------|
| Number of Branches                            | 68     | 68     | 68    | 62    |
| Number of Employees                           | 2,163  | 2,237  | 2,145 | 1,657 |
| Deposit per employee (Million Taka)           | 68.50  | 62.55  | 62.70 | 52.92 |
| Advance per employee (Million Taka)           | 59.55  | 39.96  | 51.02 | 51.87 |
| Profit before Tax per employee (Million Taka) | (1.19) | (0.50) | 0.69  | 1.58  |





**A. From the Balance Sheet** (Million Taka)

|                        | 2011      | 2010      | 2009      | 2008      |
|------------------------|-----------|-----------|-----------|-----------|
| Authorized Capital     | 5,000.00  | 2,000.00  | 2,000.00  | 2,000.00  |
| Paid-up Capital        | 2,357.59  | 1,964.65  | 1,455.30  | 1,309.77  |
| Reserve and Surplus    | 3,124.17  | 2,509.78  | 2,468.65  | 1,672.82  |
| Shareholders' Equity   | 5,481.76  | 4,474.43  | 3,923.95  | 2,982.59  |
| Fixed Assets           | 364.46    | 283.12    | 232.65    | 228.36    |
| Total Assets           | 78,031.73 | 61,569.38 | 45,308.31 | 46,660.03 |
| Deposits               | 62,650.73 | 49,259.60 | 34,501.69 | 38,368.23 |
| Long-term Debt         | 2,788.15  | 2,718.46  | 2,875.16  | 1,708.40  |
| Loans and Advances     | 56,884.76 | 46,341.51 | 29,261.53 | 27,269.13 |
| Placement & Investment | 13,760.82 | 9,294.02  | 12,244.91 | 15,659.03 |

**B. From the Income Statement** (Million Taka)

|                                 |          |          |          |          |
|---------------------------------|----------|----------|----------|----------|
| Gross Income                    | 8,825.20 | 6,120.53 | 5,162.30 | 5,060.29 |
| Gross Expenditure               | 6,476.70 | 4,403.49 | 3,593.96 | 3,526.35 |
| Profit before Tax and Provision | 2,348.50 | 1,717.05 | 1,568.34 | 1,533.94 |
| Profit/(Loss) after Tax         | 976.11   | 660.93   | 648.85   | 549.86   |
| Tax Paid (cumulative)           | 5,987.61 | 4,948.64 | 4,225.37 | 3,538.01 |

**C. Others** (Million Taka)

|                 |           |           |           |           |
|-----------------|-----------|-----------|-----------|-----------|
| Import Business | 47,087.80 | 42,205.90 | 33,976.60 | 27,359.77 |
| Export Business | 33,061.10 | 23,998.80 | 19,887.70 | 22,270.87 |

**D. Financial Ratios** (Percentage)

|                                       |        |       |        |        |
|---------------------------------------|--------|-------|--------|--------|
| Capital Adequacy Ratio                | 10.13  | 9.41  | 13.48  | 12.04  |
| Capital Fund to Deposit Liabilities   | 8.75   | 9.08  | 11.37  | 7.81   |
| Liquid Assets to Deposit Liabilities  | 14.28  | 12.06 | 24.67  | 47.70  |
| Loan to Deposit Liabilities           | 87.74  | 94.08 | 84.81  | 71.07  |
| Earning Assets to Deposit Liabilities | 108.22 | 81.55 | 116.44 | 114.69 |
| After Tax Return on Average Assets    | 1.40   | 1.24  | 1.41   | 1.30   |
| Net Profit to Gross Income            | 11.06  | 10.80 | 12.57  | 10.87  |
| Interest Margin Cover                 | 139.76 | 95.15 | 135.79 | 137.08 |

|                                                |       |       |       |       |
|------------------------------------------------|-------|-------|-------|-------|
| After Tax Return on Equity                     | 19.61 | 14.95 | 18.79 | 19.68 |
| SMI/SSI Loan and Micro Credit to Loanable Fund | 54.67 | 56.78 | 56.93 | 59.32 |

|                                               |       |       |       |       |
|-----------------------------------------------|-------|-------|-------|-------|
| Number of Branches                            | 45    | 34    | 32    | 31    |
| Number of Employees                           | 1,132 | 964   | 776   | 735   |
| Deposit per employee (Million Taka)           | 55.35 | 51.10 | 44.46 | 52.20 |
| Advance per employee (Million Taka)           | 50.25 | 48.07 | 37.71 | 37.10 |
| Profit before Tax per employee (Million Taka) | 2.07  | 1.78  | 2.02  | 2.09  |

|                                                    | 2007      | 2006      | 2005      | 2004      |
|----------------------------------------------------|-----------|-----------|-----------|-----------|
| <b>A. From the Balance Sheet</b> (Million Taka)    |           |           |           |           |
| Authorized Capital                                 | 2,000.00  | 2,000.00  | 2,000.00  | 2,000.00  |
| Paid-up Capital                                    | 1,247.40  | 945.00    | 810.00    | 675.00    |
| Reserve and Surplus                                | 1,349.17  | 1,294.00  | 916.14    | 816.23    |
| Shareholders' Equity                               | 2,596.58  | 2,239.00  | 1,726.14  | 1,491.23  |
| Fixed Assets                                       | 196.11    | 154.52    | 135.78    | 101.41    |
| Total Assets                                       | 38,773.91 | 29,417.09 | 27,136.37 | 19,436.57 |
| Deposits                                           | 31,947.98 | 24,084.65 | 22,325.58 | 15,509.18 |
| Long-term Debt                                     | 1,385.81  | 830.06    | 937.51    | 839.61    |
| Loans and Advances                                 | 22,263.35 | 19,000.00 | 15,339.35 | 12,000.15 |
| Placement & Investment                             | 13,560.92 | 8,212.23  | 10,236.82 | 6,098.51  |
| <b>B. From the Income Statement</b> (Million Taka) |           |           |           |           |
| Gross Income                                       | 3,549.51  | 2,870.32  | 2,228.21  | 1,768.85  |
| Gross Expenditure                                  | 2,458.41  | 1,858.69  | 1,599.77  | 1,241.63  |
| Profit before Tax and Provision                    | 1,091.10  | 1,011.62  | 628.44    | 527.22    |
| Profit/(Loss) after Tax                            | 282.96    | 554.14    | 285.49    | 291.48    |
| Tax Paid (cumulative)                              | 2,790.98  | 2,245.16  | 1,777.70  | 1,434.76  |
| <b>C. Others</b> (Million Taka)                    |           |           |           |           |
| Import Business                                    | 21,266.57 | 17,804.27 | 14,094.96 | 12,507.80 |
| Export Business                                    | 16,794.96 | 15,463.74 | 11,097.23 | 7,908.00  |
| <b>D. Financial Ratios</b> (Percentage)            |           |           |           |           |
| Capital Adequacy Ratio                             | 12.91     | 11.98     | 11.77     | 12.49     |
| Capital Fund to Deposit Liabilities                | 9.23      | 10.34     | 10.36     | 10.47     |
| Liquid Assets to Deposit Liabilities               | 49.10     | 40.42     | 58.01     | 50.56     |
| Loan to Deposit Liabilities                        | 69.69     | 78.89     | 69.74     | 77.37     |
| Earning Assets to Deposit Liabilities              | 109.70    | 112.99    | 114.56    | 116.70    |
| After Tax Return on Average Assets                 | 0.83      | 1.96      | 1.23      | 1.70      |
| Net Profit to Gross Income                         | 7.97      | 19.31     | 12.81     | 16.48     |
| Interest Margin Cover                              | 176.80    | 211.72    | 214.56    | 205.07    |
| After Tax Return on Equity                         | 11.70     | 27.82     | 17.75     | 21.27     |
| SMI/SSI Loan and Micro Credit to Loanable Fund     | 56.73     | 53.43     | 50.66     | 62.21     |
| Number of Branches                                 | 31        | 28        | 27        | 27        |
| Number of Employees                                | 721       | 651       | 601       | 578       |
| Deposit per employee (Million Taka)                | 44.31     | 37.00     | 37.15     | 26.83     |
| Advance per employee (Million Taka)                | 30.88     | 29.19     | 25.52     | 20.76     |
| Profit before Tax per employee (Million Taka)      | 1.51      | 1.55      | 1.05      | 0.91      |



**A. From the Balance Sheet** (Million Taka)

|                        | 2003      | 2002      | 2001     | 2000     |
|------------------------|-----------|-----------|----------|----------|
| Authorized Capital     | 2,000.00  | 500.00    | 500.00   | 500.00   |
| Paid-up Capital        | 450.00    | 300.00    | 300.00   | 240.00   |
| Reserve and Surplus    | 799.29    | 712.90    | 461.39   | 457.77   |
| Shareholders' Equity   | 1,249.29  | 1,012.90  | 761.35   | 697.77   |
| Fixed Assets           | 73.49     | 76.68     | 65.73    | 51.11    |
| Total Assets           | 14,766.32 | 13,019.42 | 9,721.93 | 7,730.67 |
| Deposits               | 11,266.54 | 10,021.24 | 7,512.62 | 5,845.15 |
| Long-term Debt         | 690.95    | 676.51    | 582.82   | 555.98   |
| Loans and Advances     | 9,282.20  | 7,957.04  | 6,260.78 | 4,618.73 |
| Placement & Investment | 4,361.93  | 3,988.76  | 2,605.23 | 2,462.17 |

**B. From the Income Statement** (Million Taka)

|                                 |          |          |          |        |
|---------------------------------|----------|----------|----------|--------|
| Gross Income                    | 1,558.52 | 1,290.66 | 1,041.76 | 877.48 |
| Gross Expenditure               | 1,004.85 | 856.15   | 685.64   | 573.30 |
| Profit before Tax and Provision | 553.67   | 434.51   | 356.12   | 304.18 |
| Profit/(Loss) after Tax         | 236.39   | 251.55   | 213.67   | 173.34 |
| Tax Paid (cumulative)           | 1,199.02 | 881.73   | 698.76   | 556.31 |

**C. Others** (Million Taka)

|                 |          |          |          |          |
|-----------------|----------|----------|----------|----------|
| Import Business | 9,882.80 | 8,645.00 | 7,542.80 | 7,948.00 |
| Export Business | 6,933.90 | 5,557.60 | 5,957.90 | 5,557.00 |

**D. Financial Ratios** (Percentage)

|                                       |        |        |        |        |
|---------------------------------------|--------|--------|--------|--------|
| Capital Adequacy Ratio                | 12.57  | 13.20  | 12.49  | 15.30  |
| Capital Fund to Deposit Liabilities   | 10.65  | 10.11  | 10.13  | 11.94  |
| Liquid Assets to Deposit Liabilities  | 51.05  | 54.80  | 51.47  | 59.52  |
| Loan to Deposit Liabilities           | 82.39  | 79.40  | 83.34  | 79.02  |
| Earning Assets to Deposit Liabilities | 121.10 | 119.20 | 118.01 | 117.74 |
| After Tax Return on Average Assets    | 1.70   | 2.20   | 2.45   | 2.33   |
| Net Profit to Gross Income            | 15.17  | 19.35  | 20.51  | 19.75  |
| Interest Margin Cover                 | 210.87 | 187.00 | 173.91 | 150.67 |

|                                                |       |       |       |       |
|------------------------------------------------|-------|-------|-------|-------|
| After Tax Return on Equity                     | 20.90 | 28.18 | 28.06 | 27.04 |
| SMI/SSI Loan and Micro Credit to Loanable Fund | 59.16 | 63.00 | 50.18 | 46.96 |

|                                               |       |       |       |       |
|-----------------------------------------------|-------|-------|-------|-------|
| Number of Branches                            | 26    | 26    | 25    | 25    |
| Number of Employees                           | 523   | 510   | 497   | 453   |
| Deposit per employee (Million Taka)           | 21.54 | 19.65 | 15.12 | 12.90 |
| Advance per employee (Million Taka)           | 17.75 | 15.60 | 12.60 | 10.20 |
| Profit before Tax per employee (Million Taka) | 1.06  | 0.85  | 0.72  | 0.67  |

**A. From the Balance Sheet** (Million Taka)

|                        | 1999     | 1998     | 1997     | 1996     |
|------------------------|----------|----------|----------|----------|
| Authorized Capital     | 500.00   | 500.00   | 500.00   | 100.00   |
| Paid-up Capital        | 160.00   | 80.00    | 80.00    | 80.00    |
| Reserve and Surplus    | 424.43   | 394.48   | 258.34   | 163.73   |
| Shareholders' Equity   | 584.43   | 474.48   | 338.34   | 243.73   |
| Fixed Assets           | 37.83    | 41.96    | 36.39    | 25.45    |
| Total Assets           | 7,173.17 | 5,620.57 | 4,350.14 | 3,962.55 |
| Deposits               | 5,647.93 | 4,551.48 | 3,541.60 | 3,357.05 |
| Long-term Debt         | 368.85   | 344.61   | 273.29   | 196.45   |
| Loans and Advances     | 3,960.11 | 3,218.90 | 2,630.90 | 1,724.81 |
| Placement & Investment | 2,021.19 | 2,040.72 | 1,395.59 | 1,320.43 |

**B. From the Income Statement** (Million Taka)

|                                 |        |        |        |        |
|---------------------------------|--------|--------|--------|--------|
| Gross Income                    | 794.59 | 591.64 | 440.46 | 311.43 |
| Gross Expenditure               | 528.01 | 364.73 | 268.83 | 207.41 |
| Profit before Tax and Provision | 266.58 | 226.91 | 171.63 | 104.02 |
| Profit/(Loss) after Tax         | 159.95 | 136.15 | 94.61  | 57.77  |
| Tax Paid (cumulative)           | 425.47 | 318.84 | 228.08 | 151.06 |

**C. Others** (Million Taka)

|                 |          |          |          |          |
|-----------------|----------|----------|----------|----------|
| Import Business | 7,391.10 | 7,208.20 | 7,017.56 | 4,986.10 |
| Export Business | 5,060.30 | 4,420.20 | 3,754.87 | 2,609.30 |

**D. Financial Ratios** (Percentage)

|                                       |        |        |        |        |
|---------------------------------------|--------|--------|--------|--------|
| Capital Adequacy Ratio                | 14.27  | 14.01  | 12.45  | 12.39  |
| Capital Fund to Deposit Liabilities   | 10.34  | 10.42  | 9.55   | 7.26   |
| Liquid Assets to Deposit Liabilities  | 59.09  | 62.29  | 59.58  | 70.42  |
| Loan to Deposit Liabilities           | 66.71  | 66.81  | 69.86  | 47.82  |
| Earning Assets to Deposit Liabilities | 85.34  | 115.56 | 113.69 | 99.57  |
| After Tax Return on Average Assets    | 2.50   | 2.73   | 2.28   | 1.60   |
| Net Profit to Gross Income            | 20.45  | 23.01  | 21.48  | 18.54  |
| Interest Margin Cover                 | 112.67 | 192.07 | 194.64 | 112.45 |

|                                                |       |       |       |       |
|------------------------------------------------|-------|-------|-------|-------|
| After Tax Return on Equity                     | 30.21 | 28.69 | 27.96 | 23.70 |
| SMI/SSI Loan and Micro Credit to Loanable Fund | 40.09 | 42.21 | 35.83 | 40.99 |

|                                               |       |       |       |       |
|-----------------------------------------------|-------|-------|-------|-------|
| Number of Branches                            | 23    | 22    | 21    | 19    |
| Number of Employees                           | 417   | 372   | 351   | 315   |
| Deposit per employee (Million Taka)           | 13.54 | 12.24 | 10.09 | 10.66 |
| Advance per employee (Million Taka)           | 9.50  | 8.65  | 7.50  | 5.48  |
| Profit before Tax per employee (Million Taka) | 0.64  | 0.61  | 0.49  | 0.33  |



**A. From the Balance Sheet** (Million Taka)

|                        | 1995     | 1994     | 1993     | 1992     |
|------------------------|----------|----------|----------|----------|
| Authorized Capital     | 100.00   | 100.00   | 100.00   | 100.00   |
| Paid-up Capital        | 80.00    | 80.00    | 80.00    | 80.00    |
| Reserve and Surplus    | 105.96   | 53.49    | 27.81    | 10.48    |
| Shareholders' Equity   | 185.96   | 133.49   | 107.81   | 90.48    |
| Fixed Assets           | 21.27    | 21.37    | 20.82    | 16.26    |
| Total Assets           | 3,280.16 | 2,609.85 | 2,321.13 | 1,646.95 |
| Deposits               | 2,773.73 | 2,241.33 | 1,977.60 | 1,367.36 |
| Long-term Debt         | 166.08   | 119.68   | 122.18   | 125.80   |
| Loans and Advances     | 1,561.29 | 1,112.24 | 986.61   | 715.75   |
| Placement & Investment | 995.57   | 483.90   | 672.29   | 553.61   |

**B. From the Income Statement** (Million Taka)

|                                 |        |        |        |        |
|---------------------------------|--------|--------|--------|--------|
| Gross Income                    | 291.62 | 232.87 | 197.67 | 126.70 |
| Gross Expenditure               | 191.66 | 181.51 | 163.01 | 117.52 |
| Profit before Tax and Provision | 99.96  | 51.36  | 34.66  | 9.18   |
| Profit/(Loss) after Tax         | 52.48  | 25.68  | 17.33  | 4.13   |
| Tax Paid (cumulative)           | 104.81 | 57.33  | 31.65  | 14.32  |

**C. Others** (Million Taka)

|                 |          |          |          |          |
|-----------------|----------|----------|----------|----------|
| Import Business | 4,657.86 | 2,613.50 | 1,851.13 | 1,656.70 |
| Export Business | 1,783.09 | 1,227.08 | 718.63   | 365.50   |

**D. Financial Ratios** (Percentage)

|                                       |        |       |       |       |
|---------------------------------------|--------|-------|-------|-------|
| Capital Adequacy Ratio                | -      | -     | -     | -     |
| Capital Fund to Deposit Liabilities   | 6.70   | 5.96  | 5.45  | 6.62  |
| Liquid Assets to Deposit Liabilities  | 66.22  | 68.17 | 66.91 | 75.59 |
| Loan to Deposit Liabilities           | 54.17  | 49.62 | 49.89 | 52.35 |
| Earning Assets to Deposit Liabilities | 97.52  | 74.04 | 83.69 | 92.70 |
| After Tax Return on Average Assets    | 1.78   | 1.04  | 0.76  | 0.23  |
| Net Profit to Gross Income            | 18.00  | 11.03 | 8.77  | 3.26  |
| Interest Margin Cover                 | 109.68 | 60.33 | 84.98 | 57.85 |

|                                                |       |       |       |       |
|------------------------------------------------|-------|-------|-------|-------|
| After Tax Return on Equity                     | 28.22 | 21.28 | 17.48 | 4.71  |
| SMI/SSI Loan and Micro Credit to Loanable Fund | 43.44 | 46.25 | 22.16 | 15.38 |

|                                               |      |      |       |      |
|-----------------------------------------------|------|------|-------|------|
| Number of Branches                            | 18   | 17   | 16    | 13   |
| Number of Employees                           | 300  | 238  | 196   | 159  |
| Deposit per employee (Million Taka)           | 9.25 | 9.42 | 10.09 | 8.60 |
| Advance per employee (Million Taka)           | 5.20 | 4.67 | 5.03  | 4.50 |
| Profit before Tax per employee (Million Taka) | 0.33 | 0.22 | 0.18  | 0.06 |



**A. From the Balance Sheet** (Million Taka)

|                        | 1991   | 1990   | 1989   |
|------------------------|--------|--------|--------|
| Authorized Capital     | 100.00 | 100.00 | 100.00 |
| Paid-up Capital        | 80.00  | 80.00  | 80.00  |
| Reserve and Surplus    | 4.83   | 4.36   | 1.09   |
| Shareholders' Equity   | 84.83  | 84.36  | 81.09  |
| Fixed Assets           | 15.15  | 14.08  | 7.62   |
| Total Assets           | 991.37 | 661.91 | 406.73 |
| Deposits               | 843.79 | 529.19 | 317.72 |
| Long-term Debt         | 30.00  | 30.00  | -      |
| Loans and Advances     | 432.80 | 200.00 | 66.45  |
| Placement & Investment | 404.60 | 341.11 | 287.52 |

**B. From the Income Statement** (Million Taka)

|                                 |       |       |       |
|---------------------------------|-------|-------|-------|
| Gross Income                    | 98.80 | 61.11 | 28.42 |
| Gross Expenditure               | 95.33 | 52.22 | 24.28 |
| Profit before Tax and Provision | 3.47  | 8.89  | 4.14  |
| Profit/(Loss) after Tax         | 2.87  | 3.27  | 1.09  |
| Tax Paid (cumulative)           | 9.27  | 8.67  | 3.05  |

**C. Others** (Million Taka)

|                 |          |        |        |
|-----------------|----------|--------|--------|
| Import Business | 1,144.16 | 582.39 | 296.41 |
| Export Business | 115.64   | 36.76  | -      |

**D. Financial Ratios** (Percentage)

|                                       |        |        |        |
|---------------------------------------|--------|--------|--------|
| Capital Adequacy Ratio                | -      | -      | -      |
| Capital Fund to Deposit Liabilities   | 10.05  | 15.94  | 25.52  |
| Liquid Assets to Deposit Liabilities  | 61.21  | 81.86  | 104.05 |
| Loan to Deposit Liabilities           | 51.29  | 37.79  | 20.91  |
| Earning Assets to Deposit Liabilities | 101.48 | 102.99 | 111.41 |
| After Tax Return on Average Assets    | 0.23   | 0.39   | 0.35   |
| Net Profit to Gross Income            | 2.90   | 5.35   | 3.84   |
| Interest Margin Cover                 | 82.15  | 102.43 | 123.10 |

|                                                |       |       |       |
|------------------------------------------------|-------|-------|-------|
| After Tax Return on Equity                     | 3.39  | 3.95  | 1.34  |
| SMI/SSI Loan and Micro Credit to Loanable Fund | 15.56 | 23.84 | 28.12 |

|                                               |      |      |      |
|-----------------------------------------------|------|------|------|
| Number of Branches                            | 10   | 7    | 3    |
| Number of Employees                           | 124  | 100  | 48   |
| Deposit per employee (Million Taka)           | 6.80 | 5.29 | 6.62 |
| Advance per employee (Million Taka)           | 3.49 | 2.00 | 1.38 |
| Profit before Tax per employee (Million Taka) | 0.03 | 0.09 | 0.09 |



## Managing Director and Chief Financial Officer's Statement to the Board on Integrity of Financial Statements

We, do hereby jointly certify that the Financial Statements of the Bank as on and for the year ended December 31, 2015 have been prepared in accordance with the First Schedule (section 38) of the Bank Companies Act, 1991 (amended up to 2013) and the instructions laid down in the BRPD circular #14 dated June 25, 2003, other applicable circulars/instructions of Bangladesh Bank, Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), Companies Act 1994 and the Securities and Exchange Commission Rules 1987. The accounting policies used in preparation of the Financial Statements are appropriate and the same have been applied consistently. In case of any material departure, adequate disclosures and explanations have been given in the notes to the Financial Statements.

Wherever necessary, significant estimates and judgements relating to the Financial Statements were made on a prudent manner and consulting the external auditors and the Audit Committee of the Board so that the Financial Statements reflect the state of affairs of the Bank in a true and fair manner. Sufficient care has been taken in installing effective internal control system and accounting procedures with a view to safeguarding the assets of the Bank and preventing and detecting frauds and irregularities. The estimates, assumptions, internal control and accounting procedures are reviewed, evaluated and updated on an ongoing basis.

Our internal auditors have conducted periodic audits of different branches and different divisions of Head Office to provide reasonable assurance that the established policies and procedures of the Bank were followed consistently. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls and accounting.

The Audit Committee of the Bank meets periodically, sits with the internal audit team and the external auditors to review their audit plans, assess the manner in which these auditors are performing their responsibilities and to discuss and ensure compliance of their reports on internal controls and financial reporting issues. The Audit Committee also reviews the reports of the Bangladesh Bank audit team and commercial auditors and compliance status thereof.

We confirm that the Bank has complied with all applicable laws, regulations and guidelines.



**Kanak Kumar Purkayastha**  
Chief Financial Officer



**Khondoker Md. Iqbal**  
Managing Director





# Audited Financial Statements





Auditor's Report

Balance Sheet

Profit & Loss Account

Cash Flow Statement

Statement of the Changes in Equity

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Schedule of Balance with Other Banks-Outside Bangladesh (Nostro Account)

Investment in Shares

Advances more than 10% of Bank's Total Capital

Schedule of Fixed Assets

Highlights on the Overall Activities of the Bank



**INDEPENDENT AUDITOR'S REPORT****TO THE SHAREHOLDERS OF BASIC BANK LIMITED****Report on the Financial Statements**

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

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

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

**Auditors' Responsibility**

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

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

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

**Basis for Adverse Opinion**

1. (i) As on 31 December 2015 the Bank's total loans and advances was Tk.12,880.70 crore, which include classified loans and advances of Tk.3,610.65 crore as on the

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

- (ii) The Bank's total loans and advances also include further classified loans and advances of Tk.2,970.60 crore as on 31 December 2015 which was previously reported in 2014 as Blocked Assets. Required provision for these classified loans and advances was Tk.2,060.67 crore against which the Bank has kept only Tk.221.11 crore. Thus, there remained a provision shortfall of Tk.1839.56 crore for the said classified loans and advances. Bangladesh Bank vide their letter # BRPD (P-1)/661/13/2015-3159 dated 27 April 2015 gave permission to the Bank to provide the shortfall amount within a period of 10 (ten) years from 2015.

In connection with para (i) and (ii) above total classified loans and advances of the Bank as on 31 December 2015 was Tk.6,581.25 crore. Total required provision for these classified loans and advances as on the said date was Tk.3,822.83 crore. The Bank has made provision of Tk.398.43 crore in the accounts against the total required amount. Thus, a total amount of Tk.3,424.40 crore remained short in the provision for classified loans and advances of the Bank as on 31 December 2015.

2. As per BRPD Circular No. 14 dated 25 June 2001, the required provision for other assets as on 31 December 2015 was Tk.157.92 crore against which the Bank has kept provision of Tk.65.29 crore as reported by the Bank. Thus, the shortfall of provision for other assets remained for Tk.92.63 crore. However, Bangladesh Bank has given permission to the Bank vide their letter # BRPD(P-1)/661/13/2015-3159 dated 27 April 2015 to provide the above mentioned entire amount of provision over a period of 5 (five) years from 2015.
3. (i) As per section 13 (2) of Bank Company Act 1991 (amended in 2013) and BRPD Circular No. 18 dated 21 December 2014 to fulfil the Basel-III requirement, the required capital of the Bank as on 31 December 2015 was Tk.1127.34 crore against which the bank's capital was negative to the tune of Tk.851.24 crore as reported by the Bank. Thus the Bank's reported capital shortfall was Tk.1,978.58 crore as on the balance sheet date.
- (ii) As per section 13 (2) of The Bank Company Act, 1991 (amended in 2013) and BRPD Circular No. 18 dated 21 December 2014 to fulfil the Basel-III requirement, the required Capital Adequacy Ratio (CRAR) of the Bank should have been 10% of Risk Weighted Assets but the Bank has reported the same to be maintained as negative to the extent of (7.55)%.

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

### Adverse Opinion

In our opinion, because of the significance of the matters described in the Basis for Adverse Opinion paragraph, the financial statements of the Bank do not give a true and fair view of the financial position of the Bank as at 31 December 2015, and of its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note no. 2.1. However, the cash flows of the Bank have been reflected fairly in the Cash Flow Statement.

### Report on Other Legal and Regulatory Requirements

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

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control except for the matters described in the Basis for Adverse Opinion paragraph:
  - i) internal audit, internal control and risk management arrangements of the Bank as disclosed in note # 2.16 to the financial statements appeared to be adequate;
  - ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed

by employees of the Bank and its related entities except for the matters described in point # 4 under the Basis for Adverse Opinion paragraph;

- (c) 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;
- (d) the balance sheet and profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (e) the expenditure incurred was for the purposes of the Bank's business;
- (f) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and Bangladesh Financial Reporting Standards (BFRSs) as explained in note # 2.1 as well as with related guidance issued by Bangladesh Bank;
- (g) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- (h) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (i) the information and explanation required by us have been received and found satisfactory; and
- (j) we have reviewed over 80% of the risk weighted assets and we have spent around 6,970 person hours for the audit of the books and accounts of the Bank.

Dhaka,  
April 28, 2016

  
ACNABIN  
Chartered Accountants

## BALANCE SHEET

As at December 31, 2015

|                                                                                    | Note | 31.12.2015<br>Taka     | 31.12.2014<br>Taka     |
|------------------------------------------------------------------------------------|------|------------------------|------------------------|
| <b>PROPERTY AND ASSETS</b>                                                         |      |                        |                        |
| <b>Cash</b>                                                                        | 3    | <b>16,252,789,565</b>  | <b>10,215,714,009</b>  |
| Cash in hand (including foreign currencies)                                        |      | 501,228,446            | 514,589,933            |
| Balance with Bangladesh Bank & its agent bank(s)<br>(including foreign currencies) |      | 15,751,561,119         | 9,701,124,076          |
| <b>Balance with other banks &amp; financial institutions</b>                       | 4    | <b>5,152,917,726</b>   | <b>2,078,779,132</b>   |
| In Bangladesh                                                                      |      | 4,119,264,828          | 1,168,373,653          |
| Outside Bangladesh                                                                 |      | 1,033,652,898          | 910,405,479            |
| <b>Money at Call on Short Notice</b>                                               | 5    | <b>3,610,000,000</b>   | <b>4,540,000,000</b>   |
| <b>Investments</b>                                                                 | 6    | <b>35,915,015,923</b>  | <b>30,680,554,273</b>  |
| Government                                                                         |      | 35,378,297,009         | 30,258,473,101         |
| Others                                                                             |      | 536,718,914            | 422,081,172            |
| <b>Loans &amp; Advances</b>                                                        | 7    | <b>128,807,012,281</b> | <b>89,392,858,838</b>  |
| Loans, Cash Credit & Overdraft etc.                                                |      | 127,685,544,764        | 88,480,971,622         |
| Bills purchased & discounted                                                       |      | 1,121,467,517          | 911,887,216            |
| <b>Fixed assets including premises, furniture and fixtures</b>                     | 8    | <b>514,229,099</b>     | <b>649,682,167</b>     |
| <b>Other assets</b>                                                                | 9    | <b>3,921,393,513</b>   | <b>33,560,937,978</b>  |
| Non-banking Assets                                                                 |      | -                      | -                      |
| <b>Total Assets</b>                                                                |      | <b>194,173,358,107</b> | <b>171,118,526,397</b> |
| <b>LIABILITIES AND CAPITAL</b>                                                     |      |                        |                        |
| <b>Borrowings from other banks, financial Institutions and agents</b>              | 10   | <b>2,482,940,170</b>   | <b>2,673,974,322</b>   |
| <b>Deposits and other accounts</b>                                                 | 11   | <b>148,167,229,641</b> | <b>139,934,056,098</b> |
| Current Accounts and other Accounts                                                |      | 4,734,855,036          | 3,588,638,795          |
| Bills Payable                                                                      |      | 619,958,708            | 1,036,757,426          |
| Savings Bank Deposits                                                              |      | 3,497,315,210          | 2,490,512,578          |
| Fixed Deposits                                                                     |      | 139,315,100,687        | 132,818,147,299        |
| Bearer Certificates of Deposit                                                     |      | -                      | -                      |
| Other Deposits                                                                     |      | -                      | -                      |
| <b>Other liabilities</b>                                                           | 12   | <b>17,576,102,244</b>  | <b>15,496,574,197</b>  |
| <b>Total Liabilities</b>                                                           |      | <b>168,226,272,055</b> | <b>158,104,604,617</b> |
| <b>Capital/Shareholders' Equity</b>                                                |      |                        |                        |
| Paid up Capital                                                                    | 13   | 10,846,982,500         | 2,946,982,500          |
| Statutory Reserve                                                                  | 14   | 2,224,690,642          | 2,224,690,642          |
| Other Reserve                                                                      | 15   | 17,595,795,867         | 9,422,270,022          |
| Retained (Loss)                                                                    | 16   | (4,720,382,957)        | (1,580,021,384)        |
| <b>Total Shareholders' Equity</b>                                                  |      | <b>25,947,086,052</b>  | <b>13,013,921,780</b>  |
| <b>Total Liabilities and Shareholders' Equity</b>                                  |      | <b>194,173,358,107</b> | <b>171,118,526,397</b> |



|                                                                       | Note | 31.12.2015<br>Taka    | 31.12.2014<br>Taka    |
|-----------------------------------------------------------------------|------|-----------------------|-----------------------|
| <b>OFF-BALANCE SHEET ITEMS</b>                                        |      |                       |                       |
| <b>CONTINGENT LIABILITIES</b>                                         |      |                       |                       |
|                                                                       | 17   |                       |                       |
| Acceptances and Endorsements                                          |      | 2,874,507,841         | 2,553,659,286         |
| Letters of Guarantee                                                  |      | 2,047,940,550         | 2,352,400,296         |
| Irrevocable Letters of Credit                                         |      | 5,696,129,284         | 9,577,460,909         |
| Bills for Collection                                                  |      | 461,746,219           | 281,448,977           |
| Other Contingent Liabilities                                          |      | 504,150,494           | 503,786,515           |
| <b>Total</b>                                                          |      | <b>11,584,474,388</b> | <b>15,268,755,983</b> |
| <b>OTHER COMMITMENTS</b>                                              |      |                       |                       |
| Documentary credit and short term trade-related transactions          |      | -                     | -                     |
| Forward assets purchased and forward deposits placed                  |      | -                     | -                     |
| Undrawn note issuance and revolving underwriting facilities           |      | -                     | -                     |
| Undrawn formal standby facilities, credit lines and other commitments |      | -                     | -                     |
| <b>Total</b>                                                          |      | <b>-</b>              | <b>-</b>              |
| <b>Total Off-Balance Sheet items including contingent liabilities</b> |      | <b>11,584,474,388</b> | <b>15,268,755,983</b> |

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

|                                                                                     |                                                                                     |                                                                                      |                                                                                       |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
|  |  |  |  |
| Managing Director                                                                   | Director                                                                            | Director                                                                             | Chairman                                                                              |

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

|                          |                                                                                                                                 |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Dhaka,<br>April 28, 2016 | <br><b>ACNABIN</b><br>Chartered Accountants |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------|

## PROFIT & LOSS ACCOUNT

For the year ended December 31, 2015

|                                                              | Note | 2015<br>Taka           | 2014<br>Taka           |
|--------------------------------------------------------------|------|------------------------|------------------------|
| Interest income                                              | 18   | 8,218,241,570          | 12,070,318,759         |
| Interest paid on deposits and borrowings etc.                | 19   | (11,359,027,543)       | (13,466,228,473)       |
| <b>Net interest income</b>                                   |      | <b>(3,140,785,973)</b> | <b>(1,395,909,714)</b> |
| Investment income                                            | 20   | 2,628,103,917          | 2,187,664,336          |
| Commission, exchange and brokerage                           | 21   | 552,403,193            | 658,524,734            |
| Other operating income                                       | 22   | 116,215,557            | 125,607,548            |
| <b>Total operating income</b>                                |      | <b>155,936,694</b>     | <b>1,575,886,904</b>   |
| Salary and allowances                                        | 23   | 1,938,132,789          | 1,855,358,487          |
| Rent, taxes, insurance, electricity etc.                     | 24   | 323,999,278            | 304,448,876            |
| Legal expenses                                               | 25   | 13,318,728             | 11,349,435             |
| Postage, stamp, telecommunication etc.                       | 26   | 49,153,957             | 62,636,177             |
| Stationery, Printings, Advertisements etc.                   | 27   | 38,724,631             | 74,816,184             |
| Managing Director's salary and fees                          | 28   | 5,000,000              | 3,332,193              |
| Directors' fees                                              | 29   | 1,626,018              | 1,220,710              |
| Auditors' fees                                               |      | 920,000                | 974,500                |
| Depreciation of bank's assets                                | 30   | 154,576,891            | 181,716,223            |
| Repair of bank's assets                                      | 31   | 33,199,872             | 34,893,976             |
| Other expenses                                               | 32   | 161,531,141            | 169,517,705            |
| <b>Total operating expenses</b>                              |      | <b>2,720,183,305</b>   | <b>2,700,264,466</b>   |
| <b>Profit/(Loss) before provision</b>                        |      | <b>(2,564,246,611)</b> | <b>(1,124,377,562)</b> |
| Provision for loan                                           | 33   | 36,211,335             | -                      |
| Provision (excess provision) for Off Balance Sheet Exposures | 34   | (36,211,335)           | -                      |
| Provision for diminution in value of investments             |      | -                      | (9,142,148)            |
| Provision for Protested Bill                                 |      | -                      | -                      |
| Provision for other assets                                   |      | 624,081,394            | -                      |
| <b>Total provision</b>                                       |      | <b>624,081,394</b>     | <b>(9,142,148)</b>     |
| <b>Total Profit/(Loss) before taxes</b>                      |      | <b>(3,188,328,005)</b> | <b>(1,115,235,414)</b> |
| Provision for Current Tax                                    | 35   | 34,544,893             | 45,340,678             |
| Provision for Deferred Tax                                   | 36   | (82,511,325)           | (60,415,918)           |
| <b>Net Profit/(Loss) after Taxation</b>                      |      | <b>(3,140,361,573)</b> | <b>(1,100,160,174)</b> |

**Appropriations:**

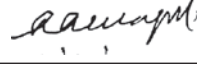
|                         |    |                 |                 |
|-------------------------|----|-----------------|-----------------|
| Statutory Reserve       | 14 | -               | -               |
| General Reserve         |    | -               | -               |
| Dividends etc.          |    | -               | -               |
| Retained (Deficit)      |    | (3,140,361,573) | (1,100,160,174) |
|                         |    | (3,140,361,573) | (1,100,160,174) |
| Earning Per Share (EPS) | 38 | (28.95)         | (37.33)         |

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

  
**Managing Director**

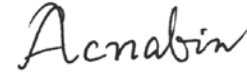
  
**Director**

  
**Director**

  
**Chairman**

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

Dhaka,  
 April 28, 2016

  
**ACNABIN**  
 Chartered Accountants

**CASH FLOW STATEMENT****For the year ended December 31, 2015**

|                                                                                   | <b>2015<br/>Taka</b>   | <b>2014<br/>Taka</b>   |
|-----------------------------------------------------------------------------------|------------------------|------------------------|
| <b><u>Cash flows from operating activities</u></b>                                |                        |                        |
| Interest receipts in cash                                                         | 10,539,024,178         | 13,595,394,274         |
| Interest payments                                                                 | (12,423,957,543)       | (14,150,491,832)       |
| Dividends receipts                                                                | 19,546,131             | 20,578,916             |
| Fee and commission receipts in cash                                               | 552,403,193            | 658,524,734            |
| Recoveries of loans previously written off                                        | 4,593,600              | 8,323,440              |
| Cash payments to employees                                                        | (1,809,762,809)        | (1,762,070,126)        |
| Cash payments to suppliers                                                        | (38,724,631)           | (74,816,184)           |
| Income taxes paid                                                                 | (41,988,385)           | (357,935,126)          |
| Receipts from other operating activities (item- wise)                             | 111,621,957            | 114,455,901            |
| Payments for other operating activities (item-wise)                               | (583,748,994)          | (585,041,379)          |
| <b>Operating (loss)/profit before changes in operating assets and liabilities</b> | <b>(3,670,993,303)</b> | <b>(2,533,077,382)</b> |
| <b><u>(Increase)/Decrease in operating assets and liabilities</u></b>             | <b>(3,937,634,572)</b> | <b>(4,252,434,277)</b> |
| Statutory deposits                                                                | -                      | -                      |
| Purchase/sale of trading securities                                               | (5,160,935,805)        | (2,841,922,743)        |
| Loans & advances to customers                                                     | (39,414,153,444)       | 20,035,580,317         |
| Other assets (item-wise)                                                          | 30,007,275,478         | (29,789,464,957)       |
| Deposits from other banks                                                         | 3,661,137,938          | 2,238,836,847          |
| Deposits from customers                                                           | 4,572,035,606          | 3,201,771,729          |
| Other liabilities (item-wise)                                                     | 2,397,005,655          | 2,902,764,530          |
| <b>Net cash (used in)/flow from operating activities</b>                          | <b>(7,608,627,875)</b> | <b>(6,785,511,659)</b> |
| <b><u>Cash flows from investing activities</u></b>                                |                        |                        |
| Proceeds from Sale of Securities                                                  | -                      | -                      |
| Cash Payments for Purchase of Securities                                          | -                      | -                      |
| Purchase of property, plant & equipment                                           | (19,130,673)           | (108,753,953)          |
| Sales of property, plant & equipment                                              | 6,850                  | 3,265,297              |
| <b>Net cash from investing activities</b>                                         | <b>(19,123,823)</b>    | <b>(105,488,656)</b>   |

### **Cash flows from financing activities**

|                                                     |                       |                      |
|-----------------------------------------------------|-----------------------|----------------------|
| Increase/(Decrease) of Long Term Borrowing          | (191,034,152)         | (131,884,937)        |
| Receipt from Government                             | 16,000,000,000        | 7,900,000,000        |
| Conversion of borrowing into reserve                | -                     | -                    |
| Payment of Dividend                                 | -                     | -                    |
| <b>Net cash from/(used in) financing activities</b> | <b>15,808,965,848</b> | <b>7,768,115,063</b> |

|                                                              |                       |                       |
|--------------------------------------------------------------|-----------------------|-----------------------|
| Net increase/decreasing cash                                 | 8,181,214,150         | 877,114,748           |
| Effects of Exchange Rate Changes on Cash and Cash Equivalent | -                     | -                     |
| Cash and cash equivalents at beginning period                | 16,834,493,141        | 15,957,378,393        |
| <b>Cash and cash equivalents at end of period</b>            | <b>25,015,707,291</b> | <b>16,834,493,141</b> |

### **Analysis of cash and cash equivalents at end of period**

|                                                             |                       |                       |
|-------------------------------------------------------------|-----------------------|-----------------------|
| Cash in hand and balance with Bangladesh Bank & Sonali Bank | 16,252,789,565        | 10,215,714,009        |
| Balance with other banks & financial institutions           | 5,152,917,726         | 2,078,779,132         |
| Money at call on Short Notice                               | 3,610,000,000         | 4,540,000,000         |
|                                                             | <b>25,015,707,291</b> | <b>16,834,493,141</b> |

  
**Managing Director**

  
**Director**

  
**Director**

  
**Chairman**

Dhaka  
 April 28, 2016



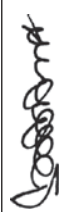
## STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2015

| Particulars                                                      | Paid-up Capital       | Statutory Reserve    | Other Reserve                                |                   |                       |                     |                          |                                                       | Retained (Loss)        | Total Equity          |
|------------------------------------------------------------------|-----------------------|----------------------|----------------------------------------------|-------------------|-----------------------|---------------------|--------------------------|-------------------------------------------------------|------------------------|-----------------------|
|                                                                  |                       |                      | Non-cumulative irredeemable preference share | General Reserve   | Share Money deposit   | Gain on Revaluation | Amortization of discount | "Loss on Revaluation/A mortization of HTM securities" |                        |                       |
|                                                                  | Taka                  | Taka                 | Taka                                         | Taka              | Taka                  | Taka                | Taka                     | Taka                                                  | Taka                   | Taka                  |
| Balance as at 01 January 2015                                    | 2,946,982,500         | 2,224,690,642        | 1,205,000,000                                | 40,000,000        | 7,900,000,000         | 278,031,135         | 8,283,285                | (9,044,398)                                           | (1,580,021,384)        | 13,013,921,780        |
| Net Profit for the Year                                          | -                     | -                    | -                                            | -                 | -                     | -                   | -                        | -                                                     | (3,140,361,573)        | (3,140,361,573)       |
| Increase of Revaluation Reserve for Securities during the year   | -                     | -                    | -                                            | -                 | -                     | 507,778,474         | 3,947,114                | (12,734,325)                                          | -                      | 498,991,263           |
| Adjustment of Revaluation Reserve for Securities during the year | -                     | -                    | -                                            | -                 | -                     | (423,842,240)       | (1,623,771)              | 593                                                   | -                      | (425,465,418)         |
| Transferred to Other Reserve                                     | -                     | -                    | -                                            | -                 | -                     | -                   | -                        | -                                                     | -                      | -                     |
| Cash Dividend Paid during the year                               | -                     | -                    | -                                            | -                 | -                     | -                   | -                        | -                                                     | -                      | -                     |
| Dividend Distribution Tax                                        | -                     | -                    | -                                            | -                 | -                     | -                   | -                        | -                                                     | -                      | -                     |
| Issue of share capital                                           | 7,900,000,000         | -                    | -                                            | -                 | (7,900,000,000)       | -                   | -                        | -                                                     | -                      | -                     |
| Share Money received during the year                             | -                     | -                    | -                                            | -                 | 16,000,000,000        | -                   | -                        | -                                                     | -                      | 16,000,000,000        |
| Issuance of bonus share                                          | -                     | -                    | -                                            | -                 | -                     | -                   | -                        | -                                                     | -                      | -                     |
| Free Reserve                                                     | -                     | -                    | -                                            | -                 | -                     | -                   | -                        | -                                                     | -                      | -                     |
| <b>Balance as at December 31, 2015</b>                           | <b>10,846,982,500</b> | <b>2,224,690,642</b> | <b>1,205,000,000</b>                         | <b>40,000,000</b> | <b>16,000,000,000</b> | <b>361,967,369</b>  | <b>10,606,628</b>        | <b>(21,778,130)</b>                                   | <b>(4,720,382,957)</b> | <b>25,947,086,052</b> |
| Balance as at 01 January 2014                                    | 2,946,982,500         | 2,224,690,642        | 1,205,000,000                                | 40,000,000        | -                     | 128,041,841         | 4,629,683                | (30,306,919)                                          | (479,861,210)          | 6,039,176,537         |
| Net Profit for the Year                                          | -                     | -                    | -                                            | -                 | -                     | 493,737,168         | 3,653,602                | (9,337,161)                                           | (1,100,160,174)        | (1,100,160,174)       |
| Increase of Revaluation Reserve for Securities during the year   | -                     | -                    | -                                            | -                 | -                     | (343,747,874)       | -                        | 30,599,682                                            | -                      | 488,053,609           |
| Adjustment of Revaluation Reserve for Securities during the year | -                     | -                    | -                                            | -                 | -                     | -                   | -                        | -                                                     | -                      | (313,148,192)         |
| Transferred to Other Reserve                                     | -                     | -                    | -                                            | -                 | -                     | -                   | -                        | -                                                     | -                      | -                     |
| Cash Dividend Paid during the year                               | -                     | -                    | -                                            | -                 | -                     | -                   | -                        | -                                                     | -                      | -                     |
| Dividend Distribution Tax                                        | -                     | -                    | -                                            | -                 | -                     | -                   | -                        | -                                                     | -                      | -                     |
| Issue of share capital                                           | -                     | -                    | -                                            | -                 | 7,900,000,000         | -                   | -                        | -                                                     | -                      | -                     |
| Share Money received during the year                             | -                     | -                    | -                                            | -                 | -                     | -                   | -                        | -                                                     | -                      | 7,900,000,000         |
| Issuance of bonus share                                          | -                     | -                    | -                                            | -                 | -                     | -                   | -                        | -                                                     | -                      | -                     |
| Free Reserve                                                     | -                     | -                    | -                                            | -                 | -                     | -                   | -                        | -                                                     | -                      | -                     |
| <b>Balance as at December 31, 2014</b>                           | <b>2,946,982,500</b>  | <b>2,224,690,642</b> | <b>1,205,000,000</b>                         | <b>40,000,000</b> | <b>7,900,000,000</b>  | <b>278,031,135</b>  | <b>8,283,285</b>         | <b>(9,044,398)</b>                                    | <b>(1,580,021,384)</b> | <b>13,013,921,780</b> |

Dhaka

April 28, 2016

  
Managing Director

  
Director

  
Director

  
Chairman

# **LIQUIDITY STATEMENT** (Asset and Liability Maturity Analysis)

**As at December 31, 2015**

| (Amount in Taka)                                      |                       |                         |                         |                       |                       |                        |
|-------------------------------------------------------|-----------------------|-------------------------|-------------------------|-----------------------|-----------------------|------------------------|
| Particulars                                           | Up to 01 month        | 1 - 3 months            | 3 - 12 months           | 1 - 5 years           | More than 5 years     | Total                  |
| <b>Assets</b>                                         |                       |                         |                         |                       |                       |                        |
| Cash in hand                                          | 7,642,535,604         | -                       | -                       | -                     | 8,610,253,960         | 16,252,789,565         |
| Balance with other banks and financial institutions   | 4,354,327,924         | 200,000,000             | 450,000,000             | 148,589,803           | -                     | 5,152,917,726          |
| Money at call on short notice                         | 3,610,000,000         | -                       | -                       | -                     | -                     | 3,610,000,000          |
| Investment                                            | 15,525,153,983        | -                       | 1,907,199,814           | 8,981,109,174         | 9,501,552,952         | 35,915,015,923         |
| Loans and Advances                                    | 9,822,659,147         | 10,334,260,886          | 25,263,736,045          | 45,000,490,739        | 38,385,865,464        | 128,807,012,281        |
| Fixed assets including premises, furniture & fixtures | 12,146,376            | 25,762,815              | 116,667,700             | 241,687,677           | 117,964,531           | 514,229,099            |
| Other assets                                          | -                     | -                       | -                       | 3,921,393,513         | -                     | 3,921,393,513          |
| Non-banking assets                                    | -                     | -                       | -                       | -                     | -                     | -                      |
| <b>Total Assets</b>                                   | <b>40,966,823,034</b> | <b>10,560,023,701</b>   | <b>27,737,603,559</b>   | <b>58,293,270,906</b> | <b>56,615,636,907</b> | <b>194,173,358,107</b> |
| <b>Liabilities</b>                                    |                       |                         |                         |                       |                       |                        |
| Borrowing from Bangladesh Bank, other banks           | 800,000               | 1,600,000               | 7,200,000               | 38,400,000            | 2,434,940,170         | 2,482,940,170          |
| financial institutions and agents                     |                       |                         |                         |                       |                       |                        |
| Deposits & Other accounts                             | 35,996,668,552        | 20,265,559,967          | 76,475,859,793          | 10,254,482,674        | 5,174,658,656         | 148,167,229,641        |
| Provision and other liabilities                       | 462,837,539           | 394,014,113             | 8,048,434,447           | 1,755,169,418         | 6,915,646,727         | 17,576,102,244         |
| <b>Total Liabilities</b>                              | <b>36,460,306,091</b> | <b>20,661,174,080</b>   | <b>84,531,494,240</b>   | <b>12,048,052,092</b> | <b>14,525,245,553</b> | <b>168,226,272,055</b> |
| <b>Net Liquidity Gap</b>                              | <b>4,506,516,943</b>  | <b>(10,101,150,379)</b> | <b>(56,793,890,681)</b> | <b>46,245,218,814</b> | <b>42,090,391,354</b> | <b>25,947,086,052</b>  |

*[Signature]*

Chairman

*[Signature]*

Director

*[Signature]*

Director

*[Signature]*

Managing Director

Dhaka  
April 28, 2016

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2015

### 1. The Bank and its activities

- 1.1 The BASIC Bank Limited ("the Bank") was incorporated as a banking company under the eastwhile Companies Act, 1913. In 2001 the Bank changed its earlier name 'Bank of Small Industries and Commerce Bangladesh Limited' and registered the new name with the Registrar of Joint Stock Companies and Firms. Initially the Bank started its operation as a joint venture organization of the then BCC foundation, a welfare trust in Bangladesh and the Government of the People's Republic of Bangladesh. On 4 June 1992 the Government of Bangladesh took over 70% shares held by the then BCC Foundation and became the sole owner of the Bank. It operates with 68 branches in Bangladesh. The registered office of the Bank is located at 73 Motijheel C/A, Dhaka-1000.

### 1.2 Objectives

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

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

#### Basis of preparation

#### 2.1 Statement of compliance

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

#### i) Investment in shares and securities

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

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are 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; otherwise investments are recognised at cost.

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

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

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

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

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

**Bangladesh Bank:** As per BRPD Circular No. 14 (23 September 2012), BRPD Circular No. 19 (27 December 2012), BRPD Circular No. 05 (29 May 2013) and BRPD Circular No. 16 (18 November 2014) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

iv) **Recognition of interest in suspense**

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

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

**v) Other comprehensive income**

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

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

**vi) Financial instruments – presentation and disclosure**

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

**vii) Financial guarantees**

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

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

**viii) Cash and cash equivalent**

**BFRS:** Cash and cash equivalent items should be reported as cash item as per BAS 7.

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



**ix) Non-banking asset**

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

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

**x) Cash flow statement**

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

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

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

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

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

**xii) Presentation of intangible asset**

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

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

**xiii) Off-balance sheet items**

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

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

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

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

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

## 2.2 Use of estimates and judgments

The preparation of the financial statements of the Bank in conformity with BFRSs require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

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

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

## 2.3 Foreign currency transaction

### a) Foreign currency

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

### b) Foreign currencies translation

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per BAS-21 "The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into Taka at weighted average rate of inter bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are initially translated into equivalent US Dollar at buying rates taken from Reuters and then retranslated from US Dollar into equivalent Taka in the same specified above.

**c) Commitments**

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

**d) Transaction gains and losses**

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

**2.4 Cash flow Statement**

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

**2.5 Liquidity statement**

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

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

**2.6 Statement of changes in equity**

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

## 2.7 Reporting period

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

## 2.8 Offsetting

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

## 2.9 Assets and basis of their valuation

### 2.9.1 Cash and cash equivalents

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

### 2.9.2 Loans, advances and provisions

Loans and advances are stated in the balance sheet on gross basis. General provisions on unclassified loans and contingent assets, specific provisions for classified loans and interest suspense account thereon are shown under other liabilities. 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, BRPD Circular No. 19 dated 27 December 2012, BRPD Circular No. 05 dated 29 May 2013 and BRPD Circular No. 16 dated 18 November 2014. The rates for provisions are stated below:

| Particulars                 |                                                                         | Provision Rate |
|-----------------------------|-------------------------------------------------------------------------|----------------|
| <b>General provision on</b> |                                                                         |                |
| a.                          | Consumer Financing (House Financing)                                    | 2%             |
| b.                          | Consumer Financing (Loans to Professional)                              | 2%             |
| c.                          | Consumer Financing (Other than house finance and loans to professional) | 5%             |
| d.                          | Small and Medium Enterprise Financing (SMEF)                            | 0.25%          |
| e.                          | Short Term Agriculture & Micro Credit                                   | 2.50%          |
| f.                          | Loans to BHs/ MBs/ Sds against Shares etc                               | 2%             |
| g.                          | All other Credit                                                        | 1%             |
| h.                          | Special Mention Account                                                 | 0.25% to 5%    |

| Specific provision on |                                                      |      |
|-----------------------|------------------------------------------------------|------|
| a.                    | Substandard Loans and Advances                       |      |
|                       | i. Short Term Agri Credit & Micro Credit             | 5%   |
|                       | ii. Other than Short Term Agri Credit & Micro Credit | 20%  |
| b.                    | Doubtful Loans and Advances                          |      |
|                       | i. Short Term Agri Credit & Micro Credit             | 5%   |
|                       | ii. Other than Short Term Agri Credit & Micro Credit | 50%  |
| c.                    | Bad & Loss Loans and Advances                        | 100% |

### 2.9.3 Investments

Investments have been initially recognised at cost, including acquisition charges associated with the investment. Premiums have been amortised and discount accredited, using the effective or historical yield method. The investment in government securities (Treasury bills & bonds) are classified into Held to Maturity (HTM) & Held for Trading (HFT) as per Bangladesh Bank's guidelines contained in DOS Circular Letter No. 05 dated 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)

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

#### Held for Trading (HFT)

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



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

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

### Investment in listed (quoted) 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 unlisted (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.

## 2.9.4 Fixed assets

### Recognition and measurement

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

## Depreciation

Items of fixed assets are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Depreciation is charged for the year at the following rates on reducing balance method on all fixed assets other than vehicles, software and all fixed assets of ATM related on which straight line depreciation method is followed:

| Category of fixed assets | Rate | Method of Depreciation                          |
|--------------------------|------|-------------------------------------------------|
| 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      | 1%   | Straight line method over the lease hold period |

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

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

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

### 2.9.5 Intangible assets

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

Initial cost comprises license fees paid at the time of purchase and other directly attributable expenditure that are incurred in customizing the software for its intended use. Subsequent expenditure on intangible asset is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred."

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

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

#### **2.9.6 Other assets**

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

#### **2.9.7 Receivables**

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

#### **2.9.8 Inventories**

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

#### **2.9.9 Leasing**

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

#### **2.9.10 Non-banking assets**

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

#### **2.9.11 Reconciliation of inter-bank and inter-branch account**

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

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

### **2.10 Share capital**

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

**2.11 Statutory reserve**

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

**2.12 Deposits and other accounts**

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

**2.13 Borrowings from other banks, financial institutions and agents**

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

**2.14 Basis for valuation of liabilities and provisions****2.14.1 Provision for current taxation**

Provision for current income tax has been made as per prescribed rate in the Finance Ordinance, 2015 on the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure as per income tax laws in compliance with BAS-12 "Income Taxes".

**2.14.2 Provision for deferred taxation**

"Deferred tax is recognized in compliance with BAS 12 "Income Taxes" and BRPD Circular no. 11 dated 12 December 2011, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the date of balance sheet. Deferred tax assets and liabilities are offset as there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each date of balance sheet and are reduced to the extent that it is no longer probable that the related tax benefit will be realized."

### 2.14.3 Benefits to the employees

The retirement benefits 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 who have completed at least eight years of service.

#### c) Benevolent Fund

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

#### d) Superannuation Fund

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

#### e) Welfare Fund

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



**2.14.4 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".

**2.14.5 Provision for Off-balance sheet exposures**

Off-balance sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank guidelines. In accordance with BRPD circular no.14 dated 23 September 2012, general provision @ 1% has been made on the outstanding balances of Off-Balance Sheet exposure of the Bank as at 31 December 2015. Provision is made on the total exposure and amount of cash margin or value of eligible collateral is not deducted while computing Off-Balance sheet exposure.

**2.14.6 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.

**2.15 Revenue recognition****2.15.1 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 and loss, interest ceases to apply and recorded in a memorandum account. Interest on classified advances is accounted for on a cash receipt basis.

**2.15.2 Investment income**

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

**2.15.3 Fees and commission income**

Fees, Commission and Exchange Income on services provided by the Bank are recognized as and when the related services are performed. Commission charged to customers on letter of credit and letter of guarantee are credited to Income at the time of effecting the transactions.

#### **2.15.4 Dividend income on shares**

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

#### **2.15.5 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.

### **2.16 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 Bangladesh Bank guidelines & following some best practices as under:

#### **a) Credit risk**

It arises mainly from lending, trade finance, leasing and treasury businesses. It can be described as the potential loss arising from the failure of a counter party to perform as per contractual agreement with the Bank. The failure may result from unwillingness of the counterparty or deterioration in his or her financial condition.

The bank has six credit divisions namely Industrial Credit Division (ICD), Commercial Credit Division (CCD), Micro Credit and Special Finance Division (MCSFD), Small Enterprise Division (SED), Consumer Finance Division (CFD) and Trade Finance Division (TFD) focused on different areas/sectors of the economy and entrusted with the duties of Credit Appraisal to ensure the merit of loan proposals. The bank ensures strict management of credit quality by analyzing/assessing borrower risk an historical repayment performance of the borrower, historical and projected financial statements, industry outlook, collateral coverage of the proposed credit facility, market reputation of the borrower and any other relevant aspects. To manage its credit risk at a tolerable level, the Bank prepares an Annual Credit Budget where the amount of loan to each sector is allocated on yearly basis. Budgeted allocation to each sector is monitored or adjusted periodically on the basis of national economic trends, business or sector viability, the bank's credit position and profitability, the central bank's regulations and guidelines, availability of investable fund and so on. Moreover, total aggregate loan and advances of branches are allocated and controlled on the basis of the credit budget. The bank also has a Credit Administration Division (CAD) that oversees and ensures proper documentation pertaining to the approved credit facilities.

The Bank takes its lending decision based on the credit risk assessment report by the appraisal team. In determining Single borrower / Large loan limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted at 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.

**b) Liquidity risk**

The object of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. To this end, the Bank is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional 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. A Mid Office Division has also been created as per requirement of Bangladesh Bank. The Liquidity management is monitored by Asset Liability Committee (ALCO) on a regular basis. A written contingency plan is in place to manage extreme situation.

**c) Market risk**

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

**Foreign exchange risk**

Foreign exchange risk is defined as the potential change in earnings due to change in market prices. The foreign exchange risk of the Bank is 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, Back Office of Treasury is responsible for verification of the deals & passing of their entries in the books of account and Mid Office of Treasury monitors dealer's adherence to various internal, regulatory and counter party limits. 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.

#### **d) 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 and Terrorist Financing has been identified as a major threat to the financial services community. The management of the Bank has taken prevention of money laundering and terrorist financing as part of the Bank's risk management strategies. Anti-Money Laundering Guideline and 'Prevention of Terrorist Financing Policy' of the Bank was approved by the Board of Directors of the Bank in its 188th meeting held on 31 Jan 2006 & subsequently revised by the Board of Directors of the Bank in its 318th meeting held on 27 Dec 2012.

The Bank has established a separate division namely Anti-Money Laundering Division (AMLDD) for mitigating Money Laundering and Terrorist Financing related risks. One of the Deputy Managing Directors is acting as the Chief Anti-Money Laundering Compliance Officer (CAMLCO) of the Bank. In addition, Central Compliance Unit (CCU) has been formed to develop and review institutional strategy and program for preventing money laundering and terrorist financing of the Bank. Our Audit and Inspection Division conducts audit for an effective Anti Money Laundering System Check throughout the year. Moreover, members of CCU and employees of AMLDD pay visit to Branches to supervise the AML procedures and functions at branch level as and when required. AMLDD is continuously monitoring and reviewing overall Bank's compliance to prevent ML/TF risks. A draft "Money Laundering and Terrorist Financing Risk Assessment Guidelines" have been prepared for assessing and mitigating ML/TF risks of the Bank. The Guidelines is going to be placed before the Board of Directors for approval. Besides, a senior level executive from each Branch is working as a Branch Anti-Money Laundering Compliance Officer (BAMLCO). Sound Know Your Customer (KYC) and Transaction Monitoring Policies are in place to recognize the risk associated with accounts.

Bangladesh Bank has implemented goAML software for CTR and STR reporting purpose. Bank is providing CTR/STR data through goAML software on regular basis. It is the requirement of Bangladesh Bank 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.

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

**e) Operational risk**

Operational risk may arise from error and fraud due to lack of internal control and compliance. Management through Compliance Division controls operational procedure of the Bank. Audit and Inspection 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 Compliance Division.

**f) Asset Liability Management**

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

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

**g) ICT Risk Management**

ICT risk refers to the potential of ensuing harmful effects that an organization may 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 in compliance with ICT security guidelines of Bangladesh Bank covering various aspects of ICT risk management. Based on the policy the Bank has taken necessary measures for mitigating ICT risk and impending hazards through implementing proper strategies and processes of identifying, appreciating, analyzing and assessing the same. The Bank has also taken necessary initiatives which would make a positive impact on improving ICT segment of core risk+B2Bs management. All observations by Bangladesh Bank, related to ICT



segment of core risks management are being complied in time. Necessary measures are also being taken to minimize manual intervention, as much as possible, by implementing automatic handling of network level and server level failure. Moreover, necessary initiatives are also being taken to comply with the ICT related issues mentioned in the circular of Bangladesh Bank regarding Self-Assessment of Anti Fraud Internal Controls. Internal ICT audit by Audit and Inspection Division of Head Office in different branches of the Bank are being carried out regularly. The ICT Systems of BASIC Bank Limited may have weaknesses/vulnerabilities and wrong configurations in internal/external networks, operating systems, web servers, web applications, databases etc. As a result, BASIC Bank has taken initiatives to perform the job of Vulnerability Assessment (VA), Penetration Test (PT) and Configuration Review (CR) to identify weaknesses/vulnerabilities of the ICT Systems of the Bank so that appropriate actions can be taken to correct/mitigate these threats/risks.

#### **h) Internal Control and Compliance**

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

#### **i) Fraud & Forgeries**

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

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

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

### **2.17 Earnings per share (EPS)**

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

### **2.18 Events after the reporting period**

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

### **2.19 Directors' responsibility on statement**

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

#### **Memorandum items**

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

## Capital Expenditure Commitment

There was no capital expenditure contracted but incurred or provided for at 31 December 2015. Besides, there was no material capital expenditure authorized by the board but not contracted for at 31 December 2015.

### 2.20 Related party disclosures

As per BAS 24 "Related Party Disclosures", a related party is a person or entity that is related to the entity (i.e. BASIC Bank Limited) that is preparing its financial statements. Related party transaction is a transfer of resources, services, or obligations between a reporting entity and a related party, regardless of whether a price is charged as per BAS 24.

Related Parties include the Bank's Directors, key management personnel, associates, companies under common directorship etc. as per BAS 24 "Related Party Disclosures". All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible

### 2.21 Board of Directors

| Name                         | Status            | Other Position                                                                                                    |
|------------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------|
| "Mr. Alauddin A. Majid"      | Chairman          | "Ex-Chairman, BKB<br>Ex-Director, BKB, Ex-Independent Director, IPDC<br>Ex-Managing Director, BASIC Bank Limited" |
| Mr. Kazi Shofiqul Azam       | Director          | "Additional Secretary<br>Economic Relations Division<br>Ministry of Finance"                                      |
| Ms. Parag                    | Director          | "Additional Secretary<br>Ministry of Industries"                                                                  |
| Mr. Hasan Mahmood, FCA       | Director          | "Partner, M. J. Abedin & Co.<br>Chartered Accountants"                                                            |
| Ms. Raihana Aneesa Yusuf Ali | Director          | "Ex-Managing Director<br>Bangladesh House Building Finance Corporation "                                          |
| Mr. Md. Mamun-Al-Rashid      | Director          | "Joint Secretary<br>Bank and Financial Institutions Division<br>Ministry of Finance"                              |
| Mr. Khondoker Md. Iqbal      | Managing Director | "Ex-Managing Director<br>Karmasangstan Bank"                                                                      |

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

## Audit Committee

Members of the Audit Committee of the Board of Directors:

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

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

## 2.23 Risk Management Committee

| Name                         | Status   | Educational Qualification                      |
|------------------------------|----------|------------------------------------------------|
| Ms. Raihana Aneesa Yusuf Ali | Chairman | M.A. (Economics)                               |
| Mr. Md. Mamun-Al-Rashid      | Member   | M.Com in Management, M.A in Government Finance |

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

## 2.24 Executive Committee

| Name                         | Status            | Educational Qualification                      |
|------------------------------|-------------------|------------------------------------------------|
| Mr. Alauddin A. Majid        | Chairman          | Masters of Agricultural Economics              |
| Ms. Raihana Aneesa Yusuf Ali | Director          | M.A. (Economics)                               |
| Mr. Md. Mamun-Al-Rashid      | Director          | M.Com in Management, M.A in Government Finance |
| Mr. Khondoker Md. Iqbal      | Managing Director | B.Com (Hons), M.Com in Accounting              |

## 2.25 Head Office Management Committee

Members of the Head Office Management Committee

| SL. # | Name                            | Designation                                   | Status   |
|-------|---------------------------------|-----------------------------------------------|----------|
| 1     | Mr. Khondoker Md. Iqbal         | Managing Director                             | Chairman |
| 2     | Mr. Kanak Kumar Purkayastha     | Deputy Managing Director                      | Member   |
| 3     | Mr. A. Q. M. Kibriya            | Deputy Managing Director                      | Member   |
| 4     | Mr. Md. Zainul Abedin Choudhury | General Manager                               | Member   |
| 5     | Mr. Md. Wahidul Alam            | General Manager                               | Member   |
| 6     | Mr. Golam Faruk Khan            | General Manager                               | Member   |
| 7     | Mr. Hasan Tanvir                | General Manager                               | Member   |
| 8     | Mr. Md. Moniruzzaman            | General Manager                               | Member   |
| 9     | Mr. Md. Emdadul Hoque           | General Manager                               | Member   |
| 10    | Mr. Md. Ismail                  | General Manager                               | Member   |
| 11    | Mr. Khan Iqbal Hasan            | General Manager                               | Member   |
| 12    | Mr. Md. Omar Faruque            | DGM, AID                                      | Member   |
| 13    | Mr. Abu Md. Mofazzal            | DGM, ICTD                                     | Member   |
| 14    | Mr. Jan-E-Alam Sheikh           | DGM, MOD                                      | Member   |
| 15    | Mr. Md. Masum Uddin Khan        | DGM, RD                                       | Member   |
| 16    | Mr. Niranjana Chandra Debnath   | DGM, FAD, (Additional Charge), RMD            | Member   |
| 17    | Mr. Saifur Rahman               | DGM, TD                                       | Member   |
| 18    | Mr. Md. Masudul Alam            | DGM, CCD                                      | Member   |
| 19    | Ms. Helena Perveen              | DGM, CFD                                      | Member   |
| 20    | Mr. Md. Hasan Imam              | Company Secretary & Member<br>Secretary, HOMC | Member   |
| 21    | Mr. Mahabubul Alam              | DGM, BCD                                      | Member   |
| 22    | Mr. B.M. Kamruzzaman            | DGM, SMD                                      | Member   |
| 23    | Mr. Md. Humayun Kabir           | DGM, AFMD                                     | Member   |
| 24    | Mr. Niaz Musawwir Shah          | DGM, ED                                       | Member   |
| 25    | Mr. Md. Harunur Rashid          | DGM, DAD                                      | Member   |
| 26    | Ms. Mariom Begum                | DGM, CMSD                                     | Member   |
| 27    | Mr. Abdus Sabur                 | DGM, ICD                                      | Member   |
| 28    | Mr. Md. Al-Amin                 | DGM, HRD                                      | Member   |
| 29    | Mr. Md Mahmud Hasan             | DGM, AMCSFD                                   | Member   |
| 30    | Mr. Md. Abdul Gofur Talukder    | DGM, MD                                       | Member   |
| 31    | Mr. Md. Nurul Islam             | DGM, COD                                      | Member   |
| 32    | Mr. Md. Helal Uddin             | DGM, AMLD, MISD                               | Member   |
| 33    | Mr. Muhammad Imrul Islam        | DGM, CAD                                      | Member   |
| 34    | Mr. Sumit Ranjan Nath           | DGM, TFD                                      | Member   |
| 35    | Mr. Md. Zahir Uddin             | DGM, SED                                      | Member   |
| 36    | Mr. Md. Nasir Uddin             | AGM, CD                                       | Member   |
| 37    | Mr. Iftekhar Ahmed              | AGM, R&D                                      | Member   |
| 38    | Mr. Md. Shariful Islam          | AGM, BOD                                      | Member   |
| 39    | Mr. A.B.M. Zahid Hossain        | AFM, LID                                      | Member   |

The Head office Management committee conducted 12 (twelve) meetings during the year.



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

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

| 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 Reporting Period                             | 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      | N/A      |
| Investments in Associates                                     | 28      | N/A      |
| Interests in Joint Ventures                                   | 31      | N/A      |
| Financial Instruments: Presentation                           | 32      | Applied* |
| Earnings Per Share                                            | 33      | Applied  |
| Interim Financial Reporting                                   | 34      | Applied  |
| Impairment of Assets                                          | 36      | Applied  |
| Provisions, Contingent Liabilities and Contingent Assets      | 37      | Applied* |
| Intangible Assets                                             | 38      | Applied  |
| Financial Instruments: Recognition and Measurement            | 39      | Applied* |
| Investment Property                                           | 40      | N/A      |
| Agriculture                                                   | 41      | N/A      |

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

\* Subject to departure described in note 2.1

## 2.27 Corporate Social Responsibilities (CSR)

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

## 2.28 Regulatory and legal compliance

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

- i. The Bank Company Act (amendment) 2013
- ii. The Companies Act 1994
- iii. Rules, regulations and circulars issued by the Bangladesh Bank from time to time
- iv. The Income Tax Ordinance 1984 and Rules
- v. The Value Added Tax (VAT) 1991 and Rules
- vi. The Stamp Act-1899
- vii. The Customs Act-1969

- viii. The Money Laundering Prevention Act, 2012
- ix. The Anti Terrorism (Amendment) Act, 2012
- x. Labor Act, 2006 (amended in 2013) etc.

## 2.29 Approval of financial statements

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

## 2.30 General

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

|                                                             | 31.12.2015<br>Taka    | 31.12.2014<br>Taka    |
|-------------------------------------------------------------|-----------------------|-----------------------|
| <b>3. Cash</b>                                              |                       |                       |
| Cash in hand (including foreign currencies) (Note 3.1)      | 501,228,446           | 514,589,933           |
| Balance with Bangladesh Bank & its agent bank(s) (Note 3.2) | 15,751,561,119        | 9,701,124,076         |
|                                                             | <b>16,252,789,565</b> | <b>10,215,714,009</b> |
| <b>3.1 Cash in Hand (including foreign currencies)</b>      |                       |                       |
| In Local Currency (Note 3.1.(a))                            | 498,140,207           | 505,164,941           |
| In Foreign Currencies                                       | 3,088,239             | 9,424,992             |
|                                                             | <b>501,228,446</b>    | <b>514,589,933</b>    |
| <b>3.1(a) In Local Currency</b>                             |                       |                       |
| In Hand                                                     | 483,443,707           | 495,354,941           |
| In ATM                                                      | 14,696,500            | 9,810,000             |
|                                                             | <b>498,140,207</b>    | <b>505,164,941</b>    |

|                |                                                             | 31.12.2015<br>Taka    | 31.12.2014<br>Taka   |
|----------------|-------------------------------------------------------------|-----------------------|----------------------|
| <b>3.2</b>     | <b>Balance with Bangladesh Bank &amp; its agent bank(s)</b> |                       |                      |
|                | In Local Currency (Note 3.2.1)                              | 15,545,727,443        | 9,387,622,091        |
|                | In Foreign Currencies (Note 3.2.2)                          | 205,833,676           | 313,501,985          |
|                |                                                             | <b>15,751,561,119</b> | <b>9,701,124,076</b> |
| <b>3.2.1</b>   | <b>In Local Currency</b>                                    |                       |                      |
|                | Bangladesh Bank                                             | 15,406,599,713        | 9,300,830,839        |
|                | Sonali Bank (acting as agent of Bangladesh Bank)            | 139,127,730           | 86,791,252           |
|                |                                                             | <b>15,545,727,443</b> | <b>9,387,622,091</b> |
| <b>3.2.2</b>   | <b>In Foreign Currencies</b>                                |                       |                      |
|                | Bangladesh Bank - EURO                                      | 5,201,910             | 5,858,495            |
|                | Bangladesh Bank - GBP                                       | 5,884,235             | 2,236,349            |
|                | Bangladesh Bank (Western Union) - US\$                      | 645,567               | -                    |
|                | Bangladesh Bank - US\$                                      | 194,101,964           | 305,407,141          |
|                |                                                             | <b>205,833,676</b>    | <b>313,501,985</b>   |
| <b>3.2.2.1</b> | <b>Balance with Bangladesh Bank as per DB -5</b>            | <b>15,367,362,124</b> | <b>8,597,746,484</b> |

#### 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. Moreover, 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 25 August, 2005, MPD Circular No. 01 and 02 dated 4 May, 2010, MPD Circular No. 04 and 05 dated 1 December, 2010 and MPD Circular No.1 dated 23 June 2014.

The Cash Reserve Requirement on the Bank's time and demand liabilities at the rate of 6% upto 23 June 2014 and from 24 June 2014 the CRR has been calculated and maintained @ 6.5% with Bangladesh Bank in current account and 19% and 19.50% Statutory Liquidity Ratio, including CRR, on the same liabilities has also been maintained respectively 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:

|                                                                 | 31.12.2015<br>Taka    | 31.12.2014<br>Taka    |
|-----------------------------------------------------------------|-----------------------|-----------------------|
| <b>3.3.1 Cash Reserve Ratio (CRR)</b>                           |                       |                       |
| Required Reserve                                                | 8,610,253,956         | 8,499,772,212         |
| Actual reserve maintained                                       | 15,367,362,124        | 8,597,746,484         |
| <b>Surplus/(Deficit)</b>                                        | <b>6,757,108,168</b>  | <b>97,974,272</b>     |
| <b>Required (%)</b>                                             | <b>6.50%</b>          | <b>6.50%</b>          |
| <b>Maintained (%)</b>                                           | <b>11.60%</b>         | <b>6.57%</b>          |
| <b>3.3.2 Statutory Liquidity Reserve (SLR)</b>                  |                       |                       |
| Required Reserve                                                | 17,220,507,912        | 16,999,544,425        |
| Actual reserve maintained excluding CRR                         | 42,775,761,185        | 30,948,423,295        |
| <b>Surplus/(Deficit)</b>                                        | <b>25,555,253,273</b> | <b>13,948,878,870</b> |
| <b>Required (%)</b>                                             | <b>19%</b>            | <b>19%</b>            |
| <b>Maintained (%)</b>                                           | <b>32.29%</b>         | <b>23.67%</b>         |
| <b>4. Balance with other banks &amp; financial institutions</b> |                       |                       |
| In Bangladesh (Note 4.1)                                        | 4,119,264,828         | 1,168,373,653         |
| Outside Bangladesh (Nostro Accounts) (Note 4.2)                 | 1,033,652,898         | 910,405,479           |
|                                                                 | <b>5,152,917,726</b>  | <b>2,078,779,132</b>  |
| <b>4.1 In Bangladesh</b>                                        |                       |                       |
| <b>a. Current Account</b>                                       |                       |                       |
| Sonali Bank Limited                                             | 317,960               | 2,508,280             |
| Agrani Bank Limited                                             | 3,020,157             | 20,157                |
| Janata Bank Limited                                             | 6,459,198             | 1,049,638             |
| Rupali Bank Limited                                             | 77,282                | 2,219,020             |
|                                                                 | <b>9,874,597</b>      | <b>5,797,095</b>      |
| <b>b. STD Account</b>                                           |                       |                       |
| Sonali Bank Limited                                             | 1,453,097             | 17,663,182            |
| Agrani Bank Limited                                             | 2,467                 | 5,280                 |
| Janata Bank Limited                                             | 4,035,855             | 34,015                |
| Rupali Bank Limited                                             | 4,684,588             | 12,273,496            |
| Trust Bank Limited                                              | 614,522               | 3,836,387             |
| Premier Bank Limited                                            | 9,900                 | -                     |
|                                                                 | <b>10,800,429</b>     | <b>33,812,360</b>     |



|                                                                | 31.12.2015<br>Taka   | 31.12.2014<br>Taka   |
|----------------------------------------------------------------|----------------------|----------------------|
| <b>c. Other Deposit</b>                                        |                      |                      |
| Receivable from ICB Islami Bank Limited                        | 148,589,802          | 151,611,872          |
| <b>d. Fixed Deposit Account</b>                                |                      |                      |
| <b>i) FDR/Placement with Banks</b>                             |                      |                      |
| IFIC Bank Limited                                              | 1,000,000,000        | -                    |
| One Bank Limited                                               | 1,000,000,000        | -                    |
| BRAC Bank Limited                                              | 1,300,000,000        | -                    |
|                                                                | <b>3,300,000,000</b> | -                    |
| <b>ii) FDR/Placement with Non-Banks Financial Institutions</b> |                      |                      |
| BDH Finance Corporation Limited                                | 150,000,000          | -                    |
| BIFC                                                           | 100,000,000          | -                    |
| International Leasing and Finance                              | 200,000,000          | -                    |
| Investment Corporation of Bangladesh (ICB)                     | -                    | 777,152,326          |
| Reliance Finance Limited                                       | 200,000,000          | 200,000,000          |
|                                                                | <b>650,000,000</b>   | <b>977,152,326</b>   |
|                                                                | <b>4,119,264,828</b> | <b>1,168,373,653</b> |

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

|                                     |            |            |
|-------------------------------------|------------|------------|
| Banque de Commerce, Geneva-CHF      | 169,562    | 279,825    |
| Sonali Bank Kolkata-EURO            | 69,683     | 76,701     |
| Sonali Bank London (EUR)            | 15,586,927 | 12,144,605 |
| Bank of Tokyo-Mitsubishi London-GBP | 465,899    | 4,584,534  |
| Sonali Bank London (UKP)            | 327,411    | 1,175,245  |
| Bank of Tokyo Mitsubishi Japan      | 662,983    | 741,623    |

|                                  | 31.12.2015<br>Taka | 31.12.2014<br>Taka |
|----------------------------------|--------------------|--------------------|
| <b>Interest-bearing Accounts</b> |                    |                    |
| Arif Habib Rupali Bank           | 86,605             | 85,998             |
| Mashreq Bank India               | 49,465             | 47,949             |
| Mashreq Bank New York            | 364,634            | 29,004,972         |
| Sonali Bank Kolkata-USD          | 32,375,145         | 21,318,956         |
| Bank of Ceylon-USD               | 391,438            | 189,082            |
| CITI Bank New York (Export)-USD  | 315,779,629        | 652,540,249        |
| ICICI Bank Ltd.                  | 280,242            | 3,760,250          |
| Sonali bank London-USD           | 21,467,401         | 19,072,943         |
| AB Bank Ltd (USD)                | 10,592,009         | 436,573            |
| Habib Metropolitan Bank Ltd      | 3,802,751          | 608,559            |
| HDFC Bank Ltd                    | 3,178,714          | 442,332            |
| Standard Chartered Bank Mumbai   | -                  | 123,394            |
| Habib Bank AG, Zurich (Dubai)    | -                  | 163,771,689        |
|                                  | <b>405,650,498</b> | <b>910,405,479</b> |

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

**Term Placement**

|                                                |                      |                    |
|------------------------------------------------|----------------------|--------------------|
| BRAC Bank Ltd. (USD)                           | 314,001,200          | -                  |
| United Commercial Bank Ltd. (USD)              | 314,001,200          | -                  |
| <b>Total Term Placement</b>                    | <b>628,002,400</b>   | <b>-</b>           |
| <b>Grand total (Nostro and Term Placement)</b> | <b>1,033,652,898</b> | <b>910,405,479</b> |

**4.3 Maturity grouping of balances with other banks & financial institutions**

|                                         |                      |                      |
|-----------------------------------------|----------------------|----------------------|
| On demand                               | 1,054,327,924        | 915,690,222          |
| Upto 1 month                            | 3,300,000,000        | 777,664,679          |
| Over 1 month but not more than 3 months | 200,000,000          | 33,812,358           |
| Over 3 months but not more than 1 year  | 450,000,000          | 200,000,000          |
| Over 1 year but not more than 5 years   | 148,589,803          | 151,611,872          |
| Over 5 years                            | -                    | -                    |
|                                         | <b>5,152,917,726</b> | <b>2,078,779,132</b> |

|            |                                                      | 31.12.2015<br>Taka    | 31.12.2014<br>Taka    |
|------------|------------------------------------------------------|-----------------------|-----------------------|
| <b>5.</b>  | <b>Money at call on Short Notice</b>                 |                       |                       |
|            | Commercial Banks (Note 5.1)                          | 2,820,000,000         | 3,650,000,000         |
|            | Financial Institutions (Public & Private) (Note 5.2) | 790,000,000           | 890,000,000           |
|            |                                                      | <b>3,610,000,000</b>  | <b>4,540,000,000</b>  |
| <b>5.1</b> | <b>Commercial Banks</b>                              |                       |                       |
|            | Uttara Bank Limited                                  | 1,000,000,000         | -                     |
|            | Standard Bank Limited                                | 120,000,000           | 500,000,000           |
|            | NRB Bank Limited                                     | -                     | 150,000,000           |
|            | Bank Al-Falah Limited                                | -                     | 150,000,000           |
|            | The Farmers Bank Limited                             | 350,000,000           | 200,000,000           |
|            | Bank Asia Limited                                    | -                     | 300,000,000           |
|            | NBP                                                  | -                     | 100,000,000           |
|            | Dhaka Bank Limited                                   | 200,000,000           | -                     |
|            | Trust Bank Limited                                   | 500,000,000           | -                     |
|            | Jamuna Bank Limited                                  | -                     | 300,000,000           |
|            | The City Bank Limited                                | 250,000,000           | 1,000,000,000         |
|            | Arab Bangladesh Bank Limited                         | 400,000,000           | 950,000,000           |
|            |                                                      | <b>2,820,000,000</b>  | <b>3,650,000,000</b>  |
| <b>5.2</b> | <b>Financial Institutions</b>                        |                       |                       |
|            | Union Capital Limited                                | 80,000,000            | 80,000,000            |
|            | IPDC                                                 |                       |                       |
|            | IIDFC                                                | -                     | 50,000,000            |
|            | MIDAS Finance Limited                                | 50,000,000            | -                     |
|            | Farest finance and Invest Limited                    | 200,000,000           | -                     |
|            | Bangladesh Finance and Investment Company Limited    | 90,000,000            | -                     |
|            | Peoples Leasing Nad Finance Ltd.                     |                       |                       |
|            | Lanka Bangla Finance Limited                         | 100,000,000           | 50,000,000            |
|            | BIFCL                                                | -                     | 60,000,000            |
|            | Premier Leasing and Finance Limited                  | 140,000,000           | 150,000,000           |
|            | DBH Finance Corporation Limited                      | 80,000,000            | 150,000,000           |
|            | United Leasing Company Limited                       | 50,000,000            | -                     |
|            | International Leasing and Finance Limited            | -                     | 150,000,000           |
|            | IDLC                                                 | -                     | 200,000,000           |
|            |                                                      | <b>790,000,000</b>    | <b>890,000,000</b>    |
| <b>6.</b>  | <b>Investments</b>                                   |                       |                       |
|            | Government Securities (Note 6.1)                     | 35,378,297,009        | 30,258,473,101        |
|            | Other Investments (Note 6.2)                         | 536,718,914           | 422,081,172           |
|            |                                                      | <b>35,915,015,923</b> | <b>30,680,554,273</b> |

|              |                                               | 31.12.2015<br>Taka    | 31.12.2014<br>Taka    |
|--------------|-----------------------------------------------|-----------------------|-----------------------|
| <b>6.1</b>   | <b>Government Securities</b>                  |                       |                       |
|              | Treasury Bills and Reserve Repo (Note 6.1.1)  | 5,363,051,838         | 11,968,330,182        |
|              | Treasury Bonds (Note 6.1.2)                   | 20,037,322,755        | 18,285,167,719        |
|              | Bangladesh Bank Bill                          | 9,975,403,116         | -                     |
|              | Prize Bond                                    | 2,519,300             | 2,475,200             |
|              | Debenture (Note 6.1.3)                        | -                     | 2,500,000             |
|              |                                               | <b>35,378,297,009</b> | <b>30,258,473,101</b> |
| <b>6.1.1</b> | <b>a) Treasury Bills (at revalued Amount)</b> |                       |                       |
|              | 364 Days Government Treasury Bills            | -                     | 776,319,038           |
|              | 182 Days Government Treasury Bills            | -                     | 334,331,228           |
|              | 91 Day Government Treasury Bills              | -                     | 238,909,085           |
|              | 28 Days Government Treasury Bills             | -                     | -                     |
|              | 01 Day Reverse Repo-Bangladesh Bank           | -                     | -                     |
|              |                                               | -                     | <b>1,349,559,351</b>  |
|              | <b>b) Reverse Repo</b>                        |                       |                       |
|              | Reverse Repo-Banks and NBFIs                  | 5,363,051,838         | 10,618,770,831        |
|              | Reverse Repo-Bangladesh bank                  | -                     | -                     |
|              |                                               | <b>5,363,051,838</b>  | <b>10,618,770,831</b> |
|              | <b>Grand Total (a+b)</b>                      | <b>5,363,051,838</b>  | <b>11,968,330,182</b> |
| <b>6.1.2</b> | <b>Treasury Bonds (at revalued Amount)</b>    |                       |                       |
|              | 02 Years Government Treasury Bond             | 320,246,185           | 496,765,694           |
|              | 05 Years Government Treasury Bond             | 9,252,334,409         | 9,429,758,664         |
|              | 10 Years Government Treasury Bond             | 9,054,455,237         | 7,394,874,410         |
|              | 15 Years Government Treasury Bond             | 1,021,960,918         | 740,408,218           |
|              | 20 Years Government Treasury Bond             | 388,326,006           | 223,360,733           |
|              |                                               | <b>20,037,322,755</b> | <b>18,285,167,719</b> |
| <b>6.1.3</b> | <b>Debentures</b>                             |                       |                       |
|              | 20 years HBFC Debenture                       | -                     | <b>2,500,000</b>      |
| <b>6.2</b>   | <b>Other Investments</b>                      |                       |                       |
|              | Shares (Note 6.2.1)                           | 484,152,414           | 352,032,172           |
|              | Investment others (Memorial Coin)             | 66,500                | 49,000                |
|              | Mutual Trust Bank Bond                        | 52,500,000            | 70,000,000            |
|              |                                               | <b>536,718,914</b>    | <b>422,081,172</b>    |

### 6.2.1 Shares

|                          | 31.12.2015<br>Taka | 31.12.2014<br>Taka |
|--------------------------|--------------------|--------------------|
| Quoted (Publicly Traded) | 447,954,014        | 312,297,772        |
| Unquoted companies       | 36,198,400         | 39,734,400         |
|                          | <b>484,152,414</b> | <b>352,032,172</b> |

A Schedule of Investment in Share is given in Annexure-B

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

|                                |                       |                       |
|--------------------------------|-----------------------|-----------------------|
| Held To Maturity (HTM)         | 15,355,499,784        | 14,304,359,653        |
| Held For Trading (HFT)         | 20,020,277,924        | 15,949,138,248        |
|                                | <b>35,375,777,708</b> | <b>30,253,497,901</b> |
| <b>Held To Maturity (HTM)</b>  |                       |                       |
| Treasury Bond                  | 15,355,499,784        | 14,304,359,653        |
| Treasury Bill and reverse repo | -                     | -                     |
|                                | <b>15,355,499,784</b> | <b>14,304,359,653</b> |
| <b>Held For Trading (HFT)</b>  |                       |                       |
| Treasury Bond                  | 4,681,822,970         | 3,980,808,066         |
| Bangladesh bank Bill           | 9,975,403,116         |                       |
| Treasury Bill and reverse repo | 5,363,051,838         | 11,968,330,182        |
|                                | <b>20,020,277,924</b> | <b>15,949,138,248</b> |

Treasury bond and treasury bills are categorized into HTM and HFT as per Bangladesh Bank Circular. HTM securities are measured at amortized value at each year end by taking into account any premium or discount on acquisition. Any decrease in value for amortization loss of such investment is transferred to profit and loss account of respective year. Any increase in value for amortization gain of such investments is transferred to revaluation reserve account and shown in the equity. Such gain are credited into income account at the time of maturity or sale of the security. 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 | - | - |
|                          | - | - |

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



|                                                    | 31.12.2015<br>Taka     | 31.12.2014<br>Taka    |
|----------------------------------------------------|------------------------|-----------------------|
| <b>6.5 Maturity Grouping of Investments</b>        |                        |                       |
| On demand                                          | 5,499,750,867          | 2,475,200             |
| Upto 1 month                                       | 10,025,403,116         | 10,789,243,474        |
| Over 1 month but not more than 3 months            | -                      | 286,696,037           |
| Over 3 months but not more than 1 year             | 1,907,199,814          | 1,355,801,486         |
| Over 1 year but not more than 5 years              | 8,981,109,174          | 10,999,451,194        |
| Over 5 years                                       | 9,501,552,952          | 7,246,886,883         |
|                                                    | <b>35,915,015,923</b>  | <b>30,680,554,273</b> |
| <b>7. Loans &amp; Advances</b>                     |                        |                       |
| Loans, Cash Credit & Overdraft etc. (Note 7.1)     | 127,685,544,764        | 88,480,971,622        |
| Bills purchased & discounted (Note 7.2)            | 1,121,467,517          | 911,887,216           |
|                                                    | <b>128,807,012,281</b> | <b>89,392,858,838</b> |
| <b>7.1 Loans, Cash Credit &amp; Overdraft etc.</b> |                        |                       |
| In Bangladesh                                      |                        |                       |
| Loans (Note 7.1.1)                                 | 47,240,497,186         | 27,602,545,292        |
| Cash credit                                        | 32,717,103,988         | 26,207,124,141        |
| Overdraft (Note 7.1.2)                             | 18,175,424,751         | 12,240,255,205        |
| Others (Note 7.1.3)                                | 29,552,518,839         | 22,431,046,984        |
|                                                    | 127,685,544,764        | 88,480,971,622        |
| <b>Outside Bangladesh</b>                          | -                      | -                     |
|                                                    | <b>127,685,544,764</b> | <b>88,480,971,622</b> |
| <b>7.1.1 Loans</b>                                 |                        |                       |
| Loan General                                       | 2,242,613,836          | 3,247,550,751         |
| Term Loan                                          | 44,997,883,350         | 24,354,994,541        |
|                                                    | <b>47,240,497,186</b>  | <b>27,602,545,292</b> |
| <b>7.1.2 Overdraft</b>                             |                        |                       |
| SOD agst Bank's Own FDR                            | 273,628,077            | 281,093,727           |
| SOD agst Other Bank's FDR                          | 4,188,351              | 2,653,603             |
| SOD agst Bank's Own DPS                            | 261,608,619            | 164,905,430           |
| SOD for issuance of CDR/SDR/PO                     | 26,603,438             | 32,332,879            |
| Temporary Overdraft                                | 514,440,028            | 208,557,150           |
| Overdraft Secured Mortgage                         | 15,136,838,264         | 7,909,247,557         |
| Overdraft Secured (Other Securities)               | 1,432,387,651          | 1,876,482,385         |
| Overdraft (Clean)                                  | 525,730,323            | 1,764,982,474         |
|                                                    | <b>18,175,424,751</b>  | <b>12,240,255,205</b> |



### 7.1.3 Others

|                                           | 31.12.2015<br>Taka    | 31.12.2014<br>Taka    |
|-------------------------------------------|-----------------------|-----------------------|
| Export Credit/Loan Against Packing Credit | 377,931,036           | 497,126,837           |
| Payment Against Documents                 | 120,239,440           | 121,618,008           |
| Loan Against Trust Receipt                | 8,054,474,134         | 5,803,057,430         |
| Other short term advance                  | 77,254,769            | 71,615,529            |
| Work order financing                      | 465,313,753           | 522,800,851           |
| Loan against Govt. Fund and other scheme  | 70,185,490            | 82,734,757            |
| Credit to NBFIs                           | 1,322,596,798         | 100,144,444           |
| Real Estate Loan                          | 7,540,488,505         | 4,923,329,146         |
| Transport loan                            | 6,523,615,959         | 6,257,475,622         |
| Consumer Credit                           | 7,009,862             | -                     |
| Micro Credit Financing                    | 2,103,241,128         | 1,641,159,296         |
| Sundry/Misc. Loan                         | 1,924,760,174         | 1,368,267,080         |
| Staff Loan                                | 965,407,791           | 1,041,717,984         |
|                                           | <b>29,552,518,839</b> | <b>22,431,046,984</b> |

### 7.2 Bills purchased & discounted

|                    |                      |                    |
|--------------------|----------------------|--------------------|
| In Bangladesh      | 1,014,692,484        | 722,956,657        |
| Outside Bangladesh | 106,775,033          | 188,930,559        |
|                    | <b>1,121,467,517</b> | <b>911,887,216</b> |

**Classified Blocked Assets:** Out of the total loans and advances as on 31.12.2014 some classified loans, recovery of which are uncertain have been transferred to Classified Blocked Assets after getting approval from Bangladesh Bank vide its letter No. BRPD(P-1)/661/13/2015-3159 dtd. 27 April 2015 with a condition that the provision required Tk. 1,933.00 crore against these Classified Block assets to be provided in 10 years starting from 2015. Vide the same letter Bangladesh Bank also allowed the Bank to provide provision shortfall of Tk. 2,364.00 crore against classified loans in 5 years starting from 2015. To avoid reporting complexity total amount of Classified Blocked Assets again reverted to loans and advances on different occasions as per verbal advice of Bangladesh Bank and approval of the Board of Directors of the Bank.

### 7.3 Residual maturity grouping of loans including bills purchased and discounted

|                                         |                        |                       |
|-----------------------------------------|------------------------|-----------------------|
| Payable on demand                       | 327,421,972            | 630,469,055           |
| Not more than 3 months                  | 19,829,498,061         | 26,837,384,818        |
| Above 3 months but not more than 1 year | 25,263,736,045         | 37,250,768,711        |
| Above 1 year but not more than 5 years  | 45,000,490,739         | 19,058,372,741        |
| Above 5 years                           | 38,385,865,464         | 5,615,863,513         |
|                                         | <b>128,807,012,281</b> | <b>89,392,858,838</b> |

|                                                                                                       | 31.12.2015<br>Taka     | 31.12.2014<br>Taka    |
|-------------------------------------------------------------------------------------------------------|------------------------|-----------------------|
| <b>7.4 Loans on the basis of significant concentration including bills purchased &amp; discounted</b> |                        |                       |
| a. Advances to Directors                                                                              | -                      | -                     |
| b. Advances to MD and other Senior Executives                                                         | 965,407,791            | 1,041,717,984         |
| c. Advances to Customers group                                                                        | 45,439,365,146         | 33,488,688,821        |
| d. Advances to Industrial sector (Note 7.4.1)                                                         | 82,402,239,344         | 54,862,457,033        |
|                                                                                                       | <b>128,807,012,281</b> | <b>89,392,863,838</b> |
| <b>7.4.1 Advances to Industrial Sector</b>                                                            |                        |                       |
| Food and Allied Industries                                                                            | 12,118,265,925         | 9,400,700,784         |
| Textile                                                                                               | 4,985,087,023          | 5,698,355,005         |
| ERGM                                                                                                  | 9,840,109,274          | 8,673,733,411         |
| Accessories                                                                                           | 1,549,390,715          | 1,798,431,742         |
| Jute Prod. and Allied Industries                                                                      | 4,052,493,217          | 3,942,363,732         |
| Forest Prod. and Allied Industries                                                                    | 54,387,333             | 50,719,676            |
| Paper, Board, Printing, Pub. and Packaging                                                            | 2,694,518,657          | 2,632,361,202         |
| Tannery Leather and Rubber Production                                                                 | 1,690,265,000          | 1,485,690,640         |
| Chem. Pharm. and Allied Industries                                                                    | 6,645,870,751          | 4,609,877,075         |
| Plastic Industries                                                                                    | 1,026,727,651          | 571,042,103           |
| Glass, Crmc. and Other non Metal. Pr.                                                                 | 271,586,000            | 147,509,000           |
| Engineering                                                                                           | 2,078,298,015          | 1,803,718,344         |
| Electrical and Electronics Industries                                                                 | 234,090,395            | 552,150,816           |
| Real Estate & Housing                                                                                 | 21,936,388,578         | 6,577,154,871         |
| Transport and Communication                                                                           | 1,692,608,809          | 1,539,725,366         |
| Ship, Shipbulding and Breaking                                                                        | 5,447,352,000          | 1,146,667,000         |
| Power, Gas and Water                                                                                  | 452,391,637            | 542,981,569           |
| Hotel and Restaurant                                                                                  | 631,201,000            | 616,991,000           |
| Hospital and Clinic                                                                                   | 344,526,532            | 284,708,683           |
| Brick Kiln                                                                                            | 3,033,076,106          | 2,194,918,012         |
| Telecommunication & IT                                                                                | 135,136,772            | 113,492,155           |
| Other Service Industries                                                                              | 1,322,030,946          | 391,165,753           |
| Industries Not Elsewhere Classified                                                                   | 166,437,008            | 87,999,094            |
|                                                                                                       | <b>82,402,239,344</b>  | <b>54,862,457,033</b> |

## 7.5 Loans & advances allowed to each customer exceeding 10% of Bank's total capital

|                                       | 31.12.2015<br>Taka                                  | 31.12.2014<br>Taka                                  |
|---------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Number of Customers                   | 21                                                  | 20                                                  |
| Amount of outstanding advances        | 35,115,200,000                                      | 32,156,500,000                                      |
| Amount of classified advances thereon | 8,727,281,000                                       | 13,266,201,000                                      |
| Amount of recovery                    | 505,740,000                                         | 282,335,000                                         |
| Measures taken for recovery           | Persuasion and negotiation for recovery is going on | Persuasion and negotiation for recovery is going on |

\*In 2015 the capital of the bank was negative. As such loans and advances allowed to customers and group exceeding 10% of banks paid up capital are reported here as per Bangladesh Bank approval.

### (Details are given in Annexure - C)

As the capital for considering large loan of the bank is negative, the large loan ceiling of the bank is ascertained on the basis of paid up capital as per approval of Bangladesh Bank vide their letter No. DOS(BSS-1)/1163/69/2015-9230 dated 15 June 2015.

## 7.6 Geographical Location - wise Loans and Advances

### Inside Bangladesh

|                     |                        |                       |
|---------------------|------------------------|-----------------------|
| Dhaka Division      | 108,253,308,017        | 70,526,929,298        |
| Chittagong Division | 11,558,677,110         | 10,750,814,458        |
| Khulna Division     | 3,182,028,800          | 2,808,684,418         |
| Rajshahi Division   | 2,460,025,443          | 2,201,743,304         |
| Sylhet Division     | 1,073,374,983          | 1,064,566,587         |
| Barisal Division    | 237,133,435            | 244,346,783           |
| Mymensingh Division | 215,441,361            | -                     |
| Rangpur Division    | 1,827,023,132          | 1,795,773,990         |
|                     | <b>128,807,012,281</b> | <b>89,392,858,838</b> |
| Outside Bangladesh  | -                      | -                     |
|                     | <b>128,807,012,281</b> | <b>89,392,858,838</b> |

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

Unclassified loan:

Standard

SMA

**Sub-Total**

Classified loan:

Sub-standard

Doubtful

Bad and loss

**Sub-Total**

Total loans and advance without Blocked Assets

Classified Blocked Assets

**Grand Total**

## 7.8 Provision required for loans and advances

**Status**      **Base for Provision**      **Rate %**

Unclassified-General provision

Agro based & Micro Credit

412,904,846

5

SMA

776,181,502

0.25&1

Others (excluding staff loan)

60,838,749,626

1,2,0.25

Staff loan

965,280,937

1

**Sub-Total**

Classified-specific provision

Sub-standard

677,942,925

20

Doubtful

2,370,208,516

50

Bad/Loss

36,908,140,344

100

**Sub-Total**

Required provision for loans & advances

Total provision maintained

**Excess/(short) provision as at 31 December 2015**

Note: Provision shortfall will be maintained by the Bank within stipulated period in accordance with Bangladesh Bank approval vide its letter No. BRPD(P-1)/661/13/2015-3159 dtd. 27 April 2015.

**Details of provision may kindly be seen in Note 12.1 and 12.2**

|                                                        | 31.12.2015<br>Taka      | 31.12.2014<br>Taka      |
|--------------------------------------------------------|-------------------------|-------------------------|
| Unclassified loan:                                     |                         |                         |
| Standard                                               | 62,213,286,089          | 35,277,073,989          |
| SMA                                                    | 781,224,544             | 3,024,623,216           |
| <b>Sub-Total</b>                                       | <b>62,994,510,633</b>   | <b>38,301,697,205</b>   |
| Classified loan:                                       |                         |                         |
| Sub-standard                                           | 1,375,024,794           | 3,874,316,261           |
| Doubtful                                               | 3,486,082,266           | 9,515,869,995           |
| Bad and loss                                           | 60,951,394,588          | 37,700,975,377          |
| <b>Sub-Total</b>                                       | <b>65,812,501,648</b>   | <b>51,091,161,633</b>   |
| Total loans and advance without Blocked Assets         | <b>128,807,012,281</b>  | <b>89,392,858,838</b>   |
| Classified Blocked Assets                              | -                       | <b>29,991,965,730</b>   |
| <b>Grand Total</b>                                     | <b>128,807,012,281</b>  | <b>119,384,824,568</b>  |
| <b>7.8 Provision required for loans and advances</b>   |                         |                         |
| <b>Status</b> <b>Base for Provision</b> <b>Rate %</b>  |                         |                         |
| <u>Unclassified-General provision</u>                  |                         |                         |
| Agro based & Micro Credit                              | 412,904,846             | 5                       |
|                                                        | 10,322,621              | 3,062,252               |
| SMA                                                    | 776,181,502             | 0.25&1                  |
|                                                        | 4,456,941               | 171,953,511             |
| Others (excluding staff loan)                          | 60,838,749,626          | 1,2,0.25                |
|                                                        | 333,903,655             | 192,919,376             |
| Staff loan                                             | 965,280,937             | 1                       |
|                                                        | 9,652,809               | -                       |
| <b>Sub-Total</b>                                       | <b>358,336,026</b>      | <b>367,935,139</b>      |
| <u>Classified-specific provision</u>                   |                         |                         |
| Sub-standard                                           | 677,942,925             | 20                      |
|                                                        | 135,129,218             | 310,255,591             |
| Doubtful                                               | 2,370,208,516           | 50                      |
|                                                        | 1,185,002,971           | 2,137,968,157           |
| Bad/Loss                                               | 36,908,140,344          | 100                     |
|                                                        | 36,908,140,344          | 20,821,514,917          |
| <b>Sub-Total</b>                                       | <b>38,228,272,533</b>   | <b>23,269,738,665</b>   |
|                                                        | 38,228,272,533          | 23,269,738,665          |
| Required provision for loans & advances                | <b>38,586,608,559</b>   | <b>23,637,673,804</b>   |
| Total provision maintained                             | 4,342,597,377           | 4,306,386,042           |
| <b>Excess/(short) provision as at 31 December 2015</b> | <b>(34,244,011,182)</b> | <b>(19,331,287,762)</b> |

## 7.9 Listing of Assets Pledge as Security/Collaterals

### Nature of the secured assets

|                     | 31.12.2015<br>Taka     | 31.12.2014<br>Taka     |
|---------------------|------------------------|------------------------|
| Fixed Assets        | 123,092,856,826        | 113,091,933,465        |
| Cash and quasi-cash | 2,829,679,338          | 1,858,135,884          |
| Others              | 8,545,937,732          | 8,538,779,284          |
|                     | <b>134,468,473,896</b> | <b>123,488,848,633</b> |

## 7.10 Particulars of Loans and Advances

|                                                                                                                                                                                                                                                                                |                       |                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| (i) Loans considered good in respect of which the banking company is fully secured;                                                                                                                                                                                            | 51,221,272,423        | 77,983,373,250        |
| (ii) Loans considered good for which the banking company holds no other security other than debtor's personal guarantee;                                                                                                                                                       | 9,897,982,151         | 10,575,538,051        |
| (iii) Loans considered good secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtor;                                                                                                                                        | 3,784,579,246         | 833,947,538           |
| (iv) Loans adversely classified ; provision not maintained there against;                                                                                                                                                                                                      | -                     | -                     |
|                                                                                                                                                                                                                                                                                | <b>64,903,833,820</b> | <b>89,392,858,839</b> |
| (v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons;                                                                                                                                             | 965,407,791           | 1,041,717,984         |
| (vi) Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members;                                                                                      | -                     | -                     |
| (vii) "Maximum total amount of advance including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;"                                          | 965,407,791           | 1,041,717,984         |
| (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 have interests as directors partners or managing agents or in the case of private companies as members;" | -                     | -                     |



|                                                                       | 31.12.2015<br>Taka | 31.12.2014<br>Taka |
|-----------------------------------------------------------------------|--------------------|--------------------|
| (ix) Due from banking companies.                                      | -                  | -                  |
| (x) Amount of classified loans on which interest has not been charged | 65,812,501,648     | 51,091,161,633     |
| (a) (Decrease)/ Increase in provision                                 | 19,607,031         | (14,531,000)       |
| Amount of loan written off                                            | -                  | -                  |
| Amount realized against loan previously written off                   | 4,593,600          | 8,323,440          |
| (b) Amount of provision kept against loan classified as bad/loss      | 3,984,261,350      | 3,964,654,319      |
| (c) Interest credited to the interest suspense account                | 7,268,598,515      | 4,186,936,536      |
| xi) Amount of the written off loan:                                   |                    |                    |
| a) Cumulative amount of Written off loan                              | 688,783,000        | 688,783,000        |
| b) Amount written off during the current year                         | -                  | 45,997,478         |
| c) Amount of written off loan for which law suit has been filed       | 9,458,911,108      | 548,389,000        |

Note: The amount of specific provision shown increase is actually transfer from provision for off balance sheet as the amount of provision for off Balance sheet provision was excess than required. As a result the total amount of total provision made earlier is remain unchanged.

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

## 7.11 Bills Purchased and Discounted

|                            |                      |                    |
|----------------------------|----------------------|--------------------|
| Payable in Bangladesh      | 1,014,692,484        | 722,956,657        |
| Payable outside Bangladesh | 106,775,033          | 188,930,559        |
|                            | <b>1,121,467,517</b> | <b>911,887,216</b> |

### 7.11.1 Maturity grouping of bills purchased & discounted

|                                             |                      |                    |
|---------------------------------------------|----------------------|--------------------|
| Not more than 01 month                      | 660,075,663          | 562,005,411        |
| Above 01 months but not more than 03 months | 405,577,673          | 320,852,365        |
| Above 03 months but not more than 06 months | 55,814,181           | 29,029,440         |
| Above 06 months                             | -                    | -                  |
|                                             | <b>1,121,467,517</b> | <b>911,887,216</b> |

**8. Fixed assets including premises, furniture and fixtures**

**Own Assets**

|                                | 31.12.2015<br>Taka | 31.12.2014<br>Taka |
|--------------------------------|--------------------|--------------------|
| Furniture and Fixtures         | 107,436,031        | 105,453,419        |
| Interior Decoration            | 307,094,717        | 302,543,540        |
| Machinery and Equipment        | 325,983,035        | 316,079,826        |
| Computer Hardware              | 294,671,833        | 291,985,008        |
| Software                       | 94,125,936         | 94,125,936         |
| Vehicles                       | 385,017,777        | 385,017,777        |
|                                | 1,514,329,329      | 1,495,205,506      |
| Less: Accumulated depreciation | 1,003,318,422      | 848,787,532        |
|                                | <b>511,010,907</b> | <b>646,417,974</b> |

**Leased Assets**

|                                |                    |                    |
|--------------------------------|--------------------|--------------------|
| Leasehold Assets               | 4,000,000          | 4,000,000          |
| Less: Accumulated depreciation | 781,808            | 735,807            |
|                                | <b>3,218,192</b>   | <b>3,264,193</b>   |
|                                | <b>514,229,099</b> | <b>649,682,167</b> |

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.              | 19,753,339           | 21,385,701            |
| b) Classified Blocked Assets                                | -                    | 29,991,965,730        |
| c) Security deposits (Note 9.1)                             | 10,828,550           | 10,660,539            |
| d) Advance rent                                             | 267,711,298          | 309,770,388           |
| e) Advance for space of HO and Main Branch                  | 921,315,943          | 919,839,993           |
| f) Other prepayments                                        | 2,093,237            | 592,260               |
| g) Advance income tax                                       | 86,347,510           | 88,902,999            |
| h) Income receivable (Note 9.2)                             | 1,862,971,918        | 1,575,196,740         |
| i) Deferred Tax Assets (Note 36)                            | 440,154,822          | 357,643,497           |
| j) Suspense account (Note 9.3)                              | 38,567,208           | 30,664,945            |
| k) Advances/expenditures incurred against proposed branches | -                    | 9,405                 |
| l) Balance with Fakrul Islam securities                     | 20                   | 20                    |
| m) ICB Securities Trading Co. Ltd.                          | 3,772,303            | 512,333               |
| n) Branch adjustment account                                | 133,432,733          | -                     |
| o) Sundry debtors (Note 9.4)                                | 132,441,517          | 81,755,762            |
| p) Position Clearing(Net)                                   | 2,003,115            | 172,037,666           |
|                                                             | <b>3,921,393,513</b> | <b>33,560,937,978</b> |

Classified Blocked Assets created as per approval from Bangladesh Bank vide its letter No. BRPD(P-1)/661/13/2015-3159 dtd. 27 April 2015 has been reverted to Loans and Advances in 2015 only to avoid reporting complexities as per Bangladesh Bank advice and subsequent approval of the Board of Directors.

#### 9.1 Security deposits

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

#### 9.2 Income receivable

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

#### 9.3 Suspense account

Suspense account consists of Excise Duty and petty cash etc.

#### 9.4 Sundry Debtors

1) Protested Bill

##### a)BCCI:

Protested bill, Main branch

Protested bill, Khatungonj branch

Protested bill, Khulna branch

BCCI-Bombay

BCCI-London

##### Sub total

b)Protested bill for SWIFT

c) Protested Bill -Lawyers' Fee

##### Sub total

2) Other Sundry Debtors

3) Encashment of Sanchaya Patra

4) Encashment of Bond

5) Cash Shortage

6) Encashment of Other Instrument

7) Sundry Assets -Others

##### Grand Total

|  | 31.12.2015<br>Taka | 31.12.2014<br>Taka |
|--|--------------------|--------------------|
|  |                    |                    |
|  | 6,535,881          | 6,535,880          |
|  | 244,800            | 244,800            |
|  | 416,367            | 416,367            |
|  | 1,399,580          | 1,399,580          |
|  | 648                | 674                |
|  | <b>8,597,276</b>   | <b>8,597,301</b>   |
|  | 20,244,921         | 20,244,921         |
|  | 3,940,000          | 3,940,000          |
|  | <b>24,184,921</b>  | <b>24,184,921</b>  |
|  | <b>32,782,197</b>  | <b>32,782,222</b>  |
|  |                    |                    |
|  | 27,213             | 19,433             |
|  | 98,446,381         | 48,259,598         |
|  | 125,926            | 674,509            |
|  | 20,000             | 20,000             |
|  | 300,000            | -                  |
|  | 739,800            | -                  |
|  | <b>99,659,320</b>  | <b>48,973,540</b>  |
|  | <b>132,441,517</b> | <b>81,755,762</b>  |

Full provision for the protested bill of BCCI & SWIFT charges has been made in the account

|             |                                                                       | 31.12.2015<br>Taka   | 31.12.2014<br>Taka   |
|-------------|-----------------------------------------------------------------------|----------------------|----------------------|
| <b>10.</b>  | <b>Borrowings from other banks, financial institutions and agents</b> |                      |                      |
|             | In Bangladesh (Note 10.1)                                             | 139,345,987          | 189,993,932          |
|             | Outside Bangladesh (Note 10.2)                                        | 2,343,594,183        | 2,483,980,390        |
|             |                                                                       | <b>2,482,940,170</b> | <b>2,673,974,322</b> |
| <b>10.1</b> | <b>In Bangladesh<br/>Term Borrowing</b>                               |                      |                      |
|             | Long term loan from Bangladesh Bank                                   | -                    | -                    |
|             | Bangladesh Bank Refinance Loan for House building                     | 88,175,987           | 94,548,323           |
|             | Bangladesh Bank Refinance Loan for Solar Bio-gas,ETP,BANECO           | -                    | 95,445,609           |
|             | Refinance scheme of Bangladesh Bank for Tk. 10 Account                | 1,170,000            | -                    |
|             | Refinance scheme of Bangladesh Bank for Jute Sector                   | 50,000,000           | -                    |
|             |                                                                       | <b>139,345,987</b>   | <b>189,993,932</b>   |
| <b>10.2</b> | <b>Outside Bangladesh<br/>Term Borrowing</b>                          |                      |                      |
|             | Loan for Micro Credit and Small Scale Industries (KfW, Germany)       | 153,379,147          | 153,379,147          |
|             | SME Refinance -ADB Fund-2                                             | 94,116,446           | 126,215,887          |
|             | Second Crop Diversification Project                                   | 1,019,369,000        | 1,019,369,000        |
|             | Agro business Development Project of ADB                              | 1,076,729,590        | 1,185,016,356        |
|             |                                                                       | <b>2,343,594,183</b> | <b>2,483,980,390</b> |
|             | <b>Secured and unsecured borrowing from other banks</b>               |                      |                      |
|             | Secured (Assets pledged as security for liabilities)                  | -                    | -                    |
|             | Unsecured                                                             | -                    | 2,673,974,322        |
|             |                                                                       | <b>-</b>             | <b>2,673,974,322</b> |

### 10.3 Overall transaction of Reverse Repo

|                                     | 2015                                |                                     | 2014                                |                                     |
|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                                     | Minimum outstanding during the year | Minimum outstanding during the year | Minimum outstanding during the year | Minimum outstanding during the year |
| <b>Securities bought under repo</b> |                                     |                                     |                                     |                                     |
| i) with Bangladesh Bank             | Nil                                 | 11,700,000,000                      | Nil                                 | Nil                                 |
| ii) with other banks & FIs          | Nil                                 | 10,367,396,099                      | 38,560,961                          | 1,903,654,000                       |

31.12.2015  
Taka31.12.2014  
Taka**10.4 Overall transaction of Repo:**

|                                    | 2015                                |                                     | 2014                                |                                     |
|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                                    | Minimum outstanding during the year | Minimum outstanding during the year | Minimum outstanding during the year | Minimum outstanding during the year |
| <b>Securities sold under repo:</b> |                                     |                                     |                                     |                                     |
| i) with Bangladesh Bank            | Nil                                 | Nil                                 | Nil                                 | Nil                                 |
| ii) with other banks & FIs         | Nil                                 | 1,113,150,618                       | Nil                                 | Nil                                 |

**11. Deposits & Other Accounts**

|                               |             |                        |                        |
|-------------------------------|-------------|------------------------|------------------------|
| Non-Interest bearing Accounts | (Note 11.1) | 5,205,587,316          | 4,479,438,664          |
| Interest bearing Account      | (Note 11.2) | 142,961,642,325        | 135,454,617,434        |
|                               |             | <b>148,167,229,641</b> | <b>139,934,056,098</b> |

**11.1 Non-Interest bearing Accounts**

|                            |               |                      |                      |
|----------------------------|---------------|----------------------|----------------------|
| Current and Other Accounts | (Note 11.1.1) | 4,585,628,608        | 3,442,681,238        |
| Bills Payable              | (Note 11.1.2) | 619,958,708          | 1,036,757,426        |
|                            |               | <b>5,205,587,316</b> | <b>4,479,438,664</b> |

**11.1.1 Current and Other Accounts**

|                       |  |                      |                      |
|-----------------------|--|----------------------|----------------------|
| Current Account       |  | 2,925,707,026        | 1,836,176,833        |
| Margin Deposit        |  | 1,395,453,174        | 1,345,850,145        |
| Sundrt/Other Deposit  |  | 264,468,408          | 260,654,260          |
| Margin/Sundry Deposit |  | -                    | -                    |
|                       |  | <b>4,585,628,608</b> | <b>3,442,681,238</b> |

**11.1.2 Bills Payable**

|               |  |             |               |
|---------------|--|-------------|---------------|
| Payment Order |  | 612,667,956 | 1,024,868,335 |
| Demand Draft  |  | 7,290,752   | 11,889,091    |
|               |  | 619,958,708 | 1,036,757,426 |

**11.2 Interest bearing Account**

|                                           |               |                        |                        |
|-------------------------------------------|---------------|------------------------|------------------------|
| Savings Bank Deposits                     | (Note 11.2.1) | 3,497,315,210          | 2,490,512,578          |
| Fixed Deposits, SND, Other Deposit Scheme | (Note 11.2.2) | 139,315,100,687        | 132,818,147,299        |
| Current Deposit                           |               | 149,226,428            | 145,957,557            |
|                                           |               | <b>142,961,642,325</b> | <b>135,454,617,434</b> |

**11.2.1 Savings Bank Deposits**

|  |                      |                      |
|--|----------------------|----------------------|
|  | <b>3,497,315,210</b> | <b>2,490,512,578</b> |
|--|----------------------|----------------------|

## 11.2.2 Fixed Deposits

|                       | 31.12.2015<br>Taka     | 31.12.2014<br>Taka     |
|-----------------------|------------------------|------------------------|
| Short Notice Deposits | 21,134,620,724         | 15,638,838,658         |
| Term Deposits         | 115,864,768,683        | 111,794,656,352        |
| Other Deposit Scheme  | 2,315,711,280          | 5,384,652,289          |
|                       | <b>139,315,100,687</b> | <b>132,818,147,299</b> |

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

### Deposit from Bank

|                                           |                      |                      |
|-------------------------------------------|----------------------|----------------------|
| Repayable on demand                       | 2,988,076            | 1,506,489            |
| Repayable within 1 month                  | 7,500,000,000        | 1,000,343,649        |
| Above 01 Month but not more than 6 Months | -                    | 2,840,000,000        |
| Above 6 Months but not more than 1 Year   | -                    | -                    |
| Above 01 Year but not more than 05 Years  | -                    | -                    |
| Above 05 Years but not more than 10 Years | -                    | -                    |
| Above 10 Years                            | -                    | -                    |
|                                           | <b>7,502,988,076</b> | <b>3,841,850,138</b> |

### Other Deposits

|                                            |                        |                        |
|--------------------------------------------|------------------------|------------------------|
| Payable on Demand                          | 1,214,346,574          | 1,160,133,299          |
| Less than 01 Month                         | 27,279,333,902         | 20,710,593,745         |
| Above 01 Months but not more than 6 Months | 41,554,200,000         | 50,237,161,652         |
| Above 06 Months but not more than 01 Year  | 55,187,219,760         | 48,917,853,685         |
| Above 01 year but not more than 05 Years   | 10,254,482,674         | 11,012,054,860         |
| Above 05 years not more than 10 years      | 5,174,658,656          | 4,054,408,720          |
| Above 10 years                             | -                      | -                      |
|                                            | <b>140,664,241,566</b> | <b>136,092,205,960</b> |
|                                            | <b>148,167,229,642</b> | <b>139,934,056,098</b> |

## 12. Other liabilities

|                                         |               |               |
|-----------------------------------------|---------------|---------------|
| Interest Payable on Deposits            | 2,953,496,394 | 4,017,724,085 |
| Interest Payable on Borrowing           | 87,713,523    | 88,415,832    |
| Provision for Taxes (Note 35)           | 826,313,081   | 836,312,062   |
| Privileged Creditors                    | 208,162,789   | 188,028,308   |
| Provision for Gratuity (Note 12.7)      | 921,540,562   | 790,670,582   |
| Provision for Welfare Fund              | 14,253,367    | 14,253,367    |
| Interest Suspense Account (Note 12.5)   | 7,268,598,515 | 4,186,936,536 |
| Provision for other assets (Note 12.4)  | 652,926,691   | 28,845,297    |
| Provision for Ex-gratia/Incentive Bonus | 92,886,426    | 92,886,426    |
| Deposit Insurance Premium Payable       | 10,576,580    | 7,898,393     |
| Provision for Expenses                  | 29,326,256    | 6,462,698     |



|                                                       | 31.12.2015<br>Taka    | 31.12.2014<br>Taka    |
|-------------------------------------------------------|-----------------------|-----------------------|
| Sundry Creditors                                      | 37,567,138            | 35,930,201            |
| Provision for Loan and Advances (Note 12.1 & 12.2)    | 4,342,597,377         | 4,306,386,042         |
| Provision for Off Balance Sheet Exposures (Note 12.3) | 106,185,777           | 142,397,112           |
| Miscellaneous Creditors                               | 2,732,525             | 1,806,743             |
| Benevolent Fund                                       | 5,000,000             | 2,500,000             |
| Provision for salary of reinstated employees          | -                     | 16,466,840            |
| Other provision                                       | 6,225,243             | 1,872,199             |
| Amount kept for Loan installment repayment            | -                     | 946,000               |
| Excess Cash                                           | -                     | 69,000                |
| Provision for Superannuation Fund                     | 10,000,000            | 10,000,000            |
| Provision for stationary                              | -                     | 6,399,002             |
| Branch Adjustments Account                            | -                     | 542,334,335           |
| Various Audit and Rating Fees                         | -                     | 977,500               |
| Position General Ledger (Net)*                        | -                     | 170,055,637           |
|                                                       | <b>17,576,102,244</b> | <b>15,496,574,197</b> |

\*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.

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

|                                                 |                      |                      |
|-------------------------------------------------|----------------------|----------------------|
| Provision held at beginning of the year         | 3,964,654,319        | 3,979,185,319        |
| Fully Provided Debt Written off/Interest Waived | -                    | (14,531,000)         |
| Recovery from Earlier Written off Loan          | -                    | -                    |
| Special Provision for Current Year              | -                    | -                    |
| Provision not Required                          | -                    | -                    |
| Specific Provision for the year                 | 19,607,031           | -                    |
| <b>Provision held at the end of the year</b>    | <b>3,984,261,350</b> | <b>3,964,654,319</b> |

|                                                         | 31.12.2015<br>Taka   | 31.12.2014<br>Taka      |
|---------------------------------------------------------|----------------------|-------------------------|
| <b>12.2 Provision for Unclassified Loa</b>              |                      |                         |
| Provision held at beginning of the year                 | 341,731,723          | 341,731,723             |
| Recoveries and provisions no longer required/adjusted   | -                    | -                       |
| Specific Provision for the year                         | 16,604,304           | -                       |
| <b>Provision held at the end of the year</b>            | <b>358,336,027</b>   | <b>341,731,723</b>      |
| <b>Total of 12.1 and 12.2</b>                           | <b>4,342,597,377</b> | <b>4,306,386,042</b>    |
| <b>12.3 Provision for off Balance Sheet Items ( C )</b> |                      |                         |
| Provision held at beginning of the year                 | 142,397,112          | 142,397,112             |
| Recoveries and provisions no longer required            | (36,211,335)         | -                       |
| Specific Provision for the year                         | -                    | -                       |
| <b>Provision held at the end of the year</b>            | <b>106,185,777</b>   | <b>142,397,112</b>      |
| <b>Total loan loss Provision (A+B+C)</b>                | <b>4,448,783,154</b> | <b>4,448,783,154</b>    |
| <b>12.4 Provision for other assets</b>                  |                      |                         |
| Provision for Classified Block Account                  | -                    | 19,330,000,000          |
| BASIC Zaman Tower                                       | 759,999,993          | 759,999,993             |
| Banani Branch                                           | 161,315,950          | 159,840,000             |
| Unadjusted suspense account-Gulshan Branch              | 2,526,288            | 2,300,000               |
| Unadjusted suspense account-Shantinagaar                | 1,053,000            | -                       |
| Investment in Grameen IT park                           | -                    | 4,201,760               |
| Provision for protested bill-Legal Fee                  | 3,940,000            | 3,940,000               |
| Income receivable                                       | 620,400,000          | -                       |
| Suspense Account(Head Office)-Medical Bill              | 1,149,263            | -                       |
| Provision for protested bill-SWIFT                      | 20,244,921           | -                       |
| Provision for protested bill-BCCI                       | 8,597,276            | -                       |
| Total required provision for other assets               | 1,579,226,691        | 20,260,281,753          |
| Provision maintained for other assets                   | 652,926,691          | 28,845,297              |
| <b>Provision excess(shortfall)</b>                      | <b>(926,300,000)</b> | <b>(20,231,436,456)</b> |
| <b>12.5 Interest Suspense Account</b>                   |                      |                         |
| Balance at the beginning of the year                    | 4,186,936,536        | 1,729,159,357           |
| Transferred During the Year                             | 4,469,965,369        | 2,698,368,890           |
| Recovery During the Year                                | (1,368,009,540)      | (240,204,458)           |
| Suspense Written off/Waived During the Year             | (20,293,850)         | (387,253)               |
| <b>Balance at the end of the year</b>                   | <b>7,268,598,515</b> | <b>4,186,936,536</b>    |

|                                                        | 31.12.2015<br>Taka   | 31.12.2014<br>Taka   |
|--------------------------------------------------------|----------------------|----------------------|
| <b>12.5.a Segregation of Interest Suspense Account</b> |                      |                      |
| Interest Suspense for Loans and Advance                | 7,268,598,515        | 2,344,088,725        |
| Interest suspense for Classified Block Assets          | -                    | 1,842,847,812        |
|                                                        | <b>7,268,598,515</b> | <b>4,186,936,537</b> |

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

| Particulars                        | No. of Un-responded entries | Figure in '000                 |         |         |     |
|------------------------------------|-----------------------------|--------------------------------|---------|---------|-----|
|                                    |                             | Amount of Un-responded entries |         |         |     |
|                                    |                             | Dr.                            | Cr.     | Dr.     | Cr. |
| Up to 03 Months                    | 191                         | 140                            | 282,523 | 206,269 |     |
| Over 03 Month but within 06 Months | 1                           | -                              | 13,566  | -       |     |
| Over 06 Month but within 01 Year   | -                           | -                              |         | -       |     |
| Over 01 Year but within 05 Years   | -                           | -                              |         | -       |     |

|                                          |                    |                    |
|------------------------------------------|--------------------|--------------------|
| <b>12.7 Provision for Gratuity</b>       |                    |                    |
| Opening Balance                          | 790,670,582        | 691,355,316        |
| Less: Adjusted/Paid during the year      | 11,493,086         | 13,117,462         |
|                                          | <b>779,177,496</b> | <b>678,237,854</b> |
| Add: Provision made for the current year | 142,363,066        | 112,432,728        |
| <b>Closing Balance</b>                   | <b>921,540,562</b> | <b>790,670,582</b> |

### 13. Capital

#### 13.1 Authorized

|                                               |                       |                       |
|-----------------------------------------------|-----------------------|-----------------------|
| 250,000,000 ordinary shares of Tk.100.00 each | <b>25,000,000,000</b> | <b>25,000,000,000</b> |
|-----------------------------------------------|-----------------------|-----------------------|

#### 13.2 Issued, Subscribed and Paid up Capital

The Issued, Subscribed and Paid up Capital of the Bank as follows:

|                                                   |                       |                      |
|---------------------------------------------------|-----------------------|----------------------|
| 2,94,69,825 Ordinary Shares of Tk.100 Each        | 2,946,982,500         | 2,946,982,500        |
| 7,90,00,000 Ordinary Shares of Tk.100 Each        | 7,900,000,000         | -                    |
| <b>108,469,825 Ordinary Shares of Tk.100 Each</b> | <b>10,846,982,500</b> | <b>2,946,982,500</b> |

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. 7,90,00,000 new Ordinary Shares of Tk.100 each issued during the year 2015.

31.12.2015  
Taka31.12.2014  
Taka**13.3 Risk-weighted Assets and Capital Ratios as Defined by the Basel Capital Accord**

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

**Tier- 1 Capital****Common Equity (Tier-1)**

|                                                     |                         |                         |
|-----------------------------------------------------|-------------------------|-------------------------|
| Paid up Capital                                     | 10,846,982,500          | 2,946,982,500           |
| Statutory Reserve                                   | 2,224,690,642           | 2,224,690,642           |
| General Reserve                                     | 40,000,000              | 40,000,000              |
| Retained Earnings                                   | (4,720,382,957)         | (1,580,021,384)         |
| Other Free Reserve                                  | 16,000,000,000          | 9,105,000,000           |
| Sub-Total                                           | <b>24,391,290,185</b>   | <b>12,736,651,758</b>   |
| Less :Regulatory adjustments:                       |                         |                         |
| Provision Shortfall for loans and advance           | (34,244,011,182)        | (19,331,287,762)        |
| Shortfall in provision required against other asset | -                       | (20,260,281,753)        |
| Deferred tax assets                                 | (440,154,822)           | -                       |
| <b>Total adjustments</b>                            | <b>(34,684,166,004)</b> | <b>(39,591,569,515)</b> |
|                                                     | <b>(10,292,875,819)</b> | <b>(26,854,917,756)</b> |

**Additional Capital (Tier- 1)**

|                                              |                        |                         |
|----------------------------------------------|------------------------|-------------------------|
| Non-cumulative irredeemable preference share | 1,205,000,000          | -                       |
| <b>Total Tier-1 capital</b>                  | <b>(9,087,875,819)</b> | <b>(26,854,917,756)</b> |

**Tier - 2 Capital****Supplementary Capital**

|                                                        |                        |                         |
|--------------------------------------------------------|------------------------|-------------------------|
| General Provision Maintained against Unclassified Loan | 358,336,027            | 341,731,723             |
| Provision for Off -Balance Sheet Items                 | 106,185,777            | 142,397,112             |
| Exchange Equalization                                  | -                      | -                       |
| Revaluation Reserve of HTM and HFT Securities*         | 110,908,009            | 138,635,011             |
|                                                        | <b>575,429,813</b>     | <b>622,763,846</b>      |
| <b>Total regulatory capital (Tier-1 + Tier-2)</b>      | <b>(8,512,446,006)</b> | <b>(26,232,153,910)</b> |

**A. Total regulatory Capital (Tier-1 + Tier-2)**

|                                                 |                        |                         |
|-------------------------------------------------|------------------------|-------------------------|
| Total Capital (Tier-1)                          | (9,087,875,819)        | (26,854,917,756)        |
| Total Capital (Tier-2)**                        | 575,429,813            | -                       |
| <b>Total Eligible Capital (Tier-1 + Tier-2)</b> | <b>(8,512,446,006)</b> | <b>(26,854,917,756)</b> |

|                                                                                           | 31.12.2015<br>Taka      | 31.12.2014<br>Taka      |
|-------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>B. Risk Weighted Assets</b>                                                            |                         |                         |
| Balance Sheet Business                                                                    | 108,448,200,000         | 87,599,200,000          |
| Off- Balance Sheet Business                                                               | 4,285,400,000           | 4,765,000,000           |
| <b>Total Risk-weighted Assets</b>                                                         | <b>112,733,600,000</b>  | <b>92,364,200,000</b>   |
| <b>C. Required Capital on Risk Weighted Assets</b><br>(10% on Total Risk Weighted Assets) | <b>11,273,360,000</b>   | <b>9,236,420,000</b>    |
| <b>D. Capital Surplus / (Shortfall) [A-C]</b>                                             | <b>(19,785,806,006)</b> | <b>(36,091,337,756)</b> |
| <b>Total Capital Ratio (%)</b>                                                            | <b>(7.55)</b>           | <b>(29.08)</b>          |
| <b>Capital Requirement</b>                                                                | <b>Held (%)</b>         | <b>Held (%)</b>         |
| Common Equity Tier-1                                                                      | (9.13)                  | -                       |
| Core Capital ( <b>Tier-I</b> )                                                            | (8.06)                  | (29.08)                 |
| Supplementary Capital ( <b>Tier - II</b> )                                                | 0.51                    | -                       |
| <b>Total</b>                                                                              | <b>(7.55)</b>           | <b>(29.08)</b>          |

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

\*\* As per Guidelines on Risk Based Capital Adequacy the amount of Tier-2 capital will be limited to 100% of the amount of Tier-1 capital. As Tier -1 capital is negative, Tier-2 capital has been shown "Zero" in consultation with Bangladesh Bank.

#### 14. Statutory Reserve

|                                                       | 31.12.2015<br>Taka   | 31.12.2014<br>Taka   |
|-------------------------------------------------------|----------------------|----------------------|
| Opening Balance at the Beginning of the Year          | 2,224,690,642        | 2,224,690,642        |
| Add: Addition During the Year (20% of pre-tax Profit) | -                    | -                    |
|                                                       | <b>2,224,690,642</b> | <b>2,224,690,642</b> |

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

In 2015 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) | 350,795,867           | 277,270,022          |
| Share Money deposit             |             | 16,000,000,000        | 7,900,000,000        |
| Non-cumulative preference share |             | 1,205,000,000         | 1,205,000,000        |
|                                 |             | <b>17,595,795,867</b> | <b>9,422,270,022</b> |

#### 15.1 General Reserve

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

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

#### 15.2 Investment Revaluation Reserve (Treasury Bills & Treasury Bonds)

|                                                          |               |                    |                    |
|----------------------------------------------------------|---------------|--------------------|--------------------|
| Gain on revaluation                                      | (Note 15.2.1) | 361,967,369        | 8,283,285          |
| Amortization of discount of HTM                          | (Note 15.2.2) | 10,606,628         | 278,031,135        |
|                                                          |               | 372,573,997        | 286,314,420        |
| Less: Loss on revaluation/amortization of HTM Securities | Note 15.2.3)  | 21,778,130         | (9,044,398)        |
|                                                          |               | <b>350,795,867</b> | <b>277,270,022</b> |

#### 15.2.1 Revaluation Reserve for Held to Maturity (HTM)

|                                              |                   |                  |
|----------------------------------------------|-------------------|------------------|
| Opening Balance at the Beginning of the Year | 8,283,285         | 4,629,683        |
| Add: Addition During the Year                | 3,947,114         | 3,653,602        |
|                                              | <b>12,230,399</b> | <b>8,283,285</b> |



|                                                                              | 31.12.2015<br>Taka     | 31.12.2014<br>Taka     |
|------------------------------------------------------------------------------|------------------------|------------------------|
| Less :Adjustment (Loss on revaluation/<br>amortization) during the year      | -                      | -                      |
| Less : Realization of gain due to maturity of HTM bond                       | 1,623,771              | -                      |
|                                                                              | <b>10,606,628</b>      | <b>8,283,285</b>       |
| <b>15.2.2 Loss on revaluation/amortization of<br/>Held to Maturity (HTM)</b> |                        |                        |
| Opening Balance at the Beginning of the Year                                 | 9,044,398              | (30,306,919)           |
| Add: Addition During the Year                                                | 12,734,325             | (9,337,161)            |
|                                                                              | <b>21,778,723</b>      | <b>(39,644,080)</b>    |
| Less :Adjustment (Loss on revaluation/amortization)<br>during the year       | -                      | (30,599,682)           |
| Less : Adjustment (due to maturity/rectification)<br>during the year         | 593                    | -                      |
|                                                                              | <b>21,778,130</b>      | <b>(9,044,398)</b>     |
| <b>15.2.3 Revaluation Reserve for Held for Trading (HFT)</b>                 |                        |                        |
| Opening Balance at the Beginning of the Year                                 | 278,031,135            | 128,041,841            |
| Add: Addition During the Year                                                | 507,778,474            | 493,737,168            |
|                                                                              | <b>785,809,609</b>     | <b>621,779,009</b>     |
| Less : Adjustment (Loss on revaluation/amortization)<br>during the year      | -                      | 343,747,874            |
| Less : Adjustment (due to repo transaction) during the year                  | 423,842,240            | -                      |
|                                                                              | <b>361,967,369</b>     | <b>278,031,135</b>     |
| <b>16. Retained (Loss)</b>                                                   |                        |                        |
| Opening Balance                                                              | (1,580,021,385)        | (479,861,211)          |
| Change in Accounting Policy (Deferred tax effect upto 2004)                  | -                      | -                      |
| (Loss) during the Year                                                       | (3,140,361,573)        | (1,100,160,174)        |
| Transferred to Other Reserve                                                 | -                      | -                      |
| Cash Dividend Paid During the Year                                           | -                      | -                      |
| Issuance of Bonus Share                                                      | -                      | -                      |
| <b>(Deficit) in Profit and Loss Account during the year</b>                  | <b>(4,720,382,958)</b> | <b>(1,580,021,385)</b> |

## 16.1 Item-Wise Profit and Loss Account

### Income

|                                                              | 31.12.2015<br>Taka    | 31.12.2014<br>Taka    |
|--------------------------------------------------------------|-----------------------|-----------------------|
| Interest, Discount and Similar Income                        | 10,826,799,356        | 14,237,404,179        |
| Dividend Income                                              | 19,546,131            | 20,578,916            |
| Fees, Commission and Brokerage                               | 275,015,328           | 322,691,861           |
| Gains less Losses Arising from Dealing in Foreign Currencies | 277,387,865           | 335,832,873           |
| Other Operating Income                                       | 116,215,557           | 125,607,548           |
|                                                              | <b>11,514,964,237</b> | <b>15,042,115,377</b> |

### Expenses

|                                        |                        |                        |
|----------------------------------------|------------------------|------------------------|
| Interest, Fee and Commission           | 11,359,027,543         | 13,466,228,473         |
| Administrative Expenses                | 1,943,132,789          | 1,858,690,680          |
| Other Operating Expenses               | 622,473,625            | 659,857,563            |
| Depreciation on Banking Assets         | 154,576,891            | 181,716,223            |
|                                        | <b>14,079,210,848</b>  | <b>16,166,492,939</b>  |
| <b>Profit Before Tax and Provision</b> | <b>(2,564,246,611)</b> | <b>(1,124,377,562)</b> |

## 17. Contingent Liabilities

|                                               |                       |                       |
|-----------------------------------------------|-----------------------|-----------------------|
| Local Bills for Collection                    | 1,021,937             | 1,635,427             |
| Foreign Bills for Collection                  | 460,724,282           | 279,813,550           |
| Letters of Guarantee (Note 17.1)              | 2,047,940,550         | 2,352,400,296         |
| Irrevocable Letters of Credit                 | 4,739,081,817         | 7,376,257,941         |
| Back to Back L/C                              | 957,047,467           | 2,201,202,968         |
| Acceptances and Endorsements                  | 2,874,507,841         | 2,553,659,286         |
| Travellers Cheques Stock                      | 54,950                | 54,565                |
| Value of Wage Earners Bond in Hand and others | 53,540,198            | 53,176,604            |
| Miscellaneous- Revolving Fund                 | 450,555,346           | 450,555,346           |
|                                               | <b>11,584,474,388</b> | <b>15,268,755,983</b> |

### 17.1 Letters of guarantee

A. Claim against the Bank which is not recognized as Loan  
 B. Money for which the Bank is contingently liable in respect of guarantees favouring:

|                                       |                      |                      |
|---------------------------------------|----------------------|----------------------|
| Directors                             | -                    | -                    |
| Government                            | 1,586,991,580        | 2,033,272,593        |
| Bank and Other Financial Institutions | 1,057,372            | 31,445,995           |
| Others                                | 459,891,598          | 287,681,709          |
|                                       | <b>2,047,940,550</b> | <b>2,352,400,296</b> |

|                                                                                                | 31.12.2015<br>Taka    | 31.12.2014<br>Taka    |
|------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| <b>18. Interest income</b>                                                                     |                       |                       |
| Interest on Loans and advances                                                                 | 7,894,827,132         | 11,670,017,804        |
| Interest on balance with Banks and Financial Institutions                                      | 539,463,436           | 399,991,218           |
| Interest from Foreign Banks/Nostro accounts                                                    | 21,496                | 309,737               |
|                                                                                                | <b>8,434,312,064</b>  | <b>12,070,318,759</b> |
| Less: Interest Waiver                                                                          | -                     | -                     |
|                                                                                                | 8,434,312,064         | 12,070,318,759        |
| Less: Adjustment of excess interest charged<br>in 2014 on some LTRs of BCCI by Dilkusha Branch | 3,649,320             | -                     |
| Less: interest income transferred to interest suspense account                                 | 212,421,174           | -                     |
|                                                                                                | <b>8,218,241,570</b>  | <b>12,070,318,759</b> |
| <b>19. Interest paid on deposits and borrowings etc.</b>                                       |                       |                       |
| On Savings Bank Deposit (Note 19.1)                                                            | 167,655,667           | 124,008,934           |
| On Short Notice Deposit                                                                        | 619,684,866           | 593,370,876           |
| On Fixed Deposit (Note 19.2)                                                                   | 10,209,233,994        | 12,475,234,489        |
| On Current Deposit                                                                             | 1,950,627             | 1,267,693             |
| Other Deposits and Deposit Schemes (Note 19.3)                                                 | 194,869,658           | 114,154,886           |
| On Borrowing from Bangladesh Bank and Other Financial Institutions (Note 19.4)                 | 165,632,731           | 158,191,595           |
|                                                                                                | <b>11,359,027,543</b> | <b>13,466,228,473</b> |
| <b>19.1 On Savings bank deposit</b>                                                            |                       |                       |
| On Savings Bank Deposit                                                                        | 159,996,765           | 121,697,474           |
| On School Banking Scheme                                                                       | 7,086,025             | 2,261,042             |
| On Krishok Savings Account                                                                     | 358,797               | 40,436                |
| On RMG Worker Account                                                                          | 98,339                | 9,982                 |
| On Leather Industry Worker                                                                     | 1,334                 | -                     |
| On Pothopushpo Savings Account                                                                 | 400                   | -                     |
| On Muktijoddhashpo Savings Account                                                             | 25,305                | -                     |
| On BASIC Chalantika                                                                            | 23,929                | -                     |
| On Trinomul Savings Account                                                                    | 64,773                | -                     |
|                                                                                                | <b>167,655,667</b>    | <b>124,008,934</b>    |

## 19.2 On Fixed deposit

|                                              | 31.12.2015<br>Taka    | 31.12.2014<br>Taka    |
|----------------------------------------------|-----------------------|-----------------------|
| Interest paid on Fixed Deposit               | 9,597,003,691         | 12,084,703,090        |
| Interest paid on Double Benefit Scheme       | 338,113,522           | 166,425,572           |
| Interest paid on Super Double Benefit Scheme | 215,395,238           | 194,121,040           |
| Interest paid on Monthly Benefit Scheme      | 52,818,532            | 23,898,536            |
| Interest paid on Rapid Grow Deposit Scheme   | 5,903,011             | 6,086,251             |
|                                              | <b>10,209,233,994</b> | <b>12,475,234,489</b> |

## 19.3 Other Deposits and Deposit Schemes

|                                      |                    |                    |
|--------------------------------------|--------------------|--------------------|
| Interest paid on BASIC Fortune       | 18,343,027         | 20,060,027         |
| Interest paid on BASIC Fortune Plus  | 176,466,425        | 94,094,859         |
| Interest paid on BASIC Swapono Puron | 60,206             | -                  |
|                                      | <b>194,869,658</b> | <b>114,154,886</b> |

## 19.4 On Borrowing from Bangladesh Bank and Other Financial Institutions

|                                                                                    |                    |                    |
|------------------------------------------------------------------------------------|--------------------|--------------------|
| Interest on Bangladesh Bank refinance-Jute sector                                  | 1,721,810          | -                  |
| Interest on Bangladesh Bank refinance- HBL                                         | 4,593,434          | 4,897,486          |
| Interest on borrowing on B. B. refinance for funding Solar, Bio-Gas and ETP Scheme | 10,680,819         | 5,236,251          |
| Interest on borrowing on B.B refinance for Tk. 10 account holders                  | 33,149             | -                  |
| Interest on Repo-Bangladesh Bank                                                   | 1,523,748          | 5,300,768          |
| Interest on Term Borrowing                                                         | 18,750,000         | 35,748,611         |
| Interest on Borrowing-Call Money                                                   | 46,504,444         | 29,427,208         |
| Interest on Term Loan KFW                                                          | 5,368,260          | 5,368,260          |
| Interest on Borrowing-ADB Loan                                                     | 40,463,527         | 42,665,915         |
| SME Refinance(ADB Fund-2)                                                          | 5,412,464          | 6,849,326          |
| Second Crop Diversified Project-ADB                                                | 30,581,076         | 22,697,770         |
|                                                                                    | <b>165,632,731</b> | <b>158,191,595</b> |

## 20. Investment income

|                                                   |                      |                      |
|---------------------------------------------------|----------------------|----------------------|
| On GT Bill, Bangladesh Bank (Note 20.1)           | 2,405,026,908        | 2,176,689,054        |
| Bill and GT Bond, Reverse Repo etc.               |                      |                      |
| On Debentures                                     | 120,313              | 1,443,755            |
| Dividend on Shares                                | 19,546,131           | 20,578,916           |
| On Other Investment                               | 12,517,394           | -                    |
| Profit on sale of investment (Note: 20.2)         | 450,902,308          | 101,334,728          |
|                                                   | <b>2,888,113,054</b> | <b>2,300,046,453</b> |
| Less: Interest Paid for Purchase of Treasury Bill | 45,495,792           | 40,938,263           |
| Less: Loss on revaluation of HFT securities       | 214,513,345          | 71,443,854           |
|                                                   | <b>2,628,103,917</b> | <b>2,187,664,336</b> |

|                                                       | 31.12.2015<br>Taka   | 31.12.2014<br>Taka   |
|-------------------------------------------------------|----------------------|----------------------|
| <b>20.1 On Government Treasury Bill and Bond</b>      |                      |                      |
| Interest on GT bond                                   | 2,124,128,021        | 1,978,641,550        |
| Amortization of Discount on Treasury Bill             | -                    | 154,943,376          |
| Interest on Reverse repo                              | 208,440,483          | 43,104,128           |
| Amortization of discount-Bill                         | 72,458,404           | -                    |
|                                                       | <b>2,405,026,908</b> | <b>2,176,689,054</b> |
| <b>20.2 Profit on sale of investment</b>              |                      |                      |
| Profit on sale of HFT Securities                      | 9,421,451            | 4,383,458            |
| Profit on sale of Share                               | 17,348,381           | 20,777,580           |
| Profit on Repo trading                                | 424,132,476          | 76,173,690           |
|                                                       | <b>450,902,308</b>   | <b>101,334,728</b>   |
| <b>21. Commission, exchange and brokerage</b>         |                      |                      |
| Foreign Bill Purchased                                | 528,315              | 1,395,533            |
| Local Bill Purchased                                  | 4,521,509            | 6,923,323            |
| Remittance                                            | 3,906,719            | 3,160,362            |
| Letter of Guarantee                                   | 51,081,179           | 41,746,837           |
| Letter of Credit                                      | 115,081,179          | 167,385,649          |
| Bills for Collection                                  | 9,418,702            | 10,618,263           |
| Acceptances and Endorsement                           | 51,976,738           | 57,107,759           |
| Export Bill                                           | 8,261,865            | 7,446,316            |
| Miscellaneous (includes commission on sale of PSP,TC) | 30,239,122           | 26,907,819           |
|                                                       | <b>275,015,328</b>   | <b>322,691,861</b>   |
| Exchange gain net of exchange loss (Note 21.1)        | 277,387,865          | 335,832,873          |
|                                                       | <b>552,403,193</b>   | <b>658,524,734</b>   |
| <b>21.1 Exchange gain net of exchange loss</b>        |                      |                      |
| Exchange Earning                                      | 297,691,605          | 353,418,437          |
| Less: Exchange Loss                                   | 20,303,740           | 17,585,564           |
|                                                       | <b>277,387,865</b>   | <b>335,832,873</b>   |
| <b>22. Other operating income</b>                     |                      |                      |
| Various Fees                                          | 2,333,506            | 1,842,622            |
| Rent (Go-down and locker)                             | 1,062,000            | 1,106,200            |
| Recoveries from client and staffs                     | 34,476,437           | 36,242,625           |
| Service and other Charges                             | 55,469,666           | 53,240,509           |
| Income from on-line client services                   | 3,044,919            | 3,067,144            |
| Recoveries of Loan Priviously Write Off               | 4,593,600            | 8,323,440            |
| Income from ATM/Card services                         | 1,104,624            | 897,160              |
| Expopt L/C advising, handling,transfer charges etc.   | 7,721,177            | 7,222,694            |



|             |                                                 | 31.12.2015<br>Taka   | 31.12.2014<br>Taka   |
|-------------|-------------------------------------------------|----------------------|----------------------|
|             | Miscellaneous income (Note 22.1)                | 6,409,628            | 10,818,227           |
|             | Profit on Sale of Fixed Assets                  | -                    | 2,828,207            |
|             | Other Non-Operating income                      | -                    | 18,720               |
|             |                                                 | <b>116,215,557</b>   | <b>125,607,548</b>   |
| <b>22.1</b> | <b>Miscellaneous income</b>                     |                      |                      |
|             | Income from ICT services                        | 300                  | -                    |
|             | Discount                                        | 24,500               | 779                  |
|             | Project Examination Fee                         | 130,000              | 100,000              |
|             | Other Operating Income                          | 6,254,828            | 10,717,448           |
|             |                                                 | <b>6,409,628</b>     | <b>10,818,227</b>    |
| <b>23.</b>  | <b>Salary and Allowances</b>                    |                      |                      |
|             | Salaries (Note 23.1)                            | 743,237,107          | 712,568,196          |
|             | Provision for salary of reinstated employees    | -                    | 16,466,840           |
|             | Allowances (Note 23.2)                          | 851,871,584          | 826,554,568          |
|             | Provident Fund                                  | 64,526,357           | 58,027,816           |
|             | Pension Fund                                    |                      |                      |
|             | Benevolent Fund                                 | 5,000,000            | 2,500,000            |
|             | Gratuity Fund                                   | 142,363,066          | 112,432,728          |
|             | Bonus                                           | 121,134,675          | 116,808,339          |
|             | Superannuation Fund                             | 10,000,000           | 10,000,000           |
|             |                                                 | <b>1,938,132,789</b> | <b>1,855,358,487</b> |
| <b>23.1</b> | <b>Salaries</b>                                 |                      |                      |
|             | Salary-Basic salary                             | 722,156,426          | 694,538,293          |
|             | Wages sub-staff                                 | 636,044              | 474,232              |
|             | Casual wages menial staff                       | 20,444,637           | 17,555,671           |
|             |                                                 | <b>743,237,107</b>   | <b>712,568,196</b>   |
| <b>23.2</b> | <b>Allowances</b>                               |                      |                      |
|             | Allowances                                      | 790,689,101          | 768,889,950          |
|             | Leave Fare Assistance                           | 61,182,483           | 57,539,745           |
|             | Medical Expenses                                | -                    | 124,873              |
|             |                                                 | <b>851,871,584</b>   | <b>826,554,568</b>   |
| <b>24.</b>  | <b>Rent, Taxes, Insurance, Electricity Etc.</b> |                      |                      |
|             | Rent                                            | 248,369,783          | 237,686,307          |
|             | Rates, Taxes and VAT                            | 2,875,171            | 2,708,926            |
|             | Utilities/Electricity and Heating               | 41,812,970           | 40,529,072           |
|             | Insurance                                       | 30,941,354           | 23,524,571           |
|             |                                                 | <b>323,999,278</b>   | <b>304,448,876</b>   |



|                                                             |             | 31.12.2015<br>Taka | 31.12.2014<br>Taka |
|-------------------------------------------------------------|-------------|--------------------|--------------------|
| <b>25. Legal &amp; Professional Expenses</b>                |             |                    |                    |
| Professional Fees                                           | (Note 25.1) | 1,008,212          | 3,122,736          |
| Legal Expenses                                              | (Note 25.2) | 12,310,516         | 8,226,699          |
|                                                             |             | <b>13,318,728</b>  | <b>11,349,435</b>  |
| <b>25.1 Professional Expenses</b>                           |             |                    |                    |
| Consultancy Fee                                             |             | 304,000            | 675,000            |
| Management fees                                             |             | 2,250              | -                  |
| Event Management Fee                                        |             | -                  | 335,961            |
| Other Professional Expenses                                 |             | 26,350             | 6,875              |
| Other Professional Fee                                      |             | 675,612            | 2,104,900          |
|                                                             |             | <b>1,008,212</b>   | <b>3,122,736</b>   |
| <b>25.2 Legal Expenses</b>                                  |             |                    |                    |
| Lawyers fees                                                |             | 2,113,351          | 3,101,199          |
| Law Charges                                                 |             | 546,332            | 662,361            |
| Notary Public Fees                                          |             |                    |                    |
| Stamp Charges and Court Fees                                |             | 199,536            | 291,405            |
| Other Legal expenses                                        |             | 9,451,297          | 4,171,734          |
|                                                             |             | <b>12,310,516</b>  | <b>8,226,699</b>   |
| <b>26. Postage, Stamps, Telecommunication etc.</b>          |             |                    |                    |
| Postage                                                     |             | 85,890             | 97,939             |
| Courier Services                                            |             | 9,496,198          | 11,190,912         |
| Telephone                                                   |             | 23,804,649         | 24,349,620         |
| Fax                                                         |             | 40,040             | 79,060             |
| Swift Subscription and cable Charges and web hosting charge |             | 6,152,112          | 8,146,626          |
| Stamp                                                       |             | 234,185            | 175,750            |
| Internet and E-mail                                         |             | 9,340,883          | 18,596,270         |
|                                                             |             | <b>49,153,957</b>  | <b>62,636,177</b>  |
| <b>27. Stationery, Printing, Advertisement etc.</b>         |             |                    |                    |
| Printing Stationery                                         |             | 8,842,717          | 8,483,491          |
| Security Stationery                                         |             | 3,065,011          | 3,653,742          |
| Other Stationery                                            | (Note 27.1) | 18,574,507         | 24,304,424         |
| Publicity, Advertisement and publication                    |             | 8,242,396          | 38,374,527         |
|                                                             |             | <b>38,724,631</b>  | <b>74,816,184</b>  |

|                                                   | 31.12.2015<br>Taka | 31.12.2014<br>Taka |
|---------------------------------------------------|--------------------|--------------------|
| <b>27.1 Other Stationery</b>                      |                    |                    |
| Office Stationary                                 | 3,059,968          | 2,443,536          |
| Petty Stationary                                  | 500                | -                  |
| Photograph and Photocopy                          | 227,250            | 206,258            |
| Crokery and utensils                              | 302,856            | 283,332            |
| Other Stationary                                  | 10,598,049         | 15,924,199         |
| Calendar                                          | 3,944,083          | 4,982,558          |
| Annual Report                                     | 229,600            | 306,240            |
| Sovenir                                           | 300                | 55,000             |
| Other greeting items                              | 178,735            | 103,301            |
| Invitation Card                                   | 2,331              | -                  |
| Other printing expenses                           | 30,835             | -                  |
|                                                   | <b>18,574,507</b>  | <b>24,304,424</b>  |
| <b>28. Managing Director's Salary</b>             |                    |                    |
| Basic Salary                                      | 2,400,000          | 1,561,290          |
| Allowances                                        | 2,600,000          | 1,770,903          |
|                                                   | <b>5,000,000</b>   | <b>3,332,193</b>   |
| <b>29. Directors' Fees &amp; Meeting Expenses</b> |                    |                    |
| VAT on directors fee                              | 160,200            | 110,250            |
| Directors Honorarium                              | 1,003,000          | 685,000            |
| Entertainment                                     | 395,658            | 329,423            |
| Directors Remuneration                            | 65,000             | 50,000             |
| Other expenses                                    | 2,160              | 46,037             |
|                                                   | <b>1,626,018</b>   | <b>1,220,710</b>   |
| <b>30. Depreciation of Bank's Assets</b>          |                    |                    |
| <b>Depreciation on own Assets</b>                 |                    |                    |
| Furniture and Fixture                             | 6,394,167          | 6,772,764          |
| Interior Decoration                               | 21,968,488         | 23,339,550         |
| Computer Hardware and Peripherals                 | 28,556,902         | 30,452,566         |
| Computer Software                                 | 9,204,444          | 12,903,319         |
| Machinery and Equipment                           | 30,528,929         | 34,021,211         |
| Vehicles                                          | 57,877,960         | 74,180,812         |
|                                                   | <b>154,530,890</b> | <b>181,670,222</b> |
| <b>Depreciation on Leased Assets</b>              |                    |                    |
| Lease Equipment/ Assets                           | 46,001             | 46,001             |
|                                                   | <b>154,576,891</b> | <b>181,716,223</b> |

|                                                                  | 31.12.2015<br>Taka  | 31.12.2014<br>Taka |
|------------------------------------------------------------------|---------------------|--------------------|
| <b>31. Repair of Bank's Assets</b>                               |                     |                    |
| Furniture and Fixture                                            | 1,227,405           | 1,413,305          |
| Interior Decoration                                              | 99,586              | 902,827            |
| Machinery and Equipment                                          | 17,542,491          | 15,520,567         |
| Vehicles                                                         | 8,085,869           | 10,297,794         |
| Rented Premises                                                  | 6,244,521           | 6,759,483          |
|                                                                  | <b>33,199,872</b>   | <b>34,893,976</b>  |
| <b>32. Other Expenses</b>                                        |                     |                    |
| Commission and Brokerage                                         | 4,025               | 7,295              |
| Service charge paid to clearing house, banks etc.                | 1,927,692           | 2,014,674          |
| Entertainment                                                    | 25,471,146          | 46,216,510         |
| Car Expenses                                                     | 18,686,684          | 22,531,630         |
| Fuel and Lubricant Expenses-Generator                            | 4,208,896           | 4,909,005          |
| Subscription                                                     | 2,698,496           | 3,122,831          |
| Travelling                                                       | 12,820,907          | 11,575,122         |
| Computer Consumables and Accessories                             | 13,190,264          | 12,447,311         |
| Card Related Expenses                                            | 8,221,649           | 6,679,500          |
| Information and Communication (ITC) expenses                     | 43,578,479          | 10,203,013         |
| Uniform and Liveries                                             | -                   | 209,163            |
| Staff Training and HR development Expenses                       | 6,471,795           | 6,259,829          |
| Donation                                                         | 560,000             | 2,119,264          |
| Other Audit Fee                                                  | 4,502,250           | -                  |
| Corporate Social Responsibility Expenses                         | 974,152             | 30,489,456         |
| Capital related fees and charges                                 | 11,270,761          | -                  |
| Miscellaneous                                                    | 6,927,794           | 9,476,816          |
| Non-operating loss (loss on sale of investment and fixed assets) | 16,151              | 1,256,286          |
|                                                                  | <b>161,531,141</b>  | <b>169,517,705</b> |
| <b>33. Provision for Loans</b>                                   |                     |                    |
| On Classified Loans & Advances (Note 12.1)                       | 19,607,031          | -                  |
| As Per Bangladesh Bank Circular                                  |                     |                    |
| On Unclassified Loans & Advances (Note 12.2)                     | 16,604,304.00       | -                  |
|                                                                  | <b>36,211,335</b>   | <b>-</b>           |
| <b>34. Provision for Off Balance Sheet Exposures</b>             |                     |                    |
| Opening Balance                                                  | 142,397,112         | 142,397,112        |
| Add: Additional Provision made during the year                   | -                   | -                  |
| Required Provision                                               | 106,185,777         | 142,397,112        |
| Excess provision reversed                                        | <b>(36,211,335)</b> | <b>-</b>           |

| 31.12.2015<br>Taka | 31.12.2014<br>Taka |
|--------------------|--------------------|
|--------------------|--------------------|

A provision of Tk.106,185,777 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.106,185,777 will be treated as Supplementary Capital of the Bank.

**35. Provision for Current Tax**

|                                           |                    |                    |
|-------------------------------------------|--------------------|--------------------|
| Opening balance                           | 836,312,062        | 1,379,427,951      |
| Add: Provision made for current years tax | 34,544,893         | 45,340,678         |
|                                           | 870,856,955        | 1,424,768,629      |
| Less: Adjustment made during the year     | 44,543,874         | 588,456,567        |
| <b>Closing balance</b>                    | <b>826,313,081</b> | <b>836,312,062</b> |

**36. Deferred Tax**

**a) Computation of Deferred Tax**

|                                            |                   |                     |
|--------------------------------------------|-------------------|---------------------|
| Tax Base of Depreciable Fixed Assets       | 548,343,560       | 632,786,315         |
| Less: Carrying Amount                      | 511,010,906       | 646,417,974         |
| <b>Deductable Temporary Difference (A)</b> | <b>37,332,654</b> | <b>(13,631,659)</b> |

Carrying Amount of Provision for  
Gratuity/Benevolent/Superannuation Fund:

|                                                                  |                    |                    |
|------------------------------------------------------------------|--------------------|--------------------|
| Provision for Gratuity                                           | 921,540,562        | 790,670,582        |
| Provision for Benevolent Fund<br>(Provision -actual payment)     | 0,490,188          | 46,500,188         |
| Provision for Superannuation Fund<br>(Provision -actual payment) | 26,295,000         | 17,975,000         |
|                                                                  | <b>998,325,750</b> | <b>855,145,770</b> |

Less: Tax Base

|                                            |                    |                    |
|--------------------------------------------|--------------------|--------------------|
| <b>Deductable Temporary Difference (B)</b> | <b>998,325,750</b> | <b>855,145,770</b> |
|--------------------------------------------|--------------------|--------------------|

|                                                    |                      |                    |
|----------------------------------------------------|----------------------|--------------------|
| <b>Total Deductable Temporary Difference (A+B)</b> | <b>1,035,658,404</b> | <b>841,514,111</b> |
|----------------------------------------------------|----------------------|--------------------|

|                    |        |        |
|--------------------|--------|--------|
| Effective Tax Rate | 42.50% | 42.50% |
|--------------------|--------|--------|

|                            |                    |                    |
|----------------------------|--------------------|--------------------|
| <b>Deferred Tax Assets</b> | <b>440,154,822</b> | <b>357,643,497</b> |
|----------------------------|--------------------|--------------------|

**b) Deferred Tax (Expenses)/Income**

|                                       |                   |                   |
|---------------------------------------|-------------------|-------------------|
| Closing Deferred Tax Assets           | 440,154,822       | 357,643,497       |
| Opening Deferred Tax Assets           | 357,643,497       | 297,227,579       |
| <b>Deferred Tax (Expenses)/Income</b> | <b>82,511,325</b> | <b>60,415,918</b> |

|                                                                                                                                                                                                                                                       | 31.12.2015<br>Taka    | 31.12.2014<br>Taka    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| <b>37. Analysis of Closing Cash and Cash Equivalent</b>                                                                                                                                                                                               |                       |                       |
| Cash in hand and balance with Bangladesh Bank and Sonali Bank                                                                                                                                                                                         | 16,252,789,565        | 10,215,714,009        |
| Balance with other banks & financial institutions                                                                                                                                                                                                     | 5,152,917,726         | 2,078,779,132         |
| Money at Call on Short Notice                                                                                                                                                                                                                         | 3,610,000,000         | 4,540,000,000         |
|                                                                                                                                                                                                                                                       | <b>25,015,707,291</b> | <b>16,834,493,141</b> |
| <b>38. Earning Per Share (EPS)</b>                                                                                                                                                                                                                    |                       |                       |
| Net (Loss) after Tax (Numerator)                                                                                                                                                                                                                      | (3,140,361,573)       | (1,100,160,174)       |
| Number of Ordinary Share Outstanding (Denominator)                                                                                                                                                                                                    | 108,469,825           | 29,469,825            |
| <b>Earning Per Share (EPS)</b>                                                                                                                                                                                                                        | <b>(28.95)</b>        | <b>(37.33)</b>        |
| <b>39. Coverage of External Audit</b>                                                                                                                                                                                                                 |                       |                       |
| The external auditor has covered 80% of the risk-weighted assets and have spent around 5,960 man hours to complete the audit as per Bangladesh Standards on Auditing (BSA). The external auditor has audited 33 branches and Head office of the Bank. |                       |                       |

**ANNEXURE-A**  
**Schedule of Balance with other banks-Outside Bangladesh (Nostro Accounts)**

**As at December 31, 2015**

| Sl. # | Name of the Bank                       | A/C Type | Currency name | 2015         |                        |                    | 2015         |                        |                    |
|-------|----------------------------------------|----------|---------------|--------------|------------------------|--------------------|--------------|------------------------|--------------------|
|       |                                        |          |               | Amount in FC | Conv. Rate per unit FC | Amount in BDT      | Amount in FC | Conv. Rate per unit FC | Amount in BDT      |
| 1     | BOTM, London                           | CD       | GBP           | 4,003.37     | 116.3767               | 465,899            | 37,890.87    | 120.99                 | 4,584,534          |
| 2     | AB Bank Mumbai                         | CD       | ACU\$         | 134,929.54   | 78.5003                | 10,592,009         | 5,600.73     | 77.95                  | 436,574            |
| 3     | Summit(Arif Habib)-Rupali-Bank Karachi | CD       | ACU\$         | 1,103.25     | 78.5003                | 86,605             | 1,103.25     | 77.95                  | 85,998             |
| 4     | Habib Metropolitan Bank Ltd.           | CD       | ACU\$         | 48,442.51    | 78.5003                | 3,802,752          | 7,807.10     | 77.95                  | 608,559            |
| 5     | BOTM, Tokyo                            | CD       | JAPY          | 1,016,688.78 | 0.6521                 | 662,983            | 1,145,894.28 | 0.65                   | 741,623            |
| 6     | Mashreq Bank, NY                       | CD       | USD           | 4,645.00     | 78.5003                | 364,634            | 372,100.00   | 77.95                  | 29,004,972         |
| 7     | CITI Bank Mumbai                       | CD       | ACU\$         | -            | -                      | -                  | -            | 77.95                  | -                  |
| 8     | Sonali Bank, Kolkata                   | CD       | ACU\$         | 412,420.65   | 78.5003                | 32,375,145         | 273,497.37   | 77.95                  | 21,318,956         |
| 9     | Bank of Ceylon                         | CD       | ACU\$         | 4,986.45     | 78.5003                | 391,438            | 2,425.70     | 77.95                  | 189,082            |
| 10    | Citibank NA, NY(Exp)                   | CD       | USD           | 4,022,655.06 | 78.5003                | 315,779,629        | 8,371,331.26 | 77.95                  | 652,540,249        |
| 11    | SCB, Newyork                           | CD       | USD           | -            | -                      | -                  | -            | 77.95                  | -                  |
| 12    | SCB, London                            | CD       | EURO          | -            | -                      | -                  | -            | 77.95                  | -                  |
| 13    | SCB, Mumbai                            | CD       | ACU\$         | -            | 78.5003                | -                  | 1,583.00     | 77.95                  | 123,394            |
| 14    | BCP, Geneva                            | CD       | CHF           | 2,133.45     | 79.4779                | 169,562            | 3,556.45     | 78.68                  | 279,825            |
| 15    | AMEX Frankfurt                         | CD       | EURO          | -            | -                      | -                  | -            | 77.95                  | -                  |
| 16    | Wachovia Bank, NY                      | CD       | USD           | -            | -                      | -                  | -            | 77.95                  | -                  |
| 17    | HSBC Newyork                           | CD       | USD           | -            | -                      | -                  | -            | 77.95                  | -                  |
| 18    | ICICI Mumbai                           | CD       | ACU\$         | 3,569.95     | 78.5003                | 280,242            | 48,239.63    | 77.95                  | 3,760,250          |
| 19    | Sonali Bank Kolkata ACUEUR.            | CD       | ACUEUR        | 810.53       | 85.9721                | 69,683             | 810.53       | 94.63                  | 76,701             |
| 20    | Mashreq Bank, Mumbai                   | CD       | ACU\$         | 630.13       | 78.5003                | 49,465             | 615.13       | 77.95                  | 47,949             |
| 21    | SCB Frankfurt                          | CD       | EURO          | -            | -                      | -                  | -            | 94.63                  | -                  |
| 22    | Sonali, London EUR                     | CD       | EURO          | 181,302.16   | 85.9721                | 15,586,927         | 128,336.98   | 94.63                  | 12,144,605         |
| 23    | Sonali Bank London                     | CD       | GBP           | 2,813.37     | 116.3767               | 327,411            | 9,713.32     | 120.99                 | 1,175,245          |
| 24    | Sonali Bank London                     | CD       | USD           | 273,469.03   | 78.5003                | 21,467,401         | 244,683.64   | 77.95                  | 19,072,943         |
| 25    | HDFC Bank Ltd                          | CD       | USD           | 40,493.02    | 78.5003                | 3,178,714          | 5,674.61     | 77.95                  | 442,332            |
| 26    | Habib Bank AG, Zurich(Dubai)           | CD       | USD           | -            | -                      | -                  | 2,101,000.00 | 77.95                  | 163,771,689        |
|       | <b>Total</b>                           |          |               |              |                        | <b>405,650,498</b> |              |                        | <b>910,405,479</b> |



## ANNEXURE-B

### Investment in Shares

**As at December 31, 2015**

#### A. Listed Securities:

| Sl. # | Name of the company                    | Date of Purchase | No of shares | Face Value Taka | Cost Price Taka | Market Value as on 31-12-2015 Taka | Market Value as on 31-12-2014 Taka | Gain/(Loss) Taka | Dividend Received in 2015 Taka |
|-------|----------------------------------------|------------------|--------------|-----------------|-----------------|------------------------------------|------------------------------------|------------------|--------------------------------|
| 1.    | FIRST JANATA BANK MUTUAL FUND          | 22-Dec-10        | 1,130,485    | 11,304,850      | 6,836,529       | 4,861,086                          | 5,307,188                          | (1,975,444)      | -                              |
| 2.    | AB BANK 1ST MUTUAL FUND                | 10-Dec-13        | 866,851      | 8,668,510       | 5,498,596       | 3,900,830                          | 4,965,345                          | (1,597,767)      | 10                             |
| 3.    | APPOLO ISPAT COMPLEX LTD.              | 20-Aug-14        | 21,896       | 218,960         | 477,127         | 380,990                            | 389,045                            | (96,137)         | -                              |
| 4.    | ASIA PACIFIC GENERAL INSURANCE CO.LTD. | 10-Dec-13        | 28,000       | 280,000         | 920,253         | 448,000                            | 537,600                            | (472,253)        | 28,000                         |
| 5.    | BEACON PHARMACEUTICALS LTD.            | 22-Dec-10        | 26,250       | 262,500         | 2,150,131       | 393,750                            | 472,500                            | (1,756,381)      | -                              |
| 6.    | BEXIMCO LTD.                           | 20-Nov-10        | 113,930      | 1,139,300       | 15,839,172      | 3,303,970                          | 3,606,155                          | (12,535,202)     | 24                             |
| 7.    | BEXIMCO PHARMACEUTICALS LTD.           | 23-Dec-10        | -            | -               | -               | -                                  | 4,527,413                          | -                | 77,151                         |
| 8.    | BRAC BANK LTD.                         | 8-Dec-10         | 19,511       | 195,110         | 922,015         | 950,186                            | 7,461,725                          | 28,171           | 401,168                        |
| 9.    | BSRM STEELS LTD.                       | 10-Dec-13        | 350,000      | 3,500,000       | 34,135,580      | 33,705,000                         | 2,192,500                          | (430,580)        | 37,500                         |
| 10.   | CENTRAL INSURANCE CO.LTD.              | 10-Dec-13        | 27,000       | 270,000         | 743,524         | 445,500                            | 607,500                            | (298,024)        | 17,500                         |
| 11.   | CENTRAL PHARMACEUTICALS LTD.           | 11-Sep-14        | 6,612        | 66,120          | 202,155         | 138,852                            | 164,450                            | (63,303)         | -                              |
| 12.   | CITY BANK LTD.                         | 18-Sep-14        | -            | -               | -               | -                                  | 1,090,000                          | -                | 284,086                        |
| 13.   | CONFIDENCE CEMENT LTD.                 | 10-Dec-13        | 12,000       | 120,000         | 1,629,109       | 1,040,400                          | 1,280,400                          | (588,709)        | 30,000                         |
| 14.   | CONTINENTAL INSURANCE LTD.             | 10-Dec-13        | 48,000       | 480,000         | 1,430,228       | 691,200                            | 988,800                            | (739,028)        | 48,000                         |
| 15.   | DBH FIRST MUTUAL FUND                  | 10-Dec-13        | 750,500      | 7,505,000       | 4,637,872       | 3,677,450                          | 3,452,300                          | (960,422)        | 300,200                        |
| 16.   | DHAKA ELECTRIC SUPPLY CO. LTD.         | 8-Dec-10         | 42,004       | 420,040         | 4,508,089       | 2,175,807                          | 2,780,278                          | (2,332,281)      | 18,242                         |
| 17.   | EASTERN BANK LTD.                      | 8-Dec-10         | 5,719,630    | 57,196,300      | 19,939,519      | 163,581,418                        | 155,068,995                        | 143,641,899      | 11,402,348                     |
| 18.   | EXIM BANK OF BANGLADESH LTD.           | 1-Nov-10         | 165,000      | 1,650,000       | 4,465,205       | 1,419,000                          | 1,460,075                          | (3,046,205)      | -                              |
| 19.   | FEDERAL INSURANCE CO.LTD.              | 10-Dec-13        | 9,768        | 97,680          | 208,078         | 102,564                            | 149,184                            | (105,514)        | 10                             |
| 20.   | FIRST SECURITY ISLAMI BANK LTD.        | 25-Nov-10        | 89,443       | 894,430         | 2,457,271       | 787,098                            | 886,301                            | (1,670,173)      | 2                              |
| 21.   | FU-WANG CERAMICS INDS.LTD.             | 19-Apr-12        | 19,481       | 194,810         | 477,227         | 222,083                            | 258,566                            | (255,144)        | -                              |
| 22.   | GOLDEN HARVEST AGRO INDUST. LTD.       | 8-Apr-14         | 10,890       | 108,900         | 372,785         | 249,381                            | 272,250                            | (123,404)        | 9,900                          |
| 23.   | GRAMEEN PHONE LTD.                     | 16-Feb-14        | 125,682      | 1,256,820       | 41,968,410      | 31,797,546                         | 14,476,000                         | (10,170,864)     | 745,456                        |
| 24.   | GREEN DELTA MUTUAL FUND                | 4-Feb-14         | 400,000      | 4,000,000       | 2,577,710       | 1,880,000                          | 1,840,000                          | (697,710)        | 180,000                        |
| 25.   | HEIDELBERG CEMENT BD. LTD.             | 8-Dec-10         | 4,258        | 42,580          | 2,688,323       | 2,393,422                          | 2,497,000                          | (294,902)        | 190,000                        |
| 26.   | ICB ISLAMI BANK LTD.                   | 23-May-08        | 2,684,000    | 26,840,000      | 26,840,000      | 12,078,000                         | 14,762,000                         | (14,762,000)     | -                              |
| 27.   | ID.L.C FINANCE LTD.                    | 26-May-15        | 8,526        | 85,260          | 526,086         | 542,254                            | -                                  | 16,168           | -                              |
| 28.   | I.F.I.C. BANK LTD.                     | 10-Dec-13        | 170,139      | 1,701,390       | 4,040,383       | 3,606,947                          | 2,953,607                          | (433,437)        | 14                             |
| 29.   | IFIL ISLAMIC MUTUAL FUND-1             | 2-Dec-15         | 500,000      | 5,000,000       | 3,134,020       | 3,150,000                          | 10,036,452                         | 15,980           | -                              |
| 30.   | INDUSTRIAL PROMOTION & DEV. CO. LTD.   | 5-Dec-10         | -            | -               | -               | -                                  | 1,061,242                          | -                | 29,155                         |
| 31.   | JAMUNA OIL COMPANY LTD.                | 21-Sep-11        | -            | -               | -               | -                                  | 3,704,759                          | -                | 147,386                        |
| 32.   | KULNA POWER COMPANY LTD.               | 22-Nov-10        | -            | -               | -               | -                                  | 7,796,916                          | -                | -                              |
| 33.   | LAFARGE SURMA CEMENT LTD.              | 10-Dec-13        | 52,300       | 523,000         | 6,198,815       | 3,901,580                          | -                                  | (2,297,235)      | 2,500                          |
| 34.   | MALEK SPINNING MILLS LTD.              | 29-Sep-14        | 100,000      | 1,000,000       | 2,342,005       | 1,570,000                          | 1,910,000                          | (772,005)        | 100,000                        |

## ANNEXURE-B

### Investment in Shares

**As at December 31, 2015**

#### A. Listed Securities:

| Sl. # | Name of the company                  | Date of Purchase | No of shares | Face Value Taka | Cost Price Taka | Market Value as on 31-12-2015 Taka | Market Value as on 31-12-2014 Taka | Gain/(Loss) Taka | Dividend Received in 2015 Taka |
|-------|--------------------------------------|------------------|--------------|-----------------|-----------------|------------------------------------|------------------------------------|------------------|--------------------------------|
| 35.   | MBL 1ST MUTUAL FUND                  | 3-Feb-14         | 227,500      | 2,275,000       | 1,739,904       | 1,296,750                          | 1,023,750                          | (443,154)        | -                              |
| 36.   | MEGHNA CEMENT MILLS LTD.             | 14-Oct-14        | 5,000        | 50,000          | 656,965         | 534,500                            | 605,500                            | (122,465)        | 7,500                          |
| 37.   | M. I. CEMENT FACTORY LTD.            | 30-Nov-10        | -            | -               | -               | -                                  | 75,882                             | -                | 3,153                          |
| 38.   | MUL BANGLADESH LTD.                  | 31-May-15        | 212,849      | 2,128,490       | 23,391,402      | 20,071,661                         | -                                  | (3,319,742)      | -                              |
| 39.   | MEGHNA PETROLEUM LTD.                | 23-Nov-10        | 119,688      | 1,196,880       | 26,328,711      | 18,264,389                         | 11,640,659                         | (8,064,322)      | 476,463                        |
| 40.   | MITHUN KNITTING & DYEING (CEPZ) LTD. | 25-Aug-94        | -            | -               | -               | -                                  | 55,920                             | -                | -                              |
| 41.   | MUTUAL TRUST BANK LTD.               | 8-Oct-14         | -            | -               | -               | -                                  | 297,000                            | -                | -                              |
| 42.   | NAVANA CNG LTD.                      | 31-Oct-01        | 29,890       | 298,900         | 4,652,341       | 1,485,533                          | 1,954,806                          | (3,166,808)      | 44,835                         |
| 43.   | N C C BANK LTD.                      | 26-Dec-10        | 50,836       | 508,360         | 956,678         | 462,608                            | 517,608                            | (494,071)        | 4                              |
| 44.   | NITOL INSURANCE COMPANY LTD.         | 10-Dec-13        | 27,048       | 270,480         | 755,290         | 654,562                            | 689,136                            | (100,728)        | -                              |
| 45.   | OLYMPIC INDUSTRIES LTD.              | 19-Oct-15        | 37,387       | 373,870         | 9,620,500       | 9,690,710                          | -                                  | 70,210           | -                              |
| 46.   | ONE BANK LTD.                        | 28-Jul-11        | 81,118       | 811,180         | 2,238,741       | 1,241,105                          | 1,139,259                          | (997,636)        | 90,133                         |
| 47.   | ORION PHARMA LTD.                    | 10-Dec-13        | 145,000      | 1,450,000       | 9,427,979       | 5,336,000                          | 6,597,500                          | (4,091,979)      | 217,500                        |
| 48.   | PADMA OIL COMPANY.                   | 2-Oct-14         | 10,000       | 100,000         | 3,481,232       | 1,842,000                          | 2,516,000                          | (1,639,232)      | 100,000                        |
| 49.   | PHOENIX INSURANCE CO.LTD.            | 10-Dec-13        | 9,400        | 94,000          | 393,324         | 217,140                            | 329,940                            | (176,184)        | 18,800                         |
| 50.   | PHP 1ST MUTUAL FUND                  | 10-Dec-13        | 736,706      | 7,367,060       | 3,919,674       | 3,020,495                          | 3,267,440                          | (899,179)        | -                              |
| 51.   | PIONEER INSURANCE COMPANY LTD        | 10-Dec-13        | 40,500       | 405,000         | 1,995,769       | 1,320,300                          | 1,441,800                          | (675,469)        | 16,200                         |
| 52.   | POPULAR LIFE FIRST MUTUAL FUND       | 10-Dec-13        | 913,551      | 9,135,510       | 4,994,489       | 3,836,914                          | 4,208,400                          | (1,157,574)      | -                              |
| 53.   | POWER GRID CO. OF BANGLADESH LTD.    | 2-Dec-10         | 58,650       | 586,500         | 3,828,000       | 2,692,035                          | 2,369,460                          | (1,135,965)      | 58,650                         |
| 54.   | PREMIER BANK LTD.                    | 26-Nov-10        | 73,810       | 738,100         | 1,345,112       | 634,766                            | 671,000                            | (710,346)        | -                              |
| 55.   | PRIME FINANCE & INVESTMENT LTD.      | 9-Nov-10         | 84,192       | 841,920         | 5,728,635       | 959,789                            | 1,801,709                          | (4,768,846)      | 105,240                        |
| 56.   | PRIME INSURANCE COMPANY LTD.         | 10-Dec-13        | 27,772       | 277,720         | 807,014         | 416,580                            | 523,710                            | (390,434)        | 26,474                         |
| 57.   | PRIME ISLAMI LIFE INSURANCE LTD.     | 2-Mar-14         | 12,650       | 126,500         | 1,148,385       | 497,145                            | 913,100                            | (651,240)        | 27,250                         |
| 58.   | RAK CERAMICS(BANGLADESH) LTD.        | 31-Oct-10        | 37,875       | 378,750         | 3,967,234       | 2,533,838                          | 2,185,399                          | (1,433,397)      | 94,688                         |
| 59.   | RENATA LTD.                          | 13-Oct-14        | -            | -               | -               | -                                  | 6,888,000                          | -                | 56,000                         |
| 60.   | REPUBLIC INSURANCE COMPANY LTD.      | 10-Dec-13        | 37,125       | 371,250         | 1,384,140       | 545,738                            | 867,375                            | (838,403)        | -                              |
| 61.   | R. N. SPINNING MILLS LTD.            | 10-Nov-13        | 70,000       | 700,000         | 2,388,143       | 1,547,000                          | 2,030,000                          | (841,143)        | -                              |
| 62.   | SHAHJALAL ISLAMI BANK LTD.           | 3-Feb-14         | 66,000       | 660,000         | 1,017,042       | 891,000                            | 759,000                            | (126,042)        | 66,000                         |
| 63.   | SOCIAL ISLAMI BANK LTD.              | 18-Apr-12        | 135,356      | 1,353,560       | 2,024,898       | 1,949,126                          | 1,067,600                          | (75,772)         | 141,300                        |
| 64.   | SONAR BANGLA INSURANCE LTD.          | 10-Dec-13        | 41,552       | 415,520         | 941,215         | 627,435                            | 713,440                            | (313,780)        | 23,520                         |
| 65.   | SOUTHEAST BANK LTD.                  | 18-Apr-12        | 613,308      | 6,133,080       | 11,141,503      | 10,794,221                         | 4,083,739                          | (347,283)        | 345,753                        |
| 66.   | SQUARE TEXTILE MILLS LTD.            | 10-Dec-13        | 69,291       | 692,910         | 6,057,958       | 5,231,471                          | 5,005,000                          | (826,488)        | 125,998                        |
| 67.   | SQUARE PHARMACEUTICALS LTD.          | 22-Dec-10        | 270,000      | 2,700,000       | 69,197,468      | 68,499,000                         | 14,494,095                         | (698,468)        | 256,992                        |
| 68.   | STANDARD BANK LTD                    | 2-Dec-10         | 145,258      | 1,452,580       | 2,175,810       | 1,336,374                          | 1,604,162                          | (839,436)        | -                              |

## ANNEXURE-B

### Investment in Shares

**As at December 31, 2015**

#### A. Listed Securities:

| Sl. #     | Name of the company            | Date of Purchase | No of shares | Face Value Taka  | Cost Price Taka    | Market Value as on 31-12-2015 Taka | Market Value as on 31-12-2014 Taka | Gain/(Loss) Taka  | Dividend Received in 2015 Taka |
|-----------|--------------------------------|------------------|--------------|------------------|--------------------|------------------------------------|------------------------------------|-------------------|--------------------------------|
| 69.       | SUMMIT POWER LTD.              | 8-Dec-10         | 179,195      | 1,791,950        | 9,130,409          | 7,114,042                          | 6,536,374                          | (2,016,368)       | 170,665                        |
| 70.       | SUNLIFE INSURANCE COMPANY LTD. | 2-Mar-14         | 16,695       | 166,950          | 973,412            | 452,435                            | 681,975                            | (520,977)         | -                              |
| 71.       | TAMIZUDDIN TEXTILES MILLS LTD. | 2-Jan-92         | -            | -                | -                  | -                                  | 385,000                            | -                 | 165,000                        |
| 72.       | TITAS GAS TRANSMISSION & D.C.L | 26-Dec-10        | 227,750      | 2,277,500        | 20,892,992         | 10,795,350                         | 18,151,675                         | (10,097,642)      | 865,450                        |
| 73.       | TRUST BANK LTD.                | 10-Dec-13        | -            | -                | -                  | -                                  | 1,201,200                          | -                 | 30,800                         |
| 74.       | U.C.B.L.                       | 10-Dec-13        | 230,607      | 2,306,070        | 5,218,233          | 4,911,929                          | 5,630,669                          | (306,304)         | 192,184                        |
| 75.       | UTTARA BANK LTD.               | 10-Dec-13        | 200,000      | 2,000,000        | 4,649,408          | 4,540,000                          | 2,072,000                          | (109,408)         | 160,000                        |
| 76.       | UTTARA FINANCE & INVEST LTD.   | 24-Mar-15        | 17,225       | 172,250          | 1,217,786          | 1,049,003                          | -                                  | (168,784)         | 476,927                        |
|           |                                |                  |              |                  |                    |                                    |                                    |                   |                                |
| <b>A.</b> | <b>Sub-Total</b>               |                  |              | <b>187629400</b> | <b>447,954,014</b> | <b>480,687,254</b>                 | <b>375,952,827</b>                 | <b>32,733,240</b> | <b>18,412,130</b>              |

#### B. Non-Listed & Preference Shares:

| Sl. #     | Name of the company                | Date of Purchase | No of shares | Face Value         | Total Cost/ Book Value | Market Value as on 31-12-2015 | Market Value as on 31-12-2014 | Unrealized Gain/(Loss) | Dividend Received in 2015 Taka |
|-----------|------------------------------------|------------------|--------------|--------------------|------------------------|-------------------------------|-------------------------------|------------------------|--------------------------------|
| 1.        | BANGLADESH DEVELOPMENT CO.LTD.     | 19-Jul-11        | 138,578      | 13,857,750         | 13,857,750             | 13,857,750                    | 17,393,750                    | -                      | 1,134,000                      |
| 2.        | CENTRAL DEPOSITORY BANGLADESH LTD. | 20-Aug-00        | 1,142,361    | 11,423,610         | 3,138,890              | 3,138,890                     | 3,138,890                     | -                      | -                              |
| 3.        | EQUITY OF GRAMEEN IT PARK          | 1-Feb-01         | 42,018       | 4,201,800          | 4,201,760              | 4,201,760                     | 4,201,760                     | -                      | -                              |
| 4.        | KARMA SANGSTHAN BANK               | 15-Mar-99        | 150,000      | 15,000,000         | 15,000,000             | 15,000,000                    | 15,000,000                    | -                      | -                              |
| <b>B.</b> | <b>Sub-Total</b>                   |                  |              | <b>44483160</b>    | <b>36,198,400</b>      | <b>36,198,400</b>             | <b>39,734,400</b>             | <b>-</b>               | <b>1,134,000</b>               |
|           |                                    |                  |              |                    |                        |                               |                               |                        |                                |
|           | <b>Grand Total (A+B)</b>           |                  |              | <b>232,112,560</b> | <b>484,152,414</b>     | <b>516,885,654</b>            | <b>415,687,227</b>            | <b>32,733,240</b>      | <b>19,546,130</b>              |

## ANNEXURE-C

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

| Sl. No. | Name of the Client                     | Outstanding as on 31.12.2015 |              |                | Outstanding as on 31.12.2014 | CL status as on 31.12.2015 |
|---------|----------------------------------------|------------------------------|--------------|----------------|------------------------------|----------------------------|
|         |                                        | Funded                       | Non funded   | Total          |                              |                            |
| 1       | BD CHEMICALS INDS CORP (BCIC)          | 51,839                       | 1,226        | 53,065         | 79,428                       | STD                        |
| 2       | AMADER BARI LIMITED                    | 42,462                       | -            | 42,462         | 10,874                       | STD                        |
| 3       | EMERALD AUTO BRICKS & ALLIED           | 20,428                       | -            | 20,428         | 18,054                       | STD                        |
| 4       | WELL TEX AND ALLIED(ADIB DYEING)       | 19,262                       | 540          | 19,802         | 22,759                       | DF                         |
| 5       | VASAVI FASHIONS & ALLIED               | 15,824                       | -            | 15,824         | 15,216                       | BL                         |
| 6       | OPE PROPERTIES LTD. & ALLIED           | 15,243                       | -            | 15,243         | 13,718                       | STD                        |
| 7       | NEW DHAKA CITY DEVELOPMENT LTD         | 14,106                       | -            | 14,106         | 12,514                       | STD                        |
| 8       | MYMCO CARBON LTD AND ALLIED            | 14,085                       | -            | 14,085         | -                            | BL                         |
| 9       | NILSAGOR AGRO & ALLIED                 | 12,582                       | 1,381        | 13,963         | 13,774                       | BL                         |
| 10      | BANGLADESH DEVELOPMENT COMPANY LTD.    | 13,616                       | -            | 13,616         | 12,931                       | STD                        |
| 11      | RISING GROUP                           | 12,923                       | 18           | 12,941         | -                            | STD                        |
| 12      | DELTA SYSTEMS LIMITED                  | 12,842                       | -            | 12,842         | 12,842                       | BL                         |
| 13      | EMERALD OIL & ALLIED                   | 12,003                       | 130          | 12,133         | -                            | BL                         |
| 14      | REGENT WEAVING LTD                     | 11,776                       | 1            | 11,777         | -                            | STD                        |
| 15      | BORSHON/BITHI                          | 11,726                       | -            | 11,726         | -                            | BL                         |
| 16      | IG NAVIGATION LIMITED                  | 11,396                       | -            | 11,396         | 9,867                        | DF                         |
| 17      | ARISTOCRAT                             | 11,296                       | -            | 11,296         | -                            | STD                        |
| 18      | CRYSTAL STEELS & SHIP BREAKING LIMITED | 11,176                       | -            | 11,176         | 11,024                       | STD                        |
| 19      | PROFUSION TEXTILES LIMITED             | 11,166                       | -            | 11,166         | 10,364                       | BL                         |
| 20      | MA TEX                                 | 11,122                       | -            | 11,122         | -                            | BL                         |
| 21      | BAY NAVIGATION LTD                     | 10,944                       | 39           | 10,983         | -                            | STD                        |
| 22      | S. SUHI SHIPPING & ALLIED              | -                            | -            | -              | 14,770                       | -                          |
| 23      | HG AVIATION LTD. & ALLIED              | -                            | -            | -              | 11,357                       | -                          |
| 24      | SONAR BANGLA NATURAL AGRO & ALLIED     | -                            | -            | -              | 10,880                       | -                          |
| 25      | A.R.S.S. ENTERPRISE                    | -                            | -            | -              | 10,609                       | -                          |
| 26      | TECHNO DESIGN & DEVELOPMENT LTD.       | -                            | -            | -              | 10,243                       | -                          |
| 27      | NEW AUTO DEFINE                        | -                            | -            | -              | 10,187                       | -                          |
| 28      | WESTERN HOUSING LTD. AND ALLIED        | -                            | -            | -              | 10,154                       | -                          |
|         | <b>TOTAL</b>                           | <b>347,817</b>               | <b>3,335</b> | <b>351,152</b> | <b>321,565</b>               | <b>-</b>                   |

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

**Annexure-D**  
**Schedule of Fixed Assets**  
**As at December 31, 2015**

| Particulars            | Balance as at 01.01.2015 | Addition during the year | Disposal/Transfer during the year | Balance as at 31.12.2015 | Rate of Dep. | Balance as at 01.01.2015 | Addition during the year | Transfer / Adjustment during the year | Balance as at 31.12.2015 | Written Down Value as at 31.12.2015 |
|------------------------|--------------------------|--------------------------|-----------------------------------|--------------------------|--------------|--------------------------|--------------------------|---------------------------------------|--------------------------|-------------------------------------|
| Furniture and Fixtures | 105,453,419              | 1,982,612                | -                                 | 107,436,031              | 10%          | 42,204,657               | 6,394,167                | -                                     | 48,598,824               | 58,837,207                          |
| Interior Decoration    | 302,543,541              | 4,551,177                | -                                 | 307,094,718              | 10%          | 84,074,136               | 21,968,489               | -                                     | 106,042,625              | 201,052,093                         |
| Machine and Equipment  | 316,079,826              | 9,910,059                | (6,850)                           | 325,983,035              | 20%          | 171,130,270              | 30,528,929               | -                                     | 201,659,199              | 124,323,836                         |
| Computer Hardware      | 291,985,008              | 2,686,825                | -                                 | 294,671,833              | 20%          | 210,026,042              | 28,556,901               | -                                     | 238,582,943              | 56,088,890                          |
| Software               | 94,125,936               | -                        | -                                 | 94,125,936               | 20%          | 70,626,471               | 9,204,444                | -                                     | 79,830,915               | 14,295,021                          |
| Motor Vehicles         | 385,017,777              | -                        | -                                 | 385,017,777              | 25%          | 270,725,957              | 57,877,960               | -                                     | 328,603,917              | 56,413,860                          |
| Leasehold Assets       | 4,000,000                | -                        | -                                 | 4,000,000                | 1%           | 735,807                  | 46,001                   | -                                     | 781,808                  | 3,218,192                           |
| <b>Total 2015</b>      | <b>1,499,205,507</b>     | <b>19,130,673</b>        | <b>(6,850)</b>                    | <b>1,518,329,330</b>     |              | <b>849,523,340</b>       | <b>154,576,891</b>       | <b>-</b>                              | <b>1,004,100,231</b>     | <b>514,229,099</b>                  |
| <b>Total 2014</b>      | <b>1,402,188,985</b>     | <b>108,753,952</b>       | <b>(11,737,430)</b>               | <b>1,499,205,507</b>     |              | <b>679,107,457</b>       | <b>181,716,223</b>       | <b>(11,300,340)</b>                   | <b>849,523,340</b>       | <b>649,682,167</b>                  |

## BASIC Bank Limited

### Highlights on the overall activities of the Bank

| SL | Particulars                                                   | 2015             | 2014             |
|----|---------------------------------------------------------------|------------------|------------------|
| 1  | Paid up Capital                                               | 10,846,982,500   | 2,946,982,500    |
| 2  | Total Capital                                                 | (8,512,446,006)  | (25,924,636,004) |
| 3  | Capital Surplus / (Deficit)                                   | (19,785,806,006) | (35,161,056,004) |
| 4  | Total Assets                                                  | 194,173,358,107  | 171,118,526,397  |
| 5  | Total Deposits                                                | 148,167,229,641  | 139,934,056,098  |
| 6  | Total Loans and Advances                                      | 128,807,012,281  | 89,392,858,838   |
| 7  | Total Contingent Liabilities and Commitments                  | 11,584,474,388   | 15,268,755,983   |
| 8  | Credit - Deposit Ratio                                        | 84.72%           | 82.46%           |
| 9  | Percentage of Classified Loans against total Loans & Advances | 51.09%           | 57.15%           |
| 10 | Profit (Loss) after Tax and Provision                         | (3,140,361,573)  | (1,100,160,174)  |
| 11 | Amount of Classified Loans and Advances                       | 65,812,501,648   | 51,091,161,633   |
| 12 | Provision Kept against Classified Loan                        | 3,984,261,350    | 3,964,654,319    |
| 13 | Provision Surplus/ (deficit)                                  | (35,170,311,182) | (39,562,724,218) |
| 14 | Cost of Fund                                                  | 10.24%           | 11.87%           |
| 15 | Interest Earning Assets                                       | 104,417,294,259  | 75,754,648,428   |
| 16 | Non-interest Bearing Assets                                   | 89,756,063,848   | 95,363,877,969   |
| 17 | Return on Investment (ROI)*                                   | -14.24%          | -8.97%           |
| 18 | Return on Assets (ROA)                                        | -1.72%           | -0.67%           |
| 19 | Incomes on Investment                                         | 2,628,103,917    | 2,187,664,336    |
| 20 | Earnings Per Share (EPS)                                      | (28.95)          | (37.33)          |
| 21 | Net Income Per Share                                          | (28.95)          | (37.33)          |
| 22 | Price Earning Ratio**                                         | N/A              | N/A              |

\* ROI has been calculated by dividing profit after tax by average shareholders equity plus average long term debt.

\*\* N/A: Not Applicable





# List of Executives

## **Managing Director**

Khondoker Md. Iqbal

## **Deputy Managing Director**

Kanak Kumar Purkayastha  
Abdul Qayum Mohammad Kibriya  
A. Monaem Khan

## **General Manager**

Md. Zainul Abedin Choudhury  
Md. Wahidul Alam  
Md. Mozammel Hossain  
Khandakar Shamim Hasan  
Golam Faruk Khan  
Ahmad Hossain  
Hasan Tanvir  
Mohammad Moniruzzaman  
Abu Sayed Md. Rowshanul Haque  
Md. Emdadul Haque  
A.K.M. Masudur Rahman  
Md. Ismail  
Khan Iqbal Hasan

### **Deputy General Manager**

Md. Omar Faruque  
Md. Abul Kalam Azad  
Abdul Adud  
Md. Kabir Uddin  
Mohammed Ali  
Abu Md. Mofazzal  
Md. Momenul Hoque  
Jan - E - Alam Sheikh  
Nurur Rahman Chowdhury  
Md. Masum Uddin Khan  
Niranjan Chandra Debnath  
Saifur Rahman  
Md. Fida Hasan  
Md. Masudul Alam  
Mahbub Alam Khan  
Md. Mahabubul Alam  
Helena Perveen  
Md. Hasan Imam (Company Secretary)  
Debasish Karmaker  
B.M.Kamruzzaman  
Mohammad Musa Khan  
Md. Humayun Kabir  
Niaz Musawwir Shah  
Md. Harunur Rashid  
Arif Hossain  
Md. Rabiul Alam Tipu  
Mariom Begum  
Abdus Sabur  
Md. Ashrafuzzaman  
Mohammad Al- Amin  
A.M. Shahed Husain  
Md. Abdus Satter Khan  
Md. Khosh Newaz

Shakir Mahmud Sharafuddin  
Md. Mahmud Hasan  
Md. Abdul Maleque Kibria  
Jahir Uddin Ahmed  
Md. Abdul Gofur Talukder  
Md. Nurul Islam  
Md. Helal Uddin  
Md. Ruhul Amin  
Muhammad Imrul Islam  
Mohammad Didarul Alam  
Md. Nashir Uddin  
Sumit Ranjan Nath  
Palash Das Gupta  
Md. Ghulam Sayeed Khan  
Sanjay Kumar Datta  
Faisal Shah Qureshi  
Md. Zahir Uddin

### **Assistant General Manager**

Mohammad Faruk Hossain  
Mohammed Idrish Bhuiyan  
Md. Rezaul Alam  
Md. Kamrul Islam  
Dominic Sampson  
A.K.M. Kamruzzaman  
Shehab Chowdhury  
Md. Mizanur Rahman  
Md. Shamsul Huq  
S.M. Anisuzzaman  
Md. Nasir Uddin  
Md. Billal Hossain  
Sadia Akhter Shahin  
Shamima Akther  
A.S.M. Anisur Rahman Choudhury

### Assistant General Manager

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  
 Ekramul Bari  
 Md. Abdul Ali  
 Md. Abul Kalam Azad  
 Md. Shariful Islam  
 Md. Abdul Hannan Howlader  
 Md. Raihan Ali  
 Mahbubor Rahman  
 Md. Salequr Rahman  
 Md. Gahar Ali Khan  
 Muhammad Nazmul Hasan  
 Md. Rakibul Hassan  
 A. B. M Zahid Hossain  
 S. M. Zahid Hassan Sayed  
 Md. Taslim Uddin  
 S. M. Hasibur Rahman  
 Md. Ismail Hossain  
 Nitul Kanti Saha  
 Md. Ashraf Hossain  
 Md. Abdul Matin  
 Razia Khatun  
 Atikuzzaman Khan  
 Sk. Mahfuzur Rahman  
 Syed Md. Humayun Kabir  
 Md. Mashiur Rahman

Md. Abul Hossain  
 Md. Mominul Haque Chowdhury  
 Md. Masud Hasan  
 Md. Shamim Khan  
 Md. Anwar Hossain Rubel  
 Md. Sayem Abul Khair  
 Mohammad Mahmudul Hasan  
 Chowdhury Tanbir Ahmed  
 Mohammad Jasim Uddin  
 Md. Golam Ershad  
 Farbina Rahman  
 Syed Abdullah-Al- Zaman  
 Md. Ahsanul Mamun Chowdhury  
 Mohammad Shafiqul Alam  
 Kazi Abdullah Al - Mahmud  
 Abdus Samad Majumder  
 Ashraf Uddin Ahmed  
 Imrul Islam  
 Tania Tamassum  
 Nazibur Rahman  
 Debashish Dasgupta  
 Sharif Ahmed  
 Md. Khalilur Rahman Bhuiyan  
 Abul Hashem Mozumder  
 Md. Selim Rahman  
 Sahidul Alam Mohammad Kabir  
 Abu Musa Md. Golam Mostafa  
 Md. Nazir Uddin Ahamad  
 Majir Uddin Ahmed Chowdhury  
 Md. Shahadat Hossain Khan  
 Md. Nazrul Islam  
 Md. Fazlul Karim  
 Md. Jalal Uddin  
 Rumana Ahad



# Head Office and Branches

## **HEAD OFFICE**

Sena Kalyan Bhaban (5th Floor)  
195 Motijheel C/A, Dhaka-1000  
Tel: 02-9568190, 9564830, 9590548, 9590549, 9556616  
Fax: 02-9564829, 7115612, 7124911, 7125653  
SWIFT: BKSIBDDH  
Branch Code: 01  
E-mail: [basicho@basicbanklimited.com](mailto:basicho@basicbanklimited.com)

## **ICT DIVISION**

Peoples Insurance Bhaban (5th Floor)  
36, Dilkusha Commercial Area  
Dhaka-1000  
Tel : 02-9562960, 02-9555087,  
02-9515319-21  
Fax: 02-9555518

## **BASIC BANK TRAINING INSTITUTE (BBTI)**

EDB Trade Center (4th & 5th Floors)  
93, Kazi Nazrul Islam Avenue  
Karwan Bazar, Dhaka  
Tel: 02-9131609  
E-mail: [basicti@basicbanklimited.com](mailto:basicti@basicbanklimited.com)

## **CARD DIVISION**

Bana Shilpa Bhaban (5th Floor)  
73 Motijheel C/A, Dhaka-1000  
Tel: 02-9568935, 02-7120947-48  
Fax: 02-7120949  
E-mai: [basiccard@basicbanklimited.com](mailto:basiccard@basicbanklimited.com)



#### AGRABAD BRANCH

Pine View (Ground floor)  
100 Agrabad C/A, Chittagong-4100  
Tel: 031-2520080, 725527, 814041  
Fax: 031-714822  
SWIFT: BKSIBDDH008  
Branch Code: 08  
E-mail: agrabad@basicbanklimited.com

#### ASADGONJ BRANCH

M.A. Salam Market  
774, Asadgonj, Chittagong-4100  
Tel: 031-614569, 632112, 614942  
Fax: 031-614942  
SWIFT: BKSIBDDH016  
Branch Code: 16  
E-mail: asadgonj@basicbanklimited.com

#### BABUBAZAR BRANCH

Hajee Yusuf Mansion (1st floor)  
56 Mitford Road, Babubazar, Dhaka-1100  
Tel: 02-57391335, 02-57393875  
Fax: 02-7341828  
SWIFT: BKSIBDDH023  
Branch Code: 23  
E-mail: babubazar@basicbanklimited.com

#### BANANI BRANCH

6, Kemal Ataturk Avenue,  
Banani-1213  
Tel: 02-8833402, 8833403, 8833407  
Fax: 02-8833035  
Branch Code: 47  
E-mail: banani@basicbanklimited.com

#### BANGSHAL BRANCH

230 North South Road  
Bangshal, Dhaka-1100  
Tel: 02-9563686, 9562615  
Fax: 02-9557141  
SWIFT: BKSIBDDH006  
Branch Code: 06  
E-mail: bangshal@basicbanklimited.com

#### BASHUNDHARA BRANCH

Plot: 13, Block: A, Main Road,  
Bashundhara R/A, Dhaka-1229  
Tel: 02-8419650, 8419657, 8419658  
Fax: 02-8402495  
Branch Code: 49  
E-mail: bashundhara@basicbanklimited.com

#### BELKUCHI BRANCH

Bhuyan Plaza  
Mukundagati Bazar, Belkuchi, Sirajganj  
Tel: 07522-56317  
Fax: 07522-56539  
Branch Code: 40  
E-mail: belkuchi@basicbanklimited.com

#### BOGRA BRANCH

Holding no.489  
Bhabani Shachin Bhaban  
Hari Dashi Market, 120 Baragola, Bogra-5800  
Tel: 051-78793, 65672  
Fax: 051-6572/111  
SWIFT: BKSIBDDH012  
Branch Code: 12  
E-mail: bogra@basicbanklimited.com

#### BARISAL BRANCH

102, Chawkbazar Road, Barisal  
Tel: 0431-65022, 61022  
Fax: 0431-61022  
Branch Code: 27  
E-mail: barisal@basicbanklimited.com

#### CHITTAGONG EPZ BRANCH

Islam Plaza, Holding no-1279/1685  
Ward-39, South Halishahar,  
M.A. Aziz Road, CPEZ Chittagong-4100  
Tel: 031-740094, 800512  
Fax: 031-800512  
Branch Code: 25  
E-mail: cepz@basicbanklimited.com

#### CHANDPUR BRANCH

Holding No.- 121, (Kalibari More), Comilla Road  
Ward No-7, Pourashava Chandpur, Chandpur-3600  
Tel: 0841-67201, 0841-67202  
Fax: 0841-67203  
Branch Code: 38  
E-mail: chandpur@basicbanklimited.com

#### CHAPAINAWABGANJ BRANCH

Holding No.- 449, Huzrapur Road,  
Chapainawabganj  
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Fax: 0781-51585  
Branch Code: 54  
E-mail: chapainawabganj@basicbanklimited.com

#### CHITALMARI BRANCH

Holding no:48  
Meem Sargical Clinic, Vill: Aruaborni,  
Shaheed Minar Road, Chitalmari, Bagerhat  
Tel: 04652-56035  
Fax: 04652-56025  
Branch Code: 44  
E-mail: chitalmari@basicbanklimited.com

#### CHOWMUHANA BRANCH

152, Shamsernagar Road  
Chowmuhana, Moulvibazar-3200  
Tel: 0861-53238  
Fax: 0861-53060  
Branch Code: 11  
E-mail: chowmuhana@basicbanklimited.com

#### COMILLA BRANCH

Holding No.- 03, A.M.D. Complex Market,  
Chatipatty, Rajgonj, Comilla-3500  
Tel: 081-65886  
Fax: 081-71444  
Branch Code: 17  
E-mail: comilla@basicbanklimited.com

#### COX'S BAZAR BRANCH

Holding no.: 30 (Rashid Complex)  
Main Road, Cox'sbazar Sadar, Cox'sbazar-4700  
Tel: 0341-63585, 0341-63580  
Fax: 0341-63589  
Branch Code: 56  
E-mail: coxsbazar@basicbanklimited.com



#### DEWANHAT BRANCH

4/B D.T. Road, Postarpar  
Dewanhat, Chittagong-4100  
Tel: 031-2512480-1  
Fax: 031-2512482  
Branch Code: 30  
E-mail: dewanhathat@basicbanklimited.com

#### DHAKA CANTONMENT BRANCH

CB 211/4, VIP Road, Kochukhet, Bhashantek,  
Dhaka Cantonment, Dhaka-1206  
Tel: 02-8871159, 8871857  
Fax: 02-8871858  
Branch Code: 64  
E-mail: dhakacantonment@basicbanklimited.com

#### DHANMONDI BRANCH

54, Manna's Tower (1st floor), Road # 4/A,  
Satmasjid Road, Dhanmodi R/A, Dhaka-1209  
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Fax: 02-9676156/101  
Branch Code: 28  
E-mail: dhanmondi@basicbanklimited.com

#### DILKUSHA BRANCH

14 Dilkusha C/A  
Dhaka-1000  
Tel: 02-9563793-4  
Fax: 02-9587150  
SWIFT: BKSIBDDH015  
Branch Code: 15  
E-mail: dilkusha@basicbanklimited.com

#### DOHAZARI BRANCH

Janakalyan Tower (1st floor), Main Road,  
Dohazari, Chandanaish, Chittagong  
Tel: 04439009133  
Branch Code: 59  
E-mail: dohazari@basicbanklimited.com

#### ELENGA BRANCH

Holding no: 1665  
Dr. Hasen Ali Super Market  
Elenga Bazar Road, Elenga, Kalihati, Tangail  
Branch Code: 65  
E-mail: elenga@basicbanklimited.com

#### FAKIRHAT BRANCH

Sheikh Matiur Rahman Market  
Old Dhaka Road, Fakirhat, Bagerhat  
Tel: 04653-56340  
Fax: 04653-56339  
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E-mail: fakirhat@basicbanklimited.com

#### FARIDPUR BRANCH

Holding no. 29/D, Ward no. 2,  
Kotwali, Faridpur  
Tel: 0631-67228, 67229  
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Branch Code: 46  
E-mail: faridpur@basicbanklimited.com

#### GAZIPUR CHOWRASTA BRANCH

Noor Plaza (1st floor), Gazipur Chowrasta  
Mymensingh Road, Gazipur  
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Fax: 02-9263197  
Branch Code: 33  
E-mail: gazipurchowrasta@basicbanklimited.com

#### 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, 9862127  
Fax: 02-8857307  
SWIFT: BKSIBDDH021  
Branch Code: 21  
E-mail: gulshan@basicbanklimited.com

#### ISHWARGANJ BRANCH

41, Patbazar Road, Ishwarganj  
Mymensingh  
Tel: 0902-756153, 756152  
Fax: 0902-756152  
Branch Code: 66  
E-mail: ishwarganj@basicbanklimited.com

#### ISLAMPUR BRANCH

6-7, Islampur Road (2nd floor), Islampur  
Dhaka-1100  
Tel: 02-57394422, 02-57394722  
Fax: 02-7394799  
Branch Code: 39  
E-mail: islampur@basicbanklimited.com

#### JESSORE BRANCH

35, M.K. Road (1st floor),  
Jessore-7400  
Tel: 0421-68586, 64428  
Fax: 0421-68587  
Branch Code: 18  
E-mail: jessore@basicbanklimited.com

#### JHENAIDAH BRANCH

203, Hossain Shaheed Suhrawardy Road, Jhenaidah Sadar  
Jhenaidah  
Tel: 0451-62880, 0451-62881  
Fax: 0451-62885  
Branch Code: 67  
E-mail: jhenaidah@basicbanklimited.com

#### JHIKARGACHA BRANCH

Samad Market, Krishnanagar, Jhikargacha  
Jessore  
Tel: 04225-71635, 04225-71636  
Fax: 04225-71655  
Branch Code: 48  
E-mail: jhikargacha@basicbanklimited.com

#### JORARGANJ BRANCH

Gopinathpur, Jorarganj, Mirersharai  
Chittagong  
Branch Code: 68  
E-mail: Jorarganj@basicbanklimited.com

#### JUBILEE ROAD BRANCH

G.R. Plaza, 5 Jubilee Road  
Chittagong-4100  
Tel: 031-634879, 638305  
Fax: 031-2851738  
SWIFT: BKSIBDDH013  
Branch Code: 13  
E-mail: jubileeroad@basicbanklimited.com

#### KARWAN BAZAR BRANCH

Latif Tower, 47 Karwan Bazar, Dhaka-1215  
Tel: 02-8180208, 9146294  
Fax: 02-9146364  
Branch Code: 31  
E-mail: karwanbazar@basicbanklimited.com





#### **KDA AVENUE BRANCH**

Al-Mumin Centre(1st floor), 58, KDA Avenue  
Sonadanga, Khulna-9100  
Tel: 041-2832920, 041-2832924  
Fax: 041-2832709  
Branch Code: 42  
E-mail: kdaavenue@basicbanklimited.com

#### **KERANIGANJ BRANCH**

Century City Complex, Shaheed Delwar Hossain  
Road, East Aganagar, South Keraniganj, Dhaka  
Tel: 02-7764283, 7764284  
Branch Code: 63  
E-mail: keraniganj@basicbanklimited.com

#### **KHATUNGONJ BRANCH**

193 Khatungonj,  
Chitagong-4000  
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Fax: 031-622435  
SWIFT: BKSIBDDH004  
Branch Code: 04  
E-mail: khatungonj@basicbanklimited.com

#### **KHULNA BRANCH**

107, Sir Iqbal Road,  
Khulna-9100  
Tel: 041-720361, 721672  
Fax: 041-812255  
SWIFT: BKSIBDDH025  
Branch Code: 05  
E-mail: khulna@basicbanklimited.com

#### **KOTALIPARA BRANCH**

Holding no : 281  
Bank Bhaban, Sultan Market,  
Ghagore Bazar, Kotalipara, Gopalganj  
Tel: 02-6651344, 02-6651343  
Fax: 02-6651342  
Branch Code: 50  
E-mail: kotalipara@basicbanklimited.com

#### **KUSHTIA BRANCH**

Biswas Super Market (1st floor)  
95/170, N.S. Road, Shapla Chattar,  
Thanapara, Kushtia-7000  
Tel: 071-63041  
Fax: 071-63042  
Branch Code: 36  
E-mail: kushtia@basicbanklimited.com

#### **MADHABDI BRANCH**

Holding no: 11  
Bank Para  
Madhabdi Bazar, Narsingdi-1604  
Tel: 02-9446984, 9446985  
Fax: 02-9446987  
Branch Code: 37  
E-mail: madhabdi@basicbanklimited.com

#### **MAIN BRANCH**

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

#### **MATHBARIA BRANCH**

Thanapara Road, Ward no. 09  
Mathbaria, Pirojpur  
Tel: 04625-75896, 04625-75897  
Fax: 04625-75898  
Branch Code: 57  
E-mail: mathbaria@basicbanklimited.com

#### **MATUAIL BRANCH**

Asiatic Shopping Mall Complex, Mominbagh  
Chowrasta, Paradogair, Matuail, Demra, Dhaka  
Tel: 02-7559797  
Fax: 02-7559025  
Branch Code: 61  
E-mail: matuail@basicbanklimited.com

#### **MAWNA BRANCH**

Hamida Complex, Telihati  
Sripur, Gazipur-1741  
Tel: 0682-551155  
Fax: 0682-552666  
Branch Code: 41  
E-mail: mawna@basicbanklimited.com

#### **MIRPUR BRANCH**

BSCIC Electronics Complex, Industrial Plot No. 1/1  
Section 7, Avenue 4, Road No. 3 Pallabi, Dhaka-1221  
Tel: 02-9006249-50  
Fax: 02-9011732  
SWIFT: BKSIBDDH022  
Branch Code: 22  
E-mail: mirpur@basicbanklimited.com

#### **MIRPUR BAZAR BRANCH**

Chowdhury Complex, Dhulia Khal Road,  
Mirpur Bazar, Bahubal, Habiganj  
Branch Code: 62  
E-mail: mirpurbazar@basicbanklimited.com

#### **MOHIPUR BRANCH**

Nazibpur, Mohipur  
Kalapara, Patuakhali  
Branch Code: 69  
E-mail: mohipur@basicbanklimited.com

#### **MOULVIBAZAR BRANCH**

Gulbadan Market (1st Floor)  
4 Moulvibazar, Dhaka-1211  
Tel: 02-7315356, 7316991  
Fax: 02-7341740  
SWIFT: BKSIBDDH024  
Branch Code: 10  
E-mail: moulvibazar@basicbanklimited.com

#### **MYMENSINGH BRANCH**

76/A, Chhoto Bazar Road  
Mymensingh-2200  
Tel: 091-51612, 51613, 51617  
Fax: 091-51614  
Branch Code: 52  
E-mail: mymensingh@basicbanklimited.com

#### **NARSINGDI BRANCH**

Sutapatti Road  
Narsingdi-1600  
Tel: 02-9463145, 02-9452445  
Fax: 02-9451631  
Branch Code: 19  
E-mail: narsingdi@basicbanklimited.com



#### **NATORE BRANCH**

Holding No.- 327, Rosy Market  
Station Bazar, Natore  
Tel: 0771-66374, 0771-66574  
Fax: 0771-66572  
Branch Code: 55  
E-mail: natore@basicbanklimited.com

#### **PAHARTOLI BRANCH**

Plot No. 9 & 10, Block-G, Firoz Shah Housing Estate  
Pahartoli, Chittagong  
Tel: 031 2773449, 031 2773450  
Fax: 031 2773448  
Branch Code: 45  
E-mail: pahartoli@basicbanklimited.com

#### **PATHERHAT BRANCH**

Ibrahim Soban Tower, Patherhat, Noapara,  
Raozan, (Kaptai Road), Chittagong  
Tel: 031-2573404, 2573406  
Branch Code: 60  
E-mail: patherhat@basicbanklimited.com

#### **RAJSHAHI BRANCH**

Anam Plaza (1st floor)  
Shaheb Bazar, Rajshahi-6100  
Tel: 0721-776278, 770976  
Fax: 0721-770976  
Branch Code: 03  
E-mail: rajshahi@basicbanklimited.com

#### **RANGPUR BRANCH**

97/1, Central Point, Central Road,  
Rangpur-5400  
Tel: 0521-67811, 67812  
Fax: 0521-67813  
Branch Code: 32  
E-mail: rangpur@basicbanklimited.com

#### **SAIDPUR BRANCH**

T. R. Road (Dinajpur Road),  
Saidpur 5310, Nilphamari  
Tel: 05526-72299, 72211  
Fax: 05526-72288  
Branch Code: 20  
E-mail: saidpur@basicbanklimited.com

#### **SATKHIRA BRANCH**

12478(Old), Itagacha Bazar Mor,  
Sultanpur Bara Bazar Road, Satkhira-9400  
Tel: 0471-64010, 0471-64011  
Fax: 0471-64012  
Branch Code: 51  
E-mail: satkhira@basicbanklimited.com

#### **SAVAR BRANCH**

Savar New Market  
Holding # 3, Ward # 7, Savar, Dhaka-1340  
Tel: 02-7745582  
Fax: 02-7745581  
Branch Code: 35  
E-mail: savar@basicbanklimited.com

#### **SHANTINAGAR BRANCH**

Concord Grand (1st floor)  
169/1, Shantinagar Road, Dhaka-1217  
Tel: 02-9337441, 8314057, 9348056, 9347547  
Fax: 02-9332674  
SWIFT: BKSIBDDH009  
Branch Code: 09  
E-mail: shantinagar@basicbanklimited.com

#### **SHOLASHAHAR BRANCH**

Proskov Bhaban (1st floor), 110 CDA  
Avenue, Nasirabad, Muradpur, Chittagong  
Tel: 031-651066, 650855  
Fax: 031-655304  
Branch Code: 24  
E-mail: sholashahar@basicbanklimited.com

#### **SHYAMOLI BRANCH**

House# 24/1, Mohammadpur Housing Estate  
Block B, Ring Road, Shyamoli, Dhaka-1207  
Tel: 02-9142412, 02-9142413  
Fax: 02-9120516  
Branch Code: 53  
E-mail: shyamoli@basicbanklimited.com

#### **SIRAJGANJ BRANCH**

Shapneel Shopping Complex  
305, S.S. Plaza, S.S. Road, Sirajganj  
Tel: 0751-64355, 64356  
Fax: 0751-64357  
Branch Code: 29  
E-mail: sirajganj@basicbanklimited.com

#### **SONARPARA (RAYNAGAR) BRANCH**

61, Monsuf-Rowshan Plaza, Sylhet-Tamabil Road,  
Raynagar, Sonarpara, Sylhet  
Tel: 0821-728780, 728802  
Branch Code: 58  
E-mail: sonarpara@basicbanklimited.com

#### **TANBAZAR BRANCH**

55/21 S.T.S Tower, S.M Maleh Road  
Tanbazar, Narayanganj-1400  
Tel: 02-7631862, 02-7648601, 02-7646233  
Fax: 02-7647161  
SWIFT: BKSIBDDH014  
Branch Code: 14  
E-mail: tanbazar@basicbanklimited.com

#### **TUNGIPARA BRANCH**

220, Powra Super Market, Patgati Bazar  
Tungipara, Gopalganj  
Tel: 066-5556465  
Fax: 02-6656466  
Branch Code: 34  
E-mail: tungipara@basicbanklimited.com

#### **UTTARA BRANCH**

Plot No. 67/A (1st floor), Rabindra Saroni  
Sector-7, Uttara Model Town, Dhaka-1230.  
Tel: 02-8961032  
Fax: 02-8961031  
Branch Code: 26  
E-mail: uttara@basicbanklimited.com

#### **ZINDABAZAR BRANCH**

Wahid View (1st floor)  
5477 East Zindabazar, Sylhet-3100  
Tel: 0821-718462, 712548  
Fax: 0821-712548  
SWIFT: BKSIBDDH026  
Branch Code: 07  
E-mail: zindabazar@basicbanklimited.com

# Collection Booths

## **Cox's Bazar Collage Collection Booth**

Cox's Bazar Government Collage  
Road: Arakan Road, Jhilonga  
Cox's Bazar

## **Cox's Bazar Pourashava Collection Booth**

Holding: 408, Ward No: 10  
Cox's Bazar Pourashava  
Cox's Bazar

## **Dhaka Polli Biddut Shamity-3 Collection Booth**

Shimultola Zonal Office  
Road: C.R.P Road, Ward: 07  
Savar, Dhaka

## **Savar Pourashava Collection Booth**

Holding : 01, Road: Pourashava Road  
Savar, Dhaka

## **BTCL Collection Booth**

BASIC Bank Limited  
Ramna, Dhaka

## **BTCL Collection Booth**

BASIC Bank Limited  
Gulshan, Dhaka

## **BTCL Collection Booth**

BASIC Bank Limited  
Shere Bangla Nagar  
Dhaka

# ATM Booths

## **Basundhara City Market ATM Booth**

Basement-1, 13/ka/1, Bashundhara City  
Market, Panthapath, Dhaka

## **Uttara Branch ATM Booth**

Uttara Tower-1, Jashimiddin Avenue, Sector-3,  
Uttara, Dhaka

## **Rifles Square Market ATM Booth**

Shop-3, Rifle Square Market, Dhanmondi, Dhaka

## **Kachukhet Cantonment ATM Booth**

CB 211/4, VIP Road, Kachukhet, Bhasantek,  
Dhaka Cantonment, Dhaka

## **Bashundhara Branch ATM Booth**

Plot-13, Block-A, Main Road,  
Bashundhara R/A, Dhaka

## **Dilkusha Branch ATM Booth**

14, Dilkusha C/A, Dhaka

## **Khulna Branch ATM Booth**

107, Sir Iqbal Road, Khulna

## **Mirpur-1 ATM Booth**

20, Darus Salam Road, South Bishil,  
Mirpur-1, Ward-12, Dhaka

## **Main Branch ATM Booth**

73, Bana Shilpa Bhaban,  
Motijheel C/A, Dhaka

## **Agrabad Branch ATM Booth**

Pine View, 100 Agrabad C/A,  
Ground Floor, Chittagong.

## **Shantinagar Branch ATM Booth**

Concord Grand, 169/1, Ground Floor,  
Shantinagar Road, Dhaka

## **IEB Ramna ATM Booth**

Institution of Engineer Bangladesh (IEB),  
Ramna, Dhaka

## **Shymoli Branch ATM Booth**

13/2, Ring road, Ward-43,  
Mohammadpur, Dhaka

## **Mohipur Branch ATM Booth**

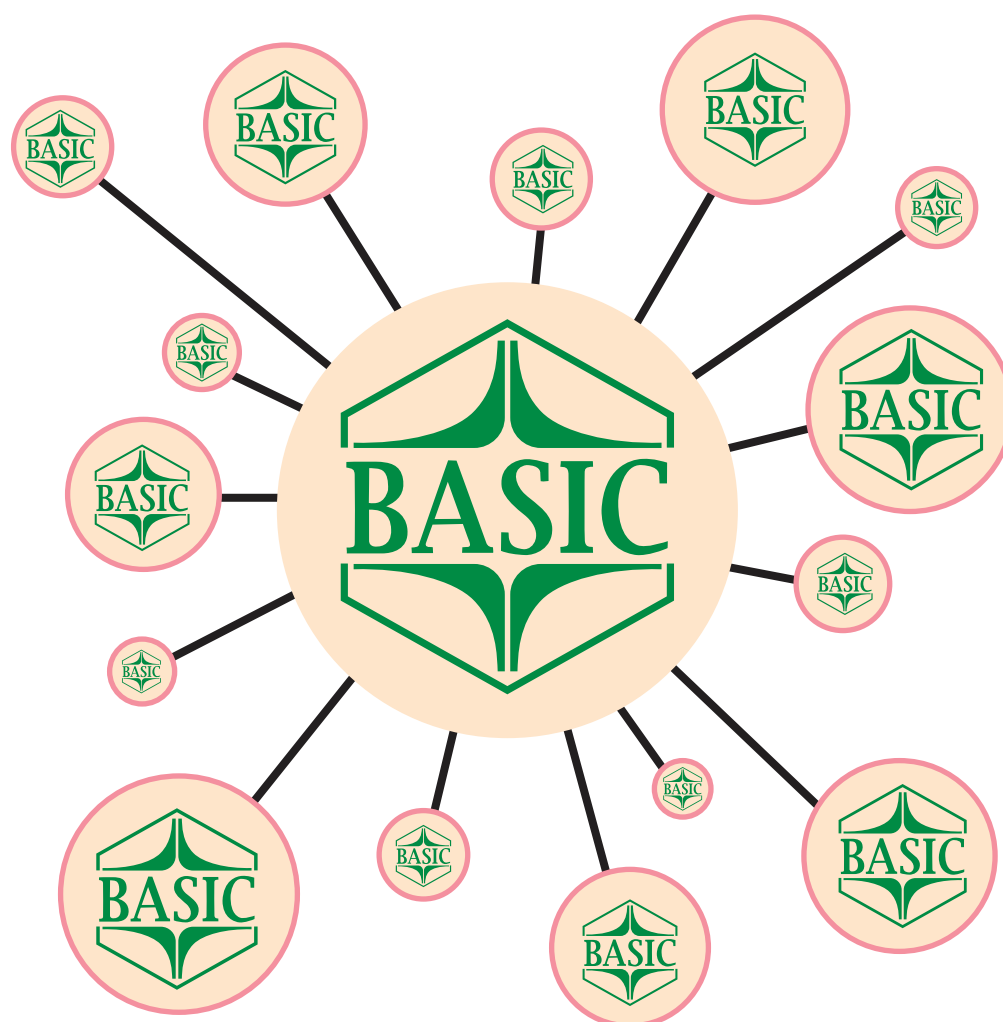
Vill-Nazibpur, Union & P.O- Mohipur,  
P.S-Kalapara, Dist: Patuakhali

## **Mathbaria Branch ATM Booth**

Holding-241, Ward-06,  
Mathbaria Pourashava,  
Mathbaria, Pirojpur

## List of Proposed Branches to Open for the Year- 2016

| Sl No | Division   | District    | Upazilla         | Proposed Place     | Nature of area |
|-------|------------|-------------|------------------|--------------------|----------------|
| 1.    | Rangpur    | Dinajpur    | Chirirbandar     | Chirirbandar Bazar | Rural          |
| 2.    |            | Lalmonirhat | Kaliganj         | Tushbhandar        | Rural          |
| 3.    | Barisal    | Barguna     | Barguna Sadar    | Barguna Sadar      | Urban          |
| 4.    | Chittagong | Lakshmipur  | Lakshmipur Sadar | Chandragonj Bazar  | Rural          |
| 5.    | Dhaka      | Manikganj   | Manikganj        | Manikganj Sadar    | Urban          |
| 6.    | Sylhet     | Sunamganj   | Chatak           | Chatak Sadar       | Urban          |
| 7.    | Mymensingh | Jamalpur    | Jamalpur         | Jamalpur Sadar     | Urban          |
| 8.    | Dhaka      | Narsingdi   | Monohardi        | Hatirdia Bazar     | Rural          |
| 9.    | Chittagong | Noakhali    | Begumganj        | Chowmuhanj         | Urban          |
| 10.   | Rajshahi   | Pabna       | Ishwardi         | Ishwardi           | Urban          |



# Credit Rating of the Bank

| Type of Rating | Entry<br>(Stand-alone Basis) | Government<br>Support entity |
|----------------|------------------------------|------------------------------|
| Long Term      | B                            | A                            |
| Short Term     | ST-5                         | ST-3                         |
| Year of Rating | 2014                         |                              |
| Rating Date    | September 02, 2015           |                              |

Credit Rating Information and Services Ltd. (CRISL) has assigned B (pronounced as single B) to BASIC Bank Limited in Long Term and ST-5 in Short Term for the year 2014 as stand-alone basis. Rating B in Long Term reflected that timely repayment of financial obligation is impaired by serious problems which the entity is faced with. On the other hand ST-5 in Short Term showed that liquidity is not sufficient to insure against disruption in debt services. Operating factors and market access may be subject to a high degree of variation.

Besides BASIC Bank was rated A (pronounced as single A) in the Long Term and ST-3 in the Short Term as Government supported entity. This level of rating indicates adequate capacity for timely payment of financial commitments in both Long Term and Short Term with small risk involved.

# Implementation of the National Integrity Strategy by BASIC Bank Limited

Generally integrity refers to behavioral development influenced by ethics and honesty. The concerns for ethics and standards in public life, and strategies to control corruption are now almost global and central to democratic governance and management of public services, particularly countries like Bangladesh. There are now growing recognitions in Governments all over the world including Bangladesh to integrate measures for fighting corruption to their governance agenda. National Integrity Strategy is an integral part of 'Vision 2021' as the document on 'Bangladesh Perspective Plan 2010-2021' put a greater importance towards prevention of corruption and committed to launch a movement in this regard. As a consequence, through a process of wide-ranging stakeholder consultations National Integrity Strategy was approved by the Cabinet Division in October, 2012.

To implement the National Integrity Strategy (NIS), BASIC Bank Limited formed Ethics Committee and the Focal Point officer at Head Office as per instruction of the Banks and Financial Institution Division (BFID), Ministry of Finance. A time bound action plan was submitted to the same Ministry and the Bangladesh Bank. Subsequently, quarterly progress report on the implementation of the National Integrity Strategy is regularly submitted to the BFID and the Bangladesh Bank. Besides, quarterly meeting of Ethics Committee is convened regularly. In order to increase awareness, ethics has been included in the training module of foundation and other courses for different levels of employees arranged by BASIC Bank Training Institute. As a result, 274 employees have been trained on ethics during the year 2015. In compliance with the action plan towards implementation of NIS as well as to meet the present requirement of the Bank, the Service Rules of the Bank was revised to a great extent and it came into effect on July 01, 2015.

Besides, the Bank assigned one official in the rank of Deputy General Manager as responsible officer to provide information as per provision of the Right to Information Act, 2009. Another official in the rank of Deputy Managing Director is assigned as appellate officer under the said Act. The Bank disposed of 7 requests out of 9 till March 2016 under the Right to Information Act, 2009. Besides, to reduce GRS the BASIC Bank has "Central Customer Service and Complaints Management Cell" at Head Office. At the same time acceptance of complaint through on-line is also in force. In order to monitor and supervise the banking rules, regulations and norms, the Bank has Audit and Inspection Division, Audit Findings and Monitoring Division and Compliance Division. Besides, Audit Committee of the Board of Directors is also in existence for overall monitoring of the internal control and compliance of the Bank. In addition, the Bank has Risk Committee at management level to mitigate inherent risks involved in banking. The Risk Management Committee of the Board is also there to monitor and supervise the core risks in banking. The Risk Management Committees meet regularly at a certain interval to assess and minimize risks of the Bank.

As corruption erodes the institutional capacity of Governments, increases business operational costs, discards corporate reputation, diverts essential public resources away from their rational uses and damages development efforts which all together impose direct costs on society and enhance the sufferings of the mass-people, so the National Integrity Strategy would help strengthening the practice of ethics inevitably towards betterment of the nation for which BASIC is also working with other stakeholders.



# Notice of the 27<sup>th</sup> Annual General Meeting

Notice is hereby given that the 27th Annual General Meeting of BASIC Bank Limited (Bangladesh Small Industries and Commerce Bank Limited) will be held on Thursday, July 14, 2016 at 11:30 a.m. at Bank's Head Office, Sena Kalyan Bhaban (19th floor), 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, 2015;
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;
04. To change the denomination of Ordinary Share of the Company and pass the following resolution with or without modification, as Special Resolution:  
**"Resolved that** the denomination of Ordinary Share be changed from existing Tk.100.00 each to Tk.10.00 each."
05. To increase the authorized capital of the Company and pass the following resolution with or without modification, as Special Resolution:  
**"Resolved that** the authorized capital of the Company be increased from Tk.2500,00,00,000/- (Taka two thousand and five hundred crore) divided into 25,00,00,000 (twenty five crore) ordinary shares of existing Tk.100/- (Taka one hundred) each to Tk.5500,00,00,000/- (Taka Five thousand and five hundred crore) divided into 550,00,00,000 (five hundred fifty crore) ordinary shares of Tk.10/- (Taka ten) each."
06. To make relevant amendments to the Memorandum and Articles of Association of the Company and pass the following resolution with or without modification, as Special Resolution:  
**"Resolved that** pursuant to the change in denomination of Ordinary Share and raising the authorized capital, clause VI of the Memorandum of Association and Articles 4 and 8 of the Articles of Association of the Company be amended accordingly."

Dated: Dhaka  
May 31, 2016

By the order of the Board of Directors  
Sd/-

**Md. Hasan Imam**  
Company Secretary