

BASIC Bank Limited

Head Office

Sena Kalyan Bhaban

195 Motijheel Commercial Area

Dhaka 1000

BASIC Bank Limited

Auditors' report and financial statements
for the year ended 31 December 2017

S. F. AHMED & CO

Chartered Accountants

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BASIC Bank Limited

Independent Auditors' Report to the Shareholders
For the year ended 31 December 2017

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 2017, and 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 the financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in notes 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 Companies Act 1991 and the Bangladesh Bank Regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. 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 of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain a reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation 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 qualified audit opinion.



BASIC Bank Limited

Independent Auditors' Report to the Shareholders
For the year ended 31 December 2017

Basis for qualified opinion

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. Especially, during 2010-2014 loans were renewed having excess over limit and poor or nil turnover, unauthorised excess overdrawn in cash credit account, temporary overdraft was given in current deposit account, loan was approved before getting credit line proposal (CLP) from branches, loans were sanctioned having observations in CLP, grace period extended frequently to avoid classification of loan accounts, incomplete sanction advice of loans issued by Head Office, unauthorised decrease of installment size, unauthorised changes in first repayment and expiry dates by branches, showing same assets as collateral security of more than one loan. Also 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 on the said period.

Opinion

In our opinion, except for the effects of the matters described in the "basis for qualified opinion" paragraph, the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.1.

Emphasis of matter

We draw attention to following matters where our opinion is not qualified in respect of those matters.

1. Note 13.3 to the financial statements which describes the risk-weighted assets and capital ratios as defined in Basel capital accord which shows that the Bank has failed to maintain required capital.
2. Notes 7.7, 7.8 and note 33 to the financial statements which describe the total loans and advances and provision thereon as on 31 December 2017 where the Bank's total loans and advances was BDT 14,556.86 crore of which classified loans and advances is BDT 7,952.99 crore required provision for loans and advances is BDT 5,161.70 crore against which the Bank kept provision of BDT 2,179.21 crore only resulting in short provision of BDT 2,982.49 crore. However, Bangladesh Bank vide its letter # BRPD(P-1)/661/13/2015-3159 dated 27 April 2015 permitted the Bank to provide the provision shortfall of BDT 2,501 crore against classified loans and advances within a period of 5 (five) years from 2015 and provision shortfall of BDT 1,933 crore against classified blocked assets within a period of 10 (ten) years from 2015 which were also classified as loans and advances of the Bank.



BASIC Bank Limited

Independent Auditors' Report to the Shareholders
For the year ended 31 December 2017

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994, the Banking Companies Act 1991 and the rules and regulations issued by Bangladesh Bank, we also report the following:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) to the extent noted during the course of our audit work performed on the basis stated under the 'auditors' 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' section for the financial statements and internal control:
 - (i) internal audit, internal control and risk management arrangements of the Bank, as disclosed in note 2.16 appeared to be materially 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 except the matter as stated in para 1 of basis for qualified opinion;
- (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 financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and Bangladesh Financial Reporting Standards (BFRS) as explained in note 2.1 as well as with related guidance issued by Bangladesh Bank;
- (f) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery except the amount as stated in section 2 of emphasis of matter;
- (g) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (h) the information and explanations required by us have been received and found to be satisfactory; and
- (i) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 7,250 person hours for the audit of the books and account of the Bank.



Dhaka, Bangladesh
Dated, 30 April 2018

S. F. AHMED & CO
Chartered Accountants

BASIC Bank Limited

Balance Sheet
As at 31 December 2017

	Notes	2017 BDT	2016 BDT
PROPERTY AND ASSETS			
Cash	3	10,513,629,333	10,668,883,625
In hand (including foreign currencies)		740,493,221	556,171,378
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		9,773,136,112	10,112,712,247
Balance with other banks and financial institutions	4	8,954,193,185	2,378,042,140
In Bangladesh		8,281,878,251	1,645,475,504
Outside Bangladesh		672,314,934	732,566,636
Money at call and on short notice	5	-	4,120,000,000
Investments	6	28,645,038,972	47,711,374,678
Government		27,110,157,689	46,681,635,795
Others		1,534,881,283	1,029,738,883
Loans and advances	7	145,568,587,491	134,882,802,828
Loans, cash credits, overdrafts, etc		144,586,220,625	133,821,913,852
Bills purchased and discounted		982,366,866	1,060,888,976
Fixed assets including premises, furniture and fixtures	8	349,661,112	409,031,933
Other assets	9	4,785,562,049	4,569,496,855
Non-banking assets		-	-
Total assets		198,816,672,142	204,739,632,059
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	4,798,152,520	2,325,163,324
Deposits and other accounts	11	143,180,240,782	158,070,977,543
Current deposit and other accounts		5,539,030,307	4,458,119,178
Bills payable		899,365,462	908,206,737
Savings bank deposits		5,866,356,817	4,453,994,441
Fixed deposits		130,875,488,196	148,250,657,187
Other deposits		-	-
Other liabilities	12	36,931,184,199	33,535,169,125
Total liabilities		184,909,577,501	193,931,309,992
Shareholders' equity			
Paid-up capital	13.2	10,846,982,500	10,846,982,500
Share money deposit		26,000,000,000	16,000,000,000
Statutory reserve	14	2,224,690,642	2,224,690,642
Other reserves	15	153,897,221	182,432,883
Retained earnings/(losses)	16	(26,523,475,722)	(19,650,783,958)
		12,702,094,641	9,603,322,067
Non-cumulative irredeemable preference shares		1,205,000,000	1,205,000,000
Total equity		13,907,094,641	10,808,322,067
Total liabilities and shareholders' equity		198,816,672,142	204,739,632,059



BASIC Bank Limited

Balance Sheet
As at 31 December 2017

	Notes	2017 BDT	2016 BDT
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	17	12,717,872,486	13,114,073,576
Acceptances and endorsements		2,815,180,213	2,997,524,717
Letters of guarantee		2,252,493,027	1,877,840,085
Irrevocable letters of credit		6,500,826,359	7,015,393,973
Bills for collection		655,631,942	718,992,723
Other contingent liabilities		493,740,945	504,322,078
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		12,717,872,486	13,114,073,576

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

For and on behalf of Board of Directors of BASIC Bank Limited

 Managing Director
  Director
  Director
  Chairman

See annexed report of the date

Dhaka, Bangladesh
Dated, 30 April 2018




S. F. AHMED & CO
 Chartered Accountants

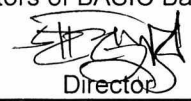
BASIC Bank Limited

Profit and Loss Account
For the year ended 31 December 2017

	Notes	2017 BDT	2016 BDT
Interest income	18	7,188,988,962	8,098,523,197
Interest paid on deposits and borrowings, etc	19	(7,377,135,896)	(9,154,318,946)
Net interest income		(188,146,934)	(1,055,795,749)
Investment income	20	2,596,094,695	3,141,726,351
Commission, exchange and brokerage	21	682,584,627	553,686,405
Other operating income	22	147,500,334	138,471,671
		3,426,179,656	3,833,884,427
Total operating income		3,238,032,722	2,778,088,678
Salaries and allowances	23	2,156,952,544	1,951,981,948
Rent, taxes, insurance, electricity, etc	24	327,133,925	340,464,407
Legal expenses	25	23,134,524	17,799,453
Postage, stamp, telecommunication, etc	26	38,201,606	37,084,120
Stationery, printing, advertisement, etc	27	36,338,077	27,809,856
Managing Director's salary and allowances	28	5,476,667	5,400,000
Directors' fees and other benefits	29	3,170,739	2,559,096
Auditors' fees		920,000	920,000
Charges on loan losses		8,220,772	-
Depreciation of bank's assets	30	88,857,247	125,668,379
Repairs of bank's assets	31	40,291,722	32,612,632
Other expenses	32	157,786,503	144,941,955
Total operating expenses		2,886,484,326	2,687,241,846
Profit before provision		351,548,396	90,846,832
Provision made during the year			
Provision for loan	33.a	7,073,780,710	13,857,278,189
Provision (excess provision) for off-balance sheet exposures	33.b	8,271,137	12,721,811
Provision for other assets	33.c	11,790,660	1,171,211,956
Provision for diminution in value of investment	33.d	-	4,201,760
		7,093,842,507	15,045,413,716
Total profit/ (loss) before tax		(6,742,294,111)	(14,954,566,884)
Provision for taxation			
Current tax	34	149,408,068	38,609,904
Deferred tax	35	(48,012,558)	(62,775,787)
		101,395,510	(24,165,883)
Net profit/(loss) after tax		(6,843,689,621)	(14,930,401,001)
Appropriations:			
Statutory reserve	14	-	-
General reserve		-	-
Dividends, etc		-	-
		-	-
Retained surplus		(6,843,689,621)	(14,930,401,001)
Earnings per Share (EPS)	38	(6.31)	(13.76)

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

For and on behalf of Board of Directors of BASIC Bank Limited

 Managing Director
  Director
  Director
  Chairman

See annexed report of the date

Dhaka, Bangladesh
Dated, 30 April 2018

S. F. AHMED & CO
Chartered Accountants

BASIC Bank Limited

Statement of Changes in Equity
For the year ended 31 December 2017

Particulars	Paid-up capital	Share money deposit	Statutory reserve	Other reserves					Retained earnings/ (losses)	Non-cumulative irredeemable preference share	Total
				General reserve	Investment revaluation reserve			Sub-Total			
					Gain on revaluation for HFT	Amortisation of discount of HTM	Loss on revaluation/ Amortisation of HTM securities				
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Balance as at 01 January 2017	10,846,982,500	16,000,000,000	2,224,690,642	40,000,000	185,013,044	5,262,116	(47,842,277)	182,432,883	(19,650,783,958)	1,205,000,000	10,808,322,067
Net profit/(loss) for the year	-	-	-	-	-	-	-	-	(6,843,689,621)	-	(6,843,689,621)
Interest waived from retained earnings during the year	-	-	-	-	-	-	-	-	(29,002,143)	-	(29,002,143)
Increase of revaluation reserve for securities during the year	-	-	-	-	258,375,475	2,350,228	(34,433,760)	226,291,943	-	-	226,291,943
Adjustment of revaluation reserve for securities during the year	-	-	-	-	(264,609,072)	(2,044,751)	11,826,218	(254,827,605)	-	-	(254,827,605)
Transfer to other reserve	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid during the year	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-
Share money received during the year	-	10,000,000,000	-	-	-	-	-	-	-	-	-
Issuance of bonus shares	-	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-	-
Free reserve	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2017	10,846,982,500	26,000,000,000	2,224,690,642	40,000,000	178,779,447	5,567,593	(70,449,819)	153,897,221	(26,523,475,722)	1,205,000,000	13,907,094,641
Balance as at 31 December 2016	10,846,982,500	16,000,000,000	2,224,690,642	40,000,000	185,013,044	5,262,116	(47,842,277)	182,432,883	(19,650,783,958)	1,205,000,000	10,808,322,067

For and on behalf of Board of Directors of BASIC Bank Limited



[Signature]
Managing Director

[Signature]
Director

[Signature]
Director

[Signature]
Chairman

Dhaka, Bangladesh
Dated, 30 April 2018

BASIC Bank Limited

Cash Flow Statement
For the year ended 31 December 2017

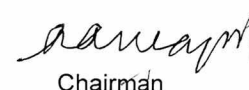
	2017 BDT	2016 BDT
A) Cash flows from operating activities		
Interest receipts in cash	9,545,843,922	11,040,170,880
Interest payments	(7,698,344,173)	(9,895,060,603)
Dividends receipts	57,940,875	39,799,656
Fee and commission receipts in cash	682,584,627	553,686,405
Recoveries of loans previously written off	7,570,628	15,256,880
Cash payments to employees	(3,050,274,007)	(1,941,053,881)
Cash payments to suppliers	(36,338,077)	(27,809,856)
Income taxes paid	(367,976,721)	(106,338,785)
Receipts from other operating activities (item- wise)	138,206,153	123,187,420
Payments for other operating activities (item-wise)	(590,639,019)	(576,381,663)
Operating profit/ (loss) before changes in operating assets and liabilities	(1,311,425,792)	(774,543,547)
Increase/(decrease) in operating assets and liabilities		
Statutory deposits	-	-
Purchase/sale of trading securities	19,037,800,044	(12,004,721,739)
Loans and advances to customers	(10,685,784,663)	(6,075,790,547)
Other assets (item-wise)	(62,312,329)	(360,810,458)
Deposits from other banks	(16,380,810,088)	8,898,636,198
Deposits from customers	1,490,073,327	1,005,111,703
Other liabilities (item-wise)	(2,231,870,069)	1,641,557,552
	(8,832,903,778)	(6,896,017,291)
Net cash from / (used in) operating activities	(10,144,329,570)	(7,670,560,838)
B) Cash flows from investing activities		
Proceeds from sale of securities	-	-
Cash payments for purchase of securities	-	-
Purchase of property, plant and equipment	(29,706,301)	(20,744,649)
Sales of property, plant and equipment	1,943,428	300,807
Net cash from / (used in) investing activities	(27,762,873)	(20,443,842)
C) Cash flows from financing activities		
Increase/(decrease) in long term borrowings	2,472,989,196	(157,776,846)
Receipt from Government	10,000,000,000	-
Conversion of borrowings into reserve	-	-
Payment of dividend	-	-
Net cash from/(used in) financing activities	12,472,989,196	(157,776,846)
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)	2,300,896,753	(7,848,781,526)
E) Effects of exchange rate changes on cash and cash equivalents	-	-
	2,300,896,753	(7,848,781,526)
F) Cash and cash equivalents at beginning of the year	17,166,925,765	25,015,707,291
G) Cash and cash equivalents at end of the year (D+E+F)	19,467,822,518	17,166,925,765
Cash and cash equivalents at end of the year		
Cash in hand (including foreign currencies)	740,493,221	556,171,378
Balances with Bangladesh Bank and its agent bank (s)	9,773,136,112	10,112,712,247
Balances with other banks and financial institutions	8,952,764,385	2,376,718,240
Money at call and on short notice	-	4,120,000,000
Prize bonds	1,428,800	1,323,900
	19,467,822,518	17,166,925,765

For and on behalf of Board of Directors of BASIC Bank Limited


Managing Director


Director


Director


Chairman

Dhaka, Bangladesh
Dated, 30 April 2018



BASIC Bank Limited

Liquidity Statement (Analysis of Maturity of Assets and Liabilities)
As at 31 December 2017

Particulars	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	Above 5-years term	Total
	BDT	BDT	BDT	BDT	BDT	BDT
Assets						
Cash in hand	740,493,221	-	-	-	9,773,136,112	10,513,629,333
Balances with other banks and financial institutions	695,424,599	8,128,210,509	-	130,558,077	-	8,954,193,185
Money at call and on short notice	-	-	-	-	-	-
Investments	2,358,200,000	1,775,100,000	4,819,600,000	993,300,000	18,698,838,972	28,645,038,972
Loans and advances	11,949,200,000	4,873,900,000	20,451,600,000	75,789,400,000	32,504,487,491	145,568,587,491
Fixed assets including land, building, furniture and fixtures	5,990,754	1,982,263	16,755,098	95,292,645	229,640,352	349,661,112
Other assets	-	-	-	4,785,562,048	-	4,785,562,048
Non-banking assets	-	-	-	-	-	-
Total assets	15,749,308,574	14,779,192,772	25,287,955,098	81,794,112,770	61,206,102,927	198,816,672,141
Liabilities						
Borrowings from other banks, financial institutions and	2,600,500,000	1,100,000	5,200,000	27,200,000	2,164,152,520	4,798,152,520
Deposits and other accounts	23,656,840,782	34,694,400,000	60,379,900,000	22,865,800,000	1,583,300,000	143,180,240,782
Provision and other liabilities	645,700,000	577,300,000	1,662,300,000	1,161,400,000	32,884,484,199	36,931,184,199
Total liabilities	26,903,040,782	35,272,800,000	62,047,400,000	24,054,400,000	36,631,936,719	184,909,577,500
Net liquidity gap	(11,153,732,208)	(20,493,607,228)	(36,759,444,902)	57,739,712,770	24,574,166,208	13,907,094,641

For and on behalf of Board of Directors of BASIC Bank Limited


Managing Director


Director


Director


Chairman

Dhaka, Bangladesh
Dated, 30 April 2018

BASIC Bank Limited

Notes to the financial statements
For the year ended 31 December 2017

1. The Bank and its activities

1.1 Corporate information

BASIC Bank Limited ("the Bank") incorporated as a banking company in 1989 under the Companies Act 1913 in the name of 'Bank of Small Industries and Commerce Bangladesh Limited'. In 2001 the Bank changed its earlier name and registered the new name with the Registrar of Joint Stock Companies and Firms Bangladesh. Initially the Bank started its operations as a joint venture organisation of the then BCC Foundation, a welfare trust in Bangladesh and the Government of Bangladesh. On 4 June 1992, the Government 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 Commercial Area, 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 principal 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 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 marked 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.



BASIC Bank Limited

Notes to the financial statements
For the year ended 31 December 2017

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 is not allowed to be recognised as income, rather the corresponding amount needs to be credited to interest 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 categorize, 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) Repo transactions

BFRS: When an entity sells a financial asset and simultaneously entered into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for a deposit, and the underlying asset continues to be recognised in the entities financial statements. These transaction will be treated as loan and the difference between selling price and repurchase price will be treated as interest expenses.

Bangladesh Bank: As per BRPD guidelines, when a bank sells a financial assets and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo and stock lending), the agreement is accounted for a normal sales transactions and the financial assets are derecognised in the seller's book and a recognised in the buyers book.

viii) 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.



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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.

ix) Cash and cash equivalent

BFRS: Cash and cash equivalent items should be reported as cash items 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 bonds 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.

x) 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.

xi) 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.

xii) 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.

xiii) 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.

xiv) 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.

xv) 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 off 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 recognised 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 recognised and presented in the financial statements of the Bank are included in following notes/statements:

- | | |
|----------------------------|--|
| a) Notes 12.1, 12.2 & 12.3 | Provision for loans and advances, off-balance sheet exposure, and other assets |
| b) Note 30 | Depreciation |
| c) Note 34 | Provision for taxation |
| d) Note 35 | Deferred tax |
| e) Liquidity statement | |



BASIC Bank Limited

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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 recognised in the profit and loss statement.

2.4 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 25 June 2003.

2.5 Cash flow statement

Cash flow statement 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.

2.6 Liquidity statement

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

- i) Balance with other Banks and financial institutions, money at call and 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 realisation/amortisation;
- 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.

2.7 Reporting period

These financial statements cover one calendar year from 01 January 2017 to 31 December 2017.

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 recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.



BASIC Bank Limited

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For the year ended 31 December 2017

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
General provision on		
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 Mentioned 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 as amended vide DOS Circular Letter No. 05 dated 28 January 2009, DOS Circular No. 06 dated 15 July 2010 & DOS Circular Letter No.01 dated 19 January 2014. Same procedures are followed for investment in Bangladesh Bank bills. 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 at fair value through profit or loss or as available for sale. These are measured at amortised value at each year end by taking into account any premium or discount on acquisition. Any increase/decrease in value for amortisation of such investments is transferred to revaluation reserve account and shown in the statement of changes of equity. The gains on such security at the time of maturity of the security are credited to income account.



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Held for Trading (HFT)

The securities under this category are the securities acquired by the Bank with the intention to trade by taking advantages of short term price/interest movement. The government securities (Treasury Bills/Bangladesh Bank bills) under "Held for Trading" category are amortised and measured at present value on the basis of marked to market method weekly. The resulting gains & losses are transferred to profit and loss statement and then gains arising from marked to market are instantly transferred to other reserve account from profit and loss account. The government securities (Treasury bond) under "Held for Trading" category are measured at present value on the basis of marked to market method weekly. 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/(debited) to profit and loss account.

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
Bangladesh Bank Bill/ Treasury Bill /Bond (HTM)	Cost	Amortised value	Both increase and decrease in value are transferred to revaluation reserve account.
Bangladesh Bank Bill/ Treasury Bill (HFT)	Cost	Market value	Both gains & losses are transferred to profit and loss account: gains arising from marked to market are instantly transferred to other reserve account from profit and loss account.
Treasury Bond (HFT)	Cost	Market value	Increase in value to equity and decrease in value to profit or loss account.
Prize Bond	Face value	None	None
Subordinated Bond	Cost	None	None
Shares	Cost	Lower of cost and market value	Any loss, charged in P/L account. Realised gain, recognised in P/L account. Unrealised gain, not recognised 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. Unrealised gains are not recognised in the profit and loss account. But provision for diminution in value of investment are made properly.

Investment in unlisted (unquoted) securities

Subordinated Bond is reported at cost and shares are reported at lower of cost and market value.

Other investments

Other investments like, prize bonds are also eligible for SLR, are shown at face value.

Investment and related income

- a) Income on investments other than shares is accounted for on accrual basis; and
- b) Dividend income on investment in shares is accounted for in the year when right has been established.

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 capitalised 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 an integral to the functionality of the related equipment is capitalised as part of that equipment.



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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 asset	Rate	Method of Depreciation
Furniture and fixtures	10%	Reducing balance method
Interior decoration	10%	Reducing balance method
Machinery and equipment*	20%	Reducing balance method
Computer hardware*	20%	Straight line method
Motor vehicles	25%	Straight line method
Leasehold assets	1%	Straight line method over the lease period

* In the schedule of fixed assets both machinery & equipment and computer & 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 statement, which is determined with reference to the net book value of the assets and net sale proceeds.

2.9.5 Intangible assets

- 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.
- 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 amortisation and any impairment losses.
- Software is amortised 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 items not covered specifically in other areas of the supervisory activity and such items may be quite insignificant in the overall financial condition of the Bank.

2.9.7 Receivables

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

2.9.8 Inventories

Inventories are measured at the lower of cost and net realisable 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.



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Notes to the financial statements
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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 recognised 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, financial institutions & other organisations. They are stated in the balance sheet at amounts payable. Interest paid / payable on these borrowings is charged to the income statement.

2.14 Basis for valuation of liabilities and provisions

2.14.1 Provision for taxation

Provision for income tax for current year has been made as per prescribed rate in the Finance Act, 2016 on the gross receipts/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 tax

Deferred tax is recognised 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 recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. 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 realised.

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 recognised 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.



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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 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 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. But the bank made no such contribution to the fund in 2017.

e) Welfare Fund

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

2.14.4 Provision for liabilities

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

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 exposures of the Bank as at 31 December 2016. Provision is made on the total exposures and amount of cash margin or value of eligible collateral is not deducted while computing off-balance sheet exposures.

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 Bangladesh Bank, 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 recognised on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified. It is then kept in interest suspense. After the loans is classified as bad 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 recognised on accrual basis. Capital gain is recognised when it is realised.

2.15.3 Fees and commission income

Fees, commission and exchange income on services provided by the Bank are recognised as and when the related services are performed. Commission charged to customers on letter of credit and letter of guarantee is credited to income at the time of effecting the transactions.

2.15.4 Dividend income on shares

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



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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 recognised on an 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 all the core risk namely credit risk, foreign exchange risk, anti money laundering risk, asset liability management risk, ICT risk, internal control and compliance risk and other key risk areas of banking viz. liquidity risk, market 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), Agriculture, Micro Credit and Special Finance Division (AMCSFD), 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 analysing/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 Bangladesh Bank 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.



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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 (ML) and Terrorist Financing (TF) 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 (AML) and Combating Financing of Terrorism (CFT) Policy' of the Bank has been revised and subsequently approved by the Board of Directors of the Bank in its 396th meeting held on 24 October 2016.

The Bank established a separate division namely Anti-Money Laundering Division (AMLD) for mitigating Money Laundering and Terrorist Financing related risks. The Deputy Managing Director is acting as the Chief Anti-Money Laundering Compliance Officer (CAMLCO) of the Bank. In addition, Central Compliance Committee (CCC) is working to develop and review institutional strategy and program for preventing money laundering and terrorist financing. Audit and Inspection Division conducts audit for an effective Anti Money Laundering System Check throughout the year. Moreover, members of CCC and employees of AMLD pay visit to Branches to supervise the AML procedures and functions at branch level as and when required. AMLD is continuously monitoring and reviewing overall Bank's compliance to mitigate ML/TF risks. 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 Profile (TP) are in place to recognize the risk associated with accounts.

Cross-border transactions (both incoming and outgoing messages) are screened against UN, OFAC, EU and other Sanction lists through SWIFT screening Software. Moreover, the Bank has its own AML Screening System for screening customer against UN Sanction List, Domestic Sanction List and Private List before opening an account and making payment of foreign remittance (through Bank or Exchange House, i.e. Western Union).

The Bank is providing CTR/STR data through goAML web portal of Bangladesh Bank 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 programmes on AML & CFT throughout the year to develop awareness and skill for identifying suspicious activities/transactions.



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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. The bank revised its asset liability management policy in line with Bangladesh Bank guideline. The board of the bank approved the revised policy in September 2017, which is followed meticulously.

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 risks 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.



BASIC Bank Limited

Notes to the financial statements
For the year ended 31 December 2017

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 Bank has successfully carried out the job of Vulnerability Assessment (VA), Penetration Test (PT) and Configuration Review (CR) by the external experts having sufficient expertise on ICT securities. The Bank has taken necessary steps to enhance the securities of the network, database and e-mail systems of the Bank. An independent ICT Security Unit comprising some ICT security experts will be established within the Bank for monitoring, identifying and overseeing all kinds of potential ICT risks and threats. Moreover, the Bank has taken necessary initiatives to protect its ICT System from unauthorized Network Access, Denial of Service Attack, Zero-Day Virus Attack, Advanced Persistent Threat (APT) Attack, Malware Attack, Spyware Attack etc.

h) Internal Control and Compliance

The primary objectives of Internal Control and Compliance are to help the bank perform better through the effective 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 & Inspection 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 & Inspection Reports of Branches & Divisions and Bangladesh Bank Audit Reports including Bangladesh Bank Special Audit Reports on Core Risks & Cash Incentive and Government Commercial 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 major 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 and suggestion of the Committee.

l) Fraud and 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. The bank is absolutely committed to maintain an honest, open & well intentioned atmosphere within the organization. It is 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 2017, the bank has started to further develop the Risk & Fraud awareness culture among the employees & reduce the likelihood of fraud occurring in the Bank. In 2017, Audit & Inspection Division (AID) of the Bank has conducted 44 regular Audit & Inspections & 11 special inspections at different Branches and 22 regular Inspections at different Divisions of Head Office, where allout efforts were taken by the officials of AID to detect fraud & forgeries and to find out potential risk factors.

In connection with dealing the situation and ensuring safety checking measures against fraud & forgery related issues, Compliance Division of the Bank quarterly prepare Self Assessment of Anti-Fraud Internal Controls report and submit the same to Bangladesh Bank with joint signature of the Managing Director & the Chairman of Audit Committee of the Board of Directors of the Bank.

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.



BASIC Bank Limited

Notes to the financial statements
For the year ended 31 December 2017

2.18 Events after the reporting period

All material events after the reporting period that provide additional information about the 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.a 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.

2.19.b Capital Expenditure Commitment

There was no capital expenditure contracted but incurred or provided for at 31 December 2017. Besides, there was no material capital expenditure authorised by the board but not contracted for at 31 December 2017.

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.



BASIC Bank Limited

Notes to the financial statements
For the year ended 31 December 2017

2.21 Board of Directors as on 31 December 2017

Name	Status	Other Position
Mr. Alauddin A. Majid	Chairman	Ex-Chairman, BKB Ex-Director, BKB, Ex-Independent Director, IPDC, Ex-Managing Director, BASIC Bank
Ms. Parag	Director	Additional Secretary Ministry of Industries
Mr. Hasan Mahmood, FCA	Director	Partner, M. J. Abedin & Co. Chartered Accountants
Ms. Raihana Aneesa Yusuf Ali	Director	Ex-Managing Director, Bangladesh House Building Finance Corporation
Mr. Md. Mamun-Al-Rashid	Director	Additional Secretary Information & Communication Technology Division Ministry of Posts, Telecommunications and Information Technology
Mr. Md. Zahidul Haque	Director	Additional Secretary Economic Relations Division Ministry of Finance
Mr. Tabarak Hussain	Director	Advocate Supreme Court of Bangladesh
Mr. Mahabubur Rahman Bhuiyan	Director	Ex-Director, Bangladesh Krishi Bank
Ms. Afroza Gul Nahar	Director	Ex-Managing Director, Bangladesh House Building Finance Corporation
Mr. Muhammad Awal Khan	Managing Director	Managing Director BASIC Bank Limited

The Board of Directors conducted 25 (twenty five) meetings during the year

2.22 Audit Committee as on 31 December 2017

Members of the Audit Committee of the Board of Directors:

Name	Status with the Committee	Educational Qualification
Ms. Parag	Chairman	MSS in Development Administration, M.A. in English
Mr. Hasan Mahmood, FCA	Member	FCA, M.Com
Mr. Md. Mamun-Al-Rashid	Member	M.Com in Management, M.A in Government Finance
Mr. Tabarak Hussain	Member	B.A., L.L.B

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

2.23 Risk Management Committee as on 31 December 2017

Name	Status	Educational Qualification
Ms. Raihana Aneesa Yusuf Ali	Chairman	M.A. (Economics)
Mr. Md. Zahidul Haque	Member	MBA (IBA)
Mr. Mahabubur Rahman Bhuiyan	Member	B.A.
Ms. Afroza Gul Nahar	Member	BSC (Hons.), MSC. Ag., Economics (BAU, Mymensingh)

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

2.24 Executive Committee as on 31 December 2017

Name	Status	Educational Qualification
Mr. Alauddin A. Majid	Chairman	Masters of Agricultural Economics
Ms. Raihana Aneesa Yusuf Ali	Director	M.A. (Economics)
Mr. Md. Zahidul Haque	Director	MBA (IBA)
Mr. Muhammad Awal Khan	Managing Director	M.Com in Finance



BASIC Bank Limited

Notes to the financial statements
For the year ended 31 December 2017

2.25 Head Office Management Committee as on 31 December 2017
Members of the Head Office Management Committee

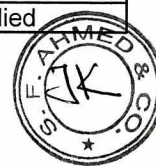
SI no.	Name	Designation	Status with the Committee
1	Mr. Muhammad Awal Khan	Managing Director	Chairman
2	Mr. Kanak Kumar Purkayastha	Deputy Managing	Member
3	Mr. Md. Mozammel Hossain	General Manager	Member
4	Mr. Hasan Tanvir	General Manager	Member
5	Mr. Md. Moniruzzaman	General Manager	Member
6	Mr. Md. Emdadul Hoque	General Manager	Member
7	Mr. Md. Ismail	General Manager	Member
8	Mr. Khan Iqbal Hasan	General Manager	Member
9	Mr. Abu Md. Mofazzal	General Manager	Member
10	Mr. Md. Masum Uddin Khan	General Manager	Member
11	Mr. Niranjana Chandra Debnath	General Manager	Member
12	Mr. Md. Omar Faruque	DGM, AID	Member
13	Mr. Md. Al-Amin	DGM, HRD	Member
14	Mr. Md. Nurul Islam	DGM, COD	Member
15	Mr. Nurur Rahman Chowdhury	DGM, RMD	Member
16	Mr. Niaz Musawwir Shah	DGM, CSD	Member
17	Mr. Saifur Rahman	DGM, TCMSD	Member
18	Mr. Md. Hasan Imam	Company	Member Secretary

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

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

The Institute of Chartered Accountants of Bangladesh (ICAB) is the authorised body for adoption of International Accounting Standards (IAS) as Bangladesh Accounting Standards (BAS) and International Financial Reporting Standards (IFRS) as Bangladesh Financial Reporting Standards (BFRS). While preparing the financial statements, BASIC Bank applied all the applicable BAS and BFRS. 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
Revenues	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Cost	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
Financial Reporting in Hyperinflationary Economics	29	N/A
Financial Instruments: Presentation	32	Applied*
Earnings Per Share	33	Applied
Interim Financial Reporting	34	Applied



BASIC Bank Limited

Notes to the financial statements
For the year ended 31 December 2017

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 Standards	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: Disclosures	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 concern about responsibility to the society people. 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 very much willing to contribute to the improvement of the society 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:

- The Bank Companies Act 1991 (amendment in 2013)
- The Companies Act 1913 (as amended in 1994)
- Rules, regulations and circulars issued by the Bangladesh Bank from time to time
- The Income Tax Ordinance and Rules 1984
- The Value Added Tax (VAT) and Rules 1991
- The Stamp Act 1899
- The Customs Act 1969
- The Money Laundering Prevention Act, 2012
- The Anti Terrorism (Amendment) Act, 2012
- Labor Act, 2006 (amended in 2013), etc

2.29 Approval of financial statements

The financial statements were approved by the Board of Directors on 30 April 2018

2.30 General

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



BASIC Bank Limited

Notes to the financial statements
As at 31 December 2017

	2017 BDT	2016 BDT
3. Cash		
Cash in hand (including foreign currencies) (note 3.1)	740,493,221	556,171,378
Balance with Bangladesh Bank & its agent bank(s) (note 3.2)	9,773,136,112	10,112,712,247
	10,513,629,333	10,668,883,625
3.1 Cash in hand (including foreign currencies)		
Local currency (note 3.1.1)	733,730,349	550,615,236
Foreign currencies	6,762,872	5,556,142
	740,493,221	556,171,378
3.1.1 Local currency		
In hand	713,617,649	536,740,736
In ATM	20,112,700	13,874,500
	733,730,349	550,615,236
3.2 Balance with Bangladesh Bank & its agent bank(s)		
Local currency (note 3.2.1)	9,612,607,316	9,872,860,476
Foreign currencies (note 3.2.2)	160,528,796	239,851,771
	9,773,136,112	10,112,712,247
3.2.1 Local currency		
Bangladesh Bank	9,482,126,087	9,759,032,840
Sonali Bank (acting as agent of Bangladesh Bank)	130,481,229	113,827,636
	9,612,607,316	9,872,860,476
3.2.2 Foreign currencies		
Bangladesh Bank - EURO	6,409,093	5,886,282
Bangladesh Bank - GBP	5,651,697	4,896,346
Bangladesh Bank (Western Union) - US\$	-	-
Bangladesh Bank - YEN	22	267,122
Bangladesh Bank - US\$	148,467,984	228,802,021
	160,528,796	239,851,771
3.2.2.1 Balance with Bangladesh Bank as per DB -5	9,387,629,513	9,739,538,858

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 the Bank passed corresponding entries on later date after receiving advice from Bangladesh Bank.

3.3 Statutory deposits

Cash Reserve Ratio and Statutory Liquidity Ratio (SLR) have been calculated and maintained as per Section 33 of the Bank Companies Act 1991 and MPD Circular No. 2 dated December 10, 2013, MPD Circular No. 01 dated June 23, 2014 and DOS Circular No. 01 dated January 19, 2014.

The Cash Reserve Requirement (CRR) on the Bank's time and demand liabilities at the rate of 6.50 % has been calculated and maintained with Bangladesh Bank in current account and 13.00% Statutory Liquidity Ratio (SLR), including excess CRR balance, on the same liabilities has also been maintained respectively in approved securities 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:

3.3.1 Cash Reserve Ratio (CRR)

Required reserve (6.50% of average demand and time liabilities)	9,349,448,554	9,265,285,254
Actual reserve maintained	9,387,629,513	9,739,538,858
Surplus/(Deficit)	38,180,959	474,253,604

Required (%)
Maintained (%)

6.50%
6.53%

6.50%
6.83%



BASIC Bank Limited

Notes to the financial statements
As at 31 December 2017

	2017 BDT	2016 BDT
3.3.2 Statutory Liquidity Reserve (SLR)		
Required reserve (13% of average demand and time liabilities)	18,698,897,108	18,530,570,507
Actual reserve maintained	28,019,313,139	47,825,888,809
Surplus/(Deficit)	9,320,416,031	29,295,318,302
Required (%)	13.00%	13.00%
Maintained (%)	19.48%	33.55%

4. Balance with other banks and financial institutions

In Bangladesh - in local currencies (note 4.1)
Outside Bangladesh (note 4.2) (Annex A)

4.1 In Bangladesh

4.1.1 Current accounts

Sonali Bank Ltd
Agrani Bank Ltd
Janata Bank Ltd
Rupali Bank Ltd

8,281,878,251	1,645,475,504
672,314,934	732,566,636
8,954,193,185	2,378,042,140

4,102,828	272,873
4,520,158	20,158
12,516,157	655,984
1,970,522	1,691,016
23,109,665	2,640,031

4.1.2 Short-notice deposit accounts

Sonali Bank Ltd
Agrani Bank Ltd
Janata Bank Ltd
Rupali Bank Ltd
Trust Bank Ltd
The Premier Bank Ltd

4,945,478	875,437
332	1,425
2,039,001	3,038,496
9,569,482	3,253,788
11,677,743	5,096,812
10,543	11,438
28,242,579	12,277,396

4.1.3 Other deposit

Receivable from ICB Islamic Bank Ltd

130,526,007	130,558,077
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4.1.4 Fixed deposit account

FDR/Placement with Banks:

Mercantile Bank Ltd
AB Bank Ltd
Dhaka Bank Ltd
Southeast Bank Ltd
National Bank Ltd
Social Islami Bank Ltd
IFIC Bank Ltd
Jamuna Bank Ltd

1,000,000,000	-
1,000,000,000	-
1,000,000,000	-
500,000,000	-
500,000,000	-
1,000,000,000	-
1,000,000,000	-
1,000,000,000	-
7,000,000,000	-

FDR/Placement with Non-Banks financial institutions:

IDLC Finance Ltd
Premier Leasing & Finance Ltd
DBH Finance Corporation Ltd
Prime Finance and Investment Ltd
BIFC Company Ltd
Lanka Bangla Finance Ltd
Union Capital Ltd
Reliance Finance Ltd

300,000,000	100,000,000
-	200,000,000
250,000,000	250,000,000
-	100,000,000
300,000,000	300,000,000
150,000,000	250,000,000
-	100,000,000
100,000,000	200,000,000
1,100,000,000	1,500,000,000
8,281,878,251	1,645,475,504

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.



BASIC Bank Limited

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As at 31 December 2017

	2017 BDT	2016 BDT
4.2 Outside Bangladesh (Nostro and FC term placement)		
Interest-bearing accounts (note 4.2.1)	661,977,434	265,913,636
Term placement (note 4.2.2)	10,337,500	466,653,000
	672,314,934	732,566,636

4.2.1 Interest-bearing accounts

Banque de Commerce, Geneva - CHF	364,678	255,474
Sonali Bank, Kolkata - EURO	461,318	384,971
Banque Marocaine Du Commerce, Madrid, Spain - EURO	9,158,312	-
Sonali Bank, London - EURO	-	7,879,868
Bank of Tokyo-Mitsubishi, London - GBP	4,695,584	2,899,391
Sonali Bank, London - GBP	3,983,740	1,343,016
Bank of Tokyo Mitsubishi, Japan - JPY	1,412,443	550,692
Arif Habib Rupali Bank, Karachi - USD	91,239	86,892
Mashreq Bank India, Mumbai - ACU	52,608	49,865
Mashreq Bank, New York - USD	380,834	361,902
Sonali Bank, Kolkata - USD	52,697,599	27,707,433
Bank of Ceylon, Sri Lanka - USD	1,408,201	161,403
CITI Bank, New York (Export) - USD	457,806,565	145,059,459
Sonali Bank, London - USD	-	11,768,699
Sonali Bank London-USD (Cash Collateral)	22,307,167	-
AB Bank Limited, Mumbai - USD	18,873,572	19,006,749
Habib Metropolitan Bank Limited, Karachi - USD	15,835,743	9,137,947
HDFC Bank Limited, Mumbai - USD	6,734,416	290,550
United Bank of India, Mumbai - ACU	-	6,439,127
State Bank of India-USD	31,405,973	-
Habib American Bank, New York-USD	34,307,442	25,823,785
Habib American Bank, New York-Blocked Fund - USD	-	6,706,414
	661,977,434	265,913,636

Schedule of balance with other banks-outside Bangladesh (nostro accounts) is given in **Annex A.**

4.2.2 Term placement

Dutch-Bangla Bank Ltd (USD)	10,337,500	-
BRAC Bank Ltd (USD)	-	354,420,000
United Commercial Bank Ltd (USD)	-	112,233,000
	10,337,500	466,653,000

4.3 Maturity grouping of balances with other banks and financial institutions

On demand	23,109,665	280,831,063
Upto 1 month	672,314,934	454,420,000
Over 1 month but not more than 3 months	8,128,210,509	1,352,388,000
Over 3 months but not more than 1 year	-	159,845,000
Over 1 year but not more than 5 years	130,558,077	130,558,077
Over 5 years	-	-
	8,954,193,185	2,378,042,140

5. Money at call and on short notice

Commercial banks (note 5.1)	-	3,250,000,000
Non-Banking financial institutions (note 5.2)	-	870,000,000
	-	4,120,000,000



BASIC Bank Limited

Notes to the financial statements
As at 31 December 2017

	2017 BDT	2016 BDT
5.1 Commercial banks		
Mercantile Bank Ltd	-	1,000,000,000
NRB Commercial Bank Ltd	-	250,000,000
NRB Bank Ltd	-	200,000,000
Jamuna Bank Ltd	-	800,000,000
The City Bank Ltd	-	700,000,000
Midland Bank Ltd	-	150,000,000
NRB Global Bank Ltd	-	150,000,000
	-	3,250,000,000
5.2 Non-Banking financial institutions		
IPDC	-	190,000,000
Fareast Finance and Investment Ltd	-	150,000,000
Prime Finance and Investment Ltd	-	90,000,000
Bangladesh Finance and Investment Co. Ltd	-	70,000,000
Lanka Bangla Finance Ltd	-	40,000,000
DBH Finance Corporation Ltd	-	100,000,000
International Leasing and Financial services Ltd	-	90,000,000
United Finance Ltd	-	140,000,000
	-	870,000,000
6. Investments		
Government securities (note 6.1)	27,110,157,689	46,681,635,795
Other investments (note 6.2)	1,534,881,283	1,029,738,883
	28,645,038,972	47,711,374,678
6.1 Government securities		
Treasury bills and reserve repo (note 6.1.1)	-	1,689,326,783
Treasury bonds (note 6.1.2)	27,108,728,889	26,399,827,580
Bangladesh Bank bills	-	18,591,157,532
Prize bonds	1,428,800	1,323,900
	27,110,157,689	46,681,635,795
6.1.1 Treasury bills (at revalued amount) (A)		
364 days Government treasury bills	-	1,689,326,783
364 days reverse repo	-	-
182 days Government treasury bills	-	-
91 day Government treasury bills	-	-
28 days Government treasury bills	-	-
01 day reverse repo-Bangladesh Bank	-	-
	-	1,689,326,783
Reverse repo (B)		
Reverse repo-Banks and NBFIs	-	-
Reverse repo-Bangladesh Bank	-	-
	-	-
Grand total (A+B)	-	1,689,326,783



BASIC Bank Limited

Notes to the financial statements
As at 31 December 2017

	2017 BDT	2016 BDT
6.1.2 Treasury bonds (at revalued amount)		
02 years Government treasury bonds	2,825,544,470	2,132,346,294
05 years Government treasury bonds	6,182,384,770	8,090,602,590
10 years Government treasury bonds	13,671,282,727	12,529,797,314
15 years Government treasury bonds	2,418,549,458	2,016,570,199
20 years Government treasury bonds	2,010,967,464	1,630,511,183
	27,108,728,889	26,399,827,580
6.2 Other investments		
Shares (note 6.2.1)	1,334,818,283	994,675,883
Investment others (memorial coin)	63,000	63,000
Commercial paper	200,000,000	-
Mutual Trust Bank bonds	-	35,000,000
	1,534,881,283	1,029,738,883
6.2.1 Shares		
a. Quoted companies		
Listed companies	1,304,527,633	961,777,483
b. Unquoted companies		
Karmasangsthan Bank	15,000,000	15,000,000
Bangladesh Development Company Ltd (preference shares)	7,950,000	10,557,750
Grameen IT park	4,201,760	4,201,760
Central Depository Bangladesh Ltd	3,138,890	3,138,890
	30,290,650	32,898,400
Grand total (a+b)	1,334,818,283	994,675,883
Details of Investment in shares in Annex B.		
6.3 Investment in securities are classified as per Bangladesh Bank circular		
Held to maturity (HTM) (note 6.3.1)	17,259,249,817	17,499,538,544
Held for trading (HFT) (note 6.3.2)	9,849,479,072	29,180,773,351
	27,108,728,889	46,680,311,895
6.3.1 Held To Maturity (HTM):		
Treasury bonds	17,259,249,817	17,499,538,544
Treasury bills and reverse repo	-	-
	17,259,249,817	17,499,538,544
6.3.2 Held For Trading (HFT):		
Treasury bonds	9,849,479,072	8,900,289,036
Bangladesh bank bills	-	18,591,157,532
Treasury bills and reverse repo	-	1,689,326,783
	9,849,479,072	29,180,773,351
Treasury bond:		
Held to maturity (HTM)	17,259,249,817	17,499,538,544
Held for trading (HFT)	9,849,479,072	8,900,289,036
	27,108,728,889	26,399,827,580

Treasury bonds and treasury bills are categorised into HTM and HFT as per Bangladesh Bank Circular. HTM securities are measured at amortised value at each year end by taking into account any premium or discount on acquisition. Any decrease in value for amortisation loss of such investment is transferred to profit and loss statement of respective year. Any increase in value for amortisation 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. HFT securities are revalued weekly and loss on revaluation is shown in profit and loss statement and gain is shown as revaluation reserve under capital account. Securities are shown at revalued amount.



BASIC Bank Limited

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	2017 BDT	2016 BDT
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	-	-
	-	-
There are no assets pledged, mortgaged or hypothecated against bank's borrowings.		
6.5 Maturity grouping of investments		
On demand	1,428,800	258,758,621
Upto 1 month	2,356,771,200	19,091,008,433
Over 1 month but not more than 3 months	1,775,100,000	1,699,998,629
Over 3 months but not more than 1 year	4,819,600,000	2,637,192,876
Over 1 year but not more than 5 years	993,300,000	9,706,610,816
Over 5 years	18,698,838,972	14,317,805,303
	28,645,038,972	47,711,374,678
7. Loans and advances		
Loans, cash credits, overdrafts, etc (note 7.1)	144,586,220,625	133,821,913,852
Bills purchased and discounted (note 7.2)	982,366,866	1,060,888,976
	145,568,587,491	134,882,802,828
7.1 Loans, cash credits, overdrafts, etc		
In Bangladesh		
Loans (note 7.1.1)	61,611,401,184	55,993,286,235
Cash credits	31,244,946,696	32,695,034,804
Overdrafts (note 7.1.2)	14,228,829,490	16,159,067,661
Others (note 7.1.3)	37,501,043,255	28,974,525,152
	144,586,220,625	133,821,913,852
Outside Bangladesh	-	-
	144,586,220,625	133,821,913,852
7.1.1 Loans		
Loan general	2,644,346,686	2,247,261,548
Term loan	58,967,054,498	53,746,024,687
	61,611,401,184	55,993,286,235
7.1.2 Overdrafts		
SOD against Bank's own FDR	255,173,054	255,378,800
SOD against other Bank's FDR	287,973,294	356,456,091
SOD against Govt. bond & securities	1,141,084	2,147,504
SOD against Bank's own DPS	478,280,441	381,142,207
SOD for issuance of CDR/SDR/PO	17,181,058	22,349,804
Temporary overdraft	443,693,879	452,224,206
Overdraft secured mortgage	10,917,418,452	12,753,029,214
Overdraft secured (other securities)	1,606,811,550	1,853,884,849
Overdraft (clean)	221,156,678	82,454,986
	14,228,829,490	16,159,067,661



BASIC Bank Limited

Notes to the financial statements
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	2017 BDT	2016 BDT
7.1.3 Others		
Export credit/loan against packing credit	308,990,404	375,587,786
Payment against documents (PAD)	257,718,657	336,984,508
Loan against trust receipt (LTR)	5,975,182,289	4,010,066,254
Other short term advance	136,291,246	98,917,484
Work order financing	524,670,842	436,476,231
Loan against Govt. fund and other scheme	226,920,624	202,199,506
Credit to NBFi	3,034,776,686	1,481,384,682
Real estate loan	9,242,727,509	8,284,036,235
Transport loan	6,925,164,548	6,640,179,678
Consumer credit	849,888,860	131,751,617
Micro credit financing	2,094,881,993	1,964,515,631
Sundry/misc. loan	6,443,629,291	3,898,143,344
Staff loan	1,480,200,310	1,114,282,196
	37,501,043,255	28,974,525,152
7.2 Bills purchased and discounted		
Payable in Bangladesh:		
Local bills purchased/LADB	927,111,837	955,035,873
Payable outside Bangladesh:	-	-
Foreign bills purchased and discounted	55,255,029	105,853,103
	982,366,866	1,060,888,976
7.3 Residual maturity grouping of loans including bills purchased and discounted		
Payable on demand	-	441,558,220
Not more than 3 months	16,823,100,000	26,371,108,718
Above 3 months but not more than 1 year	20,451,600,000	24,556,030,771
Above 1 year but not more than 5 years	75,789,400,000	42,815,600,570
Above 5 years	32,504,487,491	40,698,504,549
	145,568,587,491	134,882,802,828
7.4 Loans on the basis of significant concentration including bills purchased and discounted		
a. Advances to Directors	-	-
b. Advances to MD and other Senior Executives	1,480,200,310	1,114,282,196
c. Advances to customers group	60,168,844,169	59,422,144,877
d. Advances to industrial sector (note 7.4.1)	83,919,543,012	74,346,375,755
	145,568,587,491	134,882,802,828



BASIC Bank Limited

Notes to the financial statements
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7.4.1 Advances to industrial sector

	2017 BDT	2016 BDT
Food and Allied industry	13,895,022,862	12,046,158,196
ERGM	10,208,799,803	11,006,438,923
Textile	7,949,562,137	5,622,084,809
Accessories	1,606,697,956	1,719,137,452
Jute production and allied industry	4,252,288,638	4,274,959,096
Forest production and allied Industry	54,791,156	46,184,501
Paper, board, printing, publication and packaging	3,495,774,756	3,484,285,050
Tannery leather and rubber production.	2,048,093,252	1,607,393,254
Chemical pharmaceutical and allied industry	5,062,457,274	2,662,502,365
Plastic industry	1,897,727,442	1,228,653,258
Glass ceramic and other non metal production	829,815,081	645,533,628
Engineering	3,143,717,699	2,468,212,004
Electrical and electronics Industry	217,470,487	209,413,189
Real estate and housing	11,180,928,717	10,748,713,579
Transport and communication	8,831,649,692	8,434,861,279
Power, gas and water	452,783,769	469,241,187
Hotel and restaurant	789,956,729	735,350,706
Hospital and clinic	1,458,148,028	922,070,942
Brick kiln	3,430,283,052	3,194,177,523
Telecommunication and IT	316,178,586	303,431,604
Other service industry	2,183,027,310	2,169,974,088
Industry not elsewhere classified	614,368,584	347,599,122
	83,919,543,012	74,346,375,755

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

Number of customers	26	24
Amount of outstanding advances	42,422,100,000	36,831,160,000
Amount of classified advances thereon	23,203,300,000	21,319,300,000
Amount of recovery	75,707,000	100,134,465
Measures taken for recovery	Persuasion and negotiation for recovery is going on	Persuasion and negotiation for recovery is going on

*In 2017 the capital of the Bank was negative. As such Loans and Advances allowed to customers' group exceeding 10% of banks' Paid-up capital are reported here as per Bangladesh Bank approval.

Details are given in Annex C.

7.6 Geographical location - wise loans and advances

Inside Bangladesh

Dhaka division	91,907,315,987	87,168,547,957
Chittagong division	21,527,158,174	18,309,094,041
Khulna division	7,258,224,007	5,427,049,296
Rajshahi division	7,163,247,018	6,645,903,101
Sylhet division	1,287,199,215	1,434,249,368
Barisal division	539,363,714	315,951,538
Mymensingh	8,995,184,904	8,636,145,754
Rangpur division	6,890,894,472	6,945,861,773
	145,568,587,491	134,882,802,828

Outside Bangladesh

	145,568,587,491	134,882,802,828
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BASIC Bank Limited

Notes to the financial statements
As at 31 December 2017

	2017 BDT	2016 BDT
7.7 Distribution of Loans and advances according to BRPD circular by Bangladesh Bank		
Unclassified loan (A):		
Standard	61,196,070,469	54,484,712,002
SMA	4,842,641,101	7,391,226,947
	66,038,711,570	61,875,938,949
Classified loan (B):		
Sub-standard	1,732,863,480	2,667,693,665
Doubtful	269,288,933	464,183,754
Bad and loss	77,527,723,508	69,874,986,460
	79,529,875,921	73,006,863,879
Total loans and advance (A+B)	145,568,587,491	134,882,802,828

7.8 Provision required for loans and advances

Status	Base for provision	Rate %		
Unclassified-general provision				
STAC & micro credit	1,661,524,232	2.5	41,538,106	25,140,895
SMA	4,786,992,911	0.25, 1, 2 & 5	32,377,464	52,628,549
Others (excluding staff loan)	57,911,539,771	1,2 & 0.25	478,182,604	338,862,311
Staff loan	1,445,584,400	1	14,455,844	11,141,553
			566,554,018	427,773,308
Classified-specific provision				
Sub-standard	1,202,810,392	5 & 20	239,530,056	306,885,870
Doubtful	170,185,711	50	84,609,980	65,037,180
Bad/loss	50,726,354,240	100	50,726,354,241	45,659,042,136
			51,050,494,277	46,030,965,186
Total required provision for classified loans & advances			51,617,048,295	46,458,738,494
Total provision maintained for loans & advances			21,792,103,873	18,199,875,566
Excess/(short) provision as at 31 December			(29,824,944,422)	(28,258,862,928)

Note: Provision has been maintained by the Bank in accordance with Bangladesh Bank's approval letter no. BRPD(P-1)/661/13/2015-3159 dated 27 April 2015 and remaining provision shortfall will be maintained within the stipulated period as allowed by Bangladesh Bank vide the same letter. As such, there is no un-approved provision shortfall of the Bank as on 31 December 2017.

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

7.9 Listing of assets pledge as security/collaterals

Nature of the secured assets:

Fixed assets	121,530,821,621	116,634,595,181
Cash and quasi-cash	3,385,252,303	3,060,175,738
Others	7,976,789,407	2,596,827,922
	132,892,863,331	122,291,598,841



BASIC Bank Limited

Notes to the financial statements
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	2017 BDT	2016 BDT
7.10 Particulars of Loans and advances:		
(i) Loans considered good in respect of which the banking company is fully secured	52,975,515,972	54,246,695,936
(ii) Loans considered good for which the banking company holds no other security other than debtor's personal guarantee;	10,640,683,751	3,451,302,847
(iii) Loans considered good secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtor;	4,488,461,402	3,777,413,136
(iv) Loans adversely classified; provision not maintained there against	-	-
	68,104,661,125	61,475,411,918
(v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons	1,474,208,485	1,114,282,196
(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;	1,480,161,723	1,120,550,144
(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:	-	-
(ix) Due from banking companies.	-	-
(x) Amount of classified loans on which interest has not been charged	79,529,875,921	73,006,863,879
(a) (Decrease) / Increase in provision	3,453,447,597	13,787,840,908
Amount of loan written off	-	-
Amount realised against loan previously written off	7,570,628	15,256,880
(b) Amount of provision kept against loan classified as bad/loss	21,225,549,855	17,772,102,258
(c) Interest credited to the interest suspense account	2,418,547,398	2,782,162,772
(xi) Amount of the written off loan:		
Cumulative amount of Written off loan	4,435,932,317	688,783,000
Amount written off during the current year	3,747,149,317	-
Amount of written off loan for which law suit has been filed	4,150,754,000	548,190,000



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	2017 BDT	2016 BDT
7.11 Bills purchased and discounted		
Payable in Bangladesh	927,111,837	955,035,873
Payable outside Bangladesh	55,255,029	105,853,103
	982,366,866	1,060,888,976
7.11.1 Maturity grouping of bills purchased and discounted		
Not more than 01 months	525,255,029	658,586,510
Above 01 months but not more than 03 months	368,111,837	344,249,705
Above 03 months but not more than 06 months	89,000,000	58,052,761
Above 06 months	-	-
	982,366,866	1,060,888,976
8. Fixed assets including premises, furniture		
<u>Own assets</u>		
Furniture and fixtures	115,513,974	111,546,524
Interior decoration	319,352,944	310,973,205
Machinery and equipment	344,194,765	332,783,209
Computer hardware	302,979,009	297,981,103
Software	95,226,936	95,226,936
Vehicles	381,654,870	385,017,777
	1,558,922,498	1,533,528,754
<u>Less:</u> Accumulated depreciation	1,212,387,450	1,127,668,886
	346,535,048	405,859,868
<u>Leased assets</u>		
Leasehold assets	4,000,000	4,000,000
<u>Less:</u> Accumulated depreciation	873,936	827,935
	3,126,064	3,172,065
	349,661,112	409,031,933
A schedule of fixed assets is given in Annex D.		
9. Other assets		
i) Income generating	-	-
ii) Non-Income generating		
a) Stationery, stamps, printing materials etc	19,485,583	18,993,238
b) Security deposits (note 9.1)	11,355,997	10,854,521
c) Advance rent	196,429,195	223,555,822
d) Advance for space of BASIC Zaman Tower	759,999,993	759,999,993
e) Advance for space of Banani Branch	161,315,950	161,315,950
f) Other prepayments	2,909,433	2,613,662
g) Advance income tax	112,249,957	150,585,595
h) Income receivable (note 9.2)	2,167,326,875	2,023,250,930
i) Deferred tax assets (note 35)	550,943,167	502,930,609
j) Suspense account (note 9.3)	46,991,307	43,756,914
k) Balance with Fakrul Islam Securities	20	20
l) ICB Securities Trading Co. Ltd.	11,937,200	34,205,509
m) Branch adjustment account	281,129,808	178,195,755
n) Sundry debtors (note 9.4)	395,274,981	222,198,914
o) Position clearing (net)	68,212,581	237,039,423
	4,785,562,049	4,569,496,855



BASIC Bank Limited

Notes to the financial statements
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	2017 BDT	2016 BDT
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 bills:		
a) BCCI:		
Protested bill, Main Branch	6,535,881	6,535,881
Protested bill, Khatungonj Branch	244,800	244,800
Protested bill, Khulna Branch	416,367	416,367
BCCI-Bombay	1,399,580	1,399,580
BCCI-London	618	537
	8,597,246	8,597,165
b) Protested bill for SWIFT	20,244,921	20,244,921
c) Protested bill -Lawyers' fee	3,940,000	3,940,000
d) Protested bill-Bangshal Branch-Shahadat Hossain	11,198,035	11,198,035
	43,980,202	43,980,121
2) Other sundry debtors	586,101	67,161,886
3) Encashment of Sanchaya Patra	350,633,703	111,036,907
4) Encashment of bond	54,975	-
5) Cash shortage	20,000	20,000
6) Encashment of other instrument	-	-
7) Sundry assets	-	-
	351,294,779	178,218,793
	395,274,981	222,198,914

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

10. Borrowings from other banks, financial institutions and agents

In Bangladesh (note 10.1)	2,770,781,109	133,788,951
Outside Bangladesh (note 10.2)	2,027,371,411	2,191,374,373
	4,798,152,520	2,325,163,324

10.1 In Bangladesh

a) Term Borrowing

Bangladesh Bank refinance loan for house building	77,106,109	81,803,651
Refinance scheme of Bangladesh Bank for Taka 10 account	13,125,000	1,950,000
Refinance scheme of Bangladesh Bank for jute sector	50,000,000	50,000,000
Milk production and artificial insemination	30,550,000	35,300
	170,781,109	133,788,951



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	2017 BDT	2016 BDT
b) Money at call and on short notice		
IFIC Bank Ltd.	650,000,000	-
Standard Bank Ltd.	200,000,000	-
Uttara Bank Ltd.	250,000,000	-
Sonali Bank Ltd	1,500,000,000	-
	2,600,000,000	-
	2,770,781,109	133,788,951

10.2 Outside Bangladesh

Term borrowing

Loan for micro credit and small scale industries (KFW, Germany)	153,379,147	153,379,147
SME refinance -ADB Fund-2	24,841,446	59,399,012
Second crop diversification project	1,019,369,000	1,019,369,000
Agro-business development project of ADB	829,781,818	959,227,214
	2,027,371,411	2,191,374,373

10.3 Overall transaction of reverse repo:

	2017		2016	
	Minimum outstanding during the	Maximum outstanding during the year	Minimum outstanding during the year	Maximum outstanding during the year
Securities bought under repo:				
i) with Bangladesh Bank	Nil	Nil	Nil	Nil
ii) with other banks & FIs	Nil	1,520,269,437	Nil	8,612,089,875

10.4 Overall transaction of repo:

	2017		2016	
	Minimum outstanding during the	Maximum outstanding during the year	Minimum outstanding during the year	Maximum outstanding during the year
Securities bought under repo:				
i) with Bangladesh Bank	Nil	Nil	Nil	Nil
ii) with other banks & FIs	Nil	1,090,076,657	Nil	1,029,652,870

11. Deposits and other accounts

Non-interest bearing accounts (note 11.1)	6,243,310,824	5,151,863,470
Interest bearing account (note 11.2)	136,936,929,957	152,919,114,073
	143,180,240,781	158,070,977,543

11.1 Non-interest bearing accounts

Current and other accounts (note 11.1.1)	5,343,945,362	4,243,656,733
Bills payable (note 11.1.2)	899,365,462	908,206,737
	6,243,310,824	5,151,863,470



BASIC Bank Limited

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	2017 BDT	2016 BDT
11.1.1 Current and other accounts		
Current account	3,142,196,356	2,466,541,983
Margin deposit	1,517,815,083	1,354,895,922
Sundry/other deposit	683,933,923	422,218,828
	5,343,945,362	4,243,656,733
11.1.2 Bills payable		
Payment order	894,729,373	900,347,807
Demand draft	4,636,089	7,858,930
	899,365,462	908,206,737
11.2 Interest bearing account		
Savings bank deposits (Note 11.2.1)	5,866,356,817	4,453,994,441
Fixed deposits, SND, other deposit scheme (note 11.2.2)	130,875,488,196	148,250,657,187
Current deposit	195,084,945	214,462,445
	136,936,929,957	152,919,114,073
11.2.1 Savings bank deposits		
Savings account	5,866,356,817	4,453,994,441
	5,866,356,817	4,453,994,441
11.2.2 Fixed deposits, SND, other deposit scheme		
Short notice deposits	14,918,314,564	16,200,153,403
Term deposits	111,704,730,618	128,682,798,848
Other deposit scheme	4,252,443,014	3,367,704,936
	130,875,488,196	148,250,657,187
11.3 Maturity grouping of other deposits and inter-bank deposits		
<u>Deposit from bank</u>		
Repayable on demand	5,226,787	1,624,274
Repayable within 1 month	15,587,399	11,500,000,000
Above 01 month but not more than 6 months	-	4,900,000,000
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	-	-
	20,814,186	16,401,624,274
<u>Other deposits</u>		
Payable on demand	1,335,873,213	1,215,710,376
Less than 01 month	22,042,553,383	24,465,396,945
Above 01 month but not more than 6 months	64,298,900,000	51,526,973,224
Above 06 months but not more than 01 year	31,033,000,000	44,947,669,359
Above 01 year but not more than 05 years	22,865,800,000	11,583,134,042
Above 05 years not more than 10 years	1,583,300,000	7,930,469,323
Above 10 years	-	-
	143,159,426,596	141,669,353,269
	143,180,240,782	158,070,977,543



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	2017 BDT	2016 BDT
12. Other liabilities		
Provision for loan and advances (note 12.1)	21,792,103,873	18,199,875,566
Provision for off-balance sheet exposures (note 12.2)	127,178,725	118,907,588
Interest payable on deposits	1,880,702,113	2,210,091,903
Interest payable on borrowing	98,557,870	90,376,357
Provision for taxation (note 34)	565,917,994	822,822,285
Privileged creditors	279,229,057	246,688,877
Provision for welfare fund	14,253,367	14,253,367
Provision for other assets (note 12.3)	1,781,330,748	1,824,138,647
Provision for investment (note 12.4)	4,201,760	4,201,760
Interest suspense account (note 12.5)	10,070,939,185	8,557,306,864
Provision for ex-gratia/incentive bonus (note 12.7)	7,886,426	7,886,426
Provision for gratuity (note 12.8)	145,023,833	1,022,868,629
Deposit insurance premium payable	9,689,523	14,233,980
Provision for expenses payable	33,693,220	42,892,770
Sundry creditors	38,444,996	102,601,445
Miscellaneous creditors	8,332,428	5,974,811
Provision for benevolent fund	5,000,000	5,000,000
Provision for stationery	317,742	281,916
Provision for superannuation fund	-	10,000,000
Position general ledger (net)*	68,381,338	234,765,934
	36,931,184,199	33,535,169,125

*Under multi currency concept an organisation 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 GLs 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 loan and advances

Classified loan (note 12.1.1)	21,225,549,855	17,772,102,258
Unclassified loan (note 12.1.2)	566,554,018	427,773,308
	21,792,103,873	18,199,875,566

12.1.1 Provision for classified loan

Provision held at beginning of the year	17,772,102,258	3,984,261,350
Fully provided debt written off/Interest waived	(3,489,123,031)	-
Recovery from earlier written off loan	7,570,628	-
Special provision for current year	-	-
Provision not required	-	-
Specific provision for the year	6,935,000,000	13,787,840,908
Provision held at the end of the year	21,225,549,855	17,772,102,258

Provision has been maintained by the Bank in accordance with Bangladesh Bank's approval letter no. BRPD(P-1)/661/13/2015-3159 dated 27 April 2015 and remaining provision shortfall will be maintained within the stipulated period as allowed by Bangladesh Bank vide the same letter. As such, there is no un-approved provision shortfall of the Bank as on 31 December 2017.



BASIC Bank Limited

Notes to the financial statements
As at 31 December 2017

	2017 BDT	2016 BDT
12.1.2 Provision for unclassified loan		
Provision held at beginning of the year	427,773,308	358,336,027
Recoveries and provisions no longer required/adjusted	-	-
Provision made during the year	138,780,710	69,437,281
Provision held at the end of the year	566,554,018	427,773,308
12.2 Provision for off-balance sheet exposures		
Provision held at beginning of the year	118,907,588	106,185,777
Provision made during the year	8,271,137	12,721,811
Provision held at the end of the year	127,178,725	118,907,588
A provision of Taka 127,178,725 has been made @1.00% on total off-balance sheet exposures of the Bank which will be treated as supplementary capital of the Bank.		
12.3 Provision for other assets		
BASIC Zaman Tower	759,999,993	759,999,993
Banani branch	161,315,950	161,315,950
Unadjusted suspense account-Gulshan Branch	2,526,288	2,526,288
Unadjusted suspense account-Shantinagar Branch	1,053,000	1,053,000
Unadjusted suspense account-Chitalmari	2,600	-
Unadjusted suspense account-Chowmuhana	114,698	-
Suspense Account (Head Office)-ETECH	475,327	-
Protested bill-Bangshal Branch-Shahadat Hossain	11,198,035	-
Suspense account (Head office) medical bill	1,149,263	1,149,263
Income receivable	810,713,397	865,311,956
Provision for protested bill-legal fee	3,940,000	3,940,000
Provision for protested bill-SWIFT	20,244,921	20,244,921
Provision for protested bill-BCCI	8,597,276	8,597,276
	1,781,330,748	1,824,138,647
Provision held at the beginning of the year	1,824,138,647	652,926,691
Less: Adjustment during the year	54,598,559	-
	1,769,540,088	652,926,691
Provision created during the year	11,790,660	1,171,211,956
Provision held at the end of the year	1,781,330,748	1,824,138,647
Provision excess (shortfall)	-	-
12.4 Provision for investment		
Provision for investment in Grameen IT park	4,201,760	4,201,760
Total provision required	4,201,760	4,201,760
Opening balance	4,201,760	-
Add: Provision made during the year	-	4,201,760
Provision maintained/closing balance	4,201,760	4,201,760
12.5 Interest suspense account		
Balance at the beginning of the year	8,557,306,864	7,268,598,515
Transferred during the year	2,418,547,398	2,782,162,772
Recovery during the year	(708,981,235)	(1,492,355,584)
Suspense written off/waived during the year	(195,933,842)	(1,098,839)
Balance at the end of the year	10,070,939,185	8,557,306,864
Interest suspense for loans and advance	10,070,939,185	8,557,306,864
Interest suspense for classified block assets	-	-
	10,070,939,185	8,557,306,864



BASIC Bank Limited

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- 2017**
BDT
- 2016**
BDT
- 12.6 Branch adjustment account represents outstanding inter branch and head office transactions (net) originated. The un-responded entries of 31 December 2017 are given below:**

Particulars	No. of Un-responded entries		Amount of un-responded entries	
	Dr.	Cr.	Dr.	Cr.
Up to 03 months	163	235	444,214	206,526
Over 03 months but within 06 months	-	-	-	-
Over 06 months but within 01 year	-	-	-	-
Over 01 year but within 05 years	-	-	-	-

12.7 Provision for ex-gratia/incentive bonus

Opening balance	7,886,426	92,886,426
Less: Transferred to provision for gratuity fund	-	85,000,000
Closing balance	7,886,426	7,886,426

12.8 Provision for gratuity

Opening balance	1,022,868,629	921,540,562
Less: Adjusted/paid during the year	27,292,923	26,574,811
Less: Transferred to gratuity fund savings account	995,575,706	-
	-	894,965,751
Add: Transferred from provision for ex-gratia/Incentive bonus	-	85,000,000
Add: Provision made for the current year	145,023,833	42,902,878
Closing Balance	145,023,833	1,022,868,629

13. Capital

13.1 Authorised

5,500,000,000 ordinary shares of BDT 10 each	55,000,000,000	55,000,000,000
(250,000,000 ordinary shares of BDT 100 each in 2015)		

13.2 Issued, subscribed and paid up capital

The Issued, subscribed and paid up capital of the Bank as follows:

1,084,698,250 ordinary shares of BDT 10 each	10,846,982,500	10,846,982,500
(108,469,825 ordinary shares of BDT 100 each in 2015)		

13.3 Risk-weighted assets and capital ratios as defined the Basel capital accord

In terms of section 13(1) of Bank Companies Act 1991 (amendment in 2013) and Bangladesh Bank BRPD circular No. 18 dated 21 December 2014 required capital, available Tier I and Tier II of the Bank for the year ended as on 31 December 2017 are shown below:

Tier I capital:

Common equity Tier I

Paid-up capital	10,846,982,500	10,846,982,500
Share money deposit	26,000,000,000	16,000,000,000
Statutory reserve	2,224,690,642	2,224,690,642
General reserve	40,000,000	40,000,000
Retained earnings/(losses)	(26,523,475,722)	(19,650,783,958)
	12,588,197,420	9,460,889,184

Less: Regulatory adjustments:

Provision shortfall in loans and advance	(29,824,944,422)	(28,258,862,928)
Deferred tax assets	(550,943,167)	(502,930,609)
Total adjustments	(30,375,887,589)	(28,761,793,537)
	(17,787,690,169)	(19,300,904,353)



BASIC Bank Limited

Notes to the financial statements
As at 31 December 2017

	2017 BDT	2016 BDT
Additional Tier I capital		
Non-cumulative irredeemable preference share	1,205,000,000	1,205,000,000
Total Tier I capital	(16,582,690,169)	(18,095,904,353)
Tier II capital		
General provision maintained against unclassified loan	566,554,018	427,773,308
Provision for off -balance sheet items	127,178,725	118,907,588
Exchange equalisation	-	-
Revaluation reserve of HTM and HFT securities*	55,454,004	83,181,007
	749,186,747	629,861,903
Total regulatory capital (Tier I + Tier II)	(15,833,503,421)	(17,466,042,450)
A. Total regulatory capital (Tier I + Tier II)		
Total capital (Tier I)	(16,582,690,169)	(18,095,904,353)
Total capital (Tier II)**	749,186,747	629,861,903
Total eligible capital (Tier I + Tier II)	(15,833,503,421)	(17,466,042,450)
B. Risk weighted assets		
Balance sheet business	114,917,076,677	107,301,656,913
Off- balance sheet business	4,815,543,828	4,708,473,428
Total risk-weighted assets	119,732,620,505	112,010,130,341
C. Required capital on risk weighted assets (10% on total risk weighted assets)	11,973,262,051	11,201,013,034
D. Capital surplus / (shortfall) under MCR [A-C]	(27,806,765,472)	(28,667,055,485)
E. Capital conservation buffer (CCB) requirement*	1,496,657,756	700,063,315
F. Capital surplus/(shortfall) under MCR including CCB [D-E]	(29,303,423,228)	(29,367,118,799)
Total capital to risk weighted asset ratio (CRAR %)	(13.22)	(15.59)

(*) As per Basel III guideline of Bangladesh Bank, the Bank has a requirement to maintain 1.25% of total risk weighted assets (RWA) as capital conservation buffer (CCB) for the year 2017, which was 0.625% of total RWA for the year 2016.

Note: Provision has been maintained by the Bank in accordance with Bangladesh Bank approval vide its letter No. BRPD(P-1)/661/13/2015-3159 dated. 27 April 2015 and remaining provision shortfall will be maintained within the stipulated period as allowed by Bangladesh Bank vide the same letter. As such, there is no un-approved provision shortfall of the Bank as on 31 December 2017.

Note: Revaluation reserve:

As per Basel III revaluation reserve as on December 2014 to be gradually adjusted in five years @20% each year and after five years revaluation reserve will not be considered as part of tier two capital. As such the amount of eligible revaluation reserve (i.e., 50% of revaluation reserve as on end 2014) Tk. 13,86,35,011 adjusted @20% each year and shown in accounts as under:

Revaluation reserve		
Opening revaluation reserve	138,635,011	138,635,011
<u>Less: Adjustment (60%, 40% of 138,635,011)</u>	<u>83,181,007</u>	<u>55,454,004</u>
Closing revaluation reserve	55,454,004	83,181,007



BASIC Bank Limited

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As at 31 December 2017

	2017 BDT	2016 BDT
14. Statutory reserve		
Opening balance	2,224,690,642	2,224,690,642
Add: Addition during the year (20% of pre-tax profit)	-	-
Closing balance	2,224,690,642	2,224,690,642
As per section 24 of Bank Companies Act 1991 no amount was transferred to statutory reserve in 2016 and 2017 as there was no pre-tax profit.		
15. Other reserves		
General reserve (note 15.1)	40,000,000	40,000,000
Investment revaluation reserve (note 15.2)	113,897,221	142,432,883
	153,897,221	182,432,883
15.1 General reserve		
Opening balance	40,000,000	40,000,000
Add: Addition during the year	-	-
Closing balance	40,000,000	40,000,000
The Bank has been maintaining this reserve as venture capital fund since 1999 for equity support to innovative but risky project.		
15.2 Investment revaluation reserve (treasury bills & treasury bonds)		
Gain on revaluation for HFT (note 15.2.1)	178,779,447	185,013,044
Amortisation of discount of HTM (note 15.2.2)	5,567,593	5,262,116
	184,347,040	190,275,160
Less: Loss on revaluation/amortisation of HTM securities (note 15.2.3)	70,449,819	47,842,277
	113,897,221	142,432,883
15.2.1 Gain on revaluation for HFT		
Opening balance	185,013,044	361,967,369
Add: Addition during the year	258,375,475	596,669,533
	443,388,519	958,636,902
Less: Adjustment (Loss on revaluation/amortization) during the year	189,626,016	-
Less: Adjustment (due to repo transaction) during the year	74,983,056	773,623,858
Closing balance	178,779,447	185,013,044
15.2.2 Amortisation of discount of HTM		
Opening balance	5,262,116	10,606,628
Add: Addition during the year	2,350,228	3,496,336
	7,612,344	14,102,964
Less: Adjustment (loss on revaluation/amortisation) during the year	-	-
Less: Realisation of gain due to maturity of HTM bond	2,044,751	8,840,848
Closing balance	5,567,593	5,262,116
15.2.3 Loss on revaluation/amortisation of (HTM)		
Opening balance	47,842,277	21,778,130
Add: Addition during the year	34,433,760	26,698,459
	82,276,037	48,476,589
Less: Adjustment (loss on revaluation/amortisation) during the year	-	-
Less: Adjustment (due to maturity/rectification) during the year	11,826,218	634,312
Closing balance	70,449,819	47,842,277



BASIC Bank Limited

Notes to the financial statements
As at 31 December 2017

	2017 BDT	2016 BDT
16. Retained earnings/losses		
Opening balance	(19,650,783,958)	(4,720,382,958)
Profit/ (loss) during the year	(6,843,689,621)	(14,930,401,001)
Interest waived- Gulshan Branch	(29,002,143)	-
Transferred to other reserve	-	-
Cash dividend paid during the year	-	-
Issuance of bonus share	-	-
Closing balance	(26,523,475,722)	(19,650,783,958)
16.1 Item-wise profit and loss account		
Income:		
Interest, discount and similar income	9,727,142,782	11,200,449,892
Dividend income	57,940,875	39,799,656
Fees, commission and brokerage	299,311,406	279,885,393
Gains less losses arising from dealing in foreign currencies	383,273,221	273,801,012
Income from non-banking assets	-	-
Other operating income	147,500,334	138,471,671
Total income	10,615,168,618	11,932,407,624
Expenses:		
Interest, fee and commission	7,377,135,896	9,154,318,946
Losses on loans and advances	-	-
Administrative expenses	2,162,429,211	1,957,381,948
Other operating expenses	635,197,868	604,191,519
Depreciation on banking assets	88,857,247	125,668,379
Total expenses	10,263,620,222	11,841,560,792
Profit before tax and provision	351,548,396	90,846,832
17. Contingent liabilities		
Local bills for collection	163,489	396,697
Foreign bills for collection	655,468,453	718,596,026
Letters of guarantee (note 17.1)	2,252,493,027	1,877,840,085
Irrevocable letters of credit	5,426,059,219	5,973,830,913
Back to back L/C	1,074,767,141	1,041,563,060
Acceptances and endorsements	2,815,180,213	2,997,524,717
Travelers cheques stock	41,350	55,132
Value of wage earners bond in hand and others	56,312,000	53,711,600
Miscellaneous- revolving fund	437,387,595	450,555,346
	12,717,872,486	13,114,073,576
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	1,500,723,969	1,534,773,323
Bank and other financial institutions	926,500	918,769
Others	750,842,559	342,147,993
	2,252,493,027	1,877,840,085



BASIC Bank Limited

Notes to the financial statements
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	2017 BDT	2016 BDT
18. Interest income		
Interest on loans and advances	6,747,431,040	7,761,198,208
Interest on money at call and short notice	89,061,668	113,974,917
Interest on placement with other banks	352,880,933	224,713,469
Interest on foreign currency balances	40,726	349,230
	7,189,414,367	8,100,235,824
<u>Less: Interest waiver</u>	<u>425,405</u>	<u>1,712,627</u>
	7,188,988,962	8,098,523,197
*In 2016, interest on money at call and short notice was erroneously reported with interest on placement with banks. Now, the same has been rectified and reported correctly for both the year 2016 and 2017.		
19. Interest paid on deposits and borrowings, etc		
On savings bank deposit (note 19.1)	171,298,645	159,715,125
On short notice deposit	580,852,531	593,419,846
On fixed deposit (note 19.2)	6,154,924,375	8,033,448,868
On current deposit	2,273,569	2,105,290
Other deposits and deposit schemes (note 19.3)	381,199,258	282,243,724
On borrowing from Bangladesh Bank and other financial institutions (note 19.4)	86,587,518	83,386,093
	7,377,135,896	9,154,318,946
19.1 On savings bank deposit:		
On savings bank deposit	164,096,253	151,878,522
On school banking scheme	6,032,027	6,856,882
On krishok savings account	718,009	579,160
On RMG worker account	150,916	130,713
On leather industry worker	1,168	2,017
On pothopushpo savings account	1,724	705
On muktijoddhashpo savings account	139,621	45,895
On BASIC chalantika	36,881	53,528
On trinomul savings account	122,046	167,703
	171,298,645	159,715,125
19.2 On fixed deposit:		
Interest paid on fixed deposit	5,390,090,597	7,277,166,584
Interest paid on double benefit scheme	415,333,861	416,405,311
Interest paid on super double benefit scheme	267,115,566	238,796,454
Interest paid on monthly benefit scheme	47,530,816	88,326,912
Interest paid on rapid grow deposit scheme	708,350	5,369,422
Interest paid on BASIC twofold winner	14,425,280	3,411,205
Interest paid on monthly gainer scheme	19,719,905	3,972,980
	6,154,924,375	8,033,448,868
19.3 Other deposits and deposit schemes		
Interest paid on BASIC fortune	15,852,646	13,653,818
Interest paid on BASIC fortune plus	344,495,128	266,088,480
Interest paid on BASIC swaponon puron	595,347	235,072
Interest paid on BASIC DPS plus	20,256,137	2,266,354
	381,199,258	282,243,724



BASIC Bank Limited

Notes to the financial statements
For the year ended 31 December 2017

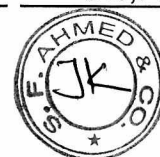
	2017 BDT	2016 BDT
19.4 Interest on borrowings		
Interest on Bangladesh Bank refinance-Jute sector	2,187,500	2,000,411
Interest on Bangladesh Bank refinance-Milk Production	832,376	1,093
Interest on Bangladesh Bank refinance- HBL	3,952,133	4,277,817
Interest on borrowing on B.B refinance for Tk. 10 account holders	229,161	117,628
Interest on repo-Bangladesh Bank	982,170	975,690
Interest on borrowing-call money	6,384,653	880,555
Interest on term loan KFW	5,368,260	5,368,260
Interest on borrowing-ADB loan	33,865,803	35,633,102
SME refinance (ADB Fund-2)	1,804,378	3,550,461
Second crop diversified project-ADB	30,581,076	30,581,076
Interest on refinance- Export Credit	810	-
Interest on borrowing outside Bangladesh	399,198	-
	86,587,518	83,386,093
20. Investment income		
On GT bill, Bangladesh Bank bill and GT bond, reverse repo etc (note 20.1)	2,721,813,347	2,869,116,474
Dividend on shares	57,940,875	39,799,656
Profit on sale of investment (note 20.2)	406,496,321	902,837,155
	3,186,250,543	3,811,753,285
<u>Less:</u> Interest paid for purchase of treasury bill	47,270,256	114,799,147
<u>Less:</u> Loss on sale of investment	11,917,528	641,433
<u>Less:</u> Loss on revaluation of HFT securities	530,968,064	554,586,354
	590,155,848	670,026,934
	2,596,094,695	3,141,726,351
20.1 On GT bill, Bangladesh Bank bill and GT bond, reverse repo etc		
Interest on GT bond	2,692,011,088	2,622,267,123
Interest on reverse repo	1,121,449	10,027,931
Amortization of discount-Bill	28,680,810	236,821,420
	2,721,813,347	2,869,116,474
20.2 Profit on sale of investment		
Profit on sale of HFT Securities	61,341,650	58,981,155
Profit on sale of Share	155,482,604	110,472,308
Profit on repo trading	189,672,067	733,383,692
	406,496,321	902,837,155
21. Commission, exchange and brokerage		
Foreign bill purchased	646,056	570,566
Local bill purchased	4,556,642	4,741,697
Remittance	2,109,198	3,045,971
Letter of guarantee	33,000,197	35,834,808
Letter of credit	146,552,238	127,954,113
Bills for collection	9,417,502	8,855,193
Acceptances and endorsement	48,553,679	54,873,992
Export bill	9,464,543	8,733,411
Miscellaneous (includes commission on sale of PSP,TC)	45,011,351	35,275,642
	299,311,406	279,885,393
Exchange gain net of exchange loss (note 21.1)	383,273,221	273,801,012
	682,584,627	553,686,405



BASIC Bank Limited

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	2017 BDT	2016 BDT
21.1 Exchange gain net of exchange loss		
Exchange earning	461,065,771	285,971,099
Less: Exchange loss	77,792,550	12,170,087
	383,273,221	273,801,012
Note: Exchange gain/profit (loss) on exchange on trading has been net of which was shown separately in earlier years.		
22. Other operating income		
Various fees	9,465,089	5,436,046
Rent (godown and locker)	1,076,000	1,228,000
Recoveries from client and staffs	44,269,800	39,051,296
Service and other charges	66,944,196	56,791,224
Income from on-line client services	3,536,759	3,223,425
Recoveries of loan previously write off	-	15,256,880
Income from ATM/card services	2,261,095	1,551,925
Export L/C advising, handling, transfer charges etc	7,035,409	7,609,607
Miscellaneous income (notes 22.1)	11,188,433	8,295,897
Profit on sale of fixed assets (notes 22.2)	1,723,553	27,371
	147,500,334	138,471,671
22.1 Miscellaneous income		
Income from ICT services	-	50
Discount	550	2,500
Project examination fee	148,399	195,000
Other operating income	11,039,484	8,098,347
	11,188,433	8,295,897
22.2 Profit on sale of fixed assets		
Cost of assets sold	4,312,557	1,545,224
Less: Accumulated depreciation of assets sold	4,092,682	1,271,788
Book value of assets sold	219,875	273,436
Sale value of fixed assets	1,943,428	300,807
Profit on sale of fixed assets	1,723,553	27,371
23. Salary and allowances		
Salaries (note 23.1)	825,132,247	777,858,462
Allowances (note 23.2)	953,947,739	915,741,583
Provident fund	80,133,026	75,125,457
Benevolent fund	5,000,000	5,000,000
Gratuity fund	145,023,833	42,902,878
Bonus	147,715,699	125,353,568
Superannuation fund	-	10,000,000
	2,156,952,544	1,951,981,948
23.1 Salaries		
Salary- Basic salary	805,332,788	759,972,680
MD's salary	(2,193,333)	(2,400,000)
Wages sub-staff	615,445	528,278
Casual wages menial staff	21,377,347	19,757,504
	825,132,247	777,858,462
23.2 Allowances		
Allowances	889,503,201	855,555,752
MD's allowance	(2,843,334)	(3,000,000)
Leave fare assistance	67,287,872	63,185,831
	953,947,739	915,741,583



BASIC Bank Limited

Notes to the financial statements
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	2017 BDT	2016 BDT
24. Rent, taxes, insurance, electricity, etc		
Rent	256,450,644	260,968,431
Rates, taxes and VAT	3,888,172	3,801,331
Utilities/electricity and heating	44,619,362	44,994,639
Insurance	22,175,747	30,700,006
	327,133,925	340,464,407
25. Legal expenses		
Legal expenses (note 25.1)	21,204,289	17,556,543
Professional fees (note 25.2)	1,930,235	242,910
	23,134,524	17,799,453
25.1 Legal expenses		
Lawyers fees	4,164,601	3,821,921
Law charges	4,038,153	2,405,695
Stamp charges and court fees	926,471	888,481
Other legal expenses	11,974,844	10,417,246
Other professional expenses	100,220	23,200
	21,204,289	17,556,543
25.2 Professional expenses		
Consultancy fee	1,119,750	223,750
Other professional fee	810,485	19,160
	1,930,235	242,910
26. Postage, stamps, telecommunication, etc		
Postage	58,410	69,625
Courier services	6,800,791	6,932,857
Telephone	23,803,075	23,052,525
Fax	19,578	21,384
Swift subscription and cable charges and web hosting charge	7,100,135	6,657,084
Stamp	57,500	67,500
Internet and e-mail	362,117	283,145
	38,201,606	37,084,120
27. Stationery, printing, advertisement, etc		
Printing stationery	6,927,535	6,587,750
Security stationery	2,795,000	3,246,959
Publicity, advertisement and publication	2,945,773	1,737,675
Other stationery (note 27.1)	23,669,769	16,237,472
	36,338,077	27,809,856
27.1 Other stationery		
Office stationery	6,552,406	5,907,887
Petty stationery	35,759	16,745
Photograph and photocopy	450,752	649,715
Crockery and utensils	493,105	285,167
Other stationery	9,417,316	8,936,404
Calendar	5,192,500	44,790
Annual report	270,216	109,464
Greeting cards	234,000	235,400
Other greeting items	56,705	1,440
Invitation card	240	980
Other printing expenses	966,770	49,480
	23,669,769	16,237,472



BASIC Bank Limited

Notes to the financial statements
For the year ended 31 December 2017

	2017 BDT	2016 BDT
28. Managing Director's salary		
Basic salary	2,193,333	2,400,000
Allowances	3,283,334	3,000,000
	5,476,667	5,400,000
29. Directors' fees and other benefits		
VAT on directors fee	336,000	280,950
Directors honorarium	1,856,000	1,768,000
Entertainment	594,739	405,146
Directors remuneration	384,000	105,000
	3,170,739	2,559,096
30. Depreciation of Bank's assets		
Depreciation on own assets		
Furniture and fixtures	5,855,947	6,071,203
Interior decoration	19,034,417	20,357,609
Computer hardware and peripherals	18,900,232	25,876,047
Computer software	5,068,210	8,345,547
Machinery and equipment	23,097,365	26,455,027
Vehicles	16,855,075	38,516,819
	88,811,246	125,622,252
Depreciation on leased assets		
Lease equipment/assets	46,001	46,127
	88,857,247	125,668,379
31. Repair of Bank's assets		
Furniture and fixtures	1,467,591	1,216,033
Interior decoration	1,274,448	749,725
Machinery and equipment	17,626,693	15,197,282
Vehicles	12,801,507	9,426,690
Rented premises	7,121,483	6,022,902
	40,291,722	32,612,632
32. Other expenses		
Entertainment	25,303,356	22,800,997
Car expenses (note 32.1)	21,760,282	20,718,806
Travelling	15,406,668	14,057,974
Computer consumables and accessories	13,600,899	12,118,056
Staff training and HR development expenses	10,715,943	9,210,235
Card related expenses	8,858,507	8,423,063
Miscellaneous (note 32.2)	12,377,231	6,681,397
Fuel and lubricant expenses-generator (note 32.3)	3,910,109	4,097,022
Uniform and liveries	-	3,917,260
Subscription	2,748,553	2,875,355
Service charge paid to clearing house, banks and others	2,267,496	2,246,896
Corporate social responsibility expenses	1,382,116	1,329,587
Non-operating loss(loss on sale of investment and fixed assets)	-	185,801
Commission paid to bank	75,388	142,518
Donation	82,517	114,310
Other audit fee (note 32.4)	115,000	94,750
Information and Communication (ICT) expenses (note 32.5)	39,182,438	35,927,928
	157,786,503	144,941,955



BASIC Bank Limited

Notes to the financial statements
For the year ended 31 December 2017

	2017 BDT	2016 BDT
32.1 Car Expenses		
Fuel and lubricant	7,608,398	7,495,233
CNG/POL-vehicle	11,545,598	10,819,561
Vehicle expenses	2,606,286	2,404,012
	21,760,282	20,718,806
32.2 Miscellaneous		
Furniture expenses	4,700	-
Expenses equipment	194,480	1,079,723
Business promotion and development	622,672	386,840
Books, journals and periodicals	927,726	865,043
Conveyance expenses	36,712	41,470
Expenses for multimedia	3,534	1,000
Transport expenses	-	40,388
Carrying charges	193,010	103,133
Commitment and other fees	457,099	16,825
Remittance charges	59,713	134,400
Cartage and freight	69,900	106,787
Issue expenses	2,205,106	684,450
Interior decoration expenses	1,117,648	1,073,405
AGM expenses	232,153	147,382
Nostro account related expenses	214,756	241,588
Financial assistance expenses	570,794	503,196
Managers conference expenses	414,428	252,514
Security service expense	4,020,463	-
Miscellaneous expenses	1,032,337	1,003,253
	12,377,231	6,681,397
32.3. Fuel and lubricant		
Fuel and lubricant -generator	3,879,296	4,067,361
Fuel and lubricant-others	30,813	29,661
	3,910,109	4,097,022
32.4 Other Audit fee		
PF audit	28,750	5,750
Various fund audit	40,250	46,000
Reconciliation audit	23,000	-
Nostro account audit	23,000	43,000
	115,000	94,750
32.5 Information and communication (ICT) expenses		
Yearly rent	1,347,205	1,700,000
License fee	238,422	93,505
Internet charge	18,452,893	17,895,085
SMS alert charge	2,374,338	1,937,972
Internet banking expenses	-	1,500
Mobile phone banking expenses	4,333	15,000
Software maintenance expenses	15,784,497	12,212,575
ICT auditing, penetration testing & risk management services	975,000	-
Hardware maintenance	5,750	2,072,291
	39,182,438	35,927,928



BASIC Bank Limited

Notes to the financial statements
For the year ended 31 December 2017

	2017 BDT	2016 BDT
33. Provision made during the year:		
a. For loans and advances:		
On classified loans and advances as per Bangladesh Bank circular (note 12.1)	6,935,000,000	13,787,840,908
On unclassified loans & advances (note 12.2)	138,780,710	69,437,281
	7,073,780,710	13,857,278,189
b. For off-balance sheet items (note 12.3)	8,271,137	12,721,811
c. For other assets (note 12.3)	11,790,660	1,171,211,956
d. For investment	-	4,201,760
	7,093,842,507	15,045,413,716

Bangladesh Bank vide its letter # BRPD(P-1)/661/13/2015-3159 dated 27 April 2015 gave permission to the Bank to provide the provision shortfall of BDT 2,501 crore against classified loans & advances within a period of 5 (five) years from 2015. Further, Bangladesh Bank vide the same letter gave permission to the Bank to provide the provision shortfall BDT 1,933 crore against classified blocked assets (which were also classified loans & advances of the Bank) within a period of 10 (ten) years from 2015. As no provision was created in the year 2015, a total provision of BDT 693.50 crore {(BDT 2,501 crore*20%) + (BDT 1,933 crore*10%); or BDT 520.20 crore + BDT 193.30 crore} has been created in the year 2017. Remaining provision shortfall will be maintained by the Bank within the stipulated period as allowed by Bangladesh Bank vide the above mentioned letter.

34. Provision for taxation - Current tax

Opening balance	822,822,285	826,313,081
Add: Provision made during the year	149,408,068	38,609,904
	972,230,353	864,922,985
Less: Adjustment made during the year	406,312,359	42,100,700
Closing balance	565,917,994	822,822,285

35. Provision for taxation - Deferred tax

a) Computation of deferred tax

Tax base of depreciable fixed assets	427,162,988	478,967,190
Less: Carrying amount	346,535,047	405,859,868
Deductable temporary difference (A)	80,627,941	73,107,322

Carrying amount of provision for gratuity/benevolent/superannuation fund:

Provision for gratuity	1,140,599,539	1,022,868,629
Provision for benevolent fund (provision less actual payment)	55,089,218	53,240,188
Provision for superannuation fund (provision less actual payment)	20,020,165	34,150,000
	1,215,708,922	1,110,258,817
Less: Tax base	-	-
Deductable temporary difference (B)	1,215,708,922	1,110,258,817

Total deductible temporary difference (A+B)

	1,296,336,863	1,183,366,139
Effective tax rate	42.50%	42.50%
Deferred tax assets	550,943,167	502,930,609

b) Deferred tax (expenses)/income

Closing deferred tax assets	550,943,167	502,930,609
Opening deferred tax assets	502,930,609	440,154,822
Deferred tax (expenses)/income	48,012,558	62,775,787

36 Proposed Dividends

Bonus Share :	-	-
Cash Dividend	-	-
	-	-



BASIC Bank Limited

Notes to the financial statements
For the year ended 31 December 2017

	2017 BDT	2016 BDT
37. Analysis of closing cash and cash equivalents		
Cash in hand (including foreign currencies)	740,493,221	556,171,378
Balances with Bangladesh Bank and its agent bank (s)	9,773,136,112	10,112,712,247
Balances with other banks and financial institutions	8,952,764,385	2,376,718,240
Money at call and on short notice	-	4,120,000,000
Prize bonds	1,428,800	1,323,900
	19,467,822,518	17,166,925,765
38. Earnings Per Share (EPS)		
Net profit/(loss) after tax (numerator)	(6,843,689,621)	(14,930,401,001)
Number of ordinary share outstanding (denominator)	1,084,698,250	1,084,698,250
Earnings Per Share (EPS)	(6.31)	(13.76)
39. Coverage of external audit		

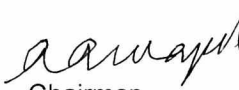
The external auditors have covered 80% of the risk-weighted assets and have spent around 7,250 person hours to complete the audit as per Bangladesh Bank's requirement. The external auditors have audited 35 branches and Head office of the Bank.

for BASIC Bank Limited


Managing Director


Director


Director


Chairman

Dhaka, Bangladesh
Dated, 30 April 2018



BASIC Bank Limited

Annex A

Schedule of balance with other banks - Outside Bangladesh (Nostro Accounts)

As at 31 December 2017

Name of the Bank	A/C Type	Currency name	2017			2016		
			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	42,306	110.99	4,695,584	30,069	96.43	2,899,391
2 AB Bank Mumbai	CD	ACU\$	228,217	82.70	18,873,572	241,325	78.76	19,006,749
3 Summit (Arif Habib)-Rupali- Bank Karachi	CD	ACU\$	1,103	82.70	91,239	1,103	78.76	86,892
4 Habib Metropolitan Bank Limited., Pk	CD	ACU\$	191,484	82.70	15,835,743	116,023	78.76	9,137,947
5 BOTM, Tokyo	CD	JPY	1,932,471	0.73	1,412,443	816,445	0.67	550,692
6 Mashreq Bank, NY	CD	USD	4,605	82.70	380,834	4,595	78.76	361,902
7 Sonali Bank, Kolkata	CD	ACU\$	637,214	82.70	52,697,599	351,796	78.76	27,707,433
8 Bank of Ceylon	CD	ACU\$	17,028	82.70	1,408,201	2,049	78.76	161,403
9 Citibank NA, NY(Exp)	CD	USD	5,535,750	82.70	457,806,565	1,841,791	78.76	145,059,459
10 BCP, Geneva	CD	CHF	4,343	83.98	364,678	3,331	76.69	255,474
11 Sonali Bank Kolkata, ACUEUR	CD	ACUEUR	4,683	98.50	461,318	4,683	82.20	384,971
12 Mashreq Bank, Mumbai	CD	ACU\$	636	82.70	52,608	633	78.76	49,865
13 Sonali Bank London, EUR	CD	EURO	-	98.50	-	95,860	82.20	7,879,868
14 Sonali Bank London, GBP	CD	GBP	35,892	110.99	3,983,740	13,928	96.43	1,343,016
15 Sonali Bank London, USD	CD	USD	-	82.70	-	149,425	78.76	11,768,699
16 Bank Marocaine DU Commerce	CD	EURO	92,974	98.50	9,158,312			-
17 HDFC Bank Limited	CD	USD	81,432	82.70	6,734,416	3,689	78.76	290,550
18 United Bank of India	CD	USD	379,758	82.70	31,405,973	81,756	78.76	6,439,127
19 Habib American Bank New York	CD	USD	414,842	82.70	34,307,442	327,879	78.76	25,823,785
20 Habib American Bank NY, (Blocked Fund)	CD	USD	-	82.70	-	85,150	78.76	6,706,414
21 Sonali Bank London-USD (Cash Collateral)	CD	USD	269,736	82.70	22,307,167			-
Total					661,977,434			265,913,636

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



BASIC Bank Limited

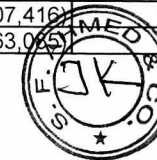
Annex B

Details of investment in shares
As at 31 December 2017

A. Listed securities:

Amount in BDT

Sl. no.	Name of the company	Date of purchase	No of shares	Face value	Cost price	Market value as on 31 December 2017	Market value as on 31 December 2016	Gain/(Loss)	Dividend received in 2017
1.	ACI Limited	27-Mar-16	-	-	-	-	26,792,250	-	236
2.	ACME Laboratories Limited	26-Feb-17	439,569	4,395,690	51,428,024	50,110,866	-	(1,317,158)	-
3.	Active Fine Chemicals Limited	7-Nov-17	20,000	200,000	-	-	-	-	10,000
4.	Agni Systems Limited	22-Jun-17	665,527	6,655,270	17,113,824	14,575,041	-	(2,538,783)	-
5.	Al-Arafa Islami Bank Limited	11-Jan-16	1,832,580	18,325,800	-	-	-	-	3,665,160
6.	Appolo Ispat Complex Limited	20-Aug-14	1,930,193	19,301,930	36,438,543	31,848,185	4,478,000	(4,590,358)	448,930
7.	Asia Pacific General Insurance Co. Limited	10-Dec-13	-	-	-	-	3,385,536	-	-
8.	Asian Tiger Sandhani Life Growth Fund	2-Aug-17	2,383,659	23,836,590	31,439,706	28,603,908	-	(2,835,798)	3,185,052
9.	Bangladesh Gen. Insurance Co.	25-Sep-17	666	6,660	14,067	14,785	-	718	-
10.	Bangladesh Steel Re-Rolling Mills	26-Oct-16	-	-	-	-	12,760,000	-	-
11.	Bangladesh Submarine Cable Co. Limited	28-Dec-16	-	-	-	-	3,754,164	-	-
12.	Baraka Power Limited	27-Dec-16	-	-	-	-	1,718,555	-	-
13.	Beximco Limited	20-Nov-10	137,569	1,375,690	16,199,203	3,714,363	3,406,499	(12,484,840)	-
14.	Beximco Pharmaceuticals Limited	23-Dec-10	826,705	8,267,050	92,583,480	85,811,979	36,314,914	(6,771,501)	-
15.	Brac Bank Limited	8-Dec-10	-	-	-	-	24,874,069	-	-
16.	BSRM Steels Limited	10-Dec-13	632,160	6,321,600	58,886,952	49,624,560	27,840,000	(9,262,392)	1,402,850
17.	Central Insurance Co. Limited	10-Dec-13	-	-	-	-	1,476,000	-	-
18.	Central Pharmaceuticals Limited	11-Sep-14	-	-	-	-	-	-	15
19.	City Bank Limited	18-Sep-14	-	-	-	-	10,824,621	-	-
20.	City General Insurance Co. Limited	25-Sep-17	207,704	2,077,040	4,077,151	3,780,213	-	(296,938)	-
21.	Confidence Cement Limited.	10-Dec-13	-	-	-	-	8,045,604	-	-
22.	Continental Insurance Limited	10-Dec-13	-	-	-	-	2,576,000	-	-
23.	Dhaka Electric Supply Co. Limited	8-Dec-10	504,658	5,046,580	28,805,944	22,911,473	2,201,565	(5,894,471)	47,550
24.	Dutch Bangla Bank Limited	1-Sep-16	-	-	-	-	282,297	-	-
25.	Eastern Bank Limited	8-Dec-10	3,803,849	38,038,490	20,648,743	194,376,684	143,665,797	173,727,941	8,519,291
26.	Envoy Textiles Limited	9-Nov-16	30,874	308,740	-	-	4,706,906	-	37,058
27.	Exim Bank Of Bangladesh Limited	1-Nov-10	-	-	-	-	13,770,319	-	-
28.	Far Chemical Industries Limited	27-Dec-16	-	-	-	-	3,036,017	-	-
29.	First Security Islami Bank Limited	25-Nov-10	611,871	6,118,710	-	-	-	-	305,943
30.	Fu-Wang Ceramics Inds. Limited	19-Apr-12	-	-	-	-	453,653	-	4
31.	GPH Ispat Limited	5-Oct-16	541,964	5,419,640	-	-	5,324,835	-	650,357
32.	Grameen Phone Limited	16-Feb-14	-	-	-	-	77,479,468	-	-
33.	Heidelberg Cement BD Limited	8-Dec-10	169,206	1,692,060	89,579,293	71,895,629	43,371,014	(17,683,664)	3,322,890
34.	I.D.L.C Finance Limited	26-May-15	269,062	2,690,620	24,380,566	22,950,989	1,834,146	(1,429,577)	1,309,206
35.	I.F.I.C. Bank Limited	10-Dec-13	144,361	1,443,610	2,776,143	2,598,498	-	(177,645)	-
36.	ICB Islami Bank Limited.	23-May-08	2,684,000	26,840,000	26,840,000	18,788,000	13,688,400	(8,052,000)	-
37.	Industrial Promotion & Dev. Co. Limited.	5-Dec-10	-	-	-	-	8,540,000	-	-
38.	Islami Bank Bangladesh Limited.	24-Nov-16	-	-	-	-	25,006,450	-	-
39.	Jamuna Oil Company Limited.	21-Sep-11	235,052	2,350,520	49,296,780	44,589,364	37,289,744	(4,707,416)	1,485,460
40.	Lafarge Surma Cement Limited.	10-Dec-13	1,288,611	12,886,110	100,636,994	90,073,909	26,272,000	(10,563,000)	1,073,611



BASIC Bank Limited

Annex B

Details of investment in shares
As at 31 December 2017

A. Listed securities:

Amount in BDT

Sl. no.	Name of the company	Date of purchase	No of shares	Face value	Cost price	Market value as on 31 December 2017	Market value as on 31 December 2016	Gain/(Loss)	Dividend received in 2017
41.	Linde Bangladesh Limited	3-Feb-16	55,230	552,300	72,708,665	70,953,981	37,214,640	(1,754,684)	2,290,816
42.	Malek Spinning Mills Limited.	29-Sep-14	556,413	5,564,130	-	-	9,737,228	-	556,413
43.	Meghna Petroleum Limited.	23-Nov-10	81,000	810,000	15,994,974	15,300,900	40,896,000	(694,074)	2,415,000
44.	Mercentile Bank Limited	6-Nov-16	462,957	4,629,570	12,382,543	12,222,065	3,384,892	(160,478)	1,541,310
45.	MJL Bangladesh Limited.	31-May-15	207,882	2,078,820	24,899,593	22,679,926	7,176,000	(2,219,667)	27,362
46.	NCC Bank Limited	26-Dec-10	953,397	9,533,970	17,898,740	16,875,127	-	(1,023,613)	-
47.	Navana Cng Limited	31-Oct-01	258,958	2,589,580	20,501,484	17,376,082	4,561,863	(3,125,402)	-
48.	Nitol Insurance Company Limited	10-Dec-13	-	-	-	-	715,877	-	-
49.	Olympic Industries Limited	19-Oct-15	191,371	1,913,710	55,677,859	55,172,259	5,899,364	(505,600)	183,575
50.	One Bank Limited	28-Jul-11	1,474,832	14,748,320	36,994,719	35,395,968	6,405,000	(1,598,751)	1,157,271
51.	Orion Infusion Limited.	18-Jul-16	-	-	-	-	7,032,000	-	-
52.	Orion Pharma Limited.	10-Dec-13	-	-	-	-	17,682,000	-	-
53.	Padma Oil Company.	2-Oct-14	175,899	1,758,990	44,502,752	42,039,861	26,135,307	(2,462,891)	1,330,850
54.	Phoenix Insurance Co.Limited.	10-Dec-13	82,228	822,280	2,524,838	2,425,726	-	(99,112)	-
55.	Pioneer Insurance Company Limited	10-Dec-13	-	-	-	-	11,128,670	-	-
56.	Power Grid Co. Of Bangladesh Limited.	2-Dec-10	340,427	3,404,270	19,036,095	17,770,289	25,110,000	(1,265,806)	447,575
57.	Prime Bank 1st Icb Amcl M Fund	11-Apr-16	-	-	-	-	280,655	-	-
58.	Prime Bank Limited.	14-Jun-17	987,088	9,870,880	27,261,950	27,046,211	-	(215,739)	-
59.	Prime Finance & Investment Limited.	9-Nov-10	1,408,302	14,083,020	21,654,891	17,181,284	3,955,329	(4,473,607)	-
60.	Prime Insurance Company Limited.	10-Dec-13	-	-	-	-	1,816,110	-	-
61.	Prime Islami Life Insurance Limited.	2-Mar-14	-	-	-	-	1,263,076	-	-
62.	Purabi General Insurance Co. Limited.	26-Sep-17	383,862	3,838,620	7,321,502	6,640,813	-	(680,689)	-
63.	Rak Ceramics(Bangladesh) Limited.	31-Oct-10	922,186	9,221,860	57,256,266	55,238,941	24,760,012	(2,017,325)	-
64.	Renata Limited.	13-Oct-14	19,000	190,000	-	-	20,624,500	-	123,799
65.	Shahjalal Islami Bank Limited.	3-Feb-14	2,376,637	23,766,370	-	-	8,273,955	-	2,376,651
66.	Sonar Bangla Insurance Limited.	10-Dec-13	-	-	-	-	741,693	-	-
67.	Southeast Bank Limited.	18-Apr-12	655,804	6,558,040	14,773,882	14,558,849	3,009,428	(215,033)	6,000,000
68.	Square Pharmaceuticals Limited.	22-Dec-10	-	-	-	-	14,549,931	-	-
69.	Square Textile Mills Limited.	10-Dec-13	-	-	-	-	9,489,396	-	-
70.	Summit Power Limited.	8-Dec-10	-	-	-	-	28,040,728	-	-
71.	Sunlife Insurance Company Limited.	2-Mar-14	138,000	1,380,000	4,574,572	3,408,600	2,004,060	(1,165,972)	-
72.	Titas Gas Transmission & D.C.L	26-Dec-10	1,385,908	13,859,080	81,201,088	61,257,134	23,712,000	(19,943,954)	888,568
73.	Trust Bank Limited.	10-Dec-13	679,056	6,790,560	-	-	14,748,479	-	1,018,599
74.	U.C.B.L.	10-Dec-13	107,566	1,075,660	-	-	4,934,145	-	161,349
75.	United Power Gen. & Distr Co. Limited.	6-Nov-16	-	-	-	-	16,769,971	-	-
76.	Uttara Finance & Invest. Limited	24-Mar-15	233,522	2,335,220	17,352,431	16,977,049	11,301,513	(375,382)	317,274
77.	Mutual Trust Bank Limited.	8-Oct-14	-	-	-	-	13,167,000	-	-
A. Sub-Total				334,973,650	1,205,664,257	1,246,789,511	981,689,645	41,125,254	46,300,025



BASIC Bank Limited

Annex B

Details of investment in shares
As at 31 December 2017

A. Listed securities:

Amount in BDT

B. Mutual fund:

Amount in BDT

Sl. No.	Name of the company	Date of purchase	No of shares	Face value	Cost price	Market value as on 31 December 2017	Market value as on 31 December 2016	Gain/(Loss)	Dividend received in 2017
1.	First Janata Bank Mutual Fund	22-Dec-10	-	-	-	-	1,770,000	-	-
2.	ICB AMCL 2nd Mutual Fund	11-Apr-16	2,814,801	28,148,010	32,231,930	29,836,891	-	(2,395,039)	2,129,700
3.	IFIL Islamic Mutual Fund-1	2-Dec-15	7,534,390	75,343,900	66,631,446	56,507,925	9,602,076	(10,123,521)	5,902,997
4.	Prime Bank 1st Icb Amcl Mutual Fund	11-Apr-16	-	-	-	-	280,655	-	-
B. Sub-Total				103,491,910	98,863,376	86,344,816	11,372,076	(12,518,560)	8,032,697
Total (A+B)				438,465,560	1,304,527,633	1,333,134,327	993,061,721	28,606,694	54,332,722

C. Non-listed & preference shares:

Amount in BDT

Sl. No.	Name of the company	Date of purchase	No of shares	Face value	Cost price	Market value as on 31 December 2017	Market value as on 31 December 2016	Gain/(Loss)	Dividend received in 2017
1.	Bangladesh Development Co. Limited	19-Jul-11	79,500	7,950,000	7,950,000	7,950,000	10,557,750	-	752,250
2.	Central Depository Bangladesh Limited	23-Jun-02	1,142,361	11,423,610	3,138,890	3,138,890	3,138,890	-	2,855,903
3.	Equity Of Grameen IT Park	1-Feb-01	42,018	4,201,800	4,201,760	4,201,760	4,201,760	-	-
4.	Karmasangsthan Bank	15-Mar-99	150,000	15,000,000	15,000,000	15,000,000	15,000,000	-	-
C. Sub-Total				38,575,410	30,290,650	30,290,650	32,898,400	-	3,608,153
Grand Total (A+B+C)				477,040,970	1,334,818,283	1,363,424,977	1,025,960,121	28,606,694	57,940,875



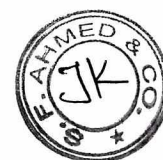
BASIC Bank Limited

Annex C

Detail of information on advances exceeding 10% of bank's total capital (funded & non-funded)
As at 31 December 2017

Sl. No.	Name of the Client	Outstanding as on 31 December 2017			Outstanding as on 31 December 2016	CL status as on 31 December 2017
		Funded	Non funded	Total		
1	Amader Bari Limited Group	51,573	-	51,573	46,875	STD
2	BD Chemicals Inds Corp (BCIC)	27,424	738	28,162	12,949	STD
3	Emerald Auto Bricks & Allied	23,634	-	23,634	23,144	BL
4	Feaz Group	19,560	-	19,560	19,560	BL
5	Well Tex And Allied (Adib Dyeing)	19,114	81	19,195	19,342	BL
6	Nilsagor Agro & Allied	14,964	1,960	16,924	14,045	STD
7	New Dhaka City Development Limited	16,923	-	16,923	15,502	SMA
8	Mymco Carbon Limited And Allied	16,597	-	16,597	15,483	BL
9	Vasavi Fashions & Allied	15,808	2	15,810	15,808	BL
10	Bangladesh Development Company Limited	15,735	-	15,735	14,874	BL
11	Borshon/Bithi Group	15,293	-	15,293	13,784	STD
12	Max Sweater (BD) Limited	11,216	3,409	14,625	6,949	STD
13	Aristocrat Group	13,407	-	13,407	12,560	BL
14	Rising Group	13,265	18	13,283	13,319	STD
15	R. I. Enterprise	13,174	-	13,174	12,515	BL
16	Delta Systems Limited	12,842	-	12,842	12,842	BL
17	Emerald Oil & Allied	12,331	142	12,473	12,460	BL
18	Map & Muller Group	12,313	-	12,313	11,160	BL
19	Regent Weaving Limited	12,147	1	12,148	12,050	SMA
20	Ig Navigation Limited	11,995	-	11,995	11,995	BL
21	AB Group	8,642	3,258	11,900	5,891	STD
22	Bay Navigation Limited	11,638	-	11,638	11,678	BL
23	Crystal Steels & Ship Breaking Ltd	11,383	-	11,383	11,561	BL
24	Ajbiha, Youth	11,357	-	11,357	9,583	STD
25	Profusion Textiles Limited	11,155	-	11,155	11,159	BL
26	Ma Tex	11,122	-	11,122	11,122	BL
27	Sea Blue Textile Limited	10,563	531	11,094	10,618	STD
28	Brac	10,333	-	10,333	9,669	STD
29	A.R.S.S Enterprise	10,219	-	10,219	10,540	BL
	Total	445,727	10,140	455,867	409,037	-

Note 1: In 2017 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.



BASIC Bank Limited

Annex D

Schedule of fixed assets
As at 31 December 2017

Particulars	Cost				Rate (%)	Depreciation				Written down value at 31 December 2017
	At 01 January 2017	Addition	Disposal/Transfer during the year	Total at 31 December 2017		Upto 01 January 2017	Charge	Disposal/adjustment	Upto 31 December 2017	
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	
Furniture and fixtures	111,546,524	3,967,450	-	115,513,974	10%	54,670,027	5,855,947	-	60,525,974	54,988,000
Interior decoration	310,973,205	8,379,739	-	319,352,944	10%	125,666,175	19,034,417	-	144,700,592	174,652,352
Machine and equipment	332,783,209	12,361,206	949,650	344,194,765	20%	227,576,497	23,097,365	729,778	249,944,084	94,250,681
Computer hardware	297,981,103	4,997,906	-	302,979,009	20%	264,458,990	18,900,232	-	283,359,222	19,619,787
Software	95,226,936	-	-	95,226,936	20%	88,176,462	5,068,210	-	93,244,672	1,982,264
Motor vehicles	385,017,777	-	3,362,907	381,654,870	25%	367,120,735	16,855,075	3,362,904	380,612,906	1,041,964
Leasehold assets	4,000,000	-	-	4,000,000	1%	827,935	46,001	-	873,936	3,126,064
Total 2017	1,537,528,754	29,706,301	4,312,557	1,562,922,498		1,128,496,821	88,857,247	4,092,682	1,213,261,386	349,661,112
Total 2016	1,518,329,330	20,744,649	1,545,224	1,537,528,755		1,004,100,231	125,668,379	1,271,788	1,128,496,822	409,031,933



BASIC Bank Limited

Highlights on the activities of the Bank
As at 31 December 2017

(Amount in BDT)

Sl. No.	Particulars	2017	2016
1	Paid up capital	10,846,982,500	10,846,982,500
2	Total capital	(15,833,503,421)	(17,466,042,450)
3	Capital surplus/(deficit)	(27,806,765,472)	(28,667,055,485)
4	Total assets	198,816,672,142	204,739,632,059
5	Total deposits	143,180,240,782	158,070,977,543
6	Total loans and advances	145,568,587,491	134,882,802,828
7	Total contingent liabilities and commitments	12,717,872,486	13,114,073,576
8	Credit - deposit ratio	100.25%	83.62%
9	Percentage of classified loans against total loans and advances	54.63%	54.13%
10	Profit/(loss) after tax and provision	(6,843,689,621)	(14,930,401,001)
11	Amount of classified loans and advances	79,529,875,921	73,006,863,879
12	Provision kept against classified loan	21,225,549,855	17,772,102,258
13	Provision surplus/(deficit)	(29,824,944,422)	(28,258,862,928)
14	Cost of fund	6.98%	8.31%
15	Interest earning assets	96,643,408,051	116,183,979,116
16	Non-interest bearing assets	102,173,264,091	88,555,652,943
17	Return on Investment (ROI)***	-42.99%	-71.84%
18	Return on Assets (ROA)	-3.39%	-7.49%
19	Incomes on investment	2,596,094,695	3,141,726,351
20	Earnings per share (EPS)	(6.31)	(13.76)
21	Net income per share	(6.31)	(13.76)
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



