Auditors' Report and Audited Financial Statements
of

BASIC Bank Limited

For the year ended 31 December 2019

AHKC

AZIZ HALIM KHAIR CHOUDHURY

Chartered Accountants
Exclusive Correspondent Firm of PKF International

Building # 02, House # 64, (1st&2nd Floor)
Road # 12/A, Dhanmondi, Dhaka-1209
Tel.: +88-02-9137092, 9145017, Fax: +88-02-9137092
E-mail: ahkc@ahkcbd.com
Web: www.ahkcbd.com

Table of Contents

Independent Auditors' Report to the Shareholders of BASIC Bank Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of BASIC Bank Limited (the Bank), which comprise the balance sheet as at 31 December 2019 and profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as explained in note 2.1.

Basis for Qualified Opinion

The Bank has provided us a list of 60(sixty) loan clients/accounts files of the Bank of its Gulshan, Shantinagar, Dilkusha, Babubazar, Main Branch of Dhaka and Agrabad branch of Chittagong. Most of the said loans and advances of the Bank were sanctioned and disbursed/renewed during the period from 2010-2014 without complying with relevant policies, procedures of the Bank, the rules and regulations of the Bangladesh Bank, etc.. All those loans and advances became bad/loss and an investigation on those loan clients/accounts files is going on. In the interest of said investigation, the Bank has informed us that all those files containing original documents, records, instruments, etc. were seized and taken by the Anti-Corruption Commission, Bangladesh. As a result, we could not audit the original documents, records, instruments of collateral securities relating to those 60 (Sixty) loan clients/accounts files amounting to BDT 31,973,288,000 as on 31 December 2019.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of matter

We draw attention to the following matters disclosed in the financial statements. Our opinion, however, is not qualified in respect of those matters.

- Note 14.3 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.
- Notes 7, 7.7, 13.1 and 34 to the financial statements which describe the total loans and advances and provision thereon.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Our assessed key audit matters and how we addressed those matters are outlined below:

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans and advances	
The process for estimating the provision for loans and advances associated with credit risk is significant and complex. For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions. For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation. At the year end, the Bank reported total loans and advances of BDT 151,770 million (2018: BDT 151,968 million) and provision for loans and advances of BDT 23,388 million (2018: BDT 23,553 million) respectively. Provision has been maintained by the Bank in accordance with Bangladesh Bank approval vide its Letter No. DBI-2(UBI-5)/2536/2020-884 Dated 29 June 2020, Letter No. DBI-2(UBI-5)/2536/2020-823 Dated 25 June 2020 and Letter No. BRPD (P-1)/ 661/13/2019-3332 Dated 29 April 2019.	We tested the design and operating effectiveness of key controls focusing on the following: • Credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of Loans (CL); Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained
See note no 7, 7.7, 13.1 and 34 to the financial statements.	

Valuation of treasury bills and treasury bond	
The classification and measurement of Treasury Bills and Treasury Bond require judgment and complex estimates. In the absence of a quoted price in an active market, the fair value of Treasury Bills and Treasury Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.	We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds. We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments. We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.

Aziz Halim Khair Choudhury Chartered Accountants Dhaka.

Valuation of treasury bills and treasury bond	
	Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note no 6.1.1 and 6.1.2 to the financial statements	

Impairment assessment of unquoted investments	
In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.	We have assessed the processes and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process We tested a sample of investments valuation as at 31 December 2019 and compared our results to the recorded value. Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note no 6.2 to the financial statements	

Measurement of deferred tax assets	
The Bank reported net deferred tax assets totaling BDT 689 million (2018: BDT 588 million) as at 31 December 2019. Significant judgment is required in relation to measurement of deferred tax assets as their recoverability is dependent on foreseeable of future probably over a number of years as referred in note 36 to the financial statements	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of deferred tax assets and assumption used in estimating Bank's taxable income. We also assessed the completeness and accuracy of the data used for estimation of future taxable income. Finally, we assessed the appropriateness and presentation of disclosures against IAS 12-Income Tax.
See note 36 to the financial statements	

IT systems and controls	
Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively	We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.

Aziz Halim Khair Choudhury Chartered Accountants Dhaka.

Legal and regulatory matters	
We focused on this area because the Bank operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities. Overall, the legal provision represents the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Bank's financial position.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. We also assessed the Bank's provisions and contingent liabilities disclosure.

Implementation of IFRS 16 Leases	
IFRS 16 modifies the accounting treatment of operating leases at inception, with the recognition of a right of use (ROU) on the leased asset and of a liability for the lease payments over the lease contract term. With respect to operating leases of premises used by the Bank, at inception of the lease, the lessor receives a right of using the premises, in exchange of a lease debt, using an implicit discount rate Our key audit matter was focused on all leasing arrangements within the scope of IFRS 16 are identified and appropriately included in the calculation of the transitional impact and specific assumptions applied to determine the discount rates for lease are inappropriate.	In responding to the identified key audit matter, we completed the following audit procedures: Assessed the design and implementation of key controls pertaining to the determination of the IFRS 16 Leases impact on the financial statements of the Bank; Assessed the appropriateness of the discount rates applied in determining lease liabilities; Verified the accuracy of the underlying lease data by agreeing to original contract and checked the accuracy of the IFRS 16 calculations through recalculation of the expected IFRS 16 adjustment; and Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of IFRS.
See notes no 8, 25 and 31 to the financial statements	

Reporting on Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is material misstatement therein, we are required to request management and those charged with governance to correct the material misstatement.

ahkc
Dhaka

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

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

In preparing the financial statements, Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

ahkc
Dhaka.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Bank audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

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

(a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(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 '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 the financial statements 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 other than matter disclosed in the financial statements.

(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 together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

(e) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and international Financial Reporting Standards (IFRSs) as explained in note 2.1 as well as with related guidance issued by Bangladesh Bank.

AHKC
Dhaka

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

(g) Provision has been maintained by the Bank in accordance with Bangladesh Bank approval vide its Letter No. DBI-2(UBI-5)/2536/2020-884 Dated 29 June 2020, Letter No. DBI-2(UBI-5)/2536/2020-823 Dated 25 June 2020 and Letter No. BRPD (P-1)/ 661/13/2019-3332 Dated 29 April 2019.

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

(i) the expenditures incurred were for the purpose of the Bank's business for the year;

(j) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 4,500 person hours for the audit of the books and account of the Bank' and;

(k) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has not been maintained adequately during the year as stated in note 14.3 to the financial statements.

Dhaka, 30 June 2020

Md. Aftab Uddin Ahmed FCA
Senior Partner

BASIC Bank Limited

Balance Sheet
As at 31 December 2019

	Note	31.12.2019 Taka	31.12.2018 Taka
PROPERTY AND ASSETS			
Cash:	3	**9,736,800,790**	**8,836,514,002**
Cash in hand (including foreign currencies)		1,043,761,176	641,564,550
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)		8,693,039,614	8,194,949,452
Balance with other banks & financial institutions:	4	**954,554,343**	**924,157,582**
In Bangladesh		523,134,107	677,591,646
Outside Bangladesh		431,420,236	246,565,936
Money at Call on Short Notice	5	**2,560,000,000**	**450,000,000**
Investments:	6	**24,481,354,672**	**23,939,282,643**
Government		23,143,584,445	22,600,651,820
Others		1,337,770,227	1,338,630,823
Loans & Advances:	7	**151,769,614,423**	**151,968,053,141**
Loans, Cash Credit & Overdraft etc.		150,940,965,694	151,110,616,317
Bills purchased & discounted		828,648,729	857,436,824
Fixed assets including premises, furniture and fixtures	8	**472,707,444**	**312,294,529**
Other assets	9	**4,917,075,336**	**5,130,111,520**
Non-banking Assets	10	**23,858,490**	-
Total Assets:		**194,915,965,498**	**191,560,413,416**
LIABILITIES AND CAPITAL			
Borrowings from other banks, financial Institutions and agents	11	**7,315,442,850**	**8,016,776,583**
Deposits and other accounts:	12	**138,307,345,934**	**131,821,582,933**
Current Accounts and other Accounts		5,843,292,956	5,674,082,123
Bills Payable		923,023,079	888,637,084
Savings Bank Deposits		7,337,426,904	6,373,035,687
Fixed Deposits		124,203,602,995	118,885,828,039
Bearer Certificates of Deposit		-	-
Other Deposits		-	-
Other liabilities	13	**42,286,035,205**	**41,340,729,496**
Total Liabilities:		**187,908,823,989**	**181,179,089,012**
Capital/Shareholders' Equity			
Paid up Capital	14.2	10,846,982,500	10,846,982,500
Statutory Reserve	15	2,224,690,642	2,224,690,642
Other Reserve	16	27,260,129,552	27,372,078,596
Surplus in Profit and Loss A/C	17	(33,324,661,185)	(30,062,427,334)
Total Shareholders' Equity		**7,007,141,509**	**10,381,324,404**
Total Liabilities and Shareholders' Equity		**194,915,965,498**	**191,560,413,416**

ahkc
Dhaka

	Note	31.12.2019 Taka	31.12.2018 Taka
OFF-BALANCE SHEET ITEMS			
CONTINGENT LIABILITIES:	18		
Acceptances and Endorsements		2,271,977,150	2,353,168,476
Letters of Guarantee		4,518,967,440	2,402,965,312
Irrevocable Letters of Credit		5,823,383,718	8,649,059,607
Bills for Collection		804,119,453	954,904,666
Other Contingent Liabilities		920,389,617	455,316,916
Total:		**14,338,837,378**	**14,815,414,978**
OTHER COMMITMENTS:			
Documentary credit and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total:			
Total Off-Balance Sheet items including contingent liabilities:		**14,338,837,378**	**14,815,414,978**

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

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

Signed as per our annexed report on same date.

Aziz Halim Khair Choudhury
Chartered Accountants

Dhaka, 30 June 2020

BASIC Bank Limited

Profit & Loss Account
For the year ended 31 December 2019

	Note	2019 Taka	2018 Taka
Interest income	19	6,087,774,376	6,461,928,289
Interest paid on deposits and borrowings etc.	20	(8,470,737,709)	(7,721,878,671)
Net interest income		**(2,382,963,333)**	**(1,259,950,382)**
Investment income	21	1,406,178,017	2,240,391,121
Commission, exchange and brokerage	22	852,996,783	737,747,082
Other operating income	23	142,167,395	146,370,682
		2,401,342,195	**3,124,508,884**
Total operating income		**18,378,862**	**1,864,558,502**
Salary and allowances	24	2,379,651,283	2,368,728,225
Rent, taxes, insurance, electricity etc.	25	339,050,134	338,197,226
Legal & professional expenses	26	20,348,427	19,436,123
Postage, stamp, telecommunication etc.	27	40,649,685	43,632,054
Stationery, Printings, Advertisements etc.	28	33,392,824	33,886,147
Managing Director's salary and fees	29	2,363,871	4,840,000
Directors' fees	30	2,898,000	2,971,600
Auditors' fees		920,000	920,000
Charges on loan losses		-	-
Depreciation of bank's assets	31	62,420,150	57,566,719
Repair of bank's assets	32	36,784,352	35,987,174
Other expenses	33	166,433,455	158,959,759
Total operating expenses		**3,084,912,181**	**3,065,125,028**
Profit/(Loss) before provision		**(3,066,533,319)**	**(1,200,566,525)**
Provision (excess provision) for loan	34	-	1,758,601,438
Provision (excess provision) for Off Balance Sheet Exposures	34	-	6,873,209
Provision for other assets	34	-	-
Provision for Investment	34	182,772,575	252,404,395
Provision for Balance with other Banks and Financial Institutions	34	-	300,000,000
Total provision		**182,772,575**	**2,317,879,042**
Total Profit/(Loss) before taxes		**(3,249,305,894)**	**(3,518,445,567)**
Provision for Current Tax	35	120,407,461	57,518,623
Provision for Deferred Tax	36	(100,679,504)	(37,012,578)
Net Profit/(Loss) after Taxation		**(3,269,033,852)**	**(3,538,951,612)**
Appropriations:			
Statutory Reserve	37	-	-
General Reserve	37	-	-
Dividends etc.	37	-	-
Retained surplus		**(3,269,033,852)**	**(3,538,951,612)**
Earning Per Share (EPS)	39	**(3.01)**	**(3.26)**

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

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

Signed as per our annexed report on same date.

Aziz Halim Khair Choudhury
Chartered Accountants
Dhaka, 30 June 2020

BASIC Bank Limited

Cash Flow Statement
For the year ended 31 December 2019

	2019 Taka	2018 Taka
Cash flows from operating activities		
Interest receipts in cash	7,355,774,121	8,763,969,787
Interest payments	(8,264,284,971)	(7,417,280,197)
Dividends receipts	41,995,774	47,620,774
Fee and commission receipts in cash	852,996,783	737,747,082
Recoveries of loans previously written off	27,822,534	2,000,000
Cash payments to employees	(2,508,218,644)	(2,354,650,176)
Cash payments to suppliers	(33,392,824)	(33,886,147)
Income taxes paid	(36,871,289)	(37,887,003)
Receipts from other operating activities (item- wise)	114,342,575	144,363,899
Payments for other operating activities (item-wise)	(607,084,053)	(600,103,936)
Operating profit before changes in operating assets and liabilities	**(3,056,919,993)**	**(748,105,919)**
Increase/Decrease in operating assets and liabilities	**7,045,626,545**	**(11,707,475,726)**
Statutory deposits	-	-
Purchase/sale of trading securities	(654,021,073)	4,718,937,704
Loans & advances to customers	198,438,718	(6,399,465,650)
Other assets (item-wise)	388,597,181	(446,896,749)
Deposits from other banks	208,079,162	(17,227,805)
Deposits from customers	6,277,683,840	(11,341,430,045)
Other liabilities (item-wise)	626,848,717	1,778,606,819
Net cash from operating activities	**3,988,706,552**	**(12,455,581,644)**
Cash flows from investing activities		
Proceeds from Sale of Securities		
Cash Payments for Purchase of Securities		
Purchase of property, plant & equipment	(246,839,328)	(20,203,472)
Sales of property, plant & equipment	150,059	10,119
Net cash from investing activities	**(246,689,269)**	**(20,193,353)**
Cash flows from financing activities		
Increase/(Decrease) of Long Term Borrowing	(701,333,733)	3,218,624,063
Receipt from Government	-	-
Conversion of borrowing into reserve	-	-
Payment of Dividend		
Net cash from financing activities	**(701,333,733)**	**3,218,624,063**
Net increase/decreasing cash	3,040,683,550	(9,257,150,935)
Effects of Exchange Rate Changes on Cash and Cash Equivalent		
Cash and cash equivalents at beginning period	10,210,671,584	19,467,822,518
Cash and cash equivalents at end of period	**13,251,355,133**	**10,210,671,584**
Analysis of cash and cash equivalents at end of period		
Cash	9,736,800,790	8,836,514,002
Balance with other banks & financial institutions	954,554,343	924,157,582
Money at call on Short Notice	2,560,000,000	450,000,000
	13,251,355,133	**10,210,671,584**

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

Dhaka, 30 June 2020

Aziz Halim Khair Choudhury AHKC Dhaka. Chartered Accountants

BASIC Bank Limited

Statement of Changes in Equity
For the year ended 31 December 2019

Particulars	Paid-up Capital	Statutory Reserve	Other Reserve: Non-cumulative irredeemable preference share	Other Reserve: General Reserve	Other Reserve: Share Money deposit	Other Reserve: Gain on Revaluation	Other Reserve: Amortization of discount	Other Reserve: Loss on Revaluation/Amortization of HTM securities	Other Reserve: Sub-Total	Profit and Loss	Total
	Taka	Taka		Taka		Taka		Taka	Taka	Taka	Taka
Balance as at 01 January 2019	10,846,982,500	2,224,690,642	1,205,000,000	40,000,000	26,000,000,000	207,264,892	6,702,153	(86,888,449)	27,372,078,596	(30,062,427,334)	10,381,324,404
Rectification of amount wrongly transferred to Interest Suspense Account_Dilkusha Br.										6,800,000	6,800,000
Net Profit for the Year	-			-	-	-		-	-	(3.269.033.852)	(3.269.033.852)
Increase of Revaluation Reserve for Securities during the year	-			-	-	180,583,378	6,164,672	(34,538,497)	152,209,553	-	152,209,553
Adjustment of Revaluation Reserve for Securities during the year						(264,216,387)	-	57,790	(264,158,597)		(264,158,597)
Transferred to Other Reserve	-			-	-	-		-	-	-	-
Cash Dividend Paid during the year	-			-	-	-		-	-	-	-
Dividend Distribution Tax				-	-	-		-	-	-	-
Issue of share capital					-	-		-	-		-
Share Money received during the year					-	-		-	-	-	-
Issuance of bonus share		-		-	-	-		-	-	-	-
Transferred to Statutory Reserve	-	-	-	-	-	-	-	-	-	-	-
Free Reserve	-	-		-	-	-		-	-	-	-
Balance as at 31 December 2019	**10,846,982,500**	**2,224,690,642**	**1,205,000,000**	**40,000,000**	**26,000,000,000**	**123,631,883**	**12,866,825**	**(121,369,156)**	**27,260,129,552**	**(33,324,661,186)**	**7,007,141,509**

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

Managing Director | Director | Director | Chairman

AHKC
Aziz Halim Khair Choudhury
Chartered Accountants
Exclusive Correspondent Firm of PKF International

BASIC Bank Limited

Liquidity Statement
(Asset and Liability Maturity Analysis)
As at 31 December 2019

(Amount in Taka)

Particulars	Up to 01 month	1 - 3 months	3 - 12 months	1 - 5 years	More than 5 years	Total
Assets:						
Cash in hand	1,043,761,177	-	-	-	8,693,039,613	9,736,800,790
Balance with other banks and financial institutions	470,599,170	53,529,926	-	430,425,247	-	954,554,343
Money at call on short notice	2,560,000,000	-	-	-	-	2,560,000,000
Investment	501,077,900	-	2,572,500,000	6,670,800,000	14,736,976,772	24,481,354,672
Loans and Advances	25,399,300,000	2,892,100,000	20,659,300,000	47,367,900,000	55,451,014,423	151,769,614,423
Fixed assets including premises, furniture & fixtures	-	-	3,034,062	83,039,659	386,633,723	472,707,444
Other assets	376,317,887	305,480,927	752,823,168	2,358,196,249	1,124,257,105	4,917,075,336
Non-banking assets	-	-	-	-	23,858,490	23,858,490
Total Assets	**30,351,056,134**	**3,251,110,853**	**23,987,657,230**	**56,910,361,155**	**80,415,780,126**	**194,915,965,498**
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	2,500,500,000	2,001,242,850	1,005,200,000	27,200,000	1,781,300,000	7,315,442,850
Deposits & Other accounts	23,894,200,000	29,008,900,000	58,525,500,000	25,650,500,000	1,228,245,934	138,307,345,934
Provision and other liabilities		15,101,117,950	994,926,101	26,189,991,154	-	42,286,035,205
Total Liabilities	**26,394,700,000**	**46,111,260,800**	**60,525,626,101**	**51,867,691,154**	**3,009,545,934**	**187,908,823,989**
Net Liquidity Gap	**3,956,356,134**	**(42,860,149,947)**	**(36,537,968,871)**	**5,042,670,001**	**77,406,234,192**	**7,007,141,509**

Managing Director | Director | Director | Chairman

Aziz Halim Khair Choudhury
Dhaka
Chartered Accountants

Aziz Halim Khair Choudhury
Chartered Accountants
Exclusive Correspondent Firm of **PKF** International

AHKC

BASIC Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2019

1. The Bank and its activities

1.1 Corporate information

BASIC Bank Limited ("the Bank") was incorporated as a banking company in 1989 under the eastwhile Companies Act, 1913 and governed by the Bank Companies Act, 1991 (amended 2013). In 2001 the Bank changed its earlier name 'Bank of Small Industries and Commerce Bangladesh Limited' and registered the new name with the Registrar of Joint Stock Companies and Firms. Initially the Bank started its operation as a joint venture organization of the then BCC foundation, a welfare trust in Bangladesh and the Government of the People's Republic of Bangladesh. On 4 June 1992 the Government of Bangladesh took over 70% shares held by the then BCC Foundation and became the sole owner of the Bank. It operates with 72 branches in Bangladesh. The registered office of the Bank is located at 73 Motijheel C/A, Dhaka-1000.

1.2 Objectives

The Memorandum and Articles of Association of BASIC Bank Limited stipulate that at least fifty percent of its loanable fund shall be used for financing Small and Medium Scale Industries. The 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 International Financial Reporting Standards (IFRS) and the requirements of the Bank Companies Act 1991 (amended 2013), 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 IFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRS are as follows:

i) Investment in shares and securities

IFRS: As per requirements of IAS 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 IFRS 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

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

Bangladesh Bank: HFT securities are revalued on the basis of 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.

Aziz Halim Khair Choudhury Chartered Accountants ahkc Dhaka.

iii) Provision on loans and advances/investments

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

Bangladesh Bank: As per BRPD Circular No. 14 (23 September 2012), BRPD Circular No. 19 (27 December 2012), BRPD Circular No. 05 (29 May 2013) and BRPD Circular No. 16 (18 November 2014) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at **5%,** 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 IAS 39.

iv) Recognition of interest in suspense

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

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

v) Other comprehensive income

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

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

vi) Financial instruments – presentation and disclosure

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

vii) Repo Transactions

IRFS: When an entity sells a financial asset and simultanesly 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 guildelines, when a bank sells a finanacial 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 finanacial assets are dereocognised in the seller's book and a recognised in the buyers book.

viii) Financial guarantees

IFRS: As per IAS 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.

Aziz Halim Khair Choudhury Chartered Accountants Dhaka.

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

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

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

x) Non-banking asset

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

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

xi) Cash flow statement

IFRS: 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)

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

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

xiii) Presentation of intangible asset

IFRS: An intangible asset must be identified and recognised, and the disclosure must be given as per IAS 38.

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

xiv) Off-balance sheet items

IFRS: There is no concept of off-balance sheet items in any IFRS; 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

IFRS: Loans and advances should be presented net of provision.

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

2.2 Use of estimates and judgments

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

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

Aziz Halim Khair Choudhury
Dhaka
Chartered Accountants

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

a)	Note 13.1, 13.2, 13.3, 13.4 & 13.5	Provision for loans and advances, off balance sheet exposure, other assets, investments and balance with other banks & NBFIs.
b)	Note 31	Depreciation
c)	Note 35	Current tax liabilities
d)	Note 36	Deferred tax asset
e)	Liquidity statement	

2.3 Foreign currency transaction

a) Foreign currency

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

b) Foreign currencies translation

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

c) Commitments

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

d) Transaction gains and losses

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

2.4 Cash flow Statement

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

2.5 Liquidity statement

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

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

2.6 Statement of changes in equity

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

Aziz Halim Khair Choudhury
AHKC
Dhaka
Chartered Accountants

2.7 Reporting period

These financial statements cover one calendar year from 01 January 2019 to 31 December 2019.

2.8 Offsetting

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

2.9 Assets and basis of their valuation

2.9.1 Cash and cash equivalents

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

2.9.2 Loans, advances and provisions

Loans and advances are stated in the balance sheet on gross basis. General provisions on unclassified loans and contingent assets, specific provisions for classified loans and interest suspense account thereon are shown under other liabilities. Provision against classified loans and advances is made on the basis of quarter end review by the management and instructions contained in BRPD Circular No. 14 dated 23 September 2012, BRPD Circular No. 19 dated 27 December 2012, BRPD Circular No. 05 dated 29 May 2013, BRPD Circular No. 16 dated 18 November 2014, BRPD Circular No. 08 dated June 15, 2015 and BRPD Circular No. 05 dated May 16, 2019. The rates for provisions are stated below:

	Particulars	Provision Rate
General provision on		
a.	Consumer Financing (House Financing)	1%
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	1%
f.	Loans to BHs/ MBs/ Sds against Shares etc	2%
g.	All other Credit	1%
h.	Special Mention Account	0.25%, 1%,2%, 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 Bill. 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 amortized value at each year end by taking into account any premium or discount on acquisition. Any increase/decrease in value for amortization 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.

Aziz Halim Khair Choudhury Chartered Accountants Dhaka.

Held for Trading (HFT)

The securities under this catagory 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 amortized and measured at present value on the basis of marking to market method weekly. The resulting gains & losses are transferred to profit and loss account and then gains arising from marking 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 marking 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 follows:

Investment class	Initial recogni	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 marking 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 P&L account.
Prize Bond	Face	None	None
Subordinated Bond	Cost	None	None
Shares	Cost	Lower of cost and market value	Any loss, charged in P&L account. Realized gain, recognized in P&L accounts. Unrealized gain, not recognized in accounts.

Investment in listed (quoted) securities

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

Investment in unlisted (unquoted) securities

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

Other Investments

Other investments like prize bond is also eligible for SLR, which is shown at face value.

Investment and related income

a) Income on investments other than shares is accounted for on accrual basis concept; 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 IAS 16 "Property, Plant and Equipment". Cost includes expenditures that are directly attributable to the acquisition of assets. Subsequent costs is capitalized only when it is probable that the future economic benefits associated with the costs will flow to the entity. Ongoing repairs and maintenance is expensed as incurred.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Depreciation

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

Aziz Halim Khair Choudhury Chartered Accountants Dhaka.

Category of fixed assets	Rate	Method of Depreciation
Furniture and fixtures	10%	Reducing balance method
Machinery and Equipment*	20%	Reducing balance method
Computer and Copier*	20%	Straight line method
Vehicles (straight line)	25%	Straight line method
Leasehold buildings	1%	Straight line method over the lease hold period

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

2.9.5 Intangible assets

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

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

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

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

2.9.6 Other assets

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

2.9.7 Receivables

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

2.9.8 Inventories

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

2.9.9 Leasing

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

2.9.10 Non-banking assets

The bank has acquired non-banking asstets of land valueing at Tk. 82,19,490 and building valueing at Tk. 1,56,39,000; Total Tk. 2,38,58,490 in exchange for loan during the period of financial statements. Total non-banking assets of the Bank has been held since July 23, 2019.

Aziz Halim Khair Choudhury
ahk
Dhaka.
Chartered Accountants

2.9.11 Reconciliation of inter-bank and inter-branch account

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

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

2.10 Share capital

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

2.11 Statutory reserve

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

2.12 Deposits and other accounts

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

2.13 Borrowings from other banks, financial institutions and agents

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

2.14 Basis for valuation of liabilities and provisions

2.14.1 Provision for current taxation

Provision for current income tax has been made as per prescribed rate in the Finance Ordinance, 2019 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 IAS-12 " Income Taxes".

2.14.2 Provision for deferred taxation

Deferred tax is recognized in compliance with IAS 12 "Income Taxes" and BRPD Circular no. 11 dated 12 December 2011, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the date of balance sheet. Deferred tax assets and liabilities are offset as there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each date of balance sheet and are reduced to the extent that it is no longer probable that the related tax benefit will be realized

2.14.3 Benefits to the employees

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

a) Provident Fund

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

Aziz Halim Khair Choudhury ahkc Dhaka. Chartered Accountants

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 completeted 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 to 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 term life insurance. Employees are contributing to the fund monthly and the Bank also contributes a lump sum amount from the profit at the end of each year.

e) Welfare Fund

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

2.14.4 Provision for liabilities

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

2.14.5 Provision for Off-balance sheet exposures

Off-balance sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank guidelines. In accordance with BRPD circular no.14 dated 23 September 2012, general provision @ 1% has been made on the outstanding balances of Off-Balance Sheet exposure of the Bank as at 31 December 2019. Provision is made on the total exposure and amount of cash margin or value of eligible collateral is not deducted while computing Off-Balance sheet exposure.

2.14.6 Provision for nostro accounts

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

2.15 Revenue recognition

2.15.1 Interest income

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

2.15.2 Investment income

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

2.15.3 Fees and commission income

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

Aziz Halim Khair Choudhury
Dhaka.
Chartered Accountants

2.15.4 Dividend income on shares

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

2.15.5 Interest paid and other expenses

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

2.16 Risk management

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

a) Credit risk

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

The bank has six credit divisions namely Industrial Credit Division (ICD), Commercial Credit Division (CCD), 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 analyzing/assessing borrower risk an historical repayment performance of the borrower, historical and projected financial statements, industry outlook, collateral coverage of the proposed credit facility, market reputation of the borrower and any other relevant aspects. To manage its credit risk at a tolerable level, the Bank prepares an Annual Credit Budget where the amount of loan to each sector is allocated on yearly basis. Budgeted allocation to each sector is monitored or adjusted periodically on the basis of national economic trends, business or sector viability, the bank's credit position and profitability, the central bank's regulations and guidelines, availability of investable fund and so on. Moreover, total aggregate loan and advances of branches are allocated and controlled on the basis of the credit budget. The bank also has a Credit Administration Division (CAD) that oversees and ensures proper documentation pertaining to the approved credit facilities.

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

b) Liquidity risk

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

c) Market risk

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

Foreign exchange risk

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

Aziz Halim Khair Choudhury Chartered Accountants Dhaka

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 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 fall in market price of shares which are regularly monitored by the management. The management keep required provision as per Bangladesh Bank guidelines when the cost price exist under the market price.

d) Reputation risk arising from money laundering incidences

Money Laundering has significant economic and social consequences, especially for developing countries and emerging markets. The adverse consequences of money laundering are reputational, operational, legal and concentration risks and include loss of profitable business, liquidity problems through withdrawals of funds, termination of correspondent banking facilities, loan losses etc.

An anti-money laundering / counter terrorist financing (AML/CFT) program is an essential component of a bank's compliance regime. The primary goal of an AML/CFT program is to protect the bank against money laundering, terrorist financing and other financial crimes and to ensure that the bank is in full compliance with relevant laws and regulations. The management of BASIC Bank Limited 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. AMLD is performing as the secretariat of Central Compliance Committee. 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). 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.

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 Financial Intelligence Unit (BFIU) on regular basis. It is the requirement of BFIU 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 programs on AML & CFT throughout the year to develop awareness and skill for mitigating money laundering and terrorist financing risks.

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.

Aziz Halim Khair Choudhury
Dhaka
Chartered Accountants

f) Asset Liability Management Risk

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. 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 been carring out the job of Vulnerability Assessment (VA), Penetration Test (PT) 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 has already been 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. The Bank is also carrying out training programs on importance an awarness of ICT security for its emplyees to prevent from different malicious activities.

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 & suggestion of the Committee.

i) Fraud & Forgeries

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

Aziz Halim Khair Choudhury Chartered Accountants Dhaka.

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 2019, Audit & Inspection Division (AID) of the Bank has conducted 60 regular Audit & Inspections & 13 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, Monitoring 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 IAS 33 "Earnings per Share". Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank with the weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reverse split. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods. Hence no Diluted EPS has been calculated.

2.18 Events after the reporting period

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

2.19 Directors' responsibility on statement

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

Memorandum items

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

Capital Expenditure Commitment

There was no capital expenditure contracted but incurred or provided for at 31 December 2019. Besides, there was no material capital expenditure authorized by the board but not contracted for at 31 December 2019.

2.20 Related party disclosures

As per IAS 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 IAS 24.

Related Parties include the Bank's Directors, key management personnel, associates, companies under common directorship etc. as per IAS 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.

Aziz Halim Khair Choudhury
Dhaka.
Chartered Accountants

2.21 Board of Directors as on 31 December 2019:

Name	Status	Other Position
Mr. Alauddin A. Majid	Chairman	Ex-Chairman, Bangladesh Krishi Bank Ex-Director, Bangladesh Krishi Bank Ex-Independent Director, Industrial Promotion & Development Company, Ex-Managing Director, BASIC Bank Limited
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 Techonlogy
Mr. Md. Zahidul Haque	Director	Additional Secretary Economic Relations Division Ministry of Finance
Ms. Afroza Gul Nahar	Director	Ex-Managing Director, Bangladesh House Building Finance Corporation
Mr. Md. Shaheb Ali Mridha	Director	Joint Secretary (Retired) Government of the Peoples's Republic of
Mr. Md. Rafiqul Alam	Director	Managing Director BASIC Bank Limited

The Board of Directors conducted 32 (thirty two) meetings during the year.

2.22 Audit Committee as on 31 December 2019:

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

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

2.23 Risk Management Committee as on 31 December 2019:

Name	Status	Educational Qualification
Ms. Raihana Aneesa Yusuf Ali	Chairman	M.A. (Economics)
Mr. Md. Zahidul Haque	Member	MBA (IBA)
Ms. Afroza Gul Nahar	Member	B.Sc. (Hons.), M.Sc. Ag. Economics (BAU, Mymensingh)
Mr. Md. Shaheb Ali Mridha	Member	B.Sc.(Hons.), M.Sc.(Physics)

Risk Management Committee conducted 05 (five) meetings during the year.

2.24 Executive Committee as on 31 December 2019:

Name	Status	Educational Qualification
Mr. Alauddin A. Majid	Chairman	Masters of Agricultural Economics
Ms. Raihana Aneesa Yusuf Ali	Member	M.A. (Economics)
Mr. Md. Zahidul Haque	Member	MBA (IBA)
Mr. Md. Rafiqul Alam	Member	B.Sc. (Hons.), M.Sc. (Zoology)

Aziz Halim Khair Choudhury Chartered Accountants Dhaka.

2.25 Head Office Management Committee

Members of the Head Office Management Committee as on 31 December 2019:

Sl #	Name	Designation	Status with the Committee
1	Mr. Md. Rafiqul Alam	Managing Director	Chairman
2	Mr. Kanak Kumar Purkayastha	Deputy Managing Director	Member
3	Mr. Md. Mozammel Hossain	General Manager	Member
4	Mr. Ahmad Hossain	General Manager	Member
5	Mr. Mohammad Moniruzzaman	General Manager	Member
6	Mr. Abu Sayed Md. Rowshanul Haque	General Manager	Member
7	Mr. A. K. M. Masudur Rahman	General Manager	Member
8	Mr. Khan Iqbal Hasan	General Manager	Member
9	Mr. Abu Md. Mofazzal	General Manager	Member
10	Mr. Niranjan Chandra Debnath	General Manager	Member
11	Mr. Nurur Rahman Chowdhury	Deputy General Manager, HRD	Member Secretary

The Head Office Management Committee conducted 08 (eight) meetings during the year.

2.26 Compliance report on International Accounting Standards (IAS) & International Financial Reporting Standards (IFRS)

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

Name of the IAS	IAS no.	Status
Presentation of Financial Statements	1	Applied*
Inventories	2	N/A
Statement of Cash Flows	7	Applied*
Accounting Policies, Changes in Accounting Estimates & Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Govt. Grants & Disclosure of Govt. Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	N/A
Investments in Associates	28	N/A
Interests in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Applied*
Earnings Per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied*
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied*
Investment Property	40	N/A
Agriculture	41	N/A

Aziz Halim Khair Choudhury Chartered Accountants Dhaka.

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

* Subject to departure described in note 2.1

2.27 Corporate Social Responsibilities (CSR)

Bank authority is very much concerned about responsibility to the society and it's 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:

i. The Bank Company Act, 1991 (amended 2013)
ii. The Companies Act 1994
iii. Rules, regulations and circulars issued by the Bangladesh Bank from time to time
iv. The Income Tax Ordinance 1984 and Rules
v. The Value Added Tax (VAT) 1991 and Rules
vi. The Stamp Act-1899
vii. The Customs Act-1969
viii. The Money Laundering Prevention Act, 2012
ix. The Anti Terrorism (Amendment) Act, 2012
x. Labor Act, 2006 (amended in 2013) etc.

2.29 Approval of financial statements

The financial statements were approved by the Board of Directors on 30 June 2020.

2.30 General

a) These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.

b) The expenses, irrespective of capital or revenue nature, accrued / due but not paid have been provided for in the books of the Bank.

c) Figures of previous year have been rearranged whenever necessary to conform to current years presentation.

Aziz Halim Khair Choudhury Dhaka. Chartered Accountants

		31.12.2019 Taka	31.12.2018 Taka
3. Cash			
Cash in hand (including foreign currencies)	Note 3.1	1,043,761,176	641,564,550
Balance with Bangladesh Bank & its agent bank(s)	Note 3.2	8,693,039,614	8,194,949,452
Total		**9,736,800,790**	**8,836,514,002**
3.1 Cash in Hand (including foreign currencies)			
In Local Currency (3.1.1)		1,039,879,837	635,577,808
In Foreign Currencies		3,881,339	5,986,743
Total		**1,043,761,176**	**641,564,550**
3.1.1 In Local Currency			
In Hand		1,005,000,637	594,177,508
In ATM		34,879,200	41,400,300
		1,039,879,837	**635,577,808**
3.2 Balance with Bangladesh Bank & its agent bank(s)			
In Local Currency	Note 3.2.1	8,322,661,200	8,065,411,204
In Foreign Currencies	Note 3.2.2	370,378,414	129,538,247
		8,693,039,614	**8,194,949,452**
3.2.1 In Local Currency			
Bangladesh Bank		8,088,220,229	7,885,521,251
Sonali Bank (acting as agent of Bangladesh Bank)		234,440,971	179,889,953
		8,322,661,200	**8,065,411,204**
3.2.2 In Foreign Currencies			
Bangladesh Bank - EURO		147,719,784	14,678,049
Bangladesh Bank - GBP		5,743,981	5,425,050
Bangladesh Bank (Western Union) - US$		-	3,924,423
Bangladesh Bank - YEN		24	23
Bangladesh Bank - US$		216,914,625	105,510,702
		370,378,414	**129,538,247**
3.2.2.1 Balance with Bangladesh Bank as per DB -5		**8,078,033,565**	**7,870,569,764**

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

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

3.3 Statutory Deposits

Cash Reserve Ratio and Statutory Liquidity Ratio (SLR) have been calculated and maintained as per Section 33 of the Bank Companies Act 1991 and BRPD Circualr No. 11 and 12 both dated August 25, 2005, MPD Circualr No. 1 and 2 both dated May 4, 2010, MPD Circular No. 4 and 5 both dated December 01, 2010, MPD Circular No. 2 dated December 10, 2013, MPD Circular No. 01 dated June 23, 2014, DOS Circular No. 01 dated January 19, 2014 and MPD Circular No. 01 dated April 03, 2018.

The Cash Reserve Requirement (CRR) on the Bank's time and demand liabilities at the rate of 5.50 % 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 and Sonali Bank (as agent of Bangladesh Bank). Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:

Aziz Halim Khair Choudhury Dhaka Chartered Accountants
ahkc

		31.12.2019 Taka	31.12.2018 Taka
3.3.1 Cash Reserve Ratio (CRR)			
Required Reserve (5.50% of Average Demand & Time Liabilities)		7,368,513,013	7,440,678,245
Actual reserve maintained		7,534,409,983	7,870,569,764
Surplus/(Deficit)		**165,896,970**	**429,891,519**
Required (%)		**5.50%**	**5.50%**
Maintained (%)		**5.62%**	**5.82%**
3.3.2 Statutory Liquidity Reserve (SLR)			
Required Reserve (13.00% of Average Demand & Time Liabilities)		17,416,485,303	17,587,057,670
Actual reserve maintained		25,125,607,592	23,851,998,324
Surplus/(Deficit)		**7,709,122,289**	**6,264,940,654**
Required (%)		**13.00%**	**13.00%**
Maintained (%)		**18.75%**	**17.63%**
4. Balance with other banks & financial institutions			
In Bangladesh- In local currency	Note 4.1	523,134,107	677,591,646
Outside Bangladesh (note 4.2) (Annex-A: Nostro Accounts)	Note 4.2	431,420,236	246,565,936
		954,554,343	924,157,582
4.1 In Bangladesh			
4.1.1 Current Accounts			
Sonali Bank Ltd.		18,733,395	6,298,956
Agrani Bank Ltd.		8,029,582	6,030,158
Janata Bank Ltd.		6,752,749	2,729,990
Rupali Bank Ltd.		2,693,535	2,783,460
NCC Bank Ltd.		2,969,674	3,000,000
		39,178,935	**20,842,563**
4.1.2 Short Notice Deposit Accounts			
Sonali Bank Ltd.		19,928,831	5,910,156
Agrani Bank Ltd.		-	5
Janata Bank		41,138	4,039,544
Rupali Bank Ltd.		29,464,033	27,389,611
Trust Bank Ltd.		4,087,230	38,425,201
The Premier Bank Ltd.		8,693	9,629
		53,529,925	**75,774,146**
4.1.3 Other Deposit			
Receivable from ICB Islami Bank		130,425,247	130,474,937
4.1.4 Fixed Deposit Accounts			
i) FDR/Placement with Banks:			
Dutch-Bangla Bank Ltd.		-	150,500,000
Sub Total		**-**	**150,500,000**
ii) FDR/Placement with Non-Banks Financial Institutions:			
Bangladesh Industrial Finance Company (BIFC) Limited		300,000,000	300,000,000
Sub-Total		**300,000,000**	**300,000,000**
Total		**523,134,107**	**677,591,646**
4.2 Outside Bangladesh (Nostro & FC Term Placement)			
Interest bearing accounts	Note 4.2.1	431,420,236	246,565,936
Term Placements	Note 4.2.2	-	-
		431,420,236	**246,565,936**
4.2.1 Interest-bearing Accounts			
Sonali Bank Kolkata-EURO		445,201	447,305
BANQUE MAROCAINE DU COMMERCE (MADRID,SPAIN)-EURO		27,374,499	21,111,974
Bank of Tokyo-Mitsubishi London-GBP		9,003,816	6,477,900
Bank of Tokyo Mitsubishi Japan-JPY		572,570	90,119,034
Arif Habib Rupali Bank, Karachi-USD		93,666	92,563
Mashreq Bank India-USD		54,941	54,294
Mashreq Bank New York-USD		390,965	386,360

Aziz Halim Khair Choudhury Dhaka ahkc

	31.12.2019 Taka	31.12.2018 Taka
Sonali Bank Kolkata-USD	20,745,717	22,223,339
Bank of Ceylon-USD	800,762	392,627
CITI Bank NA, New York (Export)-USD	286,030,076	-
AB Bank Ltd, Mumbai (USD)	20,199,992	17,580,393
Habib Metropolitan Bank Ltd.-USD	2,750,537	610,530
HDFC Bank Ltd.-USD	5,335,348	8,073,741
United Bank of India, Mumbai-ACU	11,348,159	33,018,225
Habib American Bank New York-USD	20,819,552	45,977,651
Kookmin Bank, Seoul-USD	25,454,435	-
Total	**431,420,236**	**246,565,936**

(Annexure - A may kindly be seen for details)

4.2.2 Term Placement	-	-
Grand total (Nostro and Term Placement)	**431,420,236**	**246,565,936**

4.3 Maturity grouping of balances with other banks & financial institutions

On demand	39,178,935	20,842,563
Upto 1 month	431,420,235	19,474,289
Over 1 month but not more than 3 months	53,529,926	753,365,792
Over 3 months but not more than 1 year	-	-
Over 1 year but lnot more than 5 years	430,425,247	130,474,937
Over 5 years	-	-
Total	**954,554,343**	**924,157,581**

5 Money at Call & Short Notice

Commercial Banks	Note 5.1	2,560,000,000	450,000,000
Total		**2,560,000,000**	**450,000,000**

5.1 Commercial Banks

National Bank Ltd	1,400,000,000	-
Standard Bank Ltd	100,000,000	-
Modhumoti Bank Ltd	300,000,000	-
Midland Bank Ltd	300,000,000	-
Rupali Bank Ltd	460,000,000	-
The City Bank Ltd.	-	200,000,000
AB Bank Ltd	-	250,000,000
	2,560,000,000	**450,000,000**

6. Investments

Government Securities	Note 6.1	23,143,584,445	22,600,651,820
Other Investments	Note 6.2	1,337,770,227	1,338,630,823
		24,481,354,672	**23,939,282,643**

6.1 Government Securities

Treasury Bills and Reserve Repo	Note 6.1.1	498,619,000	-
Treasury Bonds	Note 6.1.2	22,642,506,545	22,598,515,720
Bangladesh Bank Bill		-	-
Prize Bond		2,458,900	2,136,100
		23,143,584,445	**22,600,651,820**

6.1.1 Treasury Bills (at revalued Amount) (A)

364 Days Government Treasury Bills	-	-
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	-	-
	-	-

ahkc
Aziz Halim Khair Choudhury
Dhaka.

		31.12.2019 Taka	31.12.2018 Taka
Reverse Repo (B)			
Reverse Repo-Banks and NBFIs		498,619,000	-
Reverse Repo-Bangladesh bank		-	-
Total		**498,619,000**	**-**
Grand Total (A+B)		**498,619,000**	**-**

6.1.2 Treasury Bonds (at revalued Amount)

02 Years Government Treasury Bond	1,174,710,437	2,116,828,062
05 Years Government Treasury Bond	3,725,141,382	3,231,272,299
10 Years Government Treasury Bond	13,383,136,210	12,830,882,025
15 Years Government Treasury Bond	2,370,632,671	2,411,316,155
20 Years Government Treasury Bond	1,988,885,845	2,008,217,179
	22,642,506,545	**22,598,515,720**

6.2 Other Investments

Shares	Note 6.2.1	1,337,710,727	1,338,567,823
Investment others (Memorial Coin)		59,500	63,000
		1,337,770,227	**1,338,630,823**

6.2.1 Shares

a. Quoted companies		
Shares in listed companies	1,273,287,210	1,308,777,173
b. Unquoted companies		
Share of Karmasangsthan Bank	15,000,000	15,000,000
ICB AMCL 2nd NRB Mutual Fund	34,632,867	-
Preference Share of BDCL	7,450,000	7,450,000
Equity Of Grameen I. T. Park	4,201,760	4,201,760
Share of CDB Ltd.	3,138,890	3,138,890
Sub-total	**64,423,517**	**29,790,650**
Grand Total (a+b)	**1,337,710,727**	**1,338,567,823**

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

6.3 Investment in Securities are classified as per Bangladesh Bank Circular

Held To Maturity (HTM)	Note 6.3.2	14,866,601,926	13,895,630,759
Held For Trading (HFT)	Note 6.3.1	8,274,523,619	8,702,884,961
		23,141,125,545	**22,598,515,720**

6.3.1 Held For Trading (HFT):

Treasury Bond	7,775,904,619	8,702,884,961
Treasury Bill and reverse repo	498,619,000	-
	8,274,523,619	**8,702,884,961**

6.3.2 Held For Trading (HTM):

Treasury Bond	14,866,601,926	13,895,630,759
Treasury Bill and reverse repo	-	-
	14,866,601,926	**13,895,630,759**

Treasury Bond:

Held To Maturity (HTM)	14,866,601,926	13,895,630,759
Held For Trading (HFT)	7,775,904,619	8,702,884,961
	22,642,506,545	**22,598,515,720**

Aziz Halim Khair Choudhury Chartered Accountants Dhaka ahkc

	31.12.2019 Taka	31.12.2018 Taka

Treasury bond and treasury bills are catagorized into HTM and HFT as per Bangladesh Bank Circular. HTM securities are measured at amortized value at each year end by taking into account any premium or discount on acquisition. Any decrease in value for amortization loss of such investment is transferred to profit and loss account of respective year. Any increase in value for amortization gain of such investments is transferred to revaluation reserve account and shown in the equity. Such 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 P/L account and gain is shown as Revaluation Reserve under capital account. Securities are shown at revalued amount.

6.4 Assets pledged as security

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

	31.12.2019 Taka	31.12.2018 Taka
Liabilities to bank	-	-
Liabilities to customers	-	-
	-	-

There is no assets pledged, mortgaged or hypothecated against bank's borrowings.

6.5 Maturity Grouping of Investments

	31.12.2019 Taka	31.12.2018 Taka
On demand	2,458,900	2,136,100
Upto 1 month	498,619,000	750,063,900
Over 1 month but not more than 3 months	-	-
Over 3 months but not more than 1 year	2,572,500,000	2,293,500,000
Over 1 year but not more than 5 years	6,670,800,000	6,012,200,000
Over 5 years	14,736,976,772	14,881,382,643
	24,481,354,672	**23,939,282,643**

7. Loans & Advances

		31.12.2019 Taka	31.12.2018 Taka
Loans, Cash Credit & Overdraft etc.	Note 7.2	150,940,965,694	151,110,616,317
Bills purchased & discounted	Note 7.3	828,648,729	857,436,824
		151,769,614,423	**151,968,053,141**

7.1 Residual maturity grouping of loans including bills purchased and discounted

	31.12.2019 Taka	31.12.2018 Taka
Payable on demand	3,386,600,000	525,100,000
Not more than 3 months	24,904,800,000	19,531,100,000
Above 3 months but not more than 1 year	20,659,300,000	25,993,900,000
Above 1 year but not more than 5 years	47,367,900,000	64,505,900,000
Above 5 years	55,451,014,422	41,412,053,141
	151,769,614,422	**151,968,053,141**

7.2 Loans, Cash Credit & Overdraft etc.

		31.12.2019 Taka	31.12.2018 Taka
In Bangladesh			
Loans	Note 7.2.1	73,820,409,582	65,668,738,705
Cash credit		30,351,123,283	31,777,360,127
Overdraft	Note 7.2.2	14,881,925,564	14,156,354,032
Others	Note 7.2.3	31,887,507,265	39,508,163,453
		150,940,965,694	**151,110,616,317**
Outside Bangladesh		-	-
		150,940,965,694	**151,110,616,317**

7.2.1 Loans

	31.12.2019 Taka	31.12.2018 Taka
Loan General	3,335,227,986	3,039,820,256
Term Loan	70,485,181,596	62,628,918,449
	73,820,409,582	**65,668,738,705**

ahkc
Aziz Halim Khair Choudhury Dhaka Chartered Accountants

	31.12.2019 Taka	31.12.2018 Taka
7.2.2 Overdraft		
SOD agst Bank's Own FDR	727,803,066	286,531,849
SOD agst Other Bank's FDR	347,367,698	333,252,784
SOD agst govt. bonds and securities	1,849,251	9,729,647
SOD agst Bank's Own DPS	509,559,439	489,201,557
SOD for issuance of CDR/SDR/PO	17,181,058	17,181,058
Temporary Overdraft	420,795,461	432,543,899
Overdraft Secured Mortgage	10,574,375,530	10,623,439,351
Overdraft Secured (Other Securities)	1,911,068,425	1,581,066,126
Overdraft- BASIC Friendship	-	48,796
Overdraft (Clean)	371,925,636	383,358,965
	14,881,925,564	**14,156,354,032**
7.2.3 Others		
Export Credit/Loan Against Packing Credit	325,840,957	511,792,211
Payment Against Documents	53,440,783	327,681,089
Loan Against Trust Receipt	3,550,307,362	5,842,342,407
Other short term advance	135,502,857	118,189,352
Tender Bidding & Work order financing	401,262,306	612,748,449
Loan against Govt. Fund and other scheme	164,510,443	223,160,308
Credit to NBFI	3,006,060,165	2,775,258,780
Real Estate Loan	7,317,383,650	9,665,850,820
Transport loan	6,467,679,081	7,001,219,711
Consumer Credit	1,617,817,962	1,289,047,207
Micro Credit Financing	815,097,491	1,642,322,811
Sundry/Misc. Loan	5,666,510,968	7,488,732,797
Staff Loan	2,366,093,240	2,009,817,512
	31,887,507,265	**39,508,163,453**

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

			31.12.2019 Taka	31.12.2018 Taka
a.	Advances to Directors		-	-
b.	Advances to MD and other Senior Executives		2,402,121,858	2,009,817,512
c.	Advances to Customers group		59,812,616,348	59,973,546,078
d.	Advances to Industrial sector	Note 7.3.1	89,554,876,217	89,984,689,551
			151,769,614,423	**151,968,053,141**

7.3.1 Advances to Industrial sector

	31.12.2019 Taka	31.12.2018 Taka
Food and Allied Ind.	15,331,279,574	14,616,876,662
ERGM	10,430,544,478	11,497,226,416
Textile	10,577,891,835	8,524,869,321
Accessories	1,288,295,982	1,465,999,347
Jute Prod. and Allied Ind.	4,522,064,571	4,392,773,735
Forest Prod. and Allied Ind.	53,313,329	56,356,759
Paper, Board, Printing, Pub. and Packaging	3,560,976,266	4,086,739,974
Tannery Leather and Rubber Prod.	2,252,006,616	1,884,325,086
Chem. Pharm. and Allied Ind.	2,702,371,832	3,792,988,141
Plastic Ind.	1,949,043,039	2,157,268,222
Glass, Crmc. and Other non Metal. Pr.	1,479,974,261	1,599,062,521
Engineering	3,188,076,632	3,928,131,683
Electrical and Electronics Ind.	1,047,992,303	676,991,151
Real Estate & Housing	11,684,619,269	12,091,041,705
Transport and Communication	7,810,868,178	8,198,729,226
Ship, Shipbulding and Breaking	473,711,943	473,711,943
Power, Gas and Water	459,071,972	468,240,888
Hotel and Restaurant	787,053,124	763,461,415
Hospital and Clinic	815,484,693	836,168,554
Brick Kiln	3,613,448,405	3,586,503,396
Telecommunication & IT	411,263,765	415,916,252
Other Service Ind.	2,406,581,448	2,285,938,050
Ind. Not Elsewhere Classified	2,708,942,702	2,185,369,104
Total	**89,554,876,217**	**89,984,689,551**

7.4 Loans & advances allowed to each customer exceeding 10% of Bank's paid up capital

	31.12.2019 Taka	31.12.2018 Taka
Number of Customers	26	27
Amount of outstanding advances	43,260,600,000	44,618,800,000
Amount of classified advances thereon	26,464,500,000	28,370,600,000
Amount of recovery	2,723,125,000	226,386,000
Meastures taken for recovery	Persuasion and negotiation for recovery is going on	Persuasion and negotiation for recovery is going on

Aziz Halim Khair Choudhury Chartered Accountants Dhaka ahkc

	31.12.2019 Taka	31.12.2018 Taka

*In 2018 and 2019, capital of the Bank was negative. As such, loans and advances allowed to customers' group exceeding 10% of the Banks' paid-up capital are reported here as per Bangladesh Bank approval.

(Details are given in Annexure - C)

7.5 Geographical Location - wise Loans and Advances

	31.12.2019 Taka	31.12.2018 Taka
Inside Bangladesh		
Dhaka Division	93,574,360,729	95,293,355,652
Chattogram Division	22,692,782,537	22,232,447,908
Rajshahi Division	8,943,982,682	8,141,876,301
Khulna Division	7,767,924,167	7,790,372,442
Barishal Division	596,112,603	577,879,803
Sylhet Division	1,271,000,541	1,314,010,646
Rangpur Division	7,908,243,925	7,324,142,891
Mymensingh	9,015,207,238	9,293,967,498
Total Inside Bangladesh	**151,769,614,422**	**151,968,053,141**
Outside Bangladesh	-	-
Total	**151,769,614,422**	**151,968,053,141**

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

	31.12.2019 Taka	31.12.2018 Taka
A. Unclassified loan:		
Standard	51,988,770,861	62,043,474,865
SMA	20,832,338,346	3,526,564,840
Sub-Total	**72,821,109,207**	**65,570,039,705**
B. Classified loan:		
Sub-standard	1,905,617,887	774,745,435
Doubtful	1,277,673,313	1,613,371,822
Bad and loss	75,765,214,015	84,009,896,179
Sub-Total	**78,948,505,215**	**86,398,013,436**
Total loans and advances (A+B)	**151,769,614,422**	**151,968,053,141**

7.7 Provision required for loans and advances

Status	Base for Provision	Rate %	31.12.2019 Taka	31.12.2018 Taka
Unclassified-General provision				
STAC & Micro Credit	626,511,791	2.5	6,174,936	11,892,279
SMA	16,965,513,988	0.25, 1, 2 & 5	1,937,070,832	46,217,438
Others (excluding staff loan)	49,014,438,655	0.25, 1 & 2	335,552,581	396,641,087
Staff loan	2,366,093,239	1	23,660,932	19,775,378
Sub-Total	**68,972,557,673**		**2,302,459,281**	**474,526,182**
Classified-specific provision				
Sub-standard	872,361,937	5 & 20	27,439,972	81,415,724
Doubtful	909,214,424	50	55,075,589	448,864,374
Bad/Loss	50,361,053,686	100	21,003,033,142	22,547,899,031
Sub-Total	**52,142,630,047**		**21,085,548,703**	**23,078,179,129**
Total Required provision as per Bangladesh Bank's approval			**23,388,007,984**	**23,552,705,311**
Total provision maintained			**23,388,007,984**	**23,552,705,311**
Excess/(short) provision as at 31 December			-	-

Note: Provision has been maintained by the Bank in accordance with Bangladesh Bank approval vide its Letter No. DBI-2(UBI-5)/2536/2020-884 dtd. 29 June 2020, Letter No. DBI-2(UBI-5)/2536/2020-823 dtd. 25 June 2020 and Letter No. BRPD (P-1)/ 661/13/2019-3332 dtd. 29 April 2019. As such, there is no un-approved provision shortfall of the Bank as on 31 December 2019 and as on 31 December 2018.

Details of provision may kindly be seen in Note 13.1 and 13.2

7.8 Listing of Assets Pledged as Security/Collaterals

Nature of the secured assets	31.12.2019 Taka	31.12.2018 Taka
Fixed Assets	128,946,138,756	125,879,051,691
Cash and quasi-cash	4,154,378,580	4,779,920,538
Others	6,670,838,001	7,230,414,885
	139,771,355,337	**137,889,387,114**

ahkc
Aziz Halim Khair Choudhury Chartered Accountants Dhaka

7.9 Particulars of Loans and Advances:

		31.12.2019 Taka	31.12.2018 Taka
(i)	Loans considered good in respect of which the banking company is fully secured;	55,524,535,966	47,450,160,927
(ii)	Loans considered good for which the banking company holds no other security other than debtor's personal guarantee;	8,191,928,125	6,703,839,878
(iii)	Loans considered good secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtor;	7,102,314,255	9,502,124,458
(iv)	Loans adversely classified ; provision not maintained thereagainst	-	-
		70,818,778,346	**63,656,125,263**
(v)	Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons	2,375,041,555	1,993,434,082
(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;	2,407,594,341	2,009,817,512
(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	75,765,214,015	84,009,896,179
	(a) (Decrease)/ Increase in provision	(1,992,630,426)	1,852,629,274
	Amount of loan written off	200,428,512	-
	Amount realized against loan previously written off	27,822,534	2,000,000
	(b) Amount of provision kept against loan classified as bad/loss	21,003,033,142	22,547,899,031
	(c) Interest credited to the interest suspense account	5,868,823,247	1,847,487,071
xi)	Amount of the written off loan:		
	(a) Cumulative amount of Written off loan	4,713,642,121	4,435,932,317
	(b) Amount written off during the current year	277,709,804	-
	(c) Amount of written off loan for which law suit has been filed	4,520,622,000	4,420,041,000

7.10 Bills Purchased and Discounted

	31.12.2019 Taka	31.12.2018 Taka
Payable in Bangladesh	626,954,699	754,815,475
Payable outside Bangladesh	201,694,030	102,621,348
	828,648,729	**857,436,824**

7.11 Maturity grouping of bills purchased & discounted

	31.12.2019 Taka	31.12.2018 Taka
Not more than 01 months	544,000,000	522,822,094
Above 01 months but not more than 03 months	262,900,000	293,711,047
Above 03 months but not more than 06 months	7,161,000	40,903,683
Above 06 months	14,587,729	-
	828,648,729	**857,436,824**

Aziz Halim Khair Choudhury Chartered Accountants ahkc Dhaka

		31.12.2019 Taka	31.12.2018 Taka
8. Fixed assets including premises, furniture & fixtures			
Own Assets			
Furniture and Fixtures		122,150,117	117,986,232
Interrior Decoration		342,238,533	323,151,627
Machinery and Equipment		370,050,053	351,222,650
Computer Hardware		434,183,569	309,786,155
Software		150,093,583	95,226,936
Motor Vehicles		381,654,870	381,654,870
		1,800,370,725	**1,579,028,470**
Less: Accumulated depreciation		1,330,697,343	1,269,814,004
		469,673,382	**309,214,466**
Leased Assets			
Leasehold Assets		4,000,000	4,000,000
Less: Accumulated depreciation		965,938	919,937
		3,034,062	**3,080,063**
		472,707,444	**312,294,529**

A Schedule of Fixed Assets is given in Annexure-D.

9. Other Assets

		31.12.2019 Taka	31.12.2018 Taka
i) Income generating		-	-
ii) Non-Income generating			
a) Stationery, stamps, printing materials etc.		20,823,168	21,146,283
e) Security deposits	Note 9.2	11,369,569	11,262,089
b) Advance rent		139,753,608	167,490,165
i) Advance for space of BASIC Zaman Tower		759,999,993	759,999,993
i) Advance for space of Banani		161,315,950	161,315,950
g) Other prepayments	Note 9.1	4,288,928	5,449,036
d) Advance income tax		60,860,247	82,161,251
c) Income receivable	Note 9.3	2,154,238,222	2,058,055,724
o) Deferred Tax Assets	Note 36	688,635,249	587,955,745
f) Suspense account	Note 9.4	51,280,927	109,885,599
j) Balance with Fakrul Islam securities		20	20
k) ICB Securities Trading Co. Ltd.		8,572,706	7,715,611
l) Branch adjustment account		78,531,548	-
m) Sundry debtors	Note 9.5	699,357,104	480,786,020
n) Subs fees of Dun Breadstreet			
p) Position Clearing(Net)		78,048,097	-
q) Position General Ledger (Net)		-	676,888,034
		4,917,075,336	**5,130,111,520**

9.1 Other prepayments:

	31.12.2019 Taka	31.12.2018 Taka
Total Other Prepayments	5,576,036,773	1,013,995,805
Less Advance against proposed branch	-	-
Less advance loan loss provision	(4,529,062,746)	(342,377)
Less Loss on amortization of HTM	(121,369,156)	(86,888,449)
Less Advance prepayment HO and Main Br.	(921,315,943)	(921,315,943)
	4,288,928	**5,449,036**

ahkc

Aziz Halim Khair Choudhury Chartered Accountants Dhaka

	31.12.2019 Taka	31.12.2018 Taka

9.2 Security deposits

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

9.3 Income receivable

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

9.4 Suspense account

Suspense account consists of Excise Duty and petty cash etc.

9.5 Sundry Debtors

1) Protested Bill:
a)BCCI:

	31.12.2019 Taka	31.12.2018 Taka
Protested bill, Main branch	6,535,880	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	620	592
Sub total	**8,597,247**	**8,597,219**
a)Protested bill for SWIFT	20,244,921	20,244,921
b) Protested Bill -Lawyers' Fee	3,940,000	3,940,000
c) Protested Bill -Bangshal Branch- Shahadat Hossain	11,198,036	11,198,036
Grand Total	**43,980,204**	**43,980,176**

1) Other Sundry Debtors	48,703	1,000,611
2) Advance Cash Incentives-Remittance	7,761	-
3) Encashment of Sanchaya Patra	654,763,614	435,773,733
4) Encashment of Bond	536,822	-
5) Cash Shortage	20,000	20,000
6) Sundry Assets -Others	-	11,500
	655,376,900	**436,805,844**
	699,357,104	**480,786,020**

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

10. Non-banking Assets

Income generating non-banking assets	-	-
Non-income generating non-banking assets (Note 10.01)	23,858,490	-
	23,858,490	-

10.01 Non-income generating non-banking assets

Land	8,219,490	-
Building	15,639,000	-
	23,858,490	-

Total non-banking assets of the Bank has been held since July 23, 2019.

11 Borrowings from other banks, financial institutions and agents

In Bangladesh	Note 11.1	5,724,709,027	5,949,994,830
Outside Bangladesh	Note 11.2	1,590,733,823	2,066,781,753
		7,315,442,850	**8,016,776,583**

11.1 In Bangladesh(a+b+c)

a) Money at call and on short notice

Rupali Bank Ltd	-	500,000,000
Sonali Bank Ltd	-	190,000,000
Sub total	-	**690,000,000**

b) Term borrowing:

Rupali Bank Ltd.	1,000,000,000	2,000,000,000
Agrani Bank Ltd.	2,500,000,000	3,000,000,000
Sonali Bank	2,000,000,000	-
Sub-total	**5,500,000,000**	**5,000,000,000**

ahkc

	31.12.2019 Taka	31.12.2018 Taka
c) Term Borrowing		
Bangldesh Bank Refinance Loan for House building	62,547,431	68,886,754
Refinance scheme of Bangladesh Bank for Tk. 10 Account	9,367,500	542,500
Refinance scheme of Bangladesh Bank for Jute Sector	-	70,000,000
Milk Production and Artificial Inseminaition	50,000,000	50,000,000
Financing Brick Kiln Efficiency Improvement Project	102,794,096	70,565,576
Sub-total	**224,709,027**	**259,994,830**
Total	**5,724,709,027**	**5,949,994,830**

11.2 Outside Bangladesh

a)Demand Borrowing

Demand Borrowing- Foreign Currency	-	244,665,634
Sub-Total	-	**244,665,634**

b)Term Borrowing

Loan for Micro Credit and Small Scale Industries (KfW, Germany)	153,379,147	153,379,147
Second Crop Diversification Project	866,463,650	968,400,550
Agro business Development Project of ADB	570,891,026	700,336,422
Sub-Total	**1,590,733,823**	**1,822,116,119**
Grand Total	**1,590,733,823**	**2,066,781,753**

11.3 Overall transaction of Reverse Repo:

	2019		2018	
Securities bought under repo:	Minimum outstanding during the year	Maximum outstanding during the year	Minimum outstanding during the year	Maximum outstanding during the year
i) with Bangladesh Bank	Nil	Nil	Nil	Nil
ii) with other banks & NBFIs	Nil	3,066,097,045	Nil	2,050,706,460

11.4 Overall transaction of Repo:

	2019		2018	
Securities bought under repo:	Minimum outstanding during the year	Maximum outstanding during the year	Minimum outstanding during the year	Maximum outstanding during the year
i) with Bangladesh Bank	Nil	4,030,076,307	Nil	455,156,773
ii) with other banks & NBFIs	Nil	4,029,605,907	Nil	772,966,477

12. Deposits & Other Accounts

Non-Interest bearing Accounts	Note 12.1	6,596,321,268	6,359,717,146
Interest bearing Account	Note 12.2	131,711,024,666	125,461,865,787
		138,307,345,934	**131,821,582,933**

12.1 Non-Interest bearing Accounts

Current and Other Accounts	Note 12.1.1	5,673,298,189	5,471,080,062
Bills Payable	Note 12.1.2	923,023,079	888,637,084
		6,596,321,268	**6,359,717,146**

12.1.1 Current and Other Accounts

Current Account	3,307,804,590	3,179,810,077
Margin Deposit	1,571,739,686	1,523,344,821
Sundry/Other Deposit	793,753,913	767,925,164
	5,673,298,189	**5,471,080,062**

ahkc
Aziz Halim Khair Choudhury Chartered Accountants Dhaka

		31.12.2019 Taka	31.12.2018 Taka
12.1.2 Bills Payable			
Payment Order		919,615,638	884,800,676
Demand Draft		3,407,441	3,836,408
		923,023,079	**888,637,084**
12.2 Interest bearing Account			
Savings Bank Deposits	Note 12.2.1	7,337,426,904	6,373,035,687
Fixed Deposits,SND,Other Deposit Scheme	Note 12.2.2	124,203,602,995	118,885,828,039
Current Deposit		169,994,767	203,002,061
		131,711,024,666	**125,461,865,787**
12.2.1 Savings Bank Deposits			
Savings Account		7,337,426,904	6,373,035,687
		7,337,426,904	**6,373,035,687**
12.2.2 Fixed Deposits			
Short Notice Deposits		17,221,096,637	12,507,867,634
Term Deposits		101,567,590,496	101,483,646,084
Other Deposit Scheme		5,414,915,862	4,894,314,321
		124,203,602,995	**118,885,828,039**
12.3 Maturity Grouping of other deposits & inter-bank deposits			
Deposit from Bank			
Repayable on demand		1,492,937	2,023,022
Repayable within 1 month		84,848,099	1,016,183
Above 01 Month but not more than 6 Months		125,324,507	547,176
Above 6 Month but not more than 1 Year		-	-
Above 01 Year but not more than 05 Years		-	-
Above 05 Years but not more than 10 Years		-	-
Above 10 Years		-	-
		211,665,543	**3,586,381**
Other Deposits			
Payable on Demand		1,324,507,063	1,009,876,978
Less than 01 Month		22,483,351,901	21,015,183,817
Above 01 Months but not more than 6 Months		48,196,975,493	46,117,352,824
Above 06 Months but not more than 01 Year		39,212,100,000	39,728,500,000
Above 01 year but not more than 05 Years		25,650,500,000	22,694,300,000
Above 05 years not more than 10 years		1,228,245,934	1,252,782,932
Above 10 years		-	-
		138,095,680,391	**131,817,996,551**
		138,307,345,934	**131,821,582,932**
13. Other liabilities			
Provision for Loans and Advances	Note 13.1	23,388,007,984	23,552,705,311
Provision for Off Balance Sheet Exposures	Note 13.2	126,143,283	134,051,934
Provision for other assets	Note 13.3	1,781,330,748	1,781,330,748
Provision for Investment	Note 13.4	439,378,730	256,606,155
Provision for Balance with other Banks and NBFIs	Note 13.5	300,000,000	300,000,000
Interest Suspense Account	Note 13.6	12,529,843,679	11,259,382,781
Provision for Ex-gratia/Incentive Bonus	Note 13.7	7,688,066	7,886,426
Provision for Gratuity	Note 13.8	32,936,752	153,941,882
Provision for Welfare Fund		14,253,367	14,253,367
Provision for Benevolent Fund		5,000,000	5,000,000
Provision for Superannuation Fund		5,000,000	10,000,000
Provision for Current Taxes	Note 35	617,696,076	555,460,908
Provision for Expenses Payable	Note 13.9	36,578,728	35,250,644
Provision for stationary		350,907	206,528
Interest Accrued and Payable on Deposits		2,226,725,741	2,128,222,737
Interest Payable on Borrowing		263,585,455	155,635,721
Privileged Creditors		360,280,540	256,070,351
Deposit Insurance Premium Payable		9,612,448	8,228,445
Branch Adjustment Account		-	11,898,404
Position Clearing(Net)*		-	676,269,908
Position General Ledger(Net)*		80,963,075	-
Sundry Creditors		49,843,518	30,321,396
Miscellaneous Creditors	Note 13.10	10,816,108	8,005,851
		42,286,035,205	**41,340,729,496**

ahkc
Dhaka

	31.12.2019 Taka	31.12.2018 Taka

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

13.1 Provision for Loans and Advances

		31.12.2019 Taka	31.12.2018 Taka
Classified Loan	Note 13.1.1	21,085,548,703	23,078,179,129
Unclassified Loan	Note 13.1.2	2,302,459,281	474,526,182
Provision held at the end of the year		**23,388,007,984**	**23,552,705,311**

13.1.1 Provision for Classified Loan

	31.12.2019 Taka	31.12.2018 Taka
Provision held at beginning of the year	23,078,179,129	21,225,549,855
Fully Provided Debt Written off/Interest Waived	(200,428,512)	-
Recovery from Earlier Written off Loan	27,822,534	2,000,000
Provision transferred to provision for unclassified loans	(1,827,933,099)	-
Provision transferred from provision for unclassified loans	-	92,027,836
Transferred from provision for Off Balance Sheet Items	7,908,651	-
Provision made during the year	-	1,758,601,438
Provision held at the end of the year	**21,085,548,703**	**23,078,179,129**

Note: Provision has been maintained by the Bank in accordance with Bangladesh Bank approval vide its Letter No. DBI-2(UBI-5)/2536/2020-884 dtd. 29 June 2020, Letter No. DBI-2(UBI-5)/2536/2020-823 dtd. 25 June 2020 and Letter No. BRPD(P-1)/661/13/2019-3332 dtd. 29 April 2019.

13.1.2 Provision for Unclassified Loan

	31.12.2019 Taka	31.12.2018 Taka
Provision held at beginning of the year	474,526,182	566,554,018
Provisions no longer required/adjusted	-	(92,027,836)
Provision transferred from provision for classified loans	1,827,933,099	-
Provision made during the year	-	-
Provision held at the end of the year	**2,302,459,281**	**474,526,182**

13.2 Provision for off Balance Sheet Items

	31.12.2019 Taka	31.12.2018 Taka
Provision held at beginning of the year	134,051,934	127,178,725
Provision transferred to provision for classified loans	(7,908,651)	-
Provision made during the year	-	6,873,209
Provision held at the end of the year	**126,143,283**	**134,051,934**

A provision of Taka 126,143,283 has been made @1.00% on total off-balance sheet exposures of the Bank which will be treated as supplementary capital of the Bank.

13.3 Provision for other assets:

	31.12.2019 Taka	31.12.2018 Taka
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-Shantinagaar	1,053,000	1,053,000
Unadjusted suspense account-Chitalmari	2,600	2,600
Unadjusted suspense account-Chowmuhana	114,698	114,698
Suspense Account (Head Office)-Medical Bill	1,149,263	1,149,263
Suspense Account (Head Office)-ETECH	475,327	475,327
Income Receivable	810,713,397	810,713,397
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
Provision for protested bill-Shahadat Hossain_Bangshal	11,198,035	11,198,035
Total required provision	**1,781,330,748**	**1,781,330,748**
Provision held at the beginning of the year	1,781,330,748	1,781,330,748
Less: Adjustment during the year	-	-
Provision made during the year	-	-
Provision held at the end of the year	**1,781,330,748**	**1,781,330,748**
Total Provision excess/(shortfall)	-	-

Aziz Halim Khair Choudhury Chartered Accountants Dhaka ahkc

	31.12.2019 Taka	31.12.2018 Taka
13.4 Provision for Investment		
Provision Required:		
Provision for Investment in Shares of Listed Companies	429,625,679	251,104,395
Provision for Investment in ICB AMCL 2nd NRB Unit Fund	5,551,291	-
Provision for Investment in Equity of Grameen IT Park Limited	4,201,760	4,201,760
Provision for Investment in Treasury Bill	-	1,300,000
Total Provision Required	**439,378,730**	**256,606,155**
Provision Maintained:		
Opening Balance	256,606,155	4,201,760
Add: Provision made during the year	182,772,575	252,404,395
Closing Balance	**439,378,730**	**256,606,155**
Excess Provision/Provision Shortfall	-	-
13.5 Provision for Balance with other Banks and NBFIs		
Provision for FDR with BIFC Limited	300,000,000	300,000,000
Total Required Provision	**300,000,000**	**300,000,000**
Opening Balance of Maintained Provision	300,000,000	-
Provision made during this year	-	300,000,000
Closing Balance of Maintained Provision	**300,000,000**	**300,000,000**
Excess Provision/Provision Shortfall	-	-
13.6 Interest Suspense Account		
Balance at the beginning of the year	11,259,382,781	10,070,939,185
Amount transferred to Interest Suspense account during the Year	5,868,823,247	1,828,872,136
Amount recovered from Interest Suspense account during the Year	(4,598,362,349)	(659,043,475)
Suspense Written off/Waived During the Year	-	-
	12,529,843,679	11,240,767,846
Add: Transferred from Interest Income account as per auditor's advice	-	18,614,935
Balance at the end of the year	**12,529,843,679**	**11,259,382,781**
13.7 Provision for Ex-gratia/Incentive Bonus		
Opening Balance	7,886,426	7,886,426
Less: Arrear payment to Mr. Syed Mosahed (ID#1078), DGM	198,360	-
Closing Balance	**7,688,066**	**7,886,426**
13.8 Provision for Gratuity		
Opening Balance	153,941,882	145,023,833
Less: Transferred to Gratuity Fund Savings Account	153,941,882	145,023,833
	-	-
Add: Provision made for the current year	32,936,752	153,941,882
Closing Balance	**32,936,752**	**153,941,882**
Required Balance of the fund as on 31 December	1,579,247,841	1,370,344,904
Balance as on 31 December	1,526,311,089	1,216,403,022
Incremental requirement for the year	**52,936,752**	**153,941,882**
Excess/(Short) Provision for Gratuity	**(20,000,000)**	-

Aziz Halim Khair Choudhury Chartered Accountants Dhaka
ahkc

	31.12.2019 Taka	31.12.2018 Taka

13.9 Provision for Expenses Payable:

Provision for telephone-office and residence	630,915	632,699
Provision for electricity expenses	2,134,399	1,573,673
Provision for water, gas and sewerage	660,306	341,684
Provision for postage expenses	8,500	2,032
Provision for advertisement	100,000	300,000
Provision for rent	5,144,262	1,870,780
	-	-
Provision for repairs, improvement and maintenance	452,139	484,965
Provision for on-line Banking expenses	95,748	95,748
Provision for various audit fees	1,006,250	1,006,250
Provision for vehicle expenses	191,370	66,400
Loan installment payable	560,507	326,507
Other provision for expenses	25,594,332	28,549,906
	36,578,728	**35,250,644**

13.10 Miscellaneous creditors:

Misc. Creditors as per affairs (59930000)	28,318,418,534	21,941,614,844
Less: Special Reserve-BCCI	(7,782,258)	(7,782,258)
Less: Provision for investment	(256,606,155)	(4,201,760)
Less:Audited Loan Loss Provision	(23,486,328,733)	(21,919,282,599)
Less:Unaudited Loan Loss Provision	(4,529,062,746)	(342,377)
Less: Loan Loss Provision-Recovery of Written Off Loan	(27,822,534)	(2,000,000)
	10,816,108	**8,005,851**

13.11 Branch adjustments acount represents outstanding inter branch and head office transaction (Net) originated. The un - responded entries of 31 December 2019 are given below:

Particulars	No. of Un-responded entries		Amount of Un-responded entries	
	Dr.	Cr.	Dr.	Dr.
Up to 03 Months	182	212	339,376	339,376
Over 03 Month but within 06 Months	13	-	24,250	24,250
Over 06 Month but within 01 Year		-	-	-
Over 01 Year but within 05 Years		-	-	-

14. Capital

14.1 Authorized

5,500,000,000 ordinary shares of Tk 10.00 each	**55,000,000,000**	**55,000,000,000**

14.2 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 Tk. 10.00 each	**10,846,982,500**	**10,846,982,500**

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

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

In terms of section 13(1) of Bank Company Act 1991 (amendment 2013) and Bangladesh bank BRPD Circular No. 18 dated 21 December 2014 required capital, available Tier I and Tier II capital of the Bank for the period ended as on 31 December 2019 is shown below:

Tier-1 capital:
Common Equity Tier-1

Paid up Capital	10,846,982,500	10,846,982,500
Statutory Reserve	2,224,690,642	2,224,690,642
General Reserve	40,000,000	40,000,000
Retained Earnings	(33,324,661,185)	(30,062,427,334)
Share Money Deposit	26,000,000,000	26,000,000,000
	5,787,011,957	**9,049,245,808**

ahkc
Aziz Halim Khair Choudhury Chartered Accountants Dhaka

	31.12.2019 Taka	31.12.2018 Taka
Less :Regulatory adjustments:		
Provision Shortfall for loans and advance	-	-
Deferred tax assets	(688,635,249)	(587,955,745)
Total adjustments	**(688,635,249)**	**(587,955,745)**
	5,098,376,708	**8,461,290,063**
Additional Tier- 1 Capital		
Non-qumulative irredeemable preference share	**1,205,000,000**	**1,205,000,000**
Total Tier-1 capital	**6,303,376,708**	**9,666,290,063**
Tier-2 capital		
General Provision Maintained against Unclassified Loan	2,302,459,281	474,526,182
Provision for Off -Balance Sheet Items	126,143,283	134,051,934
Exchange Equalization	-	-
Revaluation Reserve of HTM and HFT Securities*	-	27,727,002
	2,428,602,564	**636,305,118**
Total regulatory capital (Tier-1 + Tier-2)	**8,731,979,272**	**10,302,595,181**
A. Total regulatory Capital (Tier-1 + Tier-2)		
Total Capital (Tier-1)	6,303,376,708	9,666,290,063
Total Capital (Tier-2)**	2,428,602,564	636,305,118
Total Eligible Capital (Tier-1 + Tier-2)	**8,731,979,272**	**10,302,595,181**
B. Risk Weighted Assets		
Balance Sheet Business	129,146,164,013	120,311,620,337
Off- Balance Sheet Business	4,663,704,114	4,591,823,948
Total Risk-weighted Assets	133,809,868,127	**124,903,444,285**
C. Required Capital on Risk Weighted Assets (10% on Total Risk Weighted Assets)	13,380,986,813	**12,490,344,429**
D. Capital Surplus / (Shortfall) under MCR [A-C]	(4,649,007,541)	**(2,187,749,247)**
Capital to Risk Weighted Asset Ratio (CRAR)	**6.53%**	**8.25%**

*As per Basel-III Guidelines of Bangladesh Bank, required Capital Conservation Buffer (CCB) is 2.50% of Total RWA for the year 2019, which was 1.875% of Total RWA for the year 2018.

**Provision maintained and capital calculated by the Bank in accordance with Bangladesh Bank approval vide its Letter No. DBI-2(UBI-5)/2536/2020-884 dtd. 29 June 2020, Letter No. DBI-2(UBI-5)/2536/2020-823 dtd. 25 June 2020 and Letter No. BRPD(P-1)/661/13/2019-3332 dtd. 29 April 2019.

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:

ahkc Dhaka

	31.12.2019 Taka 2019	31.12.2018 Taka 2018
Opening Revaluation Reserve	138,635,011	138,635,011
Less: Adjustment (100%, 80% of 138,635,011)	138,635,011	110,908,009
Closing Revaluation Reserve	-	**27,727,002**

15. Statutory Reserve

Opening Balance at the Beginning of the Year	2,224,690,642	2,224,690,642
Add: Addition During the Year (20% of pre-tax Profit)	-	-
Closing Balance at the End of the Year	**2,224,690,642**	**2,224,690,642**

As per section 24 of Bank Companies Act 1991, no amount was transferred to statutory reserve in 2017 and 2018 as there was no pre-tax profit.

16 Other Reserve

General Reserve	40,000,000	40,000,000
Investment Revaluation Reserve	15,129,552	127,078,596
Share Money deposit	26,000,000,000	26,000,000,000
5% Non-cumulative preference share/Other Free Reserve	1,205,000,000	1,205,000,000
	27,260,129,552	**27,372,078,596**

16.1 General Reserve

Opening Balance at the Beginning of the Year	40,000,000	40,000,000
Add: Addition During the Year	-	-
Closing Balance at the End of the Year	**40,000,000**	**40,000,000**

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

16.2 Investment Revaluation Reserve (Treasury Bills & Treasury Bonds)

Gain on revaluation(63881110)	Note 16.2.2	123,631,883	207,264,892
Amortization of discount of HTM(63891110)	Note 16.2.1.a	12,866,825	6,702,153
		136,498,708	**213,967,045**
Less:Loss on amortization of HTM Sec.(40108140)	Note 16.2.1.b	121,369,156	86,888,449
		15,129,552	**127,078,596**

16.2.1 a. Revaluation Reserve for Held to Maturity (HTM)

Opening Balance at the Beginning of the Year	6,702,153	5,567,593
Add: Addition During the Year	6,164,672	2,694,031
	12,866,825	**8,261,624**
Less : Realization of gain due to maturity of HTM bond	-	1,559,471
Closing Balance at the End of the Year	**12,866,825**	**6,702,153**

16.2.1 b. Loss on revaluation/amortization of Held to Maturity (HTM)

Opening Balance at the Beginning of the Year	86,888,449	70,449,819
Add: Addition During the Year	34,538,497	33,392,498
	121,426,946	**103,842,317**
Less : Adjustment (due to maturity/rectification) during the year	57,790	16,953,868
Closing Balance at the End of the Year	**121,369,156**	**86,888,449**

Aziz Halim Khair Choudhury Chartered Accountants Dhaka.

		31.12.2019 Taka	31.12.2018 Taka
16.2.2	**Revaluation Reserve for Held for Trading (HFT)**		
	Opening Balance at the Beginning of the Year	207,264,892	178,779,447
	Add: Addition During the Year	180,583,378	811,966,286
		387,848,270	**990,745,733**
	Less :Adjustment (due to maturity of HFT Bond and Reverse Repo) during the yea	219,488,037	764,728,513
	Less :Adjustment (due to Repo Transaction) during the year	44,728,350	18,752,328
	Closing Balance at the End of the Year	**123,631,883**	**207,264,892**
17.	**Surplus in Profit and Loss Account**		
	Opening Balance	(30,062,427,334)	(26,523,475,722)
	Rectification of wrongly transferred to Suspense Account_Dilkusha Br.	6,800,000	-
	Profit during the Year	(3,269,033,852)	(3,538,951,612)
	Cash Dividend Paid During the Year	-	-
	Issuance of Bonus Share	-	-
	Surplus in Profit and Loss Account during the year	**(33,324,661,185)**	**(30,062,427,334)**
17.1	**Item-Wise Profit and Loss Account**		
	Income:		
	Interest, Discount and Similar Income	7,451,956,619	8,654,698,636
	Dividend Income	41,995,774	47,620,774
	Fees, Commission and Brokerage	852,996,783	737,747,082
	Gains less Losses Arising from Dealing in Foreign Crrencies	-	-
	Income from Non-Banking Assets		
	Other Operating Income	142,167,395	146,370,682
	Total Income	**8,489,116,571**	**9,586,437,174**
	Expenses:		
	Interest, Fee and Commission	8,470,737,709	7,721,878,671
	Losses on Loans and Advances		
	Administrative Expenses	2,382,015,154	2,373,568,225
	Other Operating Expenses	640,476,877	633,990,083
	Depreciation on Banking Assets	62,420,150	57,566,719
	Total Expenses	**11,555,649,890**	**10,787,003,699**
	Profit Before Tax and Provision	**(3,066,533,319)**	**(1,200,566,525)**
18.	**Contingent Liabilities**		
	Local Bills for Collection	458,989	663,489
	Foreign Bills for Collection	803,660,464	954,241,178
	Letters of Guarantee — Note 18.1	4,518,967,440	2,402,965,312
	Irrevocable Letters of Credit	4,896,726,869	7,492,696,766
	Back to Back L/C	926,656,849	1,156,362,841
	Acceptances and Endorsements	2,271,977,150	2,353,168,476
	Travellers Cheques Stock	42,450	41,950
	Value of Wage Earners Bond in Hand and others	57,764,000	57,104,000
	Miscellaneous- Revolving Fund	862,583,167	398,170,966
		14,338,837,378	**14,815,414,978**
18.1	**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	3,578,127,735	1,503,366,573
	Bank and Other Financial Institutions	576,500	576,500
	Others	940,263,204	899,022,239
		4,518,967,439	**2,402,965,312**
19.	**Interest income**		
	Interest on Loans and advances	6,054,204,548	6,257,011,822
	Interest on money at call and short notice	24,005,139	103,493,944
	Interest on placement with Banks	8,048,771	119,656,138
	Interest on foreign currency balance	1,515,918	381,321
		6,087,774,376	**6,480,543,224**
	Less: Transferred to Interest Suspense account as per auditor's advice	-	(18,614,935)
	Less: Interest Waiver & Interest Rebate	-	-
		6,087,774,376	**6,461,928,289**

ahkc
Dhaka

	31.12.2019 Taka	31.12.2018 Taka
20. Interest paid on deposits and borrowings etc.		
On Savings Bank Deposit (note 20.1)	234,928,257	208,981,379
On Short Notice Deposit	596,053,380	506,327,379
On Fixed Deposit (note 20.2)	6,603,251,801	6,158,398,067
On Current Deposit	2,444,611	2,350,860
Other Deposits and deposit schemes (note 20.3)	492,384,909	442,693,025
On Borrowing from Bangladesh Bank and other financial institutions (note 20.4)	541,674,751	403,127,961
	8,470,737,709	**7,721,878,671**
20.1 On Savings bank deposit:		
On Savings Bank Deposit	226,322,811	201,296,807
On School Banking Scheme	5,943,322	6,037,277
On Krishok Savings Account	855,909	892,917
On RMG Worker Account	177,459	171,939
On Leather Industry Worker	847	971
On Pothopushpo Savings Account	3,680	5,028
On Muktijoddhashpo Savings Account	85,259	108,689
On BASIC Chalantika	60,248	43,123
On Trinomul Savings Account	1,478,722	424,628
	234,928,257	**208,981,379**
20.2 On Fixed deposit:		
Interest paid on Fixed deposit	6,097,680,370	5,477,928,158
Interest paid on Century Deposit scheme	1,791,374	-
Interest paid on double benefit scheme	363,554,890	357,287,728
Interest paid on Super double benefit scheme	42,205,900	243,177,029
Interest paid on Monthly Benefit Scheme	28,716,368	43,103,940
Interest paid on BASIC twofold winner scheme	26,813,237	12,140,111
Interest paid on monthly gainer scheme	42,489,662	24,761,101
Total	**6,603,251,801**	**6,158,398,067**
20.3 Other Deposits and deposit schemes		
Interest paid on BASIC Fortune	16,145,869	16,765,134
Interest paid on BASIC Fortune Plus	374,708,518	372,803,362
Interest paid on BASIC Swapono puron	3,062,484	1,795,360
Interest paid on BASIC DPS Plus	99,078,540	51,493,781
Less: Penal Interest recovered on Deposit Scheme	(610,502)	(164,612)
	492,384,909	**442,693,025**
20.4 Interest on Borrowings		
Interest on Bangladesh Bank refinance-Brick Kiln	3,720,495	2,156,169
Interest on Bangladesh Bank refinance-Jute sector	2,269,443	3,441,668
Interest on Bangladesh Bank refinance-Milk Production	2,648,626	2,059,674
Interest on Bangladesh Bank refinance- HBL	3,306,677	3,667,216
Interest on borrowing on B.B refinance for Tk. 10 account holders	176,423	480,042
Interest on Repo-Bangladesh Bank	54,555,074	1,292,308
Interest on Term Borrowing	385,680,556	319,238,333
Interest on Short Term Borrowing	7,190,278	-
Interest on Borrowing-Call Money	27,333,611	5,374,028
Interest on Term Loan KFW	5,368,264	5,368,266
Interest on Borrowing-ADB Loan	22,252,748	26,792,210
Interest on SME Refinance (ADB Fund-2)	-	175,068
Interest on Second Crop Diversified Project-ADB	27,172,556	30,132,266
Interest on borrowing outside Bangladesh	-	2,950,713
	541,674,751	**403,127,961**
21. Investment income		
On GT Bill, Bangladesh Bank Bill and GT Bond, Reverse Repo e (Note 21.1)	2,042,235,362	2,257,869,682
Dividend on Shares	41,995,774	47,620,774
On Other Investment	-	8,000,000
Profit on sale of investment (note 21.2)	490,228,542	787,441,533
	2,574,459,678	**3,100,931,989**
Less: Interest Paid for Purchase of Treasury Bill	27,519,904	33,897,569
Less: Loss on sale of investment	122,924,578	17,123,209
Less: Loss on investment	102,761	-
Less: Loss on revaluation of HFT securities	1,017,734,418	809,520,090
	1,168,281,661	**860,540,868**
Total	**1,406,178,017**	**2,240,391,121**

Aziz Halim Khair Choudhury Chartered Accountants Dhaka

	31.12.2019 Taka	31.12.2018 Taka
21.1 On Government Treasury Bill and Bond		
Interest on GT bond	2,038,517,970	2,250,838,713
Interest on Reverse repo	3,717,392	6,078,279
Amortization of discount-Bill	-	952,690
Total	**2,042,235,362**	**2,257,869,682**
21.2 Profit on sale of investment		
Profit on sale of HFT Securities	44,790,987	21,066,073
Profit on sale of Share	8,878,970	54,324
Profit on Repo trading	436,558,585	766,321,136
Total	**490,228,542**	**787,441,533**

22. Commission, exchange and brokerage

	31.12.2019 Taka	31.12.2018 Taka
Foreign bill purchased	98,629	359,772
Local Bill Purchased	3,865,703	4,228,470
Remittance	2,624,135	2,872,680
Letter of Guarantee	46,697,593	41,727,536
Letter of Credit	144,039,596	151,148,282
Bills for Collection	10,082,670	10,030,823
Acceptances and endorsement	42,057,397	43,032,605
Export Bill	9,850,081	9,980,251
Exchange gain net of exchange loss (22.1)	549,318,898	423,838,082
Commission on sale of instruments	3,713,714	-
Other Commission	40,648,367	-
Miscellaneous (includes commission on sale of PSP,TC)	-	50,528,583
	852,996,783	**737,747,082**

22.1 Exchange gain net of exchange loss

	31.12.2019 Taka	31.12.2018 Taka
Exchange Earning	653,489,236	524,273,105
Less: Exchange Loss	104,170,338	100,435,023
	549,318,898	**423,838,082**

Note: Exchange gain/profit(loss) on exchange trading has been net of which was shown seperately in earlier years.

23. Other operating income

	31.12.2019 Taka	31.12.2018 Taka
Various Fees	7,958,205	8,843,430
Rent (Go-down and locker)	1,220,000	1,013,978
Recoveries from client and staffs	45,801,219	46,978,810
Service and other Charges	65,173,658	66,430,421
Income from on-line client serrvices	3,054,754	3,196,799
Income from ATM/Card services	2,403,437	2,283,262
Expoprt L/C advising, handling,transfer charges etc.	6,948,334	7,200,930
Income from non banking asset	-	-
Miscellaneous income (note 23.1)	9,605,502	10,416,269
Profit on Sale of Fixed Assets (note 23.2)	2,286	6,783
	142,167,395	**146,370,682**

23.1 Miscellaneous Income:

	31.12.2019 Taka	31.12.2018 Taka
Discount	-	3,250
Project Examination Fee	230,000	465,000
Other Operating Income	9,374,702	9,943,019
Other Non-operating Income	800	5,000
	9,605,502	**10,416,269**

23.2 Profit on sale of fixed assets:

	31.12.2019 Taka	31.12.2018 Taka
Cost of assets sold	1,638,625	97,500
Less: Accumulated depreciation of assets sold	1,490,852	94,164
Book value of assets sold	147,773	3,336
Sale value of fixed assets sold	150,059	10,119
Profit on sale of fixed assets	**2,286**	**6,783**

24. Salary and Allowances

	31.12.2019 Taka	31.12.2018 Taka
Salaries (note 24.1)	918,823,032	872,004,698
Allowances (note 24.2)	1,044,225,012	1,007,571,712
Provident Fund	88,401,793	84,533,371
Benevolent Fund	5,000,000	5,000,000
Gratuity Fund	152,936,752	233,941,882
Pension Fund	242,158	-
Bonus	165,022,536	155,676,563
Superannuation Fund	5,000,000	10,000,000
	2,379,651,283	**2,368,728,225**

ahkc Dhaka

	31.12.2019 Taka	31.12.2018 Taka
Note 24.1: Salaries:		
Salary-Basic salary	897,071,144	851,418,819
MD's Salary	(1,535,484)	(2,100,000)
Wages sub-staff	615,114	578,671
Casual wages menial staff	22,672,258	22,107,208
Total	**918,823,032**	**872,004,698**
Note 24.2: Allowances:		
Allowances	969,621,533	938,545,617
MD's Allowance	(548,387)	(2,300,000)
Leave Fare Assistance	75,151,866	71,326,095
Total	**1,044,225,012**	**1,007,571,712**
25. Rent, Taxes, Insurance, Electricity Etc.		
Rent	260,585,613	264,156,284
Rates, Taxes and VAT	3,125,383	3,597,236
Utilities/Electricity and Heating	46,671,982	44,649,901
Insurance	28,667,156	25,793,805
	339,050,134	**338,197,226**
26. Legal & Professional Expenses		
Legal Expense (note 26.1)	19,837,427	17,375,233
Professional Fees (note 26.2)	511,000	2,060,890
	20,348,427	**19,436,123**
26.1 Legal Expenses:		
Lawyers fees	3,336,354	4,630,518
Law Charges	2,834,737	2,336,859
Stamp Charges and Court Fees	36,046	949,453
Other Legal expenses	13,593,700	9,444,603
Other Professional expenses	36,590	13,800
	19,837,427	**17,375,233**
26.2 Professional Expenses:		
Consultancy Fee	288,500	627,700
Management fees	50,000	-
Other Professional Fee	172,500	1,433,190
	511,000	**2,060,890**
27. Postage, Stamps, Telecommunication Etc.		
Postage	96,411	90,081
Courier Services	7,158,901	7,589,688
Telephone	23,409,494	23,473,104
Fax	12,473	18,755
Swift Subscription and cable Charges and web hosting charge	9,266,511	11,069,769
Stamp	16,280	76,500
Internet and E-mail	689,615	1,314,158
	40,649,685	**43,632,054**
28. Stationery, Printing, Advertisement Etc.		
Printing Stationery	5,556,250	6,347,157
Security Stationery	2,749,762	2,875,364
Publicity, Advertisement and publication	2,150,392	1,460,334
Other Stationery (note 28.1)	22,936,420	23,203,292
	33,392,824	**33,886,147**
28.1 Other Stationery		
Office Stationary	6,139,512	5,810,432
Petty Stationary	50,914	41,375
Photograph and Photocopy	222,528	389,652
Crokery and utinsils	622,611	468,672
Other Stationary	9,449,879	8,995,615
Calendar	5,462,738	5,512,720
Annual Report	154,000	277,070
Greeting cards	32,250	165,750
Other greeting items	9,280	39,515
Invitation Card	94,160	2,576
Other printing expenses	698,548	1,499,915
Total	**22,936,420**	**23,203,292**

ahkc
Dhaka

	31.12.2019 Taka	31.12.2018 Taka

29. Managing Director's Salary

	31.12.2019 Taka	31.12.2018 Taka
Basic Salary	1,535,484	2,100,000
Allowances and Bonus (note: 29.1)	828,387	2,740,000
	2,363,871	4,840,000

29.1 Managing Director's Alloawances and Bonus

	31.12.2019 Taka	31.12.2018 Taka
House Rent	274,193	1,050,000
Medical	137,097	-
Entertainment	137,097	420,000
House Maint.	-	420,000
Staff Subsidy	-	210,000
Leave Fare Assistance	-	200,000
Total Allowances	**548,387**	**2,300,000**
Bonus	280,000	440,000
Total	**828,387**	**2,740,000**

30. Directors' Fees & Meeting Expebses

	31.12.2019 Taka	31.12.2018 Taka
Directors Honorarium*	2,208,000	2,224,000
VAT on directors fee	330,000	387,600
Directors Remuneration**	360,000	360,000
	2,898,000	2,971,600

Each member of the board of directors of the Bank was paid honorarium of Tk. 8,000/- per meeting.

*****Remuneration was paid to the honorable chairman of the board of directors of the Bank @ Tk. 30,000/- per month.***

31. Depreciation of Bank's Assets

	31.12.2019 Taka	31.12.2018 Taka
Depreciation on own Assets		
Furniture and Fixture	5,446,704	5,588,071
Interrior Decoration	17,201,829	17,545,730
Computer Hardware and Pheriperals	17,341,762	12,273,534
Computer Software	3,703,671	1,178,119
Machinery and Equipment	18,680,183	19,893,433
Vehicles	-	1,041,831
	62,374,149	57,520,718
Depreciation on Leased Assets		
Lease Equipment/ Assets	46,001	46,001
Total	62,420,150	57,566,719

32. Repair of Bank's Assets

	31.12.2019 Taka	31.12.2018 Taka
Furniture and Fixture	1,562,068	1,274,963
Interrior Decoration	1,967,670	397,393
Machinery and Equipment	13,406,522	15,279,921
Vehicles	11,230,661	10,066,462
Rented Premises	1,908,354	2,695,613
Electric Fittings	5,039,956	4,266,545
Other	1,669,121	2,006,278
	36,784,352	35,987,174

33. Other Expenses

	31.12.2019 Taka	31.12.2018 Taka
Entertainment	32,066,478	28,289,491
Information and Communication Technology (ICT) expenses (note 33.1)	39,961,766	40,545,971
Other Audit Fee (note 33.2)	120,750	120,750
Car Expenses (note 33.3)	18,956,070	20,816,390
Fuel and Lubricant Expenses-Generator (note 33.4)	3,585,398	3,688,138
Travelling	15,347,477	15,824,780
Computer consumables and Accessories	10,308,122	14,505,673
Staff Training and HR development Expenses	6,485,147	7,162,924
Card Related Expenses	11,354,495	8,183,801
Subscription	5,047,229	3,486,047
Service charge paid to clearing house, banks and others	2,307,974	2,389,167
Corporate Social Responsibility Expenses	1,357,116	1,416,021
Commission paid to banks	24,600	42,478
Donation	41,000	41,600
Miscellaneous (note 33.5)	19,469,833	12,446,528
Total	166,433,455	158,959,759

AhKC
Dhaka

		31.12.2019 Taka	31.12.2018 Taka
33.1 Information and Communication Technology (ICT) expenses			
Yearly Rent		1,674,327	2,787,430
License fee		134,580	143,217
Internet charge		17,198,548	15,190,840
SMS alert charge		2,850,643	2,518,587
Mobile phone banking expenses		5,600	-
Software Maintenance Expenses		16,888,779	18,198,210
Hardware maintenance		1,208,289	1,207,686
ICT Auditing, Penetration Testing & Risk Management Services		-	500,000
Other		1,000	-
Total		**39,961,766**	**40,545,971**
33.2 Other Audit Fee			
PF audit		28,750	28,750
Various fund audit		46,000	46,000
Nostro account audit		46,000	46,000
Total		**120,750**	**120,750**
33.3 Car expenses:			
Fuel and lubricant		5,908,879	6,824,031
CNG/POL-Vehicle		10,776,458	11,230,134
Vehicle expenses		2,270,733	2,762,226
Total		**18,956,070**	**20,816,390**
33.4 Fuel and Lubricant-Generator:			
Fuel and Lubricant -Generator		3,553,988	3,667,206
Fuel and Lubricant-Others		31,410	20,932
Total		**3,585,398**	**3,688,138**
33.5 Miscellaneous:			
Furniture Expenses		2,000	14,950
Expenses Equipment		40,900	111,285
Business promotion and development		1,132,912	594,588
Books,Journals and periodicals		944,134	1,184,351
Conveyance expenses		1,470	2,830
Expenses for multimedia		2,750	3,000
Transport expenses		54,000	10,600
Carrying Charges		373,916	396,831
Commitment and other fees		463,026	458,724
Remittance charges		124,129	60,220
Cartage and freight		114,494	121,929
Issue expenses		-	26,824
Interrior decoration expenses		1,234,353	1,161,644
AGM expenses		121,184	98,770
Nostro account related expenses		1,778,629	635,499
Financial assistance expenses		372,398	442,408
Penalty/Fine Paid		241,459	-
Managers Conference Expenses		132,997	248,263
Security Service Expense		11,470,213	5,913,145
Other expenses		24,000	-
Misc. expenses		840,869	960,669
Total		**19,469,833**	**12,446,528**

34. Provision made during the year:

a. For Loans & Advances:			
On Classified Loans & Advances	Note 13.1.1	-	1,850,629,274
On Unclassified Loans & Advances	Note 13.1.2	-	(92,027,836)
		-	1,758,601,438
b. For Off Balance Sheet items:	Note 13.2	-	6,873,209
c. For Other Assets	Note 13.3	-	-
d. For Investment	Note 13.4	182,772,575	252,404,395
d. For Balance with other Banks and Financial Institutions	Note 13.5	-	300,000,000
Total		**182,772,575**	**2,317,879,042**

Provision has been maintained by the Bank in accordance with Bangladesh Bank approval vide its Letter No. DBI-2(UBI-5)/2536/2020-884 dtd. 29 June 2020, Letter No. DBI-2(UBI-5)/2536/2020-823 dtd. 25 June 2020 and Letter No. BRPD(P-1)/661/13/2019-3332 dtd. 29 April 2019.

ahkc
Dhaka

	31.12.2019 Taka	31.12.2018 Taka
35. Provision for Current Tax		
Opening balance	555,460,908	565,917,995
Add: Propvision made for previous years tax (35.1)	69,472,762	-
Add: Propvision made for current years' tax	50,934,699	57,518,623
	675,868,369	**623,436,618**
Less: Adjustment made during the year	58,172,293	67,975,710
Closing balance	**617,696,076**	**555,460,908**

35.1 Propvision made for previous years tax

a) Propvision made for the year 2015	36,488,220	-
b) Propvision made for the year 2016	32,984,542	-
	69,472,762	-

a) As per the requirement of the Income Tax Ordinance, 1984, income tax has to be paid @42.50% on operating profit, or @0.60% on total income of the Bank, whichever is higher. In 2015, the Bank could not make any opertaing profit. In that case, income tax has to be paid on total income of the Bank. In 2015, total income of the Bank was Tk. 1151,49,64,237. At the time of preparation of financial statements for the year 2015 minimum tax rate was @ 0.30% of total income of the Bank. As per Bank's calculation, total tax liability of the Bank was Tk. 3,45,44,893/- (Tk. 1151,49,64,237*0.30%) and accordingly provision was made for current tax. Later on, minimum tax rate has been changed from 0.30% to 0.60% of total income of the Bank by the tax authority. As a result, total tax liability of the Bank has increased from Tk. 3,45,44,893/- to Tk. 6,90,89,785/- (Tk. 1151,49,64,237*0.60%). However, the Bank was required to pay Tk. 5,18,17,339/- (Tk. 6,90,89,785*75%) as 75% advance income tax for the income year 2015 but the Bank had paid Tk. 4,21,00,699 as source deduction. In this way, advance tax payment of the Bank felt short by an amount of Tk. 97,16,640/- (Tk. 5,18,17,339-4,21,00,699) due to change of tax rate by the income tax authority. Tax authority has imposed simple interest @10% for two years on this shortfall amount, which is Tk. 19,43,328/- (97,16,640*10%*2). In this way, total tax liability of the Bank for the year 2015 stands at Tk. 7,10,33,113/- (Tk. 6,90,89,785+19,43,328) but inadvertently, the Bank made a provision of Tk. 3,45,44,893/- only at the time of preparation of financial statements for the year 2015. As a result, provision for current tax for the year 2015 felt short by an amount of Tk. 3,64,88,220/- (Tk. 7,10,33,113-3,45,44,893) which is now provided in 2019.

b) As per the requirement of the Income Tax Ordinance, 1984, income tax has to be paid @42.50% on operating profit, or @0.60% on total income of the Bank, whichever is higher. In 2016, the Bank made opertaing profit of Tk. 9,08,46,832 on which the Bank made provision for current tax @42.50% by an amount of Tk. 3,86,09,904/- (Tk. 9,08,46,832*42.50%). On the other hand, in 2016, total income of the Bank was Tk. 1193,24,07,624/- on which turnover tax was Tk. 7,15,94,446/- (Tk. 1193,24,07,624*0.60%). That is, for the income year 2016, tax liability of the Bank was Tk. 7,15,94,446/- (Tk. 3,86,09,904 or Tk. 7,15,94,446, whichever is higher). But inadvertently, the Bank made a provision of Tk. 3,86,09,904/- at the time of preparation of financial statements for the year 2016. As a result, provision for current tax for the year 2016 felt short by an amount of Tk. 3,29,84,542/- (Tk. 7,15,94,446-3,86,09,904) which is now provided in 2019.

36. Deferred Tax

a) Computation of Deferred Tax		
Tax Base of Depreciable Fixed Assets	502,935,426	379,749,079
Less: Carrying Amount	309,214,466	309,214,466
Deductable Temporary Difference (A)	**193,720,960**	**70,534,613**
Carrying Amount of Provision for Gratuity/Benevolent/Superannuation Fund:		
Provision for Gratuity (Cumulative Provision-Actual Payment)	1,457,328,132	1,321,002,201
Provision for Benevolent Fund (Cumulative Provision -actual payment)	43,077,866	53,530,384
Provision for Superannuation Fund (Cumulative Provision -actual payment)	27,461,165	24,822,165
	1,527,867,163	**1,399,354,750**
Less: Tax Base		
Deductable Temporary Difference (B)	**1,527,867,163**	**1,399,354,750**
Total Deductable Temporary Difference (A+B)	**1,721,588,123**	**1,469,889,363**
Effective Tax Rate	40.00%	40.00%
Deferred Tax Assets	**688,635,249**	**587,955,745**
b) Deferred Tax (Expenses)/Income		
Closing Deferred Tax Assets	688,635,249	587,955,745
Opening Deferred Tax Assets	587,955,745	550,943,167
Deferred Tax (Expenses)/Income	**100,679,504**	**37,012,578**

37. Appropriations

Statutory Reserve	-	-
General Reserve	-	-
Dividends etc.	-	-
	-	-

Aziz Halim Khair Choudhury Chartered Accountants Dhaka
ahkc

	31.12.2019 Taka	31.12.2018 Taka
38. Analysis of Closing Cash and Cash Equivalent		
Cash in hand and balance with Bangladesh Bank and Sonali Bank	9,736,800,790	8,836,514,002
Balance with other banks & financial institutions	954,554,343	924,157,582
Money at Call on Short Notice	2,560,000,000	450,000,000
	13,251,355,133	10,210,671,584
39. Earning Per Share (EPS)		
Net Profit after Tax (Numerator)	(3,269,033,852)	(3,538,951,612)
Number of Ordinary Share Outstanding (Denominator)	1,084,698,250	1,084,698,250
Earning Per Share (EPS)	(3.01)	(3.26)

40. Coverage of External Audit

The external auditor has covered over 80% of the risk-weighted assets and have spent around 4,500 man hours to complete the audit as per requirement of Bangladesh Bank. The external auditor has audited 35 branches and Head Office of the Bank.

41. Events after the Reporting Period

COVID-19 Pendamic

Subsequent to year-end, on 11 March 2020, World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID-19. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures all business and economic activities are adversely affected which would also impact the Bank. Management as considered COVID 19 as subsequent event and in accordance with IAS 10 has concluded that this is a non-adjusting event (i.e. an event after the reporting period that is indicative of a condition that arose after the end of the reporting period) because the significant changes in business activities and economic conditions as a result of COVID 19 events took place well after the reporting date of 31 December 2019. Although the business operation and profitability of the Bank are impacted due to COVID 19, but as the situation is constantly changing and there is no certainly at present as to how long the situation will prevail, the potential impact of COVID 19 related matters on the Bank's operation and financial results cannot be reasonably assessed."

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

Annexure-A

NOSTRO Accounts - Outside Bangladesh

	Name of the Bank	A/C Type	Currency name	2019			2018		
				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	80,863.11	111.3464	9,003,816	60,982.36	106.2258	6,477,900
2	AB Bank Mumbai	CD	ACU$	237,926.88	84.9000	20,199,992	209,539.85	83.9000	17,580,393
3	Arif Habib Bank- Karachi	CD	ACU$	1,103.25	84.9000	93,666	1,103.25	83.9000	92,563
4	Habib Metropolitan Bank Ltd., Pk	CD	ACU$	32,397.37	84.9000	2,750,537	7,276.88	83.9000	610,530
5	BOTM, Tokyo	CD	JPY	736,329.42	0.7776	572,570	119,157,786.78	0.7563	90,119,034
6	Mashreq Bank, NY	CD	USD	4,605.00	84.9000	390,965	4,605.00	83.9000	386,360
7	CITI Bank Mumbai	CD	ACU$		-	-		-	-
7	Sonali Bank, Kolkata	CD	ACU$	244,354.74	84.9000	20,745,717	264,878.89	83.9000	22,223,339
8	Bank of Ceylon	CD	ACU$	9,431.83	84.9000	800,762	4,679.70	83.9000	392,627
9	Citibank NA, NY(Exp)	CD	USD	3,369,023.27	84.9000	286,030,076		82.7000	-
10	BCP, Geneva	CD	CHF		-	-		-	-
11	Sonali Bank Kolkota ACUEUR.	CD	ACUEUR	4,683.24	95.0625	445,201	4,683.24	95.5118	447,305
12	Mashreq Bank, Mumbai	CD	ACU$	647.13	84.9000	54,941	647.13	83.9000	54,294
21	SCB Frankfurt	CD	EURO		-	-		-	-
13	Sonali Bank London, EUR	CD	EURO		-	-	-	-	-
14	Sonali Bank London, GBP	CD	GBP		-	-		-	-
15	Sonali Bank London, USD	CD	USD		-	-		-	-
15	Bank Marocaine DU Commerce	CD	EURO	287,963.17	95.0625	27,374,499	221,040.48	95.5118	21,111,974
16	HDFC Bank Ltd	CD	USD	62,842.73	84.9000	5,335,348	96,230.52	83.9000	8,073,741
17	United Bank of India, Mumbai	CD	ACU$	133,665.00	84.9000	11,348,159	393,542.61	83.9000	33,018,225
18	Habib Amarican Bank New York	CD	USD	245,224.41	84.9000	20,819,552	548,005.38	83.9000	45,977,651
19	Kookmin Bank, Seoul	CD	USD	299,816.67	84.9000	25,454,435		-	-
	Sub-total					**431,420,236**			**246,565,936**

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.

Aziz Halim Khair Choudhury
Chartered Accountants
Dhaka.

ahkc

Details of Investment in Shares as at December 31, 2019

Annexure-B

A. Listed Securities:

Sl. No.	Name of the company	Date of Purchase	No of shares	Face Value Taka	Cost Price Taka	Market Value as on 31-12-2019 Taka	Market Value as on 31-12-2018 Taka	Unrealized Gain/(Loss) Taka	Dividend Received in 2019 Taka
1.	ACME LABORATORIES LTD	26-Feb-17	444569	4,445,690	51,997,661	27,074,252	38,188,477	(24,923,409)	1,555,992
2.	AGNI SYSTEMS LTD	22-Jun-17	698803	6,988,030	17,113,824	10,551,925	14,674,863	(6,561,899)	-
3.	AGRICULTURAL MARKETING CO.LTD	16-Jan-19	19778	197,780	5,163,115	3,366,216	-	(1,796,899)	-
4.	APPOLO ISPAT COMPLEX LTD.	20-Aug-14	1988098	19,880,980	36,438,543	7,753,582	16,302,404	(28,684,961)	-
5.	ASIAN TIGER SANDHANI LIFE GROWTH FUND	2-Aug-17	-	-	-	-	23,111,619	-	-
6.	BANGLADESH GEN. INSURANCE CO.	25-Sep-17	-	-	-	-	13,320	-	-
7.	BATA SHOES (BD) LTD.	17-Feb-19	2720	27,200	3,090,701	1,893,392	-	(1,197,309)	28,035
8.	BERGER PAINTS BANGLADESH LTD.	14-Feb-17	9446	94,460	14,858,475	13,040,203	-	(1,818,272)	142,750
9.	BEXIMCO LTD.	20-Nov-10	144447	1,444,472	9,139,624	1,993,371	3,394,504	(7,146,252)	68,796
10.	BEXIMCO PHARMACEUTICALS LTD.	23-Dec-10	801968	8,019,680	89,773,775	55,656,579	63,435,669	(34,117,196)	1,002,460
11.	BRAC BANK LTD.	3-Jan-19	128997	1,289,970	8,156,397	7,365,729	-	(790,668)	-
12.	BRITISH AMERICAN TOBACCO BD. LTD.	14-Feb-19	9818	98,180	13,173,139	9,522,478	-	(3,650,661)	24,350
13.	BSRM STEELS LTD.	10-Dec-13	699359	6,993,590	59,137,880	27,414,873	41,653,022	(31,723,007)	632,160
14.	CITY GENERAL INSURANCE CO. LTD.	25-Sep-17	-	-	-	-	3,061,552	-	-
15.	DHAKA ELECTRIC SUPPLY CO. LTD.	8-Dec-10	504658	5,046,580	28,805,944	18,672,346	20,388,183	(10,133,598)	504,658
16.	DELTA BRAC HOUSING CORPORATION	23-Jan-19	13218	132,180	1,664,074	1,510,817	-	(153,257)	17,125
17.	DELTA LIFE INSURANCE CO.LTD.	7-Feb-19	35515	355,150	3,913,405	2,787,928	-	(1,125,477)	92,339
18.	EASTERN BANK LTD.	8-Dec-10	4300003	43,000,030	25,443,528	142,760,100	139,503,564	117,316,571	7,818,203
19.	GRAMEEN PHONE LTD.	11-Jul-18	-	-	-	-	514,220	-	-
20.	HEIDELBERG CEMENT BD. LTD.	8-Dec-10	169206	1,692,060	89,579,293	27,885,149	56,633,248	(61,694,144)	1,269,045
21.	IBN SINA PHARMACEUTICAL INDUSTRY LTD.	17-Aug-10	32400	324,000	8,513,417	7,205,760	-	(1,307,657)	-
22.	I.D.L.C FINANCE LTD.	26-May-15	379872	3,798,720	32,275,980	17,246,189	20,465,244	(15,029,792)	1,329,552
23.	IFAD AUTOS LTD.	7-Jan-19	93023	930,230	9,457,310	4,297,663	-	(5,159,647)	-
24.	I.F.I.C. BANK LTD.	10-Dec-13	177852	1,778,520	2,776,143	1,760,735	1,762,356	(1,015,408)	4
25.	ICB ISLAMI BANK LTD.	23-May-08	2684000	26,840,000	26,840,000	8,052,000	12,883,200	(18,788,000)	-
26.	IFIL ISLAMIC MUTUAL FUND-1	2-Dec-15	7534390	75,343,900	66,631,446	40,685,706	51,233,852	(25,945,740)	4,520,634
27.	JAMUNA BANK LTD.	29-Jan-19	192240	1,922,400	3,740,197	3,556,440	-	(183,757)	384,480
28.	JAMUNA OIL COMPANY LTD.	21-Sep-11	254352	2,543,520	52,902,627	36,092,549	44,777,406	(16,810,078)	3,055,676
29.	LAFARGEHOLCIM BANGLADESH LTD.	10-Dec-13	1288611	12,886,110	100,636,994	43,297,330	56,054,579	(57,339,665)	1,288,611
30.	LINDE BANGLADESH LIMITED	3-Feb-16	21782	217,820	28,258,116	28,294,818	61,304,152	36,702	802,238
31.	MEGHNA PETROLEUM LTD.	23-Nov-10	44972	449,720	8,796,973	7,366,414	15,276,600	(1,430,560)	1,134,000
32.	MERCENTILE BANK LIMITED	6-Nov-16	544970	5,449,700	12,018,714	7,193,604	8,529,966	(4,825,110)	1
33.	MJL BANGLADESH LTD.	31-May-15	255191	2,551,910	28,608,719	16,153,590	21,652,979	(12,455,129)	935,478
34.	N C C BANK LTD.	26-Dec-10	1058816	10,588,160	18,863,165	12,705,792	15,159,012	(6,157,373)	504,210
35.	NATIONAL HOUSING FIN. & INV.	27-Jan-19	99161	991,610	4,628,216	3,163,236	-	(1,464,980)	90,174
36.	NAVANA CNG LTD.	31-Oct-01	258958	2,589,580	20,501,484	8,908,155	12,326,401	(11,593,329)	248,600

ahkc Dhaka.

Aziz Halim Khair Choudhury
Chartered Accountants
Exclusive Correspondent Firm of PKF International

A H K C

Sl. No.	Name of the company	Date of Purchase	No of shares	Face Value Taka	Cost Price Taka	Market Value as on 31-12-2019 Taka	Market Value as on 31-12-2018 Taka	Unrealized Gain/(Loss) Taka	Dividend Received in 2019 Taka
37.	OLYMPIC INDUSTRIES LTD.	19-Oct-15	197457	1,974,570	57,244,943	32,580,405	41,501,103	(24,664,538)	921,394
38.	ONE BANK LTD.	28-Jul-11	1725878	17,258,780	37,430,672	17,776,543	23,534,700	(19,654,129)	-
39.	PADMA OIL COMPANY.	2-Oct-14	192180	1,921,800	48,359,524	36,936,996	39,612,455	(11,422,528)	2,286,687
40.	PHOENIX INSURANCE CO.LTD.	10-Dec-13	-	-	-	-	2,376,389	-	-
41.	POWER GRID CO. OF BANGLADESH LTD.	2-Dec-10	6000	60,000	337,254	267,600	16,436,496	(69,654)	582,126
42.	PRIME BANK LTD.	14-Jun-17	1107796	11,077,960	27,791,006	20,161,887	20,051,108	(7,629,119)	1,384,745
43.	PRIME FINANCE & INVESTMENT LTD.	9-Nov-10	1408302	14,083,020	21,654,891	10,562,265	13,378,869	(11,092,626)	-
44.	PURABI GENERAL INSURANCE CO. LTD.	26-Sep-17	-	-	-	-	5,546,033	-	-
45.	RAK CERAMICS(BANGLADESH) LTD.	31-Oct-10	1115844	11,158,442	57,256,266	32,024,729	39,561,756	(25,231,537)	1,014,417
46.	SOUTHEAST BANK LTD.	18-Apr-12	1057516	10,575,160	18,457,096	14,170,714	12,714,827	(4,286,382)	12
47.	SQUARE PHARMACEUTICALS LTD.	11-Jul-18	64495	644,950	16,151,861	12,254,050	309,870	(3,897,811)	4,306
48.	SUMMIT POWER LTD.	16-Jan-19	117000	1,170,000	4,830,221	4,247,100	-	(583,121)	-
49.	SUNLIFE INSURANCE COMPANY LTD.	2-Mar-14	-	-	-	-	3,899,052	-	-
50.	TITAS GAS TRANSMISSION & D.C.L	26-Dec-10	1385908	13,859,080	81,201,088	42,824,557	50,447,051	(38,376,531)	3,464,770
51.	UTTARA FINANCE & INVEST. LTD	24-Mar-15	265923	2,659,230	19,673,506	14,625,765	15,887,164	(5,047,741)	531,846
A.	**Sub-Total**		**33,535,492**	**335,354,924**	**1,273,287,210**	**843,661,531**	**1,027,557,265**	**(429,625,679)**	**37,639,871**

B. Non-Listed, De-Listed from DSE & Preference Shares:

Sl. No.	Name of the company	Date of Purchase	No of shares	Face Value	Total Cost/ Book Value	Market Value as on 31-12-2019Taka	Market Value as on 31-12-2018 Taka	Unrealized Gain/(Loss)	Dividend Received in 2019Taka
1.	BANGLADESH DEVELOPMENT CO.LTD.	19-Jul-11	74,500	7,450,000	7,450,000	7,450,000	7,450,000	-	1,500,000
2.	CENTRAL DEPOSITORY BANGLADESH LTD.	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.	ICB AMCL 2ND NRB MUTUAL FUND	11-Apr-16	3364419	33,644,190	34,632,867	32,971,306	30,115,513	(1,661,561)	-
5.	KARMASANGSTHAN BANK	15-Mar-99	150,000	15,000,000	15,000,000	15,000,000	15,000,000	-	-
B.	Sub-Total			71,719,600	64,423,517	62,761,956	59,906,163	(1,661,561)	4,355,903

Grand Total (A+B)		407,074,524	1,337,710,727	906,423,487	1,087,463,428	(431,287,240)	41,995,774

ahkc
Dhaka.
Aziz Halim Khair Choudhury Chartered Accountants

Annexure - C

Detail of information on advances exceeding 10% of bank's paid-up capital (funded & non-funded):

(Taka in Lac)

Sl. No.	Name of the Client	Outstanding as on 31.12.2019			Outstanding as on 31.12.2018	CL status as on 31.12.2019
		Funded	Non funded	Total		
1	AMADER BARI LIMITED GROUP	55,785	-	55,785	54,322	SMA
2	EMERALD AUTO BRICKS & ALLIED	23,633	-	23,633	23,633	BL
3	AB GROUP	19,526	2,095	21,621	19,852	UC
4	NILSAGOR AGRO & ALLIED	18,456	1,960	20,416	18,723	BL
5	NEW DHAKA CITY DEVELOPMENT LTD	19,699	-	19,699	18,036	UC
6	FEAZ GROUP	19,560	-	19,560	19,560	BL
7	BORSHON/BITHI GROUP	18,156	-	18,156	16,861	BL
8	BANGLADESH DEVELOPMENT COMPANY LTD.	18,029	-	18,029	16,489	UC
9	MYMCO CARBON LTD AND ALLIED	16,595	-	16,595	16,595	BL
10	MAX SWEATER (BD) LTD.	12,457	3,431	15,888	15,748	UC
11	VASAVI FASHIONS & ALLIED	15,805	26	15,831	15,831	BL
12	WELL TEX AND ALLIED(ADIB DYEING)	14,639	28	14,667	19,155	BL
13	ARISTOCRAT GROUP	14,305	-	14,305	13,397	SMA
14	AJBIHA, YOUTH	13,853	-	13,853	12,563	BL
15	R. I. ENTERPRISE	13,174	-	13,174	13,174	BL
16	RISING GROUP	13,047	18	13,065	13,225	BL
17	DELTA SYSTEMS LIMITED	12,842	35	12,877	12,877	BL
18	MAP & MULLER GROUP	12,245	-	12,245	12,245	BL
19	CRYSTAL STEELS & SHIP BREAKING LIMITED	12,209	-	12,209	11,383	SMA
20	EMERALD OIL & ALLIED	12,015	142	12,157	12,410	BL
21	REGENT WEAVING LTD	11,990	1	11,991	11,894	BL
22	IG NAVIGATION LIMITED	11,706	-	11,706	11,945	BL
23	SEA BLUE TEXTILE LIMITED	10,930	531	11,461	11,438	SMA
24	BAY NAVIGATION LTD	11,406	-	11,406	11,677	BL
25	PROFUSION TEXTILES LIMITED	11,155	-	11,155	11,155	BL
26	MA TEX	11,122	-	11,122	11,122	BL
	TOTAL	**424,339**	**8,267**	**432,606**	**425,310**	

Note 1: In 2019, capital of the Bank was negative. As such, loans allowed to customers/customers group exceeding 10% of paid-up capital has been reported here in line with Bangladesh Bank's approval.

ahkc
Dhaka

Annexure-D

BASIC Bank Limited

Schedule of Fixed Assets
As of 31 December 2019

Particulars	Cost Price				Depreciation					Written Down Value as at 31.12.2019
	Balance as at 01.01.2019	Addition during the year	Disposal/Transfer during the year	Balance as at 31.12.2019	Rate of Dep.	Balance as at 01.01.2019	Addition during the year	Transfer / Adjustment during the year	Balance as at 31.12.2019	
Furniture and Fixtures	117,986,232	4,253,310	89,425	122,150,117	10%	66,114,045	5,446,746	77,843	71,482,948	50,667,169
Interrior Decoration	323,151,627	19,086,906	-	342,238,533	10%	162,246,321	17,201,829	-	179,448,150	162,790,383
Machine and Equipment	351,222,650	20,373,003	1,545,600	370,050,053	20%	269,743,352	18,680,183	1,413,009	287,010,526	83,039,527
Computer Hardware	309,786,155	124,397,414	-	434,183,569	20%	295,632,756	17,341,762	-	312,974,518	121,209,051
Software	95,226,936	54,866,647	-	150,093,583	20%	94,422,792	3,703,671	-	98,126,463	51,967,120
Motor Vehicles	381,654,870	-	-	381,654,870	25%	381,654,738	-	-	381,654,738	132
Leasehold Assets	4,000,000	-	-	4,000,000	1%	919,937	46,001	-	965,938	3,034,062
Total 2019	**1,583,028,470**	**222,977,280**	**1,635,025**	**1,804,370,725**		**1,270,733,941**	**62,420,192**	**1,490,852**	**1,331,663,281**	**472,707,444**
Total 2018	**1,562,922,498**	**20,203,472**	**97,500**	**1,583,028,470**		**1,213,261,386**	**57,566,719**	**94,164**	**1,270,733,941**	**312,294,529**

ahkc

Annexure-E

BASIC Bank Limited

Highlights on the overall activities of the Bank

Sl #	Particulars	2019	2018
1	Paid up Capital	10,846,982,500	10,846,982,500
2	Total Capital	8,731,979,272	10,302,595,181
3	Capital Surplus / (Deficit)	(4,649,007,541)	(2,187,749,247)
4	Total Assets	194,915,965,498	191,560,413,416
5	Total Deposits	138,307,345,934	131,821,582,933
6	Total Loans and Advances	151,769,614,423	151,968,053,141
7	Total Contingent Liabilities and Commitments	14,338,837,378	14,815,414,978
8	Credit - Deposit Ratio	103.88%	109.45%
9	Percentage of Classified Loans against total Loans & Advances	52.02%	56.85%
10	Profit(Loss) after Tax and Provision	(3,269,033,852)	(3,538,951,612)
11	Amount of Classified Loans and Advances	78,948,505,215	86,398,013,436
12	Provision Kept against Classified Loan	21,085,548,703	23,078,179,129
13	Provision Surplus/(deficit)*	-	-
14	Cost of Fund	8.25%	7.56%
15	Interest Earning Assets	100,715,274,055	90,559,501,576
16	Non-interest Bearing Assets	94,200,691,443	101,000,911,840
17	Return on Investment (ROI)***	-20.57%	-21.08%
18	Return on Assets (ROA)	-1.69%	-1.81%
19	Incomes on Investment	1,406,178,017	2,240,391,121
20	Earnings Per Share (EPS)	(3.01)	(3.26)
21	Net Income Per Share	(3.01)	(3.26)
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

ahkc
Dhaka