Financial Statements 2009

Auditor’s Report

We have audited the accompanying financial statements of BASIC Bank Limited which comprise the balance sheet as at 31 December 2009, and the profit and loss account for the year then ended. We state that, in our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2009, and the results of its operations and its cash flows for the year then ended, in conformity with the Bangladeshi Accounting Standards and Rules issued by the Bangladesh Bank, in accordance with generally accepted accounting principles.

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 such explanations were provided.

We have not used any portion of our audit reports as a basis for any other report and the financial statements have been prepared in accordance with the provisions of the securities laws.

This Report is based on the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit and such explanations were provided.

Balance Sheet
As of 31 December 2009

Profit and Loss Account
For the year ended 31 December 2009

Cash Flow Statement
For the year ended 31 December 2009

Statement of Changes in Shareholders’ Equity
For the year ended 31 December 2009

Liquidity Statement
For the year ended 31 December 2009

Notes to the Financial Statements
For the year ended 31 December 2009

Significant Accounting Policies

(3) Foreign Currency Translation

The exchange rates used in the translation of amounts denominated in foreign currencies are the exchange rates prevailing on the date of the transactions. Foreign currency assets and liabilities are translated at the exchange rates prevailing on the balance sheet date. The effect of any change in exchange rates on the translation of these assets and liabilities over the year has been included in the income statement.

(4) Investment

Securities are classified as long-term investments and held for future use, including capital gains and dividends declared. The market value of the investments has been determined on the basis of the market prices of the securities. Investments in other companies, which are expected to be realized in the future, are included in the value of the shareholders’ equity.

Other Investments

Other investments include investments in the foreign currency. The investments include investments in other companies, which are expected to be realized in the future. The market value of the investments has been determined on the basis of the market prices of the securities. Investments in other companies, which are expected to be realized in the future, are included in the value of the shareholders’ equity.

(5) Number of Directors

The number of directors is determined by the Board of Directors. The maximum number of directors is seven, which includes the Chairman, the Managing Director, and the three independent directors.

(6) Legal Status

BASIC Bank Limited is incorporated as a banking company under the Companies Act, 1913. The bank is a public limited company with a paid up capital of Tk. 8,000.00 million. The register of members is maintained by the Registrar of Joint Stock Companies, Ministry of Commerce, Government of the Peoples’ Republic of Bangladesh.

(1) Objectives

The objective of the Bank is to provide banking services in the public interest, to promote and encourage the growth of trade and commerce, and to contribute to the economic development of the country.

(2) Accounting Policies

The accounting policies of the Bank are consistent with the provisions of Bangladeshi Accounting Standards and Rules issued by the Bangladesh Bank.
Financial Statements 2009

BASIC Bank Limited
A STATE OWNED SCHEDULED BANK

1.8. Earning Per Share

1.9. Retained Earnings of the employees

1.10. Resolution of inter-bank and inter-bank accounts

1.11. Related Party Transactions

1.12. Credit Risk Management

2.3. Cash

2.4. Long Term Borrowings

2.5. Loans Against Shares

2.6. Intangible Assets

2.7. Sponsoring Commercial Papers

2.8. Tax Reserve

2.9. Benefit of the employees

2.10. Investment in Equity

2.11. Other Comprehensive Income

2.12. Profit and Loss Account

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2.15. Profit and Loss Statement

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2.5. Loans Against Shares

2.5.1. Loans Against Shares (Current Management Duration)

2.5.2. Notes to the Financial Statements (Current Management Duration)

2.5.3. Other Information (Current Management Duration)

2.6. Intangible Assets

2.6.1. Intangible Assets (Current Management Duration)

2.6.2. Notes to the Financial Statements (Current Management Duration)

2.6.3. Other Information (Current Management Duration)

2.7. Sponsoring Commercial Papers

2.7.1. Sponsoring Commercial Papers (Current Management Duration)

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2.8. Tax Reserve

2.8.1. Tax Reserve (Current Management Duration)

2.8.2. Notes to the Financial Statements (Current Management Duration)

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2.9. Benefit of the employees

2.9.1. Benefit of the employees (Current Management Duration)

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2.9.3. Other Information (Current Management Duration)

2.10. Investment in Equity

2.10.1. Investment in Equity (Current Management Duration)

2.10.2. Notes to the Financial Statements (Current Management Duration)

2.10.3. Other Information (Current Management Duration)

2.11. Resolution of inter-bank and inter-bank accounts

2.11.1. Resolution of inter-bank and inter-bank accounts (Current Management Duration)

2.11.2. Notes to the Financial Statements (Current Management Duration)

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2.12.1. Profit and Loss Statement (Current Management Duration)

2.12.2. Notes to the Financial Statements (Current Management Duration)

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2.13. Shareholders’ Equity

2.13.1. Shareholders’ Equity (Current Management Duration)

2.13.2. Notes to the Financial Statements (Current Management Duration)

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2.16.1. Balance Sheet (Current Management Duration)

2.16.2. Notes to the Financial Statements (Current Management Duration)

2.16.3. Other Information (Current Management Duration)
### Financial Statements 2009

#### BASIC Bank Limited

**A STATE OWNED SCHEDULED BANK**

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### 9. Financial Statements

<table>
<thead>
<tr>
<th>Balance Sheet as on March 31, 2009 (Rs. millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Details</td>
</tr>
<tr>
<td>---------</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
</tr>
<tr>
<td>Cash at Bank and Cash On Hand</td>
</tr>
<tr>
<td>Bank Balances and Due from Banks and Inter-bank Clearing Corporation</td>
</tr>
<tr>
<td>Loans and Advances</td>
</tr>
<tr>
<td>Investments, Securities and Guaranteed Securities</td>
</tr>
<tr>
<td>Total Current Assets</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
</tr>
<tr>
<td>Goodwill</td>
</tr>
<tr>
<td>Land and Buildings</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
</tr>
<tr>
<td>Intangible Assets</td>
</tr>
<tr>
<td>Total Non-Current Assets</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand Deposits</td>
<td>13,079.9</td>
<td>Call Deposits</td>
<td>1,454.0</td>
</tr>
<tr>
<td>Borrowings</td>
<td>5,238.9</td>
<td>Bills Payable</td>
<td>104.1</td>
</tr>
<tr>
<td>Total Demand Liabilities</td>
<td>19,472.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term Borrowings</td>
<td>8,114.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Non-Current Liabilities</td>
<td>8,114.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>27,587.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shareholders' Equity</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Share Capital</td>
<td>1,125.0</td>
<td>Retained Earnings</td>
<td>8,631.4</td>
</tr>
<tr>
<td>Free Reserves</td>
<td>2,800.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Shareholders' Equity</td>
<td>3,925.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities and Shareholders' Equity</strong></td>
<td>46,623.4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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#### 10. Information for Shareholders

- **Profit and Loss Account for the Year Ended March 31, 2009**
- **Other Charges**
- **Other Profit/Income**
- **Profit before Tax**
- **Taxation**
- **Profit after Tax**

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#### 11. Other Information

- **Directors' Report**
- **Corporate Governance**
- **Legal and Regulatory Compliance**
- **Corporate Social Responsibility**
- **Auditors' Report**

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#### 12. Annexure

- **Auditors' Certificate**
- **Independent Directors' Report**
- **Compliance Certificate**
- **Certificate of Lead Manager**
- **Certificate of Governor**
- **Certificate of Secretary**

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#### Notes

- **Notes on Accounts**
- **Notes on Accounts - continued to the end of the Bank's Balance Sheet**
## Financial Statements 2009

### Basic Bank Limited

- **A S T A T E O W N E D S C H E D U L E D B A N K**

### ROUTE Accounts - Outside Bangladesh

#### A/C Type

<table>
<thead>
<tr>
<th>Name of the Bank</th>
<th>Currency name</th>
<th>Amount in TC</th>
<th>Excl. Rate per unit TC</th>
<th>Amount in BST</th>
<th>Excl. Rate per unit BST</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ABE Bank Ltd.</td>
<td>USD</td>
<td>199,235.10</td>
<td>61.95</td>
<td>12,428.63</td>
<td>61.95</td>
</tr>
<tr>
<td>2. ABN Bank Ltd.</td>
<td>USD</td>
<td>199,235.10</td>
<td>61.95</td>
<td>12,428.63</td>
<td>61.95</td>
</tr>
<tr>
<td>3. ADB Bank Ltd.</td>
<td>USD</td>
<td>199,235.10</td>
<td>61.95</td>
<td>12,428.63</td>
<td>61.95</td>
</tr>
<tr>
<td>4. ABJ Bank Ltd.</td>
<td>USD</td>
<td>199,235.10</td>
<td>61.95</td>
<td>12,428.63</td>
<td>61.95</td>
</tr>
<tr>
<td>5. ABB Bank Ltd.</td>
<td>USD</td>
<td>199,235.10</td>
<td>61.95</td>
<td>12,428.63</td>
<td>61.95</td>
</tr>
<tr>
<td>6. ABC Bank Ltd.</td>
<td>USD</td>
<td>199,235.10</td>
<td>61.95</td>
<td>12,428.63</td>
<td>61.95</td>
</tr>
<tr>
<td>7. ACC Bank Ltd.</td>
<td>USD</td>
<td>199,235.10</td>
<td>61.95</td>
<td>12,428.63</td>
<td>61.95</td>
</tr>
<tr>
<td>8. ADA Bank Ltd.</td>
<td>USD</td>
<td>199,235.10</td>
<td>61.95</td>
<td>12,428.63</td>
<td>61.95</td>
</tr>
<tr>
<td>9. ADB Bank Ltd.</td>
<td>USD</td>
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<td>10. ABE Bank Ltd.</td>
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<td>12,428.63</td>
<td>61.95</td>
</tr>
</tbody>
</table>

#### Balance Sheet as at 31st December 2009

- **Assets**
  - Current Assets: 12,345,678
  - Loans and Investments: 9,876,543
  - Fixed Assets: 4,567,890

- **Liabilities**
  - Deposits: 14,789,234
  - Borrowings: 3,456,789
  - Capital: 1,234,567

#### Income Statement 2009

- **Income**
  - Interest Income: 5,678,901
  - Non-Interest Income: 4,567,890

- **Expenses**
  - Operating Expenses: 2,345,678
  - Impaired Loans: 1,234,567

#### Notes to Financial Statements

1. **Retained Earnings**
2. **Dividend Policy**
3. **Capital Adequacy Ratio**

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### Schedule of Fixed Assets as at 31 December 2009

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost Price</th>
<th>Depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>23,456,789</td>
<td>345,678</td>
</tr>
<tr>
<td>Land</td>
<td>1,234,567</td>
<td>123,456</td>
</tr>
<tr>
<td>Equipment</td>
<td>5,678,901</td>
<td>567,890</td>
</tr>
</tbody>
</table>

---

### Notes to the Financial Statements

1. **Principal Accounting Policies**
2. **Change in Accounting Estimates**

---

### Schedule of Route Accounts - Outside Bangladesh

<table>
<thead>
<tr>
<th>Name of the Bank</th>
<th>Currency name</th>
<th>Amount in TC</th>
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<tr>
<td>1. ABC Bank Ltd.</td>
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<td>12,428.63</td>
<td>61.95</td>
</tr>
<tr>
<td>4. ADC Bank Ltd.</td>
<td>USD</td>
<td>199,235.10</td>
<td>61.95</td>
<td>12,428.63</td>
<td>61.95</td>
</tr>
<tr>
<td>5. ADG Bank Ltd.</td>
<td>USD</td>
<td>199,235.10</td>
<td>61.95</td>
<td>12,428.63</td>
<td>61.95</td>
</tr>
<tr>
<td>6. ADB Bank Ltd.</td>
<td>USD</td>
<td>199,235.10</td>
<td>61.95</td>
<td>12,428.63</td>
<td>61.95</td>
</tr>
<tr>
<td>7. AEG Bank Ltd.</td>
<td>USD</td>
<td>199,235.10</td>
<td>61.95</td>
<td>12,428.63</td>
<td>61.95</td>
</tr>
<tr>
<td>8. ACH Bank Ltd.</td>
<td>USD</td>
<td>199,235.10</td>
<td>61.95</td>
<td>12,428.63</td>
<td>61.95</td>
</tr>
<tr>
<td>9. ABD Bank Ltd.</td>
<td>USD</td>
<td>199,235.10</td>
<td>61.95</td>
<td>12,428.63</td>
<td>61.95</td>
</tr>
<tr>
<td>10. ABE Bank Ltd.</td>
<td>USD</td>
<td>199,235.10</td>
<td>61.95</td>
<td>12,428.63</td>
<td>61.95</td>
</tr>
</tbody>
</table>

---

### Notes

1. **Concentration of Credit Risk**
2. **Deferred Income**

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### Bank Details

<table>
<thead>
<tr>
<th>Branch</th>
<th>Address</th>
<th>Contact Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC</td>
<td>Dhaka</td>
<td>John Doe</td>
</tr>
<tr>
<td>BCD</td>
<td>Chittagong</td>
<td>Jane Smith</td>
</tr>
<tr>
<td>CDE</td>
<td>Sylhet</td>
<td>Mike Johnson</td>
</tr>
</tbody>
</table>

---

### Management

- **Managing Director**
- **Chief Executive Officer**

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### Financial Statements as at 31st December 2009

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount in TC</th>
<th>Excl. Rate per unit TC</th>
<th>Amount in BST</th>
<th>Excl. Rate per unit BST</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Cash</td>
<td>1,234,567</td>
<td>61.95</td>
<td>123,456</td>
<td>61.95</td>
</tr>
<tr>
<td>B. Bills</td>
<td>987,654</td>
<td>61.95</td>
<td>98,765</td>
<td>61.95</td>
</tr>
<tr>
<td>C. Shares</td>
<td>567,890</td>
<td>61.95</td>
<td>56,789</td>
<td>61.95</td>
</tr>
</tbody>
</table>

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### Annexe A

- **A/V Ratio**
- **Equity**

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### Annexe C

- **Loan Portfolio**
- **Credit Analysis**

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### Annexe D

- **Risk Management**
- **Internal Control and Audit**

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### Annexe E

- **Legal Proceedings**
- **Statutory Audits**