Independent Auditor's Report

TO THE SHAREHOLDERS OF BASIC BANK LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of BASIC Bank Limited ("the Bank"), which comprise the balance sheet as at 31 December 2015, and the profit and loss account, statement of changes in equity and cash flow for the year then ended and a summary of the significant accounting policies and other explanatory information. These financial statements are the responsibility of the Management of the Bank. Our audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Our audit is conducted in accordance with Auditing Standards generally accepted in Bangladesh. Those standards require that, amongst other things, we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

We have audited the consolidated financial statements of BASIC Bank Limited as of March 31, 2016, and the related notes and schedules ("the financial statements"). In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of BASIC Bank Limited and its subsidiaries as of March 31, 2016, and the consolidated results of its operations and its cash flows for the year then ended.

BASIC Bank Limited

Balance Sheet

As at 31 December 2015


date of signature: 31st March, 2016

Chairman Nabil

Auditors' Report

The Board of Directors of the Bank is responsible for preparing the financial statements in accordance with accounting standards. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in Bangladesh. Those standards require that, amongst other things, we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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BASIC Bank Limited

Profit & Loss Account

For the year ended 31 December 2015


date of signature: 31st March, 2016

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BASIC Bank Limited
Return to the Financial Statements
For the year ended 31 December 2015

1. The Bank and its environment
1.1. The BASIC Bank Limited ("the Bank") is a subsidiary of a banking group under the supervision of Bangladesh Bank, the central bank of Bangladesh. Its registered office and head office is located at 118-119, Shahidullah Khan Road, Dhaka 1000. The Bank is engaged in the business of banking and other financial services. The Bank is licensed as a scheduled commercial bank by Bangladesh Bank and is registered as a company under the Companies Act, 1994.

1.2. The Bangladesh Bank and the Government of the People’s Republic of Bangladesh are the controlling shareholders of the Bank. Bangladesh Bank holds 51% of the Bank’s total paid-up share capital, while the Government of the People’s Republic of Bangladesh holds 29%.

1.3. The Bank is a member of the Bangladesh Bank and is regulated and supervised by the Bangladesh Bank.

2. Basis of presentation and significance of accounting policies

2.1. The financial statements have been prepared in accordance with the Bangladesh Financial Reporting Standards (BFSE 2013) and are presented in Bangladeshi Taka (Tk). All financial statements have been prepared on the accrual basis of accounting. The Bank follows the going concern assumption in the preparation of the financial statements.

2.2. The Bank applies the following accounting policies in the preparation of the financial statements:

   a. Revenue recognition
   b. Foreign currency transactions
   c. Financial instruments
   d. Income tax
   e. Earnings per share
   f. Segment reporting

3. Statement of compliance

The Board of Directors of the Bank are responsible for the preparation and approval of the financial statements in accordance with the relevant provisions of the Bangladesh Financial Reporting Standards (BFSE 2013). The financial statements have been prepared in accordance with the relevant provisions of the BFSE 2013. The Bank has taken all necessary steps to ensure the accuracy and completeness of the financial statements.

4. Comparison of significant accounting policies

There are no material changes in the significant accounting policies from the previous year.

5. Significant accounting policies

5.1. Revenue recognition

Revenue is recognized when the performance obligation has been satisfied and the control transferred to the customer. Revenue is recognized at the amount of consideration to which the Bank expects to be entitled in exchange for the transferred goods or services. Income-related taxes and fees are recognized when they are assessed on the Bank by a competent authority and the realization is reasonably assured.

5.2. Foreign currency transactions

Foreign currency transactions are accounted for at an exchange rate at the date of transaction. Foreign currency transaction gains and losses are recorded in the profit and loss account of the Bank.

5.3. Financial instruments

The Bank identifies financial assets and financial liabilities in accordance with the relevant provisions of the BFSE 2013. The Bank applies the Financial Instruments: Recognition and Measurement (FIRM) standard for the recognition and measurement of financial instruments.

5.4. Income tax

Income tax is recognized in the income statement in the period in which the related expense is recognized or the revenue is earned.

5.5. Earnings per share

Earnings per share are calculated as the weighted average number of shares outstanding during the period.

5.6. Segment reporting

The Bank has identified two reportable segments: Domestic Operations and International Operations. The Bank’s reportable segments are based on different geographic and economic conditions.

6. Financial statement data

The financial statements are prepared in accordance with the BFSE 2013.

7. Notes to financial statements

7.1. Note 1: General information

7.2. Note 2: Accounting policies

7.3. Note 3: Description of financial instruments

7.4. Note 4: Revenue recognition

7.5. Note 5: Foreign currency transactions

7.6. Note 6: Financial instruments

7.7. Note 7: Income tax

7.8. Note 8: Earnings per share

7.9. Note 9: Segment reporting

7.10. Note 10: Financial statement data

7.11. Note 11: Notes to financial statements

8. Supplementary information

The supplementary information is presented to provide a more comprehensive understanding of the Bank’s financial statements. The supplementary information includes the Bank’s financial ratios and key performance indicators.

9. Other matters

Other matters include the Bank’s performance, future outlook, and key drivers.

10. Remuneration

Remuneration is recognized when it is probable that the economic benefits associated with the remuneration will flow to the Bank.

11. Significant transactions

Significant transactions include the Bank’s major acquisitions, divestitures, and other transactions that could have a material impact on the Bank’s financial performance.
1.1.7 sofas per hotel

The sofas present, both in the hotel (soft chairs) and in the executive rooms, are made up of two sofa chairs. The sofas are square in shape and with a height of 40 cm. The fabric used is of good quality and of the most appropriate color, with a thickness of 3.0 cm and of good quality. The sofas are made with a frame of hard metal and covered with fabric. The level of comfort is good with the sensibility of the hotel's guests.

1.1.8 Staff Management

The hotel's structure is composed of the following departments: reception, front desk, housekeeping, food and beverage, engineering, security. The hotel employs approximately 100 people, including the hotel's management and the staff. The hotel's management consists of a general manager and two assistant managers. The general manager is responsible for the overall operation of the hotel, while the assistant managers are responsible for the specific departments. The staff is divided into hourly and salaried employees. The hotel provides training to its employees to ensure they are up to date with the latest industry practices.

1.1.9 Legal Risk

The hotel is subject to various legal risks, which include employment law, data protection law, and consumer law. The hotel must ensure that it complies with all applicable laws and regulations, to avoid potential legal disputes and financial losses. The hotel is advised to seek legal advice regularly to stay up to date with any changes in the law.

1.1.10 Financial statements

The hotel's financial statements show a healthy performance in the past year. The revenue has increased by 10% compared to the previous year, and the profit margin has improved by 2%. The hotel's balance sheet shows a strong liquidity position, with cash and cash equivalents amounting to 2 million euros. The hotel's debt-to-equity ratio is 0.5, indicating a low level of financial risk.

1.1.11 Comparative report

The comparative report compares the hotel's performance with that of similar hotels in the same region. The hotel's revenue and profit margins are both higher than the average of its competitors. The hotel's customer satisfaction score is higher than the industry average, indicating that the hotel is providing high-quality service to its guests.

1.1.12 Summary

In summary, the hotel is performing well financially and is providing a high level of service to its guests. The hotel's management is advised to continue its efforts to maintain and improve its performance. The hotel is encouraged to stay updated with the latest industry practices and to comply with all applicable laws and regulations to avoid any potential legal disputes.
Financial Statements 2015

BASIC Limited
A STATE OWNED SCHEDULED BANK

3.4 Income Statement

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (In Lacs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Interest Income</td>
<td>5,675.20</td>
</tr>
<tr>
<td>Interest Income</td>
<td>4,225.00</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>2,150.00</td>
</tr>
<tr>
<td>Non-Interest Income</td>
<td>2,450.00</td>
</tr>
<tr>
<td>Provision for Doubtful * Accounts</td>
<td>42.50</td>
</tr>
<tr>
<td>Net Profit before Tax</td>
<td>3,557.20</td>
</tr>
<tr>
<td>Tax @ 30%</td>
<td>1,067.16</td>
</tr>
<tr>
<td>Net Profit</td>
<td>2,490.04</td>
</tr>
</tbody>
</table>

3.5 Balance Sheet

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (In Lacs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>12,595.00</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>9,405.00</td>
</tr>
<tr>
<td>Net Worth</td>
<td>3,190.00</td>
</tr>
</tbody>
</table>

3.6 Ratio Analysis

- Current Ratio: 2.00
- Debt to Equity Ratio: 3.00
- Return on Equity: 7.80%

4.1 Risk Management

- Credit Risk: Low
- Market Risk: Moderate
- Operational Risk: High

4.2 Capital Adequacy

- Core Tier Capital Adequacy Ratio: 15.00%
- Tier 1 Capital Adequacy Ratio: 14.00%
- Total Capital Adequacy Ratio: 10.00%

4.3 Compliance

- All regulatory requirements are met

4.4 Internal Control

- Effective internal controls in place

4.5 Information Technology

- Robust information technology infrastructure

4.6 Social Responsibility

- Active participation in community service programs

4.7演奏

- No significant changes in演奏 performance

4.8 Other

- No other significant disclosures

5.1 Other Financial Statements

- Income Statement
- Balance Sheet
- Ratio Analysis
- Risk Management
- Capital Adequacy
- Compliance
- Internal Control
- Information Technology
- Social Responsibility
- Other

5.2 Interpretation

- The financial statements reflect the bank's sound financial condition

6.1 Director's Report

- Chairman's Statement
- Managing Director's Statement

6.2 Auditors' Report

- Independent Auditors' Report

6.3 Annexures

- Annexure A: Details of Directors' Fees
- Annexure B: Details of Key Management Personnel

7.1 Significant Accounting Policies

- Provisioning for Doubtful * Accounts
- Exchange Rates

7.2 Historical Cost and Market Values

- Historical Cost
- Market Value

7.3 Financial Performance

- Revenue
- Profit Before Tax
- Profit After Tax

7.4 Risk Factors

- Interest Rate Risk
- Credit Risk
- Market Risk

7.5 Other Information

- Notes to Financial Statements
- Management Discussion and Analysis

8.1 Dividend

- Declaration of dividend

8.2 Share Capital

- Details of share capital

8.3 Loan and Advances

- Details of loan and advances

8.4 Capital Adequacy

- Details of capital adequacy

8.5 Compliance

- Details of compliance

8.6 Other

- Details of other information

9.1 Statutory Auditors

- Details of statutory auditors

9.2 Shareholders

- Details of shareholders

9.3 Other

- Details of other information

10.1 Compliance

- Details of compliance

10.2 Other

- Details of other information

11.1 Other

- Details of other information

12.1 Other

- Details of other information

13.1 Other

- Details of other information

14.1 Other

- Details of other information

15.1 Other

- Details of other information
### Financial Statements 2015

#### 1.1.1. Basic Financial Instruments

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>12,345</td>
<td>12,345</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>3,456</td>
<td>3,456</td>
</tr>
<tr>
<td>Inventories</td>
<td>5,678</td>
<td>5,678</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>7,890</td>
<td>7,890</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>9,012</td>
<td>9,012</td>
</tr>
</tbody>
</table>

#### 1.2. Income Statement

<table>
<thead>
<tr>
<th>Revenue Category</th>
<th>Value</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>123,456</td>
<td>123,456</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>34,567</td>
<td>34,567</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>5,678</td>
<td>5,678</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>7,890</td>
<td>7,890</td>
</tr>
<tr>
<td>Income Before Income Taxes</td>
<td>78,901</td>
<td>78,901</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>9,012</td>
<td>9,012</td>
</tr>
<tr>
<td>Net Income</td>
<td>69,889</td>
<td>69,889</td>
</tr>
</tbody>
</table>

#### 1.2.1. Balance Sheet

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Value</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>215,913</td>
<td>215,913</td>
</tr>
<tr>
<td>Current Assets</td>
<td>123,456</td>
<td>123,456</td>
</tr>
<tr>
<td>Investments</td>
<td>5,678</td>
<td>5,678</td>
</tr>
<tr>
<td>Long-Term Investments</td>
<td>9,012</td>
<td>9,012</td>
</tr>
<tr>
<td>Liabilities</td>
<td>84,984</td>
<td>84,984</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>69,889</td>
<td>69,889</td>
</tr>
<tr>
<td>Long-Term Liabilities</td>
<td>15,095</td>
<td>15,095</td>
</tr>
</tbody>
</table>

#### 1.2.2. Statement of Cash Flows

<table>
<thead>
<tr>
<th>Cash Flow Category</th>
<th>Value</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Activities</td>
<td>78,901</td>
<td>78,901</td>
</tr>
<tr>
<td>Investing Activities</td>
<td>9,012</td>
<td>9,012</td>
</tr>
<tr>
<td>Financing Activities</td>
<td>9,012</td>
<td>9,012</td>
</tr>
<tr>
<td>Net Increase in Cash</td>
<td>70,889</td>
<td>70,889</td>
</tr>
</tbody>
</table>

#### Additional Notes

- The balance sheet figure for cash and cash equivalents includes restricted cash of $5,678.
- The profit before income taxes is calculated based on profits before deductions of all expenses.
- The net income figure is the result after applying income tax.
BASIC Bank Limited

Schedule of Balance with other banks-Outside Bangladesh (Netted Accounts)
As at 31 December 2015

<table>
<thead>
<tr>
<th>Bank Name</th>
<th>Balance as at 01.01.2015</th>
<th>Additions during the year</th>
<th>Balance as at 31.12.2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC Bank</td>
<td>50,000.00</td>
<td>10,000.00</td>
<td>60,000.00</td>
</tr>
<tr>
<td>XYZ Bank</td>
<td>30,000.00</td>
<td>5,000.00</td>
<td>35,000.00</td>
</tr>
<tr>
<td>PQR Bank</td>
<td>20,000.00</td>
<td>2,000.00</td>
<td>22,000.00</td>
</tr>
<tr>
<td>Total</td>
<td>100,000.00</td>
<td>17,000.00</td>
<td>117,000.00</td>
</tr>
</tbody>
</table>

The information provided above is a simplified representation of the actual financial statements. For a comprehensive understanding, please refer to the full financial statements provided by the bank.