BASIC Bank Limited

Serving people for progress

A STATE OWNED SCHEDULED BANK

Financial Statements 2008

4.2 Outside Bangladesh (Nostro Accounts and Term Placement)

	31.12.2008 Taka	31.12.2007 Taka
Interest-bearing Accounts		
AMEX New York	6,109,533	38,909,199
Bank of Tokyo-Mitsubishi London	3,681,220	5,166,358
Bank of Tokyo Mitsubishi Japan	2,477,314	1,452,712
Mashreq Bank PSC UAE	-	491,392
Mashreq Bank New York	68,730,535	2,457,454
CITI Bank Mumbai	1,021,483	2,618,139
Sonali Bank Kolkata	57,636	496,211
Bank of Ceylon	2,040,359	9,412,425
AMEX (Kolkata)	-	10,905,337
CITI Bank New York (Import)	-	40,608,711
CITI Bank New York (Export)	23,246,373	134,489,861
State Bank of India	-	582,142
Standard Chartered Import New York	36,320,526	62,539,352
Standard Chartered Bank London	4,049,844	7,590,048
Standard Chartered Bank Mumbai	10,855,994	17,350,651
ICICI Bank Ltd.	9,927,929	11,466,982
HSBC New York	10,625,562	20,464,755
Dresdner Bank Frankfurt -Euro	-	2,899,461
Banque de Commerce, Geneva	475,336	2,792,191
AMEX Frankfurt	6,344,108	2,590,201
Wachovia Bank N.Y.	-	6,292,259
Arif Habib Rupali Bank	1,239,881	503,444
Total of Nostro Account	**187,403,633**	**382,079,384**

(Annexure - A may kindly be seen for details)

	31.12.2008 Taka	31.12.2007 Taka
Term Placement		
Citi bank N A New York-Term	-	20,697,300
Commercial Bank of Ceylon-Dhaka-Term	13,766,800	13,766,800
Commercial Bank of Ceylon-Term	20,490,000	-
Commercial Bank of Ceylon-Tokyo-Term	10,312,350	10,312,350
Total Term Placement	**44,569,150**	**44,776,450**
Grand total (Nostro and Term Placement)	**231,972,783**	**426,855,834**

4.3 Maturity grouping of balances with other banks & financial institutions

	31.12.2008 Taka	31.12.2007 Taka
On demand	210,862,035	437,086,988
Upto 1 month	1,900,000,000	535,668,168
Over 1 month but not more than 3 months	4,757,473,309	5,964,776,450
Over 3 months but not more than 1 year	1,460,312,350	-
Over 1 year but inot more than 5 years	156,533,081	-
Over 5 years	-	-
	8,485,180,775	**6,937,531,606**

5. Money at Call and Short Notice

5.1 Classification of Money at Call & Short Notice

		31.12.2008 Taka	31.12.2007 Taka
Commercial Banks	(Note: 5.1.1)	1,330,000,000	1,320,000,000
Financial Institutions (Public & Private)	(Note: 5.1.2)	150,000,000	-
		1,480,000,000	**1,320,000,000**

5.1.1 Commercial Banks

	31.12.2008 Taka	31.12.2007 Taka
Trust Bank Ltd.	150,000,000	150,000,000
Dhaka Bank Ltd.	50,000,000	150,000,000
BRAC Bank Ltd.	150,000,000	-
Habib Bank Ltd.	100,000,000	-
National Bank of Pakistan	70,000,000	-
The City Bank Ltd.	100,000,000	-
NCC Bank Ltd	50,000,000	-
IFIC Bank Ltd.	-	200,000,000
Uttara Bank Ltd	-	200,000,000
Pubali Bank Ltd	-	100,000,000
Mutual Trust Bank	-	200,000,000
Mercantile Bank Ltd	100,000,000	120,000,000
Bank Asia	60,000,000	200,000,000
Eastern Bank Ltd.	200,000,000	-
Southeast Bank Ltd.	170,000,000	-
Arab Bangladesh Bank Ltd	130,000,000	-
	1,330,000,000	**1,320,000,000**

5.1.2 Financial Institutions

	31.12.2008 Taka	31.12.2007 Taka
IPDC	100,000,000	-
IIDFC	50,000,000	-
	150,000,000	-

6. Investments

		31.12.2008 Taka	31.12.2007 Taka
Government Securities	(Note: 6.1)	5,598,825,306	5,271,306,344
Other Investments	(Note: 6.2)	89,192,260	32,084,760
		5,688,017,566	**5,303,391,104**

6.1 Government Securities

		31.12.2008 Taka	31.12.2007 Taka
Treasury Bills and Reserve Repo	(Note 6.1.1)	1,675,271,483	4,649,675,744
Treasury Bonds	(Note 6.1.2)	3,903,591,723	600,000,000
Prize Bond		2,472,100	1,630,600
Debenture	(Note: 6.1.3)	17,500,000	20,000,000
		5,598,825,306	**5,271,306,344**

6.1.1 Treasury Bills and Reverse Repo (at revalued Amount)

	31.12.2008 Taka	31.12.2007 Taka
05 Years Government Treasury Bills	-	381,182,812
02 Years Government Treasury Bills	-	-
364 Days Government Treasury Bills	575,271,483	3,168,492,932
364 Days Reverse Repo	1,100,000,000	600,000,000
91 Day Government Treasury Bills (at present value)	-	-
28 Days Government Treasury Bills	-	500,000,000
01 Day Reverse Repo-Bangladesh Bank	-	-
	1,675,271,483	**4,649,675,744**

6.1.2 Treasury Bonds (at revalued Amount)

	31.12.2008 Taka	31.12.2007 Taka
05 Years Government Treasury Bond	3,752,442,252	600,000,000
10 Years Government Treasury Bond	151,139,471	-
	3,903,591,723	**600,000,000**

6.1.3 Debentures

	31.12.2008 Taka	31.12.2007 Taka
20 years HBFC Debenture - 5.5%	**17,500,000**	**20,000,000**

6.2 Other Investments

		31.12.2008 Taka	31.12.2007 Taka
Shares	(Note 6.2.1)	89,192,260	32,084,760
		89,192,260	**32,084,760**

6.2.1 Shares

	31.12.2008 Taka	31.12.2007 Taka
Quoted companies		
Shares in listed companies	72,990,500	15,883,000
Unquoted companies		
Share of Karmasangsthan Bank	10,000,000	10,000,000
Equity Of Grameen I. T. Park	4,201,760	4,201,760
Share of CDB Ltd.	2,000,000	2,000,000
	89,192,260	**32,084,760**

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

6.3 Investment in Securities are classified as per Bangladesh Bank Circular

	31.12.2008 Taka	31.12.2007 Taka
Held For Trading (HFT)	3,850,739,802	1,786,847,904
Held To Maturity (HTM)	1,745,613,405	3,484,458,440
	5,596,353,207	**5,271,306,344**

Treasury bond and treasury bills are catagorized into HTM and HFT as per Bangladesh Bank circular.HTM securities are revalued at the end of the year and revaluation gain is shown in capital account as Revaluation Reserve.HFT securities are revalued weekly and gain on revaluation is shown as Revaluation Reserve under capital account.Securities are shown at revaled amount.

6.4 Assets pledged as security

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

	31.12.2008 Taka	31.12.2007 Taka
Liabilities to bank	-	-
Liabilities to customers	-	-
	-	-

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

6.5 Maturity Grouping of Investments

	31.12.2008 Taka	31.12.2007 Taka
On demand	2,472,100	1,630,600
Upto 1 month	-	500,000,000
Over 1 month but not more than 3 months	896,290,186	995,579,982
Over 3 months but not more than 1 year	778,981,302	3,154,095,762
Over 1 year but not more than 5 years	3,752,442,248	600,000,000
Over 5 years	257,831,730	52,084,760
	5,688,017,566	**5,303,391,104**

7. Loans & Advances

		31.12.2008 Taka	31.12.2007 Taka
Loans, Cash Credits & Overdrafts etc.	(Note: 7.1)	24,344,733,475	20,047,920,838
Bills Purchased & Discounted	(Note: 7.2)	2,924,397,705	2,215,428,771
		27,269,131,180	**22,263,349,609**

7.1 Loans, Cash Credits & Overdrafts etc.

		31.12.2008 Taka	31.12.2007 Taka
In Bangladesh			
Loans	(Note: 7.1.1)	10,401,148,941	8,505,548,005
Cash credit		6,448,156,050	5,328,108,789
Overdraft	(Note: 7.1.2)	2,775,402,761	2,331,584,083
Others	(Note: 7.1.3)	4,720,025,723	3,882,679,962
		24,344,733,475	20,047,920,838
Outside Bangladesh		-	-
		24,344,733,475	**20,047,920,838**

7.1.1 Loans

	31.12.2008 Taka	31.12.2007 Taka
Loan General	3,773,039,250	3,182,095,546
Term Loan	6,592,133,183	5,250,355,320
Loan secured	2,469,253	17,861,608
Others	33,507,255	55,235,531
	10,401,148,941	**8,505,548,005**

7.1.2 Overdraft

	31.12.2008 Taka	31.12.2007 Taka
Temporary Overdraft	157,138,016	101,038,078
Overdraft Secured(Bond and Share)	3,186,663	127,041,740
Overdraft Secured Mortgage	10,706,258	8,158,905
Overdraft Secured (Other Securities)	2,604,371,822	2,095,345,360
	2,775,402,761	**2,331,584,083**

7.1.3 Others

	31.12.2008 Taka	31.12.2007 Taka
Loan Against Foreign Bill	258,158,576	366,632,186
Loan Against Packing Credit	460,438,347	353,191,587
Payment Against Documents	394,431,448	303,389,028
Loan Against Trust Receipt	3,381,259,682	2,758,094,435
Loan Against Import Merchandise	225,737,670	101,372,746
	4,720,025,723	**3,882,679,962**

7.2 Bills Purchased & Discounted

	31.12.2008 Taka	31.12.2007 Taka
Payable in Bangladesh		
Local bills purchased/LADB	2,665,214,485	1,870,155,448
Payable outside Bangladesh		
Foreign bills purchased and discounted	259,183,220	345,273,323
	2,924,397,705	**2,215,428,771**

7.3 Residual maturity grouping of loans including bills purchased and discounted

	31.12.2008 Taka	31.12.2007 Taka
Payable on demand	925,510,223	1,243,388,282
Not more than 3 months	7,368,722,160	4,357,503,705
Above 3 months but not more than 1 year	11,763,309,453	9,116,889,607
Above 1 year but not more than 5 years	5,806,207,430	6,582,894,667
Above 5 years	1,405,371,914	962,673,348
	27,269,131,180	**22,263,349,609**

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

		31.12.2008 Taka	31.12.2007 Taka
a. Advances to Directors		-	-
b. Advances to Managing Director and other Senior Executives		513,319,000	331,900,000
c. Advances to Customers group		9,529,439,180	8,030,049,609
d. Advances to Industrial sector	(Note: 7.4.1)	17,226,373,000	13,901,400,000
		27,269,131,180	**22,263,349,609**

7.4.1 Advances to Industrial sector

	Amount in Lac taka	
Food and Allied Ind.	20,375	17,345
Textile	39,890	26,616
ERGM	19,383	13,434
Accessories	8,547	8,330
Jute Prod. and Allied Ind.	16,830	16,293
Forest Prod. and Allied Ind.	603	783
Paper, Board, Printing, Pub. and Packaging	8,938	6,985
Tannery Leather and Rubber Prod.	5,475	4,662
Chem. Pharm. and Allied Ind.	7,272	7,425
Glass, Crmc. and Other non Metal. Pr.	1,971	939
Engineering	20,021	16,992
Electrical and Electronics Ind.	523	1,675
Service Ind.	14,939	14,542
Misc. Industries	1,807	481
Ind. Not Elsewhere Classified	5,689	2,512
	172,263	**139,014**

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

	31.12.2008 Taka	31.12.2007 Taka
Number of Customers	11	12
Amount of outstanding loans*	6,735,600,000	7,715,400,000
Classified amount thereon	164,700,000	-
Amount of recovery	-	152,800,000

*Loans and Advances allowed to customers' group exceeding 10% of banks total capital fund which is computed of Tk. 33.75 crore of the Bank as at 31 December 2008.

(Details are given in Annexure - C)

7.6 Geographical Location - wise Loans and Advances;

	31.12.2008 Taka	31.12.2007 Taka
Inside Bangladesh		
Dhaka Division	18,969,163,589	15,425,126,029
Chittagong Division	4,404,889,314	3,630,681,808
Khulna Division	1,536,059,588	1,064,400,133
Rajshahi Division	1,771,464,403	1,656,155,075
Sylhet Division	507,246,031	431,459,102
Barisal Division	80,308,255	55,527,462
	27,269,131,180	**22,263,349,609**
Outside Bangladesh	-	-
	27,269,131,180	**22,263,349,609**

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

		31.12.2008 Taka	31.12.2007 Taka
Unclassified loan			
Standard		25,604,245,829	21,231,194,740
SMA		413,675,472	308,921,054
	Sub-total	26,017,921,301	21,540,115,794
Classified loan:			
Sub-standard		528,217,820	25,738,415
Doubtful		182,174,509	88,173,184
Bad and loss		540,817,550	609,322,215
	Sub-total	**1,251,209,879**	**723,233,815**
	Total	**27,269,131,180**	**22,263,349,609**

7.8 Provision required for loans and advances

Status	Base for Provision	Rate %	31.12.2008 Taka	31.12.2007 Taka
Unclassified-General provision				
Agro based and Micro Credit	602,768,600	5	30,139,430	34,313,946
SMA	413,675,472	5	20,683,774	14,816,187
Others (excluding staff loan)	24,613,463,400	1 & 2	263,498,215	251,520,088
			314,321,419	**300,650,221**
Classified-specific provision				
Sub-standard	275,030,835	20	55,006,167	1,743,927
Doubtful	102,935,401	50	51,467,701	22,668,811
Bad/Loss	309,366,725	100	309,366,725	412,130,444
			415,840,593	**436,543,182**
Required provision for loans & advances			**730,162,012**	**737,193,403**
Total provision maintained			**730,162,012**	**737,193,403**
Excess / short provision as at 31 December			-	-

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

7.9 Listing of Assets Pledge as Security/Collaterals

		31.12.2008 Taka	31.12.2007 Taka
Nature of the secured assets			
Fixed Assets		27,879,508,162	22,235,035,564
Cash and quasi-cash		3,256,762,037	2,347,943,606
Others		7,327,572,543	4,579,122,340
	Total	**38,463,842,742**	**29,162,101,510**

7.10 Particulars of Loans and Advances:

	31.12.2008 Taka	31.12.2007 Taka
(i) Debts considered good in respect of which the banking company is fully secured.	22,714,428,328	19,993,174,682
(ii) Debts considered good for which the banking company holds no other security other than debtor's personal security.	4,239,276,688	1,662,428,170
(iii) Debts considered good secured by personal liabilities of one or more parties in addition to the personal security of the debtors.	315,426,164	607,746,756
(iv) Debts considered doubtful or bad not provided for.	-	-
	27,269,131,180	**22,263,349,609**
(v) Debts due by directors and officers of the banking company or any of them either severally or jointly with any other person.*	513,319,000	331,887,545
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies, as members.	-	-
(vii) Maximum total amount of advances including temporary advances made at any time during the year to the directors or managers or officers of the banking company or any of them either severally or jointly with any other person.*	528,020,818	352,229,434
(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 are interested as directors, partners or managing agents or in the case of private company	-	-
(ix) Due from banking companies.	-	-
Amount of classified debts on which interest has not been credited to income*	540,817,550	723,233,815
(a-i) (Decrease)/ Increase in provision	44,152,629	133,897,451
(a-ii) Amount realized against loan previously written off	1,309,616	5,626,068
(b) Amount of provision kept against loan classified as bad/loss	309,366,726	436,543,180
x) Cumulative amount of Classified Loans Which is Written off	587,707,402	283,385,108
xi) Classified Loans Which is Written off for current Year	304,324,378	37,054

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

7.11 Bills Purchased and Discounted

	31.12.2008 Taka	31.12.2007 Taka
Payable in Bangladesh	2,665,214,485	1,870,155,448
Payable outside Bangladesh	259,183,220	345,273,323
	2,924,397,705	**2,215,428,771**

7.11.1 Maturity grouping of bills purchased & discounted

	31.12.2008 Taka	31.12.2007 Taka
Not more than 01 months	315,185,852	267,376,656
Above 01 months but not more than 03 months	1,455,029,165	1,277,743,738
Above 03 months but not more than 06 menths	1,088,872,880	670,308,377
Above 06 months	65,309,808	-
	2,924,397,705	**2,215,428,771**

8. Premises and Fixed Assets

		31.12.2008 Taka	31.12.2007 Taka
Own Assets			
Furniture and Fixtures		106,399,544	90,313,949
Equipment and Computer		273,075,016	225,485,725
Vehicles		93,111,369	75,140,296
		472,585,929	390,939,970
Less: Accumulated depreciation		247,760,782	198,419,017
	Sub total	**224,825,147**	**192,520,953**
Leased Assets			
Leasehold Assets		4,000,000	4,000,000
Less: Accumulated depreciation		459,770	413,793
	Sub total	**3,540,230**	**3,586,207**
	Total	**228,365,377**	**196,107,160**

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

9. Other Assets

		31.12.2008 Taka	31.12.2007 Taka
a) Investment in Shares of subsidiary companies;			
1 In Bangladesh		-	-
2 Outside Bangladesh		-	-
b) Stationery, stamps, printing materials etc.		14,762,041	15,981,647
c) Advance rent;		32,556,551	18,265,106
d) Income receivable	(Note-9.2)	341,949,604	149,115,363
e) Advance income tax		287,273,190	335,827,685
f) Security deposits	(Note-9.1)	5,900,396	4,619,989
g) Suspense account	(Note-9.3)	1,829,483	1,751,130
h) Other prepayments		231,680	8,124
i) Suspense account (Proposed Gazipur Chowrastha Branch)		12,054,911	-
j) Branch adjustment account		16,486,397	27,846,502
k) Sundry debtors	(Note-9.4)	48,254,593	22,437,726
l) Subs fees of Dun Breadstreet		2,997,622	3,291,548
		764,296,468	**579,144,820**

9.1 Security deposits

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

9.2 Income receivable

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

9.3 Suspense account

Suspense account consists of DD paid without advice, clearing, petty cash etc.

9.4 Sundry Debtors

	31.12.2008 Taka	31.12.2007 Taka
Protested bill, Main branch	6,535,881	6,535,881
Protested bill, Khatungonj branch	244,800	244,800
Protested bill, Khulna branch	416,367	416,367
BCCI-Bombay	584,884	584,684
BCCI-London	326	326
Protested bill, SWIFT charges	5,571,921	6,390,039
	13,354,179	14,172,297
Others	34,900,414	8,265,429
	48,254,593	**22,437,726**

Full provision for the protested bill of BCCI and SWIFT charges has been made in the account and Others included encashment of Sanchaypatras amount which will be adjusted after receiving Bangladesh Bank advice.

10 Borrowing from other banks Including Financial Institutions & Agents

	31.12.2008 Taka	31.12.2007 Taka
In Bangladesh	1,015,312,703	846,160,971
Outside Bangladesh	693,091,547	539,649,754
	1,708,404,250	**1,385,810,725**

Borrowing from other bank companies and agents

	31.12.2008 Taka	31.12.2007 Taka
Long term loan from Bangladesh Bank	174,010,290	237,383,575
Bangldesh Bank Reference Loan for Housebuilding	33,895,000	-
Loan from Bangladesh Bank under ESP scheme	-	94,800
Small and Cottage Industries Project loan under ADB loan No. - 1070 - BAN(SF)	605,051	5,348,862
Loan for Micro Credit and Small Scale Industries (KfW, Germany)	189,545,950	208,735,121
Government Placement for Agro based Industries	807,407,413	608,682,596
Agro business Development Project of ADB	502,940,546	325,565,771
	1,708,404,250	**1,385,810,725**

Secured and unsecured borrowing from other banks

	31.12.2008 Taka	31.12.2007 Taka
Secured	-	-
Unsecured	1,708,404,250	1,385,810,725
	1,708,404,250	**1,385,810,725**

11. Deposits & Other Accounts

11.1 Non-Interest bearing Accounts

11.1.1 Current and Other Accounts

		31.12.2008 Taka	31.12.2007 Taka
Current Account		1,029,676,524	1,166,016,812
Sundry Deposit		1,514,839,299	1,701,173,437
		2,544,515,823	**2,867,190,249**

11.1.2 Bills Payable

		31.12.2008 Taka	31.12.2007 Taka
Payment Order		292,936,770	260,333,250
Demand Draft		35,554,589	30,422,014
		328,491,359	**290,755,264**
	Sub-total	**2,873,007,182**	**3,157,945,513**

11.2 Interest bearing Account

11.2.1 Savings Bank Deposits

		31.12.2008 Taka	31.12.2007 Taka
Savings Account		**955,508,366**	**886,304,853**

11.2.2 Fixed Deposits

		31.12.2008 Taka	31.12.2007 Taka
Short Term Deposits		5,206,029,651	4,056,140,541
Term Deposits		29,333,692,233	23,847,588,193
		34,539,721,884	**27,903,728,734**
	Sub-total	**35,495,230,250**	**28,790,033,587**
	Total	**38,368,237,432**	**31,947,979,100**

11.3 Maturity Grouping of Deposits and Other Accounts

		31.12.2008 Taka	31.12.2007 Taka
Deposit from Bank			
Payable on Demand		1,150,881	6,534,000
Less than 01 Month		-	-
Above 01 Month but not more than 6 Months		-	-
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		-	-
	Sub-total	**1,150,881**	**6,534,000**
Other Deposits			
Payable on Demand		5,152,023,028	415,181,410
Less than 01 Month		4,242,896,487	5,812,466,492
Above 01 Months but not more than 6 Months		5,091,001,146	12,561,102,308
Above 06 Months but not more than 01 Year		18,172,735,109	7,466,592,005
Above 01 year but not more than 05 Years		5,708,430,781	5,686,102,885
Above 05 years not more than 10 years		-	-
Above 10 years		-	-
	Sub-total	**38,367,086,551**	**31,941,445,100**
	Total	**38,368,237,432**	**31,947,979,100**

12. Other Liabilities

		31.12.2008 Taka	31.12.2007 Taka
Interest Payable on Borrowing		100,072,218	105,307,625
Interest Payable on Term Deposits		1,288,210,367	997,384,571
Privileged Creditors		27,255,420	21,931,651
Benevolent Fund		7,731,745	5,505,572
Gratuity Fund		184,539,862	84,303,645
Provision for Incentive Bonus		105,305,659	62,148,214
Sundry Creditors		17,667,416	57,000,535
Telephone and Telex Charges Payable		1,061,073	795,677
Expenses Payable		1,496,138	1,006,557
Provision for Taxes	(Note-35)	813,301,889	601,416,654
Miscellaneous Creditors		-	35,827
Provision for Loan and Advances	(Note- 12.1 and 12.2)	730,162,011	737,193,403
Provision for Off Balance Sheet Exposures	(Note- 12.3)	92,980,000	43,700,000
Provision for Sundry Debtors		14,172,297	14,172,297
Provision for Investment		331,890	331,890
Suspense Interest	(Note-12.4)	174,868,951	93,891,617
Excess Cash		-	5,000
Provision for Superannuation Fund		3,500,000	3,500,000
Provision for Welfare Fund		9,553,366	5,053,367
Electricity		1,224,096	1,243,189
Clearing		2,727,124	680,047
Exchange Equalization Fund		6,925,385	6,925,385
Printing Stationary		266,759	-
Verious Audit and Rating Fees		640,126	-
Proposed Gazipur Branch		8,301,859	-
		3,592,295,651	**2,843,532,721**

12.1 Provision for Classified Loan (A)

			31.12.2008 Taka	31.12.2007 Taka
Opening Balance			436,543,180	323,218,141
Fully Provided Debt Written off/Interest Waived	(Note: 12.1.1)	(-)	(240,976,713)	(69,426,562)
Recovery from Earlier Written off Loan		(+)	-	-
Special Provision for Current Year		(+)	-	-
Provision not Required		(-)	-	-
Charge against Current Year's Profit		(+)	220,274,126	182,751,601
Closing Balance			**415,840,593**	**436,543,182**

12.1.1 Fully Provided Debt Written off/Interest Waived

	31.12.2008 Taka	31.12.2007 Taka
Loan Written off	240,976,713	27,562
Interest Waived	-	69,399,000
	240,976,713	**69,426,562**

12.2 Provision for Unclassified Loan (B)

		31.12.2008 Taka	31.12.2007 Taka
Opening Balance		300,650,221	250,526,282
Provision not Required	(-)	-	-
Charge against Current Year's Profit	(+)	13,671,198	50,123,939
Closing Balance		**314,321,419**	**300,650,221**
Total of 12.1 and 12.2		**730,162,011**	**737,193,403**

12.3 Provision for off Balance Sheet Items (C)

		31.12.2008 Taka	31.12.2007 Taka
Opening Balance		43,700,000	-
Provision not Required	(-)	-	-
Charge against Current Year's Profit	(+)	49,280,000	43,700,000
Closing Balance		**92,980,000**	**43,700,000**
Total Provision (A+B+C)		**823,142,011**	**780,893,403**

12.4 Suspense Interest

		31.12.2008 Taka	31.12.2007 Taka
Opening Balance		93,891,617	101,347,496
Transferred During the Year	(+)	130,701,175	82,578,773
Recovery During the Year	(-)	(21,471,063)	(62,248,718)
Suspense Written off/Waived During the Year	(-)	(28,252,778)	(27,785,934)
Closing Balance		**174,868,951**	**93,891,617**

12.5 Branch adjustments acount represents outstanding inter branch and head office transaction (Net) originated. The un - responded entries of 31.12.08 are given below:

(Amount in thousand)

Particulars	No. of Un-responded		Amount of Un-responded entries	
	Dr.	Cr.	Dr.	Cr.
Up to 03 Months	177	235	210,099	189,951
Over 03 Month but within 06 Months	-	-	-	-
Over 06 Month but within 01 Year	-	-	-	-
Over 01 Year but within 05 Years	-	-	-	-

By 31 January 2009 all the Entries are Responded

13. Capital

13.1 Authorized

	31.12.2008 Taka	31.12.2007 Taka
20,000,000 Ordinary Shares of Tk 100.00 Each	**2,000,000,000**	**2,000,000,000**

13.2 Issued and Fully Paid

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

	31.12.2008 Taka	31.12.2007 Taka
Ordinary Shares of Tk. 100.00 Each	**1,309,770,000**	**1,247,400,000**

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.

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

Calculated as per BRPD Circular No. 10 dated 25 November 2002 and subseqent amended Circular No. 03 Dated 09 May 2004 and BRPD Circular No.05 dated 14.05.2007 respectively issued by Bangladesh Bank.

	31.12.2008 Taka	31.12.2007 Taka
Core Capital (Tier - 1)		
Paid up Capital	1,309,770,000	1,247,400,000
Statutory Reserve	1,295,263,804	1,045,085,405
General Reserve/Capital Reserve	40,000,000	40,000,000
Retained Earnings	304,512,647	129,477,308
	2,949,546,451	**2,461,962,713**
Supplementary Capital (Tier - 2)		
General Provision Maintained against Unclassified Loan	314,321,419	300,650,220
Provision for Off -Balance Sheet Items	92,980,000	43,700,000
Exchange Equalization	6,925,385	6,925,385
Revaluation of HTM Securities	11,150,674	134,620,578
	425,377,478	**485,896,183**
A. Total Eligible Capital (Tier-1 + Tier-2)	**3,374,923,929**	**2,947,858,896**
B. Risk Weighted Assets		
Balance Sheet Business	25,447,401,000	20,549,370,000
Off- Balance Sheet Business	2,620,558,000	2,291,950,000
Total Risk-weighted Assets	**28,067,959,000**	**22,841,320,000**
C. Required Capital on Risk Weighted Assets (10% on Total Risk Weighted Assets)	**2,806,795,900**	**2,284,132,000**
D. Capital Surplus / (Shortfall) [A-C]	**568,128,029**	**663,726,896**
Total Capital Ratio (%)	**12.02**	**12.91**

Capital Requirement	**Required (%)**	**Held (%)**	**Held (%)**
Core Capital **(Tier-I)**	5.00	10.51	10.78
Supplementary Capital **(Tier - II)**		1.51	2.13
Total	**10.00**	**12.02**	12.91

14. Statutory Reserve

	31.12.2008 Taka	31.12.2007 Taka
Opening Balance at the Beginning of the Year	1,045,085,405	883,456,765
Add: Addition During the Year from Net Profit	250,178,399	161,628,640
Closing Balance at the End of the Year	**1,295,263,804**	**1,045,085,405**

15. Other Reserve

	31.12.2008 Taka	31.12.2007 Taka
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. Surplus in Profit and Loss Account

	31.12.2008 Taka	31.12.2007 Taka
Balance as on 1st January	129,477,308	370,540,862
Change in Accounting Policy (Deferred tax effect upto 2004)	-	-
Profit During the Year	299,775,338	121,336,446
Transferred to Other Reserve	-	-
Cash Dividend Paid During the Year	(62,370,000)	(60,000,000)
Issuance of Bonus Share	(62,370,000)	(302,400,000)
	304,512,647	**129,477,308**