BASIC Bank Limited

Serving people for progress

A STATE OWNED SCHEDULED BANK

Financial Statements 2008

	31.12.2008 Taka	31.12.2007 Taka
16.1 Item-Wise Profit and Loss Account		
Income:		
Interest, Discount and Similar Income	4,498,080,197	3,067,492,480
Dividend Income	5,429,204	5,560,480
Fees, Commission and Brokerage	238,482,523	191,235,958
Gains less Losses Arising from Dealing Scurities	-	-
Gains less Losses Arising from Investment Securities	-	-
Gains less Losses Arising from Dealing in Foreign Crrencies	250,704,092	222,845,221
Income from Non-Banking Assets	-	-
Other Operating Income	67,613,775	62,389,876
	5,060,309,791	3,549,524,015
Expenses:		
Interest, Fee and Commission	2,708,915,661	1,928,472,617
Losses on Loans and Advances	-	-
Administrative Expenses	550,766,106	333,334,032
Other Operating Expenses	213,563,356	152,065,401
Depreciation on Banking Assets	52,947,349	44,543,187
	3,526,192,472	2,458,415,237
Profit Before Tax and Provision	1,534,117,319	1,091,108,778
16.2 Revaluation Reserve for Securities		
Revaluation Reserve for HTM	22,301,347	134,620,578
Revaluation Reserve for HFT	10,749,043	-
	33,050,390	134,620,578

Interest income of HTM and HFT securities transferred to Revaluation Reserve Account as per Bangladesh Bank DOS Circular No. 05 dated 26.05.2008 of which 50% of revaluation reserve for HTM will be treated as Supplementary Capital.

	31.12.2008 Taka	31.12.2007 Taka
17. Contingent Liabilities		
Letters of Guarantee (Note: 17.1)	2,002,299,467	1,924,920,407
Local Bills for Collection	659,803,314	587,734,401
Foreign Bills for Collection	803,413,397	805,387,236
Acceptances	2,710,211,320	2,139,046,330
Letters of Credit	4,215,282,375	4,457,653,429
Back to Back L/C	369,458,000	223,278,000
Travellers Cheques Stock	7,546,400	11,507,300
Value of Wage Earners Bond in Hand	40,766,046	39,998,271
	10,808,780,318	10,189,525,373
17.1 Letters of guarantee		
A. Claim against the Bank which is not recognized as Loan	-	-
Money for which the Bank is contingently liable in respect of guarantees favouring:		
Directors	-	-
Government	533,361,554	476,380,729
Bank and Other Financial Institutions	53,923,448	-
Others	1,415,014,465	1,448,539,678
	2,002,299,467	1,924,920,407

	2008 Taka	2007 Taka
18. Interest Income		
Interest from Clients	3,006,428,346	2,324,428,194
Interest from Banks and Financial Institutions	814,270,112	518,606,674
Interest from Foreign Banks	8,734,228	23,537,873
	3,829,432,686	2,866,572,741
19. Interest Paid on Deposits & Borrowings		
On Fixed Deposit	2,323,128,279	1,689,217,777
On Short Term Deposit	273,996,260	144,089,412
On Savings Bank Deposit	46,195,001	48,313,960
On Borrowing from Bangladesh Bank and Other Financial Institutions	65,596,121	46,851,468
	2,708,915,661	1,928,472,617
20. Income from Investment		
On Government Treasury Bill and Bond	667,199,751	199,480,002
On Debentures	1,447,761	1,439,737
On Shares	5,429,204	5,560,480
On Other Investment	-	-
	674,076,716	206,480,219
21. Commission / Fees, Exchange Earnings & Brokerage		
Foreign bill purchased	1,118,585	628,965
Local Bill Purchased	7,791,613	9,041,451
Remittance	8,698,956	8,280,081
Letter of Guarantee	38,310,375	39,869,621
Letter of Credit	148,230,971	106,869,561
Bills for Collection	15,230,622	8,691,916
Acceptances	14,049,618	10,792,897
Export Bill	1,629,488	570,415
Miscellaneous (includes commission on sale of PSP,TC)	5,422,296	6,491,052
	238,482,524	191,235,959
Exchange Gain		
Profit on Exchange Trading	250,704,092	222,845,221
	489,186,616	414,081,179
22. Other Operating Income		
Rent (Go-down and locker)	301,500	583,566
Postage Charges	10,979,430	8,410,225
Telephone and Cable Charges	623,320	725,811
Recovery of Telex/ swift Charges	16,950,941	12,626,600
Service Charges	9,225,687	6,186,504
Recoveries of Loan Priviously Write Off	1,389,616	5,626,068
Recoveries and miscellaneous earnings	26,374,439	26,154,438
Profit on Sale of Fixed Assets	1,768,843	2,076,663
	67,613,776	62,389,876
23. Salary and Allowances		
Salaries	147,959,600	103,013,486
Allowances	150,981,530	112,849,376
Provident Fund	11,679,352	8,327,647
Pension Fund	350,414	75,722
Benevolent Fund	7,731,745	5,505,572
Gratuity Fund	110,401,928	26,739,749
Bonus	116,333,797	71,172,480
Superannuation Fund	3,500,000	3,500,000
	548,938,366	331,184,032
24. Rent, Taxes, Insurance, Lighting Etc.		
Rent	38,945,210	31,531,480
Rates, Taxes and VAT	2,001,408	1,775,042
Electricity and Heating	10,461,286	8,690,956
Insurance	8,275,853	12,085,386
	59,683,757	54,082,864
25. Legal & Professional Expenses		
Professional Fees	1,983,033	1,694,907
Stamps and Court Fees	416,733	217,887
	2,399,766	1,912,794
26. Postage, Stamps, Telecommunication Etc.		
Postage	700,647	787,947
Telephone	9,110,355	8,881,373
Telex	-	20,926
Courier Services	4,891,565	4,876,634
Swift Subscription Charges	5,134,445	9,733,253
Cables	6,286,478	2,563,778
	26,123,490	26,863,912
27. Stationery, Printing, Advertisement Etc.		
Security Stationery	1,065,036	791,413
Printing Stationery	6,858,486	3,453,040
Other Stationery	7,605,358	6,008,450
Publicity, Advertisement and publication	5,221,380	2,618,297
	20,750,260	12,871,200
28. Managing Director's Salary		
Basic Salary	525,344	660,000
Allowances	1,157,246	1,050,000
Bonus	146,000	440,000
	1,828,590	2,150,000
29. Directors' Fees & Meeting Expenses		
Board meeting and audit committee meeting	540,000	412,000
Other meeting/benefits	-	105,000
	540,000	517,000

Each Director is paid for Tk.4000.00 per meeting.There was no other financial benefits provided to the directors of the bank.

	2008 Taka	2007 Taka
30. Depreciation of Bank's Assets		
Depreciation on Own Assets		
Furniture and Fixture	5,919,205	5,519,662
Machinery and Equipment	36,027,527	27,642,775
Vehicles	10,954,640	11,626,694
	52,901,372	44,789,131
Depreciation on Leased Assets		
Lease Equipment/ Assets	45,977	45,977
	52,947,349	44,835,108
31. Repair & Maintenance of Bank's Assets		
Furniture and Fixture	854,228	859,123
Machinery and Equipment	3,882,444	3,459,002
Vehicles	4,159,910	3,517,310
Rented Premises	4,015,899	2,743,888
	12,912,481	10,579,322
32. Other Expenses		
Discount	26,900	31,586
Commission and Brokerage	1,101,496	1,931,661
Entertainment	15,574,422	12,155,336
Car Expenses	9,518,305	6,064,868
Subscription	1,984,090	1,761,053
Travelling	8,629,017	6,615,834
Cartage and Freight	103,503	300,665
Computer Expenses	5,327,299	4,125,858
Staff Training Expenses	2,456,025	613,520
Donation	115,000	5,000
Management Fees	44,198	93,646
Welfare Fund	4,500,000	4,500,000
Other Audit Fee	18,178	253,200
Loss on exchange Trading	107,398	-
Loss on Sale of Other Banking Assets	39,171	-
Various Committee Members Fees and Allowances	129,000	220,000
Miscellaneous	3,774,873	6,124,161
	53,448,875	44,796,387

No item of the miscellaneous expenses exceeds 1 percent of the total revenue expenses.

	2008 Taka	2007 Taka
33. Provision for Loans & Advances		
On Classified Loans & Advances As Per Bangladesh Bank Circular (Note: 12.1)	220,274,126	182,751,601
On Unclassified Loans & Advances (Note: 12.2)	13,671,198	50,123,939
	233,945,323	232,875,540

34. Provision for Off Balance Sheet Exposures

A provision of Tk.92,980,000 has been made @ 1.00% on off balance sheet exposure (Acceptance & Endorsement, Letter of Credit & Letter of Guarantee) of which Tk.49,280,000 made provision from current year profit as per BRPD Circular # 10 dated 18 September 2007. The total amount of provision of Tk.92,980,000 will be treated as Supplementary Capital of the Bank.

	2008 Taka	2007 Taka
35. Provision for Tax		
Opening balance	66,192,176	55,576,726
Current Year's Tax	747,109,713	505,839,928
Previous Years Tax	-	40,000,000
	813,301,889	601,416,654

	31.12.2008 Taka	31.12.2007 Taka
36. Deferred Tax		
a) Computation of Deferred Tax		
Tax Base of Depreciable of Fixed Assets	244,591,845	204,783,041
Less: Carrying Amount	224,825,148	192,520,953
Deductable Temporary Difference **(A)**	19,766,697	12,262,088
Carrying Amount of Provision for Gratuity/Benevolent/Superannuation Fund:		
Provision for Gratuity	184,539,862	88,530,661
Provision for Benevolent Fund(Provision -actual payment)	6,443,340	5,865,449
Provision for Superannuation Fund(Provision -actual payment)	1,550,000	3,038,469
	192,533,202	97,434,579
Less: Tax Base	-	-
Deductable Temporary Difference **(B)**	192,533,202	97,434,579
Total Deductable Temporary Difference **(A-B)**	212,299,899	109,696,667
Effective Tax Rate	45%	45%
Deferred Tax Assets	95,534,955	49,363,500
b) Deferred Tax (Expenses)/Income		
Closing Deferred Tax Assets	95,534,954	49,363,500
Opening Deferred Tax Assets	49,363,500	28,701,686
Deferred Tax (Expenses)/Income	46,171,454	20,661,814

	31.12.2008 Taka	31.12.2007 Taka
37. Proposed Dividends		
Bonus Share (1:9 and 1:20)	145,530,000	62,370,000
Cash Dividend (@ 11.07% and 5.00%)	145,000,000	62,370,000
	290,530,000	124,740,000
38. Analysis of Closing Cash and Cash Equivalent		
Cash in hand and balance with Bangladesh bank and Sonali Bank	2,641,007,854	2,125,018,037
Cash with other Banks	8,485,180,776	6,937,531,606
Money at Call and Short Notice	1,480,000,000	1,320,000,000
	12,606,188,630	10,382,549,643
39. Earning Per Share (EPS)		
Net Profit after Tax (Numerator)	549,953,738	282,965,086
Number of Ordinary Share Outstanding (Denominator)	13,097,700	12,474,000
Earning Per Share (EPS)	41.99	22.68
39.1 Adjusting Earning per Share (Adjusting EPS) for 2007**	-	21.60

** Previous year's figure has been adjusted for the issue of 623700 bonus shares.

40. Litigation Pending against Bank

There is no litigation pending against the Bank in the Year 2008.

41. Coverage of External Audit

The external auditor has covered 80% of the risk-weighted assets and have spent around 2,000 hours to complete the audit as per Bangladesh Standards on Auditing (BSA). The external auditor has audited 9 branches and Head office of the Bank.

NOSTRO Accounts - Outside Bangladesh

Annexure-A

	Name of the Bank	A/C Type	Currency name	2008 Amount in FC	2008 Conv. Rate per unit FC	2008 Amount in BDT	2007 Amount in FC	2007 Conv. Rate per unit FC	2007 Amount in BDT
1	AMEX Newyork	CD	US$	88,647	68.92	6,109,533	567,414	68.57	38,909,199
2	BOTM, London	CD	UKP	38,077	101.93	3,881,220	37,438	138.00	5,166,258
3	Rupali Bank Karachi	CD	ACU$	17,990	68.92	1,239,881	7,342	68.57	503,444
4	BOTM, Tokyo	CD	JAPY	3,145,396	0.79	2,477,314	2,328,810	0.62	1,452,712
5	Mashreq Bank ,UAE	CD	UAED	-	-	-	25,872	18.99	491,392
6	Mashreq Bank, NY	CD	US$	997,251	68.92	68,730,535	35,837	68.57	2,457,454
7	CITI Bank Mumbai	CD	ACU$	14,821	68.92	1,021,483	38,180	68.57	2,618,139
8	Sonali Bank, Kol.	CD	ACU$	836	68.92	57,636	7,236	68.57	496,211
9	Bank of Ceylon	CD	ACU$	29,605	68.92	2,040,359	137,262	68.57	9,412,425
10	AMEX Kolkata	CD	ACU$	-	-	-	159,033	68.57	10,905,337
11	Citibank NA, NY(Imp)	CD	US$	-	-	-	592,199	68.57	40,608,711
12	Citibank NA, NY(Exp)	CD	US$	337,295	68.92	23,246,373	1,969,105	68.30	134,489,861
13	State Bank of India	CD	ACU$	-	-	-	8,489	68.57	582,142
14	SCB, Newyork	CD	US$	526,995	68.92	36,320,526	912,014	68.57	62,539,352
15	SCB, London	CD	EURO	40,787	99.29	4,049,844	74,350	102.09	7,590,048
16	SCB, Mumbai	CD	ACU$	157,516	68.92	10,855,994	253,028	68.57	17,350,851
17	Dresdner Bank,F.furt	CD	EURO	-	-	-	28,402	102.09	2,899,461
18	BCP, Geneva	CD	CHF	7,045	67.48	475,336	44,922	62.16	2,792,191
19	AMEX Frankfurt	CD	EURO	63,893	99.29	6,344,108	25,373	102.09	2,590,201
20	Wachovia Bank,NY	CD	US$	-	-	-	91,760	68.57	6,292,259
21	HSBC Newyork	CD	US$	154,172	68.92	10,625,562	298,438	68.57	20,464,755
22	ICICI Mumbai	CD	ACU$	144,050	68.92	9,927,929	167,223	68.57	11,466,982
	Total					187,403,633			382,079,384

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.

Investment in Shares as at 31 December 2008

Annexure-B

Sl #	Particulars	Date of Purchase	No. of shares	Face Value (In Taka)	Cost Price (In Taka)	Market Value as at 31.12.07 (In Taka)	Provision exists in the accounts (In Taka)	Current market value as at 31.12.08	Dividend received in 2008 (In Taka)
1.	Tamijuddin Textile Mills Ltd.	2-1-92	5,000	500,000	500,000	206,250	328,750	200,000	-
2.	Eastern Bank Ltd.	27-04-93	206,025	20,602,500	20,602,500	237,958,875	-	121,400,231	5,228,404
3.	Mithun Corporation Ltd.	25-08-94	80	8,000	8,000	8,400	3,140	13,200	800
4.	ICB Islami Bank	29-05-08	51,880	51,880,000	51,880,000	-	-	63,254,690	-
	Total		262,985	72,990,500	72,990,500	238,173,525	331,890	184,868,121	5,229,204

Annexure-C

Detail of information on advances more than 10% of bank's total capital (funded & non-funded):

(Taka in Lac)

Sl. No.	Name of the Client	Outstanding as on 31.12.2008			Outstanding as on 31.12.2007	Remarks
		Funded	Non funded	Total		
1	R. M. Steel Mills Ltd.	3,673	-	3,673	3,642	
2	Mithun Tallu Group	4,317	1,905	6,222	11,334	
3	United Group	7,025	3,280	10,305	8,570	
4	Max Sweeter BD Ltd.	3,419	1,486	4,905	5,574	
5	Meghna(Fresh) Group	-	-	-	6,793	
6	A. H. Jute Spinning and Belting Ltd.	3,539	-	3,539	3,539	
7	Anwar Jute	3,446	153	3,599	-	
8	National Tubes Ltd	3,747	801	4,548	4,231	
9	Madina Poultry Feed	-	-	-	3,627	
10	Desktop Computers Connection Ltd.	-	-	-	3,417	
11	Rising Spinning Mills Ltd.	3,931	-	3,931	3,080	
12	Sanji-Well Group	8,142	4,524	12,666	11,723	
13	M M Spinning Mills Ltd	3,466	835	4,301	-	
14	Ananda Shipyard Group	4,979	4,688	9,667	12,237	
	Total	**49,684**	**17,672**	**67,356**	**77,767**	

Annexure-D

Schedule of Fixed Assets As of 31 December 2008

Particulars	Cost Price				Depreciation					Written Down Value as at 31.12.2008
	Balance as at 01.01.2008	Addition during the year	Disposal/Transfer during the year	Balance as at 31.12.2008	Rate of Dep.	Balance as at 01.01.2008	Addition during the year	Transfer / Adjustment during the year	Balance as at 31.12.2008	
Furniture and Fixtures	90,313,949	16,490,472	(404,876)	106,399,544	10%	37,660,052	5,919,205	(186,005)	43,393,252	63,006,292
Equipment and Computer	225,485,725	49,053,274	(1,463,983)	273,075,016	20%	108,415,805	36,027,527	(904,560)	143,538,772	129,536,244
Vehicles	75,140,296	21,083,074	(3,112,001)	93,111,369	25%	52,343,160	10,954,641	(2,469,043)	60,828,758	32,282,611
Leasehold Assets	4,000,000	-	-	4,000,000		413,793	45,977	-	459,770	3,540,230
Total 2008	394,939,970	86,626,820	(4,980,860)	476,585,929		198,832,810	52,947,350	(3,559,608)	248,220,552	228,365,377
Total 2007	310,530,532	87,062,414	(2,652,977)	394,939,969		156,005,925	44,835,108	(2,008,223)	198,832,810	196,107,160

Managing Director Director Director Chairman

Dhaka,
22 February 2009

ACNABIN
Chartered Accountants