



## BASIC Bank Limited

Serving people for progress

Notes

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A STATE OWNED SCHEDULED BANK

# Financial Statements

#### **Auditors' Report** to the Shareholder's of BASIC Bank Ltd.

We have audited the accompanying financial statements of BASIC Bank Limited (the "Bank") which comprise the balance sheet as at 31 December 2011, profit and loss account, statement of changes in equity, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements of the Bank in accordance with Bangladesh Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of these financial statements of the Bank that are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements of the Bank, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements of the Bank in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements of the Bank.

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

#### Opinion

In our opinion the financial statements of the Bank prepared in accordance with the Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the financial position of the Bank as at 31 December 2011 and the results of its financial performance and its cash flows for the year then ended 31 December 2011 and comply with the Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

#### We also report that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- 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 and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- the balance sheet and profit and loss account of the Bank dealt with by the report are in agreement with the books of account and returns;
- the expenditure incurred was for the purpose of the Bank's business;
- the financial position of the Bank as of 31 December 2011 and the profit for the year then ended have been properly reflected in the financial statements;
- the financial statements have been drawn up in conformity with the Bank Companies Act 1991 and in accordance with the accounting rules and regulations issued by Bangladesh Bank;
- adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- the financial statements of the Bank conform to the prescribed standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- the records and statements submitted by the branches have been properly maintained and in the financial statements;
- the information and explanations required by us have been received and found satisfactory.
- we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 4,200 person hours for the audit of the books and accounts of the Bank; and
- the capital adequacy ratio, in compliance with Basel II has been maintained adequately during the year.

Place: Dhaka Dated: 28 March 2012 Spolshamsplalance Syfil Shamsul Alam & Co. Chartered Accountants

Retained earnings

Total Shareholders' Equity

Total Liabilities & Shareholders' Equity

alkchowthung Aziz Halim Khair Choudhury

Chartered Accountants

613,172,293

5,481,758,422

78,031,732,029

16

429,988,786

4,474,435,951

61,569,386,675

## **Balance Sheet**

### As at 31 December 2011

BROBERTY AND ACCETS	Non	Amount in Taka		
PROPERTY AND ASSETS	Notes	31.12.2011	31.12.2010	
Cash	3	4,682,116,663	3,075,372,781	
Cash in hand (including foreign currency)		420,532,562	344,012,334	
Balance with Bangladesh Bank & Sonali Bank (including		4,261,584,101	2,731,360,447	
oreign currency)				
Balance With Other Banks & Financial Institutions	4	2,026,743,534	2,627,442,164	
In Bangladesh		1,723,297,815	1,992,010,143	
Outside Bangladesh		303,445,719	635,432,021	
Money at call and short notice	5	2,240,000,000	250,000,000	
Investments	6	9,494,082,996	6,676,431,838	
Government		9,304,513,931	6,506,731,752	
Others		189,569,065	169,700,086	
Loans & Advances	7	56,884,757,885	46,341,513,504	
Loans, cash credit & over draft etc.		54,266,599,661	43,257,526,832	
Bills purchased and discounted		2,618,158,224	3,083,986,672	
Premises and Fixed Assets	8	364,461,024	283,116,626	
Other Assets	9	2,339,569,927	2,315,509,761	
Non-Banking Assets			\ <b>-</b> 0	
Total Assets		78,031,732,029	61,569,386,675	
LIABILITIES & CAPITAL				
Borrowings from other banks / financial Institutions and agents	10	2,788,155,658	2,718,463,342	
Deposits and Other Accounts	11	62,650,734,774	49,259,600,843	
Current deposits and other accounts		3,398,048,925	4,887,144,405	
Bills Payable		591,866,053	597,015,587	
Savings bank deposits		1,496,282,507	1,328,222,087	
Fixed deposits		57,164,537,289	42,447,218,763	
Bearer certificate of deposit		832	6 <b>7</b> 88	
Other deposits			320	
Other Liabilities	12	7,111,083,175	5,116,886,539	
Total Liabilities		72,549,973,607	57,094,950,724	
Capital / Shareholders' Equity		0	1100	
Paid-up capital	13	2,357,586,000	1,964,655,000	
Statutory reserve	14	2,224,690,642	1,824,692,334	
Other reserve	15	286,309,487	255,099,831	
and the second transaction and a second second	4.6	C40 400 000	100 000 007	

#### OFF-BALANCE SHEET ITEMS

CONTINGENT LIABILITIES: Acceptances and endorsements Letters of guarantee Irrevocable letters of credit Bills for collection Other contingent liabilities Total:

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 Total:

The annexed notes form an integral part of the Balance Sheet.

Total Off-Balance Sheet Items including Contingent Liabilities

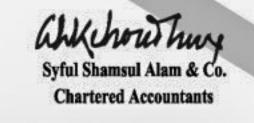
This is the Balance Sheet referred to in our separate report of even date.

Place: Dhaka Date: 28 March 2012

Stulstamsuldene Azi Halim Khair Choudhury Chartered Accountants

Managing Director

**Operating Income** 



**Amount in Taka** 

31.12.2010

31.12.2011

**Amount in Taka** 

31.12.2010

22,161,472,129

5,367,167,387

1,350,964,214

14,482,011,411

22,161,472,129

911,712,241

49,616,876

31.12.2011

16,545,523,029

5,458,254,177

1,823,215,099

8336789137

870,335,800

56,928,816

16,545,523,029

## **Profit and Loss Account**

For the year ended 31 December 2011

	1 1 10 0		
Interest income	18	7,099,007,386	4,337,044,641
Interest paid on deposits & borrowings	19	(4,911,660,920)	(3,033,562,579)
Net Interest Income		2,187,346,466	1,303,482,062
Investments income	20	751,630,731	651,524,002
Commission / fees, exchange earnings & brokerage	21	785,349,085	642,576,792
Other operating income	22	189,232,500	476,671,354
TOTAL OPERATING INCOME (A)		3,913,558,783	3,074,254,210
Operating Expenses	1		
Salary & allowances	23	993,577,829	877,127,579
Rent, taxes,insurance, electricity etc.	24	108,519,337	85,968,179
Legal & professional expenses	25	5,775,685	4,135,727
Postage, stamp, telecommunication etc.	26	32,833,946	27,853,213
Stationery, printing, advertisement etc.	27	42,586,755	30,772,319
Managing director's salary	28	5,658,488	6,200,000
Directors' fee	29	1,727,479	1,140,000
Audit fee		657,900	235,125
Depreciation of Bank's assets	30	79,688,746	67,569,180
Repair & Maintenance of Bank's Assets	31	23,991,807	19,823,786
Other expenses	32	270,019,885	236,378,633
TOTAL OPERATING EXPENSES (B)		1,565,037,857	1,357,203,742
Operating profit / (loss ) before Provision (C) = (A-B)		2,348,520,926	1,717,050,468
Provision for loans & advances	33	404,348,230	326,277,982
Provision for off- balance sheet exposures	34	(55,818,850)	65,597,080
Provision for diminution in value of investments			
Other provision			-
Total Provision (D)		348,529,380	391,875,062
Net Profit / (Loss) before Tax (C-D)		1,999,991,546	1,325,175,406
Provision for current tax	35	1,038,973,188	723,274,196
Provision for deferred tax	36	(15,094,458)	(59,035,060)
Net Profit / (Loss) after Tax		976,112,816	660,936,269
Distribution:			
Statutory reserve	14	399,998,309	265,035,082
General reserve		4.	3,50
Dividend		// ×	946
Retained earnings		576,114,507	395,901,187
Earnings per share (EPS)	39	41.40	28.03
The annexed notes form an integral part of the Profit and Lo	ss Account.	,	4.0
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Managing Director Director	Direc	tor	Chairman
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This is the Profit and Loss Account referred to in our report of even date. Place: Dhaka Date: 28 March 2012

Shalshamsplalane zi/Halim Khair Choudhury Chartered Accountants

alkehorethuse Syful Shamsul Alam & Co. **Chartered Accountants** 

### **Cash Flow Statement**

For the year ended 31 December 2011

### Cash Inflows from Operating Activities

Interest received in cash Interest paid by cash Dividend received in cash Fees and commission received in cash Recovery of loans Previously written off Cash Paid to employees Cash paid to suppliers Income tax paid Received from other operating activities Paid for other operating activities Operating Profit before changes in operating assets and liabilities Changes in operating assets and liabilities: Statutory deposits

Purchase/sales of trading securities

Loans and advances to customers

Net cash flow from operating activities

Deposits from other Bank

Deposits from customers

Other assets

Other liabilities

Amount in Taka 31.12.2011 31.12.2010 7,746,017,865 4,935,127,321 (3,737,347,531) (3,044,386,504) 913,501 7,698,339 642,576,791 785,349,085 83,737,916 7,570,819 (894,840,152) (667,744,406) (42,586,755) (30,772,319) (684,557,724) (606,784,827) 463,586,389 105,470,466 (443,526,039) (375,534,667) 1,331,336,936 2,918,630,632 (3,620,380,967) 168,731,330 2,487,494,000 2,737,754,000 (2,786,441,502) (448,152,641) (17,079,979,162) (10,543,244,381) (1,249,019,373) 121,339,024 13,771,000 1,499,747,000 12,256,637,578 9,153,632,931 (14,055,742) 398,867,631 3,087,361,962 (2,289,044,031) Cash Inflows from investing activities Proceeds from sale of securities

Cash Payments for purchase of securities Purchase of fixed assets Sales of fixed assets

Net cash flow from/(used in) Investing Activities C Cash inflows from financing activities

Increase/(decrease) of long term borrowing Payment of dividend Net cash flow from financing activities

Effects of exchange rate changes on cash and cash equivalents Opening Cash and Cash Equivalent Closing cash and cash equivalents (note 38)

Net increase of cash and cash equivalents (A+B+C)

Analysis of closing cash and cash equivalents Cash in Hand and Balance with Bangladesh Bank and Sonali Bank

Cash with Other Banks

Money at Call and Short Notice

This is the Cash Flow Statement referred to in our separate report of even date.

The annexed note forms an integral part of the Cash Flow Statement.

Date: 28 March 2012 Stulstamsuldenle A/Z Halim Khair Choudhury Chartered Accountants

Place: Dhaka

**Chartered Accountants** 

Amount in Taka

31.12.2011

(161,643,194)

(161,009,026)

69,692,316

69,692,316

2,996,045,252

5,952,814,945

8,948,860,197

4,682,116,663

2,026,743,534

2,240,000,000

8,948,860,197

634,168

31.12.2010

(118,338,650)

5,822,769

(112,515,881)

(156,694,576)

(156,694,576)

(2,558,254,488)

8,511,069,433

5,952,814,945

3,075,372,781

2,627,442,164

250,000,000

5,952,814,945

## Statement of Changes in Shareholders' Equity

For the year ended 31 December 2011

Particulars	Paid-up Capital	Statutory reserve	General reserve	Investment revaluation reserve	Retained surplus	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Balance as of 01 January 2011	1,964,655,000	1,824,692,333	40,000,000	215,099,831	429,988,786	4,474,435,950
Net Profit for the Year		399,998,309	•	1.00	576,114,507	976,112,816
Revaluation Reserve for Securities		*	387	42,360,716		42,360,716
Surplus/deficit on revaluation of investments				(11,151,060)		(11,151,060)
Transferred to Other Reserve			390	859	352	*
Cash Dividend Paid During the Year			5#3	12#3	D#00	<b>%</b>
Dividend Distribution Tax	-	2	923	294	197	
Issuance of bonus share	392,931,000	9	-		(392,931,000)	
Balance as of 31 December 2011	2,357,586,000	2,224,690,642	40,000,000	246,309,487	613,172,293	5,481,758,422
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Date: 28 March 2012 Stulstansplatence Aliz Halim Khair Choudhury Chartered Accountants

**Chartered Accountants** 

### Liquidity Statement (Asset and Liability Maturity Analysis) For the year ended 31 December 2011

2 3	224				(smeant in 148)
Upto 01 month	1-3 months	3 - 12 months	1-5 years	More than 5 years	Total
1,108,803,663	3	19		3,573,313,000	4,682,116,663
1,488,589,680	194,847,848	188,327,924	154,978,082	2	2,026,743,534
2,240,000,000	2	8.	727	2	2,240,000,000
1,744,900 1,573,808,315	9,683,138,206	704,083,441 20,625,574,421	6,710,019,972 19,144,007,363	2,078,234,683 5,858,229,580	9,494,082,996 56,884,757,885
	*	14,654,978	254,470,331	95,335,715	364,461,024
300	656,807,920	759,117,471	923,644,536		2,339,569,927
			0.53		40 WELDS
6,412,946,558	10,534,793,974	22,291,758,235	27,187,120,284	11,605,112,978	78,031,732,029
*	×	38	22,772,109	2,765,383,549	2,788,155,658
11,112,941,507	7,477,385,744	38,304,983,384	4,480,447,738	1,274,976,401	62,650,734,774
224,213,700	279,956,713	4,483,109,806	1,577,260,251	546,542,705	7,111,083,175
11,337,155,207	7,757,342,457	42,788,093,190	6,080,480,098	4,586,902,655	72,549,973,607
(4,924,208,649)	2,777,451,517	(20,496,334,955)	21,106,640,186	7,018,210,323	5,481,758,422
	1,108,803,663 1,488,589,680 2,240,000,000 1,744,900 1,573,808,315 - - 6,412,946,558 11,112,941,507 224,213,700 11,337,155,207	1,108,803,663 - 1,488,589,680 194,847,848 2,240,000,000 - 1,744,900 - 1,573,808,315 9,683,138,206 - 656,807,920 - 6,412,946,558 10,534,793,974  11,112,941,507 7,477,385,744 224,213,700 279,956,713  11,337,155,207 7,757,342,457	1,108,803,663	1,108,803,563 154,978,082 2,240,000,000 - 704,083,441 6,710,019,972 1,573,808,315 9,683,138,206 20,625,574,421 19,144,007,363 - 14,654,978 254,470,331 - 656,807,920 759,117,471 923,644,536 - 704,083,441 6,710,019,972 11,112,946,558 10,534,793,974 22,291,758,235 27,187,120,284 - 22,772,109 11,112,941,507 7,477,385,744 38,304,983,384 4,480,447,738 224,213,700 279,956,713 4,483,109,806 1,577,260,251 11,337,155,207 7,757,342,457 42,788,093,190 6,080,480,098	1,108,803,663 3,573,313,000 1,488,589,680 194,847,848 188,327,924 154,978,082 - 2,240,000,000 - 704,083,441 6,710,019,972 2,078,234,683 1,573,808,315 9,683,138,206 20,625,574,421 19,144,007,363 5,858,229,580 - 14,654,978 254,470,331 95,335,715 - 656,807,920 759,117,471 923,644,536 656,807,920 759,117,471 923,644,536 704,083,441 6,710,019,972 1,765,383,549 11,112,946,558 10,534,793,974 22,291,758,235 27,187,120,284 11,605,112,978 - 22,772,109 2,765,383,549 11,112,941,507 7,477,385,744 38,304,983,384 4,480,447,738 1,274,976,401 224,213,700 279,956,713 4,483,109,806 1,577,260,251 546,542,705 11,337,155,207 7,757,342,457 42,788,093,190 6,080,480,098 4,586,902,655

Shilshamshalane Az Halim Khair Choudhury

Chartered Accountants

Director Director

**Chartered Accountants** 

### Highlights on the overall activities of the Bank:

SL	Particulars	2011	2010
1	Paid up Capital	2,357,586,000	1,964,655,000
2	Total Capital	6,110,959,759	5,073,072,836
3	Capital Surplus / (Deficit)	80,509,759	221,442,836
4	Total Assets	78,031,732,029	61,569,386,675
5	Total Deposits	62,650,734,774	49,259,600,843
6	Total Loans and Advances	56,884,757,885	46,341,513,504
7	Total Contingent Liabilities and Commitments	16,545,523,029	22,161,472,129
8	Credit - Deposit Ratio	87.74%	94.08%
9	Percentage of Classified Loans against total Loans and Advances	4.38%	4.83%
10	Profit after Tax and Provision	976,112,816	660,936,270
11	Amount of Classified Loans and Advances	2,489,790,200	2,239,968,230
12	Provision Kept against Classified Loan	894,376,516	734,544,770
13	Provision Surplus/ (deficit)	12.0	
14	Cost of Fund	9.70%	8.13%
15	Interest Earning Assets	67,798,389,425	52,810,422,036
16	Non-interest Bearing Assets	10,233,342,604	8,758,964,640
17	Return on Investment (ROI)	9.30%	10.01%
18	Return on Assets (ROA)	1.40%	1.24%
19	Incomes on Investment	751,630,731	651,524,002
20	Earnings Per Share (EPS)	41.40	28.03
21	Net Income Per Share	41.40	28.03
22	Price Earning Ratio	N/A*	N/A*

\* N/A: Not Applicable