

BASIC Bank Ltd.

**Audit Report and Audited Financial Statements
For the year ended 31st December, 2021**

Khan Wahab Shafique Rahman & Co.

CHARTERED ACCOUNTANTS

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Independent Auditors' Report to the Shareholders of BASIC Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BASIC Bank Limited (the Bank), which comprise the balance sheet as at 31 December 2021 and profit and loss account, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2021, and of its financial performance and its cash flows for the year then ended as per International Financial Reporting Standards (IFRSs) as explained in note 2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws.

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

Emphasis of matter

We draw attention to the following matters disclosed in the financial statements. Our opinion, however, is not modified in respect of those matters.

- Note 14.3 to the financial statements which describes the risk-weighted assets and capital ratios as defined by Basel Capital Accord, shows that the Bank has failed to maintain required capital.



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- Notes 7, 7.7, 13.1 and 34 to the financial statements which describe the total loans and advances and provision thereon.
- Total required provision as per External Auditor is Tk. 6,549.55 crore. Bangladesh Bank also agreed with the External Auditor. The Bank has maintained provision of Tk. 1,792.05 crore during the year. The difference is Tk. 4,757.50 crore. The difference will be adjusted by next ten (10) succeeding years (2022 to 2031) as per Letter No. DOS (CAMS)1157-1(II)-C/2022-2297, Dated 28 April 2022 and Letter No. DBI-8/51(1)/2022-324, Dated 26 April 2022 of Bangladesh Bank which is disclosed in Note 7.7 & 13.1 of the FS. The justification behind not maintaining the required provision was the insufficiency of the bank's capital/equity to maintain required provision.
- The Bank provided us a list of 60 (Sixty) loan clients/accounts files of the Bank of its Gulshan, Shantinagar, Dilkusha, Babubazar, Main Branch of Dhaka and Agrabad branch of Chittagong, loans for which were sanctioned and disbursed/renewed during the period from 2010-2014 without complying with relevant policies, procedures of the Bank, the rules and regulations of the Bangladesh Bank, etc. Investigation on all of those loan clients/accounts files is still being carried out by Anti-Corruption Commission, Bangladesh. In the interest of said investigation, the Bank has informed us that all those files containing original documents, records, instruments, etc. were seized and taken by the Anti-Corruption Commission, Bangladesh. However, during our audit period we have obtained the recent updates on these clients and found that among these 60 parties, 44 (Forty-four) clients have loan outstanding amounting to BDT 3,898.38 Crore which are bad/loss and loans of the remaining 16 (Six-teen) parties have been written-off upon receipt of full outstanding amount. However, these parties still have an open loan account with outstanding of BDT 1.00 due to on-going litigation with Anti-Corruption Commission Bangladesh.
- Note 16 to the financial statements which describes the share money deposit of Tk. 2,600 Crore is yet to be converted into paid up share capital due to pending approval of increase in authorized capital by RJSC. However, this amount has been considered as share capital while calculating EPS in accordance with circular নং ১৪৬/এফআরসি/প্রশাঃ/প্রজ্ঞাপন/২০২০/০১ dated 11 February 2020 from Financial Reporting Council (FRC).

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current Period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Our assessed key audit matters and how we addressed those matters are outlined below:



Description of key audit matters	Our response to key audit matters
<p>Measurement of provision for loans and advances</p> <p>The process for estimating the provision for loans & advances portfolio associated with credit risk is judgmental and complex. While estimating such provision certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> • Future business performance of the borrower; • Key assumptions relating to further business performance of the borrower; • Market value of the collateral; • Ability to repossess collateral; and • Recovery rates. <p>Furthermore, these provisions are processed manually using the voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank (the central bank of Bangladesh) issued from time to time.</p> <p>Due to high level of judgment involved and using some manual process in estimating the provision for loans and advances, we considered this to be a key audit matter.</p> <p>For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows.</p> <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p> <p>At the year end, the Bank reported total loans and advances of BDT 144,451 million (2020: BDT 149,125 million) and provision for loans and advances of BDT 17,920.50 million (2020: BDT 23,634.63 million) respectively. We have focused on the following significant judgments and</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; and • Review of quarterly Classification of Loans (CL). • Follow Bangladesh Bank's circular and guidelines; • Furthermore, obtained the recent updates of the clients under investigation by Anti-Corruption Commission, Bangladesh. Among these 60 (Sixty) loans accounts, 44 (Forty-four) clients have loan outstanding amounting to BDT 3,898.38 Crore, classified as bad/loss and loans of the remaining 16 (Six-teen) parties have been written-off upon realization of full outstanding amount. However, these parties still have a loan account with outstanding of BDT 1.00 due to on-going litigation with Anti-Corruption Commission Bangladesh. <p>Our substantive procedures in relation to the provision for loan and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the Banks general and specific provisions; • Assessed the methodologies on which the provision amounts based, checked the calculations of the provisions and tested the completeness and accuracy of the underlying information. • Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

estimates which could give rise to material misstatement or management bias:

- Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012, BRPD circular no. 03 dated 21 April 2019, BRPD circular no. 17 dated 28 September 2020 and BRPD circular no. 56 dated 10 December 2020.

Bangladesh Bank has taken into consideration the further negative impact on business and economy due to the subsequent waves of Covid-19 and issued BRPD Circulars no. 3 dated 31 January, 2021, no. 5 dated 24 March, 2021 and no. 51 dated 29 December 2021 and BRPD Circular letter No. 53 dated 30 December 2021 respectively through which the Banks are allowed to continue moratorium on further downgrading of the classification of loan and advances subject to certain conditions. One of such conditions is to receive by 31 December 2021, at least 15% of the total installment amounts due on 2021 from the concerned Client as per the Banker and Client relationship.

Provision has been maintained by the Bank in accordance with Bangladesh Bank approval vide its Letter No. DOS(CAMS)1157-1(II)-C/2022-2297, Dated 28 April 2022 and Letter No. DBI-8/51(1)/2022-324, Dated 26 April 2022

The Bank provided us a list of 60 (Sixty) loan clients/accounts files of the Bank loans for which were sanctioned and disbursed/renewed during the period from 2010-2014. Investigation on all of those loan clients/accounts files is still being carried out by Anti-Corruption Commission, Bangladesh.

Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained.

See note no 7, 7.7, 13.1 and 34 to the financial statements.



Loans and advances	
<p>Loans and advances are the main element of financial statements of the Bank. Income of the Bank is mainly dependent on the portfolio of loans and advances. Management performance is highly dependent on the target achievement of loans and advances. Loan disbursement requires robust documentation followed by approval from appropriate level of authority. We have identified loans and advances as key audit matter because there is an inherent risk of fraud in disbursement of loans and advances by management to meet specific targets or expectations. In addition, the bank reported non-performing loan of BDT 86,377 Million, 12% higher than the previous year (2020: BDT 77,121 Million), which is 59.80% of the total loans and advances.</p>	<p>We tested the design and operating effectiveness of key controls focusing on credit appraisal, loan disbursement procedures and monitoring process as well as the percentage of non-performing loan of loans and advances. We have performed procedure to check whether the Bank has ensured appropriate documentation as per Bangladesh Bank regulations and the Bank's policy before disbursement of loans and advances. In addition, we have performed procedure to check whether the loans and advances is recorded completely and accurately and that are existed at the reporting date. Furthermore, we have assessed the appropriateness of disclosure against Bangladesh Bank guidelines.</p>
See note no 7, 7.7, 13.1 and 34 to the financial statements.	
Recognition of Interest Income	
<p>Recognition of interest income has significant and wide influence on financial statements. Recognition and measurement of interest income has involvement of complex IT environment. We identify recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of interest by management to meet specific targets or expectations.</p> <p>Moreover, as per Bangladesh Bank BRPD circular no 53 dated 30 December 2021, considering future risk banks were allowed to recognize outstanding/ arrear interest income on loans where deferral facilities were given upon receiving at least 15% of the total receivable amount.</p> <p>Accordingly, this has been considered as key audit matter.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans and advances. We performed test of operating effectiveness on automated control in place to measure and recognize interest income. We have also performed substantive procedure to check whether interest income is recognized completely and accurately. We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p> <p>Finally, we also conducted substantive analytical procedures to assess reasonableness of interest recognized during the year with reference to the product wise outstanding loan balances.</p>
See note no 19 to the financial statements	



Measurement of deferred tax assets (DTA)	
<p>At the year end of 31 December 2021 the Bank reported total deferred tax assets of BDT 821 million (31 December 2020: BDT 720 million).</p> <p>Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p> <p>Accordingly, this has been considered as key audit matter.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Bank's future taxable income. We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. The Bank has sufficient taxable profit to recover the deferred tax assets in foreseeable future. We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's. Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>
See note 36 to the financial statements.	
Increasing of authorized capital and measurement of share money deposit	
<p>The bank has an amount of BDT 26,000 million, kept as share money deposit in the financial statements, which was received from the government of Bangladesh. Since the authorized capital of the bank is not enough to convert the said amount into paid up capital, the bank is carrying out the process of increasing the authorized capital to 55,000 million from 25,000 million.</p> <p>Upon receiving of necessary certification by RJSC in relation to the increasing authorized capital, the bank will convert the money kept as share money deposit to paid up capital.</p> <p>This has a wide influence on the financial statements and requires adequate compliance.</p> <p>Accordingly, this has been considered as key audit matter.</p>	<p>We assessed the processes and controls put in place by the Bank to increase the authorized capital and the conversion of the share money deposit.</p> <p>We checked necessary compliances and procedures relating the matter. Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p>
See note 16 to the financial statements.	
Valuation of treasury bills and treasury bond	
<p>The classification and measurement of Treasury Bills and Treasury Bond require judgment and complex estimates.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.</p>
<p>In the absence of a quoted price in an</p>	<p>We obtained an understanding, evaluated</p>

<p>active market, the fair value of Treasury Bills and Treasury Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note no 6.1.1 and 6.1.2 to the financial statements	
Impairment assessment of unquoted investments	
<p>In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.</p>	<p>We have assessed the processes and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process</p> <p>We tested a sample of investments valuation as at 31 December 2021 and compared our results to the recorded value.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note no 6.2 to the financial statements	
IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>

Legal and regulatory matters	
<p>We focused on this area because the Bank operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Bank's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>
Implementation of IFRS 16 Leases	
<p>IFRS 16 modifies the accounting treatment of operating leases at inception, with the recognition of a right of use (ROU) on the leased asset and of a liability for the lease payments over the lease contract term. With respect to operating -leases of premises used by the Bank, at inception of the lease, the less or receives a right of using the premises, in exchange of a lease debt, using an implicit discount rate</p> <p>Our key audit matter was focused on all leasing arrangements within the scope of IFRS 16 are identified and appropriately included in the calculation of the transitional impact and specific assumptions applied to determine the discount rates for lease are inappropriate.</p>	<p>In responding to the identified key audit matter, we completed the following audit procedures:</p> <p>Assessed the design and implementation of key controls pertaining to the determination of the IFRS 16 Leases impact on the financial statements of the Bank;</p> <p>Assessed the appropriateness of the discount rates applied in determining lease liabilities;</p> <p>Verified the accuracy of the underlying lease data by agreeing to original contract and checked the accuracy of the IFRS 16 calculations through recalculation of the expected IFRS 16 adjustment; and</p> <p>Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of IFRS.</p>
See notes no 8, 25 and 31 to the financial statements	

Reporting on Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is material misstatement therein, we are required to request management and those charged with governance to correct the material misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation for the financial statements of the Bank in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.1 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh bank on instances of fraud and forgeries.

In preparing the financial statements, Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will

always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Bank audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them

all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Bank Company Act 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

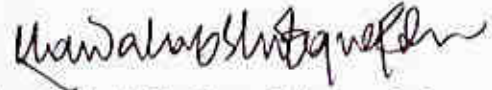
- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) to the extent noted during the course of our audit work performed on the basis stated under the 'Auditors' Responsibility' section in forming the above opinion on the financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under 'Management's Responsibility' section for the financial statements and internal control:
 - (i) internal audit, internal control and risk management arrangements of the Bank, as disclosed in the financial statements appeared to be materially adequate;
 - (ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank other than matter disclosed in the financial statements;
- (c) 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;
- (d) the balance sheet and profit and loss account of the Bank together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (e) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and International Financial Reporting Standards (IFRSs) as explained in note 2.1 as well as with related guidance issued by Bangladesh Bank;
- (f) Provision has been maintained by the Bank in accordance with Bangladesh Bank approval vide it's Letter No. DOS (CAMS) 1157-1(II)-C/2022-2297, Dated 28 April 2022 and Letter No. DBI-8/51(1)/2022-324, Dated 26 April 2022



- (g) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has not been maintained adequately during the year as stated in note 14.3 to the financial statements;
- (h) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (i) the information and explanations required by us have been received and found satisfactory;
- (j) the expenditures incurred were for the purpose of the Bank's business for the year and;
- (k) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 4,700 person hours for the audit of the books and account of the Bank.

Place: Dhaka

Dated: April 28, 2022



Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: S M Tanjilur Rahman ACA
Partner

Enrolment No.: 1885

Firm Registration No.: 11970 E.P.

DVC Code: 2204281885AS183731



BASIC Bank Limited
Balance Sheet
As at 31 December 2021

	Note	Amount of Taka	
		31.12.2021	31.12.2020
<u>PROPERTY AND ASSETS</u>			
Cash:	3	9,069,939,430	11,620,429,781
Cash in hand (including foreign currencies)		984,826,707	965,559,539
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)		8,085,112,723	10,654,870,242
Balance with other banks & financial institutions:	4	1,639,410,607	1,398,683,243
In Bangladesh		545,821,469	532,334,645
Outside Bangladesh		1,093,589,138	866,348,598
Money at Call & Short Notice	5	3,100,000,000	1,500,000,000
Investments:	6	31,319,367,901	26,258,606,497
Government		30,069,733,183	24,912,975,062
Others		1,249,634,718	1,345,631,435
Loans & Advances:	7	144,451,774,009	149,125,944,182
Loans, Cash Credit & Overdraft etc.		143,693,087,750	148,588,751,177
Bills purchased & discounted		758,686,259	537,193,005
Fixed assets including premises, furniture and fixtures	8	375,013,262	414,925,076
Other assets	9	5,581,984,668	6,335,736,807
Non-banking Assets	10	23,858,490	23,858,490
Total Assets:		195,561,348,367	196,678,184,076
<u>LIABILITIES AND CAPITAL</u>			
Borrowings from other banks, financial Institutions and agents	11	4,627,159,738	8,454,517,572
Deposits and other accounts:	12	150,980,393,126	139,714,950,632
Current Accounts and other Accounts		7,284,149,930	7,386,679,727
Bills Payable		764,339,325	852,394,757
Savings Bank Deposits		8,989,545,636	7,202,598,235
Fixed Deposits		133,942,358,235	124,273,277,913
Bearer Certificates of Deposit		-	-
Other Deposits		-	-
Other liabilities	13	40,528,705,001	44,815,590,903
Total Liabilities:		196,136,257,865	192,985,059,107
Capital/Shareholders' Equity			
Paid up Capital	14.2	10,846,982,500	10,846,982,500
Statutory Reserve	15	2,224,690,642	2,224,690,642
Other Reserve	16	27,366,050,948	27,664,294,236
Surplus in Profit and Loss A/C	17	(41,012,633,587)	(37,042,842,409)
Total Shareholders' Equity		(574,909,497)	3,693,124,969
Total Liabilities and Shareholders' Equity		195,561,348,367	196,678,184,076



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 commitments

Total:

Total Off-Balance Sheet items including contingent liabilities:

Note	Amount of Taka	
	31.12.2021	31.12.2020

18

2,531,612,340	2,014,684,146
2,695,423,506	4,030,633,234
10,489,331,924	7,050,758,325
201,012,477	324,870,764
1,091,457,325	1,090,839,725
17,008,837,572	14,511,786,194

-	-
-	-
-	-
-	-

17,008,837,572	14,511,786,194
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These financial statements should be read in conjunction with the annexed notes.


Managing Director


Director



Director


Chairman

Signed as per our annexed report on same date.

Place: Dhaka

Dated: April 28, 2022


Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: S M Tanjilur Rahman ACA
Partner
Enrolment No.: 1885
Firm Registration No.: 11979 E.P.
DVC Code: 2204281885AS183731



BASIC Bank Limited

Profit & Loss Account

For the year ended 31 December 2021

	Note	Amount of Taka	
		2021	2020
Interest income	19	4,888,166,886	4,565,159,807
Interest paid on deposits and borrowings etc.	20	(9,311,115,386)	(8,770,015,143)
Net interest income		(4,422,948,500)	(4,204,855,336)
Investment income	21	2,186,997,825	2,427,825,589
Commission, exchange and brokerage	22	684,507,606	663,690,825
Other operating income	23	234,244,253	116,276,112
		3,105,749,684	3,207,792,526
Total operating income		(1,317,198,816)	(997,062,810)
Salary and allowances	24	1,954,708,539	1,966,898,718
Rent, taxes, insurance, electricity etc.	25	305,996,198	330,504,674
Legal & professional expenses	26	12,101,553	17,001,845
Postage, stamp, telecommunication etc.	27	14,828,606	18,964,503
Stationery, Printings, Advertisements etc.	28	30,393,138	29,920,955
Managing Director's salary and fees	29	4,482,033	5,226,820
Directors' fees	30	2,675,600	2,457,400
Auditors' fees		920,000	920,000
Charges on loan losses		-	-
Depreciation of bank's assets	31	76,413,139	79,252,935
Repair of bank's assets	32	35,959,524	28,966,648
Other expenses	33	267,283,892	225,949,571
Total operating expenses		2,705,762,222	2,706,064,069
Profit/(Loss) before provision		(4,022,961,038)	(3,703,126,879)
Provision (excess provision) for loan	34	169,797,292	221,622,010
Provision (excess provision) for Off Balance Sheet Exposures	34	26,202,921	4,817,474
Provision (excess provision) for other assets	34	(1,063,094)	(91,541,907)
Provision (excess provision) for Investment	34	(194,937,119)	(134,897,577)
Provision (excess provision) for Balance with other Banks and NBFIs	34	-	-
Total provision		-	-
Total Profit/(Loss) before taxes		(4,022,961,038)	(3,703,126,879)
Provision for Current Tax	35	47,963,499	46,637,714
Provision for Deferred Tax	36	(101,133,359)	(31,583,369)
Net Profit/(Loss) after Taxation		(3,969,791,178)	(3,718,181,224)



Appropriations:

Statutory Reserve
General Reserve
Dividends etc.
Retained surplus

37	-	-
37	-	-
37	-	-
	(3,969,791,178)	(3,718,181,224)

Earning Per Share (EPS)

39 (3.66) (3.43)

Diluted Earning Per Share (Diluted EPS)

39 (1.08) (1.01)

These financial statements should be read in conjunction with the annexed notes.


Managing Director



Director


Director


Chairman

Signed as per our annexed report on same date.

Place: Dhaka
Dated: April 28, 2022


Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: S M Tanjilur Rahman ACA
Partner
Enrolment No.: 1885
Firm Registration No.: 11970 E.P.
DVC Code: 2204281885AS183731



BASIC Bank Limited
Statement of Cash Flows
For the year ended 31 December 2021

	Amount of Taka	
	2021	2020
<u>Cash flows from operating activities</u>		
Interest receipts in cash	7,851,419,458	5,962,731,103
Interest payments	(9,076,166,646)	(8,916,861,528)
Dividends receipts	45,810,193	47,452,841
Fee and commission receipts in cash	684,507,606	663,690,825
Recoveries of loans previously written off	90,300,765	25,005,000
Cash payments to employees	(1,939,228,047)	(1,926,460,334)
Cash payments to suppliers	(30,393,138)	(29,920,955)
Income taxes paid	(148,070,287)	(130,448,132)
Receipts from other operating activities (item- wise)	132,266,862	91,979,197
Payments for other operating activities (item-wise)	(639,765,373)	(624,764,641)
Operating profit before changes in operating assets and liabilities	(3,029,318,607)	(4,837,596,624)
<u>Increase/Decrease in operating assets and liabilities</u>	6,171,738,153	4,988,458,445
Statutory deposits	-	-
Purchase/sale of trading securities	(5,359,004,692)	(1,373,087,141)
Loans & advances to other banks	-	-
Loans & advances to customers	4,674,170,173	2,643,670,241
Other assets (item-wise)	100,472,779	(351,586,352)
Deposits from other banks	42,824,522	(4,641,400)
Deposits from customers	11,222,617,972	1,412,246,098
Other liabilities (item-wise)	(4,509,342,601)	2,661,856,999
Net cash from operating activities	3,142,419,546	150,861,821
<u>Cash flows from investing activities</u>		
Proceeds from Sale of Securities	-	-
Payments for Purchase of Securities	-	-
Purchase of property, plant & equipment	(38,537,683)	(22,283,622)
Sales of property, plant & equipment	13,712,984	104,970
Net cash from investing activities	(24,824,699)	(22,178,652)
<u>Cash flows from financing activities</u>		
Increase/(Decrease) of Long Term Borrowing -	(3,827,357,834)	1,139,074,722
Receipt from Government	-	-
Conversion of borrowing into reserve	-	-
Payment of Dividend	-	-
Net cash from financing activities	(3,827,357,834)	1,139,074,722
Net increase/decreasing cash	(709,762,987)	1,267,757,891
Effects of Exchange Rate Changes on Cash and Cash Equivalent	-	-
Cash and cash equivalents at beginning period	14,519,113,024	13,251,355,133
Cash and cash equivalents at end of period	13,809,350,037	14,519,113,024



Analysis of cash and cash equivalents at end of period

Cash
Balance with other banks & financial institutions
Money at call on Short Notice

9,069,939,430	11,620,429,781
1,639,410,607	1,398,683,243
3,100,000,000	1,500,000,000
13,809,350,037	14,519,113,024


Managing Director

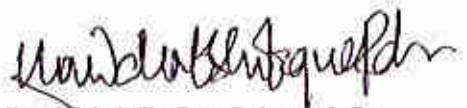

Director


Director


Chairman

Signed as per our annexed report on same date.

Place: Dhaka
Dated: April 28, 2022


Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: S M Tanjilur Rahman ACA
Partner
Enrolment No.: 1885
Firm Registration No.: 11970 E.P.
DVC Code: 2204281885AS183731



BASIC Bank Limited
Statement of Changes in Equity
For the year ended 31 December 2021

Particulars	Paid-up Capital	Statutory Reserve	Other Reserve					Profit and Loss	Total
	Taka	Taka	Non-cumulative irredeemable preference share	General Reserve	Share Money deposit	Investment Revaluation Reserve	Sub-Total	Taka	Taka
Balance as at 01 January 2021	10,846,982,500	2,224,690,642	1,205,000,000	40,000,000	26,000,000,000	419,294,236	27,664,294,236	(37,042,842,409)	3,693,124,969
Net Profit for the Year	-	-	-	-	-	-	-	(3,969,791,178)	(3,969,791,178)
Increase/ (decrease) of Investment Revaluation Reserve during the year	-	-	-	-	-	(298,243,288)	(298,243,288)	-	(298,243,288)
Transferred to Other Reserve	-	-	-	-	-	-	-	-	-
Cash Dividend Paid during the year	-	-	-	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-	-
Share Money received during the year	-	-	-	-	-	-	-	-	-
Issuance of bonus share	-	-	-	-	-	-	-	-	-
Transferred to Statutory Reserve	-	-	-	-	-	-	-	-	-
Free Reserve	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	10,846,982,500	2,224,690,642	1,205,000,000	40,000,000	26,000,000,000	121,050,948	27,366,050,948	(41,012,633,587)	(574,909,497)

These financial statements should be read in conjunction with the annexed notes.


Managing Director


Director


Director

Chairman



BASIC Bank Limited
Liquidity Statement
(Asset and Liability Maturity Analysis)
As at 31 December 2021

Particulars	Up to 01 month	1 - 3 months	3 - 12 months	1 - 5 years	More than 5 years	Total
Assets:						
Cash in hand	3,083,519,319	-	-	-	5,986,420,111	9,069,939,430
Balance with other banks and financial institutions	1,205,107,401	-	-	434,303,206	-	1,639,410,607
Money at call on short notice	3,100,000,000	-	-	-	-	3,100,000,000
Investment	1,851,815,275	-	4,817,615,355	12,677,120,237	11,972,817,034	31,319,367,901
Loans and Advances	27,006,393,745	10,409,493,300	19,809,200,000	41,293,900,000	45,932,786,964	144,451,774,009
Fixed assets including premises, furniture & fixtures	-	-	2,953,475	64,655,637	307,404,150	375,013,262
Other assets	-	152,737,249	22,605,426	1,186,994,995	4,219,646,999	5,581,984,669
Non-banking assets	-	-	-	-	23,858,490	23,858,490
Total Assets	36,246,835,740	10,562,230,549	24,652,374,256	55,656,974,075	68,442,933,748	195,561,348,368
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	1,000,479,848	1,100,000	1,005,200,000	27,200,000	2,593,179,890	4,627,159,738
Deposits & Other accounts	26,332,818,625	30,795,509,426	62,814,923,400	28,644,520,575	2,392,621,100	150,980,393,126
Provision and other liabilities	270,000,000	550,800,000	2,184,000,000	1,525,900,000	35,998,005,001	40,524,705,001
Total Liabilities	27,603,298,473	31,347,409,426	66,004,123,400	30,197,620,575	40,983,805,991	196,136,257,865
Net Liquidity Gap	8,643,537,267	(20,785,178,877)	(41,351,749,144)	25,459,353,500	27,459,127,757	(574,909,497)

(Amount in Taka)

Manjeng Director
Manjeng Director

Director
Director

Director
Director



Chairman

BASIC Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2021

1. The Bank and its activities

1.1 Corporate information

BASIC Bank Limited ("the Bank") was incorporated as a banking company in 1989 under the erstwhile Companies Act, 1913 and governed by the Bank Companies Act, 1991 (amended 2013). In 2001 the Bank changed its earlier name 'Bank of Small Industries and Commerce Bangladesh Limited' and registered the new name with the Registrar of Joint Stock Companies and Firms. Initially the Bank started its operation as a joint venture organization of the then BCC foundation, a welfare trust in Bangladesh and the Government of the People's Republic of Bangladesh. On 4 June 1992 the Government of Bangladesh took over 70% shares held by the then BCC Foundation and became the sole owner of the Bank. It operates with 72 branches and 14 sub-branches in Bangladesh. The registered office of the Bank is located at 73 Motijheel C/A, Dhaka-1000.

1.2 Objectives

The Memorandum and Articles of Association of BASIC Bank Limited stipulate that at least fifty percent of its loanable fund shall be used for financing Small and Medium Scale Industries. The principal activities of the Bank is unique in blending development financing and commercial banking.

2. Basis of preparation and significant accounting policies

Basis of preparation

2.1 Statement of compliance

The financial statements of the Bank are prepared in accordance with the International Financial Reporting Standards (IFRS) and the requirements of the Bank Companies Act 1991 (amended 2013), the rules and regulations issued by Bangladesh Bank and the Companies Act 1994. In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRS are as follows:

i) Investment in shares and securities

IFRS: As per requirements of IAS 39 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in the value of investment; otherwise investments are recognised at cost.

ii) Revaluation gains/losses on government securities

IFRS: As per requirement of IAS 39 where securities will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognised through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method and interest income is recognised through the profit and loss account.

Bangladesh Bank: Held for Trading (HFT) securities are revalued on the basis of marked to market at every week end and at year end. Any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account. Held to Maturity (HTM) securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.



iii) **Provision on loans and advances/investments**

IFRS: As per IAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD Circular No. 14 dated 23 September 2012, BRPD Circular No. 15 dated 23 September 2012, BRPD Circular No. 06 dated 29 May 2013, BRPD Circular No. 05 dated 16 May 2019, BRPD Circular No. 03 dated 21 April 2019, BRPD Circular No. 16 dated 21 July 2020, BRPD Circular No. 17 dated 28 September 2020, BRPD Circular No. 56 dated 10 December 2020 BRPD Circulars no. 3 dated 31 January, 2021, no. 5 dated 24 March, 2021 and no. 51 dated 29 December 2021 and BRPD Circular letter No. 53 dated 30 December 2021; a general provision at 0.25% to 5% under different categories of unclassified loans has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad & loss loans has to be provided at 5%, 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IAS 39.

iv) **Recognition of interest in suspense**

IFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per IAS 39 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest suspense account, which is presented as liability in the balance sheet.

v) **Other comprehensive income**

IFRS: As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements to be strictly followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

vi) **Financial instruments – presentation and disclosure**

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in BAS 39. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

vii) **Repo Transactions**

IFRS: When an entity sells a financial asset and simultaneously entered into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for a deposit, and the underlying asset continues to be recognised in the entities financial statements. These transaction will be treated as loan and the difference between selling price and repurchase price will be treated as interest expenses.

Bangladesh Bank: As per BRPD guidelines, when a bank sells a financial assets and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo and stock lending), the agreement is accounted for a normal sales transactions and the financial assets are derecognised in the seller's book and a recognised in the buyers book.



viii) Financial guarantees

IFRS: As per IAS 39, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 14, financial guarantees such as letter of credit, letter of guarantee and acceptance will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin.

ix) Cash and cash equivalent

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.

x) Non-banking asset

IFRS: No indication of non-banking asset is found in any IFRS.

Bangladesh Bank: As per BRPD 14, there must exist a face item named non-banking asset.

xi) Cash flow statement

IFRS: The cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD 14, cash flow is the mixture of direct and indirect methods.

xii) Balance with Bangladesh Bank (Cash Reserve Requirement)

IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

xiii) Presentation of intangible asset

IFRS: An intangible asset must be identified and recognised, and the disclosure must be given as per IAS 38.

Bangladesh Bank: There is no regulation for intangible assets in BRPD 14.

xiv) Off-balance sheet items

IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD 14, off balance sheet items (e.g. Letter of Credit, Letter of Guarantee, Acceptance, etc.) must be disclosed separately on the face of the balance sheet.

xv) Loans and advances net of provision

IFRS: Loans and advances should be presented net of provision.

Bangladesh Bank: As per BRPD 14, provision on loans and advances are presented separately as liability and can not be netted off against loans and advances.

2.2 Use of estimates and judgments

The preparation of the financial statements of the Bank in conformity with IFRSs require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized and presented in the financial statements of the Bank are included in following notes/statements:

- a) Note 13.1, 13.2, 13.3, 13.4 & 13.5 Provision for loans and advances, off balance sheet exposure, other assets, investments and balance with other banks & NBFIs.
- b) Note 31 Depreciation
- c) Note 35 Current tax liabilities
- d) Note 36 Deferred tax asset
- e) Liquidity statement

2.3 Foreign currency transaction

a) Foreign currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Bank operates, i.e. the functional currency. The financial statements of the Bank are presented in Taka which is the Bank's functional and presentation currency.

b) Foreign currencies translation

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per IAS-21 "The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into Taka at weighted average rate of inter bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are initially translated into equivalent US Dollar at buying rates taken from Reuters and then retranslated from US Dollar into equivalent Taka in the same specified above.

c) Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in Taka terms at the rate of exchange ruling on the date of giving commitment or taking liability.

d) Transaction gains and losses

Foreign exchange differences (rates at which transactions were initially recorded and the rate prevailing on the reporting date/date of settlements) of the monetary items are recognized in the profit and loss account.

2.4 Statement of Cash flows

Statements of Cash flows has been prepared in accordance with International Accounting Standard (IAS) 7 "Statement of Cash Flows" and under the guideline of Bangladesh Bank BRPD Circular no.14 dated 25 June 2003. The Statement shows the structure of changes in cash and cash equivalents during the financial year.

2.5 Liquidity Statement

The Liquidity Statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following basis:

- i) Balance with other Banks and financial institutions, money at call on short notice, etc. are on the basis of their maturity term;
- ii) Investments are on the basis of their respective maturity;
- iii) Loans and advances are on the basis of their repayment schedule;



- iv) Fixed assets are on the basis of their useful lives;
- v) Other assets are on the basis of their realization/amortization;
- vi) Borrowing from other banks, financial institutions & agents, etc. are as per their maturity/ repayment terms;
- vii) Deposits & other accounts are on the basis of their maturity term & past trend of withdrawal by the depositors;
and
- viii) Provisions and other liabilities are on the basis of their payment/adjustments schedule.

2.6 Statement of Changes in Equity

Statement of Changes in Equity has been prepared in accordance with IAS 1 "Presentation of Financial Statements" and following the guidelines of Bangladesh Bank BRPD circular no.14 dated 25th June 2003.

2.7 Reporting period

These financial statements cover one calendar year from 01 January 2021 to 31 December 2021.

2.8 Offsetting

Financial assets and financial liabilities are offsetted and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.9 Assets and basis of their valuation

2.9.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Bank management for its short term commitments.

2.9.2 Loans, advances and provisions

Loans and advances are stated in the balance sheet on gross basis. General provisions on unclassified loans and contingent assets, specific provisions for classified loans and interest suspense account thereon are shown under other liabilities. Provision against classified loans and advances is made on the basis of quarter end review by the management and instructions contained in BRPD Circular No. 14 dated 23 September 2012, BRPD Circular No. 15 dated 23 September 2012, BRPD Circular No. 06 dated 29 May 2013, BRPD Circular No. 05 dated 16 May 2019, BRPD Circular No. 03 dated 21 April 2019, BRPD Circular No. 16 dated 21 July 2020, BRPD Circular No. 17 dated 28 September 2020, BRPD Circular No. 56 dated 10 December 2020, BRPD Circulars no. 3 dated 31 January, 2021, no. 5 dated 24 March, 2021 and no. 51 dated 29 December 2021 and BRPD Circular letter No. 53 dated 30 December 2021. The rates for provisions are stated below:

Particulars		Provision Rate
General provision on		
a.	Consumer Financing (House Financing)	1%
b.	Consumer Financing (Loans to Professional)	2%
c.	Consumer Financing (Other than house finance and loans to professional)	2%
d.	Small and Medium Enterprise Financing (SMEF)	0.25%
e.	Short Term Agriculture & Micro Credit	1%
f.	Loans to BHs/ MBs/ Sds against Shares etc	2%
g.	All other Credit	1%
h.	Special Mention Account	0.25%, 1%
Specific provision on		
a.	Substandard Loans and Advances	
	i. Short Term Agri Credit & Micro Credit	5%
	ii. Other than Short Term Agri Credit & Micro Credit	5%, 20%
b.	Doubtful Loans and Advances	
	i. Short Term Agri Credit & Micro Credit	5%
	ii. Other than Short Term Agri Credit & Micro Credit	5%, 20, 50%
c.	Bad & Loss Loans and Advances	100%

2.9.3 Investments

Investments have been initially recognised at cost, including acquisition charges associated with the investment. Premiums have been amortised and discount accreted, using the effective or historical yield method. The investment in government securities (Treasury bills & bonds) are classified into Held to Maturity (HTM) & Held for Trading (HFT) as per Bangladesh Bank's guidelines contained in DOS Circular Letter No. 05 dated 26 May 2008 as amended vide DOS Circular Letter No. 05 dated 28 January 2009, DOS Circular No. 06 dated 15 July 2010 & DOS Circular Letter No.01 dated 19 January 2014. Same procedures are followed for investment in Bangladesh Bank Bill. Reclassification of HTM securities into HFT securities are also done in compliance with Bangladesh Bank's guidelines.

Held to Maturity (HTM)

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the entity has the positive intent and ability to hold to maturity, and which are not designated at fair value through profit or loss or as available for sale. These are measured at amortized value at each year end by taking into account any premium or discount on acquisition. Any increase/decrease in value for amortization of such investments is transferred to revaluation reserve account and shown in the statement of changes of equity. The gains on such security at the time of maturity of the security are credited to income account.

Held for Trading (HFT)

The securities under this category are the securities acquired by the Bank with the intention to trade by taking advantages of short term price/interest movement. The government securities (Treasury Bills/Bangladesh Bank Bills) under "Held for Trading" category are amortized and measured at present value on the basis of marking to market method weekly. The resulting gains & losses are transferred to profit and loss account and then gains arising from marking to market are instantly transferred to other reserve account from profit and loss account. The government securities (Treasury Bond) under "Held for Trading" category are measured at present value on the basis of marking to market method weekly. The resulting gains are transferred to other reserve account & losses are transferred to profit and loss account. The gains/(losses) arising on maturity or sale of such securities are credited/(debited) to profit and Value of investments has been enumerated as follows:

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Bangladesh Bank Bill/ Treasury Bill /Bond (HTM)	Cost	Amortised value	Both increase and decrease in value are transferred to revaluation reserve account.
Bangladesh Bank Bill/ Treasury Bill (HFT)	Cost	Market value	Both gains & losses are transferred to profit and loss account: gains arising from marking to market are instantly transferred to other reserve account from profit and loss account.
Treasury Bond (HFT)	Cost	Market value	Increase in value to equity and decrease in value to Profit & Loss account.
Prize Bond	Face	None	None
Subordinated Bond	Cost	None	None
Shares	Cost	Lower of cost and market value	Any loss, charged in Profit & Loss account. Realized gain, recognized in Profit & Loss accounts. Unrealized gain, not recognized in accounts.

Investment in listed (quoted) securities

These securities are bought and held primarily for the purpose of selling them in future or hold for dividend income. These are reported at cost. Unrealized gains are not recognized in the profit and loss account. But provision for diminution in value of investment has been made properly.

Investment in unlisted (unquoted) securities

Subordinated Bond is reported at cost and shares are reported at lower of cost and market value.

Other Investments

Other investments like prize bond is also eligible for SLR, which is shown at face value.



Investment and related income

- a) Income on investments other than shares is accounted for on accrual basis concept; and
- b) Dividend income on investment in shares is accounted for in the year when right has been established.

2.9.4 Fixed assets

Recognition and measurement

Items of fixed assets are measured at cost less accumulated depreciation as per BAS 16 "Property, Plant and Equipment". Cost includes expenditures that are directly attributable to the acquisition of assets. Subsequent costs are capitalized only when it is probable that the future economic benefits associated with the costs will flow to the entity. Ongoing repairs and maintenance is expensed as incurred.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Depreciation

Items of fixed assets are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Depreciation on the fixed assets has been charged for the year at the following rates:

Category of fixed assets	Rate	Method of Depreciation
Furniture and Fixtures	10%	Reducing balance method
Interior Decoration	10%	Reducing balance method
Machinery and Equipment	20%	Reducing balance method
Computer Hardware	20%	Straight line method
Software	20%	Straight line method
Motor Vehicles	25%	Straight line method
Leasehold Assets	1%	Straight line method over the lease hold period

For additions during the year, depreciation is charged for the remaining days of the year and for disposal depreciation is charged up to the date of disposal.

On disposal of fixed assets, the cost and accumulated depreciation are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the profit and loss account, which is determined with reference to the net book value of the assets and net sale proceeds.

2.9.5 Intangible assets

- a) An intangible asset is recognised if it is probable that the future economic benefits that are attributable to the assets will flow to the entity and the cost of the asset can be measured reliably in accordance with IAS 38: "Intangible Assets".

Initial cost comprises license fees paid at the time of purchase and other directly attributable expenditure that are incurred in customizing the software for its intended use. Subsequent expenditure on intangible asset is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

- b) Software represents the value of computer application software licensed for use of the Bank, other than software applied to the operation software system of computers. Intangible assets are carried at its cost, less accumulated amortization and any impairment losses.
- c) Software is amortized using the straight line method over the estimated useful life of 5 (five) years commencing from the date of the application software is available for use over the best estimate of its useful economic life.

2.9.6 Other assets

Other assets include all balance sheet accounts not covered specifically in other areas of the supervisory activity and such accounts may be quite insignificant in the overall financial condition of the Bank.



2.9.7 Receivables

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity.

2.9.8 Inventories

Inventories measured at the lower of cost and net realizable value.

2.9.9 Leasing

Leases are classified as finance leases whenever the "terms of the lease" transfer substantially all the risks and rewards of ownership to the lessee as per IAS-17 "Leases". All other leases are classified as operating leases as per IAS-17 "Leases". Operating lease are rental agreements and all installments are charged to the income statement.

2.9.10 Non-banking assets

The bank has not acquired any non-banking assets in exchange for loan during the period of financial statements. The bank acquired non-banking assets of land valuing at Tk. 82,19,490 and building valuing at Tk. 1,56,39,000; Total Tk. 2,38,58,490 in exchange for loan in 2019.

2.9.11 Reconciliation of inter-bank and inter-branch account

Accounts with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled regularly and there are no material differences which may affect the financial statements significantly.

Un-reconciled entries/balances in the case of inter-branch transactions as on the reporting date are not material.

2.10 Share capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

2.11 Statutory reserve

Bank Companies Act, 1991 requires the Bank to transfer 20% of its current year's profit before tax to reserve until such reserve equals to its paid up capital and share premium account.

2.12 Deposits and other accounts

Deposits by customers & banks are recognized when the Bank enters into contractual provisions of arrangements with the counterparties, which is generally on trade date, & initially measured at the consideration received.

2.13 Borrowings from other banks, financial institutions and agents

Borrowed funds include call money deposits, borrowings, re-finance borrowings and other term borrowings from banks, Financial Institutions & other Organizations. They are stated in the balance sheet at amounts payable. Interest paid / payable on these borrowings is charged to the income statements.

2.14 Basis for valuation of liabilities and provisions

2.14.1 Provision for current taxation

Provision for current income tax has been made as per prescribed rate in the Finance Ordinance, 2021 on the gross receipts/accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure as per income tax laws in compliance with IAS-12 "Income Taxes".

2.14.2 Provision for deferred taxation

Deferred tax is recognized in compliance with IAS 12 "Income Taxes" and BRPD Circular no. 11 dated 12 December 2011, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the date of balance sheet. Deferred tax assets and liabilities are offset as there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each date of balance sheet and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2.14.3 Benefits to the employees

The retirement benefits accrued for the employees of the Bank as on reporting date have been accounted for in accordance with the provisions of International Accounting Standard-19, "Employee Benefit". Bases of enumerating the retirement benefit schemes operated by the Bank are outlined below:

a) Provident Fund

Provident fund benefits are given to the permanent employees of the Bank in accordance with Bank's service rules. Accordingly a trust deed and provident fund rules were prepared. The Commissioner of Income Tax, Taxes Zone - 8, Dhaka has approved the Provident Fund as a recognized provident fund within the meaning of section 2(52), read with the provisions of part - B of the First Schedule of Income Tax Ordinance 1984. The recognition took effect from 30 September 1995. The Fund is operated by a Board of Trustees consisting at least five members. Usually all confirmed employees of the Bank are contributing 10% of their basic salary as subscription to the Fund. The Bank also contributes equal amount of the employees' contribution. Interest on the provident fund balance is credited to the members' account on yearly basis.

b) Gratuity Fund

The Bank made provision for gratuity fund at discretion of the management to provide an employee with financial benefit on his ceasing the Bank's service or in the event of his death to his legal heirs/nominees or successors, in respect of which provision is made annually covering all its permanent eligible employees who have completed at least eight years of service.

c) Benevolent Fund

The benevolent fund is subscribed by monthly contribution of the employees. The Bank also contributes to the fund @ 0.5% of profit /lump sum at the end of the year. The fund is established to sanction grant in event of death on duty or permanent disabilities of the employees & to provide financial assistance to the employees & dependants.

d) Superannuation Fund

The Bank operates a contributory superannuation fund to give benefit to employees at the time of retirement and also cover group term life insurance. Employees are contributing to the fund monthly and the Bank also contributes a lump sum amount from the profit at the end of each year.

e) Welfare Fund

The Bank has been maintaining a welfare fund created from profit. This fund is utilized for various social activities as part of corporate social responsibility of the Bank.

2.14.4 Provision for liabilities

A provision is recognized in the balance sheet when the Bank has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

2.14.5 Provision for Off-balance sheet exposures

Off-balance sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank guidelines. In accordance with BRPD circular no. 14 dated 23 September 2012, general provision @ 1% has been made on the outstanding balances of Off-Balance Sheet exposure of the Bank as at 31 December 2021. Provision is made on the total exposure and amount of cash margin or value of eligible collateral is not deducted while computing Off-Balance sheet exposure.



2.14.6 Provision for nostro accounts

As per instructions contained in the circular letter no. FEPD (FEMO)/01/2005-677 dated 13 Sep 05 issued by Foreign Exchange Policy Department of BB, Banks are required to make provision regarding the un-reconciled debit balance of nostro account for more than 3 months as on the reporting date in these financials. Since there is no unreconciled entries which are outstanding more than 3 months then Bank's are not required to make provision.

2.15 Revenue recognition

2.15.1 Interest income

In terms of the provisions of the IAS-18 "Revenue", the interest income is recognized on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified. It is then kept in interest suspense. After the loans is classified as bad and loss, interest ceases to apply and recorded in a memorandum account. Interest on classified advances is accounted for on a cash receipt basis.

2.15.2 Investment income

Interest income on investments is recognized on accrual basis. Capital gain is recognized when it is realized.

2.15.3 Fees and commission income

Fees, Commission and Exchange Income on services provided by the Bank are recognized as and when the related services are performed. Commission charged to customers on letter of credit and letter of guarantee are credited to Income at the time of effecting the transactions.

2.15.4 Dividend income on shares

Dividend income from investment in shares is recognized when the Bank's right to receive dividend is established as per IAS 18 "Revenue".

2.15.5 Interest paid and other expenses

In terms of the provisions of IAS-1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

2.16 Risk management

The risk of BASIC Bank Limited is defined as the possibility of losses, financial or otherwise. The risk management of the Bank covers core risk areas of banking viz. credit risk, liquidity risk, market risk that includes foreign exchange risk, interest rate risk, equity risk, operational risk & reputation risk arising from money laundering incidences. The prime objective of the risk management is that the Bank evaluates & takes well calculative business risks & thereby safeguards the Bank's capital, its financial resources & profitability from various business risks through its own measures & through implementing Bangladesh Bank's guidelines & following some best practices as under:

a) Credit risk

It arises mainly from lending, trade finance, leasing and treasury businesses. It can be described as the potential loss arising from the failure of a counter party to perform as per contractual agreement with the Bank. The failure may result from unwillingness of the counterparty or deterioration in his or her financial condition.

The Bank has 06 (six) credit divisions namely Industrial Credit Division (ICD), Commercial Credit Division (CCD), Agriculture, Micro Credit and Special Finance Division (AMCSFD), Small Enterprise Finance Division (SEFD), Consumer Finance Division (CFD) and Trade Finance Division (TFD) focused on different areas/sectors of the economy and entrusted with the duties of Credit Appraisal to ensure the merit of loan proposals. The Bank ensures strict management of credit quality by analyzing/assessing borrower risk on historical repayment performance of the borrower, historical and projected financial statements, industry outlook, collateral coverage of the proposed credit facility, market reputation of the borrower and any other relevant aspects. To manage its credit risk at a tolerable level, the Bank prepares an Annual Credit Budget where the amount of loan to each sector is allocated on yearly basis. Budgeted allocation to each sector is monitored or adjusted periodically on the basis of national economic trends, business or sector viability, the Bank's credit position and profitability, the central bank's regulations and guidelines, availability of investable fund and so on. Moreover, total aggregate loans and advances of branches are allocated and controlled on the basis of the credit budget. The Bank also has a Credit Pre-Audit Cell (CPAC) that oversees and ensures proper documentation pertaining to the approved credit facilities.

The Bank takes its lending decision based on the credit risk assessment report by the appraisal team. In determining Single borrower / Large loan limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted at periodical intervals to ensure compliance of Bank's & Regulatory policies. Loans are classified as per Bangladesh Bank guidelines. Concentration of single borrower/large loan limit is shown in the notes to the financial statements.

b) Liquidity risk

The object of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. To this end, the Bank is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional balance. Management of liquidity and funding is carried out by Treasury Division under approved policy guidelines. Treasury Front Office is supported by a very structured Back Office. A Mid Office Division has also been created as per requirement of Bangladesh Bank. The Liquidity management is monitored by Asset Liability Committee (ALCO) on a regular basis. A written contingency plan is in place to manage extreme situation.

c) Market risk

The exposure of market risk of the Bank is restricted to foreign exchange risk, interest rate risk & equity risk.

Foreign exchange risk

Foreign exchange risk is defined as the potential change in earnings due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements. No foreign exchange dealing on Bank's account was conducted during the year.

Treasury Division independently conducts the transactions. Back Office of Treasury is responsible for verification of the deals & passing of their entries in the books of account and Mid Office of Treasury monitors dealer's adherence to various internal, regulatory and counter party limits. All foreign exchange transactions are revalued at Mark-to-Market rate as determined by the bank as mid rate at the month end & the mid rate is being published by the Treasury Division of the bank as per approved policy. All Nostro accounts are reconciled on a monthly basis & outstanding entry beyond 30 days is reviewed by the management for its settlement. The position maintained by bank at the end of day was within the stipulated limit prescribed by Bangladesh Bank.

Interest rate risk

Interest rate risk may arise either from trading portfolio or non-trading portfolio. The short-term movement in interest rate is negligible or nil. Interest rate risk of non-trading business arises from mismatches between future yield of an asset & its funding cost. Asset Liability Committee monitors interest rate movement on a regular basis.

Equity risk

Equity risk arises from fall in market price of shares which are regularly monitored by the management. The management keep required provision as per Bangladesh Bank guidelines when the cost price exist under the market price.

d) Reputation risk arising from money laundering incidences

Money Laundering has significant economic and social consequences, especially for developing countries and emerging markets. The adverse consequences of money laundering are reputational, operational, legal and concentration risks and include loss of profitable business, liquidity problems through withdrawals of funds, termination of correspondent banking facilities, loan losses etc.

An anti-money laundering / counter terrorist financing (AML/CFT) program is an essential component of a bank's compliance regime. The primary goal of an AML/CFT program is to protect the bank against money laundering, terrorist financing and other financial crimes and to ensure that the bank is in full compliance with relevant laws and regulations. The management of BASIC Bank Limited has taken prevention of money laundering and terrorist financing as part of the Bank's risk management strategies. 'Anti Money Laundering (AML) and Combating Financing of Terrorism (CFT) Policy' of the Bank has been revised and subsequently approved by the Board of Directors of the Bank in its 494th meeting held on 05 March 2020.



The Bank established a separate division namely Anti-Money Laundering Division (AMLDD) for mitigating Money Laundering and Terrorist Financing related risks. The Deputy Managing Director is acting as the Chief Anti-Money Laundering Compliance Officer (CAMLCO) of the Bank. In addition, Central Compliance Committee (CCC) is working to develop and review institutional strategy and program for preventing money laundering and terrorist financing. AMLDD is performing as the secretariat of Central Compliance Committee. AMLDD is continuously monitoring and reviewing overall Bank's compliance to mitigate ML/TF risks. Besides, a senior level executive from each Branch is working as a Branch Anti-Money Laundering Compliance Officer (BAMLCO). Audit and Inspection Division conducts audit for an effective Anti Money Laundering System Check throughout the year. Moreover, members of CCC and employees of AMLDD pay visit to Branches to supervise the AML procedures and functions at branch level as and when required.

Sound Know Your Customer (KYC) and Transaction Profile (TP) are in place to recognize the risk associated with accounts. Cross-border transactions (both incoming and outgoing messages) are screened against UN, OFAC, EU and other Sanction lists through SWIFT screening Software. Moreover, the Bank has its own AML Screening System for screening customer against UN Sanction List, Domestic Sanction List and Private List before opening an account and making payment of foreign remittance (through Bank or Exchange Houses).

The Bank is providing CTR/STR data through goAML web portal of Bangladesh Financial Intelligence Unit (BFIU) on regular basis. It is the requirement of BFIU to report cash transaction of BDT 10 Lac and above in a single day in a single account and suspicious transaction as and when detected. BASIC Bank Training Institute arranges training programs on AML & CFT throughout the year to develop awareness and skill for mitigating money laundering and terrorist financing risks.

e) Operational risk

Operational risk may arise from error and fraud due to lack of internal control and compliance. Management through Compliance Division controls operational procedure of the Bank. Audit and Inspection Division undertakes periodical and special audit of the branches and divisions at the Head Office for review of the operation and compliance of statutory requirements. The Audit Committee of the Board subsequently reviews the reports of the Compliance Division.

f) Asset Liability Management Risk

Asset Liability Management (ALM) is a risk management technique designed to earn an adequate return while maintaining a comfortable surplus of assets beyond liabilities. The scope of ALM function can be described as liquidity risk management, management of market risks, trading risk management, funding and capital planning, profit planning, growth projection, etc.

The ALM committee usually makes decisions on financial direction of the Bank. The ALCO's goal is to manage the sources and uses of funds, identify balance sheet management issues like balance sheet gap, interest rate gap etc. ALCO also reviews liquidity contingency plan and implements asset and liability pricing strategy for the Bank. The bank revised its asset liability management policy in line with Bangladesh Bank guideline. The Board of Directors of the Bank approved the revised policy in September 2017, which is followed meticulously.

g) ICT Risk Management

ICT risk refers to the potential of ensuing harmful effects that an organization may suffer from intentional or unintentional threats to information and information technology systems. Managing ICT risk is part of running regular operation of the Bank now a days. Failure to manage ICT risk may lead to serious security breaches, financial losses & even business discontinuity. Hence, it is imperative that there should be a mechanism to identify, assess and mitigate ICT risk. BASIC Bank Limited, with the approval of the Board, has adopted an ICT policy in compliance with ICT security guidelines of Bangladesh Bank covering various aspects of ICT risk management. Based on the policy the Bank has taken necessary measures for mitigating ICT risk and impending hazards through implementing proper strategies and processes of identifying, appreciating, analyzing and assessing the same. The Bank has also taken necessary initiatives which would make a positive impact on improving ICT segment of core risks management. All observations by Bangladesh Bank, related to ICT segment of core risks management are being complied in time. Necessary measures are also being taken to minimize manual intervention, as much as possible, by implementing automatic handling of network level and server level failure. Moreover, necessary initiatives are also being taken to comply with the ICT related issues mentioned in the circular of Bangladesh Bank regarding Self-Assessment of Anti Fraud Internal Controls. Internal ICT audit by Audit and Inspection Division of Head Office in different branches of the Bank are being carried out regularly. The Bank has been carrying out the job of Vulnerability Assessment (VA). Penetration Test (PT) by the external experts having sufficient expertise on ICT securities. The Bank has taken necessary steps to enhance the securities of the network, database and e-mail systems of the Bank. An independent ICT

Security Unit comprising some ICT security experts has already been established within the Bank for monitoring, identifying and overseeing all kinds of potential ICT risks and threats. Moreover, the Bank has taken necessary initiatives to protect its ICT System from unauthorized Network Access, Denial of Service Attack, Zero-Day Virus Attack, Advanced Persistent Threat (APT) Attack, Malware Attack, Spyware Attack etc. The Bank is also carrying out training programs on importance and awareness of ICT security for its employees to prevent from different malicious activities.

h) Internal Control and Compliance

The primary objectives of Internal Control and Compliance are to help the Bank perform better through the effective use of its resources, identify its weaknesses, take appropriate measures to overcome the same and ensure compliance with regulatory framework including applicable laws and regulations. Internal Control and Compliance of the Bank includes three fold functions viz. Internal Audit & Inspection of Branches and Divisions of Head Office, Monitoring of operational activity of the Bank to assess the risk of individual Branches/Divisions and Compliance of Internal Audit & Inspection Reports of Branches & Divisions and Bangladesh Bank Audit Reports including Bangladesh Bank Special Audit Reports on Core Risks & Cash Incentive and Government Commercial Audit Reports. These functions are being carried out by 03 (three) divisions namely Audit & Inspection Division, Audit Findings Monitoring Division and Compliance Division. The Audit Committee of the Board subsequently reviews the major lapses identified by Audit and Inspection Division as well as compliance of these lapses. The Audit Committee also reviews periodic financial statements of the Bank, Bangladesh Bank Inspection Reports and other issues indicated in the Bangladesh Bank Guidelines. Necessary steps/measures are taken on the basis of observation & suggestion of the Committee.

i) Fraud & Forgeries

The term 'Fraud' commonly includes activities such as theft, corruption, conspiracy, embezzlement, money laundering, bribery & extortion. Fraud risk is one of the components of Operational risk. Operational risk focuses on the risks associated with errors or events in transaction processing or other operations. We are absolutely committed to maintain an honest, open & well intentioned atmosphere within the organization. We are also committed to prevent fraud and detection of fraud. Fraud & Forgery has emerged as one of the major threats in banking sector with regular development of avenues by the fraudsters.

In the year 2017, the bank has started to further develop the Risk & Fraud awareness culture among the employees & reduce the likelihood of fraud occurring in the Bank. In 2021, Audit & Inspection Division (AID) of the Bank has conducted 72 regular Audit & Inspections & 08 special inspections at different Branches and 20 regular Inspections at different Divisions of Head Office, where allout efforts were taken by the officials of AID to detect fraud & forgeries and to find out potential risk factors.

In connection with dealing the situation and ensuring safety checking measures against fraud & forgery related issues, Monitoring Division of the Bank quarterly prepare Self Assessment of Anti-Fraud Internal Controls report and submit the same to Bangladesh Bank with joint signature of the Managing Director & the Chairman of Audit Committee of the Board of Directors of the Bank.

2.17 Earnings per share (EPS)

The Bank presents basic and diluted (when dilution is applicable) earnings per share (EPS) for its ordinary shares in accordance with BAS 33 "Earnings per Share". Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank with the weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reverse split. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods. Hence no Diluted EPS has been calculated.

2.18 Events after the reporting period

All material events after the reporting period that provide additional information about the Companies'/Bank's position at the balance sheet date are reflected in the financial statements as per IAS 10 "Events after the Reporting Period". Events after the reporting period that are not adjusting events are disclosed in the notes when material.

2.19 Directors' responsibility on statement

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

Memorandum items

Memorandum items are maintained to have control over all items of importance and for such transactions where the Bank has only a business responsibility and no legal commitment. Stock of travelers cheques, savings certificates, wage earners bonds and other fall under the memorandum items.

Capital Expenditure Commitment

There was no capital expenditure contracted but incurred or provided for at 31 December 2021. Besides, there was no material capital expenditure authorized by the board but not contracted for at 31 December 2021.

2.20 Related party disclosures

As per IAS 24 "Related Party Disclosures", a related party is a person or entity that is related to the entity (i.e. BASIC Bank Limited) that is preparing its financial statements. Related party transaction is a transfer of resources, services, or obligations between a reporting entity and a related party, regardless of whether a price is charged as per IAS 24.

Related Parties include the Bank's Directors, key management personnel, associates, companies under common directorship etc. as per IAS 24 "Related Party Disclosures". All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible.

2.21 Board of Directors as on 31 December 2021:

Name	Status	Other Position
Professor Dr. Abul Hashem	Chairman	Vice Chancellor, Anwer Khan Modern University, Ex-Chairman, Dhaka Stock Exchange Limited, Ex-Member, University Grants Commission of Bangladesh, Ex-Treasurer, University of Dhaka, Ex-Dean, Faculty of Business Studies, University of Dhaka, Ex-Chairman, Department of Accounting, University of Dhaka, Ex-Director, Bangladesh Shilpa Bank, and Ex-Director, Dhaka Stock Exchange Limited.
Mr. Md. Razib Pervez	Director	Founder & Chairperson - Governance Policy Explore Center, Lead Management- Political Economy Research Foundation- PERF.
Dr. Nahid Hossain	Director	Joint Secretary, Government of the Peoples' Republic of Bangladesh
Dr. Md. Abdul Khaleque Khan	Director	Managing Director & CEO (Retired) Bangladesh Commerce Bank Limited
Mr. Md. Anisur Rahman	Director	Managing Director & CEO BASIC Bank Limited

The Board of Directors conducted 40 (forty) meetings during the year.



2.22 Audit Committee as on 31 December 2021:

Members of the Audit Committee of the Board of Directors:

Name	Status with the Committee	Educational Qualification
Dr. Nahid Hossain	Chairman	B.Com (Hons.), M.Com (Finance & Banking), Master of Economics (Japan), Doctor of Engineering (Environment & Life Engineering, Japan)
Mr. Md. Razib Pervez	Member	B.Sc. Engineering (CSE), MA (Public Affairs), MPhil (Public Administration)

Audit Committee conducted 14 (fourteen) meetings during the year.

2.23 Risk Management Committee as on 31 December 2021:

Name	Status	Educational Qualification
Mr. Md. Razib Pervez	Chairman	B.Sc. Engineering (CSE), MA (Public Affairs), MPhil (Public Administration)
Dr. Nahid Hossain	Member	B.Com (Hons.), M.Com (Finance & Banking), Master of Economics (Japan), Doctor of Engineering (Environment & Life Engineering, Japan)
Dr. Md. Abdul Khaleque Khan	Member	BSS (Hons.), MSS (Economics), Ph.D

Risk Management Committee conducted 14 (fourteen) meetings during the year.

2.24 Executive Committee as on 31 December 2021:

Name	Status	Educational Qualification
Professor Dr. Abul Hashem	Chairman	B.Com (Hons.), M.Com (Accounting), Ph.D (Russia), Post-doctoral Fellowship (USA)
Dr. Md. Abdul Khaleque Khan	Member	BSS (Hons.), MSS (Economics), Ph.D

Executive Committee conducted 02 (two) meetings during the year.

2.25 Head Office Management Committee (MANCOM) as on 31 December 2021:

Sl #	Name	Designation	Status with the Committee
1	Mr. Niranjan Chandra Debnath	Deputy Managing Director-I	Chairman
2	Mr. Md. Abdur Rahim	Deputy Managing Director-II	Member
3	Mr. Abu Md. Mofazzal	Deputy Managing Director-III	Member
4	Mr. Ahmad Hossain	General Manager	Member
5	Mr. Hasan Tanvir	General Manager	Member
6	Mr. Abu Sayed Md. Rowshanul Haque	General Manager	Member
7	Mr. Md. Ismail	General Manager	Member
8	Mr. Khan Iqbal Hasan	General Manager	Member
9	Mr. Md. Abul Kalam Azad	General Manager	Member
10	Mr. Md. Momenul Hoque	General Manager	Member
11	Mr. Debasish Karmaker	Deputy General Manager, Human Resources Division	Member Secretary

The Head Office Management Committee conducted 09 (nine) meetings during the year.

2.26 Compliance report on International Accounting Standards (IAS) & International Financial Reporting Standards (IFRS)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). While preparing the financial statements, BASIC Bank applied all the applicable IAS and IFRS as adopted by ICAB. Details are given below:



Name of the IAS	IAS no.	Status
Presentation of Financial Statements	1	Applied*
Inventories	2	N/A
Statement of Cash Flows	7	Applied*
Accounting Policies, Changes in Accounting Estimates & Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Govt. Grants & Disclosure of Govt. Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	N/A
Investments in Associates	28	N/A
Interests in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Applied*
Earnings Per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Name of the IAS	IAS no.	Status
Provisions, Contingent Liabilities and Contingent Assets	37	Applied*
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied*
Investment Property	40	N/A
Agriculture	41	N/A
Name of the IFRS	IFRS no.	Status
First Time Adoption of Bangladesh Financial Reporting Standard	1	N/A
Share Based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosure	7	Applied*
Operating Segments	8	Applied
Consolidated Financial Statements	10	N/A
Joint Arrangements	11	N/A
Disclosure of interests in other Entities	12	N/A
Fair Value Measurement	13	N/A

* Subject to departure described in note 2.1

2.27 Corporate Social Responsibilities (CSR)

Bank authority is very much concern about responsibility to the society people. With industrialization, the impacts of business on society and the environment assumed an entirely new dimension. For this Corporate Social Responsibility has become a criterion of socially lawful business endeavour and the acceptance of it is growing day by day. Countries of developed economy have taken the idea of "Social Responsibility". BASIC Bank Limited has also realized its responsibilities to the society and very much willing to contribute to the improvement of the society within the framework of Bangladesh Bank guidelines, being the largest state owned commercial bank in Bangladesh.

2.28 Regulatory and legal compliance

The Bank complied with the requirement of the following regulatory and legal authorities:

- The Bank Company Act, 1991 (amended 2013)
- The Companies Act 1994
- Rules, regulations and circulars issued by the Bangladesh Bank from time to time
- The Income Tax Ordinance 1984 and Rules
- The Value Added Tax (VAT) 1991 and Rules
- The Stamp Act-1899



- vii. The Customs Act-1969
- viii. The Money Laundering Prevention Act, 2012
- ix. The Anti Terrorism (Amendment) Act, 2012
- x. Labor Act, 2006 (amended in 2013) etc.

2.29 Approval of financial statements

The financial statements were approved by the Board of Directors on 28 April 2022.

2.30 General

- a) These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- b) The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the books of the Bank.
- c) Figures of previous year have been rearranged whenever necessary to conform to current years presentation.



			Amount of Taka	
			31.12.2021	31.12.2020
3. Cash				
Cash in hand (including foreign currencies)	Note 3.1		984,826,707	965,559,539
Balance with Bangladesh Bank & its agent bank(s)	Note 3.2		8,085,112,723	10,654,870,242
Total			9,069,939,430	11,620,429,781
3.1 Cash in Hand (including foreign currencies)				
In Local Currency (3.1.1)			981,650,677	954,635,845
In Foreign Currencies			3,176,030	10,923,694
Total			984,826,707	965,559,539
3.1.1 In Local Currency				
In Hand			938,340,277	918,884,845
In ATM			43,310,400	35,751,000
			981,650,677	954,635,845
3.2 Balance with Bangladesh Bank & its agent bank(s)				
In Local Currency	Note 3.2.1		7,415,375,124	10,067,102,250
In Foreign Currencies	Note 3.2.2		669,737,599	587,767,992
			8,085,112,723	10,654,870,242
3.2.1 In Local Currency				
Bangladesh Bank			7,234,894,922	9,853,575,703
Sonali Bank (acting as agent of Bangladesh Bank)			180,480,202	213,526,547
			7,415,375,124	10,067,102,250
3.2.2 In Foreign Currencies				
Bangladesh Bank - EURO			5,289,276	5,540,368
Bangladesh Bank - GBP			4,617,596	5,972,629
Bangladesh Bank - YEN			22	24
Bangladesh Bank - US\$			659,830,705	576,254,971
			669,737,599	587,767,992
3.2.2.1 Balance with Bangladesh Bank as per DB-5			6,873,540,630	10,068,728,775

Reason of Difference between balance with Bangladesh Bank and DB-5:

The reason of difference between balance with Bangladesh Bank and DB-5 is that the balance of foreign currency clearing account is not shown in DB-5 statement and Tk. 57.00 Lac deducted from actual Bangladesh Bank (BDT) A/C balance which is lien amount against TT discounting facilities. Moreover, there were some entries passed by Bangladesh Bank on year ending date but we passed corresponding entries on later date after receiving advice from Bangladesh Bank.

3.3 Statutory Deposits

Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained as per Section 33 of the Bank Companies Act 1991 and BRPD Circular No. 11 and 12 both dated August 25, 2005, MPD Circular No. 2 dated December 10, 2013 and MPD Circular No. 03 dated April 09, 2020.

The Cash Reserve Requirement (CRR) on the Bank's time and demand liabilities at the rate of 4.00% has been calculated and maintained with Bangladesh Bank in current account and 13.00% Statutory Liquidity Ratio (SLR) has been calculated and maintained with excess CRR balance, all kinds of approved govt. securities, cash in hand including FC balance with Bangladesh Bank and Sonali Bank (as agent of Bangladesh Bank). Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:

3.3.1 Cash Reserve Ratio (CRR)

Required Reserve (4.00% of Average Demand & Time Liabilities)
Actual reserve maintained
Surplus/(Deficit)
Required (%)
Maintained (%)

5,986,392,765	5,339,491,351
6,154,342,089	8,594,332,565
167,949,324	3,254,841,214
4.00%	4.00%
4.11%	6.44%



3.3.2 Statutory Liquidity Reserve (SLR)

Required Reserve (13.00% of Average Demand & Time Liabilities)
Actual reserve maintained
Surplus/(Deficit)
Required (%)
Maintained (%)

Amount of Taka	
31.12.2021	31.12.2020
19,455,776,485	17,353,346,889
32,112,800,822	30,821,267,651
12,657,024,337	13,467,920,762
13.00%	13.00%
21.46%	23.09%

4. Balance with other banks & financial institutions

In Bangladesh- local currency

Note 4.1

Outside Bangladesh- NOSTRO & FC Term Placement

Note 4.2

545,821,469	532,334,645
1,093,589,138	866,348,598
1,639,410,607	1,398,683,243

4.1 In Bangladesh

4.1.1 Current Accounts

Sonali Bank Ltd.
Agrani Bank Ltd.
Janata Bank Ltd.
Rupali Bank Ltd.
Bangladesh Krishi Bank
NCC Bank Ltd.

1,420,418	11,059,184
3,519,659	9,036,835
11,882,380	3,000,154
5,305,835	4,556,586
3,570,323	3,104,862
3,989,973	5,787,185
29,688,588	36,544,806

4.1.2 Short Notice Deposit Accounts

Sonali Bank Ltd.
Agrani Bank Ltd.
Janata Bank
Rupali Bank Ltd.
Trust Bank Ltd.
The Premier Bank Ltd.

10,018,069	986,233
11,883,817	-
25,855	29,086
50,021,214	18,798,633
13,872,212	45,592,478
6,732	7,737
85,827,899	65,414,167

4.1.3 Other Deposit

Receivable from ICB Islami Bank

130,304,982	130,375,672
-------------	-------------

4.1.4 Fixed Deposit Accounts

i) FDR/Placement with Banks

ii) FDR/Placement with Non-Bank Financial Institutions (NBFIs):

Bangladesh Industrial Finance Company (BIFC) Limited

-	-
300,000,000	300,000,000
300,000,000	300,000,000
545,821,469	532,334,645

Total

4.2 Outside Bangladesh (Nostro & FC Term Placement)

Interest bearing accounts

Note 4.2.1

Term Placements

Note 4.2.2

321,389,138	866,348,598
772,200,000	-
1,093,589,138	866,348,598

4.2.1 Interest-bearing Accounts

Sonali Bank Kolkata-EURO
BANQUE MAROCAINE DU COMMERCE (MADRID, SPAIN)-EURO
Sonali Bank London (EUR)
Bank of Tokyo-Mitsubishi London-GBP
Sonali Bank London (UKP)-GBP
Bank of Tokyo Mitsubishi Japan-JPY
Arif Habib Bank, Karachi-USD
Mashreq Bank India-USD
Mashreq Bank New York-USD
Sonali Bank Kolkata-USD
Bank of Ceylon-USD
CITI Bank NA, New York (Export)-USD
Sonali Bank London-USD
AB Bank Ltd, Mumbai (USD)
Habib Metropolitan Bank Ltd.-USD
HDFC Bank Ltd.-USD
United Bank of India, Mumbai-ACU
Habib American Bank New York-USD
Kookmin Bank, Seoul-USD
Total

455,762	487,965
-	7,657,329
5,833,313	-
-	6,985,309
1,157,502	-
899,703	1,087,352
94,659	93,556
55,524	54,877
395,109	390,504
18,088,764	23,729,288
781,520	792,843
201,329,957	740,919,229
9,374,544	-
13,060,695	16,368,390
843,797	4,210,532
7,582,983	16,950,362
20,335,324	20,072,673
7,868,583	12,699,732
33,231,399	13,848,657
321,389,138	866,348,598

(Annexure - A may kindly be seen for details)



		Amount of Taka	
		31.12.2021	31.12.2020
4.2.2 Term Placement			
AB Bank Limited (USD)		343,200,000	-
Midland Bank Limited (USD)		429,000,000	-
Total		772,200,000	-
Grand total (Nostro and Term Placement)		1,093,589,138	866,348,598
4.3 Maturity grouping of balances with other banks & financial institutions:			
On demand		29,688,587	36,544,805
Upto 1 month		1,175,418,814	866,348,598
Over 1 month but not more than 3 months		-	65,414,167
Over 3 months but not more than 1 year		-	-
Over 1 year but not more than 5 years		434,303,206	430,375,673
Over 5 years		-	-
Total		1,639,410,607	1,398,683,243
5 Money at Call & Short Notice			
Commercial Banks	Note 5.1	3,100,000,000	1,500,000,000
Financial Institutions (Public & Private)		-	-
		3,100,000,000	1,500,000,000
5.1 Commercial Banks			
AB Bank Ltd		1,200,000,000	-
Community Bank Ltd		600,000,000	-
Modhumoti Bank Ltd		100,000,000	-
Midland Bank Ltd		1,200,000,000	1,500,000,000
		3,100,000,000	1,500,000,000
6. Investments			
Government Securities	Note 6.1	30,069,733,183	24,912,975,062
Other Investments	Note 6.2	1,249,634,718	1,345,631,435
		31,319,367,901	26,258,606,497
6.1 Government Securities			
Treasury Bills and Reserve Repo	Note 6.1.1	-	-
Treasury Bonds	Note 6.1.2	30,066,046,283	24,910,233,362
Prize Bond		3,686,900	2,741,700
		30,069,733,183	24,912,975,062
6.1.1 Treasury Bills (at revalued Amount) (A)			
364 Days Government Treasury Bills		-	-
364 Days Reverse Repo		-	-
182 Days Government Treasury Bills		-	-
91 Day Government Treasury Bills		-	-
28 Days Government Treasury Bills		-	-
01 Day Reverse Repo-Bangladesh Bank		-	-
		-	-
Reverse Repo (B)			
Reverse Repo-Banks and NBFIs		-	-
Reverse Repo-Bangladesh Bank		-	-
Total		-	-
Grand Total (A+B)		-	-
6.1.2 Treasury Bonds (at revalued Amount)			
02 Years Government Treasury Bond		547,534,321	573,484,995
05 Years Government Treasury Bond		7,177,362,343	5,585,288,833
10 Years Government Treasury Bond		17,635,494,593	14,189,738,187
15 Years Government Treasury Bond		2,534,018,371	2,552,737,308
20 Years Government Treasury Bond		2,171,636,655	2,008,984,039
		30,066,046,283	24,910,233,362
6.2 Other Investments			
Shares	Note 6.2.1	1,249,575,218	1,345,571,935
Others (Memorial Coin)		59,500	59,500
		1,249,634,718	1,345,631,435

6.2.1 Shares

a. Quoted companies

Shares in listed companies

Amount of Taka	
31.12.2021	31.12.2020

1,185,944,392	1,281,981,503
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b. Unquoted companies

Share of Karmasangsihan Bank

ICB AMCL 2nd NRB Mutual Fund

Preference Share of BDCL

Equity Of Grameen I. T. Park

Share of CDB Ltd.

Sub-total

Grand Total (a+b)

15,000,000	15,000,000
33,840,176	33,799,782
7,450,000	7,450,000
4,201,760	4,201,760
3,138,890	3,138,890
63,630,826	63,590,432
1,249,575,218	1,345,571,935

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

6.3 Investment in Securities are classified as per Bangladesh Bank Circular

Held To Maturity (HTM)

Note 6.3.2

Held For Trading (HFT)

Note 6.3.1

Other Bond (Sukuk Bond)

21,920,063,135	16,851,613,559
7,908,403,148	7,821,039,803
237,580,000	237,580,000
30,066,046,283	24,910,233,362

6.3.1 Held For Trading (HFT):

Treasury Bond

Treasury Bill and reverse repo

7,908,403,148	7,821,039,803
-	-
7,908,403,148	7,821,039,803

6.3.2 Held For Trading (HTM):

Treasury Bond

Treasury Bill and reverse repo

21,920,063,135	16,851,613,559
-	-
21,920,063,135	16,851,613,559

Treasury bond and treasury bills are categorized into HTM and HFT as per Bangladesh Bank Circular. HTM securities are measured at amortized value at each year end by taking into account any premium or discount on acquisition. Any decrease in value for amortization loss of such investment is transferred to profit and loss account of respective year. Any increase in value for amortization gain of such investments is transferred to revaluation reserve account and shown in the equity. Such gains are credited to income account at the time of maturity or sale of the security. HFT securities are revalued weekly and loss on revaluation is shown in Profit & Loss account and gain is shown as Revaluation Reserve under capital account. Securities are shown at revalued amount.

6.4 Assets pledged as security

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

Liabilities to bank

Liabilities to customers

-	-
-	-
-	-

There is no assets pledged, mortgaged or hypothecated against bank's borrowings.

6.5 Maturity Grouping of Investments

On demand

Upto 1 month

Over 1 month but not more than 3 months

Over 3 months but not more than 1 year

Over 1 year but not more than 5 years

Over 5 years

3,686,900	2,741,700
1,848,128,375	550,000,000
-	88,400,000
4,817,615,355	2,564,903,147
12,677,120,237	12,373,600,000
11,972,817,034	10,678,961,650
31,319,367,901	26,258,606,497

7. Loans & Advances

Loans, Cash Credit & Overdraft etc.

Bills purchased & discounted

Note 7.2

Note 7.10

143,693,087,750	148,588,751,177
758,686,259	537,193,005
144,451,774,009	149,125,944,182

		Amount of Taka		
		31.12.2021	31.12.2020	
7.1	Residual maturity grouping of loans including bills purchased and discounted			
	Payable on demand	3,600,900,000	4,191,100,000	
	Not more than 3 months	33,814,987,045	28,750,900,000	
	Above 3 months but not more than 1 year	19,809,200,000	17,696,600,000	
	Above 1 year but not more than 5 years	41,293,900,000	39,827,800,000	
	Above 5 years	45,932,786,964	58,659,544,182	
		144,451,774,009	149,125,944,182	
7.2	Loans, Cash Credit & Overdraft etc.			
	In Bangladesh			
	Loans	Note 7.2.1	76,701,430,693	77,279,976,846
	Cash credits		26,202,008,888	28,299,006,992
	Overdrafts	Note 7.2.2	11,815,051,960	14,322,465,854
	Others	Note 7.2.3	28,974,596,209	28,687,301,485
			143,693,087,750	148,588,751,177
	Outside Bangladesh		-	-
			143,693,087,750	148,588,751,177
7.2.1	Loans			
	Loan General		2,809,884,871	3,213,664,430
	Term Loan		73,891,545,822	74,066,312,416
			76,701,430,693	77,279,976,846
7.2.2	Overdrafts			
	SOD agst Bank's Own FDR		256,952,910	246,757,223
	SOD agst Other Bank's FDR		296,762,607	322,039,757
	SOD agst govt. bonds and securities		45,954,113	39,711,655
	SOD agst Bank's Own Deposit Scheme		519,749,361	512,001,029
	SOD for issuance of CDR/SDR/PO		17,161,058	17,181,058
	Temporary Overdraft		354,887,704	420,645,461
	Overdraft Secured Mortgage		8,564,056,570	10,360,863,334
	Overdraft Secured (Other Securities)		767,611,785	1,349,441,213
	Overdraft (Clean)		267,797,380	237,615,545
	Overdraft Industrial Special CMSME COVID 19		410,437,717	471,906,698
	Overdraft Service Special CMSME COVID 19		61,265,868	43,370,125
	Overdraft Commercial Special CMSME COVID 19		252,414,887	300,932,756
			11,815,051,960	14,322,465,854
7.2.3	Others			
	Export Credit/Packing Credit		414,895,794	330,093,177
	Payment Against Documents		837,101,562	44,531,132
	Loan Against Trust Receipt		3,411,557,361	2,263,209,737
	Other short term advance		171,840,054	62,458,694
	Tender Bidding & Work order financing		289,085,163	283,581,757
	Loan against Govt. Fund and other scheme		149,580,050	118,219,243
	Credit to NBFI		2,488,937,725	2,933,645,601
	Real Estate Loan		7,924,669,046	7,593,217,324
	Transport Loan		4,533,062,726	6,405,891,427
	Consumer Credit		1,374,784,415	1,554,345,682
	Micro Credit Financing		473,704,178	430,891,981
	Agricultural Credit		169,317,577	248,191,664
	Sundry/Misc. Loan		4,593,729,741	4,015,774,311
	Staff Loan		2,142,330,817	2,383,249,755
			28,974,596,209	28,687,301,485
7.3	Loans on the basis of significant concentration including bills purchased & discounted			
	a Advances to Directors		-	-
	b Advances to MD and other Senior Executives		2,176,647,637	2,422,202,238
	c Advances to Customers group		59,969,736,003	58,512,029,470
	d Advances to Industrial sector	Note 7.3.1	82,305,390,369	88,191,712,474
			144,451,774,009	149,125,944,182



7.3.1 Advances to Industrial sector

Food and Allied Ind.
ERGM
Textile
Accessories
Jute Prod. and Allied Ind.
Forest Prod. and Allied Ind.
Paper, Board, Printing, Pub. and Packaging
Tannery Leather and Rubber Prod.
Chem. Pharm. and Allied Ind.
Plastic Ind.
Glass, Crme. and Other non Metal. Pr.
Engineering
Electrical and Electronics Ind.
Real Estate & Housing
Transport and Communication
Ship, Shipbuilding and Breaking
Power, Gas and Water
Hotel and Restaurant
Hospital and Clinic
Brick Kiln
Telecommunication & IT
Other Service Ind.
Ind. Not Elsewhere Classified
Total

Amount of Taka	
31.12.2021	31.12.2020
13,271,918,003	15,804,408,480
10,587,633,079	10,764,517,460
9,558,258,428	10,330,960,322
1,074,877,344	1,146,147,622
4,514,227,243	4,549,351,538
43,312,183	48,535,236
5,410,085,892	3,340,588,051
2,286,417,803	2,470,740,028
1,585,293,052	1,957,865,579
1,377,345,393	1,788,146,889
598,427,171	978,676,666
2,555,146,357	2,994,641,392
385,360,771	665,769,060
10,488,376,508	11,978,931,556
6,116,232,971	7,810,011,340
473,711,943	473,711,943
503,706,705	443,157,396
1,044,993,647	827,288,424
840,559,505	804,421,327
3,469,154,122	3,632,060,159
369,588,778	399,659,140
3,160,557,421	2,394,093,158
2,590,206,050	2,588,029,708
82,305,390,369	88,191,712,474

7.4 Loans & advances allowed to each customer exceeding 10% of Bank's paid up capital

Number of Customers	31	30
Amount of outstanding advances	53,982,500,000	50,140,600,000
Amount of classified advances thereon	42,292,200,000	25,877,573,000
Amount of recovery	3,464,834,670	3,827,538,000
Measures taken for recovery	Persuasion and negotiation for recovery is going on	Persuasion and negotiation for recovery is going on

*In 2020 and 2021, capital of the Bank was negative. As such, loans and advances allowed to customers' group exceeding 10% of the Banks' paid-up capital are reported here as per Bangladesh Bank approval.
(Details are given in Annexure - C)

7.5 Geographical Location - wise Loans and Advances

Inside Bangladesh

Dhaka Division
Chattogram Division
Rajshahi Division
Khulna Division
Barishal Division
Sylhet Division
Rangpur Division
Mymensingh Division

89,324,341,468	92,118,304,395
21,760,963,301	22,440,670,285
7,705,462,022	8,004,789,795
6,487,640,154	7,448,268,564
635,397,512	610,310,571
1,322,601,891	1,314,619,551
8,413,066,783	8,156,646,720
8,802,300,878	9,032,334,301
144,451,774,009	149,125,944,182

Total Inside Bangladesh

Outside Bangladesh

-	-
144,451,774,009	149,125,944,182

Total

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

A. Unclassified loan:

Standard
SMA

Sub-Total

43,534,867,825	48,253,429,955
14,539,438,061	23,750,624,582
58,074,305,886	72,004,054,537

B. Classified loan:

Sub-standard
Doubtful
Bad and loss

Sub-Total

381,828,917	1,176,167,512
322,725,194	805,204,711
85,672,914,012	75,140,517,422
86,377,468,123	77,121,889,645

Total loans and advances (A+B)

144,451,774,009	149,125,944,182
------------------------	------------------------

7.7 Provision required for loans and advances

Status

Unclassified-General provision

STAC & Micro Credit

SMA

Others (excluding staff loan)

Staff loan

Sub-Total

Classified-specific provision

Sub-standard

Doubtful

Bad/Loss

Sub-Total

Total Required provision as per Bangladesh Bank's approval

Total provision maintained

Excess/(short) provision

Amount of Taka	
31.12.2021	31.12.2020

12,918,082	17,435,554
899,239,921	625,550,003
744,001,346	818,321,451
23,477,610	48,532,659
1,679,636,959	1,509,839,667

15,900,355	48,038,618
12,988,114	66,452,114
16,211,978,932	22,010,304,595
16,240,867,401	22,124,795,327

17,920,504,360	23,634,634,994
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17,920,504,360	23,634,634,994
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Note: Provision has been maintained by the Bank in accordance with Bangladesh Bank's approval vide its Letter No. DOS(CAMS)1157-1(II)-C/2022-2297 dated 28 April 2022 and Letter No. DBI-2(UBI-5)/2536/2021-781 dated 22 April 2021. Bangladesh Bank has allowed the Bank to provide provision shortfall of Tk. 4,757.50 crore against loans and advances in next 10 years starting from 2022. As such, there is no un-approved provision shortfall of the Bank as on 31 December 2021 and as on 31 December 2020.

Details of provision may kindly be seen in Note 13.1 and 13.2

7.8 Listing of Assets Pledged as Security/Collaterals

Nature of the secured assets

Fixed Assets

Cash and quasi-cash

Others

114,612,821,412	126,918,276,104
5,830,596,015	4,435,776,706
6,429,954,829	3,821,329,868
126,873,372,256	135,175,382,678

7.9 Particulars of Loans and Advances:

- (i) Loans considered good in respect of which the banking company is fully secured;
- (ii) Loans considered good for which the banking company holds no other security other than debtor's personal guarantee;
- (iii) Loans considered good secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtor;
- (iv) Loans adversely classified ; provision not maintained thereagainst

51,788,384,169	64,472,838,625
2,493,852,623	4,386,834,250
9,510,351,496	2,863,992,191
-	-
63,792,788,288	71,723,665,066

- (v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons
- (vi) Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members;
- (vii) Maximum total amount of advance including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;
- (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 have interests as directors, partners or managing agents or in the case of private companies as members;
- (ix) Due from banking companies.
- (x) Amount of classified loans on which interest has not been charged

2,170,016,759	2,386,921,166
-	-
2,442,331,929	2,499,132,618
-	-
85,672,914,012	75,140,517,422
(5,883,927,926)	1,039,246,624
6,736,125,072	-
90,300,765	25,005,000
16,211,978,932	22,010,304,595

(a) (Decrease)/ Increase in provision

Amount of loan written off

Amount realized against loan previously written off

(b) Amount of provision kept against loan classified as bad/loss



- (c) Interest credited to the interest suspense account
- xi) Amount of the written off loan:
- (a) Cumulative amount of Written off loan
- (b) Amount written off during the current year
- (c) Amount of written off loan for which law suit has been filed

Amount of Taka	
31.12.2021	31.12.2020
8,574,968,624	3,148,368,381
11,450,516,153	4,714,391,081
6,736,125,072	-
11,144,529,391	4,713,153,000

7.10 Bills Purchased and Discounted

Payable in Bangladesh
Payable outside Bangladesh

682,696,880	378,626,721
75,989,379	158,566,284
758,686,259	537,193,005

7.11 Maturity grouping of bills purchased & discounted

Not more than 01 months
Above 01 months but not more than 03 months
Above 03 months but not more than 06 months
Above 06 months

467,440,463	368,300,000
219,687,340	148,800,000
71,558,456	20,093,005
-	-
758,686,259	537,193,005

8. Fixed assets including premises, furniture & fixtures

Own Assets

Furniture and Fixtures
Interior Decoration
Machinery and Equipment
Computer Hardware
Software
Motor Vehicles

126,760,529	125,894,614
355,950,155	343,758,243
378,294,598	375,331,731
449,826,780	441,831,483
150,093,583	150,093,583
338,697,587	381,654,870
1,799,623,232	1,818,564,524
1,427,563,445	1,406,632,924
372,059,787	411,931,600

Less: Accumulated depreciation

Sub-total (A)

Leased Assets

Leasehold Assets

Less: Accumulated depreciation

Sub-total (B)

Total (A+B)

4,000,000	4,000,000
1,046,525	1,006,524
2,953,475	2,993,476
375,013,262	414,925,076

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

9. Other Assets

i) Income generating

ii) Non-Income generating

- a) Stationery, stamps, printing materials etc.
- b) Security deposits Note 9.2
- c) Advance rent
- d) Advance for space of BASIC Zaman Tower
- e) Advance for space of Banani
- f) Other prepayments Note 9.1
- g) Advance income tax
- h) Income receivable Note 9.3
- i) Deferred Tax Assets Note 36
- j) Suspense account Note 9.4
- k) Advances/expenditures incurred against proposed branches
- l) Balance with Fakrul Islam securities
- m) ICB Securities Trading Co. Ltd.
- n) Rupali Bank Securities Ltd.
- o) Branch adjustment account
- p) Sundry debtors Note 9.5
- q) Position Clearing (Net)
- r) Position General Ledger (Net)

0	0
22,605,426	22,553,101
11,381,598	11,285,528
76,535,864	103,349,274
759,999,993	759,999,993
161,315,950	161,315,950
5,226,022	4,688,344
181,202,766	113,550,545
2,314,974,734	3,137,039,674
821,351,977	720,218,618
152,737,249	68,942,114
2,714,400	-
20	20
93,035,788	3,335,268
29,999,967	-
230,593,253	454,339,173
243,204,263	613,698,071
475,105,398	-
-	161,421,134
5,581,984,668	6,335,736,807



		Amount of Taka	
		31.12.2021	31.12.2020
9.1	Other prepayments:		
	Total Other Prepayments (GL# 40090000)	1,188,485,762	1,085,128,051
	Less Advance against proposed branch	(2,714,400)	-
	Less Loss on amortization of HTM	(259,229,397)	(159,123,764)
	Less Advance prepayment HO and Banani Br.	(921,315,943)	(921,315,943)
		5,226,022	4,688,344

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

9.3 **Income receivable**

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

9.4 **Suspense account**

Suspense account consists of Excise Duty and petty cash etc.

9.5 **Sundry Debtors**

1) Protested Bill:

a) BCCI:

i) Protested bill, Main branch

ii) Protested bill, Khatungonj branch

iii) Protested bill, Khulna branch

iv) BCCI-Bombay

v) BCCI-London

Sub total

b) Protested bill for SWIFT

c) Protested Bill -Lawyers' Fee

d) Protested Bill -Bangshal Branch- Shahadat Hossain

Total Protested Bill (A)

2) Other Sundry Debtors

3) Advance Cash Incentives-Remittance

4) Encashment of Sanchaya Patra

5) Cash Shortage

Total (B)

Grand Total (A+B)

6,535,880	6,535,880
244,800	244,800
416,367	416,367
1,399,580	1,399,580
645	640
8,597,272	8,597,267
20,244,921	20,244,921
3,940,000	3,940,000
11,198,036	11,198,036
43,980,229	43,980,224
3,106,395	400,515
5,340	58,111
196,092,299	569,239,221
20,000	20,000
199,224,034	569,717,847
243,204,263	613,698,071

Note: Full provision has been made in the account for the protested bill.

10. **Non-banking Assets**

Income generating non-banking assets

Non-income generating non-banking assets (Note 10.01)

-	-
23,858,490	23,858,490
23,858,490	23,858,490

10.01 Non-income generating non-banking assets

Land

Building

8,219,490	8,219,490
15,639,000	15,639,000
23,858,490	23,858,490

The Bank has got the possession and ownership of the mortgage properties according to the judgement of the Honorable Court in accordance with the section 33(7) of "Artha Rin Adalat-2003". The Bank has been holding the non-banking assets since July 23, 2019.

11 **Borrowings from other banks, financial institutions and agents**

In Bangladesh

Note 11.1

Outside Bangladesh

Note 11.2

3,499,190,507	7,095,166,045
1,127,969,231	1,359,351,527
4,627,159,738	8,454,517,572



11.1 In Bangladesh(a+b+c)

a) Money at call and on short notice

Rupali Bank Ltd

Sonali Bank Ltd

Sub total (a)

Amount of Taka	
31.12.2021	31.12.2020

-	-
-	-
-	-

b) Term borrowing:

Rupali Bank Ltd

Agrani Bank Ltd.

Sonali Bank

Sub-total (b)

-	1,000,000,000
2,000,000,000	3,000,000,000
-	2,000,000,000
2,000,000,000	6,000,000,000

c) Term Borrowing

Bangladesh Bank Refinance Loan for House building

Bangladesh Bank Refinance Loan for Solar,Bio-gas,ETP,BANECO

Refinance scheme of Bangladesh Bank for Tk. 10 Account

Refinance scheme of Bangladesh Bank for Jute Sector

Milk Production and Artificial Insemination

Financing Brick Kiln Efficiency Improvement Project

Fund Export Industry-Salary Payment under COVID-19 BB Refinance

Refinance under BRPD # 10/2020

Special Stimulus Refinance Scheme for agriculture sector (ACD Circular # 01, Date - 13/04/2020 for Covid-19)

Refinance Scheme -2020 for Low- income Professionals, Farmers & holders of Small/Marginal Business

Refinance Scheme for "CMSME Working Capital Loan/ Investment under Covid-19"

Refinance Scheme of SME Foundation

Sub-total ©

Total (a+b+c)

50,145,259	56,099,318
1,263,636	-
2,540,000	4,595,000
30,000,000	30,000,000
2,100,000	21,850,000
95,063,938	95,063,938
183,101,707	264,844,000
526,300,965	136,213,789
143,630,000	21,880,000
21,500,002	156,000,000
424,595,000	308,620,000
18,950,000	-
1,499,190,507	1,095,166,045
3,499,190,507	7,095,166,045

11.2 Outside Bangladesh

a) Demand Borrowing

Demand Borrowing- Foreign Currency

Sub-Total (a)

-	-
-	-

b)Term Borrowing

Loan for Micro Credit and Small Scale Industries (KfW, Germany)

Second Crop Diversification Project

Agro Business Development Project of ADB

Sub-Total (b)

Total (a+b)

153,379,147	153,379,147
662,589,850	764,526,750
312,000,234	441,445,630
1,127,969,231	1,359,351,527
1,127,969,231	1,359,351,527

11.3 Overall transaction of Reverse Repo:

	2021		2020	
	Minimum outstanding during the year	Maximum outstanding during the year	Minimum outstanding during the year	Maximum outstanding during the year
Securities bought under repo:				
i) with Bangladesh Bank	Nil	Nil	Nil	Nil
ii) with other banks & NBFIs	Nil	627,142,021	Nil	2,169,626,965

11.4 Overall transaction of Repo:

	2021		2020	
	Minimum outstanding during the year	Maximum outstanding during the year	Minimum outstanding during the year	Maximum outstanding during the year
Securities sold under repo:				
i) with Bangladesh Bank	Nil	Nil	Nil	4,637,877,502
ii) with other banks & NBFIs	Nil	2,518,977,000	Nil	2,690,699,608

			Amount of Taka	
			31.12.2021	31.12.2020
12. Deposits & Other Accounts				
Non-Interest bearing Deposits	Note 12.1		7,910,066,361	8,105,955,203
Interest bearing Deposits	Note 12.2		143,070,326,765	131,608,995,429
			150,980,393,126	139,714,950,632
12.1 Non-Interest bearing Depositss				
Current, Savings and Other Deposits	Note 12.1.1		7,145,727,036	7,253,560,446
Bills Payable	Note 12.1.2		764,339,325	852,394,757
			7,910,066,361	8,105,955,203
12.1.1 Current, Savings and Other Deposits				
Current Deposit			4,536,556,430	4,610,422,427
Savings Deposit			92,501,925	9,056,399
Margin Deposit			1,987,711,537	2,003,137,803
Sundry/Other Deposit			528,957,144	630,943,817
			7,145,727,036	7,253,560,446
12.1.2 Bills Payable				
Payment Order			761,056,233	849,110,628
Demand Draft			3,283,092	3,284,129
			764,339,325	852,394,757
12.2 Interest bearing Deposits				
Savings Bank Deposits	Note 12.2.1		8,989,545,636	7,202,598,235
Fixed Deposits, SND, Other Deposit Scheme	Note 12.2.2		133,942,358,235	124,273,277,913
Current Deposit			138,422,894	133,119,281
			143,070,326,765	131,608,995,429
12.2.1 Savings Bank Deposits				
Savings Account			8,989,545,636	7,202,598,235
			8,989,545,636	7,202,598,235
12.2.2 Fixed Deposits				
Short Notice Deposits			17,731,114,205	14,906,566,832
Term Deposits			109,892,053,198	103,726,488,208
Other Deposit Scheme			6,319,190,832	5,640,222,873
			133,942,358,235	124,273,277,913
12.3 Maturity Grouping of other deposits & inter-bank deposits				
<u>Deposit from Bank</u>				
Repayable on demand			452,140	3,445,683
Repayable within 1 month			36,310,376	71,513,929
Above 01 Month but not more than 6 Months			213,086,149	132,064,531
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			-	-
			249,848,665	207,024,143
<u>Other Deposits</u>				
Payable on Demand			1,185,647,860	1,230,054,317
Less than 01 Month			25,110,408,249	22,649,386,071
Above 01 Months but not more than 6 Months			52,483,313,851	60,789,335,469
Above 06 Months but not more than 01 Year			40,914,032,826	26,045,800,000
Above 01 year but not more than 05 Years			28,644,320,575	26,957,200,000
Above 05 years not more than 10 years			2,392,621,100	1,836,150,632
Above 10 years			-	-
			150,730,544,461	139,507,926,489
			150,980,393,126	139,714,950,632

13. Other liabilities

		Amount of Taka	
		31.12.2021	31.12.2020
Provision for Loans and Advances	Note 13.1	17,920,504,360	23,634,634,994
Provision for Off Balance Sheet Exposures	Note 13.2	157,163,678	130,960,757
Provision for other assets	Note 13.3	1,688,725,747	1,689,788,841
Provision for Investment	Note 13.4	109,544,034	304,481,153
Provision for Balance with other Banks and NBFIs	Note 13.5	300,000,000	300,000,000
Interest Suspense Account	Note 13.6	16,111,394,886	15,059,898,134
Provision for Ex-gratia/Incentive Bonus	Note 13.7	7,688,066	7,688,066
Provision for Gratuity	Note 13.8	93,564,481	68,601,956
Provision for Welfare Fund		14,253,367	14,253,367
Provision for Benevolent Fund		5,000,000	10,000,000
Provision for Superannuation Fund		10,000,000	10,000,000
Provision for Current Taxes	Note 35	554,121,389	586,575,956
Provision for Card Related Contingency		2,165,028	-
Provision for Expenses Payable	Note 13.9	37,383,203	35,803,299
Provision for stationary		156,152	59,938
Interest Accrued and Payable on Deposits		2,414,659,410	2,096,422,821
Interest Payable on Borrowing		163,754,141	247,041,990
Privileged Creditors		391,844,097	386,041,276
Deposit Insurance Premium Payable		15,772,890	15,395,468
Branch Adjustment Account		-	-
Position Clearing (Net)*		-	161,565,827
Position General Ledger (Net)*		475,920,095	-
Sundry Creditors		37,956,191	47,054,633
Miscellaneous Creditors	Note 13.10	17,133,785	9,322,427
		40,528,705,001	44,815,590,903

*Under multi currency concept an organization maintains different statement of affairs for each currency it deals in including base (BDT) currency and one consolidated statement of affairs of all currencies converted into base currency. In the consolidated affairs all the assets and liabilities in foreign currencies are converted in base currency and presented with other assets and liabilities in base currency. This consolidated affairs reflects the overall position of the bank expressed in base currency. Two GL are maintained in the bank to account any foreign currency transaction. These GLs are Position GL for foreign currency position and Position Clearing GL. Position GL, accounts for original currency units other than base currency and Position Clearing GL accounts for corresponding value of foreign currency converted into base currency. Position, from the treasury point of view, means the available funds in different currencies with which the bank can trade. As value of any currency undergo change, Position in that currency need to be evaluated from time to time and necessary adjustments are made through these GLs.

13.1 Provision for Loans and Advances

Classified Loan	Note 13.1.1	16,240,867,401	22,124,795,327
Unclassified Loan	Note 13.1.2	538,676,166	768,739,081
Special General Provision-COVID-19	Note 13.1.3	1,140,960,793	741,100,586
Provision held at the end of the year		17,920,504,360	23,634,634,994

13.1.1 Provision for Classified Loan

Provision held at beginning of the year	22,124,795,327	21,085,548,703
Fully Provided Debt Written off/Interest Waived	(5,883,927,926)	-
Recovery from Earlier Written off Loan	-	25,005,000
Transferred to provision for unclassified loans	-	-
Transferred from provision for unclassified loans	-	787,802,140
Transferred from provision for Off Balance Sheet Items	-	-
Transferred to provision for Off Balance Sheet Items	-	134,897,577
Transferred from provision for investment	-	91,541,907
Transferred from provision for other assets	-	-
Provision made during the year	-	-
Provision held at the end of the year	16,240,867,401	22,124,795,327

Note: Provision has been maintained by the Bank in accordance with Bangladesh Bank's approval vide its Letter No. DOS(CAMS)1157-I(II)-C/2022-2297 dated 28 April 2022 and Letter No. DBI-2(UBI-5)/2536/2021-781 dated 22 April 2021. Bangladesh Bank has allowed the Bank to provide provision shortfall of Tk. 4,757.50 crore against loans and advances in next 10 years starting from 2022.



13.1.2 Provision for Unclassified Loan

Provision held at beginning of the year
 Provisions no longer required/adjusted
 Transferred to provision for classified loans
 Transferred to special general provision-COVID 19
 Transferred to provision for Off Balance Sheet Items
 Transferred from provision for investment
 Transferred from provision for other assets
 Provision made during the year
Provision held at the end of the year

Amount of Taka	
31.12.2021	31.12.2020
768,739,081	2,302,459,281
-	-
-	(787,802,140)
(399,860,207)	(741,100,586)
(26,202,921)	(4,817,474)
194,937,119	-
1,063,094	-
-	-
538,676,166	768,739,081

13.1.3 Special General Provision-COVID-19

Provision held at beginning of the year
 Transferred from provision for un-classified loans
 Provision made during the year
Provision held at the end of the year

741,100,586	-
399,860,207	741,100,586
-	-
1,140,960,793	741,100,586

13.2 Provision for off Balance Sheet Items

Provision held at beginning of the year
 Transferred to provision for classified loans
 Transferred from provision for unclassified loans
 Provision made during the year
Provision held at the end of the year

130,960,757	126,143,283
-	-
26,202,921	4,817,474
-	-
157,163,678	130,960,757

A provision of Taka 157,163,678 has been made @ 1.00% on total off-balance sheet exposures of the Bank which will be treated as supplementary capital of the Bank.

13.3 Provision for other assets:

Advance against space for Head Office- BASIC Zaman Tower
 Advance against space for Banani Branch
 Unadjusted Suspense Account-Head Office- Tech One Global (Pvt.) Ltd.
 Unadjusted Suspense Account-Head Office-A2Z International
 Unadjusted suspense account-Gulshan Branch
 Unadjusted suspense account-Shantinagar
 Unadjusted suspense account-Belkuchi
 Unadjusted suspense account-BSP
 Unadjusted suspense account-Excise Duty-Different Branches (13.3.1)
 Unadjusted Suspense Account (Head Office)-Medical Bill
 Income Receivable
 Provision for protested bill-Legal Fee
 Provision for protested bill-SWIFT
 Provision for protested bill-BCCI
 Provision for protested bill-Shahadat Hossain Bangshal
Total required provision
 Provision held at the beginning of the year
 Less: Transferred to provision for classified loans
 Less: Transferred to provision for unclassified loans
 Provision made during the year
Provision held at the end of the year
Total Provision excess/(shortfall)

759,999,993	759,999,993
161,315,950	161,315,950
5,100,965	-
550,000	-
2,504,242	2,505,842
-	825,000
-	9,161
206,912	211,560
4,785,511	3,905,164
1,149,263	1,149,263
709,132,683	715,886,685
3,940,000	3,940,000
20,244,921	20,244,921
8,597,272	8,597,267
11,198,035	11,198,035
1,688,725,747	1,689,788,841
1,689,788,841	1,781,330,748
-	(91,541,907)
(1,063,094)	-
-	-
1,688,725,747	1,689,788,841
-	-

13.3.1 Unadjusted Suspense- Excise Duty:

Bangshal
 Shantinagar
 Barishal
 Madhabdi
 Belkuchi
 Mawna
 Fakirhat
 Faridpur
 Kotalipara

-	1,360,638
-	268,000
-	20,350
433,544	308,323
310,355	286,847
-	245,233
362,810	266,478
409,632	408,357
329,150	333,251



Joraganj
Babubazar
Uttara
Kushtia
Islampur
Bashundhara
Satkhira
Mymensingh
Ishwarganj
Feni
Chirirbandar
Total:

Amount of Taka	
31.12.2021	31.12.2020
-	301,704
22,450	-
96,000	-
421,325	-
963,000	-
126,567	-
269,367	-
445,557	-
284,015	-
165,695	-
146,044	105,983
4,785,511	3,905,164

**13.4 Provision for Investment
Provision Required:**

Provision for Investment in Shares of Listed Companies
Provision for Investment in Equity of Grameen IT Park Limited
Total Provision Required

105,342,274	300,279,393
4,201,760	4,201,760
109,544,034	304,481,153

Provision Maintained:

Opening Balance
Add: Provision made during the year
Less: Transferred to provision for unclassified loans
Less: Transferred to provision for classified loans
Closing Balance
Excess Provision/Provision Shortfall

304,481,153	439,378,730
-	-
(194,937,119)	-
-	(134,897,577)
109,544,034	304,481,153
-	-

**13.5 Provision for Balance with other Banks and NBFIs
Provision for FDR with BIFC Limited**

Total Required Provision
Opening Balance of Maintained Provision
Provision made during this year
Closing Balance of Maintained Provision
Excess Provision/Provision Shortfall

300,000,000	300,000,000
300,000,000	300,000,000
300,000,000	300,000,000
-	-
300,000,000	300,000,000
-	-

13.6 Interest Suspense Account

Balance at the beginning of the year
Amount transferred to Interest Suspense account during the Year
Amount recovered from Interest Suspense account during the Year
Suspense Written off/Waived During the Year
Total
Add: Transferred from Interest Income account as per auditor's advice
Balance at the end of the year

15,059,898,134	12,529,843,679
8,516,945,614	3,148,368,381
(6,671,274,726)	(617,403,746)
(852,197,146)	(910,180)
16,053,371,876	15,059,898,134
58,023,010	-
16,111,394,886	15,059,898,134

13.7 Provision for Ex-gratia/Incentive Bonus

Opening Balance
Less: Arrear payment to Mr. Syed Mosahed (ID#1078), DGM
Closing Balance

7,688,066	7,688,066
-	-
7,688,066	7,688,066

13.8 Provision for Gratuity

Opening Balance
Less: Transferred to Gratuity Fund Savings Account

Add: Provision made for the current year
Closing Balance

68,601,956	-
(68,601,956)	-
-	-
93,564,481	68,601,956
93,564,481	68,601,956

Required Balance of the fund as on 31 December
Balance as on 31 December
Incremental requirement for the year
Excess/(Short) Provision for Gratuity

2,228,949,706	1,859,470,374
2,135,385,225	1,790,868,418
93,564,481	68,601,956

13.9 Provision for Expenses Payable:

Provision for telephone-office and residence
 Provision for electricity expenses
 Provision for water, gas and sewerage
 Provision for postage expenses
 Provision for rent
 Provision for repairs, improvement and maintenance
 Provision for on-line Banking expenses
 Provision for various audit fees
 Provision for vehicle expenses
 Provision Loan installment payable
 Provision for entertainment expenses
 Provision for other expenses

Amount of Taka	
31.12.2021	31.12.2020
541,694	549,591
787,907	1,180,609
120,933	181,875
5,300	8,000
10,948,083	6,835,059
287,490	450,485
95,748	95,748
1,161,750	1,006,250
57,400	188,379
407,358	350,297
-	38,500
22,969,540	24,918,506
37,383,203	35,803,299

13.10 Miscellaneous creditors:

Misc. Creditors as per affairs (GL#59930000)
 Less: Special Reserve-BCCI
 Less: Provision for investment
 Less: Audited Loan Loss Provision
 Less: Unaudited Loan Loss Provision
 Less: Loan Loss Provision-Recovery of Written Off Loan

18,211,065,022	23,995,639,682
(7,782,258)	(7,782,258)
(4,201,760)	(439,378,730)
(17,881,667,826)	(23,514,151,267)
(300,279,393)	-
-	(25,005,000)
17,133,785	9,322,427

13.11 Branch adjustments account represents outstanding inter branch and head office transaction (Net) originated. The un-responded entries as of 31 December 2021 are given below:

Particulars	No. of Un-responded entries		Amount of Un-responded entries	
	Dr.	Cr.	Dr.	Cr.
Up to 03 Months	1408	201	327,280,120	157,943,667
Over 03 Month but within 06 Months	1	0	16,535,000	0
Over 06 Month but within 01 Year	0	0	0	0
Over 01 Year but within 05 Years	0	0	0	0

14. Capital**14.1 Authorized**

5,500,000,000 ordinary shares of Tk. 10.00 each

55,000,000,000 **55,000,000,000**

14.2 Issued, Subscribed and Paid up Capital

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

1,084,698,250 Ordinary Shares of Tk. 10.00 each

10,846,982,500 **10,846,982,500**

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.

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

In terms of section 13(1) of Bank Company Act 1991 (amendment 2013) and Bangladesh Bank BRPD Circular No. 18 dated 21 December 2014 required capital, available Tier-I and Tier-II capital of the Bank for the period ended as on 31 December 2021 is shown below:



Tier-1 capital:
Common Equity Tier-1

Paid up Capital
Statutory Reserve
General Reserve
Retained Earnings
Share Money Deposit

Less: Regulatory adjustments:
Provision Shortfall for loans and advance
Deferred tax assets
Total adjustments

Additional Tier-1 Capital

Non-cumulative irredeemable preference share
Total Tier-1 capital

Tier-2 capital

General Provision Maintained against Unclassified Loan
Provision for Off-Balance Sheet Items
Exchange Equalization
Revaluation Reserve of HTM and HFT Securities

Total regulatory capital (Tier-1 + Tier-2)

A. Total regulatory Capital (Tier-1 + Tier-2)

Total Capital (Tier-1)
Total Capital (Tier-2)*
Total Eligible Capital (Tier-1 + Tier-2)

B. Risk Weighted Assets

Balance Sheet Business
Off-Balance Sheet Business
Total Risk-weighted Assets

C. Required Capital on Risk Weighted Assets
(10% on Total Risk Weighted Assets)

D. Capital Surplus/(Shortfall) under MCR [A-C]

Capital to Risk Weighted Asset Ratio (CRAR)

*Provision maintained and capital calculated by the Bank in accordance with Bangladesh Bank's approval vide its Letter No. DOS(CAMS)1157-1(II)-C/2022-2297 dated 28 April 2022 and Letter No. DBI-2(UBI-5)/2536/2021-781 dated 22 April 2021. Bangladesh Bank has allowed the Bank to provide provision shortfall of Tk. 4,757.50 crore against loans and advances in next 10 years starting from 2022.

Note: Revaluation reserve:

As per Basel III revaluation reserve as on December 2014 to be gradually adjusted in five years @20% each year and after five years revaluation reserve will not be considered as part of tier 2 capital. As such 100% of the amount of eligible revaluation reserve (i.e., 50% of revaluation reserve as on end 2014) Tk. 13,86,35,011 adjusted and shown in accounts as under:

Opening Revaluation Reserve
Less: Adjustment (0, 100% of 138,635,011)
Closing Revaluation Reserve

15. Statutory Reserve

Opening Balance at the Beginning of the Year
Add: Addition During the Year (20% of pre-tax Profit)
Closing Balance at the End of the Year

As per section 24 of Bank Companies Act 1991, no amount was transferred to statutory reserve in 2020 and 2021 as there was no pre-tax profit.

16. Other Reserve

General Reserve (Note: 16.1)
Investment Revaluation Reserve (Note: 16.2)
Share Money deposit
5% Non-cumulative preference share/Other Free Reserve

Amount of Taka	
31.12.2021	31.12.2020

10,846,982,500	10,846,982,500
2,224,690,642	2,224,690,642
40,000,000	40,000,000
(41,012,633,587)	(37,042,842,409)
26,000,000,000	26,000,000,000
(1,900,960,445)	2,068,830,733

(821,351,977)	(720,218,618)
(821,351,977)	(720,218,618)
(2,722,312,423)	1,348,612,115

1,205,000,000	1,205,000,000
(1,517,312,423)	2,553,612,115

1,679,636,959	1,509,839,667
157,163,678	130,960,757
-	-
-	-
1,836,800,637	1,640,800,424
319,488,214	4,194,412,539

(1,517,312,423)	2,553,612,115
1,836,800,637	1,640,800,424
319,488,214	4,194,412,539

169,677,804,039	131,503,694,408
4,988,932,296	4,604,706,353
174,666,736,335	136,108,400,761

17,466,673,634	13,610,840,976
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(17,147,185,419)	(9,416,427,537)
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0.18%	3.08%
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2021	2020
-	138,635,011
-	138,635,011
-	-

2,224,690,642	2,224,690,642
-	-
2,224,690,642	2,224,690,642

40,000,000	40,000,000
121,050,948	419,294,236
26,000,000,000	26,000,000,000
1,205,000,000	1,205,000,000
27,366,050,948	27,664,294,236



16.1 General Reserve

Opening Balance at the Beginning of the Year
Add: Addition During the Year
Closing Balance at the End of the Year

Amount of Taka	
31.12.2021	31.12.2020
40,000,000	40,000,000
-	-
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.

16.2 Investment Revaluation Reserve

Opening Balance at the Beginning of the Year
Increase/(decrease) during the Year
Closing Balance at the End of the Year

419,294,236	15,129,552
(298,243,288)	404,164,684
121,050,948	419,294,236

17. Surplus in Profit and Loss Account

Opening Balance
Profit during the Year
Cash Dividend Paid During the Year
Issuance of Bonus Share
Surplus in Profit and Loss Account during the year

(37,042,842,409)	(33,324,661,185)
(3,969,791,178)	(3,718,181,224)
-	-
-	-
(41,012,633,587)	(37,042,842,409)

17.1 Item-Wise Profit and Loss Account**Income:**

Interest, Discount and Similar Income
Dividend Income
Fees, Commission and Brokerage
Gains less Losses Arising from Dealing in Foreign Currencies
Income from Non-Banking Assets
Other Operating Income

7,029,354,518	6,945,532,555
45,810,193	47,452,841
684,507,606	663,690,825
-	-
-	-
234,244,253	116,276,112
7,993,916,570	7,772,952,333

Total Income**Expenses:**

Interest, Fee and Commission
Losses on Loans and Advances
Administrative Expenses
Other Operating Expenses
Depreciation on Banking Assets

9,311,115,386	8,770,015,143
-	-
1,959,190,572	1,972,125,538
670,158,511	654,685,596
76,413,139	79,252,935
12,016,877,608	11,476,079,212

Total Expenses**Profit Before Tax and Provision**

(4,022,961,038)	(3,703,126,879)
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18. Contingent Liabilities

Local Bills for Collection
Foreign Bills for Collection
Letters of Guarantee
Irrevocable Letters of Credit
Back to Back L/C
Acceptances and Endorsements
Travellers Cheques Stock
Value of Wage Earners Bond in Hand and others
Miscellaneous- Revolving Fund

Note 18.1

134,222	134,222
200,878,255	324,736,542
2,695,423,506	4,030,633,234
8,431,238,951	5,997,499,783
2,058,092,973	1,053,258,542
2,531,612,340	2,014,684,146
-	42,400
58,358,000	57,698,000
1,033,099,325	1,033,099,325
17,008,837,572	14,511,786,194

18.1 Letters of guarantee

A. Claim against the Bank which is not recognized as Loan

-	-
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B. Money for which the Bank is contingently liable in respect of guarantees favouring

Directors
Government
Bank and Other Financial Institutions
Others

-	-
2,160,571,888	3,088,572,069
576,500	576,500
534,275,118	941,484,665
2,695,423,506	4,030,633,234

		Amount of Taka	
		31.12.2021	31.12.2020
19. Interest income			
Interest on Loans and advances	4,842,705,706	4,538,963,097	
Interest on money at call and short notice	40,640,931	21,081,667	
Interest on placement with Banks	4,818,244	5,039,789	
Interest on foreign currency balance	2,005	75,254	
	4,888,166,886	4,565,159,807	
20. Interest paid on deposits and borrowings etc.			
On Savings Bank Deposit (note 20.1)	244,823,816	261,759,269	
On Short Notice Deposit	672,094,278	628,623,724	
On Fixed Deposit (note 20.2)	7,415,836,110	6,725,893,741	
On Current Deposit	1,826,275	1,703,709	
Other Deposits and deposit schemes (note 20.3)	555,363,225	501,981,351	
On Borrowing from Bangladesh Bank and other financial institutions (note 20.4)	421,171,682	650,053,349	
	9,311,115,386	8,770,015,143	
20.1 On Savings bank deposit:			
On Savings Deposit (Conventional)	236,026,049	253,727,778	
On School Banking Scheme	6,956,907	6,376,575	
On Krishok Savings Account	763,841	734,736	
On RMG Worker Account	300,213	263,653	
On Leather Industry Worker	1,130	918	
On Pothopushpo Savings Account	1,935	1,050	
On Muktiyoddhashpo Savings Account	123,430	86,138	
On BASIC Chalanika	105,791	93,954	
On Trinomul Savings Account	544,520	474,467	
	244,823,816	261,759,269	
20.2 On Fixed deposit:			
Interest paid on Fixed Deposit (Conventional)	6,672,788,135	6,109,022,475	
Interest paid on Century Deposit scheme	435,547,036	169,786,419	
Interest paid on double benefit scheme	93,896,722	328,947,007	
Interest paid on Super double benefit scheme	-	-	
Interest paid on Monthly Benefit Scheme	258,560	7,125,195	
Interest paid on BASIC twofold winner scheme	88,265,064	49,369,870	
Interest paid on monthly gainer scheme	116,610,266	61,642,775	
Interest paid on monthly income scheme	7,827,107	-	
Interest paid on double deposit scheme	643,220	-	
Total	7,415,836,110	6,725,893,741	
20.3 Other Deposits and deposit schemes			
Interest paid on BASIC Fortune	2,338,459	12,315,908	
Interest paid on BASIC Fortune Plus	340,267,478	344,420,436	
Interest paid on BASIC Swapon puron	1,042,686	1,969,595	
Interest paid on BASIC DPS Plus	200,305,699	143,480,181	
Interest paid on Sata Barsha Sanchoy Prokalpo	10,404,382	562,208	
Interest paid on BASIC Monthly Saving Scheme	926,844	-	
Interest paid on BASIC Nari Monthly Saving Scheme	820,638	-	
Interest paid on BASIC Probin Monthly Saving Scheme	46,412	-	
Less: Penal Interest recovered on Deposit Scheme	(789,373)	(766,977)	
	555,363,225	501,981,351	
20.4 Interest on Borrowings			
Interest on Refinance under BRPD Circular No. 10/2020	15,461,796	1,528,622	
Interest on Refinance under SMESPD Circular No. 02/2020	16,802,967	533,789	
Interest on Refinance under FID Circular No. 01/2020	1,166,230	261,251	
Interest on Refinance under ACD Circular No. 01/2020	894,204	37,772	
Interest on Bangladesh Bank refinance-Brick Kiln	4,753,200	4,978,663	



	Amount of Taka	
	31.12.2021	31.12.2020
Interest on Bangladesh Bank refinance-Jute sector	250,000	1,412,500
Interest on Bangladesh Bank refinance-Milk Production	640,442	1,923,540
Interest on Bangladesh Bank refinance- HBL	2,662,930	2,995,593
Interest on borrowing on B. B. refinance for funding Sular, Bio-Gas and ETFS	10,849	-
Interest on borrowing on B.B refinance for Tk. 10 account holders	150,968	259,058
Interest on Repo-Bangladesh Bank	938,628	45,591,362
Interest on Term Borrowing	335,034,722	514,055,980
Interest on Short Term Borrowing	-	-
Interest on Borrowing-Call Money	2,565,556	29,069,930
Interest on Term Loan KFW	5,368,260	5,368,260
Interest on Borrowing-ADB Loan	13,191,602	17,759,056
Interest on SME Refinance (ADB Fund-2)	-	-
Interest on Second Crop Diversified Project-ADB	21,279,328	24,277,973
Interest on borrowing outside Bangladesh	-	-
Total	421,171,682	650,053,349

21. Investment income

On GT Bill, Bangladesh Bank Bill and GT Bond, Reverse (Note 21.1)
Dividend on Shares
On Other Investment
Profit on sale of investment (note 21.2)

2,389,475,840	2,113,222,908
45,810,193	47,452,841
10,213,960	61,903
442,313,439	595,890,905
2,887,813,432	2,756,628,557

Less: Interest Paid for Purchase of Treasury Bond
Less: Loss on sale of investment
Less: Loss on investment
Less: Loss on revaluation of HFT securities

29,832,761	7,302,033
427	26,405,815
-	-
670,982,419	295,095,120
700,815,607	328,802,968
2,186,997,825	2,427,825,589

Total

21.1 On Government Treasury Bill and Bond

Interest on GT bond
Amortization of Discount on Treasury Bill
Interest on Reverse repo
Amortization of discount-Bill
Total

2,389,456,940	2,108,092,553
-	-
18,900	5,130,355
-	-
2,389,475,840	2,113,222,908

21.2 Profit on sale of investment

Profit on sale of HFT Securities
Profit on sale of Share
Profit on Repo trading
Total

19,724,454	63,147,855
46,770,601	11,413,221
375,818,384	521,329,829
442,313,439	595,890,905

22. Commission, exchange and brokerage

Foreign bill purchased
Local Bill Purchased
Remittance
Letter of Guarantee
Letter of Credit
Bills for Collection
Acceptances and endorsement
Export Bill
Exchange gain net of exchange loss (22.1)
Commission on sale of instruments
Commission on online banking services
Other Commission
Miscellaneous (includes commission on sale of PSP,TC)

374,398	274,764
2,233,408	2,734,225
2,652,448	2,078,565
37,132,712	41,505,521
133,212,746	128,766,693
6,905,733	7,199,823
43,814,533	31,678,111
13,850,230	10,699,352
401,015,301	408,085,640
11,233,349	106,049
706,669	-
31,376,079	30,562,082
-	-
684,507,606	663,690,825

22.1 Exchange gain net of exchange loss

Exchange Earning
Less: Exchange Loss

451,680,023	457,981,573
50,664,722	49,895,933
401,015,301	408,085,640

Note: Exchange gain/ profit(loss) on exchange trading has been net of which was shown separately in earlier years.

		Amount of Taka	
		31.12.2021	31.12.2020
23. Other operating income			
Various Fees	7,225,212	5,034,279	
Income on locker	1,155,000	1,157,000	
Recoveries from client and staffs	44,652,584	35,491,512	
Service and other Charges	49,114,171	57,650,662	
Income from ICT services	10,436,381	-	
Income from on-line client services	2,367,118	2,283,006	
Recoveries of Loan Previously Write Off	90,300,765	-	
Recoveries and miscellaneous earnings			
Income from ATM/Card services	2,804,828	2,527,537	
Export L/C advising, handling, transfer charges etc.	5,536,901	4,820,940	
Income from non banking asset	-	-	
Miscellaneous income (note 23.1)	8,974,667	7,311,176	
Profit on Sale of Fixed Assets	11,676,626	-	
	234,244,253	116,276,112	
23.1 Miscellaneous Income:			
Discount received	10,443	500	
Project Examination and Appraisal Fee	125,000	15,000	
Other Operating Income	8,839,224	7,295,676	
Other Non-operating Income	-	-	
	8,974,667	7,311,176	
23.2 Profit on sale of fixed assets:			
Cost of assets sold	57,478,975	-	
Less: Accumulated depreciation of assets sold	55,442,617	-	
Book value of assets sold	2,036,358	-	
Sale value of fixed assets sold	13,712,984	-	
Profit on sale of fixed assets	11,676,626	-	
24. Salary and Allowances			
Salaries (note 24.1)	884,952,377	880,700,729	
Allowances (note 24.2)	479,039,033	574,997,914	
Provident Fund	85,622,792	84,746,024	
Benevolent Fund	5,000,000	10,000,000	
Gratuity Fund	333,564,481	248,601,956	
Pension Fund	65,276	40,764	
Bonus	156,464,580	157,811,331	
Superannuation Fund	10,000,000	10,000,000	
	1,954,708,539	1,966,898,718	
Note 24.1: Salaries:			
Salary-Basic salary	862,555,337	859,171,316	
Wages sub-staff	956,881	635,027	
Casual wages menial staff	21,440,159	20,894,386	
Total	884,952,377	880,700,729	
Note 24.2: Allowances:			
Allowances	479,039,033	574,997,914	
Leave Fare Assistance	-	-	
Total	479,039,033	574,997,914	
25. Rent, Taxes, Insurance, Electricity Etc.			
Rent	228,382,739	249,911,361	
Rates, Taxes and VAT	4,421,619	4,051,668	
Utilities/Electricity and Heating	43,748,326	41,666,081	
Insurance	29,443,514	34,875,564	
	305,996,198	330,504,674	
26. Legal & Professional Expenses			
Legal Expense (note 26.1)	11,203,015	15,932,495	
Professional Fees (note 26.2)	898,538	1,069,350	
	12,101,553	17,001,845	

		Amount of Taka	
		31.12.2021	31.12.2020
26.1 Legal Expenses:			
Lawyers fees		400,588	3,787,025
Law Charges		1,126,806	2,146,761
Stamp Charges and Court Fees		43,120	22,349
Other Legal expenses		9,613,801	9,976,360
Other Professional expenses		18,700	-
		11,203,015	15,932,495
26.2 Professional Expenses:			
Consultancy Fee		538,583	908,100
Management fees		-	-
Other Professional Fee		359,955	161,250
		898,538	1,069,350
27. Postage, Stamps, Telecommunication Etc.			
Postage		65,572	65,946
Courier Services		6,679,595	5,876,432
Telephone		3,351,106	5,383,427
Fax		8,825	18,335
Swift Subscription and cable Charges and web hosting charge		4,535,337	7,120,826
Stamp		16,538	8,500
Internet and E-mail		171,633	491,037
		14,828,606	18,964,503
28. Stationery, Printing, Advertisement Etc.			
Printing Stationery		4,272,545	4,294,036
Security Stationery		2,494,255	2,232,196
Publicity, Advertisement and publication		1,672,136	955,652
Other Stationery (note 28.1)		21,954,202	22,439,071
		30,393,138	29,920,955
28.1 Other Stationery			
Office Stationery		5,880,698	5,343,167
Petty Stationery		76,356	62,823
Photograph and Photocopy		298,305	237,192
Crockery and utensils		750,028	585,140
Other Stationery		10,962,527	10,419,420
Calendar		3,777,659	5,551,927
Annual Report		186,840	170,420
Greeting cards		-	1,100
Other greeting items		4,688	245
Invitation Card		990	-
Other printing expenses		16,111	67,637
Total		21,954,202	22,439,071
29. Managing Director's Salary			
Basic Salary		3,035,000	3,360,000
Allowances and Bonus (note: 29.1)		1,447,033	1,866,820
		4,482,033	5,226,820
29.1 Managing Director's Allowances and Bonus:			
House Rent		501,786	600,000
Medical		250,893	300,000
Entertainment		25,893	300,000
Food Subsidy		39,000	35,000
Others		19,461	15,820
Total Allowances		837,033	1,250,820
Bonus		610,000	616,000
Total		1,447,033	1,866,820

30. Directors' Fees & Meeting Expenses

Directors Honorarium*
VAT on Directors Honorarium
Chairman's Remuneration**

Amount of Taka	
31.12.2021	31.12.2020
2,056,000	1,912,000
259,600	237,400
360,000	308,000
2,675,600	2,457,400

*Each member of the board of directors of the Bank was paid honorarium of Tk. 8,000/- per meeting.

**Remuneration was paid to the honorable chairman of the board of directors of the Bank @ Tk. 30,000/- per month.

31. Depreciation of Bank's Assets

Depreciation on own Assets

Furniture and Fixture
Interior Decoration
Computer Hardware and Peripherals
Computer Software
Machinery and Equipment
Vehicles

4,979,700	5,165,567
15,113,607	16,421,265
29,701,982	28,730,727
11,137,867	11,224,199
15,439,983	17,670,590
-	-
76,373,139	79,212,348

Depreciation on Leased Assets

Lease Equipment/ Assets

Total

40,000	40,587
76,413,139	79,252,935

32. Repair of Bank's Assets

Furniture and Fixture
Interior Decoration
Machinery and Equipment
Vehicles
Rented Premises
Electric Fittings
Others

2,590,324	1,530,319
431,268	148,821
12,805,006	10,756,704
9,918,031	7,659,689
2,502,713	2,201,777
5,064,397	4,633,665
2,647,785	2,035,673
35,959,524	28,966,648

33. Other Expenses

Entertainment
Lunch subsidy allowance
Executive car allowance
Information and Communication Technology (ICT) expenses (note 33.1)
Other Audit Fee (note 33.2)
Car Expenses (note 33.3)
Fuel and Lubricant Expenses-Generator (note 33.4)
Travelling
Computer consumables and Accessories
Staff Training and HR development Expenses
Card Related Expenses
Uniform and Liveries
Subscription
Service charge paid to clearing house, banks and others
Corporate Social Responsibility Expenses
Commission paid to banks
Donation
Capital related fees and charges
Miscellaneous (note 33.5)
Total

19,197,749	27,605,695
85,548,490	64,019,220
1,788,000	-
47,215,498	45,641,337
115,000	120,750
16,231,666	15,080,279
3,062,252	2,992,088
10,704,071	11,137,265
6,517,649	10,997,023
1,029,735	1,277,124
16,680,265	16,675,588
884,335	-
3,555,612	4,712,673
2,093,476	1,829,098
1,657,116	1,587,025
10,925	25,398
324,190	22,010
34,502,530	-
16,165,333	22,226,998
267,283,892	225,949,571

33.1 Information and Communication Technology (ICT) expenses

Yearly Rent
License fee
Internet charge
SMS alert charge
Mobile phone banking expenses
Software Maintenance Expenses
Hardware maintenance
ICT Auditing, Penetration Testing & Risk Management Services
Other
Total

Amount of Taka	
31.12.2021	31.12.2020
-	1,476,287
123,373	104,158
18,159,030	18,125,096
2,322,985	2,417,451
299,775	2,000
24,636,817	22,256,115
585,268	1,255,100
884,500	-
203,750	5,130
47,215,498	45,641,337

33.2 Other Audit Fee

PF audit
Various fund audit
Nostro account audit
Total

28,750	28,750
40,250	46,000
46,000	46,000
115,000	120,750

33.3 Car expenses:

Fuel and lubricant
CNG/POL-Vehicle
Vehicle expenses
Total

5,655,987	4,903,935
8,320,637	8,085,296
2,255,042	2,091,048
16,231,666	15,080,279

33.4 Fuel and Lubricant-Generators:

Fuel and Lubricant -Generator
Fuel and Lubricant-Others
Total

3,053,397	2,972,704
8,855	19,384
3,062,252	2,992,088

33.5 Miscellaneous:

Expenses- Furniture & Fixtures
Expenses Equipment
Business promotion and development
Books, Journals and periodicals
Conveyance expenses
Expenses for multimedia
Transport expenses
Carrying Charges
Commitment and other fees
Remittance charges
Cartage and freight
Issue expenses
Interior decoration expenses
AGM expenses
Nostro account related expenses
Financial assistance expenses
Penalty/Fine Paid
Managers Conference Expenses
Security Service Expense
Loss on sale of fixed assets
Other expenses
Misc. expenses
Total

43,613	10,250
121,561	69,695
51,770	338,789
941,237	533,094
5,480	11,115
6,600	4,000
86,800	-
220,450	446,044
268,684	125,594
130,080	131,477
109,216	81,807
238,706	55,881
1,055,241	1,182,136
75,292	75,875
2,574,867	1,760,929
107,285	143,267
-	60,876
-	-
9,067,735	13,849,553
-	708,085
28,099	312,600
1,032,617	2,325,931
16,165,333	22,226,998

34. Provision made during the year:**a. For Loans & Advances:**

On Classified Loans & Advances	Note 13.1.1
On Unclassified Loans & Advances	Note 13.1.2
Special General Provision-COVID 19	Note 13.1.3

b. For Off Balance Sheet items:

Note 13.2

c. For Other Assets

Note 13.3

d. For Investment

Note 13.4

d. For Balance with other Banks and Financial Institutions:

Note 13.5

Total

-	1,014,241,624
(230,062,915)	(1,533,720,200)
399,860,207	741,100,586
169,797,292	221,622,010
26,202,921	4,817,474
(1,063,094)	(91,541,907)
(194,937,119)	(134,897,577)
-	-
-	-

Amount of Taka	
31.12.2021	31.12.2020

Provision maintained by the Bank in accordance with Bangladesh Bank's approval vide its Letter No. DOS(CAMS)1157-1(II)-C/2022-2297 dated 28 April 2022 and Letter No. DBI-2(UBI-5)/2536/2021-781 dated 22 April 2021.

35. Provision for Current Tax

Opening balance	586,575,956	617,696,076
Add: Provision made for current years' tax	47,963,499	46,637,714
	634,539,455	664,333,790
Less: Adjustment made during the year	80,418,066	77,757,834
Closing balance	554,121,389	586,575,956

36. Deferred Tax

a) Computation of Deferred Tax

Tax Base of Depreciable Fixed Assets	354,330,184	437,288,516
Less: Carrying Amount	372,059,787	411,931,601
Deductable Temporary Difference (A)	(17,729,603)	25,356,915

Carrying Amount of Provision for Gratuity/Benevolent/Superannuation Fund:

Provision for Gratuity (Cumulative Provision-Actual Payment)	1,978,102,460	1,689,487,439
Provision for Benevolent Fund (Cumulative Provision -actual payment)	49,812,922	49,066,026
Provision for Superannuation Fund (Cumulative Provision -actual payment)	43,194,165	36,636,165
	2,071,109,547	1,775,189,630

Less: Tax Base

Deductable Temporary Difference (B)	2,071,109,547	1,775,189,630
--	----------------------	----------------------

Total Deductable Temporary Difference (A+B)

	2,053,379,944	1,800,546,545
--	----------------------	----------------------

Effective Tax Rate

	40.00%	40.00%
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Deferred Tax Assets	821,351,978	720,218,618
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b) Deferred Tax (Expenses)/Income

Closing Deferred Tax Assets (C)	821,351,978	720,218,618
Opening Deferred Tax Assets (D)	720,218,618	688,635,249
Deferred Tax (Expenses)/Income (C-D)	101,133,359	31,583,369

37. Appropriations

Statutory Reserve	-	-
General Reserve	-	-
Dividends etc.	-	-
	-	-

38. Analysis of Closing Cash and Cash Equivalent

Cash in hand and balance with Bangladesh Bank and Sonali Bank	9,069,939,430	11,620,429,781
Balance with other banks & financial institutions	1,639,410,607	1,398,683,243
Money at Call on Short Notice	3,100,000,000	1,500,000,000
	13,809,350,037	14,519,113,024

39. Earning Per Share (EPS)

a) Earning Per Share (EPS)

Net Profit after Tax (Numerator)	(3,969,791,178)	(3,718,181,224)
Number of Ordinary Share Outstanding (Denominator)	1,084,698,250	1,084,698,250
Earning Per Share (EPS)	(3.66)	(3.43)

b) Diluted Earning Per Share (Diluted EPS)

Net Profit after Tax (Numerator)	(3,969,791,178)	(3,718,181,224)
Number of Ordinary Share Outstanding (Denominator)	3,684,698,250	3,684,698,250
Diluted Earning Per Share (Diluted EPS)*	(1.08)	(1.01)

*Earning Per Share (EPS) has been calculated considering Share Money Deposit of BDT 26,000,000,000 as Paid Up Capital of the Bank; i.e. total Paid Up Capital of the Bank has been considered as BDT 36,846,982,500 and total number of share has been considered as 3,684,698,250 of BDT 10.00 each. EPS for the year 2020 has been reinstated/recalculated accordingly.

40. Coverage of External Audit

The external auditor has covered over 80% of the risk-weighted assets and have spent around 4,700 person hours to complete the audit as per requirement of Bangladesh Bank. The external auditor has audited 35 branches and Head Office of the Bank.

Amount of Taka	
31.12.2021	31.12.2020

41. COVID-19 Pandemic

On 11 March 2020, World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID-19. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures, all business and economic activities are adversely affected which also impacted the Bank. To overcome the situation, various measures have been taken by the government like ensuring vaccination and introducing multiple stimulus packages to boost up business and economic activities of the country. Besides, Bangladesh Bank has allowed deferral on repayment of principal and interest of loan in view of COVID-19 impact on business, which has affected adversely the income and profitability of the Bank. Repayment deferral also has a bearing on the Bank's classification and liquidity position. All the regulatory instructions has been taken duly care of in recognising revenue and preparing Financial Statements of the Bank for the year 2021. Although the business operation and profitability of the Bank are impacted due to COVID-19, but as the situation is constantly changing and still there is no certainty as to how long the situation will prevail, the potential impact of COVID-19 related matters on the Bank's future operation and financial results cannot be reasonably assessed."


Managing Director


Director


Director


Chairman



NOSTRO Accounts - Outside Bangladesh

	Name of the Bank	A/C Type	Currency name	2021			2020		
				Amount in FC	Conv. Rate per unit FC	Amount in BDT	Amount in FC	Conv. Rate per unit FC	Amount in BDT
1	Bank Of Tokyo Mitsubishi, London	CD	GBP	-	-	-	60,824.01	114.8446	6,985,309
2	AB Bank Mumbai	CD	ACUS	152,222.55	85.8000	13,060,695	193,023.47	84.8000	16,368,390
3	Arif Habib Bank- Karachi	CD	ACUS	1,103.25	85.8000	94,659	1,103.25	84.8000	93,556
4	Habib Metropolitan Bank Ltd., Pk	CD	ACUS	9,834.47	85.8000	843,798	49,652.50	84.8000	4,210,532
5	Bank Of Tokyo Mitsubishi, Japan, JPY	CD	JPY	1,206,359.78	0.7458	899,703	1,324,907.78	0.8207	1,087,352
6	Mashreq Bank, NY	CD	USD	4,605.00	85.8000	395,109	4,605.00	84.8000	390,504
7	Sonali Bank, Kolkata, USD	CD	ACUS	210,824.76	85.8000	18,088,764	279,826.51	84.8000	23,729,288
8	Bank of Ceylon	CD	ACUS	9,108.62	85.8000	781,520	9,349.57	84.8000	792,843
9	Citi Bank NA, NY(Exp)	CD	USD	2,346,502.99	85.8000	201,329,957	8,737,255.06	84.8000	740,919,229
11	Sonali Bank Kolkata ACUEUR	CD	ACUEUR	4,683.24	97.3178	455,763	4,683.24	104.1938	487,965
12	Mashreq Bank, Mumbai	CD	ACUS	647.13	85.8000	55,524	647.13	84.8000	54,877
13	Sonali Bank London, EUR	CD	EURO	59,940.86	97.3178	5,833,313	-	-	-
14	Sonali Bank London, GBP	CD	GBP	10,000.00	115.7502	1,157,502	-	-	-
15	Sonali Bank London, USD	CD	USD	109,260.42	85.8000	9,374,544	-	-	-
16	Bank Marocaine DU Commerce	CD	EURO	-	-	-	73,491.22	104.1938	7,657,329
17	HDFC Bank Ltd	CD	USD	88,379.76	85.8000	7,582,983	199,886.55	84.8000	16,950,362
18	United Bank of India, Mumbai	CD	ACUS	237,008.44	85.8000	20,335,324	236,706.05	84.8000	20,072,673
19	Habib American Bank New York	CD	USD	91,708.43	85.8000	7,868,583	149,760.99	84.8000	12,699,732
20	Kookmin Bank, Seoul	CD	USD	387,312.34	85.8000	33,231,399	163,309.63	84.8000	13,848,657
	Sub-total					321,389,138			866,348,598

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.



Details of Investment in Shares as at December 31, 2021

Annexure-B

A. Listed Securities:

Sl. No.	Name of the company	Date of Purchase	No of shares	Face Value Taka	Cost Price Taka	Market Value as on 31-12-2021 Taka	Market Value as on 31-12-2020 Taka	Unrealized Gain/(Loss) Taka	Dividend Received in 2021 Taka
1.	ACME LABORATORIES LTD.	26-Feb-17	557,569	5,575,690	62,650,655	48,229,719	33,209,304	(14,420,936)	1,111,423
2.	AGNI SYSTEMS LTD.	22-Jun-17	698,803	6,988,030	-	-	13,207,377	-	139,761
3.	AGRICULTURAL MARKETING CO.LTD.	16-Jan-19	19,778	197,780	-	-	3,852,754	-	-
4.	APPOLO ISPAT COMPLEX LTD.	20-Aug-14	1,988,098	19,880,980	36,441,836	16,700,023	12,922,637	(19,741,813)	-
5.	BATA SHOES (BD) LTD.	17-Feb-19	5,688	56,880	4,665,972	5,499,727	1,911,344	833,756	6,800
6.	BANK ASIA LTD.	19-Jan-21	100,000	1,000,000	-	-	-	-	100,000
7.	BD THAI FOOD & BEVERAGE LTD.	28-Dec-21	63,750	637,500	637,500	637,500	-	-	-
8.	BERGER PAINTS BANGLADESH LTD.	14-Feb-17	8,012	80,120	14,302,513	14,148,391	24,545,945	(154,123)	-
9.	BEXIMCO LTD.	20-Nov-10	144,447	1,444,472	-	-	8,233,479	-	72,224
10.	BRAC BANK LTD.	3-Jan-19	376,459	3,764,590	-	-	16,677,134	-	417,881
11.	BRITISH AMERICAN TOBACCO BD. LTD.	14-Feb-19	28,352	283,520	18,719,262	18,020,531	21,696,019	(698,731)	420,000
12.	BSRM STEELS LTD.	10-Dec-13	699,359	6,993,590	59,135,367	49,724,425	29,722,758	(9,410,942)	1,748,398
13.	THE CITY BANK LTD.	19-Jan-21	600,000	6,000,000	16,673,340	16,380,000	-	(293,340)	-
14.	DHAKA ELECTRIC SUPPLY CO. LTD.	8-Dec-10	504,658	5,046,580	29,481,985	17,915,359	17,562,098	(11,566,626)	504,658
15.	DELTA BRAC HOUSING CORPORATION	23-Jan-19	15,200	152,000	-	-	1,407,520	-	22,800
16.	DUTTA BANGLA BANK LIMITED	15-Sep-20	198,050	1,980,500	-	-	12,873,250	-	-
17.	EASTERN BANK LTD.	8-Dec-10	5,052,503	50,525,030	25,435,503	194,521,366	154,800,108	169,085,862	7,525,005
18.	FEDERAL INSURANCE COMPANY LTD.	17-Jun-21	30,000	300,000	1,158,633	1,074,000	-	(84,633)	30,000
19.	GRAMMEEN PHONE LTD.	11-Jul-18	63,544	635,440	24,125,393	22,208,628	1,229,775	(1,916,765)	125,000
20.	HEIDELBERG CEMENT BD. LTD.	8-Dec-10	169,206	1,692,060	89,579,397	46,091,714	25,313,218	(43,487,682)	338,412
21.	IBN SINA PHARMACEUTICAL INDUSTRY LTD.	17-Aug-10	32,400	324,000	-	-	7,905,600	-	-
22.	I.D.L.C FINANCE LTD.	26-May-15	473,865	4,738,650	37,042,040	28,574,060	24,083,885	(8,467,980)	569,841
23.	IFAD AUTOS LTD.	7-Jan-19	300,508	3,005,080	21,434,200	14,214,028	4,478,478	(7,220,172)	83,745
24.	I.F.I.C. BANK LTD.	10-Dec-13	195,637	1,956,370	-	-	2,973,682	-	-
25.	ICB ISLAMIC BANK LTD.	23-May-08	2,684,000	26,840,000	26,840,000	13,956,800	11,541,200	(12,883,200)	-
26.	IFIL ISLAMIC MUTUAL FUND-I	2-Dec-15	7,534,390	75,343,900	66,634,688	48,220,096	49,726,974	(18,414,592)	3,013,756
27.	JPDC FINANCE LIMITED	19-Jan-21	260,000	2,600,000	-	-	-	-	312,000
28.	JAMUNA OIL COMPANY LTD.	21-Sep-11	254,352	2,543,520	52,902,154	43,519,627	42,095,256	(9,382,527)	3,052,224
29.	LAFARGEHOLCIM BANGLADESH LTD.	10-Dec-13	141,000	1,410,000	11,011,677	10,025,100	61,595,606	(986,577)	1,288,611
30.	LINDE BANGLADESH LIMITED	3-Feb-16	23,417	234,170	-	-	29,999,519	-	-
31.	MARICO BANGLADESH LIMITED	18-Feb-19	3,706	37,060	-	-	7,926,393	-	-
32.	MEGHNA PETROLEUM LTD.	23-Nov-10	188,157	1,881,570	38,458,375	37,029,298	11,605,374	(1,429,077)	1,131,060
33.	MERCANTILE BANK LIMITED	6-Nov-16	950,828	9,508,280	17,647,326	16,259,159	7,267,169	(1,388,167)	572,228
34.	MUL BANGLADESH LTD.	31-May-15	325,191	3,251,910	35,688,341	28,714,365	19,624,188	(6,973,976)	1,148,360
35.	N C C BANK LTD.	26-Dec-10	782,303	7,823,030	12,709,772	11,969,236	14,255,894	(740,537)	545,798
36.	NATIONAL HOUSING FIN. & INV.	27-Jan-19	99,161	991,610	-	-	3,986,272	-	-
37.	NAVANA CNG LTD.	31-Oct-01	271,905	2,719,050	20,501,520	8,021,198	9,607,342	(12,480,323)	258,958
38.	OLYMPIC INDUSTRIES LTD.	19-Oct-15	197,457	1,974,570	57,244,898	31,711,594	37,734,033	(25,533,304)	1,026,776
39.	ONE BANK LTD.	28-Jul-11	1,611,840	16,118,400	31,574,817	22,243,392	19,209,013	(9,331,425)	1,087,308
40.	PADMA OIL COMPANY	2-Oct-14	192,180	1,921,800	48,359,155	40,838,250	39,416,118	(7,520,905)	2,402,350
41.	POWER GRID CO. OF BANGLADESH LTD.	2-Dec-10	115,899	1,158,990	-	-	4,844,578	-	231,798
42.	PRIME BANK LTD.	14-Jun-17	1,047,796	10,477,960	26,285,744	22,527,614	18,943,312	(3,758,130)	1,661,694
43.	PRIME FINANCE & INVESTMENT LTD.	9-Nov-10	1,408,302	14,083,020	-	-	17,744,605	-	-

Sl. No.	Name of the company	Date of Purchase	No of shares	Face Value Taka	Cost Price Taka	Market Value as on 31-12-2021 Taka	Market Value as on 31-12-2020 Taka	Unrealized Gain/(Loss) Taka	Dividend Received in 2021 Taka
44.	RAK CERAMICS(BANGLADESH) LTD.	31-Oct-10	1,115,844	11,158,440	57,253,956	49,543,474	29,123,528	(7,710,482)	1,115,844
45.	RENATA (BD) LTD.	10-Feb-19	20,809	208,090	27,307,849	27,301,408	24,037,440	(6,441)	247,728
46.	ROBI AXIATA LIMITED	26-Nov-20	262,377	2,623,770	2,623,770	9,078,244	7,818,835	6,454,474	-
47.	SOUTHEAST BANK LTD.	18-Apr-12	1,153,953	11,539,530	19,399,565	17,886,272	14,424,413	(1,513,294)	1,153,953
48.	SQUARE PHARMACEUTICALS LTD.	11-Jul-18	255,651	2,556,510	59,712,248	54,786,009	14,864,321	(4,926,239)	303,285
49.	TITAS GAS TRANSMISSION & D.C.L.	26-Dec-10	1,385,908	13,859,080	81,782,262	50,308,460	42,685,966	(31,473,802)	3,603,361
50.	UNILIVER CONSUMER CARE LIMITED	16-Sep-20	3,050	30,500	8,625,799	9,080,155	7,556,748	454,356	268,620
51.	UTTARA FINANCE & INVEST. LTD.	24-Mar-15	279,219	2,792,190	19,674,038	11,420,057	13,039,527	(8,253,981)	-
52.	UNION INSURANCE COMPANY LTD.	21-Dec-21	82,284	822,840	822,840	-	-	-	-
53.	UNION BANK LTD.	28-Dec-21	2,140,000	21,400,000	21,400,000	21,400,000	-	-	-
	Sub-Total		37,116,865	348,945,812	1,185,944,392	1,080,602,118	979,279,987	(105,342,274)	37,641,559

B. Non-Listed & Preference Shares:

Sl. No.	Name of the company	Date of Purchase	No of shares	Face Value	Total Cost/ Book Value	Market Value as on 31-12-2021 Taka	Market Value as on 31-12-2020 Taka	Unrealized Gain/(Loss)	Dividend Received in 2021 Taka
1.	BANGLADESH DEVELOPMENT CO.LTD.	19-Jul-11	74,500	7,450,000	7,450,000	7,450,000	7,450,000	-	4,100,000
2.	CENTRAL DEPOSITORY BANGLADESH LTD.	23-Jun-02	1,142,361	11,423,610	3,138,890	3,138,890	3,138,890	-	1,713,542
3.	EQUITY OF GRAMEEN IT PARK	1-Feb-01	42,018	4,201,800	4,201,760	4,201,760	4,201,760	-	-
4.	KARMASANGSTHAN BANK	15-Mar-99	150,000	15,000,000	15,000,000	15,000,000	15,000,000	-	-
5.	ICB AMCL 2ND MUTUAL FUND	11-Apr-16	3,364,419	33,644,190	33,840,176	38,354,377	33,307,748	4,514,200	2,355,093
	Sub-Total		4,773,298	71,719,600	63,630,826	68,145,027	63,098,398	4,514,200	8,168,635
	Grand Total (A+B)		41,890,163	420,665,412	1,249,575,218	1,148,747,145	1,042,378,385	(100,828,074)	45,810,193



Detail of information on advances exceeding 10% of bank's paid-up capital (funded & non-funded):

(Taka in Lac)

Sl. No.	Name of the Client	Outstanding as on 31.12.2021			Outstanding as on 31.12.2020	CL status as on 31.12.2021
		Funded	Non funded	Total		
1	AMADER BARI LIMITED GROUP	61,125	-	61,125	58,209	BL
2	PD, SPDSP, WZPDCL, KHULNA	-	35,428	35,428	19,631	UC
3	EMERALD AUTO BRICKS & ALLIED	23,633	-	23,633	23,633	BL
4	NEW DHAKA CITY DEVELOPMENT LTD	23,207	-	23,207	21,395	BL
5	ALI GROUP	22,910	-	22,910	22,910	BL
6	BANGLADESH DEVELOPMENT COMPANY LTD.	21,183	-	21,183	19,553	BL
7	IBRAHIM KNIT GARMENTS (PVT.) LTD.	14,104	6,569	20,673	14,967	UC
8	FEAZ GROUP	19,332	-	19,332	19,483	BL
9	NILSAGOR AGRO & ALLIED	18,756	75	18,831	18,846	BL
10	MAX SWEATER (BD) LTD.	13,550	3,431	16,981	16,101	UC
11	ARISTOCRAT GROUP	16,949	-	16,949	15,388	SMA
12	MYMCO CARBON LTD AND ALLIED	16,595	-	16,595	16,595	BL
13	AB GROUP	13,905	1,069	14,974	21,870	UC
14	VASAVI FASHIONS & ALLIED	15,511	26	15,537	15,537	BL
15	WELL TEX GROUP	14,631	28	14,659	14,640	BL
16	AJBIHA, YOUTH	14,349	-	14,349	14,358	BL
17	RISING GROUP	13,543	-	13,543	13,375	BL
18	R. I. ENTERPRISE	13,174	-	13,174	13,174	BLW
19	CRYSTAL STEELS & SHIP BREAKING LIMITED	13,165	-	13,165	13,177	BL
20	BASHER GROUP	13,156	-	13,156	13,157	BL
21	DELTA SYSTEMS LIMITED	12,836	35	12,871	12,871	BL
22	ZEIL WEARS LIMITED	12,139	-	12,139	10,881	BL
23	REGENT WEAVING LTD	12,105	-	12,105	11,715	BL
24	EMERALD OIL & ALLIED	12,015	18	12,033	12,033	BL
25	MAP & MULLER GROUP	12,000	-	12,000	12,000	BL
26	SEA BLUE TEXTILE LIMITED	11,995	-	11,995	11,514	BL
27	BD CHEMICAL INDUSTRIES CORP. (BCIC)	11,160	738	11,898	8,024	UC
29	IG NAVIGATION LIMITED	11,689	-	11,689	11,706	BL
30	BAY NAVIGATION LTD	11,406	39	11,445	11,406	BL
31	PROFUSION TEXTILES LIMITED	11,124	-	11,124	11,124	BL
32	MA TEX	11,122	-	11,122	11,122	BL
	TOTAL	492,369	47,456	539,825	510,395	

Note 1: In 2021, capital of the Bank was negative. As such, loans allowed to customers/customers group exceeding 10% of paid-up capital of the Bank has been reported here in line with Bangladesh Bank's approval.



BASIC Bank Limited

Schedule of Fixed Assets
As of 31 December 2021

Particulars	Cost Price			Depreciation					Written Down Value as at 31.12.2021	
	Balance as at 01.01.2021	Addition during the year	Disposal during the year	Balance as at 31.12.2021	Rate of Dep.	Balance as at 01.01.2021	Addition during the year	Disposal/ Adjustment during the year		Balance as at 31.12.2021
Furniture and Fixtures	125,894,614	1,420,876	554,961	126,760,529	10%	76,600,980	4,979,700	507,492	81,073,188	45,687,341
Interior Decoration	343,758,243	20,594,547	8,402,635	355,950,155	10%	194,953,904	15,113,607	6,638,197	203,429,314	152,520,841
Machinery and Equipment	375,331,731	7,319,932	4,357,065	378,294,598	20%	302,367,395	15,439,983	4,168,306	313,639,072	64,655,526
Computer Hardware	441,831,483	9,202,328	1,207,031	449,826,780	20%	341,705,244	29,701,982	1,171,360	370,235,866	79,590,914
Software	150,093,583	-	-	150,093,583	20%	109,350,662	11,137,867	-	120,488,529	29,605,054
Motor Vehicles	381,654,870	-	42,957,283	338,697,587	25%	381,654,738	-	42,957,262	338,697,476	111
Leasehold Assets	4,000,000	-	-	4,000,000	1%	1,006,525	40,000	-	1,046,525	2,953,475
Total 2021	1,822,564,524	38,537,683	57,478,975	1,803,623,232		1,407,639,448	76,413,139	55,442,617	1,428,609,970	375,013,262
Total 2020	1,804,370,725	22,283,622	4,089,823	1,822,564,524		1,331,663,281	79,252,935	3,276,768	1,407,639,448	414,925,076



BASIC Bank Limited

Highlights on the overall activities of the Bank

Sl #	Particulars	2021	2020
1	Paid up Capital	10,846,982,500	10,846,982,500
2	Total Capital	319,488,214	4,194,412,539
3	Capital Surplus / (Deficit)	(17,147,185,419)	(9,416,427,537)
4	Total Assets	195,561,348,367	196,678,184,076
5	Total Deposits	150,980,393,126	139,714,950,632
6	Total Loans and Advances	144,451,774,009	149,125,944,182
7	Total Contingent Liabilities and Commitments	17,008,837,572	14,511,786,194
8	Credit - Deposit Ratio	92.92%	100.84%
9	Percentage of Classified Loans against total Loans & Advances	59.80%	51.72%
10	Profit (Loss) after Tax and Provision	(3,969,791,178)	(3,718,181,224)
11	Amount of Classified Loans and Advances	86,377,468,123	77,121,889,645
12	Provision Kept against Classified Loan	16,240,867,401	22,124,795,327
13	Provision Surplus/(deficit)*	-	-
14	Cost of Fund	7.66%	8.12%
15	Interest Earning Assets	94,339,082,023	101,279,390,591
16	Non-interest Bearing Assets	101,222,266,344	95,398,793,485
17	Return on Investment (ROI)***	-49.01%	-28.09%
18	Return on Assets (ROA)	-2.02%	-1.90%
19	Incomes on Investment	2,186,997,825	2,427,825,589
20	Earnings Per Share (EPS)	(3.66)	(3.43)
21	Diluted Earning Per Share (Diluted EPS)	(1.08)	(1.01)
22	Net Income Per Share	(3.66)	(3.43)
23	Price Earning Ratio**	N/A	N/A

*** ROI has been calculated by dividing profit after tax by average shareholders equity plus average long term debt.

** N/A: Not Applicable

