

Bangladesh Development Bank Limited
Profit and Loss Account
For the year ended 31 December 2011

	Notes	2011 Taka	2010 Taka
Interest income	18	1,206,790.812	799,843,287
Interest paid on deposit, borrowing, etc.	19	(311,001,006)	(115,215,304)
Net Interest Income		895,789,806	684,627,983
Investment income	20	361,727,060	837,929,718
Commission, exchange and brokerage	21	19,347,484	28,583,803
Other operating income	22	322,323,930	171,380,325
		703,398,474	1,037,893,846
Total operating Income (A)		1,599,188,280	1,722,521,829
Operating Expenses			
Salaries and allowances	23	544,011,293	737,011,139
Rent, taxes, insurance, lighting, etc.	24	27,976,660	20,608,353
Legal expenses	25	9,308,281	2,604,770
Postage, telegram, telephone and stamps	26	5,481,791	2,458,306
Stationery, printing, advertisement, etc.	27	15,965,452	11,616,159
Managing Director/Chief Executive's remuneration		2,712,571	732,600
Director Fees	28	1,384,400	1,857,320
Auditors' fees		384,500	299,000
Depreciation and repair of Bank's assets	29	45,970,097	42,830,491
Charges on loan losses		-	-
Other expenditure	30	84,897,902	77,715,301
Total Operating Expenses (B)		738,092,946	897,733,439
Profit/(Loss) before Provision (C)=(A-B)		861,095,334	824,788,390
Provision for loans and advances	31	-	2,400,000
Provision for diminution in value of investment		-	-
Other provision		-	-
Total Provisions (D)		-	2,400,000
Total Profit/(Loss) before taxation (C-D)		861,095,334	822,388,390
Provision for Taxation			
Provision for Current Income Tax		170,000,000	130,000,000
Provision for Deferred Tax		5,083,957	47,937,864
		175,083,957	177,937,864
Net Profit/(Loss) after taxation		686,011,377	644,450,526
Appropriations:			
Statutory Reserve		172,219,000	164,478,000
General Reserve		360,000,000	326,623,778
Building Fund		100,000,000	100,000,000
Dividend to Government		50,000,000	50,000,000
Retained Surplus		3,792,377	3,348,748
		686,011,377	644,450,526
Earning Per Share (EPS)	33	17.15	16.11

These financial statements should be read in conjunction with the annexed notes 1 to 33 (a)

Sd/-
Director

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Sd/-
Hoda Vasi Chowdhury & Co.
Chartered Accountants
Dhaka, 21 May 2012

Sd/-
ACNABIN
Chartered Accountants

Bangladesh Development Bank Limited
Cash Flow Statement
For the year ended 31 December 2011

	Note	2011 Taka	2010 Taka
A. Cash Flow from Operating Activities			
Interest received		1,254,208,143	815,119,325
Interest paid		(311,001,006)	(115,215,304)
Dividend received		161,285,742	147,336,328
Fees and commission received		19,347,484	28,583,803
Recovery of Loans previously written-off		166,449,082	57,387,444
Salary and allowances paid		(546,723,864)	(737,011,139)
Other expenditure		(167,778,677)	(142,048,027)
Income tax paid		(150,565,985)	(83,748,710)
Receipt from other operating activities		151,224,619	83,876,058
Operating Profit before Changes in Operating Assets and Liabilities		576,445,538	54,279,778
Changes in Current assets & Liabilities			
Net increase in security trading		153,023,988	675,317,352
(Increase)/Decrease in loans & advances		(140,073,113)	359,583,258
(Increase)/Decrease in other assets		(166,516,713)	(28,252,781)
Increase/(Decrease) in deposits from customers & others		1,452,752,591	1,828,492,741
Increase/(Decrease) in liabilities & provisions		(248,867,730)	140,360,013
Cash Received from Operating Assets and Liabilities		1,050,319,023	2,975,500,583
Net cash flow from operating activities		1,626,764,561	3,059,376,641
B. CASH FLOW FROM INVESTING ACTIVITIES			
Sale/Liquidation of securities		64,303,651	496,134,356
Purchase of securities		(1,296,751,260)	(588,453,887)
Disposal/adjustment of fixed assets		451,297	80,822
Acquisition of fixed assets		(21,777,640)	(16,193,671)
Net cash used in investing activities		(1,253,773,952)	(108,432,380)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Decrease in long term borrowing		(551,665,141)	(551,665,141)
Dividend to the Government		(50,000,000)	(10,000,000)
Net cash used in financing activities		(601,665,141)	(561,665,141)
D. Net increase in cash and cash equivalent (A+B+C)		(228,674,532)	2,389,279,120
E. Effects of changes in exchange rate		4,650,228	520,543
F. Opening Cash & cash equivalent		5,424,946,984	3,035,147,321
G. Closing Cash & Cash equivalent (*)		5,200,922,680	5,424,946,984
(*) Cash and cash equivalents :	32		
Cash in hand		26,529,522	27,355,070
Balance with Bangladesh Bank		335,210,408	277,837,999
Cash with other banks		4,609,110,520	4,819,681,684
Money at call and short notice		230,072,231	300,072,231
		5,200,922,680	5,424,946,984

These financial statements should be read in conjunction with the annexed notes 1 to 33 (a)

Sd/-
Director

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Bangladesh Development Bank Limited
Statement of Changes in Equity
For the year ended 31 December 2011

Particulars	Paid-up Capital	Statutory Reserve	Quasi Equity	General Reserve	Revaluation Reserve	Other Reserves	Retained Earnings	Profit/ (Loss)	Total
Balance at 01 January 2011	4,000,000,000	1,045,787,336	134,744,560	950,000,000	8,604,108,664	865,907,514	36,704,082	-	15,637,252,156
Change in accounting policy	-	-	-	-	-	-	-	-	-
Restated Balance	-	-	-	-	-	-	-	-	-
Surplus/Deficit on Revaluation of Properties	-	-	-	-	-	-	-	-	-
Surplus/Deficit on Revaluation of Investments	-	-	-	-	-	-	-	-	-
Adjustment for sold Assets	-	-	-	-	(2,399,992)	-	-	-	(2,399,992)
Dep. during the year	-	-	-	-	(137,447,394)	-	-	-	(137,447,394)
Adjustment for deferred tax	-	-	-	-	(1,269,639,191)	-	-	(5,083,957)	(1,274,723,148)
Difference arises in currency transaction	-	-	-	-	-	-	-	-	-
Net gain and losses not recognized in the Profit and Loss Account	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	-	861,095,334	861,095,334
Provision for taxation	-	-	-	-	-	-	-	(170,000,000)	(170,000,000)
Appropriations made during the year	-	172,219,000	-	360,000,000	-	100,000,000	3,792,377	(636,011,377)	-
Dividend to Govt.	-	-	-	-	-	-	-	(50,000,000)	(50,000,000)
Balance at 31 December 2011	4,000,000,000	1,218,006,336	134,744,560	1,310,000,000	7,194,622,087	965,907,514	40,496,459	-	14,863,776,956

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Director

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Managing Director

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Chairman

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Hoda Vasi Chowdhury & Co.
Chartered Accountants

Sd/-
ACNABIN
Chartered Accountants

Bangladesh Development Bank Limited
Liquidity Statement
(Asset and Liability Maturity Analysis)
For the year ended 31 December 2011

Particulars	Up to 01 month	1 - 3 months	3 - 12 months	1 - 5 years	More than 5 years	Total
Assets:						
Cash in hand	26,529,522	-	-	-	-	26,529,522
Balance with Bangladesh Bank & Somali Bank(incl. foreign currencies)	93,288,409	-	-	-	241,922,000	335,210,409
Balance with other banks and financial institutions & Agents	1,926,110,520	1,923,000,000	760,000,000	-	-	4,609,110,520
Money at call on short notice	230,072,231	-	-	-	-	230,072,231
Investment	283,810,251	280,863,752	574,714,391	760,101,250	921,390,476	2,820,880,121
Loans and Advances	169,732,000	705,647,000	1,511,987,000	2,927,013,000	4,731,696,415	10,046,075,415
Fixed assets including premises, furniture & fixtures	13,107,000	26,214,000	117,963,000	629,152,000	8,038,309,141	8,824,745,141
Other assets	125,807,947	158,970,825	225,606,264	1,383,288,708	61,359,262	1,955,033,006
Non-banking assets	-	-	-	-	-	-
Total Assets	2,868,457,878	3,094,695,577	3,190,270,655	5,699,554,958	13,994,677,294	28,847,656,363
Liabilities:						
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	223,848,910	-	124,467,128	1,710,292,557	-	2,058,608,595
Deposits & Other Accounts	278,399,182	367,000,000	2,577,042,000	1,318,800,000	165,549,803	4,706,790,985
Provision and other liabilities	-	196,451,999	489,001,405	2,009,997,691	4,523,028,733	7,218,479,827
Total Liabilities	502,248,092	563,451,999	3,190,510,533	5,039,090,248	4,688,578,536	13,983,879,407
Net Liquidity Gap	2,366,209,786	2,531,243,579	(239,877)	660,464,710	9,306,098,758	14,863,776,956

Sd/-
Director

Dated 21 May 2012

Sd/-

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Sd/-
Director

Sd/-

Managing Director

Sd/-

Chairman

Sd/-
ACNABIN

Chartered Accountants

Bangladesh Development Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2011

1.00 Background and Activities

1.01 Establishment and Status of the Bank

Bangladesh Development Bank Limited ("BDBL" or the "Bank") was incorporated under the Companies Act, 1994 on 16 November 2009 to acquire and take-over, as going concern, the undertakings and businesses of statutory bodies of Bangladesh Shilpa Bank (BSB) and Bangladesh Shilpa Rin Sangstha (BSRS) constituted respectively under the Bangladesh Shilpa Bank Order, 1972 (President Order No.129 of 1972) and Bangladesh Shilpa Rin Sangstha Order, 1972 (President Order No.128 of 1972) with all of their assets, benefits, rights, powers, authorities, privileges, liabilities, borrowings and obligations and to carry on with the same business. Two vendors agreement was executed between the Government of the People's Republic of Bangladesh and Bangladesh Development Bank Limited on 31 December 2009 in this regard.

The registered office of the Bank is located at 8 Rajuk Avenue, Motijheel, Dhaka-1000.

BDBL established a security company named BDBL Securities Limited, a fully owned subsidiary company which was incorporated on 23 May, 2011 with the Registrar of Joint Stock Companies & Firms with paid up capital of Tk. 100.00 million. The company is a member of Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. and obtained Stock Broker and Stock Dealer License of DSE on 18.01.2012.

1.02 Principal Activities

Bangladesh Development Bank Limited extends financial assistance both in local and foreign currencies for setting up new industries and provides all kinds of commercial banking services to its customer through its branches in Bangladesh. The BDBL inherited membership of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited, acts as stock dealer and operate two brokerage houses. The BDBL is now managing a close-end Mutual Fund with paid up capital of Tk. 5.00 crore.

2.00 Significant Accounting Policies

2.01 Basis of Presentation of Financial Statements

The financial statements are prepared on a going concern basis under the historical cost convention, except revaluation of fixed assets, and in accordance with the First Schedule (Section 38) of the Banking Companies Act, 1991, Banking Regulation and Policy Department Circular No. 14 of 25 June 2003 and 15 of 9 November 2009, other Bangladesh Bank circulars, Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) to the extent that those BAS and BFRS do not contradict with the mandatory compliance of the Bangladesh Banks requirement. Wherever appropriate, such principles are explained in succeeding notes.

2.02 Consolidation of Accounts

A separate set of records for consolidating the statements of affairs and income and expenditure statements of the branches are maintained at the head office of the Bank based on which these financial statements have been prepared.

2.03 Use of estimates and Judgements

2.03.01 Fixed Assets and Depreciation

Fixed assets, except land and premises (buildings) are stated at cost less accumulated depreciation as per BAS- 16. Land and premises (buildings) are shown at revalued amount.

- Depreciation is charged on fixed assets other than motor vehicles & computer on reducing balance method. Depreciation on motor vehicles & computer is charged on straight-line method. The relevant rates for depreciation are as follows:

Assets	Rates
Building/Premises	2.5%
Furniture & Fixtures	10.0%
Electric/Gas Installation	20.0%
Typewriters, Ceiling Fans, Office Equipment (including Computer) & SBBL Gun	20.0%
Motor Cars, other Vehicles	20.0%

Depreciation at the applicable rates is charged proportionately on additions made during the year from the month of their acquisition.

Upon disposal of items of fixed assets the net book values are eliminated from the accounts and the resulting gains or losses, if any, are transferred to Profit and Loss Account.

Repairs and maintenance costs of fixed assets are charged to Profit and Loss Account when incurred.

2.04 Investments

- i. Investments in quoted shares are stated at lower of cost and market price. Market value of shares is considered on aggregate portfolio basis at the year-end. Cost price being lower than market value, investment in shares is stated at cost price.
- ii. Investment in debenture is stated at cost less redemption.
- iii. Interest income on investment is recognized on accrual basis. Capital gain on disposal of investments is recognized as investment income when it is realized.
- iv. Provision for investment in unquoted shares is made when there is an objective evidence of impairment (i.e. net assets below equity).
- v. Provision for investment in quoted shares is done on the basis of the shortfall of the market price and cost price for the traded issues. But, in case of any suspended shares provisions made for the entire cost price.
- vi. Dividend income is recognized on cash basis in the year in which it is received.
- vii. Bonus shares received are accounted for at nil value.
- viii. Profit/ Loss on sale of investments are accounted for by deducting the average cost of investments from selling price thereof.

2.05 Loans and Advances

- i. Loans and advances have been stated at gross value as per requirement of the central bank.
- ii. Interest on unclassified loans and advance are calculated on a daily product basis but charged and accounted for on quarterly basis and in some cases on yearly basis.
- iii. No interest is charged on loan classified as bad and loss.
- iv. Interest is charged on classified loans and advances other than bad and loss as per BCD Circular # 34 of 1989, BCD Circular # 20 of 1994, BCD Circular # 12 of 1995, BRPD Circular # 16 of 1998 and BRPD Circular # 9 of 2001 and such interest is not included in income and credited to interest suspense account.
- v. Interest and penal interest, if any, calculated on classified loans and advances is taken as income in the year of receipt of such interest from the defaulting borrowers.
- vi. Provision for loans and advances are made on the basis of information furnished by the branches and of instructions contained in Bangladesh Bank BCD Circular # 12 dated 4 September 1995, BRPD Circular # 16 dated 6 December 1998, BRPD Circular # 9 dated 14 May 2001, BRPD Circular # 02 dated 15 February 2005, BRPD Circular # 9 of August 2005, BRPD Circular # 17 dated 6 December 2005, BRPD Circular # 5 dated 5 June 2006, BRPD Circular # 08 dated 07 August 2007 and BRPD Circular # 05 dated 5 April 2008, stating the following rates:

General provision on unclassified loans and advance	1%
General provision on unclassified Consumer loans	5%
Provision on Special Mentioned Accounts	5%
Provision on substandard loans and advances	20%

Provision on doubtful loans and advances	50%
Provision on bad/loss loans and advances	100%

vii. Loans and advances are written-off as per BRPD Circular # 2 dated 13 January, 2003.

2.06 Rental Income

Rental income is accounted for on accrual basis.

2.07 Commission on Letters of Credit and Letters of Guarantee

Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

2.08 Cash Flow Statement

Cash flow statement has been prepared in accordance with the Bangladesh accounting standard-7 "Cash Flow Statement" under the direct method as recommended in BRPD circular no. 14 on 25 June, 2003 issued by the Banking Regulation and Policy Department of Bangladesh Bank.

2.09 Off-Balance Sheet Items

As per the Bangladesh Bank Guidelines Off-balance sheet items have been disclosed under contingent liabilities and other commitments. The Bank has maintained general provision @ 1% against off-balance sheet exposures (L/C and Guarantee) as per BRPD Circular #10, dated September 18, 2007.

2.10 Statement of Changes in Equity

Statement of changes in Equity is prepared principally in accordance with BAS-1 "Presentation of Financial Statements" and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated 25, June 2003.

2.11 Liquidity Statement

The liquidity statement has been prepared in accordance with the remaining maturity grouping of the value of the assets and liabilities as on the reporting date.

- i. Balance with other banks and financial institutions, money at call 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. Property, plant and equipment (lined assets) are on the basis of their useful lives.
- v. Other assets are on the basis of their realization / amortization.
- vi. Borrowing from Government and other agencies, etc. as per their maturity.
- vii. Deposits and other accounts are on the basis of their maturity and payment.
- viii. Provisions and other liabilities are on the basis of their payment/adjustment schedule.

2.12 Retirement Benefit Scheme

The Bank is continuing following retirement benefit schemes as applicable for the employees of erstwhile Bangladesh Shilpa Bank and Bangladesh Shilpa Rin Sangstha:

- i. Gratuity and CPF Scheme:
 - (a) Contributory Provident Fund
 - (b) Gratuity Scheme
- ii. GPF and Pension & Death cum Retirement Benefit Scheme:
 - (a) General Provident Fund (GPF)
 - (b) Pension & Death cum Retirement Benefit Scheme:

Contribution to the above retirement schemes is made by the Bank as per rules and regulations of the respective schemes. These schemes are managed and administered by separate trust formed for that purpose.

2.13 Statutory Reserve

The Bank Companies Act, 1991 requires the Bank to transfer from its current year's profit before tax to reserve until such reserve together with share premium account equals to its paid up capital. Accordingly 20% of the current years profit before tax (PBT) has been transferred to this reserve.

2.14 Provision for Taxation

Provision for current income tax has been made @ 42.50% as prescribed in the Finance Act, 2011 on accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure as per income tax laws.

2.15 Deposits and Other Accounts

Deposits and other accounts includes bills payable which have been analyzed in terms of the maturity grouping showing separately as other deposits and inter-bank deposits.

2.16 Reconciliation Position

a. NOSTRO A/c.: There are eight NOSTRO accounts being maintained with Foreign Banks and all those accounts are reconciled at year end. There is no outstanding entry for more than one month.

b. Inter Branch Transactions:

Transactions among twenty branches are routed through head office. The position of inter branch outstanding entries as on December, 2011 is as under:

Amount in '000'Tk.

Outstanding Period	Debit Entry		Credit Entry	
	No. of entry	Taka	No. of entry	Taka
Less than 3 months	427	241077	603	210149
Less than 6 months	210	840254	404	375572
Less than 9 months	39	57030	12	69
Total	676	1138681	1019	585790

2.17 Core Risk Management

The risk of the Bank is defined as the possibility of losses, financial or otherwise arising from its operation. The overall risk management aspects of the Bank covers 6 (six) core risk areas of banking i.e. Credit Risk Management, Foreign Exchange Risk Management, Asset Liability Risk Management, Money Laundering Risk Management, Internal Control and Compliance Risk Management and Information Technology Risk Management. The prime objective of the Risk Management is to well-calculate business risks while safeguarding the Bank's capital, its financial resources and profitability from various risks. The Bank has designed and implemented a framework of controls to identify, monitor and manage these risks, which are summarized as follows:

a. Credit Risk Management

Credit risk is the risk that the counterparty to a financial institution fails to meet its obligation and cause to incur a financial loss. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or activities in the same geographical region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Credit risk in the Bank's Portfolio is monitored, reviewed and analyzed by the Credit Risk Management Department (CRMD). CRMD determines the quality of the credit portfolio and assists in minimizing potential losses.

b. Asset Liability Risk Management

The asset liability risk is managed by the Asset Liability Committee (“ALCO”) of the Bank. The Asset Liability Committee monthly prepares ALCO paper as per guidelines of Bangladesh Bank. Maturity gap of assets and liabilities and interest rate movement are strongly monitored. As a result the Bank is always maintaining optimum liquidity with required regulatory compliance.

c. Foreign Exchange Risk Management

Foreign Exchange Risk is defined as the possibility of losses due to change in exchange rates according to market forces. The Foreign Exchange Risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying Foreign Exchange transactions. Treasury Division independently conducts the transactions and the Back Office of Treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to Market rate as determined by the Bangladesh Bank at the month-end. All Nostro accounts are reconciled on monthly basis and outstanding entries beyond 30 days are reviewed by the Management for their settlement.

d. Money Laundering Risk Management

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risk the Bank has designated Chief Compliance Officer at Head Office and Compliance Officer at Branches, who independently review the transactions of the accounts to verify suspicious transactions. Manuals for Prevention of Money Laundering have been established and uniform Know Your Customer (KYC) and Transaction Profile (TP) has been introduced. Training has been continuously given to all the category of Executives and Officers for developing awareness and skill for identifying suspicious transactions and other Money Laundering related activities.

e. Internal Control and Compliance Risk

Operational loss may arise from errors and fraud due to regulatory failure of Internal Control and Compliance. Management through Internal Control and Compliance Division controls procedures of the Bank. Internal Control and Compliance Division undertakes periodical and special audit of the branches and departments at Head Office for review of the operation and compliance of the statutory requirement. The Audit Committee of the Board subsequently reviews the report of the Internal Control and Compliance Division.

f. Information & Communication Technology Risk

Information technology has improved over the years and the Bank is gradually becoming dependent on its use for performing our most of the activities. Information & Communication Technology (ICT) encompasses all fields of data/information processing, transmission and communications by means of computers and telecommunication techniques.

For smooth operation of the Bank’s activities with desirable efficiency, a network-based computerized system is established in the Bank. A reliable computer-based information system is essential for efficient management and operation of all the areas of the organization and the Bank is moving towards that direction.

In order to govern and control the ICT areas, covering the functions of all the Departments in the Head Office and the Branches & Zones located in different. Districts of Bangladesh, the Bank follow the Guidelines of the Bangladesh Bank. These policies are strictly followed at each level in the Bank.

Risk management is an important business discipline that an organization should embrace to minimize the effects of risks on its returns and capitals. ICT Department looks after all the affairs related to computer, printer, UPS, LAN, WAN, Software, Hardware and IT-based technologies as well as their proper maintenance under certain prefixed criteria. Central & Backup Server room have a glass enclosure with lock and key with a responsible person of the ICT Department / Branch Office. Physical access is restricted. Server rooms are air-conditioned and dust proof. Uninterruptible Power Supply (UPS) is used to ensure the power for the servers. CCTV camera is also used to monitor physical security. Servers and workstations are password protected.

Database and software's is highly protected by multilevel passwords. The entire password is preserved securely. Besides, all the file and folders are protected from virus by using updates antivirus software. The sensitive information is kept in the restricted area in the networking environment.

2.18 Implementation of Basel-II

Calculation of MCR

Bangladesh Development Bank Limited is regularly reporting The Risk Based Capital Adequacy under Basel-II. The Bank is complying the minimum capital requirement under Master Circular of Capital Adequacy issued and amended from time to time by the Central Bank.

Implementation of ICAAP

The Board approved the 'Process Document' and 'Supervisory Review Process Team' of the Bank to establish the 'Internal Capital Adequacy Assessment Process (ICAAP)'. BDBL has already prepared and submitted Supervisory Review Process Documents to the Bangladesh Bank on the basis of audited accounts as on 31.12.2010.

Stress Testing

The Bank is periodically reporting "Stress Testing Report" before Bangladesh Bank. In fact, Stress Testing is a simulation technique being used on asset and liability portfolios to determine their sensitivity to different financial situations. The stress testing report of BDBL on the basis of financial statement as on 31.12.2011 depicts very strong position of the bank's capability to absorb any sort of shock relating to Capital Adequacy.

Market Discipline

Market discipline is a market based promotion of the transparency and disclosure of the risks associated with the business or entity. BDBL has already complied with the requirement of 'Market Discipline' under Basel-II Capital Adequacy. The aim of the market discipline is to inform all concerned like depositors, creditors, shareholders, Government, Central Bank and the others about the overall risk profile and risk mitigating position of the bank.

2.19 General

- i. Figures have been rounded off to the nearest taka.
- ii. The previous year's figure have been rearranged, where necessary, to conform to the presentation of 31 December, 2011.

2.20 Audit Committee

2.20.1 Member

An audit committee has been reconstituted by the Board of Directors of the Bank in its 44th meeting held on 30 June, 2011. The member of the Audit Committee as on 31 December 2011 is as under:

Sl. No.	Name	Qualification	Status with the Bank	Status with the Committee
1.	Prof. Santi Narayan Ghosh	B.Com (Hons.) M.Com in Accounting, MBA	Director	Convener
2.	Mr. Dewan Nurul Islam	MBA, FCA	Director	Member
3.	Mr. Amalendu Mukherjee	MSc. in Marine Science	Director	Member
4.	Mr. Niaz Rahim	MBA, LLB	Director	Member
5.	Selima Ahmad	B. Com (hons.) M. Com in Management	Director	Member

2.20.2 Activities

The committee reviews the policy and planning executed by the Board of Directors for smooth operation of the bank. The committee acknowledges their responsibility for the system of internal controls, effectiveness and suitable monitoring procedures, proper accounting policies, compliance with the regulations, computerization system, management information system, different risk management of the bank, etc. The committee also ensures the implementation of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh as BAS and BFRS and other applicable laws at the time of preparation of the annual financial statements. The committee meets with the external auditors and top management of the bank at the time of reviewing the annual financial statements. The committee also reports to the Board of Directors on the findings detected by the Internal Audit Division, External Auditors and Bangladesh Bank Inspection Team on a regular basis.

During the year 2011 the committee conducted 5 (five) meetings in which among others, the following issues were discussed:

- Recovery and adjustment from written-off projects
- Secured Overdraft Loans against FDR, Savings Scheme and IBC Unit Certificate
- Approval of Audited Accounts of BDBL for the year 2011
- Implementation position of Budget-2010 of the Bank
- Budget-2012 and Revised Budget-2011 of the Bank
- Quarterly income-expenditure position for the quarter ended on 31 March, 2011
- Monthly income-expenditure position for the month ended on 30 April, 2011
- Investment of fund in private financial institutions
- Internal Audit Report of the Bank for the period January-March, 2011
- Internal Audit Report of the Bank for the period April-June, 2011
- Site selection for opening 15 new branches of the Bank.

2.21 Board of Directors

Name of the Directors and the entities in which they have interest as on 31 December 2011 is as under:

Sl. No.	Name	Status with the Bank	Name of the firms/companies in which interest as proprietor, partner, director, managing agent, guarantor, employee, etc.
1	Prof. Santi Narayan Ghosh	Director	Treasurer, Bangladesh Open University, Gazipur.
2.	Mr. Dewan Nurul Islam	Director	Vice Chairman, National Assets Management Limited
3.	Mr. Niaz Rahim	Director	Director, DCCI Group Director, RahimAfrooz (BD) Ltd.
4.	Mr. Amalendu Mukherjee	Director	-
5.	Mr. Md. Ishaque Bhuiyan	Director	-
6.	Mr. Md. Khalilur Rahman Siddiqui	Director	-
7.	Selima Ahmad	Director	Vice Chairman, Nitol Niloy Group
8.	Krishibid Moshir Rahman (Humayun)	Director	-
9.	Mr. Md. Fayekuzzaman	Director	Managing Director, ICB
10.	Dr. Md. Zillur Rahman	Managing Director	Bangladesh Development Bank Limited

2.22 Related Party Transaction

All the directors of the Bank are appointed by the Government of Bangladesh. There was no related party transaction of the directors and they have no loan liability with the Bank during the year.

	2011 Taka	2010 Taka
3. Cash		
Cash in Hand (Including EC)		
Local currency	26,529,522	27,355,070
Foreign currency	-	-
Balance with Bangladesh Bank and Sonali Bank Ltd. (Note: 3.1)	335,210,408	277,837,999
	361,739,930	305,193,069
3.1 Balance with Bangladesh Bank & Sonali Bank Ltd.		
Local currency - Bangladesh Bank	298,629,250	249,771,219
Local Currency - Sonali Bank Ltd.	12,173,621	6,962,765
Foreign currency - Bangladesh Bank	24,407,537	21,104,015
	335,210,408	277,837,999
3.2. Cash Reserve Requirements (CRR)		
6% of average demand and time liabilities		
Required reserve	241,922,000	190,746,000
Actual reserve held with Bangladesh Bank	297,187,300	258,012,000
Excess reserve	55,265,300	67,266,000
Cash Reserve Requirements (CRR) has been calculated and maintained in accordance with the Section 33 of the Bank Companies Act 1991 and subsequent BCD Circular # 13 dated 24 May 1992; BRPD Circular # 12, dated 20 Sep. 1999, BRPD Circular No. 22 dated November 6, 2003, BRPD circular # 11, dated 25 November 2005, and BRPD Circular # 01, dated 12 January 2009 & MPD circular # 04, Dated 01 December 2010.		
3.2.1 Statutory liquidity ratio (SLR)		
This is not applicable for Bangladesh Development Bank Ltd., since both Bangladesh Shilpa Bank and Bangladesh Shilpa Rin Sangstha were exempted from maintaining SLR vide Ministry of Finance Notification.		
4. Balance with Other Banks & Financial Institutions		
In Bangladesh	4,577,241,003	4,807,170,123
Outside Bangladesh	31,869,517	12,511,561
	4,609,110,520	4,819,681,684
4.1 In Bangladesh		
Current & Other Account:		
Current account	81,036,632	45,803,427
Short Term Deposit	30,153,970	53,116,295
Term Deposit	3,606,654,346	3,876,754,346
Term Deposit - Depreciation Fund	130,799,055	132,799,055
Term Deposit - Building Fund	65,000,000	65,000,000
Term Deposit - Loan Redemption Fund	663,597,000	633,697,000
	4,577,241,003	4,807,170,123
4.1.1 Term Deposit		
Janata Bank Ltd.	380,000,000	100,000,000
Sonali Bank Ltd.	-	10,000,000
National Bank of Pakistan	20,000,000	40,000,000
AB Bank Ltd.	50,000,000	1,260,000,000
United Commercial Bank Ltd.	120,000,000	340,000,000
ICB Islami Bank Ltd.	13,654,346	13,754,346
National Credit and Commerce Bank Ltd.	65,000,000	215,000,000
National Bank Ltd.	20,000,000	-
IFIC Bank Ltd.	30,000,000	-
Al-Arafa Islami Bank Ltd.	50,000,000	-
Prime Bank Ltd.	-	210,000,000
Social Islami Bank Ltd.	200,000,000	50,000,000
Mercantile Bank Ltd.	-	20,000,000
Standard Bank Ltd.	320,000,000	330,000,000
EXIM Bank Ltd.	50,000,000	140,000,000
Bangladesh Commerce Bank Ltd.	300,000,000	20,000,000
First Security Bank Ltd.	90,000,000	100,000,000
Shahjalal Islami Bank Ltd.	50,000,000	70,000,000
Jamuna Bank Ltd.	20,000,000	-
Investment Corporation of Bangladesh	1,308,000,000	958,000,000
Mutual Trust Bank Ltd.	1,000,000,000	-
One Bank Ltd.	70,000,000	-
Prime Finance & Investment Ltd.	50,000,000	-
Midas Financing Ltd.	50,000,000	-
IDLC Ltd.	50,000,000	-
Lanka Bangla Finance Ltd.	50,000,000	-
Peoples Leasing and Finance	50,000,000	-
Uttara Finance and Investment Ltd.	50,000,000	-
Premier Bank Ltd.	50,000,000	-
	3,606,654,346	3,876,754,346

4.1.2 Term Deposit -Depreciation Fund

National Credit and Commerce Bank Ltd.
Investment Corporation of Bangladesh
Al-Arafa Islami Bank Ltd.
Principal Branch, Bangladesh Development Bank Ltd.

2011 Taka	2010 Taka
55,000,000	55,000,000
25,000,000	77,000,000
50,000,000	-
799,055	799,055
130,799,055	132,799,055

Depreciation Fund was created by erstwhile BSB with a view to meeting capital replacement obligation of the organisation as per directive of Ministry of Finance through Office Memorandum # MF(ABW-3)MISC-17/85/94(13) dated 15th August, 1985. The Board of Directors of the Bank at its 100th ordinary meeting held on the 19th January, 1988 approved the creation and investment of the fund in Government approved securities/ term deposit for use of the fund, when necessary, for the purpose mentioned above.

4.1.3 Term Deposit -Building Fund

Investment Corporation of Bangladesh
Sonali Bank Ltd.

2011 Taka	2010 Taka
65,000,000	65,000,000
-	-
65,000,000	65,000,000

4.1.4 Term Deposit -Loan Redemption Fund

Janata Bank Ltd.
National Bank of Pakistan
United Commercial Bank Ltd.
ICB Islamic Bank Ltd.
National Credit and Commerce Bank Ltd.
EXIM Bank Ltd.
Mutual Trust Bank Ltd.
Investment Corporation of Bangladesh
First Security Bank Limited
Standard Bank Limited
Social Islami Bank Ltd.
Al-Arafah Islami Bank Ltd.

2011 Taka	2010 Taka
120,000,000	120,000,000
-	20,000,000
10,000,000	10,000,000
13,597,000	13,697,000
-	40,000,000
-	50,000,000
-	30,000,000
100,000,000	350,000,000
200,000,000	-
120,000,000	-
50,000,000	-
50,000,000	-
663,597,000	633,697,000

Loan Redemption Fund was created by erstwhile BSB by transferring Tk.5.00 crore (6.00 crore subsequently) per month from the loan recovery amount in order to capacitate the Bank to repay the rephased Bangladesh Bank borrowings of Tk.366.03 crore in 18 equal half yearly installment of Tk.20.33 crore commencing from 31st July 2006. During the year required installments have been paid.

4.2 Outside Bangladesh

Standard Chartered Bank, USA
BHF Bank AG, Germany
Sonali Bank Ltd., India
Dresdner A.G., London, UK
Commerz Bank A.G, Germany
UJBAE, Japan

2011 Taka	2010 Taka
27,482,018	8,542,271
2,070,344	1,834,022
1,349,902	1,169,424
232,295	201,598
656,161	699,101
78,797	65,145
31,869,517	12,511,561

4.2.1 Conversion of Foreign Currencies

Foreign currency transactions have been converted into Taka currency at rates prevailing on the transaction dates. At the balance sheet date the monetary assets and liabilities are converted into Taka using exchange rate prevailing on that date. The resultant gain during and at the end of year has been reflected in the profit and loss account of the Bank. Exchange loss or gain arising from borrowers accounts are shown under "Exchange Equalization Reserve".

The foreign currencies have been converted by the following rate as 31 December 2011:

Currency Name	Foreign Currency	Exchange Rate
USD	339.176	81.3400
EURO	25.918	105.1971
GBP	1.000	125.7176
JPY	75.382	1.0453
ACUD	16.596	81.3400

Bank wise position is shown in Annexure-D.

		2011 Taka	2010 Taka
4.3 Maturity-wise Grouping			
(Balance with Other Banks & financial institutions)			
On demand		1,926,110,520	1,410,977,711
Up to 3 months		1,923,000,000	2,051,062,073
More than 3 months to 12 months		760,000,000	1,357,641,900
More than 1 year to 5 years		-	-
More than 5 years		-	-
		<u>4,609,110,520</u>	<u>4,819,681,684</u>
4(a) Consolidated Balance with other Banks & financial Institutions			
(i) In Bangladesh		4,670,108,681	4,807,170,123
Bangladesh Development Bank Limited	(Note: 4.1)	4,577,241,003	4,807,170,123
BDBL Securities Limited		92,867,678	-
(ii) Outside Bangladesh		31,869,517	12,511,561
Bangladesh Development Bank Limited	(Note: 4.2)	31,869,517	12,511,561
BDBL Securities Limited		-	-
		<u>4,701,978,198</u>	<u>4,819,681,684</u>
5. Money at Call & Short Notice			
Inside Bangladesh	(Note: 5.1)	230,072,231	300,072,231
Outside Bangladesh		-	-
		<u>230,072,233</u>	<u>300,072,231</u>
5.1 Inside Bangladesh			
Janata Bank Ltd., Local office		29,529	29,529
Janata Bank Ltd., Corporate office		27,007	27,007
Sonali Bank Ltd., Foreign Exchange Corporate Branch		15,695	15,695
Dhaka Bank Limited		20,000,000	-
Prime Finance & Investment Ltd.		30,000,000	-
City Bank Limited		50,000,000	-
National Bank of Pakistan		30,000,000	50,000,000
Investment Corporation of Bangladesh		20,000,000	250,000,000
A B Bank Limited-Call Deposit		80,000,000	-
		<u>230,072,231</u>	<u>300,072,231</u>
6. Investments			
Government securities	(Note: 6.1)	2,946,500	3,245,600
Other investment	(Note: 6.2)	2,817,933,621	1,585,186,912
		<u>2,820,880,121</u>	<u>1,588,432,512</u>
6.1 Government Securities			
Treasury Bond		-	-
Prize Bond		2,946,500	3,245,600
		<u>2,946,500</u>	<u>3,245,600</u>
6.2 Other investments			
Shares	(Note: 6.2.1)	1,380,559,768	1,235,730,499
Debentures		37,373,853	49,456,413
Investment in Bond		400,000,000	300,000,000
Investment in Bangladesh fund		900,000,000	-
Investment in Subsidiaries		100,000,000	-
		<u>2,817,933,621</u>	<u>1,585,186,912</u>
6.2.1 Investment in Shares by listing status			
Quoted Shares		1,251,655,007	1,034,409,824
Unquoted Shares		128,904,762	201,320,675
		<u>1,380,559,768</u>	<u>1,235,730,499</u>
Market value of quoted shares		<u>18,916,146,466</u>	<u>33,712,630,756</u>

	2011 Taka	2010 Taka
Shares :		
Cost	<u>1,380,559,768</u>	<u>1,235,730,499</u>
Provision for Diminution	<u>150,285,037</u>	<u>150,285,037</u>
6.3 Maturity Wise Grouping of Investments		
On demand	283,810,251	104,042,504
Less than three months	280,863,752	201,593,808
More than three months but less than one year	574,714,391	744,463,957
More than one year but less than five years	760,101,250	193,209,825
More than five years	921,390,476	345,122,418
	<u>2,820,880,121</u>	<u>1,588,432,512</u>
6.4 Provision for Investment		
Required Provision	166,278,615	222,221,454
Provision Maintained	284,867,990	284,867,990
Provision Excess/(Shortage)	<u>118,589,375</u>	<u>62,646,536</u>
7. Loans & Advances		
(i) Loans, Cash Credits and Overdrafts, etc. :	9,978,532,502	9,906,002,302
In Bangladesh	9,978,532,502	9,906,002,302
Outside Bangladesh	-	-
(ii) Bills purchased & discounted :	67,542,913	-
Payable in Bangladesh	67,542,913	-
Payable outside Bangladesh	-	-
	<u>10,046,075,415</u>	<u>9,906,002,302</u>
7.1 Nature-wise Loans & Advances		
Cash credits	671,557,580	597,455,209
Long term (Amount Due and Not Due)	7,142,884,392	7,285,310,006
Overdrafts	6,018,494	1,891,235
Local Documentary Bill Purchased	67,542,913	-
Bridge loan	71,624,725	78,057,904
Consumer Loan	137,669,389	90,596,596
Loan under Investor Scheme	2,423,991	2,423,991
Staff loan	1,946,353,930	1,850,267,361
	<u>10,046,075,415</u>	<u>9,906,002,302</u>
7.2 Maturity wise grouping of Loans & Advances including bills discounted & purchased		
Repayable on demand	169,732,000	363,900,000
Repayable not more than 3 months	705,647,000	396,100,000
Repayable over 3 months but not more than 1 year	1,511,987,000	953,900,000
Repayable over 1 year but not more than 5 years	2,927,013,000	4,769,500,000
Repayable over 5 years	4,731,696,415	3,422,602,302
	<u>10,046,075,415</u>	<u>9,906,002,302</u>

7.3 Particulars of Advances

- i. Debts considered good in respect of which the Bank is fully secured.
- ii. Debts considered good for which the Bank hold no other security than the debtors personal security.
- iii. Debts considered good and secured by the personal liabilities of one or more persons in addition to the personal security of the debtors.
- iv. Debts considered doubtful or bad not provided for
- v. Debts due by directors or officers, employees of the banking company or any of them either severally or jointly with any other persons and debt due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies, as members, directors.
- vi. Maximum total amount of advances, including temporary advances made any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons.
- vii. Debts due from companies or firms in which the directors of the Bank are interested as directors, partners, or managing agents or in case of private companies, as members;
- viii. Maximum total amount of advances including temporary advances granted during the year to the company or firm in which the directors of the banking company are interested as directors, partners, managing agents or in the case of private companies as members.
- ix. Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies as members.
- x. Due from Banking Companies
- xi. Classified advances on which no interest has been charged.
 - (a) The balance of bad loan written off is tk.21,264,517,049 which has been written off as per Bangladesh Bank's Circular No. 02, dated 13 January 2003 and a debt collection unit has been established to take initiative for recovery of that bad loan.

	2011 Taka	2010 Taka
	6,939,068,415	6,804,300,302
	269,995,482	90,596,596
	-	-
	-	-
	1,946,353,930	1,850,267,361
	115,245,625	139,203,000
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	3,107,007,000	3,101,702,000
	21,264,517,049	23,872,342,369

7.4 Movement of Loans and Advances

- Opening balance
- Add : Disbursed during the year
- Add : Interest charged during the year
- Less : Recovery during the year
- Less : Write off during the year
- Closing balance

9,906,002,302	10,265,585,560
802,458,490	902,248,015
541,455,434	529,815,062
11,249,916,226	11,697,648,637
1,203,840,811	1,600,382,671
10,046,075,415	10,097,265,966
-	191,263,664
10,046,075,415	9,906,002,302

7.5 Significant concentration-wise grouping

- Other Executives and Officers of the Bank
- Customers
- Industries

1,946,353,930	1,850,267,361
143,687,883	92,487,831
7,956,033,602	7,963,247,110
10,046,075,415	9,906,002,302

7.6 Classification status of Loans & Advances

Unclassified(including staff loan)

Standard
Special Mentioned Accounts

Classified

Sub-standard
Doubtful
Bad/loss

	2011 Taka	2010 Taka
Unclassified(including staff loan)	6,939,068,415	6,804,300,302
Standard	6,424,326,415	6,550,150,302
Special Mentioned Accounts	514,742,000	254,150,000
Classified	3,107,007,000	3,101,702,000
Sub-standard	599,115,000	110,740,000
Doubtful	6,570,000	19,997,000
Bad/loss	2,501,322,000	2,970,965,000
	10,046,075,415	9,906,002,302

7.7 Division wise Loans & Advances

Dhaka Division
Khulna Division
Chittagong Division
Rajshahi Division
Barisal Division
Sylhet Division
Rangpur

Dhaka Division	8,280,507,468	9,450,583,381
Khulna Division	242,039,891	129,450,063
Chittagong Division	417,441,921	94,194,279
Rajshahi Division	277,031,397	98,618,231
Barisal Division	280,900,389	46,239,234
Sylhet Division	48,514,894	17,619,188
Rangpur	499,639,453	69,297,926
	10,046,075,415	9,906,002,302

7.8

Particulars of Provision for Loans & Advances	Total Outstanding	Rate(%)	Base for Provision	Required Provision	Actual Provisies
<u>Unclassified Loan:</u>					
Standard	4,350,744,415	1%	4,350,744,415	43,507,444	46,611,424
Standard (C.F)	133,878,000	5%	133,878,000	6,693,900	6,693,900
Special Mention Account	514,742,000	5%	510,270,000	25,513,500	27,231,150
Staff Loan	1,939,704,000	1%	1,939,704,000	19,397,040	19,463,526
<u>Classified:</u>					
Sub-Standard	599,115,000	20%	333,812,000	66,762,400	66,762,400
Doubtful	6,570,000	50%	2,235,000	1,117,500	1,117,500
Bad/Loss	2,501,322,000	100%	1,035,694,000	1,035,694,000	1,600,463,306
Total :	10,046,075,415			1,198,685,784	1,768,343,206
Excess Provision at 31 December 2011					569,657,422

	2011 Taka	2010 Taka
7.9 Sector-wise Loans & Advances		
Industrial Sector		
Food & Allied Products	723,372,298	613,883,078
Jute & Allied Fibre Products	12,793,262	276,017,729
Cotton Woollen & Synthetic Textile	5,700,557,903	5,813,806,228
Paper, Paper Products & Printing	115,887,346	131,148,328
Tannery & its Products	71,634,826	81,867,824
Non-metallic Mineral products	26,708,667	16,777,054
Basic Metal Products	-	-
Metal Products	123,363,435	129,696,830
Electrical Machinery & Goods	48,936,794	46,026,593
Machinery & Spare Parts	4,342,105	1,207,813
Transport	7,160,702	10,070,177
Chemicals & Pharmaceuticals	420,039,727	450,764,455
Petro-Chemicals	63,888,203	53,151,621
Service Industries	169,020,455	189,617,486
Miscellaneous	2,558,369,692	2,091,967,086
	10,046,075,415	9,906,002,302
7.10 Loans written off		
As per Bangladesh Bank circular no. 02 dated January 2003 and Bangladesh Bank letter no. BRPD(P)661/13(chha)/2003-2230, dated 1 June 2003 classified loans and advances have been written off from the books as and when necessary. The balance position of the written off loans as on 31 December 2011 is Tk.21,264,517,049. The movement of the written-off loans is as follows:		
Opening balance	23,872,342,369	24,509,941,430
Add: Addition during the year	-	191,263,664
Less: Recovery and adjustment during the year	23,872,342,369	24,701,205,094
Closing balance	2,607,825,320	828,862,725
	21,264,517,049	23,872,342,369
8. Fixed Assets including premises, furniture and fixtures		
Opening balance	723,000,062	708,276,183
Add: Addition during the year	21,777,640	16,193,671
Less: Disposal/adjustment during the year	6,318,811	1,469,792
Less: Accumulated depreciation at the year end	738,458,891	723,000,062
	377,975,028	365,634,949
	360,483,863	357,365,113
Revaluation balance during the year	8,464,261,278	8,604,108,664
Closing Balance	8,824,745,141	8,961,473,777
A separate fixed asset schedule is shown in Annexure-A.		
8(a) Consolitated Fixed Assets including premises, furniture and fixtures		
Bangladesh Development Bank Limited (Note: 8)	8,824,745,141	8,961,473,777
BDBL Securities Limited	82,801.00	-
	8,824,827,942	8,961,473,777
9. Other Assets		
Stationery & stamps in hand	2,480,702	2,889,740
Stocks & stores (Spare parts)	200,970	200,970
Tax paid in advance (Note: 9.1)	1,383,273,175	1,232,707,190
Prepaid expenses & security deposit	6,001,061	2,909,469
Utility Bill Receivable from Tenants	923,620	-
Accrued income (CAD & Branches) (Note: 9.2)	195,492,764	119,554,543
BSRS Pension & Death Cum Rtd. Benefit Scheme	44,932	-
Suspense A/c. (CAD & Branches)	2,191,432	2,154,732
Investment, Gratuity & Benevolent Fund (Note: 9.3)	14,031,079	12,835,401
Exchange risk adjustment account	61,359,262	61,359,262
Depreciation Fund- Interest Receivable	26,825,000	26,825,000
Sanchaya Patra Encashment A/C.	133,843,433	127,569,549
Legal Expenses Realisable A/C.	29,386,788	26,646,871
Preliminary expenses BDBL	3,806,000	5,749,860
Misc. Receivable	45,034,685	3,364,649
Inter Office Adjustment (Note: 12.10.1)	35,255,462	-
Temporary Advance	10,533,372	3,034,278
Receivable from Security	1,769,536	75,190
Employees Provident Fund	25,515	25,515
Interest Receivable on Bond	2,542,739	2,764,932
Amount Recoverable	-	7,235,287
BSRS First Mutual Fund	2,901	39,293
Other Charges Receivables from Write off Project	8,577	8,577
	1,955,033,006	1,637,950,308

9.1 Tax paid in Advance
Movement of the advance tax paid
during the year is as follows:

Opening balance

Add : Addition during the year

Less : Adjustment during the year

Closing balance

Year wise break-up of the above amount is shown as follows:

	2011 Taka	2010 Taka
	1,232,707,190	1,148,958,480
	150,565,985	83,748,710
	1,383,273,175	1,232,707,190
	1,383,273,175	1,232,707,190

A: Erstwhile BSRS:

Accounting year	Assessment year	Corporate Advance Tax	Deducted at source	Total Amount in
1997 - 1998	1998 - 1999	-	5,666.165	5,666.165
1998 - 1999	1999 - 2000	-	6,620.718	6,620.718
1999 - 2000	2000 - 2001	12,500.000	4,731.041	17,231.041
2000 - 2001	2001 - 2002	45,473.000	4,391.185	49,864.185
2001 - 2002	2002 - 2003	16,000.000	5,558.725	21,558.725
2002 - 2003	2003 - 2004	4,500.000	7,314.644	11,814.644
2003 - 2004	2004 - 2005	10,000.000	7,020.445	17,020.445
2004 - 2005	2005 - 2006	-	6,936.472	6,936.472
2005 - 2006	2006 - 2007	-	13,412.159	13,412.159
2006 - 2007	2007 - 2008	20,000.000	18,913.584	38,913.584
2007 - 2008	2008 - 2009	10,000.000	20,865.579	30,865.579
2008 - 2009	2009 - 2010	34,848.614	22,489.729	57,338.343
2009 - 2010	2010 - 2011	-	13,223.817	13,223.817
Total (A)		153,321,614	137,144,263	290,465,877

B: Erstwhile BSB:

Accounting year	Assessment year	Corporate Advance Tax	Deducted at source	Total Amount in
1996-97	-	-	-	480,867.465
1997-98	1998-1999	-	69,230.875	69,230.875
1998-99	1999-2000	-	18,911.461	18,911.461
1999-00	2000-2001	-	12,737.817	12,737.817
2000-01	2001-2002	-	13,926.730	13,926.730
2001-02	2002-2003	-	25,698.639	25,698.639
2002-03	2003-2004	-	30,948.020	30,948.020
2003-04	2004-2005	-	32,943.494	32,943.494
2004-05	2005-2006	-	22,924.846	22,924.846
2005-06	2006-2007	-	25,020.846	25,020.846
2006-07	2007-2008	-	24,016.003	24,016.003
2007-08	2008-2009	50,000.000	24,546.660	74,546.660
2008-09	2009-2010	-	18,992.160	18,992.160
2009-10	2010-2011	-	7,727.587	7,727.587
Total (B)		50,000,000	327,625,138	858,492,603

C: BDBL:

Accounting year	Assessment year	Corporate Advance Tax	Deducted at source	Total Amount in
2010	2011-2012	10,000.000	73,748.710	83,748.710
2011	2012-2013	61,232.451	89,333.534	150,565.985
Total		71,232,451	163,082,244	234,314,695

Total Advance Tax Paid (A+B+C)

1,383,273,175

9.2 Accrued Income

CAD, Head office:

Interest on debenture

Rent

Accrued income from FDR

Interest on Money at call & Short Notice

Branch Offices*

Grand-total

	192,434,817	116,566,014
	27,010,820	36,977,991
	17,294,997	6,054,690
	147,356,000	73,200,000
	773,000	333,333
	3,057,947	2,988,529
	195,492,764	119,554,543

		2011 Taka	2010 Taka
9.3 Investment: Gratuity & Benevolent Fund			
Opening balance		12,835,401	12,265,908
Add : Investment during the year		23,239,987	17,535,218
		36,075,388	29,801,126
Less : Encashment during the year		22,044,309	16,965,725
Closing balance		14,031,079	12,835,401
9(a) Consolidated Other Assets			
Bangladesh Development Bank Limited	(Note:9)	1,955,033,006	1,637,950,308
BDBL Securities Limited		10,912,639	-
		1,965,945,645	1,637,950,308
10. Borrowing from Other Banks, Financial Institutions and Agents, etc.			
Inside Bangladesh		2,058,608,595	2,610,273,736
Outside Bangladesh	(Note:10.1)	-	-
		2,058,608,595	2,610,273,736
a) As per following segregation			
Secured		-	-
Un-Secured		2,058,608,595	2,610,273,736
		2,058,608,595	2,610,273,736
b) As per following maturity grouping			
On Demand		-	-
On Maturity		2,058,608,595	2,610,273,736
		2,058,608,595	2,610,273,736
10.1 Inside Bangladesh			
K.F.W. Counterpart Fund		165,929,517	165,929,516
Long Term Loan from Bangladesh Bank (Block A/c.)		1,423,442,368	1,830,140,188
Long Term Loan from Bangladesh Bank		288,165,578	384,220,771
DM 3.00 million K.F.W. Loan		8,594,618	9,206,746
Danish Credit Counterpart Fund		7,487,224	7,487,224
Rephased Account with Government (DSL)		143,089,291	184,089,291
LC Borrowing DSE Not Matured		21,900,000	29,200,000
		2,058,608,595	2,610,273,736
11. Deposits & Other Accounts			
Current and other accounts	(Note: 11.1)	1,591,529,822	1,326,990,005
Bills Payable	(Note: 11.2)	48,988,854	19,789,231
Saving Bank Deposits		428,726,133	462,351,794
Fixed Deposits		2,637,546,177	1,444,907,364
		4,706,790,985	3,254,038,394
11.1 Current & Other Accounts			
Short Term Deposit Account		1,056,026,293	1,028,812,819
Deposit Pension Scheme, SBSS, SSS, CSS		172,476,385	44,703,424
Sundry Deposit		79,869,110	49,284,735
Current Account		229,810,170	177,732,521
Margin Deposits		39,361,894	15,390,547
Guarantee Margin Security Deposits		56,672	56,672
Earnest Money		72,200	74,200
Payable Under Investment Scheme		13,857,099	10,935,087
		1,591,529,822	1,326,990,005
11.2 Bills Payable			
Payment Order		48,362,794	18,672,655
Drafts Payable		626,060	585,958
Un-claimed In-operative Account		-	530,618
		48,988,854	19,789,231
11.3 Deposits & Other Accounts by Maturity			
Payable on demand		278,399,182	177,732,521
Repayable within 1 month		367,000,000	67,073,913
Over 1 month but within 6 months		2,577,042,000	423,836,577
Over 6 months but within 1 year		1,318,800,000	323,646,256
Over 1 year but within 5 years		165,549,803	2,261,218,509
Over 5 years but within 10 years		-	-
Unclaimed deposits held by the bank more than 10 years		-	530,618
		4,706,790,985	3,254,038,394

12. Other Liabilities

Provision for Income tax	(Note: 12.1)
Provision for Deferred Tax	(Note: 12.2)
Accrued Expenses	(Note: 12.3)
Others Funds	(Note: 12.4)
Provision for B/D Equity	
Provision for B/D Debenture	
Provision for Share	
Other Provisions	(Note: 12.5)
Provision for Unclassified Loan	(Note: 12.6)
Provision for classified Loan	(Note: 12.7)
Interest Suspense	(Note: 12.8)
Advance deposit Receipts	(Note: 12.9)
Miscellaneous	(Note: 12.10)

	2011 Taka	2010 Taka
	1,432,024,199	1,262,024,199
	1,349,801,271	75,078,123
	123,900,492	56,325,971
	72,548,928	261,627,686
	106,731,020	106,731,020
	74,246,545	74,246,545
	103,890,425	103,890,425
	235,857,334	206,778,740
	127,231,151	290,329,291
	1,641,112,056	1,395,742,486
	1,171,585,086	1,376,551,588
	531,226,656	470,847,458
	248,324,663	337,068,065
	7,218,479,827	6,017,241,597
12.1 Provision for Income Tax		
Opening Balance	1,262,024,199	1,189,567,478
Add: Provision made during the year	170,000,000	130,000,000
	1,432,024,199	1,319,567,478
Less: Adjustment made during the year	-	57,543,279
	1,432,024,199	1,262,024,199

12.1.1 Provision for Income tax

The year wise break-up of provision for taxes is as under:

A) Exatwhile BSB

Pinnical Year	Asesement Year	Provision for Tex	Tax Assessed	Difference	Assesment Status
1983-1984	-	179,816,842	-	179,816,842	Setteled and paid tax amount not yet credited
1984-1985	1985-1986	120,000,000	-	120,000,000	"
1985-1986	1986-1987	321,000	-	321,000	"
1986-1987	1987-1988	-	-	-	"
1987-1988	1988-1989	10,000,000	-	10,000,000	"
1988-1989	1989-1990	52,500,000	-	52,500,000	"
1989-1990	1990-1991	57,500,000	-	57,500,000	"
1990-1991	1991-1992	57,500,000	-	57,500,000	"
1991-1992	1992-1993	44,500,000	-	44,500,000	"
1992-1993	1993-1994	60,000,000	-	60,000,000	"
1993-1994	1994-1995	61,100,000	-	61,100,000	"
1994-1995	1995-1996	-	-	-	"
1995-1996	1996-1997	-	-	-	"
1996-1997	1997-1998	-	-	-	"
1997-1998	1998-1999	-	69,612,821	(69,612,821)	"
1998-1999	1999-2000	-	89,282,182	(89,282,182)	"
1999-2000	2000-2001	-	-	-	"
2000-2001	2001-2002	-	-	-	"
2001-2002	2002-2003	-	-	-	"
2002-2003	2003-2004	-	13,341,918	(13,341,918)	"
2003-2004	2004-2005	-	-	-	"
2004-2005	2005-2006	-	132,836,689	(132,836,689)	"
2005-2006	2006-2007	-	-	-	"
2006-2007	2007-2008	49,725,330	-	49,725,330	"
2007-2008	2008-2009	77,148,000	Tax Liability yet not finished	-	"
2008-2009	2009-2010	56,215,000	-	-	Assesment of tax amount not yet setteled
2009-2010	2010-2011	70,121,000	-	-	-
		896,447,172			

B) Erstwhile BSRS

Financial Year	Assessment Year	Provision for Tax	Tax Assessed	Difference	Assesment Status
1995-1996	1996-1997	23,400,000	145,044	23,254,956	Setteled
1996-1997	1997-1998	12,500,000	10,332,462	2,167,538	Applied for correction U/S-173
1997-1998	1998-1999	-	31,228,906	(31,228,906)	Appeals and Tribunal order not yet revised. Applied for certified
1998-1999	1999-2000	-	36,475,913	(36,475,913)	Applied for certified copy of order sheet. Tribunal order not yet revised
1999-2000	2000-2001	22,400,000	29,511,013	(7,111,013)	Tribunal order restored for hearing
2000-2001	2001-2002	39,000,000	40,554,139	(1,554,139)	"
2001-2002	2002-2003	27,000,000	39,454,744	(12,454,744)	"
2002-2003	2003-2004	(70,592,732)	22,250,825	(92,843,557)	"
2003-2004	2004-2005	-	-	-	Setteled tax credit yet not allowed
2004-2005	2005-2006	30,041,556	-	30,041,556	Assessed but assessment order yet not received
2005-2006	2006-2007	20,000,000	63,094,381	(43,094,381)	Appeal file
2006-2007	2007-2008	60,000,000	59,443,658	556,342	Return submitted under self assessment but yet not assessed
2007-2008	2008-2009	76,400,000	87,555,451	(11,155,451)	Under first appeal still pending
2008-2009	2009-2010	14,971,482	57,578,300	(42,606,818)	Return submitted but not yet assessed
2009-2010	2010-2011	38,000,000	37,471,444	528,556	"

293,120,306

C) BDBL

Financial Year	Assessment Year	Amount of Prov. for Tax
2010	2011-2012	130,000,000
2010	adjustment made for FY 07 - 08 & FY 09 - 10 (up to 2010) on account of former BSRS	(57,543,279)
2011	2012-2013	170,000,000
Total Tax Provision (A+B+C)		242,456,721
		1,432,024,199

12.2 Defered tax liability

A. Defered Tax on Fixed Asset

Deferred tax liabilities have been computed in accordance with BAS-12 based on taxable temporary difference in carrying amount of the fixed assets and its tax base as follows:

Carrying amount of fixed assets at balance sheet date

Tax base

Taxable/(deductible) temporary difference

Applicable tax rate

Defered tax assets/(liabilities)

B. Defered Tax on Asset Revaluation Reserve

Asset Revaluation Reserve on 01-01-2011

Less :Adjustment for depreciation during the year

Less :Adjustment for sold Assets

Applicable tax rate

Defered tax asset/(liability)

Total defered tax liability (A+B)

12.3 Accrued Expense

Accrued Interest

Accrued Expense

Accrued Payroll

	2011 Taka	2011 Taka
Carrying amount of fixed assets at balance sheet date	171,867,204	180,710,705
Tax base	360,483,862	357,365,113
Taxable/(deductible) temporary difference	(188,616,658)	(176,654,408)
Applicable tax rate	42.50%	42.50%
Defered tax assets/(liabilities)	(80,162,080)	(75,078,123)
B. Defered Tax on Asset Revaluation Reserve		
Asset Revaluation Reserve on 01-01-2011	8,604,108,664	
Less :Adjustment for depreciation during the year	(137,447,394)	
Less :Adjustment for sold Assets	(2,399,992)	
	8,464,261,278	
Applicable tax rate	15%	
Defered tax asset/(liability)	(1,269,639,191)	
Total defered tax liability (A+B)	(1,349,801,271)	
12.3 Accrued Expense		
Accrued Interest	76,835,537	20,383,189
Accrued Expense	44,733,162	33,607,129
Accrued Payroll	2,331,793	2,335,653
	123,900,492	56,325,971

	2011 Taka	2010 Taka
12.4 Other Funds		
Pension & Death Cum Retirement	66,074,582	252,509,876
Employees Provident Fund	1,739,686	3,579,375
Employees Gratuity Fund	-	-
Employees Benevolent Fund	4,734,661	5,538,435
	72,548,928	261,627,686
12.5 Other Provisions		
Provision for Bonus	41,660,581	35,152,537
Provision for Suspense Account	10,000,000	432,000
Dividend to Govt.	50,000,000	50,000,000
Payable to Govt. Against Share Dividend	4,649,702	3,693,568
Provision for Realisable legal Expenses	29,386,788	17,340,373
Provision for Interest on Depreciation Fund	26,462,500	26,462,500
Provision for Off Balance Sheet Items	8,450,000	8,450,000
Provision for Exchange Risk Adjustment A/c	61,359,262	61,359,262
Provision for Other Asset	3,888,500	3,888,500
	235,857,334	206,778,740
12.6 Provision for Un-Classified Loan		
Provision held at the beginning of the year	290,329,291	297,904,010
Fully provided debts written off(-)	-	-
Recoveries of amount Previously Written Off(+)	-	-
Specific provision for the year (+)	888,000	-
Provision Transfer to other Assets	(21,614,415)	-
Excess provision transferred to Provision for CI Loan (-)	(142,371,725)	(7,574,719)
Specific Provision For Special Mentioned A/C.(+)	-	-
Provision held at the end of the Year	127,231,151	290,329,291
12.7 Provision for Classified Loan		
Provision held at the beginning of the year	1,395,742,486	1,344,736,818
Fully provided debts written off/loan liquidated(-)	(4,029,571)	(191,263,664)
Recoveries of amount Previously Written Off(+)	107,027,416	232,294,613
Specific provision for the year (+)	-	2,400,000
Recoveries & provision no longer required (-)	-	-
Excess provision transferred from Un classified loan	142,371,725	7,574,719
Provision held at the end of the Year	1,641,112,056	1,395,742,486
12.8 Interest Suspense		
Opening Balance	1,253,249,386	1,560,642,221
Add: Credited during the year	86,631,591	44,432,223
Less: Transferred to Income	(76,237,838)	(34,509,649)
Less: Written off during the year	-	(230,819,816)
Less: Adjustment during the year	(228,336,084)	(86,495,593)
Closing Balance	1,035,307,055	1,253,249,386
Add: Interest Suspense A/C (IDCP)	136,278,031	123,302,202
	1,171,585,086	1,376,551,588
12.9 Advance Deposits Receipts		
L/C Charge Received in Advance	383,965	383,965
Commitment charge received in Advance	81,349	81,349
Other Deposits Received in Advance	107,001,069	198,533,913
Sundry Deposits(Cash Credit & Bridge Loan)	2,500,000	900,875
Advance Rent Received on Bank's Premises	3,489,684	2,191,111
Sundry Deposits(Write Off)	417,770,588	268,756,245
	531,226,656	470,847,458
12.10 Miscellaneous		
FCTA Exchange Premium	100,714,326	100,903,050
FCTA Penal Premium	13,919,697	14,399,803
Liabilities towards BSB & EPF	6,394,900	6,394,900
Sanchaya Patra Sold	4,125,000	11,600,000
Inter Branch Adjustment Account	-	92,365,470
Special Adjustment Account	51,294,227	28,318,986
Managed Fund	725,542	725,542
Exchange Equalisation Account	50,014,200	50,014,200
Liability for Other finance	1,444	1,444
Other Payable	62,973	6,793,094
Liability for Other Expenses	6,474,843	6,474,843
Payable to CDBL	660,500	657,900
Clients Payable	13,937,011	18,418,833
	248,324,663	337,068,065

(Note: 12.10.1)

	2011 Taka	2010 Taka
12.10.1 Inter office adjustment account		
CAD Current Account in Branch Office Book	2,910,617,207	354,108,503
Branch Office Current Account in CAD's Book	(3,484,922,630)	(349,646,896)
LAD's Current Account in CAD's Book	1,143,139,535	(3,257,986,863)
CAD's Current Account in LAD's Book	(686,688,293)	3,352,824,633
Branch Office Current Account in LAD's Book	-	1,586,806,870
LAD's Current Account in Branch Office Book	-	(1,586,810,173)
Inter Branch Current Account	82,598,719	(6,930,604)
	(35,255,462)	92,365,470
12(a) Consolidated Other Liabilities		
Bangladesh Development Bank Limited	7,218,479,827	6,017,241,597
BDBL Securities Limited	1,895,670	-
	7,220,375,497	6,017,241,597
13 CAPITAL		
Authorized Capital:	10,000,000,000	10,000,000,000
100,000,000 Shares of Tk.100 each		
Issued, Subscribed and Paid up Capital:	4,000,000,000	4,000,000,000
40,000,000 Shares of Tk.100 each fully paid by the government and government nominated shareholders.		
13 (a) Consolidated Paid - up capital		
Bangladesh Development Bank Limited	4,000,000,000	4,000,000,000
BDBL Securities Limited	100,000,000	-
	4,100,000,000	4,000,000,000
13.1 Capital Adequacy Ratio (CAR)		
CONSOLIDATED STATEMENT		
i) Core Capital (Tier-1)		
Paid-up Capital	4,000,000,000	
Share Issued (BDBL Securities)	100,000,000	
General Reserve	1,310,000,000	
Statutory Reserve	1,218,000,000	
Retained Earnings	42,500,000	
Less:Any investment exceeding Approved limit as per BCA 19990	6,670,500,000	
ii) Supplementary Capital (Tier-2)		
General Provision	135,700,000	
Assets Revaluation Reserves up to 50%	3,597,300,000	
Less:Any investment exceeding Approved limit as per BCA 1991	3,733,000,000	
iii)Additional Supplementary Capital (Tier-3)		
Short-term subordinated debt	-	
Total Supplementary Capital (ii+iii)	3,733,000,000	
Total Eligible Capital (Tier-1+2+3)	10,403,500,000	
Total Risk Weighted Assets	35,655,400,000	
10% of Total Risk Weighted Assets	3,565,540,000	
Required Capital (10% of Risk Weighted Assets or Tk.400.00 crore whichever is higher)	4,000,000,000	
D. Capital Surplus (A-C)	6,403,500,000	
Capital Adequacy Ratio	29.18%	
Core Capital to Risk Weighted Assets	18.71%	
Supplementary Capital to Risk Weighted Assets	10.47%	
SOLO STATEMENT		
i) Core Capital (Tier-1)		
Paid-up Capital	4,000,000,000	4,000,000,000
General Reserve	1,310,000,000	950,000,000
Statutory Reserve	1,218,000,000	1,045,800,000
Retained Earnings	40,500,000	36,700,000
Less:Any investment exceeding Approved limit as per BCA 1991	6,568,500,000	6,032,500,000
ii) Supplementary Capital (Tier-2)		
General Provision	135,700,000	297,900,000
Assets Revaluation Reserves up to 50%	3,597,300,000	4,302,100,000
Less:Any investment exceeding Approved limit as per BCA 1991	3,733,000,000	4,600,000,000
iii)Additional Supplementary Capital (Tier-3)		
Short-term subordinated debt	-	-
Total Supplementary Capital (ii+iii)	3,733,000,000	4,600,000,000

	2011 Taka	2010 Taka		
A. Total Eligible Capital (Tier-1+2+3)	10,301,500,000	10,632,500,000		
B. Total Risk Weighted Assets	35,647,100,000	37,860,000,000		
10% of Total Risk Weighted Assets	3,564,710,000	3,407,400,000		
C. Required Capital (10% of Risk Weighted Assets or Tk.400.00 crore whichever is higher)	4,000,000,000	4,000,000,000		
D. Capital Surplus (A-C)	6,301,500,000	6,632,500,000		
Capital Adequacy Ratio	28.90%	28.08%		
Core Capital to Risk Weighted Assets	18.43%	15.93%		
Supplementary Capital to Risk Weighted Assets	10.47%	12.15%		
14. Quasi Equity	134,744,560	134,744,560		
This was created as per government decision in 1982 by converting the 3rd, 5th, 6th and 8th UK credits received by erstwhile BSB. This liability has been waived by the government of Bangladesh.				
15. Statutory Reserve				
Opening Balance	1,045,787,336	881,309,336		
Add: Addition made for the year	172,219,000	164,478,000		
Closing Balance	1,218,006,336	1,045,787,336		
16. General, Revaluation & Other Reserve	9,470,529,601	10,420,016,178		
16.1 General Reserve				
Opening Balance	950,000,000	623,376,222		
Add: Appropriation made for the year	360,000,000	326,623,778		
Closing Balance	1,310,000,000	950,000,000		
16.2 Asset Revaluation reserve	7,194,622,087	8,604,108,664		
Opening balance	8,604,108,664			
Less :Adjustment for sold asset	(2,399,992)			
Less: Adjustment for depreciation for the year	(137,447,394)			
Less :Provision for deferred tax	(1,269,639,191)			
Closing balance	7,194,622,087			
Asset-wise break-up of revaluation surplus is as under:				
Particulars	Land	Building	Motor vehicle	Total
Valuation Surplus	3,175,704,168	5,415,734,325	12,670,171	8,604,108,664
Less: Adjustment for sold asset	-	-	(2,399,992)	(2,399,992)
	3,175,704,168	5,415,734,325	10,270,179	8,601,708,672
Less: Adjustment for depreciation	-	(135,393,358)	(2,054,036)	(137,447,394)
Less: Adjustment for deferred tax liabilities @15%	(476,355,625)	(792,051,145)	(1,232,421)	(1,269,639,191)
Balance	2,699,348,543	4,488,289,822	6,983,722	7,194,622,087
16.2.1	Deferred tax liabilities on asset revaluation reserve have been computed in accordance with BAS-12, on the assumption that this will be taxable in the form of capital gain and hence relevant tax rate is applied.			
16.3 Other Reserve	965,907,514	865,907,514		
i) Capital Reserve :				
Opening Balance	66,503,916	66,503,916		
Add: Appreciation made for the year	-	-		
Closing Balance	66,503,916	66,503,916		
ii) Reserve for unforeseen losses:				
Opening Balance	560,000	560,000		
Add: Appreciation made during the year	-	-		
Closing Balance	560,000	560,000		
iii) Building Fund :				
Opening Balance	439,241,000	339,241,000		
Add: Appropriation made for the year	100,000,000	100,000,000		
Closing Balance	539,241,000	439,241,000		
iv) Special Assistance Fund				
Opening Balance	109,161,572	109,161,572		
Add: Appreciation made for the year	-	-		
Closing Balance	109,161,572	109,161,572		

In accordance with the Industrial Policy 1986, a Special Assistance Fund (SAF) was created by erstwhile BSB as the prime DFI of the country to provide concessional loans to projects:

- Based on local innovation and invention of product and processes;
- Utilizing locally manufactured capital goods; and
- For production of capital machinery and other non-traditional items.

	Notes	2011 Taka	2010 Taka
v) Equity Adjustment Reserve			
Opening Balance		43,206,475	43,206,475
Add: Appreciation made for the period		-	-
Less: adjustment during the year		-	-
Closing Balance		43,206,475	43,206,475
vi) Exchange Equalisation reserve			
Opening Balance		131,518,243	131,518,243
Add: Addition/adjustment for the year		-	-
Closing Balance		131,518,243	131,518,243
VII) Special reserve			
Opening Balance		75,716,308	75,716,308
Add: Appreciation made for the period		-	-
Less: adjustment during the year		-	-
Closing Balance		75,716,308	75,716,308
Special reserve was created by erstwhile BSRS as per section 29(1) (V) of the Income Tax Ordinance, 1984.			
16.4 Contingent Liabilities			
Letters of guarantee	(Note: 16.4.1)	696,113,135	601,813,389
Irrevocable letter of credits		133,741,200	8,694,433
Bills for collection		-	-
Other contingent liabilities		-	11,049,752
Total		829,854,335	621,557,574
16.4.1 Letters of guarantee			
Acceptance for FC guarantee		694,716,893	600,417,147
Acceptance for short term Taka guarantee		1,396,242	1,396,242
		696,113,135	601,813,389
16(b) Consolidated Retained earnings			
Bangladesh Development Bank Limited		40,496,459	36,704,082
BDBL Securities Limited		1,967,448	-
Total		42,463,907	36,704,082

	Notes	2011 Taka	2010 Taka
17. Profit & Loss Account			
Opening Balance		-	-
Profit during the year		861,095,334	822,388,390
Less: Provision for Income Tax		(170,000,000)	(130,000,000)
Less: Provision for Deferred Tax		(5,083,957)	(47,937,864)
Less: Statutory Reserve		(172,219,000)	(164,478,000)
Less: General Reserve		(360,000,000)	(326,623,778)
Less: Building Fund		(100,000,000)	(100,000,000)
Less: Dividend to Government		(50,000,000)	(50,000,000)
Less: Retained Surplus		(3,792,377)	(3,348,748)
		-	-
18. Interest Income			
Interest on taka loans		424,562,896	376,861,959
Interest on amount due		29,521,230	30,058,740
Interest on money at call & short notice		40,313,014	40,162,082
Interest on term deposit		512,005,633	272,898,853
Interest on E.C. A/c. with Bangladesh Bank		52,539	51,618
Interest on advances		71,029,167	19,924,861
Interest on staff loan		69,695,332	58,378,879
Interest on Bridge Financing		-	158,400
Interest Waiver Receipt From Govt.		59,611,000	-
Interest on Account with First BSRS Mutual Fund		1,347,895	-
		1,206,790,812	799,843,287
18(a) Consolidated interest Income			
Bangladesh Development Bank Limited		1,206,790,812	799,843,287
BDBL Securities Limited		3,805,714	-
Total		1,210,596,526	799,843,287
19. Interest paid on Borrowing, Deposit, etc.			
Interest on L. C Borrowing from GOB		1,249,137	2,315,267
Interest on Borrowing from B. Bank		22,269,044	21,866,982
Interest on Deposit at call		1,300,903	40,347
Interest on E.D. Account		196,311,178	66,462,396
Interest on S.B Account		14,353,503	13,073,748
Interest on STD Account		70,514,486	8,259,662
Interest on Deposit Pension Scheme		5,002,755	3,196,902
		311,001,006	115,215,304
20. Investment Income			
Profit on sale of Shares/Securities		153,023,988	675,317,352
Dividend on Shares/Securities		161,285,742	147,336,328
Interest on Debentures		7,846,955	12,511,106
Interest on Bond		39,570,375	2,764,932
		361,727,060	837,929,718
21. Commission, Exchange & Brokerage			
Other Fees Commission & Charges		341,294	633,792
Commission on E.C./ L.C.		2,643,656	795,937
Commission on Bills for Collection		3,877,150	2,519,439
Exchange Commission		2,467,853	462,598
Brokerage Commission		10,017,531	24,172,037
		19,347,484	28,583,803
22. Other Operating Income			
Rent on Bank's Premises		127,834,348	104,504,062
Profit on Sale of Assets		2,294,592	291,257
Technical Examination Fees		3,609,519	1,554,717
Legal Amount & Documentation Charges		896,731	232,366
Miscellaneous Earnings		16,089,430	6,639,936
Management Fee		500,000	250,000
Gain or Loss on Re-valuation of EC A/c.		4,650,228	520,543
Income from write off loan account		166,449,082	57,387,444
		322,323,930	171,380,325
22(a) Consolidated other operating income			
Bangladesh Development Bank Limited		322,323,930	171,380,325
BDBL Securities Limited		23,000	-
Total		322,346,930	171,380,325

	Notes	2011 Taka	2010 Taka
23. Salaries & Allowances			
Salary and Allowances		248,339,440	250,811,483
Bank's contribution to Employees PF		38,839	37,339
Staff House Rent		3,201,535	1,064,191
Payroll Taxes		8,104,641	9,494,493
Staff overtime Allowances		10,565,510	8,182,739
Employees Gratuity & Pension		201,895,792	396,397,056
Staff welfare facilities		8,623,850	11,807,785
Staff education expenses		519,233	361,811
Festival bonus		24,935,024	26,586,842
Incentive bonus (23.2)		40,500,000	33,000,000
		546,723,864	737,743,739
Less: Managing Director/Chief Executive's remuneration		(2,712,571)	(732,600)
		544,011,293	737,011,139
23.1 Employees Gratuity & Pension			
As per valuation report of Bangladesh Shilpa Bank submitted by AHMED & AKHTER, Chartered Accountants, a shortfall of provision to the employees gratuity & pension fund stood at Tk. 739,931,000 as on 31 December 2009. The above shortfall would be provided for against income in five years as per decision of the Board of Directors in its meeting held on 30.12.2010. Accordingly Tk.25 crore has been provided for in the accounts during 2010 and Tk. 6 crore has been provided during the current year. The remaining amount will be provided for during the next three years along with the liabilities of the respective year.			
23.2 Incentive Bonus			
Provision for incentive bonus has been provided for in the accounts in accordance with circular letter no. BCD (P) 613/10-1149 dated 30 May 1975 issued by Bangladesh Bank.			
23(a) Consolidated Salary & Allowances			
Bangladesh Development Bank Limited	(Note-23)	544,011,293	737,011,139
BDBL Securities Limited		1,087,362	-
		545,098,655	737,011,139
24. Rent, Taxes, Insurance, Lighting, etc.			
Rent & Property Taxes		17,594,191	9,415,042
Electricity, Light & Gas		6,958,512	9,061,477
Insurance		3,423,957	2,131,834
		27,976,660	20,608,353
25. Legal expenses			
Legal & Documentation Charges		1,173,070	1,336,958
Professional Charges		8,135,211	1,267,812
		9,308,281	2,604,770
26. Postage, Telegram & Telephone			
Postage & Telegram		952,944	354,899
Telephone-Local & Trunkcall		4,528,847	2,103,407
		5,481,791	2,458,306
27. Stationary, Printing & Advertisement			
Printing & Stationary		12,158,455	9,119,969
Advertisement		3,806,997	2,496,190
		15,965,452	11,616,159
27(a) Consolidated Stationary, Printing & Advertisement			
Bangladesh Development Bank Limited		15,965,452	11,616,159
BDBL Securities Limited		91,368	-
Total		16,056,820	11,616,159
28. Director Fees			
Each director is paid Tk. 5,000 per meeting per attendance			
		1,384,400	1,857,320
28 (a) Consolidated Director Fees			
Bangladesh Development Bank Limited	(Note-28)	1,384,400	1,857,320
BDBL Securities Limited		120,995	-
		1,505,395	1,857,320
(b) Consolidated Auditor Fees			
Bangladesh Development Bank Limited		384,500	299,000
BDBL Securities Limited		30,000	-
		414,500	299,000
29. Depreciation & Repair of Bank's Assets			
Depreciation of fixed assets		20,603,537	18,049,135
Repair & maintenance of bank's properties		25,366,560	24,781,356
		45,970,097	42,830,491

	Notes	2011 Taka	2010 Taka
29(a) Consolidated Depreciation & Repair of Bank's Assets			
Bangladesh Development Bank Limited	(Note-29)	45,970,097	42,830,491
BDBL Securities Limited		9,200	-
		45,979,297	42,830,491
30. Other Expenditure			
Repairs of rental property		135,285	72,336
Entertainment		3,793,721	3,237,082
Donation & subscription		2,179,793	2,144,415
Corporate social responsibility		410,000	-
Sundries		6,509,786	5,423,094
Books and periodicals		239,388	147,498
Lunch Subsidy		25,057,100	26,867,650
Business development expenditure		1,768,102	1,655,339
Expenditure in minor assets		5,071	10,225
Staff training expenses		4,493,149	2,990,420
Liveries & uniform		1,227,176	719,949
Local conveyances		4,431,457	2,397,911
Staff medical facilities		893,392	1,399,163
TA/DA & conveyances		5,648,690	3,736,291
Motor car running expenses		8,592,678	6,969,843
Staff bus facilities		10,459,073	10,975,218
Honorarium		1,020,740	-
Branch Opening Expense		210,862	-
Other expenditure		2,117,093	1,418,124
Stock exchange charges		2,827,525	6,787,180
Security Service		-	138,425
Interest waived		974,411	625,138
Preliminary expenditure written-off (30.1)		1,903,410	-
		84,897,902	77,715,301
30.1 It was decided by the Board to amortize the preliminary expenditure of BDBL amounting Tk. 5,709,410 in three years. Hence an amount of Tk. 1,903,410 have been amortized for 2011.			
30(a) Consolidated Other Expenses			
Bangladesh Development Bank Limited (note-30)		84,897,902	77,715,301
BDBL Securities Limited		319,100	-
		85,217,002	77,715,301
31. Provision for Loans and Advances & other Investments			
Provision for Loan & Advances			2,400,000
For unclassified Loans		-	2,400,000
For classified Loans		-	-
Other Provision:			
Off-Balance Sheet Items		-	-
Investment in Shares		-	-
Others		-	-
			2,400,000
32. Closing Cash & Cash Equivalent			
Cash in hand		26,529,522	27,355,070
Balance with Bangladesh Bank(Including Foreign Currencies)		335,210,408	277,837,999
Balance held with Other Banks		4,609,110,520	4,819,681,684
Money at call & short notice		230,072,231	300,072,231
		5,200,922,680	5,424,946,984
32(a) Consolidated Closing Cash & Cash Equivalent			
Bangladesh Development Bank Limited (note-32)		5,200,922,680	5,424,946,984
BDBL Securities Limited		92,867,678	-
		5,293,790,358	5,424,946,984
33. Earnings per Share (EPS)			
a) Attributable Profit for the year		686,011,377	644,450,526
b) Number of Outstanding Shares		40,000,000	40,000,000
Earnings per Share (EPS) (a ÷ b)		17.15	16.11
Earnings per Share (EPS) has been calculated in accordance with "Bangladesh Accounting Standard (BAS) - 33 Earnings per Share" which has been shown on the face of Profit & Loss Account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.			
33(a) Consolidated Earning Per Share(CEPS)			
a) Attributable Profit for the year		687,978,825	644,450,526
b) Number of Outstanding Shares		40,000,000	40,000,000
Earnings per Share (EPS) (a ÷ b)		17.20	16.11

Bangladesh Development Bank Limited
Fixed Assets Schedule
As at 31 December 2011

Annexure A

Particulars	C O S T				Dep. Rate (%)	DEPRECIATION				Written down value as on 31.12.2011
	Balance as On 01.01.2011	Addition during the year	Sales/Adj. during the year	Balance as on 31.12.2011		Charged during the year	Sales/Adj. during the year	Balance as on 31.12.2011	Balance as on 01.01.2011	
At cost:										
Land	12,866,833	-	(988,015)	13,874,848	-	-	-	-	-	13,854,848
Premises	574,174,813	-	(4,040,685)	578,215,498	2.5	11,349,377	(1,095,942)	278,914,552	266,469,233	299,300,946
Building U/C	5,333,190	-	5,028,700	304,490	2.5	-	-	-	-	304,490
Vehicles	52,834,283	9,871,000	8,275,800	54,429,483	20	3,416,141	6,975,792	38,186,923	41,746,574	16,242,560
Equipments	22,268,119	1,578,221	67,140	23,779,201	20	1,002,054	44,625	19,147,333	18,189,904	4,631,867
Computer equipments & software	33,175,003	9,268,548	(2,024,589)	44,468,140	20	4,343,676	(56,961)	23,900,798	19,500,161	20,567,342
Furniture & fittings	21,220,233	1,059,871	460	22,279,644	20	491,160	-	16,697,841	16,206,681	5,581,803
Sundry Asset	1,127,588	-	-	1,127,588	20	1,129	-	1,127,582	1,126,453	6
Sub-Total (A)	723,000,062	21,777,640	6,318,811	738,458,891		20,603,537	5,867,514	377,975,029	363,239,006	360,483,862
At revaluation :										
Land	3,175,704,168	-	-	3,175,704,168		-	-	-	-	3,175,704,168
Premises	5,415,734,325	-	-	5,415,734,325		135,393,358	-	135,393,358	-	5,280,340,967
Vehicles	12,670,171	-	2,399,992	10,270,179		2,054,036	-	2,054,036	-	8,216,143
Sub-Total (B)	8,604,108,664	-	2,399,992	8,601,708,672		137,447,394	-	137,447,394	-	8,464,261,278
Grand Total (A+B)	9,327,108,726	21,777,640	8,718,803	9,340,167,563		158,050,931	5,867,514	515,422,423	363,239,006	8,824,745,140

Annexure B

**Detail of information on advances
More than 15% of bank's total capital
(funded & non-funded)**

Sl. No.	Name of the Borrower	Outstanding as on 31.12.11			Remarks
		funded	Non-funded	Total	
	Nil	-	-	-	-
	Total	-	-	-	-

Annexure - C

Bangladesh Development Bank Limited
Highlights on the overall activities of the Bank

Sl no.	Particulars	2011 (Taka)	2010 (Taka)
1	Paid up Capital	4,000,000,000	4,000,000,000
2	Total Capital	14,863,776,956	15,637,252,156
3	Capital Surplus / (Deficit)	6,301,500,000	6,632,500,000
4	Total Assets	28,847,656,363	27,518,805,883
5	Total Deposits	4,706,790,985	3,254,038,394
6	Total Loans and Advances	10,046,075,415	9,906,002,302
7	Total Contingent Liabilities and Commitments	829,854,335	621,557,574
8	Credit Deposit Ratio (%)	148.48%	168.92%
9	Percentage of classified loans against total loans and advances	30.86	31.31
10	Profit after Tax and Provision	686,011,377	644,450,526
11	Amount of Classified Loans during the year	3,107,007,000	3,101,672,000
12	Provisions kept against Classified Loans	1,641,112,056	1,395,742,486
13	Provision Surplus / (Deficit)	569,657,422	280,923,134
14	Cost of Fund (%)	8.04%	8.91%
15	Interest Earning Assets	11,725,290,140	11,463,600,000
16	Non-interest Earning Assets	17,122,366,223	16,055,205,883
17	Return on Investment (ROI)(%)	12.82%	52.75%
18	Return on Assets (ROA)(%)	2.38%	2.34%
19	Income from Investments	361,727,060	837,929,718
20	Earning per Share	17.15	16.11
21	Net Income per Share	17.15	16.11
22	Price Earning Ratio	N/A	N/A

Annexure - D

Bangladesh Development Bank Limited
Balance with other Banks - Outside Bangladesh (Nostro Account)
As at 31 December 2011

Name of the Bank	Name of the Country	Currency Name	2011			2010		
			Amount in FC	Conversion rate per unit FC	Amount in BDT	Amount in FC	Conversion rate per unit FC	Amount in BDT
Standard Chartered Bank	USA	USD	337,865.97	81.3400	27,482,018	121,227.15	70.4650	8,542,271
BHF Bank AG	Germany	EUR	19,680.61	105.1971	2,070,343	19,680.61	93.1893	1,834,022
Sonali Bank	India	ACU	16,595.80	81.3400	1,349,903	16,595.80	70.4650	1,169,424
Dresdner A.G London	U.K	USD	1310.00	81.3400	106,555	1310.00	70.4650	92,309
Dresdner A.G London	U.K	GBP	1000.18	125.7176	125,740	1000.18	109.2691	109,289
Commerz Bank A.G	Germany	EUR	6237.44	105.1971	656,161	7501.94	93.1893	699,101
UBAF	Japan	JPY	75382.00	1.0453	78,797	75382.00	0.8642	65,145
Grand Total					31,869,517			12,511,561

BDBL SECURITIES LIMITED
Statement of Financial Position
As on 31 December, 2011

Auditor's Report
To the Shareholders of BDBL Securities Limited

We have audited the accompanying financial statements of BDBL Securities Limited which comprise the Statement of Financial Position as on 31 December, 2011 and the related Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 23 May, 2011 to 31 December, 2011 and a summary of significant accounting policies and other explanatory information.

Management Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS) 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.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above give a true and fair view of the financial position of BDBL Securities Limited as on 31 December, 2011, and of its financial performance and its cash flows for the period from 23 May, 2011 to 31 December, 2011 in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act, 1994, the Securities and Exchange Act, 1993, the Securities and Exchange Rules, 1987, conditions for Registration issued by the Securities and Exchange Commission and other applicable laws and regulations.

We also report that:

- (a) our examination and checking of records, relevant books of accounts, registers, schedules and financial statements were sufficient to enable us to form an informed and assessed opinion on the authenticity and accuracy of the financial statements;
- (b) we have obtained all the information, explanations and documents as required by us;
- (c) the company's management has followed relevant provisions of laws and rules in managing the affairs of the company. Proper books of accounts, records and other statutory books have been properly maintained;
- (d) the statement of financial position and the statement of comprehensive income are in agreement with the said books of account maintained by the company and examined by us; and
- (e) the expenditure incurred and payments made were for the purpose of the company's business for the period.

Dhaka,
27 March, 2012

Sd/-
ACNABIN
Chartered Accountants

BDBL SECURITIES LIMITED
Statement of Financial Position
As on 31 December, 2011

	Notes	Amount in Taka
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	3	82,801
Membership at cost (DSE & CSE)	4	8,680,000
Total Non-Current Assets		8,762,801
Deferred Expenditure		
Preliminary Expenses	5	390,925
Current Assets		
Cash & Bank Balance	6	92,867,678
Other Current Assets	7	1,621,714
Advance Income Tax		220,000
Total Current Assets		94,709,392
Total Assets		103,863,118
EQUITY & LIABILITIES		
Equity		
Share Capital	8	100,000,000
Retained income		1,967,448
Total Equity		101,967,448
Liabilities		
Non Current Liabilities		
Current Liabilities		
Payable to BDBL	9	1,602,883
Other Current Liabilities	10	292,787
Total Liabilities		1,895,670
Total Equity & Liabilities		103,863,118

The annexed notes form an integral part of this Statement of Financial Position.

Sd/-
Director

Sd/-
Director

Sd/-
Chief Executive Officer (CEO)

This is the Statement of Financial Position referred to in our separate report of even date.

Dhaka,
27 March, 2012

Sd/-
ACNABIN
Chartered Accountants

BDBL SECURITIES LIMITED
Statement of Comprehensive Income
For the period from 23 May, 2011 to 31 December, 2011

	Notes	Amount in Taka
Income:		
Operating Income		-
Non Operating Income		
Interest on Fixed Deposit	11	3,805,714
Miscellaneous Income		23,000
Total Income		3,828,714
Less : Operating Expenditure:		
Salary & Allowances		1,087,362
Printing & Stationary		61,353
Entertainment		62,886
Local Conveyance		3,866
Director Fee		120,995
Committee Fee		37,000
Stamp & Noting Charge		11,895
Honorarium		10,000
Excise Duty		10,000
Interior Decoration Consultancy Fee		102,000
Advertisement for Tender		30,015
Traveling		19,154
Legal Expenses		13,300
Depreciation		9,200
Audit Fees		30,000
Membership Transfer Fee		19,700
Miscellaneous Expenses		29,299
Total Operating Expenditure		1,658,025
Net Profit Before Tax		2,170,689
Less: Provision for Taxation for the Period		203,241
Retained Income for the period		1,967,448

The annexed notes form an integral part of this Statement of Comprehensive Income.

Sd/-
Director

Sd/-
Director

Sd/-
Chief Executive Officer (CEO)

This is the Statement of Comprehensive Income referred to in our separate report of even date.

Dhaka,
27 March, 2012

Sd/-
ACNABIN
Chartered Accountants

Annexure-A

BDBL SECURITIES LIMITED

Statement of Changes in Equity

For the period from 23 May, 2011 to 31 December, 2011

Particular	(Amount in Taka)			
	Share Capital	Reserve	Retained Earning	Total
Opening Balance	-	-	-	-
Proceeds from share capital	100,000,000	-	-	100,000,000
Retained Income	-	-	1,967,448	1,967,448
Balance as of 31 December, 2011	100,000,000	-	1,967,448	101,967,448

BDBL SECURITIES LIMITED
Statement of Cash Flows
For the period from 23 May, 2011 to 31 December, 2011

Notes	Amount in Taka
a. Cash Flows from Operating Activities	
Interest income received	2,200,000
Miscellaneous income received	23,000
Recovery of Advance	846
Cash Borrowed for Bank A/C opening	1,000
Advance payment for operating expense	(16,000)
Payment of advance tax on interest	(220,000)
Payment of excise duty	(10,000)
Cash Payment for printing & Stationary	(164,008)
Cash payment for operating expense	(266,200)
Payment for registration, fees & etc.	(80,000)
Bank charge	(960)
Net Cash Flows from Operating Activities	1,467,678
b. Cash Flows from Investing Activities	
Payment to BDBL for membership purchase (DSE & CSE)	(56,00,000)
Payment to Dhaka Stock Exchange (DSE) for Membership transfer	(15,00,000)
Payment to Chittagong Stock Exchange (DSE) for Membership transfer	(15,00,000)
Net Cash Flows from Investing Activities	(86,00,000)
c. Cash Flows from Financing Activities	
Proceeds from issue of shares	100,000,000
Net Cash Flows from Financing Activities	100,000,000
Net surplus in cash & bank balance for the period (a+b+c)	92,867,678
Cash & bank balance at beginning of the period	-
Cash & balance at end of the period	92,867,678

BDBL SECURITIES LIMITED
Notes to the Financial Statement
For the period from 23 May, 2011 to 31 December, 2011

1. Background information

1.1 About the company

"BDBL Securities Limited (BSL) is a subsidiary company of Bangladesh Development Bank Ltd (BDBL) situated at BDBL Bhaban (Level-16), 12, Karwan Bazar, Dhaka-1215. BSL is constituted by acquiring and taking over membership No. 20 of Dhaka Stock Exchange Ltd. (held by erstwhile Bangladesh Shilpa Rin Sangastha now BDBL) and membership No.78 of Chittagong Stock Exchange Ltd. (held by erstwhile Bangladesh Shilpa Bank now BDBL)

Bangladesh Bank approved the formation of the said company on 11 January, 2011 and thereafter, approval for raising paid up capital was accorded by Securities & Exchange Commission on 03 April, 2011. After completion of all regulatory requirements, the company was incorporated on 23 May, 2011 with the Registrar of Joint Stock Companies & Firms (RJSC). The Registrar of Joint Stock Companies & Firms has issued Certificate of Incorporation and Certificate of Commencement of business in favour of BSL on 23 May, 2011. The vendor's agreement has been signed on 17 July, 2011 between the BDBL and BSL for transfer of membership of DSE & CSE.

It is worthwhile to mention here that the Board of Directors of Dhaka Stock Exchange Ltd. at its 639th meeting held on 25 October, 2011 approved the transfer of the DSE share (DSE membership#20). Stock broker and Stock dealer license has been issued by the Securities & Exchange Commission on 18 January, 2012. The company is expected to start its business soon after completion of formalities with Central Depository Bangladesh Ltd. (CDBL). On the other hand, BSL will start trading under Chittagong Stock Exchange after the transfer of the CSE share (CSE membership#78) and getting requisite approval of SEC. The company is expected to provide a high level of professional and personalized services to its clients by maintaining strong moral and ethical practices and effective presence in the capital market."

1.2 Activities and objectives of the company

The principal activities and objectives of the company are as follows:

- (i) To act as a member of stock exchange and of over-the-counter markets, to provide brokerage services for buying and selling securities listed with stock exchange and provide brokerage services to the investor;
- (ii) To carry on the business of dealers in the stocks, shares, securities, debentures, etc.

2. Significant Accounting Policies

2.1 Basis of presentation of financial statements

The following underlying assumptions, measurement base, laws, rules, regulations and accounting pronouncements have been considered in preparing and presenting the financial statements:

Going Concern;

Consistency;

Accrual;

Historical Cost Convention;

Bangladesh Financial Reporting Standard (BFRS);

Securities and Exchange Rules, 1987.

The Company act, 1994 etc.

2.2 Property, Plant & Equipment and Depreciation

Property, Plant and Equipment are stated at cost less accumulated depreciation as per Bangladesh Accounting Standard(BAS)-16.

Depreciation is charged on Property, Plant and Equipment from the date of the assets put into use. The method and rates of depreciation are as under :

Assets	Method	Rate
Building/Premises	Reducing Balance	2.50%
Furniture & Fixtures	Reducing Balance	10%
Electric/Gas Installation	Reducing Balance	20%
Computers, and Office Equipment	Straight Line	20%
Motor Cars, other Vehicles	Straight Line	20%

2.3 Cash Flow Statement

The cash flow statement has been prepared in accordance with the Bangladesh Accounting Standard (BAS)-7 "Cash Flow Statement" and cash flow from the operating activities has been presented under direct method as prescribed by Securities and Exchanges Rules, 1987.

2.4 Preliminary Expenses

Expenses incurred for incorporation of the company i.e. preliminary expenses have been deferred and will be amortized/written off over a period of five years upon commencement of operation of the company.

2.5 Related Party Disclosure

As per Bangladesh Accounting Standards (BAS)-24, "Related Party Disclosure", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties.

2.6 General

Figures appearing in these accounts have been rounded off to the nearest Taka.

**Amount in
Taka**

3.00 Property, Plant and Equipment

Cost

Opening balance

Add: Addition during the year

-

92,001

92,001

Less : Accumulated Depreciation

Opening balance

Add: Charged during the year

-

9,200

9,200

82,801

Written Down Value

A schedule of Property, Plant and Equipment is given in Annexure-B.

4.00 Membership at cost (DSE & CSE)

Payment to BDBL for membership purchase (DSE & CSE)

56,00,000

Payment to Dhaka Stock Exchange (DSE) for membership transfer

1,500,000

Payment to Chittagong Stock Exchange (CSE) for membership transfer

1,500,000

Payment for registration, fees & etc.

80,000

8,680,000

5.00 Preliminary Expenses:

Registration & Filing Fees

240,325

Consent Fee for Raising Capital

65,000

Stamp Fee

10,600

Professional Fees

75,000

390,925

6.00 Cash & Bank Balance

Bank and Branch Name

Account No.

Bangladesh Development Bank Limited, Karwan Bazar Branch

SND A/c. # 05

10,892,678

IFIC Bank Ltd. Stock Exchange Branch

SND A/c. # 1090-397347-001

2,500

IFIC Bank Ltd. Stock Exchange Branch

CD # 1090-397347-041

2,500

Bangladesh Development Bank Limited Karwan Bazar Branch

FDR # '0000250

81,970,000

92,867,678

7.00 Other Current Assets

Interest receivable on FDR

1,605,714

Advance

1,600

1,621,714

8.00 Capital

Authorized Capital

5,000,000 ordinary shares of Tk.100 each

500,000,000

Issued, Subscribed and Paid-up Capital

1,000,000 ordinary shares of Tk.100 each

100,000,000

Share holding position is as under:

Name of the Shareholders	No. of shares	Taka
1. Bangladesh Development Bank Limited	999,994	99,999,400
2. Mr. Niaz Rahim	1	100
3. Mr. Krishibid Moshiur Rahman (Humayun)	1	100
4. Mr. A. M. Khan Choudhury	1	100
5. Mr. M. A. Bari Chowdhury	1	100
6. Mr. Abdur Rahim Khan	1	100
7. Mr. Uday Kumar Bhakat	1	100
	1,000,000	100,000,000

**Amount in
Taka**

9.00 Payable to BDBL

Salary & Allowances	1,087,362
Preliminary Expenses	390,925
Computer Equipment	92,001
Miscellaneous	32,595
	<u>1,602,883</u>

10.00 Other Current Liabilities

Provision for Taxation	203,241
VAT deducted at source	47,016
Source Tax Payable	11,530
Audit fee payable	30,000
Other Payable	1,000
	<u>292,787</u>

11.00 Interest on Fixed Deposit

Interest recieved on fixed deposit	2,200,000
Add : Interest accrued on fixed deposit	1,605,714
	<u>3,805,714</u>

Related Party Disclosures

Nature of Transaction	Relationship	Taka
Pyable for Salary & allownces for employees	Parent Company	1,087,362
Preliminary expenses		390,925
Computer equipment		92,001
Miscellaneous expenses		32,595
Payment made for membership purchase (DSE & CSE)		5,600,000
		<u>72,02,883</u>

BDBL SECURITIES LIMITED
Schedule of Property, Plant & Equipment
As on 31 December, 2011

Annexure-B

(Amount in Taka)

Name of Assets	Cost			Rate %	Depreciation			Written Down Value as of 31.12.2011	
	Balance as of 23.05.2011	Addition during the period	Adjustment/ (Disposal) during the period		Balance as of 31.12.2011	Charged during the period	Adjustment/ (Disposal) during the period		Balance as of 31.12.2011
Computer Equipment:		92,001	-	20	-	9,200	-	9,200	82,801
Total as of 31 December, 2011		92,001	-		-	9,200	-	9,200	82,801



Photo Gallery

Four new Branches opened by the Bank in different places



Board of Directors and MD of the Bank in Branch opening ceremony at Narayanganj



The Honourable Industries Minister Mr. Dilip Barua seen in the opening ceremony of Khatunganj Branch with the Board of Directors and MD of the Bank



The Managing Director is giving inaugural speech in Khatunganj Branch



Barrister Sheikh Fazle Nur Taposh, MP, inaugurated opening of Elephant Road Branch with Board of Directors and MD of the Bank



The Honourable Industries Minister Mr. Dilip Barua seen in the opening ceremony of Ashuganj Branch with the Board of Directors of the Bank



A partial view of a Board Meeting



A meeting of the Board's Executive Committee held in Head Office



Second Annual General Meeting of 2011 of the Bank held on June 26, 2012 in Bank's Head Office



A cheque of Tk. 5.00 crore as dividend handed over by the Board of Directors of BDBL to the Honourable Finance Minister of the People's Republic of Bangladesh



The Managing Director of Bank along with other executive officers are seen in inaugural ceremony of Bank's online banking services



A picture of Orientation Program of newly appointed Officers and Senior Officers



Newly appointed Senior Officers attended Foundation Training Course in BIMB



The Managing Director of the Bank giving speech in the General Banking Training Course



A Training Course on Anti-Money Laundering held in the Training Institute of BDBL



The Managing Director delivering speech in BIMB



An Workshop held on SME Financing



The Managing Director giving speech and the Board of Directors of the Bank exchanging views in the Performance Review Meeting of the Bank



A partial view of the meeting of the BDBL Securities Limited



Clients are watching online Share Trading activities



A chemical project financed by BDBL



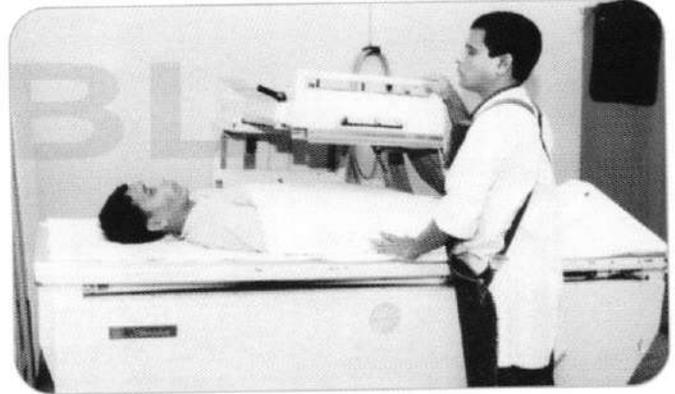
A textile spinning project financed by BDBL



A textile weaving and knitting project financed by BDBL



A Sweater project financed by BDBL



BDBL financed Service Industries



An Eye Care Foundation financed by BDBL



The Managing Director inaugurated a VIP Coach Service financed by BDBL



Financial assistance and winter cloths (Quilts) distribution program as a part of CSR activities of the Bank



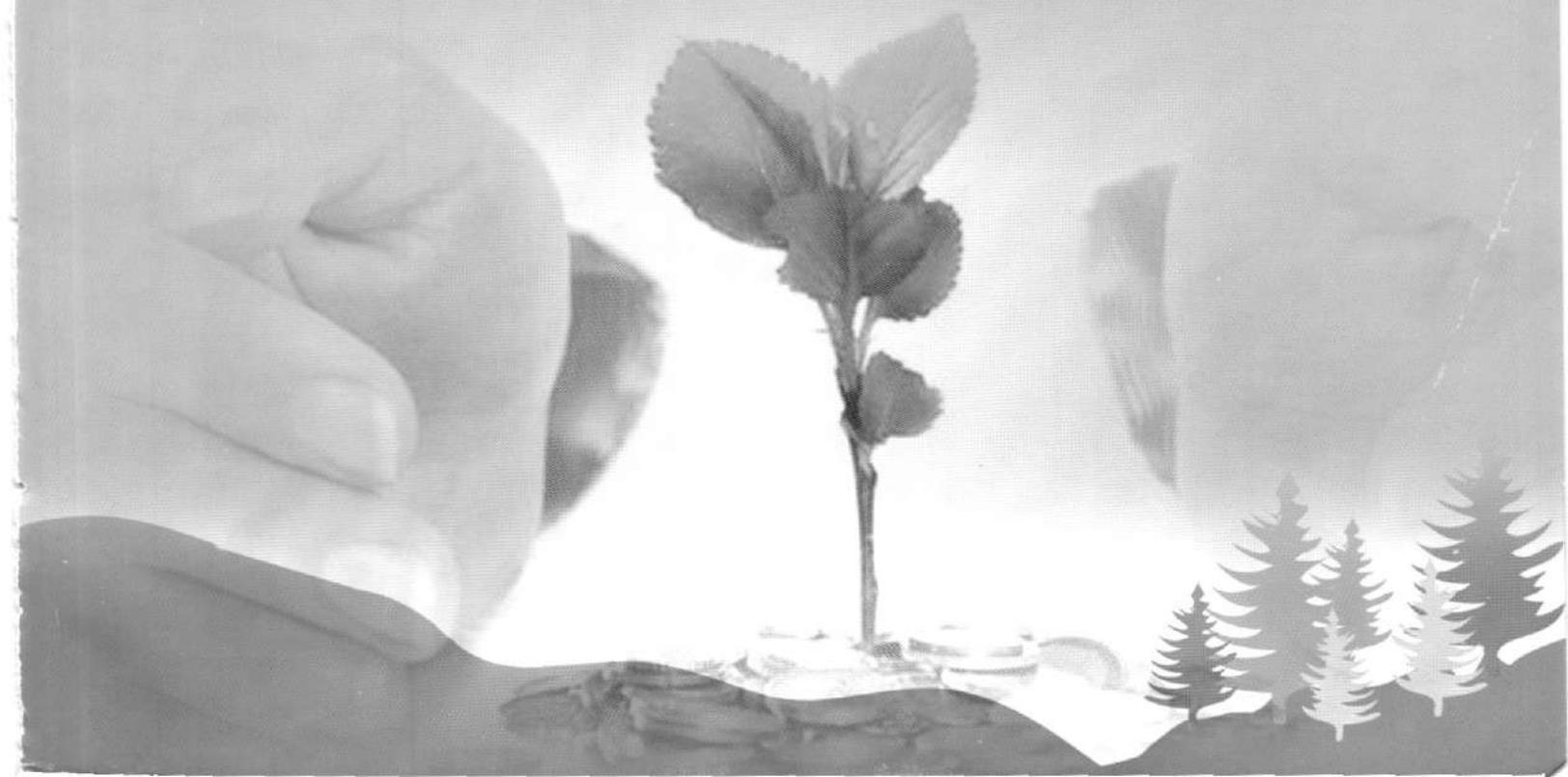
The officers including staff of the Bank paying homage and offering floral wreaths at the National Martyrs' Memorial in the International Mother Language Day and in the Victory Day

Zonal and Branch Offices



Green Banking

Green Banking is one of our most preferred areas





বি ডি বি এল ভবন

Songlo Bank Ltd.

BDBL Bhaban, 12, Karwan Bazar, Dhaka



BDBL

বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড
BANGLADESH DEVELOPMENT BANK LIMITED

A STATE-OWNED BANK

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