

ডিসেম্বর ৩১, ২০১১ সালে ব্যাংকের মূলধন পর্যাণ্ডতার অনুপাত দাঁড়ায় ২৮.৯০ শতাংশ (প্রধান মূলধন ১৮.৪৩ শতাংশ এবং সম্পূরক মূলধন ১০.৪৭ শতাংশ) যার মধ্যে মোট ঝুঁকিপূর্ণ সম্পদের বিপরীতে রাখা হয়েছে ১০ শতাংশ যা, ব্যাংকের শক্তিশালী মূলধনের ভিত্তি নির্দেশ করে।

বিডিবিএল-এর ২০১০ ও ২০১১ সালের ঝুঁকিপূর্ণ সম্পদ, ন্যূনতম মূলধনের প্রয়োজনীয়তা এবং ন্যূনতম মূলধনের পর্যাণ্ডতার অনুপাতের তুলনামূলক চিত্র নিম্নে উল্লেখ করা হল :

বিবরণ	(কোটি টাকায়)	
	২০১১	২০১০
মোট ঝুঁকিপূর্ণ সম্পদ	৩৫৬৪.৭১	৩৭৮৬.০০
টিয়ার-১	৬৫৬.৮৫	৬০৩.২৫
টিয়ার-২	৩৭৩.৩০	৪৬০.০০
মোট মূলধন	১০৩০.১৫	১০৬৩.২৫
ন্যূনতম মূলধন প্রয়োজনীয়তা (শতাংশ হিসেবে)*	১০%	১০%
কোর ক্যাপিটাল টু আর ডব্লিউ এ (শতাংশ হিসেবে)	১৮.৪৩%	১৫.৯৩%
সাপ্লিমেন্টারি ক্যাপিটাল টু আর ডব্লিউ এ (শতাংশ হিসেবে)	১০.৪৭%	১২.১৫%
মোট মূলধন পর্যাণ্ডতা অনুপাত (শতাংশ হিসেবে)	২৮.৯০%	২৮.০৮%
উদ্বৃত্ত মূলধন	৬৩০.১৫	৬৬৩.২৫

ঋণের শ্রেণীবিন্যাস এবং শ্রেণীকৃত ঋণের বিপরীতে সঞ্চিতি সংরক্ষণ

বাংলাদেশ ব্যাংক প্রদত্ত নীতি অনুযায়ী ঋণের গুণগত, পরিমাণগত অবস্থা, আদায়ের হার এবং আদায়ের ক্ষেত্রে সম্ভাব্য ঝুঁকির ভিত্তিতে ঋণ শ্রেণীবিন্যাস করা হয়। ব্যাংকের শেয়ার হোল্ডার এবং আমানতকারীদের স্বার্থ রক্ষার জন্য একটি নির্দিষ্ট তারিখে এই ঋণের বিপরীতে সঞ্চিতি সংরক্ষণ করতে হয়। ২০১১ সালে শ্রেণীকৃত ঋণের বিপরীতে পর্যাণ্ড সঞ্চিতি সংরক্ষণ করা হয়েছে।

২০১১ সালের ব্যাংকের আর্থিক অগ্রগতির চিত্র

অনেক প্রতিকূলতা এবং ঝুঁকির মধ্যেও ব্যাংক তার ব্যবসায়িক কার্যক্রম পরিচালনা অব্যাহত রেখেছে। এতদসত্ত্বেও, ২০১১ সালের পরিচালন মুনাফা ২০১০ সালের তুলনায় ৪.৭১ শতাংশ বৃদ্ধি পেয়ে ৮৬.১১ কোটি টাকায় উন্নীত হয়, যা ২০১০ সালে ছিল ৮২.২৪ কোটি টাকা। ব্যাংকের ২০১১ সালের লক্ষ্যমাত্রা এবং প্রকৃত ব্যবসায়িক অগ্রগতির বিবরণ নিম্নে দেখানো হল:

ক্রমিক নং	বিবরণ	(কোটি টাকায়)		
		লক্ষ্যমাত্রা ডিসেম্বর, ২০১১	প্রকৃত ডিসেম্বর, ২০১১	অর্জিত লক্ষ্যমাত্রা
১.	নীট মুনাফা	৮২.৩৫	৮৯.৫৮	১০৯%
২.	বিনিয়োগ আয়	৩৮.১৮	৩৬.১৭	৯৫%
৩.	নন-ফান্ডেড আয়	৫৩.৫৮	৩৪.১৭	৬৪%
৪.	অনিয়মিত ঋণ থেকে নগদ আদায়	১০.০০	১৫.৩৯	১৫৪%
৫.	মোট পরিচালন আয়	১৭৪.১১	১৫৯.৯২	৯২%
৬.	মোট পরিচালন ব্যয়	৮৮.৬৬	৭৩.৮১	৮৩%
৭.	সঞ্চিতি পূর্ব লাভ (৫-৬)	৮৫.৪৫	৮৬.১১	১০১%
৮.	কর পূর্ব নীট লাভ	৮৫.০৫	৮৬.১১	১০২%

২০১১ সালে কর পরবর্তী মুনাফা (PAT) ৬.৪৪ শতাংশ বৃদ্ধি পেয়ে ৬৮.৬০ কোটি টাকায় উন্নীত হয়েছে। তদানুসারে কিছু নির্দেশকের অনুপাত পরিবর্তিত হয়েছে। ২০১০ এবং ২০১১ সালের প্রধান আর্থিক অনুপাতের চিত্র নিম্নে উল্লেখ করা হলো :

ক্রমিক নং	বিবরণ	২০১১ সাল	২০১০ সাল
১.	রিটার্ন অন ইকুইটি	৪.৬১%	৪.১২%
২.	রিটার্ন অন এ্যাসেটস	২.৩৮%	২.৩৪%
৩.	রিটার্ন অন ইনভেস্টমেন্ট	১২.৮২%	৫২.৭৫%
৪.	কস্ট টু ইনকাম রেশিও	৫৪.৯২%	৫৫.১২%
৫.	নেট অপারেটিং ইনকাম টু টোটাল এ্যাসেট	২.৯৮%	৩.০০%
৬.	ক্যাপিটাল এডিকোয়েসি রেশিও	২৮.৯০%	২৮.০৮%
৭.	আরনিং পার শেয়ার (টাকায়)	১৭.১৫	১৬.১১

মুনাফা বন্টন

২০১১ সালে কর পরবর্তী মুনাফা দাঁড়িয়েছে ৬৮.৬০ কোটি টাকা যা নিম্নোক্তভাবে বন্টনের পর অবশিষ্ট মুনাফা রয়েছে ০.৩৮ কোটি টাকা :

(কোটি টাকায়)

	বিবরণ	পরিমাণ
১.	বিধিবদ্ধ রিজার্ভ	১৭.২২
২.	সাধারণ রিজার্ভ	৩৬.০০
৩.	ইমারত তহবিল	১০.০০
৪.	সরকারকে প্রদেয় লভ্যাংশ	৫.০০
৫.	রিটেইন্ড সারপ্লাস	০.৩৮
	মোট :	৬৮.৬০

লভ্যাংশ

২০১১ সালে অর্জিত মুনাফা প্রস্তাবিত বন্টনের আলোকে শেয়ারহোল্ডারদের আসন্ন দ্বিতীয় বার্ষিক সাধারণ সভার অনুমোদন সাপেক্ষে পরিচালনা পর্ষদ বিগত বছরের ন্যায় ধারাবাহিকভাবে সরকারকে ৫.০০ কোটি টাকা (পরিশোধিত মূলধনের ১.২৫ শতাংশ) লভ্যাংশ প্রদানের সুপারিশ করে।

নিরীক্ষক নিয়োগ

আর্টিকেল অব এসোসিয়েশনের ১৫৭ নম্বর ধারা অনুযায়ী কোম্পানী প্রতি বার্ষিক সাধারণ সভায় এক বা একাধিক নিরীক্ষক নিয়োগ করবে, যারা পরবর্তী বার্ষিক সাধারণ সভা পর্যন্ত নিরীক্ষক হিসেবে দায়িত্ব পালন করবে। পূর্বের ন্যায় বর্তমান নিরীক্ষক মেসার্স একনাবীন এবং হুদা ভাসী চৌধুরী এন্ড কোং দ্বিতীয়বারের মত ২০১১ সালের হিসাব নিরীক্ষা সম্পাদন করেছে এবং বাংলাদেশ ব্যাংকের বিআরপিডি সার্কুলার নং ১২ তারিখ জুলাই ১১, ২০০১ অনুযায়ী তাঁরা পুনরায় নিয়োগযোগ্য। ২০১২ সালের নিরীক্ষক হিসেবে থাকার জন্য তাঁরা তাঁদের আগ্রহ প্রকাশ করেছে। ২০১২ সালের বার্ষিক সাধারণ সভায় নিরীক্ষক নিয়োগ এবং তাঁদের পারিতোষিক নির্ধারণ করা হবে।

২০১২ সালের দৃশ্যপট

সামষ্টিক এবং বৈশ্বিক অর্থনৈতিক প্রেক্ষাপট, চলমান তারল্য সংকট, বাজারে ক্রমবর্ধমান উচ্চসুদসহ মুদ্রানীতির সার্বিক অবস্থা বিবেচনা করে ব্যাংক ২০১২ সালে নতুন ব্যবসায়িক কার্যক্রম বিশেষ করে বাণিজ্যিক অর্থায়ন, আমদানী-রপ্তানীতে অর্থায়ন, বৈদেশিক অর্থ সংগ্রহ, রিটেইল ব্যাংকিং, এস এম ই, কৃষিভিত্তিক শিল্প স্থাপনের মাধ্যমে প্রবৃদ্ধি এবং প্রাতিষ্ঠানিক সুনাম বৃদ্ধি অব্যাহত রাখবে।

ব্যাংকের লক্ষ্যসমূহের দিকে নজর রেখে বার্ষিক বাজেটে আমানত, ঋণ এবং অগ্রিম, আমদানি-রপ্তানি ব্যবসাসহ অন্যান্য কার্যক্রমের প্রবৃদ্ধির লক্ষ্যমাত্রা নির্ধারণ করা হয়েছে।

ব্যাংকের প্রবৃদ্ধির লক্ষ্যমাত্রা অর্জনের লক্ষ্যে বেশ কিছু নতুন পণ্য এবং সেবা বিশেষত এসএমই, রিটেইল ব্যাংকিং, আমদানি-রপ্তানি কার্যক্রম, নতুন ব্রাঞ্চ স্থাপন, গ্রাহকদের উন্নত ও দ্রুত সেবা প্রদানের জন্য আইটি এবং অনলাইন ব্যাংকিং এর উন্নয়ন করা হয়েছে। পরিচালন দক্ষতা এবং উৎপাদনশীলতা বৃদ্ধির জন্য মানব সম্পদকে আরো বেশি শক্তিশালী করে গড়ে তোলা হবে।

দীর্ঘ মেয়াদী টেকসই প্রবৃদ্ধি, লাভজনকতা এবং সকল স্টেকহোল্ডারদের লাভের জন্য ব্যাংক সবসময়ই উত্তম প্রাতিষ্ঠানিক সুশাসন, সুদৃঢ় ঝুঁকি ব্যবস্থাপনা এবং সময়োপযোগী ঋণ নীতি বাস্তবায়ন অব্যাহত রাখবে। ব্যাংক ২০১২ সালে শেয়ার হোল্ডারদের অধিক ডিভিডেন্ড প্রদানে আশাবাদী।

কৃতজ্ঞতা স্বীকার

ব্যাংকের সম্মানিত গ্রাহক, উদ্যোক্তা এবং ব্যাংকের কর্মকর্তাদের সাথে সংশ্লিষ্ট সকলকে তাঁদের সার্বিক সহযোগিতা ও পৃষ্ঠপোষকতা প্রদানের জন্য পরিচালনা পর্ষদ আন্তরিক ধন্যবাদ জানাচ্ছে। ব্যাংকের সিনিয়র ম্যানেজমেন্ট টিমসহ, সকল অফিসার ও স্টাফদের নিরলস প্রচেষ্টা ও সেবা পর্ষদ প্রশংসার সাথে স্মরণ করছে।

বিশেষ করে, বাংলাদেশ সরকার এবং বাংলাদেশ ব্যাংক কর্তৃক সদয় নির্দেশনা ও সর্বাঙ্গিক সহযোগিতা প্রদানের জন্য পর্ষদ কৃতজ্ঞচিত্তে তাদেরকে ধন্যবাদ জ্ঞাপন করছে। জন্মলগ্ন থেকে মূল্যবান সহযোগিতা ও সহায়তার মাধ্যমে ব্যাংক কর্তৃক নতুন নতুন ব্যবস্থা গ্রহণ ও উদ্যোগ নেয়ার জন্য সমর্থন দেয়ায় সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, রেজিস্ট্রার অব জয়েন্ট স্টক কোম্পানীজ এন্ড ফার্মস্, ঢাকা স্টক এক্সচেঞ্জ লিঃ ও চট্টগ্রাম স্টক এক্সচেঞ্জ লিঃ এর প্রতি পর্ষদ কৃতজ্ঞতা প্রকাশ করছে। যথাসময়ে নিরীক্ষা সম্পাদনের জন্য মেসার্স একনাবিন এবং হুদা ভাসী চৌধুরী এন্ড কোং নিরীক্ষকদ্বয়ের প্রতিও পর্ষদ উত্তম মূল্যায়ন প্রদান করছে। সর্বশেষে, পর্ষদ ব্যাংকের সম্মানিত শেয়ার হোল্ডারগণকে (যারা বর্তমানে সরকারের প্রতিনিধি) সশ্রদ্ধ ধন্যবাদ জানাচ্ছে এবং ব্যাংক-কে সেবামুখী এবং পরিবেশ বান্ধব, আধুনিক, গতিশীল, অগ্রসরমান আর্থিক প্রতিষ্ঠান হিসেবে প্রতিষ্ঠিত করার লক্ষ্যে বিশ্বাস এবং আস্থার সাথে কার্যক্রম পরিচালনার প্রতিশ্রুতি প্রদান করছে।

পরিচালক মণ্ডলীর পক্ষে-



প্রফেসর শান্তি নারায়ণ ঘোষ

পরিচালক

Stakeholders' Information
Bangladesh Development Bank Limited: At a Glance

(Taka In Crore)

SI No.	Particulars	2011	2010
A. Balance Sheet Matrix			
1.	Authorized Capital	1000.00	1000.00
2.	Paid up Capital	400.00	400.00
3.	Reserve Fund	1082.33	1160.06
4.	Retained Earnings	4.05	3.67
5.	Total Equity	1486.38	1563.73
6.	Capital Surplus (As per Basel II)	630.15	663.25
7.	Deposits (including Bills Payable)	470.68	325.40
8.	Investments	282.09	158.84
9.	Loans & Advances	1004.61	990.60
10.	Fixed Assets	882.47	896.15
11.	Advance Deposit Ratio (ADR) (%)	148.48%	168.92%
12.	Total Assets (including Contra)	2967.76	2814.04
13.	Total Assets (excluding Contra)	2884.77	2751.88
B. Capital Matrix			
14.	Total Risk Weighted Assets (RWA) (As per Basel II)	3564.71	3786.00
15.	Core Capital (Tier-I)	656.85	603.25
16.	Supplementary Capital (Tier- II)	373.30	460.00
17.	Total Eligible Capital (Tier I, II & III)	1030.15	1063.25
18.	Paid up Capital & Statutory Reserve	521.80	504.58
19.	Capital Adequacy Ratio (As per Basel II)	28.90%	28.08%
C. Asset Quality			
20.	Classified Loans & Advances	310.70	310.17
21.	Percentage of Classified Loans & Advances (CL)	30.86%	31.31%
22.	Provision against Classified Loans & Advances	164.11	139.57
23.	General Provision Against Unclassified Loans & Advances	12.72	29.04
24.	General Provision on Off Balance Sheet Items	0.85	0.85
25.	Written off Loan	2126.45	2387.23
D. Income & Expenditure Statement Matrix			
26.	Interest Income	120.68	79.98
27.	Interest Paid on Deposit & Borrowings	31.10	11.52
28.	Net Interest Income	89.58	68.46
29.	Non-Funded Income	34.17	20.00

30.	Total Operating Income	159.92	172.25
31.	Administrative & Operating Expenditure	73.81	89.77
32.	Total Expenditure	104.91	101.29
33.	Net Profit Before Tax	86.11	82.24
34.	Net Profit After Tax	68.60	64.45
35.	Provision for Income Tax	17.51	17.79
E. Foreign Exchange Business			
36.	Import Business	83.29	-
37.	Export Business	-	-
38.	Remittance	0.18	-
39.	Foreign Exchange Earning	0.40	0.05
40.	Total Foreign Exchange Business	83.87	0.05
F. Distribution Network			
41.	Number of Employees	836	757
42.	Number of Branches	21	19
G. Shareholders' Information			
43.	Dividend Paid to the Govt.	5.00	5.00
44.	Net Assets Value (NVA) Per Share (Taka)	371.59	390.93
45.	Earning Per Share (Taka)	17.15	16.11
H. Financial Indicators (%)			
46.	Net Interest Margin	6.49%	5.58%
47.	Net Operating Income to Total Assets	2.98%	3.00%
48.	Cost of Fund (%)	8.04%	8.91%
49.	Cost to Income Ratio (%)	54.92%	55.12%
50.	Return On Equity (ROE) (%)	4.61%	4.12%

CAPITAL ADEQUACY REQUIREMENT

(Taka In Crore)

Year	Capital Required	Capital Maintained	Excess Capital
2011	400.00	1030.15	630.15
2010	400.00	1063.25	663.25

BUDGET & PERFORMANCE

(Taka in crore)

Sl. No.	Description	Budget	Actual	Budget	Actual
		2010	2010	2011	2011
1.	Interest Income	106.44	79.98	115.00	120.68
2.	Interest Expenditure	12.42	11.52	32.65	31.10
3.	Interest Margin (1-2)	94.02	68.46	82.35	89.58
4.	Investment Income Including Other Income	58.10	103.79	91.76	70.34
5.	Total Operating Income (3+4)	152.12	172.25	174.11	159.92
6.	Salaries & Allowance	51.43	73.70	69.01	54.40
7.	Fixed Expenses	4.90	3.87	4.45	4.86
8.	Variable Expenses	12.89	12.20	15.60	14.55
9.	Total Operating Cost (6+7+8)	69.22	89.77	89.06	73.81
10.	Operating Profit Before Provision (5-9)	82.90	82.48	85.05	86.11

ECONOMIC IMPACT REPORT

Production, distribution and consumption of goods and services are integral elements of an economic system.

By analyzing economic impact, we try to find out how a company adds value to the society. Economic impact can be classified into two broad areas: (I) Direct and (II) Indirect. Direct impacts are the immediate economic effects of a company's financial transactions while the indirect impacts are the economic effects that are created through a company's operation or production of goods and services. Bank's direct contributions to the economy of its nation would include creation of employment opportunities, collection of taxes on behalf of the Government, creation of savings habit among the members of the community while improvement of socio-economic and environmental performance through lending is the indirect contribution.

BDBL creates value through providing financial services in line with its mission : "To contribute to the economic development of the country." The Bank always mindful to add value on a sustainable basis to all stakeholders through fair and ethical means.

Into creat a sustainable growth and to deliver optimum values following measures are taken:

VALUE ADDED STATEMENT

Value addition means the wealth created by the Bank through its different banking operations. The value added Statement shows the total wealth created, how it was distributed to meet certain obligations and rewarded those responsible for its creation, and the portion retained for the continued operation and expansion of the Bank. The Value Added Statement of BDBL showed how the value is created and distributed to different stakeholders of the Bank.

Value Added Statement of BDBL at the year-end of 2010 & 2011 were as follows :

(Taka in crore)		
Sources of Fund	2011	2010
Income from Services and Other Operations	178.24	173.32
Less: Cost of Services and Suppliers	48.18	(25.71)
Value Added	130.06	147.61
Other Income	12.78	10.45
Total Value Addition	142.84	158.06
Applied in the following ways :		
To Employees		
Salaries, Allowances and Other Benefits	34.48	34.13
Contribution to Retirement Benefit Scheme	20.19	39.64
To Government		
Income Tax	17.51	17.80
To Provider of Capital		
Dividend Paid to Government	5.00	5.00
Retained by the Bank		
As provision for Loans	0	0.24
As Depreciation	2.06	1.80
As Reserves	63.22	59.12
As Retained Earnings	0.38	0.33
Total Value Addition	142.84	158.06

CAPITAL ADEQUACY

Capital Adequacy Ratio (CAR) is the measure of the financial strength and sustainability of a Bank. Capital Adequacy Ratio determines the capacity of the bank in terms of meeting the time liabilities and other risks such as, credit risk, operational risk, etc. Bank's capital is the "cushion" for potential losses, which protect bank's depositors or other borrowers. For this, Bangladesh Bank uses CAR as a mechanism to protect depositors and enhance confidence in the banking system. Day-to-day business of a bank expands the size of the balance sheet with the acquisition of assets and liabilities, where a major portion of assets and liabilities comprise of advances and deposits.

Regulatory capital requirements are, therefore, necessary to limit operators of banks to prevent from over trading. At the same time, banks can leverage their growth to improve the return on assets. Therefore, maintaining a healthy CAR would ensure a stable and sound banking industry, which undoubtedly contribute to the growth of the economy.

As a new Bank BDBL maintains 28.92 percent CAR, showing a surplus of Tk. 630.84 crore over the required capital. Please see the Notes to the Accounts No. 13.1 (Capital Adequacy Ratio-BDBL).

CREDIT RATING REPORT

In compliance with the circular of Bangladesh Bank, Bangladesh Development Bank Ltd. appointed Credit Rating Information & Services Limited (CRISL) to evaluate the Credit Rating of the Bank.

The Credit Rating of the Bank for the year 2011 was as follows:-

Credit Rating awarded by CRISL

Description	Long Term	Short Term
As Govt. Support Entity Bank	AAA	ST-1
As stand-alone Commercial Bank	A+	ST-2
Outlook	stable	
Date of Rating	June 28, 2012	

AAA indicates highest safety. Banks rated in this category are adjudged to be of best quality, offer highest safety and have highest credit quality.

A+ indicates Adequate safety. Banks rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations.

ST-1 indicates highest grade. Highest certainty of timely payment.

ST-2 indicates High Grade. High certainty of timely repayment. Liquidly factors are strong and supported by good fundamental protection factors.

The CRISL has considered the following quantitative and qualitative factors of the Bank for rating purpose:-

A. Quantitative Factors:	B. Qualitative Factors:
i) Capital Adequacy	i) Ownership
ii) Assets Quality	ii) Management Quality
iii) Funding & Leverage	iii) Risk Management
iv) Liquidity & Requirements	iv) Compliance with the Statutory Reserve
v) Earning Quality	v) Accounting Quality
vi) Market Sensitivity	vi) Area and Size of Market
	vii) Govt. Support

REPORT ON CORPORATE GOVERNANCE

Corporate Governance (CG) is the set of laws, regulations, processes, policies through which a corporation is directed, administered and controlled. The Corporate Governance structure specifies the rights and responsibilities among the major stakeholders involved and achievement of the goals for which the corporation is governed. The principal stakeholders are the shareholders, Board, management and employees. Other stakeholders include customers, creditors, suppliers, regulators and the community at large. Fairness, commitment to the organization, mutual respect, performance orientation, transparency, accountability and responsibility are the accepted elements of good Corporate Governance. A good Corporate Governance feels like ensuring the conformity to all these elements in order to making a congenial environment to excel in.

Since its inception, the Bank has actively and fully adhered to the principles of sound Corporate Governance in complying with legal and regulatory requirements as mentioned in Bangladesh Bank and Securities and Exchange Commission's notification. In BDBL, Corporate Governance means increasing the stakeholders value by being efficient, transparent, professional and accountable to the organization, society and the environment. The Board of Directors plays a key role in Corporate Governance. It is their responsibility to endorse the organization's strategy, develop directional policies, appoint, supervise and remunerate senior executives and to ensure accountability of the organization to its owners and regulatory authorities.

LEGAL AND REGULATORY COMPLIANCE

BDBL has been carrying out its activities in accordance with the Legal and Regulatory requirement of Bangladesh Bank and Securities and Exchange Commission (SEC). BDBL operates within the legal framework of the Companies Act-1994 and as a Banking Company complies with the provisions of the Bank Company Act- 1991, Income Tax Ordinance, 1984, Negotiable Act, 1881, Anti-Money Laundering Act, 2008 and other related laws, regulations and reporting requirements.

BDBL's Corporate Governance structure encompasses the following elements :

STRUCTURE OF THE BOARD

According to clause 95 of the Article of Association of BDBL, the number of directors shall not be less than seven and not more than thirteen, excluding the Managing Director. The Board of Directors of BDBL is currently consisted of 11 (eleven) directors including its Managing Director. The Board of Directors is accountable to owners / stockholders for the overall direction and control of the Bank. The major responsibilities of the Board are to approve all policies and strategies. The Board reviews the policies and manuals of the various segments of business with a view to establishing effective risk management in credit and other key areas of operations. The management of the Bank operates within the policies and guidelines approved by the Board. The Board spends most of its time in formulating different policies and strategies in directing the BDBL towards a forward-looking Bank. With this end, there held 27 Board meetings including emergency meetings during January-December, 2011.

BOARD COMMITTEES AND THEIR RESPONSIBILITIES

To ensure good governance i.e. Corporate Governance in Bank management, Bangladesh Bank issued a circular (BRPD Circular No. 06, dated February 04, 2010) where it restricted Banks to form more than two committees or sub-committees of the Board.

To ensure proper accountability and transparency through “due diligence”, BDBL has two Board committees namely Audit Committee and Executive Committee mainly to oversee and direct the operations, performance and strategic direction of the Bank.

AUDIT COMMITTEE (AC)

As per Bangladesh Bank’s BRPD Circular No. 08, dated June 19, 2011, Audit Committee (AC) of BDBL Board was re-constituted in the Board Meeting held on June 30, 2011, to provide independent oversight of the company’s financial reporting, non-financial corporate disclosures, internal control systems and compliance to governing laws, rules and regulations etc. Basically, the Audit Committee plays the role of watchdog on behalf of the Board.

The number of AC members was re-fixed from 3 (Three) to 5 (Five) with the following Directors :

1.	Prof. Santi Narayan Ghosh	Convener
2.	Mr. Dewan Nurul Islam	Member
3.	Mr. Amalendu Mukherjee	Member
4.	Mr. Niaz Rahim	Member
5.	Selima Ahmad	Member

The Audit Committee of BDBL held 3 (Three) meetings in the year 2011 and had detailed discussions and review session with the Head of Internal Audit, Head of Internal Control and Compliance, External Auditors etc. regarding their findings, observations and suggestions with corrective measures on the related areas and on other issues of Bank affairs that need improvement. The AC instructed the management to follow those suggestions and monitored accordingly from time to time.

EXECUTIVE COMMITTEE (EC)

In compliance with BRPD Circular No. 06 dated 4 February, 2010 and BRPD Circular No. 04, dated 14 March 2010, the Board of Directors of BDBL re-constituted the Executive Committee (EC) comprising of the following Board of Directors :

1.	Mr. M. Ishaque Bhuiyan Director	Chairman
2.	Mr. Md. Khalilur Rahman Siddiqui Director	Member
3.	Krishibid Moshir Rahman (Humayun) Director	Member
4.	Mr. Md. Fayekuzzaman, MD, ICB Director	Member
5.	Dr. Md. Zillur Rahman Managing Director	Member

This EC is entrusted with the following broader responsibilities and functions :

- Establish and periodically review the Bank’s overall credit and lending policies and procedures.
- Develop and implement uniform and minimum acceptable credit standards for the Bank.
- Approve all revision, restructure and amendments made to the credit proposals initially approved by this Committee.

In 2011, 8 (Eight) meetings of EC were held.

MANAGEMENT COMMITTEE (MANCOM)

To bring dynamism as well as to assist the Managing Director in handling the daily operational activities to the best interest of the stakeholders, a Management Committee (MANCOM) was formed with the following officials, where the Deputy Managing Director (DMD) acts as the Chairman :

1.	Deputy Managing Director	Chairman
2.	All General Managers of Head Office	Member
3.	Board Secretary	Member
4.	Deputy General Manager Compliance Department	Member-Secretary

The Management Committee (MANCOM) assists the Managing director in the following Areas :

- Set or review vision, mission and strategies of the Bank as a whole for effective discharging of management responsibilities.
- Analyze business and financial performance of the Bank.
- Review and discuss policies and procedures of the Bank and make changes if necessary before taking to the Board (if needed).
- Market analysis and internal service quality.
- Review of control and compliance.
- Management and development of human resource.
- Exploring ways to strengthen and vitalize support functions (Operations, HRMD, ITD, CRM etc.)

The meetings of the MANCOM holds in every month to review and address the relevant issues timely.

ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

The Asset Liability Management Committee of the Bank was constituted with the following officials, where the Managing Director is the Chairman of the Committee :

1.	Managing Director	Chairman
2.	General Manager, Finance & Accounts Division	Member
3.	General Manager, Development Banking Division	Member
4.	Head of Branch Management Department	Member
5.	Head of Loan Operation Department	Member
6.	Head of Investment Banking Department	Member
7.	Head of Central Accounts Department	Member-Secretary

The key role and responsibilities of ALCO are as follows :

- Directing general policies on risk exposures.
- Setting interest rate mismatch / gap limit.
- Analyzing Liquidity position.
- Establishing monitoring system for exposure, control and limit management.
- Evaluating Market Risk.

The meetings of the Asset Liability Management Committee holds in every month to review the overall position of the Balance Sheet and achievement of targets.

CREDIT COMMITTEE (CC)

With a view to bringing dynamism in the activities of the Bank and assisting the Managing Director to perform credit related activities efficiently and effectively, a Credit Committee was formed with the following officials :

1.	Deputy Managing director	Chairman
2.	General Manager Development Banking Division	Member
3.	General Manager Law Division	Member
4.	Foreign Exchange Consultant	Member
5.	Commercial Banking Consultant	Member
6.	Zonal Head Concerned with Loan Proposal	Member
7.	Head of Loan Operation Department	Member-Secretary

Credit proposals that merit considerations in the opinion of the Credit Committee are presented before the Managing Director of the Bank for approval. The credit proposals that are beyond the delegated business power of the Managing Director are placed before the Executive Committee / Board of Directors for consideration/approval. The meetings of the Committee holds regularly to approve and review loan proposals.

SHARE BUY - SALE COMMITTEE (SBSC)

A committee in the name of Share Buy and Sale Committee was formed for buying and selling share / debentures on behalf of the clients as well as for doing the same for BDBL's own portfolio with the recommendations / instructions of the Committee. The members of the Committee are as follows :

1.	General Manager	Finance and Accounts Division
2.	Deputy General Manager	Head of Investment Banking Department
3.	Deputy General Manager	Head of Central Accounts Department
4.	Assistant General Manager	Investment Banking Department Secretary of the Committee

RISK MANAGEMENT UNIT (RMU)

A Risk Management Unit (RMU) was formed with the following officials of the Bank to strongly observe the risk level, monitor compliance of the risk management guidelines by the Divisions, Departments and Branches and do stress testing regularly and thereby take necessary steps to check and control the risks relating to banking activities :

1.	General Manager, Internal Control & Compliance Division	Chairman
2.	C.E.O, BDBL Securities Ltd.	Member
3.	Head of Central Accounts Department	Member
4.	Head of Audit & Inspection Department	Member
5.	Head of Risk Management Department	Member
6.	Senior Principal Officer, Risk Management Department	Member-Secretary

The Risk Management Unit (RMU) will take advance preparation to address any kind of financial stress and inform the Chief Executive Officer.

COMPLAIN CELL

In order to bring discipline and to create a congenial environment in the banking activities, a Complain Cell was set up with the efficient and experienced officials of the Bank to review the complains against the officers and staff of the Bank. The Managing Director regularly monitors the activities of the Complain Cell. The Complain Cell was reformed with the following officials of the Bank:

1.	Head of Compliance Department	Chief
2.	Two Senior Principal Officers of Compliance Department or One Senior Principal Officer and One Principal Officer of Compliance Department	Member
3.	Principal Officer of Compliance Department	Member

RECOVERY TASK FORCE (RTF)

A Recovery Task Force was formed consisting of principal executives and other concerned officers for reviewing and expediting loan recovery activities.

DELEGATION OF POWER

The Board delegated appropriate finance and business power to the Management for quick disposal of credit proposals and other financial matters. Board also delegated authority to Executive Committee(EC) of the Board to approve proposals within certain limit.

AUDIT BY CENTRAL BANK

Bangladesh Bank (Central Bank) conducts comprehensive inspection of the Bank. The Central Bank also exchanges views with the BDBL's External Auditors regarding the various process of audit. The reports are reviewed by the Audit Committee and the Board. The Bank gives top priority to the inspection reports and corrective measures are taken for the lapses mentioned in the reports.

AUDIT BY THE EXTERNAL AUDITORS

External Auditors also play the supreme role in auditing and cover about 80 percent of the risk weighted assets. They also discuss with the Management and Audit Committee of the Board on various issues including internal control and compliance. Suggestions of the auditors are given due consideration and are implemented by the Management. The reports of the auditors are also discussed in the board.

AUDIT AND INSPECTION

To reduce operational risks of the Bank, BDBL conducts regular audit and inspection on the business affairs of the Bank based on different manuals, instructions, rules and procedures given by Bangladesh Bank and other Regulatory Authority from time to time. Audit also verifies the implementation status of various instructions given by the Board of Directors, Executive Committee and Audit committee of the Board.

INTERNAL CONTROL AND COMPLIANCE

Internal Control contains self-monitoring mechanisms and actions are taken to correct errors and deficiencies as they are identified. To assess the position of internal control and anti-money laundering compliance in various Branches of BDBL, Internal Control and Compliance Division carried out on-site inspection of various Branches during 2011.



A meeting of Board's Executive Committee

OPERATIONAL ACTIVITIES OF THE BANK

In 2011, Bangladesh Development Bank Ltd. continued its operational activities as was done by former BSB & BSRS to make an effective contribution towards industrial development of the country. It gave emphasis on providing financial assistance for setting up of viable projects having comparative opportunities, export prospects, forward and backward linkages and local technology as well as indigenous raw material based and Eco-friendly projects. Commercial banking and capital market operations were also other areas of business.

Besides, top priority was given for realization of its loans for augmenting and recycling of the investable funds and maintaining satisfactory loan portfolio for increasing profitability. For regularization of loan accounts of the projects, the Bank undertook some laudable steps towards rephasing / rescheduling of sick / closed / stuck-up projects with waive facilities where deemed appropriate. Apart from these, initiatives were also taken to bring down the amount of classified loans during the year. The Bank prepared a manual of Lending Policy and Procedures afresh in congruence with Credit Risk Management (CRM) manual of Bangladesh Bank and Industrial Policy, 2010 in order to make the credit management of the Bank more pragmatic and strong.

DEPOSIT MOBILISATION

During 2011, the Bank continued efforts to meet its fund requirement from various sources for lending and investment. This year too, the Bank gave more emphasis on deposit mobilization. The total deposit collection was TK. 470.68 crore as on December 31, 2011 which was higher by Tk. 145.28 crore than that of the previous year in absolute terms and 45 percent in percentage terms.

LOAN APPLICATION RECEIVED

In 2011, the Bank received 1685 loan proposals with loan amount of Tk. 617.47 crore. Among these loan applications, 56 loan proposals were for long term loan and 67 for SME loan while the others included 71 for cash credit, 844 for personal loan and 631 for consumers credit and commercial loan.

SANCTION AND DISBURSEMENT OF TERM LOAN

The Bank kept on sanctioning of term loans during 2011 also. Long term local currency loan of Tk. 60.88 crore was sanctioned to 85 projects, while the Bank disbursed term loan of Tk. 32.81 crore to 97 projects / loan proposal in the form of local currency at the year-end of 2011.

SANCTION AND DISBURSEMENT OF SHORT TERM LOAN

During the year 2011, the Bank sanctioned working capital loan of Tk. 78.06 crore to 64 projects and disbursed Tk. 9.99 crore to 35 projects. The Bank also sanctioned consumers' credit of Tk. 9.92 crore while Tk. 10.21 crore was disbursed against 360 loan proposals. Besides, commercial loan in the form of OD was also sanctioned to 26 projects with loan amount of Tk. 0.02 crore, while the disbursement was Tk. 0.02 crore for 24 projects.

The details of sanction and disbursement of term loan including short term loan were shown below in Table -1 :

Table – 1
SANCTION AND DISBURSEMENT OF LONG AND SHORT TERM LOAN IN 2011

Nature of Loan	Sanction		Disbursement	
	No. of Projects / proposals	Amount in crore Taka	No. of Projects / proposals	Amount in crore Taka
A. Long Term Loan				
1) Loan for new project	22	46.94	97	32.81
2) Loan for BMRE project	0	0		
3) Additional loan for existing project	3	5.37		
4) Loan for SME	60	8.57		
Sub Total :	85	60.88	97	32.81
B. Short Term Loan				
1. Cash Credit	64	78.06	35	9.99
2. Consumer Credit	345	9.92	360	10.21
3. Commercial Loan (OD)	26	0.22	24	0.23
4. Personal Loan	312	13.99	317	13.79
5. Others	80	10.25	98	11.52
Sub Total	827	112.44	834	45.74
Grand Total (A + B) :	912	173.32	931	78.55

COMMITMENT (DOCUMENTATION COMPLETED)

At the year-end of 2011, the Bank made a loan agreement of Tk. 27.79 crore in local currency with the entrepreneurs of 90 projects. Out of this, Tk. 18.13 crore was disbursed to 62 projects, while the rest of Tk. 9.66 crore was awaiting for disbursement to 28 projects.

PROJECT IMPLEMENTATION

The Bank intensively monitored and supervised implementation of its financed projects. In 2011, 43 projects with loan amount of Tk. 45.97 crore commenced trial-run and commercial production. Apart from this, 44 projects with loan amount of Tk. 112.65 crore (cumulative) were under construction. On the other hand, 90 projects completed documentation where disbursable loan amount was Tk. 9.66 crore at the year-end of 2011. Besides, 27 loan proposals with loan amount of Tk. 100.30 crore were awaiting documentation. The detailed of this implementation status was shown below in Table-2 :

Table – 2
IMPLEMENTATION STATUS OF PROJECTS IN 2011

(Taka in crore)

Stages of implementation	January – December, 2011	
	No. of Projects	Amount Disbursed (cumulative)
(a) Under Construction	44	112.65
(b) Documentation Completed	90	27.79
(c) Awaiting documentation	27	100.30

LOAN PORTFOLIO

At the year-end of 2011, the total number of projects in the loan portfolio stood at 251 with total loan outstanding of Tk. 685.77 crore. The total projects included 60 export-oriented, 98 import-substitute and 93 service / other industries. In 2011, 32 projects with loan liabilities of Tk. 107.15 crore were liquidated. Among these, 16 projects were from normal portfolio, while 16 projects were from the write-off portfolio. During the reporting year, 62 new projects entered into the loan portfolio with loan liabilities of Tk. 18.10 crore. Besides, the total number of sick projects stood at 18 with loan liabilities of Tk. 38.40 crore in 2011.

The sector-wise position of Bank's loan portfolio was shown below in Table-3 :

Table- 3
SECTOR-WISE POSITION OF BANK'S LOAN PORTFOLIO
(For the year ended December, 2011)

Sectors	No. of Projects	Total loan outstanding (Taka in Crore)
Food and Allied Products	72	55.54
Jute and Allied Products	3	0.29
Cotton, Woolen and Synthetic Textiles	59	521.85
Paper, Paper Products and Printing	7	11.55
Tannery and Leather Products	2	7.02
Non-Metallic Mineral Products	4	2.67
Forest and Wooden Products	1	2.82
Rubber and Rubber Products	1	0.16
Metal Products	7	9.91
Electrical Machinery and Goods	2	4.76
Machinery and Spare Parts	2	0.28
Water Transport	2	0.61
Chemical and Pharmaceuticals	13	38.00
Petro Chemical Products	4	6.10
Service Industries	48	16.06
House Loan	4	0.75
Miscellaneous	20	7.40
Total	251	685.77

LOAN RECOVERED

Recovery of loan is a crucial index to measure the success of a lending organization, the Bank strengthened its recovery drive for realizing loans and dues from its borrowers and notable success achieved. In 2011, total recovery target of loans was Tk. 200.00 crore, against which actual cash recovery was Tk. 164.83 crore, showing 82 percent achievement of the target. The recovered loans included Tk. 110.55 crore from unclassified loan, Tk. 10.99 crore from classified loan and Tk. 43.29 crore from written-off loan. The outstanding loan of Tk. 29.18 crore was regularized through rescheduling and rephasing of bad and doubtful loan accounts of 9 projects.

Loan recovery scenario in 2010 and 2011 were depicted in Table – 4 :

Table – 4
RECOVERY OF LOANS DURING 2010 & 2011

(Tk. in crore)

Category of loans	2010		2011	
	Target	Actual	Target	Actual
Unclassified	96.80	122.32	132.77	110.55
Classified	26.28	23.56	17.23	10.99
Written-off	40.00	24.64	50.00	43.29
Total :	163.08	170.52	200.00	164.83

OTHER ACTIVITIES OF THE BANK

ADVISORY SERVICES

Apart from identification and development of viable projects, the Bank assists the interested entrepreneurs in selecting industrial projects having appropriate technology and potential market by providing advisory services and various information / data.

LIBRARY FACILITIES

The Bank has special library facilities. In order to enhance professional knowledge, expertise and its effectiveness, periodicals, journals, documents and valuable books on Economics, Banking, Financial Management, Computer, National Policies and other related subjects are being preserved in the library. Bank, in every year, allocates fund in its budget for purchasing books which are spent regularly to buy books.

OBSERVANCE OF NATIONAL DAYS

Important national days like National Martyrs' and International Mother Language Day on February 21, Independence Day on March 26 and Victory Day on December 16 were observed with due respect and solemnity. Floral wreaths were laid at the Shaheed Minar and at National Martyrs' Memorial to pay homage to martyrs who made supreme sacrifices to uphold the dignity of the mother language and to achieve independence of the country.

REMEMBRANCE

We express our profound grief at the sad demise of Mr. Shahidullah Molla, Senior Officer, Mrs. Maksuda Siddiqua, Senior Officer, Mr. Ajit Baran Chowdhury, Senior Principal Officer and Mr. Md. Ruhul Amin, Deputy General Manager. The Bank records its deep appreciation for the valuable services rendered by them. May the souls rest in eternal peace.

RISK MANAGEMENT

Risk Management and Area of Risks

Risk Management has become one of the most sensitive and crucial factor in the banking business all over the world. BDBL is very much aware and careful about its risk factors and taking appropriate steps under the instructions of the top management of the Bank.

BDBL has created a separate Risk Management Department under the guidance of a General Manager, Compliance Division, with the responsibilities to upgrade, develop and implementation of the Core Risk Management of the Bank. The Risk Management Department has already undertaken the task of upgrading the existing Core Risk Manuals with the latest instructions. Seven Core Risks are as follows:

- (01) Credit Risk;
- (02) Foreign Exchange Risk;
- (03) Asset and Liability Risk [Balance Sheet Risk];
- (04) Internal Control and Compliance Risk;
- (05) Money Laundering Risk [Anti-money Laundering & Terrorism Risk];
- (06) IT Security Risk; and
- (07) Environmental Risk.

In addition, following risk elements have also been covered under those Manuals:

- a. Operational Risk;
- b. Market Risk;
- c. Liquidity Risk;
- d. Reputational Risk;
- e. Insurance/Settlement Risk; and
- f. Sustainability Risk.

As per instructions and as delineated in the Credit Policy and Procedure, the Bank approves credit proposals and facilities after through appraisal, proper scrutiny and due diligence on different aspects of risk especially security of the credit and cash flow of the business (repayment capacity). Credit Risk Management of BDBL is improving gradually and at present Credit Risk remains at a satisfactory level.

Risk Management Process

The objective of Risk Management is to identify and analyze risks and manage their consequences. Risk Management involves several key steps that have general application and being applied at various stages of the asset cycle. The process outlined below should serve as a guide and can be adapted to individual needs. The process of Risk Management should commence at the strategic planning stage.

The steps in the process are:

Proposal familiarization

- Define proposal/project scope and objectives;
- Identify criteria for assessing the proposal or project;
- Define the key elements and issues risk analysis;
- Identify all risks that might impact on the proposal or project;
- Assess the potential likelihood and consequences of each risk;
- Screen risks discarding the minor risks having low impacts and low likelihood of occurrence;
- Identify moderate and major risks that require management attention Risk response planning;
- Identify the feasible responses to moderate and major risks. Risk responses will include:
 - i. risk prevention;
 - ii. impact mitigation;
 - iii. risk transfer;
 - iv. risk acceptance; and
 - v. select the best response;
- Develop risk action schedules for major risks;
- Develop management measures for moderate risks reporting;
- For major undertakings, prepare a Risk Management Plan; and
- For other projects, compile and collate risk action schedules and measures.

Risk Analysis

Identify risks, assess risks, rank risks, screen and minor risks, define objectives, identify criteria, define key elements.

Implementing

Effect schedules, management measures or Plan Monitor Review & evaluate.

Reporting

Collect schedules & management measures or write Risk Management Plan.

Response Planning

Identify responses, select best responses, develop action and management.

As per the guideline and suggestions of the Core Risk Management Task Force of Bangladesh Bank, BDBL has already prepared a comprehensive Credit Policy and Procedures which is duly approved by its Board of Directors and circulated to all of its offices for careful and meticulous implementation.

Implementation of Basel-II [Pillar-I & Pillar-II]

Basel II is the second of the **Basel Accords**, (now extended and effectively superseded by Basel III), which are recommendations on banking laws and regulations issued by the **Basel Committee on Banking Supervision**.

Basel II, initially published in June 2004, was intended to create an international standard for banking regulators to control how much capital banks need to put aside to guard against the types of financial and

operational risks banks (and the whole economy) face. One focus was to maintain sufficient consistency of regulations so that this does not become a source of competitive inequality amongst internationally active banks. Advocates of Basel-II believed that such an international standard could help protect the international financial system from the types of problems that might arise out of economic recession. In theory, Basel II attempted to accomplish this by setting up risk and capital management requirements designed to ensure that a bank has **adequate capital** for the risk that the bank exposes itself through its lending and investment practices. Generally speaking, these rules mean that the greater risk to which the bank is exposed, the greater the amount of capital the bank needs to hold to safeguard its **solvency** and overall economic stability.

Contents of Basel-II

Objective :

The final version aims at:

1. Ensuring that **capital allocation** is more risk sensitive;
2. Enhance disclosure requirements which will allow market participants to assess the capital adequacy of an institution;
3. Ensuring that **credit risk**, operational risk and market risk are quantified based on data and formal techniques;
4. Attempting to align economic and regulatory capital more closely to reduce the scope for **regulatory arbitrage**.

While the final accord has largely addressed the regulatory arbitrage issue, there are still areas where regulatory capital requirements will diverge from the economic capital.

Basel II has largely left unchanged the question of how to actually define bank capital, which diverges from accounting equity in important respects.

The accord in operation

Basel II uses a "three pillars" concept – (1) Minimum Capital Requirements (addressing risk), (2) Supervisory Review Process and (3) Market Discipline.

The first pillar

The first pillar deals with maintenance of regulatory capital calculated for three major components of risk that a bank faces: **credit risk**, **operational risk**, and **market risk**. Other risks are not considered fully quantifiable at this stage.

The **credit risk** component are being calculated in three different ways of varying degree of sophistication, namely **Standardized Approach**, **Foundation IRB** and **Credit Rating Approach**.

BDBL adopt the standardized ratings approach must rely on the ratings generated by external agencies.

The second pillar

The second pillar deals with the regulatory response to the first pillar, giving regulators much improved 'tools' over those available to them under Basel-I. It also provides a framework for dealing with all the other risks a bank may face, such as **systemic risk**, **pension risk**, **concentration risk**, **strategic risk**, **reputational risk**, **liquidity risk** and **legal risk**, which the accord combines under the title of residual risk. It gives banks a power to review their risk management system. Internal Capital Adequacy Assessment Process (ICAAP) is the result of Pillar II of Basel-II accords.

The third pillar

This pillar aims to complement the minimum capital requirements and supervisory review process by developing a set of disclosure requirements which will allow the market participants to gauge the capital adequacy of an institution.

Market discipline supplements regulation as sharing of information facilitates assessment of the bank by others including investors, analysts, customers, other banks and rating agencies which leads to good corporate governance. The aim of pillar 3 is to allow market discipline to operate by requiring institutions to disclose details on the scope of application, capital, risk exposures, risk assessment processes and the capital adequacy of the institution. It must be consistent with how the senior management including the board access and manage the risks of the bank.

When market participants have a sufficient understanding of a bank's activities and the controls it has in place to manage its exposures, they are better able to distinguish between banking organizations so that they can reward those that manage their risks prudently and penalize those that do not.

These disclosures are required to be made at least twice a year, except qualitative disclosures providing a summary of the general risk management objectives and policies which can be made annually. Institutions are also required to create a formal policy on what will be disclosed, controls around them along with the validation and frequency of these disclosures. In general, the disclosures under Pillar 3 apply to the top consolidated level of the banking group to which the Basel II framework applies.

Measures/steps taken towards Risk Management :

Implementation of measures /steps taken towards risk management as recommended /suggested by the Risk Management Unit, portfolio quality of the Bank developed in a notable scale during the year 2011. BDBL has sufficient liquidity and there is no shortfall against required provision of classified loan as per Bangladesh Bank's Guideline. Bangladesh Bank rated 'Strong' (1) liquidity position of BDBL in its CAMELS rating. BDBL's Capital Adequacy Ratio reported on the basis of 31.12.2011 balance sheet was at 28.90 which was the highest in the banking sector of the country.

BDBL has developed its deposit base through mobilization of low-cost deposit during the year 2011. Total deposit of BDBL was Tk. 325.40 Crore on 01.01.2011 and it stood at Tk. 470.68 crore at the end of the year. The rate of increase was 44.65% and Bangladesh Bank rated Satisfactory (2) in Market Risk Sensitivity.

BDBL strictly follows its own manual, sub manual prepared in the light of its business activities under the broad Guidelines provided by the Bangladesh Bank in this regard. BDBL earned operating profit of Tk. 86.11 crore during 2011. BDBL implements Core Risk Management Guidelines in the banking business very strictly and meticulously.

Disclosures on Risk Based Capital (Basel II) Based on 31 December, 2011 Bangladesh Development Bank Limited (BDBL)

These disclosures have been made in accordance with the Bangladesh Bank BRPD Circular no. 35 of 29 December 2010 as to Guidelines on 'Risk Based Capital Adequacy for Banks' Revised Regulatory Framework in line with Basel II.

1. Capital Adequacy under Basel-II

To cope with the international best practices and to make the Bank's capital more risk sensitive as well as more shock resilient, 'Guidelines on Risk Based Capital Adequacy (RBCA) for Banks' (Revised regulatory capital framework in line with Basel II) have been introduced from January 01, 2009. Throughout the year 2009, Basel II reporting was parallel to Basel I which was the statutory requirement up-to that year. However, beginning year 2010, Basel II became mandatory. Bangladesh Bank further reviewed the RBCA Guidelines on several occasions prior to Basel II became fully in force. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital, and Disclosure requirements as stated in these guidelines have to be followed by all scheduled banks for the purpose of statutory compliance.

Above guidelines were issued by Bangladesh Bank (BB) under section 13 and section 45 of Bank Company Act, 1991 and also in accordance with "International Convergence of Capital Measurement and Capital Standards: A Revised Framework" of June, 2006

(Popularly known as 'Basel II Capital Adequacy Framework') released by Basel Committee on Banking Supervision (BCBS).

Basel II guidelines are structured on the following aspects:

- a) Minimum capital requirements to be maintained by a Bank against credit, market and operational risks.
- b) Process for assessing the overall capital adequacy aligned with risk profile of a Bank as well as capital growth plan known as Supervisory Review Process (SRP).
- c) Framework of public disclosure on the position of a Bank's risk profiles, capital adequacy and risk management system known as Market Disclosure.

2 Scope of application

Basel II guidelines apply to all schedule Banks on "Solo" basis as well as on "Consolidated" basis where-

- Solo Basis refers to all position of the Bank and its local and overseas Branches/Offices; and
- Consolidated Basis refers to all position of the Bank (including its local and overseas Branches/Offices) and its subsidiary company(ies) engaged in financial (excluding insurance) activities like merchant Banks, brokerage firms, discount houses, etc (if any).

Bangladesh Development Bank Limited followed the scope narrated above. Bank has Tier 1 and Tier 2 capital structure at the moment.

3 Capital base

Regulatory capital has been categorized into three tiers: Tier 1, Tier 2, and Tier 3 respectively.

a) Tier 1 capital

Tier 1 capital called 'Core Capital' comprises of highest quality of capital elements that consists of:

- i) Paid up capital
- ii) Non-repayable share premium account

- iii) Statutory reserve
- iv) General reserve
- v) Retained earnings
- vi) Minority interest in subsidiaries
- vii) Non-cumulative irredeemable preference shares
- viii) Dividend equalization account

BDBL's Core Capital comprises of the above elements except for " Non-repayable share premium account" 'Minority interest in subsidiaries' 'Non-cumulative irredeemable preference shares' and 'Dividend Equalization Account'.

b) Tier 2 capital

Tier 2 capital called "Supplementary Capital" represents other elements which fall short of some of the characteristics of the core capital but contribute to the overall strength of a Bank and consists of:

- i) General provision
- ii) Asset Revaluation reserves up to 50%
- iii) Revaluation Reserve for Securities up to 50%
- v) Revaluation reserve for equity instrument up to 10%
- vi) All other preference shares
- vii) Subordinated debt

Bank's Tier 2 capital comprises of General provision and Asset Revaluation reserves

c) Tier 3 capital

Tier 3 capital called "Additional Supplementary Capital" consists of short-term subordinated debt (original maturity less than or equal to five years but greater than or equal to two years) would be solely for the purpose of meeting a proportion of the capital requirements for market risk.

BDBL has no Tier 3 capital as mentioned earlier.

4. Conditions for maintaining regulatory capital

The calculation of Tier 1 capital, Tier 2 capital, and Tier 3 capital is subject to the following conditions:

- a) The amount of Tier 2 capital will be limited to 100% of the amount of Tier 1 capital.
- b) 50% of revaluation reserves for fixed assets and securities eligible for Tier 2 capital.
- c) 10% of revaluation reserves for equity instruments eligible for Tier 2 capital.
- d) Subordinated debt shall be limited to a maximum of 30% of the amount of Tier 1 capital.
- e) Limitation of Tier 3: A minimum of about 28.5% of market risk needs to be supported by Tier 1 capital. Supporting of Market Risk from Tier 3 capital shall be limited up to maximum of 250% of a Bank's Tier 1 capital that is available after meeting credit risk capital requirement.

BDBL has complied with the conditions as embodied in this respect wherever applicable.

5. Eligible regulatory capital

In order to obtain the eligible regulatory capital for the purpose of calculating Capital Adequacy Ratio (CAR), Banks are required to make following deductions from their Tier-1 capital:

- a) Intangible asset e.g., book value of goodwill and value of any contingent assets, etc. which are shown as assets

- b) Shortfall in provisions required against classified assets.
- c) Shortfall in provisions required against investment in shares
- d) Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.
- e) Reciprocal/crossholdings of Banks capital/subordinated debt artificially intended to inflate the capital position of banks.
- f) Holding of equity shares in any form exceeding the approved limit under section 26(2) of Bank Company Act, 1991. The additional/unauthorized amount of holdings will be deducted at 50% from Tier 1 capital and 50% from Tier 2 capital.
- g) Investments in subsidiaries which are not consolidated. The normal practice is to consolidate subsidiaries for the purpose of assessing the capital adequacy of banking groups. Where this is not done, deduction is essential to prevent the multiple uses of the same capital resources in different parts of the group. The deduction for such investments will be 50% from Tier 1 capital and 50% from Tier 2 capital. The assets representing the investments in subsidiary companies whose capital had been deducted from that of the parent would not be included in total assets for the purposes of computing the CAR

Eligible Tier 2 capital will be derived after deducting components (if any) qualified for deduction. Total eligible regulatory capital will be calculated by summing up the eligible Tier 1, Tier 2 and Tier 3 capital.

6. Calculation of Capital Adequacy Ratio

In order to calculate CAR, banks are required to calculate their Risk Weighted Assets (RWA) on the basis of credit, market, and operational risks. Total RWA will be determined by multiplying the amount of capital charge for market risk and operational risk by the reciprocal of the minimum CAR and adding the resulting figures to the sum of risk weighted assets for credit risk. The CAR is then calculated by taking eligible regulatory capital as numerator and total RWA as denominator.

Bank followed the given guidelines in proper terms.

7. Minimum capital requirements

- a) No Scheduled Bank in Bangladesh shall commence and carry on its business unless it has the minimum required capital fixed by Bangladesh Bank from time to time as per section 13 of Bank Company Act, 1991.
- b) Banks have to maintain minimum CAR on "Solo" basis as well as on "Consolidated" basis as per instruction(s) given by BB from time to time.

Bank has been able to maintain required CAR. Banks present CAR is 28.90%, Tier I Capital ratio is 18.43% and Tier 2 Capital ratio is 10.47%.

- c) Banks have to maintain at least 50% of required capital as Tier 1 capital

8 a) Credit Risk

Bank followed the suggested methodology, process as contained in the Guidelines.

Credit risk is the potential that a bank borrower or counter party fails to meet its obligation in accordance with agreed term.

b) Methodology

Bangladesh Bank adopted Standardized Approach for calculating Risk Weighted Assets. The capital requirement for credit risk is based on the risk assessment made by External Credit Assessment Institutions (ECAIs) recognized by BB for capital adequacy purposes. Banks are required to assign a risk weight to all their on-balance sheet and off-balance sheet exposures. Risk weights are based on external credit rating (solicited) which was mapped with the BB rating grade or a fixed weight that is specified by Bangladesh Bank.

9. a) Market Risk

Bank followed the suggested methodology, process as contained in the Guideline.

Market risk is defined as the risk or losses in on and off-balance sheet positions arising from movements in market prices. The market risk positions subject to this requirement are:

- I. The risks pertaining to interest rate related instruments and equities in the trading book; and
- II. Foreign exchange risk and commodity risk throughout the bank (both in the banking book and in the trading book)

b) Methodology

In Standardized Approach, the capital requirement for various market risks (interest rate risk, equity price risk, commodity price risk, and foreign exchange risk) is determined separately. The total capital requirement in respect of market risk is the sum of capital requirement calculated for each of these market risk sub-categories. The methodology to calculate capital requirement under Standardized Approach for each of these market risk categories is as follows:

- a) Capital Charge for Interest Rate Risk = Capital Charge for Specific Market Risk + Capital Charge for General Market Risk.
- b) Capital Charge for Equity Position Risk = Capital Charge for Specific Market Risk + Capital Charge for General Market Risk.
- c) Capital Charge for Foreign Exchange Risk = Capital Charge for General Market Risk

10. a) Operational Risk

Bank followed the suggested methodology, process as contained in the Guideline.

Operational Risk is defined as the risk or losses resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputation risk, risk arising from staff inefficiency, risk arising from inadequacy in using ICT in full range.

b) Measurement Methodology

Banks operating in Bangladesh shall compute the capital requirements for operational risk under the Basic Indicator Approach (BIA). Under BIA, the capital charge for operational risk is a fixed percentage, denoted by (alpha), of average positive annual gross income of the bank over the past three years. Figures for any year in which annual gross income is negative or zero, should be excluded from both the numerator and denominator when calculating the average.

11 Disclosure under Pillar III

Disclosures are given below as specified by RBCA Guideline, December 2010

A) Scope of Application

Qualitative Disclosure

(a) The name of the corporate entity to which these guidelines apply	BANGLADESH DEVELOPMENT BANK LIMITED
(b) A brief description of the entity	<p>Establishment: 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</p> <p>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.</p>
(c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group	Not Applicable
<p>Quantitative Disclosure (d) The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the names of such subsidiaries</p>	Not Applicable

B) Capital Structure

Qualitative Disclosure

a) Summary information on the terms and conditions of the main features of all capital instruments, specially in the case of capital instruments eligible for inclusion in Tier 1 or Tier 2

The terms and conditions of the main features of all capital instruments have been segregated in line with the eligibility criteria set forth vide BRPD Circular No. 35 dated 29 December, 2010 and other relevant instructions given by Bangladesh Bank from time to time. The main features of the capital instruments are as follows:

Tier 1 capital instruments

Paid-up share capital: Issued, subscribed and fully paid up share capital of the Bank. It represents Paid up Capital, Right Shares as well as Bonus Shares issued from time to time.

Statutory Reserve: As per Section 24(1) of the Bank Companies Act, 1991, an amount equivalent to 20% of the profit before taxes for each year of the Bank has been transferred to the Statutory Reserve Fund.

Bank is complied in this respect.

General reserve: Any reserve created through Profit and Loss Appropriation Account for fulfilling any purpose.

Bank is complied in this respect.

Retained Earnings: Amount of profit retained with the banking company after meeting up all expenses, provisions and appropriations.

Bank is complied in this respect.

Tier 2 capital instruments

General provision maintained against unclassified loans and off-balance sheet exposures: As per BB directive, amount of provision maintained against unclassified loans and off-balance sheet exposures as of the reporting date has been considered.

Asset revaluation reserve: 50% of Assets Revaluation Reserve is considered as Tier 2 Capital. The revaluation was formally conducted by the Professionally Qualified Chartered Accountants firm and duly certified by the statutory auditor of the Bank.

Quantitative Disclosure

Tk. in "000"

(b) The amount of Tier 1 Capital, with separate disclosure of: (as of 31.12.2011).	> Paid up Capital > Non-repayable share premium account > Statutory reserve > General reserve > Retained earnings > Minority Interest in Subsidiaries > Non-cumulative irredeemable preference shares	4000,000 - 1,218,000 1,310,000 40,500 -
		6,568,500
(c) Tier 2 capital	> General Provision > Asset Revaluation Reserve	135,700 3,597,300 3,733,000
(d) Tier 2 capital	> Long Term Subordinated Debt	-
(e) Total amount of Tier II & Tier III Capital		3,733,000
(f) Other deduction from Capital		-
(g) Total eligible capital		10,301,500

C) Capital Adequacy

Qualitative Disclosure

(a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities	Capital Adequacy is the cushion required to be maintained for covering the Credit risk, Market risk and Operational risk so as to protect the depositors and general creditors interest against such losses. In line with BRPD Circular No. 35 dated 29 December, 2010, the Bank has adopted Standardized Approach for Credit Risk, Standardized (Rule Based) Approach for Market Risk and Basic Indicator Approach for Operational Risk for computing Capital Adequacy
Quantitative Disclosure	Tk. in "000"
(b) Capital requirement for Credit Risk:	2,320,210
(c) Capital requirement for Market Risk:	1,002,400
(d) Capital requirement for Operational Risk:	242,100
(e) Total Required Capital	3,564,710
(f) Total Risk Weighted Asset	35,647,100
(g) Capital Adequacy Ratio	28.90%
(h) Core Capital (Tier 1) to Risk Weighted Asset	18.43%
(i) Supplementary Capital (Tier 2) to Risk Weighted Asset	10.47%

D) Credit Risk

Qualitative Disclosure

(a) The general qualitative disclosure requirement with respect to credit risk, including:

* Definitions of past due and impaired (for accounting purposes)

Bank classifies loans and advances into performing and non-performing loans (NPL) in accordance with the Bangladesh Bank guidelines in this respect.

An NPA (impaired) is defined as a loan or an advance where interest and/ or installment of principal remain overdue for more than 90 days in respect of a Continuous credit, Demand loan or a Term Loan etc.

Classified loan is categorized under following 03 (three) categories:

- > Substandard
- > Doubtful
- > Bad & Loss

Any continuous loan will be classified as:

- > 'Sub-standard' if it is past due/over due for 6 months or beyond but less than 9 months.
- > 'Doubtful' if it is past due/over due for 9 months or beyond but less than 12 months.
- > 'Bad/Loss' if it is past due/over due for 12 months or beyond.

Any Demand Loan will be classified as

- > 'Sub-standard' if it remains past due/overdue for 6 months or beyond but not over 9 months from the date of claim by the bank or from the date of creation of forced loan.
- > 'Doubtful' if it remains past due/overdue for 9 months or beyond but not over 12 months from the date of claim by the bank or from the date of creation of forced loan.
- > 'Bad/Loss' if it remains past due/overdue for 12 months or beyond from the date of claim by the bank or from the date of creation of forced loan

In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the due date, the amount of unpaid installment(s) will be termed as 'defaulted installment'.

i. In case of Fixed Term Loans, which are repayable within maximum five years of time:

- > If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within

6 (six) months, the entire loan will be classified as "Sub-standard".

- > If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within

12 (twelve) months, the entire loan will be classified as "Doubtful".

- > If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within

18 (eighteen) months, the entire loan will be classified as "Bad/Loss"

ii. In case of Fixed Term Loans, which are repayable in more than five years of time:

- > If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within

12 (twelve) months, the entire loan will be classified as "Sub-standard".

<p>* Description of approaches followed for specific and general allowances and statistical methods</p>	<p>> If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 18 (eighteen) months, the entire loan will be classified as "Doubtful". > If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 24 (twenty four) months, the entire loan will be classified as "Bad/Loss".</p>																																															
	<table border="1"> <thead> <tr> <th rowspan="2">Types of loans and advances</th> <th colspan="5">Provision</th> </tr> <tr> <th>UC</th> <th>SMA</th> <th>SS</th> <th>DF</th> <th>BL</th> </tr> </thead> <tbody> <tr> <td>House building and professional</td> <td>2%</td> <td>5%</td> <td>20%</td> <td>50%</td> <td>100%</td> </tr> <tr> <td>Other than Housing Finance & Professionals to setup business</td> <td>5%</td> <td>5%</td> <td>20%</td> <td>50%</td> <td>100%</td> </tr> <tr> <td>Provision for loan against shares</td> <td>2%</td> <td>5%</td> <td>20%</td> <td>50%</td> <td>100%</td> </tr> <tr> <td>Short term Agri. Credit and Micro Credit</td> <td>5%</td> <td>5%</td> <td>5%</td> <td>5%</td> <td>100%</td> </tr> <tr> <td>Small & Medium Enterprise Finance</td> <td>1%</td> <td>5%</td> <td>20%</td> <td>50%</td> <td>100%</td> </tr> <tr> <td>Others</td> <td>1%</td> <td>5%</td> <td>20%</td> <td>50%</td> <td>100%</td> </tr> </tbody> </table>	Types of loans and advances	Provision					UC	SMA	SS	DF	BL	House building and professional	2%	5%	20%	50%	100%	Other than Housing Finance & Professionals to setup business	5%	5%	20%	50%	100%	Provision for loan against shares	2%	5%	20%	50%	100%	Short term Agri. Credit and Micro Credit	5%	5%	5%	5%	100%	Small & Medium Enterprise Finance	1%	5%	20%	50%	100%	Others	1%	5%	20%	50%	100%
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<p>* Discussion of the Bank's credit risk management policy</p>	<p>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 Risk Management Department (RMD). RMD determines the quality of the credit portfolio and assists in minimizing potential losses.</p>																																															
<p>(B) Total gross credit risk exposures broken down by major types of credit exposure.</p>	<table border="1"> <tr> <td>Cash Credit</td> <td>671558</td> </tr> <tr> <td>Long Term Loan</td> <td>7142884</td> </tr> <tr> <td>Over Draft</td> <td>6.018</td> </tr> <tr> <td>Local Documentary Bill Purchase</td> <td>67,543</td> </tr> <tr> <td>Bridge Loan</td> <td>71.625</td> </tr> <tr> <td>Consumer Loan</td> <td>137669</td> </tr> <tr> <td>Loan Under Investors Scheme</td> <td>2424</td> </tr> <tr> <td>Staff Loan</td> <td>1946354</td> </tr> <tr> <td></td> <td>10046075</td> </tr> </table>	Cash Credit	671558	Long Term Loan	7142884	Over Draft	6.018	Local Documentary Bill Purchase	67,543	Bridge Loan	71.625	Consumer Loan	137669	Loan Under Investors Scheme	2424	Staff Loan	1946354		10046075																													
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(C) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.	Division wise Loans and Advances:	
	Dhaka Division	8280507
	Khulna Division	242040
	Chittagong Division	417442
	Rajshahi Division	277031
	Barishal Division	280900
	Sylhet Division	48515
	Rangpur Division	499639
	10046075	
(D) Sector wise Loans and Advances	Industrial Sector	
	Food & Allied Products	723372
	Jute & Allied Fibre Products	12793
	Cotton, Wollen & Synthetic Textile	5700558
	Paper, Paper Products & Printing	115887
	Tannery & its Products	71635
	Non-metallic mineral Products	26709
	Basic Metal Products	-
	Metal Products	123363
	Electrical Machinery & Goods	48937
	Machinery & Spare Parts	4342
	Transport	7161
	Chemicals & Pharmaceuticals	420040
	Petro- Chemicals	63888
Service Industries	169020	
Miscellaneous	2558370	
	10046075	
(F) Classification Status of Loans and Advances	Classification Status	
	Standard	6424326
	Special Mentioned Accounts	514742
	Sub-Standard	599115
	Doubtful	6570
	Bad/Loss	2501322
	10046075	
(G) Residual contractual maturity break down of the whole portfolio, broken down by major types of credit exposure.	Repayable – on demand	169732
	– upto 3 months	705647
	– over 3 months but below 1 year	1511987
	– over 1 year but below 5 years	2927013
	– over 5 years	4731696
		10046075

(H) Provision Against Loans & Advances	Provision for Un-Classified Loan	
	Provision held at the beginning of the year	290329
	Fully provided debts written off (-)	-
	Recoveries of amount Previously Written off (+)	-
	Specific provision for the year (+)	888
	Provision Transfer to other Assets	(21614)
	Excess provision transferred to provision for CI Loan (-)	-
	Specific Provision For Special Mentioned	(142372)
	Provision held at the end of the year	127231
	Provision for Classified Loan	
	Provision held at the beginning of the year	1395742
	Fully provided debts written off (-)	(4030)
	Recoveries of amount Previously Written off (+)	107027
	Specific provision for the year (+)	-
	Recoveries & provision no longer required (-)	-
	Excess provision transferred to provision from	142372
Provision held at the end of the year	1641112	

E) Equities: Disclosures for Banking Book Positions

Qualitative Disclosure

(a) The general qualitative disclosure requirement with respect to the equity risk, including :	
<ul style="list-style-type: none"> Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices. 	<p>Investment in equity is mainly for investment and strategic purpose.</p> <p>Quoted shares are valued at cost. Necessary provision is maintained if market price falls below the cost price. Unquoted shares are valued at cost.</p>
(b) Value disclosed in the balance sheet of investment, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where share price is materially different from fair value.	Not Applicable
(C) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	153024
(d)	
* Total unrealized gains (losses)	17535586
* Total latent revaluation gains (losses)	Nil
* Any amounts of the above included in Tier 2 capital	Nil
(e) Capital requirements broken down by appropriate equity grouping, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.	Nil

F) Market Risk

Qualitative Disclosure

(a) Views of BOD on trading/ investment activities	The Board approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to provide cost effective funding last year to finance asset growth and trade related transaction.
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(b) Methods used to measure Market risk	Standardized approach has been used to measure the market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for 'specific market risk' and 'general market risk'.
(c) Market risk Management system	The Central Accounts Department manage market risk covering liquidity, interest rate risk and foreign exchange risks with oversight from Asset-Liability Management Committee(ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. ALCO meeting hold at least once in a month.
(d) Policies and process for mitigating market risk	There are approved policy for Market risk related instruments both on-balance sheet and off-balance sheet items. The investments are monitored and enforced on a regular basis to protect against market risks. Prevailing market condition, exchange rate, forex position and transactions are reviewed time to time to mitigate market risks.

Qualitative Disclosure

(b) The capital requirements for:	
Interest rate risk	-
Equity position risk	880400
Foreign exchange risk	5500
Commodity risk	-
	885900

**H) Operational Risk
Qualitative Disclosure**

(a) > Views of BOD on system to reduce Operational Risk	The policy for operational risks including internal control & compliance risk is approved by the board taking into account relevant guidelines of Bangladesh Bank. Audit committee of the Board oversees the activities of Internal Control & Compliance Division (ICCD) to protect against all operational risk
>Performance gap of executives and staffs	BDBL has a policy to provide equal opportunity and best working environment to the employees. BDBL's strong image plays an important role in employee motivation. As a result, there is no significant performance gap.
>Potential external events	No potential external events is expected to expose the Bank to significant operational risk.
>Policies and processes for mitigating operational risk	The policy for operational risks including internal control & compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh Bank. Policy guidelines on Internal Audit system is in operation. Branches are audited regularly by Internal Control & Compliance Division (ICCD). It is the policy of the bank to put all the branches of the bank under any form of audit at least once in a year. ICCD directly report to Audit Committee of the Board. Bank's Anti-Money laundering activities are headed by CAMELCO and their activities are devoted to protect against all money laundering and terrorist finance related activities. Apart from that, there is adequate check & balance at every stage of operation, authorities are properly segregated and there is at least dual control on every transaction to protect against operational risk.
> Approach for calculating capital charge for operational risk	Basic Indicator Approach was used for calculating capital charge for operational risk as of the reporting date.

Quantitative disclosure

b) The capital requirements for Operational Risk	243000
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CORPORATE SOCIAL RESPONSIBILITIES

The Bank has formulated a CSR policy where prioritized areas are :

- (I) Medical assistance for the distressed and unprivileged people of the society.
- (II) Financial assistance for education of the poor meritorious students.
- (III) Financial assistance for poor, helpless and disabled freedom fighters.
- (IV) Financial assistance for natural calamities like cyclone, tidal bore, tsunami, etc.
- (V) Distribution of winter cloths for the poor, shelter less and helpless people of the society.
- (VI) Assistance for beautification of urban areas and plant cultivation for conservation of environment.

The Bank has also decided to allocate fund in the CSR activities about 1 percent of Net Profit of the Bank in every year.



The Managing Director is distributing quilts among the poverty stricken people in northern areas of the country

AUDITORS REPORT AND FINANCIAL STATEMENTS FOR 2011



AUDITORS' REPORT TO THE SHAREHOLDERS OF BANGLADESH DEVELOPMENT BANK LIMITED

We have audited the accompanying consolidated financial statements of Bangladesh Development Bank Limited (here in after referred to as the "Bank") and its subsidiary BDBL Securities Limited which comprise the consolidated balance sheet as at 31 December 2011, and the consolidated profit and loss account, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies, other explanatory notes and annexure. We have also audited the financial statements of the Bank comprising balance sheet as of 31 December 2011 and the profit & loss account, statement of changes in equity and cash flow statement for the year than ended.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Bank Companies Act 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 principles 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 opinion.

Basis for Qualified Opinion

1. The Bank operates a number of post retirement benefit plans for the eligible employees, which are in the nature of defined benefit plan as stated in Bangladesh Accounting Standard (BAS) 19 - Employee Benefits. As at 31 December 2011, no actuarial assessment has been made to determine any potential shortfall/excess in those post retirement benefit plans of the Bank. As stated in note 23.01 to the financial statements, as per the valuation report of the erstwhile Bangladesh Shilpa Bank (BSB), at 31 December 2009 a shortfall of BDT 739,931,000 has been identified in BSB Employees Superannuation Fund. As per the decision of the Board of Directors, this shortfall in provision shall be provided within the next five years and accordingly BDT 250,000,000 and 60,000,000 have been provided during the years ended 31 December 2010 and 2011 respectively. In absence of an actuarial assessment, any potential shortfall in retirement benefit provision cannot be reasonably estimated as at 31 December 2011.

2. As disclosed in Note 12.01.01 to the financial statements, the Bank currently has a number of pending income tax assessments with various taxation authorities on account of erstwhile Bangladesh Shilpa Bank and Bangladesh Shilpa Rin Sangshtha. Since most of those assessments by the taxation authority resulted in substantially higher tax payable amount, the Bank contested and lodged appeals against those assessment orders. The Bank believes, on reasonable grounds that those assessment orders were not in accordance with the taxation regulation and there are strong possibilities in succeeding those appeals. Accordingly, no additional provision has been made by the Bank to cover the difference in income tax provision recognized in the accounts and tax claimed by the tax authority. If the Bank is not successful in those appeals, additional amount will be required to fulfill the shortfall in provision which is not ascertainable at this stage and hence remained unaccounted for.

Opinion

Except for the matters stated above, in our opinion, the consolidated financial statements which have been prepared in the format prescribed by Bangladesh Bank vide BRPD Circular # 14 dated 25 June 2003 give a true and fair view of the state of the Bank's affairs as at 31 December 2011 and of the results of its operations and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with the relevant sections of the Bank Companies Act 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Except for as mentioned above, We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- c) the Bank's Balance Sheet and Profit and Loss Account together with the annexed notes to 33(a) dealt with by the report are in agreement with the books of account and returns;
- d) the expenditure incurred was for the purpose of the Bank's operations;
- e) the financial position of the Bank as at 31 December 2011 and the profit for the year then ended have been properly reflected in the financial statements, the financial statements have been prepared in accordance with the generally accepted accounting principles;
- f) the financial statements have been drawn up in conformity with the Bank Companies Act 1991 and in accordance with the accounting rules and regulations issued by Bangladesh Bank;
- g) adequate provisions have been made for loans and advances and other assets which are in our opinion, doubtful of recovery;
- h) the financial statements conform to the prescribed standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- j) the information and explanations required by us have been received and found satisfactory; and
- k) 80% of the risk weighted assets have been reviewed by us spending 3,650 person hours.

Sd/-

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 21 May 2012

Sd/-

ACNABIN
Chartered Accountants

Bangladesh Development Bank Limited & its Subsidiary
Consolidated Balance Sheet
As at 31 December 2011

	Notes	2011 Taka	2010 Taka
PROPERTY AND ASSETS			
Cash		361,739,930	305,193,069
Cash in Hand (Including F.C)	3	26,529,522	27,355,070
Balance with Bangladesh Bank & Sonali Bank (Including F.C)		335,210,408	277,837,999
Balance with other banks and financial institutions	4(a)	4,701,978,198	4,819,681,684
In Bangladesh		4,670,108,681	4,807,170,123
Outside Bangladesh		31,869,517	12,511,561
Money at Call and Short Notice	5	230,072,231	300,072,231
Investments	6	2,820,880,121	1,588,432,512
Government securities		2,946,500	3,245,600
Others investment		2,817,933,621	1,585,186,912
Loans and Advances	7	10,046,075,415	9,906,002,302
Loans, cash credit and overdrafts, etc.		9,978,532,502	9,906,002,302
Bill purchased and discounted		67,542,913	-
Fixed Assets including premises, furniture and fixtures	8(a)	8,824,827,942	8,961,473,777
Other Assets	9(a)	1,965,945,645	1,637,950,308
Non-banking Assets		-	-
TOTAL ASSETS		28,951,519,481	27,518,805,883
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other Banks, Financial institutions and Agents, etc.	10	2,058,608,595	2,610,273,736
Deposits & Other Accounts	11	4,706,790,985	3,254,038,394
Current and other Accounts		1,591,529,822	1,326,990,005
Bills Payable		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
Other Deposits			
Other Liabilities	12(a)	7,220,375,497	6,017,241,597
Total Liabilities		13,985,775,077	11,881,553,727
Capital/Shareholders' Equity			
Paid-up Capital	13(a)	4,100,000,000	4,000,000,000
Quasi Equity	14	134,744,560	134,744,560
Statutory Reserve	15	1,218,006,336	1,045,787,336
General Reserve	16.1	1,310,000,000	950,000,000
Revaluation Reserve	16.2	7,194,622,087	8,604,108,664
Other Reserve	16.3	965,907,514	865,907,514
Retained Earnings	16(b)	42,463,907	36,704,082
Total Shareholders' Equity		14,965,744,404	15,637,252,156
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		28,951,519,481	27,518,805,883

**Bangladesh Development Bank Limited & its Subsidiary
Consolidated Off-Balance Sheet
As at 31 December 2011**

	Notes	2011 Taka	2010 Taka
Contingent Liabilities :	16.4		
Acceptance & Endorsements		-	-
Letters of guarantee		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
Other Commitments :			
Documentary credits and other short term trade related transaction		-	-
Liability on account of outstanding forward exchange contract		-	-
Forward assets purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal stand by facilities, credit lines and other commitments		-	-
Total		-	-
Total Off-Balance Sheet exposures including contingent liabilities		829,854,335	621,557,574

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

Sd/-
ACNABIN
Chartered Accountants

Dhaka, 21 May 2012

Bangladesh Development Bank Limited & its Subsidiary
Consolidated Profit and Loss Account
For the year ended 31 December 2011

	Notes	2011 Taka	2010 Taka
Interest Income	18(a)	1,210,596,526	799,843,287
Interest paid on deposit, borrowing, etc.	19	(311,001,006)	(115,215,304)
Net Interest Income		899,595,520	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(a)	322,346,930	171,380,325
		703,421,474	1,037,893,846
Total operating Income (A)		1,603,016,994	1,722,521,829
Operating Expenses			
Salaries and allowances	23(a)	545,098,655	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(a)	16,056,820	11,616,159
Managing Director/Chief Executive's remuneration		2,712,571	732,600
Director Fees	28(a)	1,505,395	1,857,320
Auditors' fees	28(b)	414,500	299,000
Depreciation and repair of Bank's assets	29(a)	45,979,297	42,830,491
Other expenditure	30(a)	85,217,002	77,715,301
Total Operating Expenses (B)		739,750,971	897,733,439
Profit/ (Loss) Before Provision (C) = (A-B)		863,266,023	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)		863,266,023	822,388,390
Provision for Taxation			
Provision for Current Income Tax		170,203,241	130,000,000
Provision for Deferred Tax		5,083,957	47,937,864
		175,287,198	177,937,864
Net Profit after taxation		687,978,825	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		5,759,825	3,348,748
		687,978,825	644,450,526
Earning Per Share (EPS)	33(a)	17.20	16.11

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

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

Sd/-
Managing Director

Sd/-
Chairman
 Sd/-
ACNABIN
Chartered Accountants

Bangladesh Development Bank Limited & its Subsidiary
Consolidated Cash Flow Statement
For the year ended 31 December 2011

	Note	2011 Taka	2010 Taka
A. Cash Flows from Operating Activities			
Interest received		1,256,408,143	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		(547,811,226)	(737,011,139)
Other expenditure		(168,340,140)	(142,048,027)
Income tax paid		(150,785,985)	(83,748,710)
Receipt from other operating activities		151,247,619	83,876,058
Operating Profit before Changes in Current Assets and Liabilities		576,799,713	54,279,778
Changes in operating 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		(166,923,638)	(28,252,781)
Increase/(Decrease) in deposits from customers & others		1,452,752,591	1,828,492,741
Increase/(Decrease) in liabilities & provisions		(247,175,301)	140,360,013
Cash Received from Operating Assets and Liabilities		1,051,604,527	2,975,500,583
Net cash flow from operating activities		1,628,404,240	3,059,376,641
B. CASH FLOW FROM INVESTING ACTIVITIES			
Sale/Liquidation of securities		64,303,651	496,134,356
Purchase of securities		(1,305,431,260)	(588,453,887)
Disposal/adjustment of fixed assets		451,297	80,822
Acquisition of fixed assets		(21,869,641)	(16,193,671)
Net cash used in investing activities		(1,262,545,953)	(108,432,380)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Increase in Capital		100000000	-
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		(501,665,141)	(561,665,141)
D Net increase in cash and cash equivalent (A+B+C)		(135,806,854)	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 (*)		5,293,790,358	5,424,946,984
(*) Cash and cash equivalents :			
Cash in hand	32(a)	26,529,522	27,355,070
Balance with Bangladesh Bank and Sonali Bank		335,210,408	277,837,999
Cash with other banks		4,701,978,198	4,819,681,684
Money at call and short notice		230,072,231	300,072,231
		5,293,790,358	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 & its Subsidiary
Consolidated 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	-	-	-	-	-	-	-	-	-
Share Issued (BDBL Securities)	100,000,000	-	-	-	-	-	-	-	100,000,000
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	-	-	-	-	-	-	-	863,266,023	863,266,023
Provision for taxation	-	-	-	-	-	-	-	(170,203,241)	(170,203,241)
Appropriations made during the year	-	172,219,000	-	360,000,000	-	100,000,000	5,759,825	(637,978,825)	-
Dividend to Govt.	-	-	-	-	-	-	-	(50,000,000)	(50,000,000)
Balance at 31 December 2011	4,100,000,000	1,218,006,336	134,744,560	1,310,000,000	7,194,622,087	965,907,514	42,463,907	-	14,965,744,404

Sd/-
Director

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Bangladesh Development Bank Limited
Balance Sheet
As at 31 December 2011

PROPERTY AND ASSETS	Notes	2011 Taka	2010 Taka
Cash	3	361,739,930	305,193,069
Cash in Hand (Including F.C)		26,529,522	27,355,070
Balance with Bangladesh Bank & Sonali Bank (Including F.C)		335,210,408	277,837,999
Balance with other banks and Financial Institutions	4	4,609,110,520	4,819,681,684
In Bangladesh		4,577,241,003	4,807,170,123
Outside Bangladesh		31,869,517	12,511,561
Money at Call and Short Notice	5	230,072,231	300,072,231
Investments	6	2,820,880,121	1,588,432,512
Government securities		2,946,500	3,245,600
Other investment		2,817,933,621	1,585,186,912
Loans and Advances	7	10,046,075,415	9,906,002,302
Loans, cash credit and overdrafts, etc.		9,978,532,502	9,906,002,302
Bill purchased and discounted		67,542,913	-
Fixed Assets including premises, furniture and fixtures	8	8,824,745,141	8,961,473,777
Other Assets	9	1,955,033,006	1,637,950,308
Non-banking Assets		-	-
TOTAL ASSETS		28,847,656,363	27,518,805,883
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other Banks, Financial institutions and Agents, etc.	10	2,058,608,595	2,610,273,736
Deposits & Other Accounts	11	4,706,790,985	3,254,038,394
Current and other Accounts		1,591,529,822	1,326,990,005
Bills Payable		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
Other Deposits			
Other Liabilities	12	7,218,479,827	6,017,241,597
Total Liabilities		13,983,879,407	11,881,553,727
Capital/Shareholders' Equity			
Paid-up Capital	13	4,000,000,000	4,000,000,000
Quasi Equity	14	134,744,560	134,744,560
Statutory Reserve	15	1,218,006,336	1,045,787,336
General Reserve	16.1	1,310,000,000	950,000,000
Revaluation Reserve	16.2	7,194,622,087	8,604,108,664
Other Reserve	16.3	965,907,514	865,907,514
Retained Earnings		40,496,459	36,704,082
Total Shareholders' Equity		14,863,776,956	15,637,252,156
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		28,847,656,363	27,518,805,883

Bangladesh Development Bank Limited
Off - Balance Sheet
As at 31 December 2011

	Notes	2011 Taka	2010 Taka
Contingent Liabilities :	16.4		
Acceptance & Endorsements as per contra :			
Letters of guarantee		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
Other Commitments :			
Documentary credits and other short term trade related transaction		-	-
Liability on account of outstanding forward exchange contract		-	-
Forward assets purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal stand by facilities, credit lines and other commitments		-	-
Total		-	-
Total Off-Balance Sheet exposures including contingent liabilities		829,854,335	621,557,574

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

Sd/-
ACNABIN
Chartered Accountants

Dhaka, 21 May 2012