

Annual Report 2013



বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড

BANGLADESH DEVELOPMENT BANK LIMITED

A STATE-OWNED BANK

 বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড

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CORPORATE PROFILE

(1)	Extent of Shareholding	: 100% share owned by the Government of Bangladesh.
(2)	Name	: Bangladesh Development Bank Limited (BDBL) (Established through merger of former BSB & BSRS)
(3)	Registered Office	: BDBL Bhaban, 8, Rajuk Avenue, Dhaka-1000
(4)	Legal Status	: Public Limited Company
(5)	Date of Incorporation	: November 16, 2009
(6)	Authorized Capital	: Tk.1000 crore
(7)	Paid - Up Capital	: Tk. 400 crore
(8)	Face Value Per Share	: Tk. 100.00
(9)	Accounting Period	: January – December
(10)	Date of Business Commencement Certificate	: November 16, 2009
(11)	Banking License Issued by Bangladesh Bank	: November 19, 2009
(12)	Date of Vendors' Agreements Signed	: December 31, 2009 between the Government of the People's Republic of Bangladesh and Bangladesh Development Bank Ltd.
(13)	Line of Business	: All Banking Business including Capital Market Operations.
(14)	Domestic Network	
	<ul style="list-style-type: none"> ● Number of Divisions in Head Office ● Number of Departments in Head Office ● Number of Zone Offices ● Number of Branch Offices ● Number of Human Resource 	<ul style="list-style-type: none"> : 11 : 30 : 4 : 28 : 826

CORPORATE PROFILE

(15)	Membership of Stock Exchange	: Dhaka Stock Exchange
(16)	Subsidiary Company	: BDBL Securities Ltd. 12, Karwan Bazar, Dhaka.
(17)	Corporate Tax Rate	: 42.50%
(18)	Auditors	: Howladar Yunus & Co. and MABS & J Partners
(19)	Legal Adviser & Consultant	: Md. Mozammel Haque Deputy General Manager (Legal Affairs)
(20)	Income Tax Adviser	: K.M. HASAN & CO. Chartered Accountants
(21)	Credit Rating Agency	: Credit Rating Information & Services Limited (CRISL)
(22)	Website	: www.bdbl.com.bd
(23)	SWIFT Code	: BIC : BDDBBDDH



A cheque of Tk. 7.50 crore as dividend handed over by the Board of Directors of BDBL to the Honourable Finance Minister of the People's Republic of Bangladesh.

FORMATION OF BDBL

With the decision of the Government, Bangladesh Development Bank Ltd. (BDBL) was incorporated on 16 November, 2009 as a Public Company Limited by shares under the Companies Act, 1994 by amalgamation of former Bangladesh Shilpa Bank (BSB) and Bangladesh Shilpa Rin Sangstha (BSRS), two Development Financial Institutions (DFIs) in the public sector.

Bangladesh Shilpa Bank (BSB) was established in October 31, 1972 for accelerating the industrial pace of the country through providing loan and equity to the industrial projects as per Bangladesh Shilpa Bank Order, 1972 (President's Order No. 129 of 1972).

With the same objective, Bangladesh Shilpa Rin Sangstha (BSRS) was also established in October 31, 1972 as per Bangladesh Shilpa Rin Sangstha Order, 1972 (President's Order No. 128 of 1972).

In order to carry on business of BDBL, Bangladesh Bank issued banking licence on November 19, 2009.

Two Vendors' Agreements were signed between the Government of the People's Republic of Bangladesh and the BDBL on December 31, 2009 to acquire and take-over all of their (BSB & BSRS) assets, benefits, rights, powers, authorities, privileges, liabilities, borrowings and obligations and to carry on with the same business.

As a Public Limited Company, BDBL formally embarked its journey on January 03, 2010. It extends financial assistance for setting up industries and provides all kinds of commercial banking services to its customers through its branch network in Bangladesh.

The BDBL also inherited membership of Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE). In order to contribute to the capital market, it acts as stock dealer and stock broker and operates a Brokerage House, at Motijheel to provide services to the small and medium investors. BDBL also established a fully owned subsidiary company namely, BDBL Securities Limited and transferred its one membership with DSE and another membership with CSE. It acts as stock dealer and stock broker and operates Brokerage House at 12, Karwan Bazar, Dhaka to provide service to the Investors. The BDBL is also managing a close-end Mutual Fund with paid up capital of Tk. 5.00 crore.

SHAREHOLDING STRUCTURE

Sponsor Shareholders		No. of Shares	Amount (Taka)
The Government of the People's Republic of Bangladesh represented by : Dr. Mohammad Tareque, Secretary Finance Division, Ministry of Finance, Government of the People's Republic of Bangladesh.		3,99,99,994	3,99,99,99400.00
Directors nominated by the Govt.			
1.	Mr. Nazem Ahmad Choudhury Chairman of the Board of Directors	1 (One)	100.00
2.	Prof. Santi Narayan Ghosh Directors	1 (One)	100.00
3.	Mr. Dewan Nurul Islam Director	1 (One)	100.00
4.	Mr. Niaz Rahim Director	1 (One)	100.00
5.	Mr. Amalendu Mukherjee Director	1 (One)	100.00
6.	Mr. Md. Humayun Kabir Director	1 (One)	100.00
Total :		4,00,00,000	4,000,000,000.00

বোর্ড ডিভিশন

নং-০২.১.৩/

জুন ০২, ২০১৪
জ্যৈষ্ঠ ১৯, ১৪২১

বিডিবিএল-এর সম্মানিত শেয়ারহোল্ডার এবং
পর্যদের চেয়ারম্যান ও পরিচালকগণের প্রতি।

বিষয় : বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড-এর
শেয়ারহোল্ডারদের ৪র্থ বার্ষিক সাধারণ সভা।

মহোদয়,

আপনার সদয় অবগতির জন্য জানানো যাচ্ছে যে, বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড-এর
শেয়ারহোল্ডারদের ৪র্থ বার্ষিক সাধারণ সভা আগামী ১৭ জুন, ২০১৪/ ০৩ আষাঢ়, ১৪২১ মঙ্গলবার সকাল
১১.৩০ ঘটিকায় ব্যাংকের প্রধান কার্যালয় (লেভেল ৩), ৮, রাজউক এভিনিউ, ঢাকায় অনুষ্ঠিত হবে।

০২। সভার আলোচ্যসূচী নিরূপণ :-

- (০১) ২৮ জুলাই, ২০১৩ তারিখে অনুষ্ঠিত বিডিবিএল-এর শেয়ারহোল্ডারদের ৩য় বার্ষিক সাধারণ
সভার কার্যবিবরণী অবলোকন;
- (০২) ব্যাংকের ২০১৩ সালের ডাইরেক্টরস রিপোর্ট উপস্থাপন ও অনুমোদন;
- (০৩) ব্যাংকের ২০১৩ সালের অডিটরস রিপোর্টসহ নিরীক্ষিত বার্ষিক হিসাব উপস্থাপন, গ্রহণ ও
অনুমোদন;
- (০৪) ৩১ ডিসেম্বর, ২০১৩ তারিখে সমাপ্ত বছরের প্রদেয় ডিভিডেন্ড অনুমোদন;
- (০৫) পরবর্তী সাধারণ সভা পর্যন্ত নিরীক্ষক নিয়োগ ও নিরীক্ষকদের ফি নির্ধারণ;
- (০৬) বিডিবিএল-এর আর্টিকেলস অব এসোসিয়েশনের ১০৯(২), ১১০(১) ও (২) ধারা অনুযায়ী
পরিচালকদের অবসর গ্রহণ ও পুনঃনিয়োগ; এবং
- (০৭) চেয়ারম্যান মহোদয়ের অনুমতিক্রমে অন্যান্য বিষয় (যদি থাকে)।

০৩। উক্ত সভায় অংশ গ্রহণের জন্য আপনাকে বিনীত অনুরোধ করছি।

পরিচালনা পর্যদের আদেশক্রমে



(আব্দুর রহিম খান)

কোম্পানী সচিব

ফোন-৯৫৫৪০৩৩

সেল-০১৭১৩-৪৩১-৫০৩

LETTER OF TRANSMITTAL

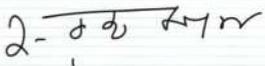
To
All Shareholders
Registrar of Joint Stock Companies & Firms
Bangladesh Securities and Exchange Commission
Dhaka.

Sub : Annual Report for the year ended December 31, 2013

Dear Sir(s)

We are pleased to enclose herewith a copy of the Annual Report together with the Audited Financial Statements of Bangladesh Development Bank Limited and its subsidiary – BDBL Securities Limited for your kind information and record.

Yours Sincerely



(Dr. Zillur Rahman)
Managing Director

VISION

To emerge as the country's prime Financial Institution for supporting private sector industrial and other projects of great significance to the country's economic development. Also be active participant in commercial banking by introducing new lines of products and providing excellent services to the customers.

MISSION

- To be competitive with other Banks and Financial Institutions in rendering services ;
- To contribute to the country's socio-economic development by identifying new and profitable areas for investment ;
- To mobilize deposit for productive investment ;
- To expand Branch network in commercially and geographically important places ;
- To employ quality human resources and enhance their capability through motivation and right-type of training at home and abroad ;
- To delegate maximum authority ensuring proper accountability ;
- To maintain continuous improvement and up gradation in business policies and procedures ;
- To adopt and adapt to new technology ;
- To maximize profit by strong, efficient and prudent financial performance ; and
- To introduce new product lines according to market needs.

CORE VALUES

Professionalism

We are committed to provide the best of our attention and ability for discharging our task, roles and responsibilities and continually upgrading our skill and knowledge base keeping abreast with ongoing local and global developments for attaining excellence in banking businesses.

Transparency & Accountability

We are committed to remain transparent and accountable to our stakeholders in discharging our responsibilities.

Customer Focus

We maintain strong customer focus and build relationships based on integrity, trust, commitment, timely solution and mutual benefit to accelerate the growth.

Corporate Social Responsibility

We promote protection of the environment for our children and are law-abiding in all that we do.

STRATEGIC PRIORITIES

- ❖ Invest in Eco-friendly industries that help mitigate environmental degradation by lending more for renewable energy, effluent treatment plants and other projects that employ energy efficient low-emission technologies including agro-based industries, small power projects, ICT, transport and infrastructure projects.
- ❖ Select and invest in industrial projects where locational advantages like local availability of raw materials, good infrastructural facilities (road communication, transport facilities, etc.) and utilities (power, gas, water, etc.) shall be available.
- ❖ Identify prospective and potential entrepreneurs and investors / clients and motivate, guide and help them select profitable industrial venture for investment.
- ❖ Regularly publish financial disclosures.
- ❖ Undertake from time to time SWOT (Strengths, Weaknesses, Opportunity and Threats) analysis for reviewing Bank and its market position.

BUSINESS CHALLENGES

- Intense competition in the domestic market
- Global economic slowdown
- Strict capital requirement under Basel – II
- Sharp rise in the interest rates on deposit
- Increasing Business Risk

OUR PROSPECTS

- Diversification of asset portfolios through introducing new lines of products
- Expansion of Branch network
- Progressive automation

OUR STRENGTHS

- Good Corporate Governance & Practices
- Sound and strong capital & asset base
- Deep focus on quality control
- A dedicated line of human resource
- Culture of internal control and compliance

OUR CONFIDENCE

- Well-defined strategy and targets
- A spirit of care, concern and consciousness

PRODUCTS AND SERVICES OF BDBL

The Bank is always committed to serve the clients with the best values and innovative products and services to enrich its portfolio.

(1) DEVELOPMENT BANKING

- Industrial loan with emphasis on syndicated arrangement (Power & Energy, Telecommunication, Fibre Optic Cable, etc.).
- Public-Private Partnership (PPP) project (Port Development, Transport & Communication like Road, Water & Air Ways etc.)
- Small & Medium Enterprise (S M E like IT Industries i.e. development of Hardware & Software).
- Agro-based ventures depending on indigenous raw materials (like Jute Twine / Yarn and other Industries) .
- Green Banking (Environment & Eco- Friendly industries like automatic brick kiln, renewable energy, effluent treatment plant, etc.).
- Lease Financing.
- Real Estate business (including housing loan).

(2) COMMERCIAL BANKING SERVICES & SOLUTIONS

DEPOSIT BANKING :

- Current Deposit
- Savings Deposit
- Short Term Deposit
- Fixed Deposit
- Deposit Pension Scheme
- BDBL Students Savings Account

➤ Other Special Savings Deposit:

- (i) 5-Year Term BDBL Sanchay Scheme (BDBLSS)
- (ii) 10- Year Term Shikkha Sanchay Scheme (SSS)
- (iii) 10- Year Term Chikitsha Sanchay Scheme (CSS)
- (iv) Marriage Savings Scheme (MSS)
- (v) Investment Scheme at Retirement (ISR)
- (vi) Monthly Income Scheme (MIS)
- (vii) Double Benefit Scheme (DBS)
- (viii) Junior Savings Scheme (JSS)

Short Term Loans:

- Cash Credit (Hypothecation)
- Cash Credit (Pledge)
- Secured Advances (General)
- Secured Advances (Financial Obligation)
- Over Draft (OD)
- **Retail Banking**
 - (i) Consumers' Credit
 - (ii) Personal Loan

(3) FOREIGN TRADE FINANCING & FOREIGN EXCHANGE BUSINESS

- Export Cash Credit
- Packing Credit
- Purchase of Local & Foreign Documentary Bills
- Payment Against Documents (PAD)
- Loan Against Imported Merchandise (LIM)
- Loan Against Trust Receipt (LTR)

Foreign Exchange Business :

- Local L/C
- Import L/C
- Export Bill Collection
- Back to Back L/C
- Foreign Remittance
- Foreign Exchange Buy & Sale

Other Banking Services :

- Demand Draft Issue
- Payment Order Issue
- Selling of Prize Bond
- Selling of Savings Certificates, etc.

(4) CAPITAL MARKET OPERATION

- Share / Securities Trading
- Underwriting of Public Issues
- Brokerage House Services
- Mutual Fund Operation
- Banker's to the Public Issues

BOARD OF DIRECTORS

Name of the Directors and the entities in which they have interest during the year 2013 are as under:

Sl. No.	Name	Status with the Bank	Name of the firms/companies in which they have interest as proprietor, partner, director, managing agent, guarantor, employee, etc.	Remarks
1.	Prof. Santi Narayan Ghosh	Chairman	-	Appointed as Chairman on 05-09-2012
2.	Dewan Nurul Islam	Director	Vice Chairman, National Asset Management Limited.	Ceased to be director from 28-09-2012 and reappointed on 20-12-2012
3.	Quazi Murshed Hossain Kamal	Director	Chairman, Mona Foods (Pvt.) Ltd., President, Bangladesh Take wondo Federation; President, Uduity Club.	Appointed on 20-12-2012
4.	Advocate Md. Abdus Salam	Director	-	Appointed on 20-12-2012
5.	Professor Dr. Rustom Ali Ahmed	Director	Professor, Department of Finance & Banking, University of Rajshahi	Appointed on 20-12-2012
6.	Syed Aftear Hossain Pear	Director	-	Appointed on 20-12-2012
7.	Amalendu Mukherjee	Director	Additional Secretary, Bank and Financial Institution Division, Ministry of Finance, Government of the People's Republic of Bangladesh.	Ceased to be director from 28-09-2012 and reappointed on 06-01-2013
8.	Md. Khalilur Rahman Siddiqui	Director	Joint Secretary, Ministry of Industries, Government of the People's Republic of Bangladesh.	Ceased to be director from 28-09-2012 and reappointed on 06-01-2013

BOARD OF DIRECTORS

Name of the Directors and the entities in which they have interest during the year 2013 are as under:

9.	Md. Fayekuzzaman	Director	Managing Director, Investment Corporation of Bangladesh.	Ceased to be director from 28-09-2012 and reappointed on 23-01-2013
10.	Md. Mamun – Al - Rashid	Director	Joint Secretary, Bank and Financial Institution Division, Ministry of Finance, Government of the People's Republic of Bangladesh.	Appointed on 12-12-2013
11.	Dr. Md. Zillur Rahman	Managing Director	Bangladesh Development Bank Limited	Reappointed as MD on 09-01- 2013



The Board of Directors of BDBL completed its Century meeting in the year 2013, held at Head Office.

PROFILE OF THE DIRECTORS

1. PROF. SANTI NARAYAN GHOSH, Chairman.

Current Responsibilities

- Chairman, Board of Directors, Bangladesh Development Bank Limited.
- Honorary Professor, Department of Accounting & Information, University of Dhaka.
- Professor of Accounting & Finance & Director (Research), BUBT.
- Member of Board of Studies, ICAB

Past Responsibilities

- Director, Board of Directors, Bangladesh Development Bank Limited.
- Treasurer, Bangladesh Open University.
- Selection-Grade Professor of Accounting, University of Dhaka

Education

- MBA (Accounting & Finance), University of Saskatchewan, Canada.
- M. Com. in Accounting, University of Dhaka.



2. DEWAN NURUL ISLAM, MBA, FCA, Director

Current Responsibilities

- Director, Board of Directors, Bangladesh Development Bank Limited.
- Chartered Accountant and Fellow Member, The Institute of Chartered Accountants of Bangladesh.
- Vice Chairman, National Asset Management Limited.
- Director, Board of Directors, Jamuna Oil Company Limited.

Past Responsibilities

- Senior Consultant, Development Capital Corporation, investment bank based in Sydney, Australia.
- Finance Director, General Manager Finance, Beximco Textiles Division.
- Country Finance Manager, DHL Worldwide Express.
- Corporate Services Manager, Howladar Yunus & Company, Chartered Accountants.

Education

- Masters in Business Administration in Finance with distinctions, University of Technology Sydney (UTS), Australia.
- Chartered Accountant, Institute of Chartered Accountants of Bangladesh.
- Masters of Commerce in Accounting, University of Dhaka.



3. **QUAZI MURSHED HOSSAIN KAMAL, Director**

Current Responsibilities

- Director, Board of Directors, Bangladesh Development Bank Limited.
- Chairman , Anam Corporation Limited.
- Proprietor, M.K Traders.
- Chairman, FBCCI Standing Committee on Micro & Rural Industries Development Committee.
- Co-Chairman, FBCCI Standing Committee on Small & Medium Enterprise.



Past Responsibility

- Director, Board of Directors, Rupali Bank Limited.

Education

- Masters of Commerce in Management, University of Dhaka.
- LL.B, University of Dhaka.

4. **ADVOCATE MD. ABDUS SALAM, Director**

Current Responsibilities

- Director, Board of Directors, Bangladesh Development Bank Limited.
- Public Prosecutor (P.P), Manikgonj
- Associated with Manikgonj Zilla Ainjibi Samity.

Education

- Masters in Management, University of Dhaka.
- LL.B.



5. **PROF. DR. RUSTOM ALI AHMED, Director**

Current Responsibilities

- Director, Board of Directors, Bangladesh Development Bank Limited.
- Chairman, BDBL Securities Limited.
- Professor, Department of Finance and Banking, University of Rajshahi.
- Member, Finance Committee, University of Rajshahi.
- Member, Senate, University of Rajshahi.



Past Responsibilities

- Director, Rajshahi Krishi Unnayan Bank.
- Member, Rajshahi University Teachers Association.
- Financial Analyst, Sonali Bank Limited.
- Accounts Executive, The Daily Bhorer Kagoj.
- Station Manager, Finance in Gono Shahajjo Sangstha, a leading national NGO.

Education

- Ph. D. in Bank Financing.
- B.Com (Hons), M.Com in Finance and Banking.

6. SYED AFTEAR HOSSAIN PEAR, Director



Current Responsibilities

- Director, Board of Directors, Bangladesh Development Bank Limited.
- Member, Social Development Foundation (SDF).
- Member, District Non-Formal Education Committee of Sylhet.
- Member, Ashrayan Prokalpo of Honorable Prime Minister.
- Member, Red Cross Society, Sylhet.
- Member, Muslim Literary Society, Sylhet.
- Journalist, Daily Bhorer Kagoj.
- Founder President, Balagonj Press Club Parishad, Sylhet.
- Businessman.

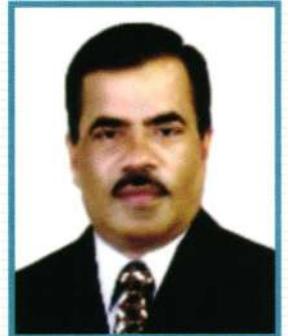
Past Responsibility

- Journalist, Different types of newspapers namely "Daily Provat", "Daily Dosh Bangla", "Daily Shakti", "Daily Banglar Bani", "Weekly Banglar Dak" and "Weekly Somachar".

Education

- B.Com.

7. AMALENDU MUKHERJEE, Director



Current Responsibilities

- Director, Board of Directors, Bangladesh Development Bank Limited.
- Additional Secretary, Bank and Financial Institution Division, Ministry of Finance, Government of the People's Republic of Bangladesh.
- Director, Rupali Bank Limited.

Past Responsibility

- Former Director, Bangladesh Shilpa Bank.

Education

- M.Sc. in Marine Science.

8. MD. KHALILUR RAHMAN SIDDIQUI, Director

BCS (Admn), BA (Hon's), MA (Public Administration)

Current Responsibilities

- Director, Board of Directors, Bangladesh Development Bank Limited.

Past Responsibilities

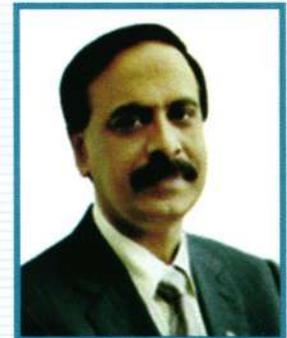
- Joint Secretary (Disinvestment), Ministry of Industries, GOB.
- Managing Director, FDC (Film Development Corporation).
- Director General, Department of Relief and Rehabilitation.
- Director General (Add. Charge), Livestock Department.
- Director General (Add. Charge), BIM (BD. Institute of Management).
- Director, Board of Directors, BKB (Bangladesh Krishi Bank) (2007-2008).
- Council Member, ICMA (Institute of Cost & Management Accounts).
- Member, Bangladesh Film Censor Board.
- Member, Board of Governors, Institute of Bio-Technology, Bangladesh.
- Director, Board of Directors, UNILEVER Bangladesh Limited.
- Member, Board of Governors, BITAC.
- Council Member, BSTI.
- Director, National Tubes Limited.



9. MD. FAYEKUZZAMAN, Director

Current Responsibilities

- Director, Board of Directors, Bangladesh Development Bank Limited.
- Managing Director, Investment Corporation of Bangladesh.
- Chairman, ICB Capital Management Limited.
- Director, Standard Bank Limited.
- Director, Industrial & Infrastructure Development Finance Company Ltd. (IIDFC)
- Director, British American Tobacco Bangladesh Co. Ltd.
- Director, Linde Bangladesh Ltd.
- Director, Glaxo Smith Kline Bangladesh Limited.
- Director, ACI Limited.
- Director, Renata Limited.
- Director, Credit Rating Information and Services Limited (CRISL).
- Director, Credit Rating Agency of Bangladesh Limited (CRAB).
- Director, Bangladesh Institute of Capital Market (BICM).
- Director, Central Depository Bangladesh Ltd. (CDBL).
- Director, National Tea Company Limited.
- Director, Apex Tannery Limited.
- Director, Apex Foodwear Limited.
- Director, The Acme Laboratories Ltd.
- Director, SBL Capital Management Ltd.
- Member, The Institute of Bankers, Bangladesh (IBB)
- Member, Bangladesh Krishi Gobeshona Endowment Trust (BKGET)



Past Responsibilities

- Deputy Managing Director, Agrani Bank Limited.
- General Manager, Investment Corporation of Bangladesh.

Education

- B. Com. Hons., M.Com. in Management. Post Graduation studies in Investment Planning, Appraisal and Management of Development Finance Institution in Bradford University, Bradford, United Kingdom. Attended Cambridge Leadership Program organized by the University of Cambridge, United Kingdom and Leadership Essential Program arranged by the Columbia University, USA.

10. MD. MAMUN - AL - RASHID, Director

Current Responsibilities

- Director, Board of Directors, Bangladesh Development Bank Limited.
- Joint Secretary, Bank & Financial Institution Division, Ministry of Finance, Government of the People's Republic of Bangladesh.

Education

- M.A. in Government Finance, Ulster University, UK.
- M.Com. in Management, University of Dhaka.



11. Dr. MD. ZILLUR RAHMAN, Managing Director

Current Responsibilities

- Managing Director, Bangladesh Development Bank Limited.
- Director, Investment Corporation of Bangladesh.
- Director, Bangladesh Commerce Bank Limited.
- Member, The Institute of Bankers Bangladesh.
- Member, Governing Board, Bangladesh Institute of Bank Management (BIBM).



Past Responsibilities

- Deputy Managing Director, Janata Bank Limited.
- Deputy Managing Director, Rupali Bank Limited.
- General Manager, Rupali Bank Limited.

Education

- Ph. D. in Credit Management from IBS of Rajshahi University.
- B.Com. (Hons.) & M.Com. in Management, University of Dhaka.

MANAGING DIRECTOR AND HIS MANAGEMENT TEAM



Dr. Md. Zillur Rahman
Managing Director



Dina Ahsan
Deputy Managing Director

HEAD OF DIVISIONS



Dr. Nazmul Bari
General Manager
Legal Affairs Division and
Finance & Accounts Division



Mr. Md. Khalilur Rahman Chowdhury
General Manager
Development Banking Division



Mr. Md. Abdur Razzaque
General Manager
IT Division



Mr. Md. AMM Zeaul Haq
General Manager
Internal Control and Compliance Division



Mr. Kazi Sanaul Hoq.
General Manager
Administration Division



Mr. Udoy Kumar Bhakat
General Manager
S M E Division

COMPANY SECRETARY AND CONSULTANTS



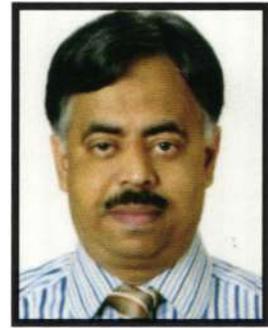
Mr. Abdur Rahim Khan
Company Secretary
Board Department



Mr. Khandaker Mahmudul Hasan
Foreign Exchange Consultant



Mr. Mahe Alam
Commercial Banking Consultant



Mr. Md. Nasimul Gani
IT Consultant

HEAD OF DEPARTMENTS



Mrs. Hamida Akhter
Deputy General Manager
Investment Banking Department &
CEO, BDBL Securities Ltd.



Mr. Shahinul Bari Chowdhury
Deputy General Manager
Debt Collection Department



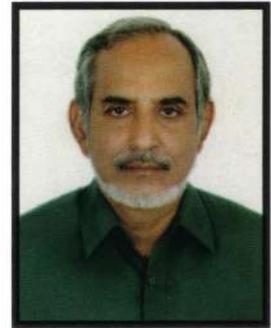
Mr. Ashim Kumar Kundu
Deputy General Manager
Central Accounts Department



Mr. A K M Hamidur Rahman
Deputy General Manager
Law Department



Mr. Md. Rezaul Karim
Deputy General Manager
General Advances Department



Mr. Md. Sadiqur Rahman Bhuiyan
Deputy General Manager
Branch Management Department



Mrs. Arfina Begum
Deputy General Manager
Human Resource Management Department



Mr. Himadri Shekhar Chakraborty
Deputy General Manager
Reconciliation Department



Mr. Md. Abdul Matin
Deputy General Manager
Compliance Department

HEAD OF DEPARTMENTS



Mr. Md. Lutfur Rahman
Deputy General Manager
Audit & Inspection Department



Mr. Md. Solaiman Ali
Deputy General Manager
Loan Operation Department



Mr. Narayan Chandra Roy
Deputy General Manager
S M E Department



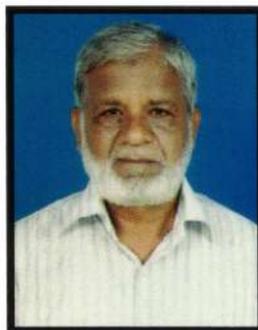
Mrs. Afroza Begum
Assistant General Manager
Loan Recovery Department



Mr. Dilshad Hossain Siddiqui
Assistant General Manager
Risk Management Department



Mr. Sayed Md. Nazrul Islam
Assistant General Manager
Project Implementation Department



Mr. Md. Nazrul Haque
Assistant General Manager
Management Information Service Department



Mrs. Lutfun Nahar
Assistant General Manager
Economic & Research Department



Mr. Mozibur Rahman
Assistant General Manager
Training Institute



Mr. Md. Abdul Khaleque
Assistant General Manager
Public Relation Department



Mr. Md. Abdul Baqui
Assistant General Manager
Establishment & Common Service Department



Mr. Dewan Abdul Jabber
Assistant General Manager
Real Estate Department

HEAD OF DEPARTMENTS



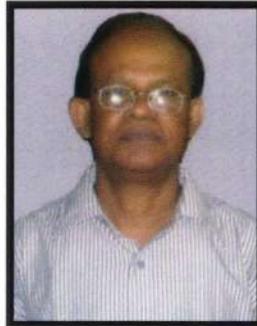
Mr. Nizam Uddin
Assistant General Manager
Budget Department



Mr. Sujal Kanti Sen
Assistant General Manager
Business Development & Marketing Department



Mr. Md. Ayub
Assistant General Manager
Vigilance Department



Mr. Md. Aminul Islam
Assistant General Manager
ICT Department

HEAD OF ZONE OFFICES



Mr. Md. Shamsuddoha
Deputy General Manager
Zone Office, Rajshahi



Mr. Saibalendu P.G. Chowdhury
Deputy General Manager
Zone Office, Dhaka



Mr. Md. Azizur Rahman
Deputy General Manager
Zone Office, Khulna



Mr. Md. Mozammel Haque
Deputy General Manager
Zone Office, Chittagong

HEAD OF BRANCHES



Mr. Syed Nurur Rahman Quadry
Deputy General Manager
Principal Branch, Dhaka



Mr. Md. Mansur Rahman Mia
Deputy General Manager
Rangpur Branch, Rangpur



Mr. Md. Khalid Hossain
Deputy General Manager
Karwan Bazar Branch, Dhaka



Mr. Md. Amarat Hossain
Assistant General Manager
Mymensingh Branch, Mymensingh



Mr. Enamur Rahman Siddiqui
Assistant General Manager
Elephant Road Branch, Dhaka



Mr. Md. Rafiqul Hasan
Assistant General Manager
Rajshahi Branch, Rajshahi



Mr. Showkat Ali
Assistant General Manager
Bogra Branch, Bogra



Mr. Md. Asghar Ali
Assistant General Manager
Comilla Branch, Comilla



Mr. Md. Nasir Uddin
Assistant General Manager
Sylhet Branch, Sylhet



Mr. Mirza Taibur Rahman
Assistant General Manager
Ashugonj Branch, B.Baria



Mr. Md. Akhteruzzaman
Assistant General Manager
Narayangong Branch, Narayangonj



Mr. Nurul Islam
Assistant General Manager
Ashulia Branch, Savar

HEAD OF BRANCHES



Mr. Ashraful Haque
Assistant General Manager
Pabna Branch, Pabna



Mr. Md. Jasim Uddin
Assistant General Manager
Agrabad Branch, Chittagong



Mr. Shamim Akhter
Assistant General Manager
Khulna Branch, Khulna



Mr. Patit Chandra Barik
Assistant General Manager
Motijheel Branch, Motijheel



Mr. S. M. Sirajul Islam
Assistant General Manager
Barisal Branch, Barisal



Mr. Chitta Ranjan Kundu
Assistant General Manager
Jhenidah Branch, Jhenidah



Mr. Md. Shajahan
Senior Principal Officer
Saturia Branch, Saturia



Mr. Md. Tipu Sultan
Senior Principal Officer
Mohadevpur Branch, Manikgonj



Mr. Md. Abdur Rouf Khan
Senior Principal Officer
Faridpur Branch, Faridpur



Mr. Mukul Kumar Saha
Senior Principal Officer
Madhobdi Branch, Narshindi



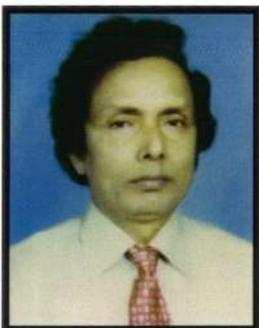
Mr. Md. Zahed Hasan
Senior Principal Officer
Noakhali Branch, Noakhali



Mr. Md. Hafizur Rahman
Senior Principal Officer
Dinajpur Branch, Dinajpur



Mr. Khan Md. Moinuddin
Senior Principal Officer
Khatungonj Branch, Chittagong



Mr. Md. Nazrul Islam
Senior Principal Officer
Mokamtola Branch, Bogra



Mr. AKM Sharif Hossain
Senior Principal Officer
Cox's Bazar Branch, Cox's Bazar



Mr. Md. Abdul Awal Khan
Principal Officer
Hossainpur Branch, Kishoregonj

ORGANIZATIONAL NETWORK

(At the year end of 2012)

Head Office

Bangladesh Development Bank Ltd.
BDBL Bhaban
8, Rajuk Avenue, Motijheel, Dhaka-1000
Phone : 02-9555151-59,02-9560014-15
02-9563476
Fax : 02-9562061,02 - 9557622
Website : www.bdbl.com.bd

ZONE OFFICE

1. Dhaka

BDBL Bhaban
12, Karwan Bazar
Dhaka -1215
Phone: 02- 9144177, 9144172
Fax : 02- 9111274

2. Chittagong

106, Agrabad Commercial Area
Chittagong
Phone : 031-710411, 031- 2520819, 031-711022
Fax : 0321-2521202

3. Rajshahi

108/6, Kumarpara
(Dhaka Mahasarak)
Rajshahi.
Phone : 0721-772689
Fax : 0721-774701

4. Khulna

25 – 26, KDA Commercial Area
Upper Jessore Road,
Khulna.
Phone : 041-720263,
Fax : 041-720262

BRANCH OFFICE

1. Principal Branch

BDBL Bhaban (Level- 1)
8, Rajuk Avenue,
Motijheel, Dhaka-1000
Phone : 02-9558326, 9550012
9569908 (BACH)
Fax : 02-9557622

2. Motijheel Branch

49, Motijheel C/A
(Ground Floor),
Dhaka-1000
Phone : 02- 9560169
Fax : 02-7110659

3. Karwan Bazar Branch

BDBL Bhaban
12, Karwan Bazar
Dhaka-1215
Phone : 02-9144173,
9144174
Fax : 02-91111274 (IBD)

BRANCH OFFICE

4. Mymensingh Branch

19/D, Shaheb Ali Road
Natun Bazar,
Mymensingh
Phone : 091-65825
Fax : 091-65825

5. Faridpur Branch

Chamber Building, Mujib
Sarak, Niltuly, Faridpur
Phone : 0631-63267
Fax : 0631-64465

6. Agrabad Branch

106, Agrabad Commercial
Area, Chittagong.
Phone : 031-716178,
2520425, 2514258
Fax : 031-2521202

7. Comilla Branch

Samabay Bank Bhaban
Kandirpar, Comilla
Phone : 081-76191

8. Noakhali Branch

434, Dakkhin Bazar
Choumuhuni, Noakhali
Phone : 0321-52306
Fax : 0321-51274

9. Sylhet Branch

1375 (Kha), Syeed Complex
(1st floor)
Ambar Khana, Sylhet
Phone : 0821-716627
Fax : 0821-716627

10. Rajshahi Branch

108/6, Kumarpara
(Dhaka Mahasarak)
Rajshahi
Phone : 0721-775802, 772337
Fax : 0721-774701

11. Bogra Branch

Khan Plaza (1st Floor)
Chalkjadu Road
Badurtala, Bogra
Phone : 051-66154
Fax : 051-66154

12. Pabna Branch

Bhai Bhai Super Market
Bhaban (1st floor)
Abdul Hamid Road, Pabna
Phone : 0731-66160
Fax : 0731-66160

13. Rangpur Branch

Sharif Building
Station Road, Rangpur
Phone : 0521-62487
Fax : 0521-55287

14. Dinajpur Branch

Adhunik Abedin Complex
(1st floor)
Gonesh Tola, Dinajpur
Phone : 0531-63972
Fax : 0531-64635

15. Khulna Branch

25-26, KDA
Commercial Area
Upper Jessore Road, Khulna
Phone : 041-720261, 724710

BRANCH OFFICE

16. Jhenidah Branch

18, Maowlana Bhashani Sarak
Jhenidah
Phone : 0451- 62464, 62285

17. Barisal Branch

Abdur Rahman Bhuiyan
& Sons (ARBS) Bhaban
41, Chalkbazar, Barisal
Phone : 0431-64456
Fax : 0431-61823

18. Narayangonj Branch

10, S M Maleh Road
Tan Bazar
Narayangonj
Phone : 02-7643144
Fax : 02-7643904

19. Khatungonj Branch

6, Ramjoy Mahajan
Lane, Post Office Goli
Asadgonj, Khatungonj
Chittagong
Phone : 031 - 618546, 618547

20. Elephant Road Branch

299, Elephant Road,
Dhaka
Phone : 02-9675282
Fax : 02-9677321

21. Ashugonj Branch

117, Station Road
Ashugonj, Brahmanbaria
Phone: 08528-74009
Fax : 08528-74008

22. Madhobdi Branch

J & J Tower
Choto Madhobdi
Jalpotti Road
Madhobdi, Narsingdi
Phone : 02-9446761
Fax : 02-9446762

23. Mokamtola Branch

Rashida Market
Mokamtola Bazar
Shibgonj, Bogra
Phone/Mobile : 01755618955

24. Hossainpur Branch

Mofiz Mansion
School Road
Hossainpur Bazar
Hossainpur, Kishorgonj
Phone : 0942-556346
Fax : 0942-556346

25. Cox's Bazar Branch

Ume Barmiz Market
Main Road
Tekpara, Cox's Bazar
Phone : 0341-63753
Fax : 0341-63743

26. Ashulia Branch

Three Star Super Market
(1st floor)
Beron Chaitola, Jamgora
Ashulia, Dhaka
Phone : 02-7789156
Fax : 02-7789156

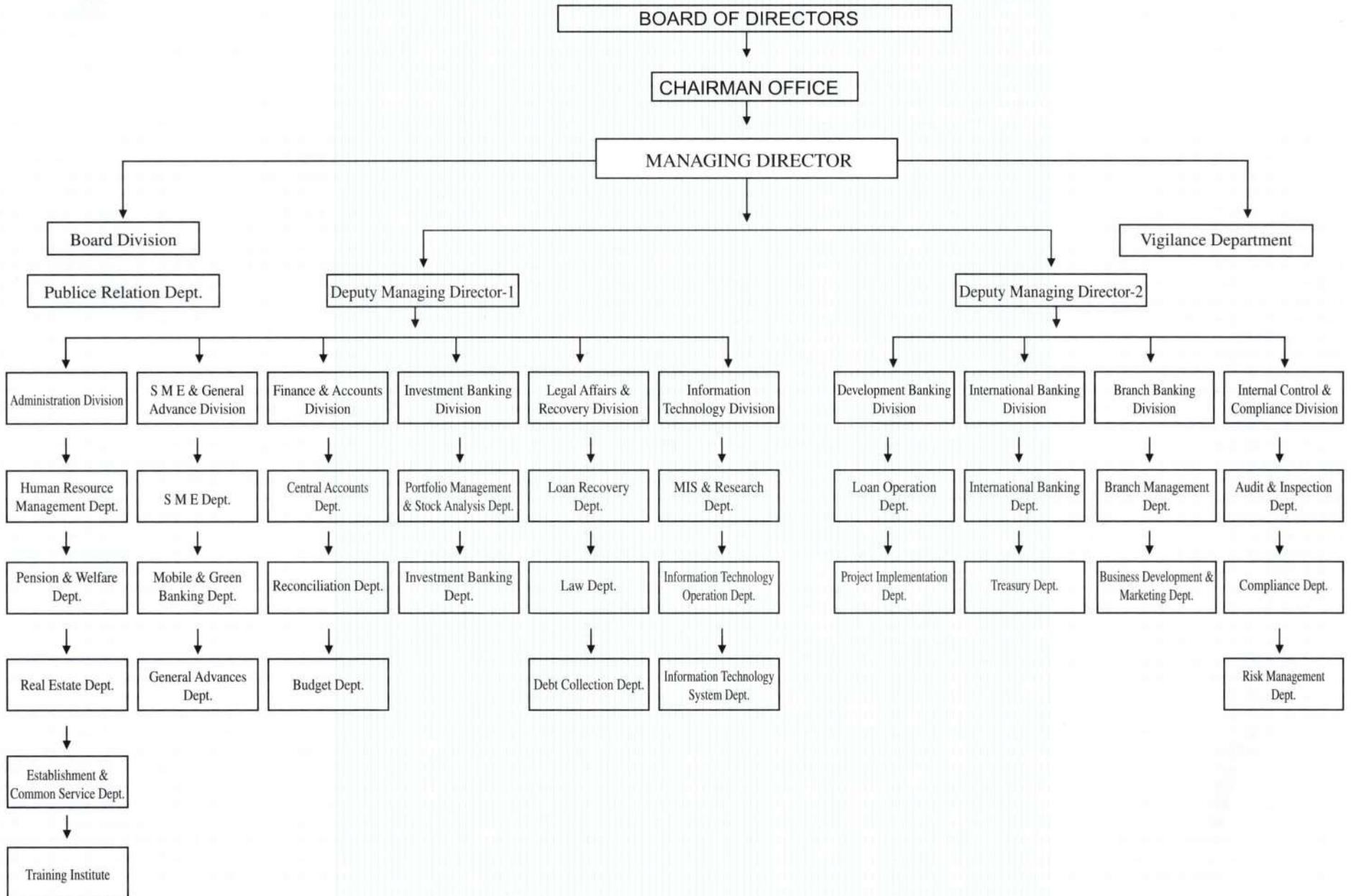
27. Mohadevpur Branch

Khushi Banijyaloy
(2nd floor)
Barongail Bazar,
Mohadevpur, Shivaloy,
Manikgonj.
Phone/Mobile : 01766 679679

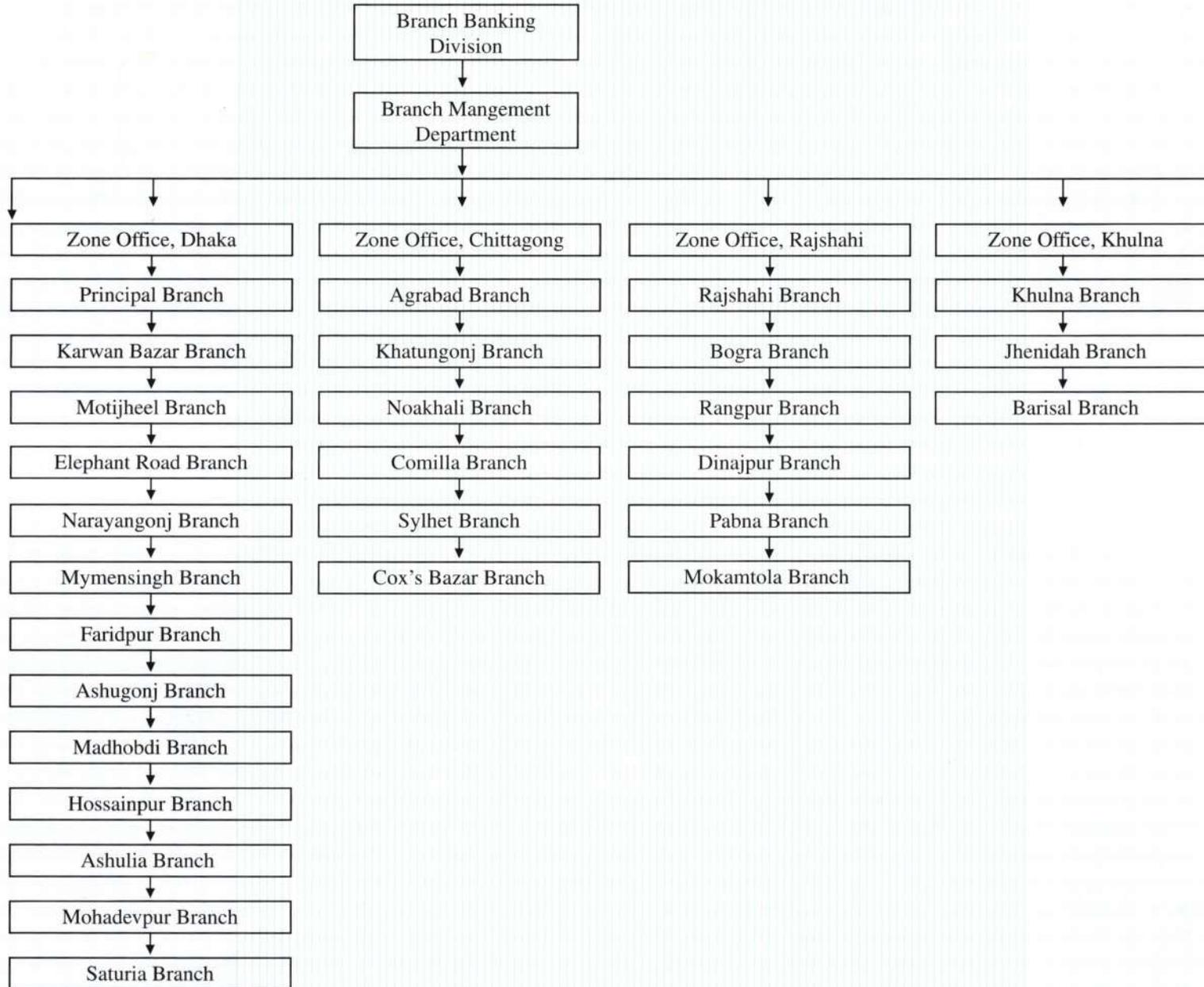
28. Saturia Branch

Belal Complex
Shamsunnahar Eye Hospital
Saturia- Dorgram Road
Saturia Bazar
Saturia , Manikgonj
Phone : 02-7725097, Fax : 02-7725049

BANGLADESH DEVELOPMENT BANK LIMITED INSTITUTIONAL STRUCTURE



BANGLADESH DEVELOPMENT BANK LIMITED INSTITUTIONAL STRUCTURE



OPERATIONAL HIGHLIGHTS OF 2013

Particulars	No. of projects	Tk. in crore		
		L / C	F / C	Total
1. Loan Application Received	2214	431.95	0	431.95
a) Long Term	23	124.65	0	124.65
b) S M E	565	71.78	0	71.78
c) Cash Credit	247	121.64	0	121.64
d) Consumer Credit	129	2.32	0	2.32
e) Personal Loan	1034	18.83	0	18.83
f) Commercial Loan (OD)	145	17.97	0	17.97
g) Others	71	74.75	0	74.75
2. Loan Sancti oned	1657	475.01	0	475.01
a) Long Term	517	74.06	0	74.06
▪ New project	13	27.50	0	27.50
▪ BMRE	0	0	0	0
▪ Additional/Enhancement	6	6.41	0	6.41
▪ S M E	498	40.15	0	40.15
b) Short Term	1140	400.95	0	400.95
▪ Cash Credit	232	129.25	0	129.25
▪ Consumer Credit	59	2.04	0	2.04
▪ Personal Loan	518	18.65	0	18.65
▪ Commercial Loan (OD)	211	17.17	0	17.17
▪ Others	120	233.84	0	233.84

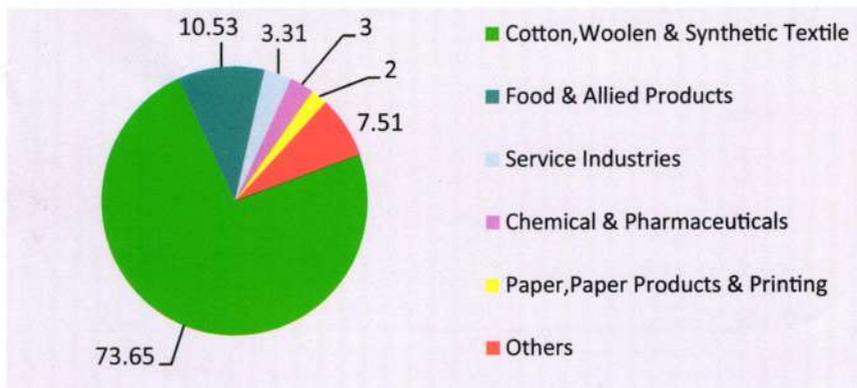
OPERATIONAL HIGHLIGHTS OF 2013

3. Disbursement of loan	1651	462.46	0	462.46
• Long Term	36	28.53	0	28.53
• S M E	510	28.25	0	28.25
• Cash Credit	260	119.72	0	119.72
• Consumer Credit	56	1.93	0	1.93
• Personal Loan	524	17.67	0	17.67
• Commercial Loan(OD)	134	14.63	0	14.63
• Others	131	251.73	0	251.73
4. Accounts Re scheduled / Re- structured	40	120.62	0	120.62
5. Number of sick Projects	16	33.50	0	33.50
6. Stared Trial & Commercial Operation	47	32.54	0	32.54
7. Stages of Projects Under Implementation				
a) Under Construction (Cumulative Disbursement)	2	1.41	0	1.41
• Already Disbursed (Fully)	0	0	0	0
• To be Disbursed (the Rest Amount)	2	1.41	0	1.41
b) Document Project	455	89.99	0	89.99
• Already Disbursed	420	77.12	0	77.12
• To be Disbursed	35	12.87	0	12.87
c) Awaiting for Documentation	23	30.56	0	30.56
8. a) Projects Liquidated (Term Loan):	41	89.66	0	89.66
• From Normal Portfolio	30	28.02	0	28.02
• From Write-off Portfolio	11	61.65	0	61.65
b) No. of Projects entered into Portfolio (Term Loan)	541	38.19	0	38.19
c) Division of Projects in Portfolio	916	753.24	0	753.24
• Export Oriented	46	52.36	0	52.36
• Import Substitute	250	144.71	0	144.71
• Service	200	65.69	0	65.69
• Trade	400	16.34	0	16.34
• Others	20	474.14	0	474.14

Sector - Wise Long Term & S M E Loan Portfolio Position As on 31 December, 2013

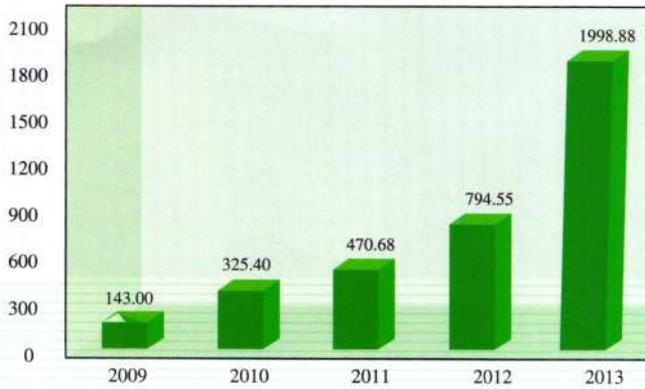
Sl. No.	Particulars	No. of Projects	Outstanding		
			Not Due	Overdue	Total
1.	Food & Allied Products	138	82.35	11.79	94.14
1.	Jute & Allied Fibre Products	1	5.63	0	5.63
2.	Cotton, Woolen & Synthetic Textile	78	416.16	104.02	520.18
3.	Paper, Paper Products & Printing	8	7.91	2.25	10.16
4.	Tannery and Its Products	3	4.56	0.18	4.74
5.	Non-metallic Mineral Products	7	10.69	0.10	10.79
6.	Forest, Wood Products & Saw Mills	18	4.03	0.88	4.91
7.	Rubber & Rubber Products	1	0.11	0	0.11
8.	Metal Products	11	6.23	1.74	7.97
9.	Electrical Machinery & Goods	3	6.47	0.03	6.50
10.	Machinery & Spare Parts	1	0.13	0.01	0.14
11.	Water Transport	1	0.09	0	0.09
12.	Road Transport	2	2.60	0	2.60
13.	Chemicals & Pharmaceuticals	17	16.41	4.84	21.25
14.	Petro-chemicals	9	7.36	1.45	8.81
15.	Service Industries	155	26.62	1.48	28.10
16.	Miscellaneous	442	23.99	1.34	25.33
17.	House Loan	21	1.71	0.07	1.78
Total :		916	623.05	130.18	753.23

Portfolio of Long Term & S M E Loans in 2013 (In %)

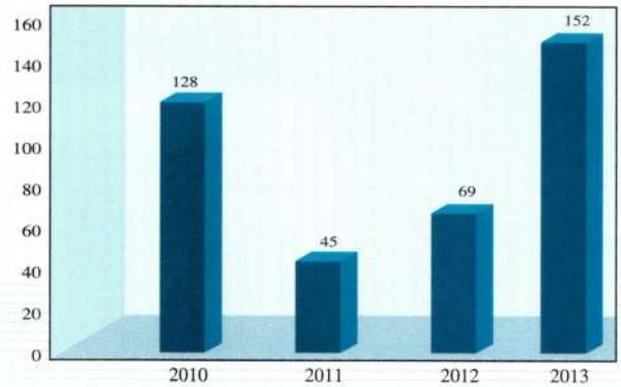


Graphical Presentation of Operational Performance

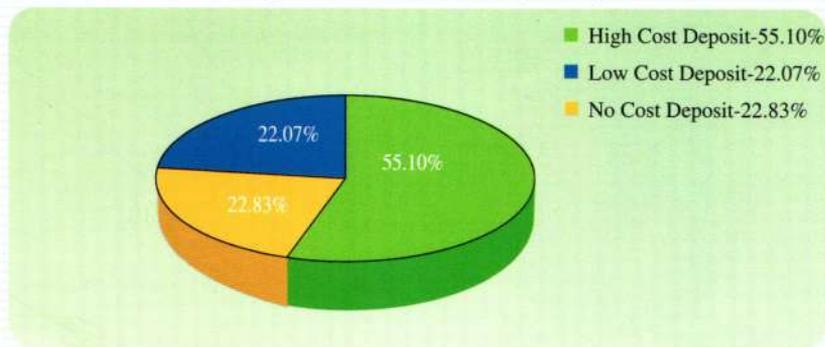
Deposit (Tk. in crore)



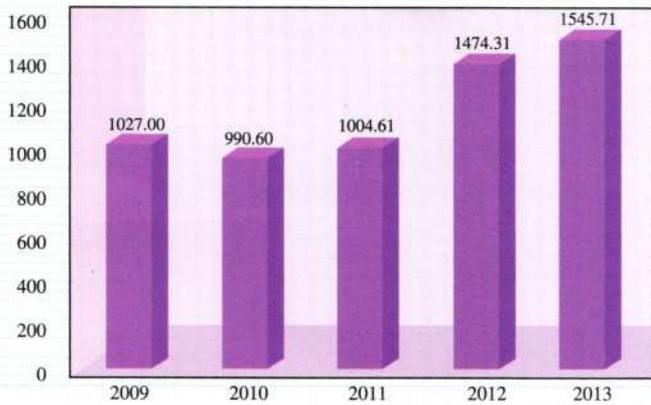
Deposit Growth (In %)



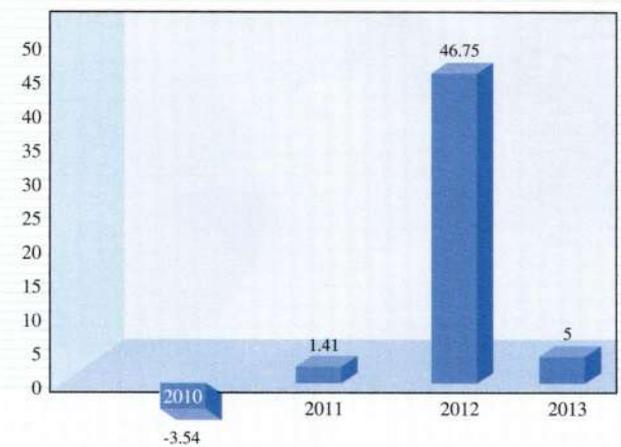
Deposit Mix in 2013 (In %)



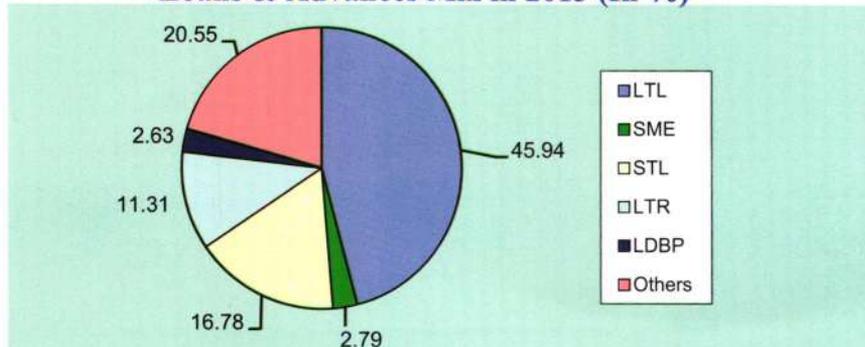
Loans & Advances (Tk. in crore)



Growth of Loans & Advances (In%)

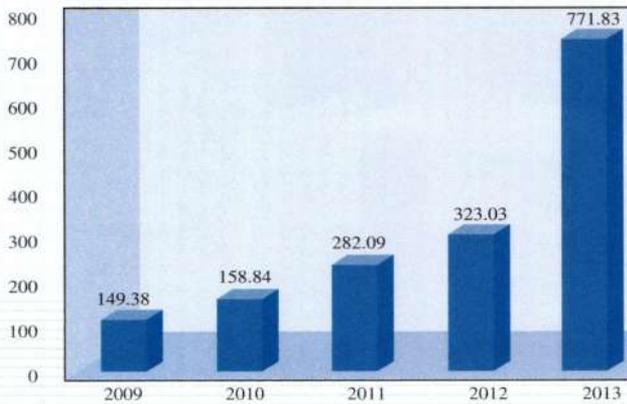


Loans & Advances Mix in 2013 (In %)

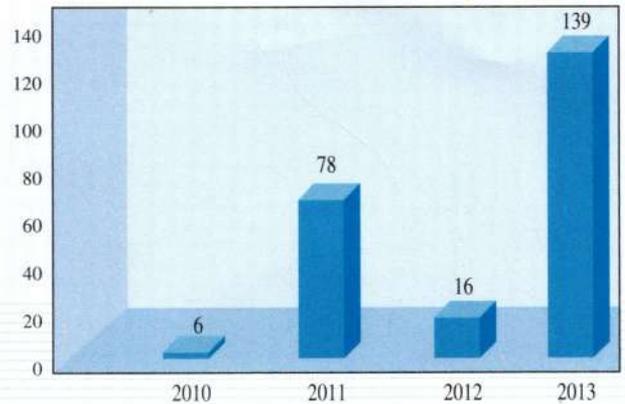


Graphical Presentation of Operational Performance

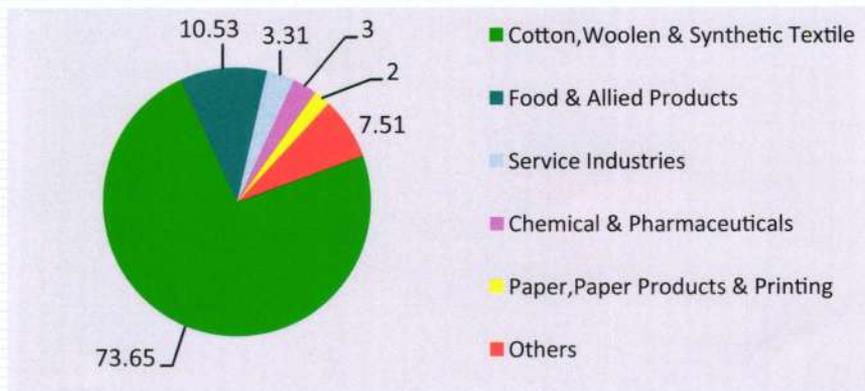
Investment (Tk. in crore)



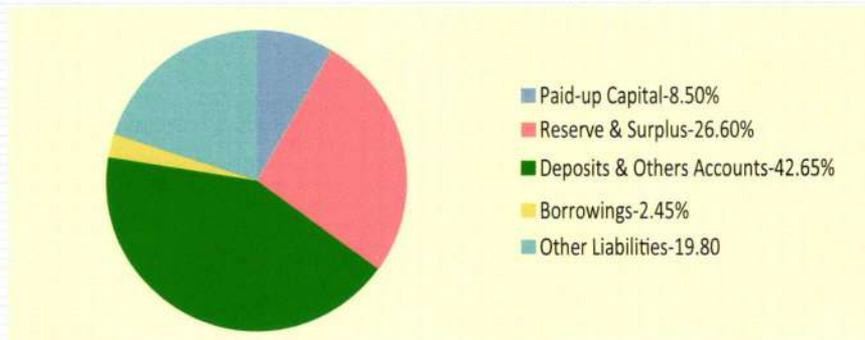
Growth of Investment (In%)



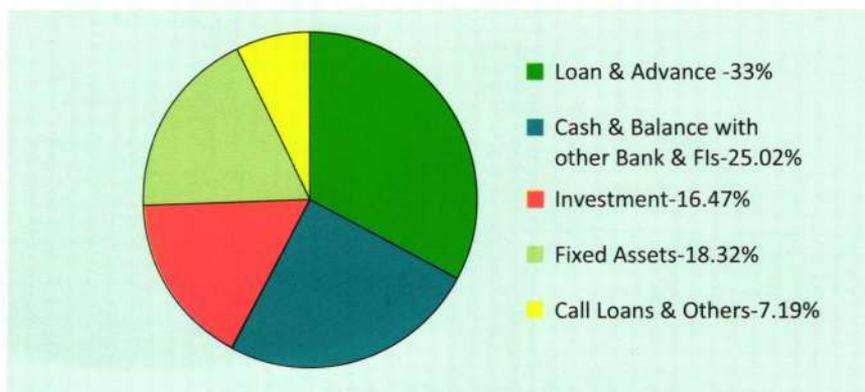
Portfolio of Long Term & S M E Loans in 2013 (In %)



Sources of Fund in 2013 (In %)

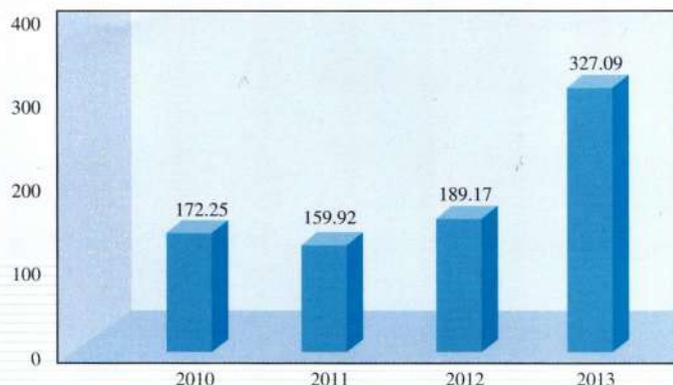


Application of Fund in 2013 (In %)

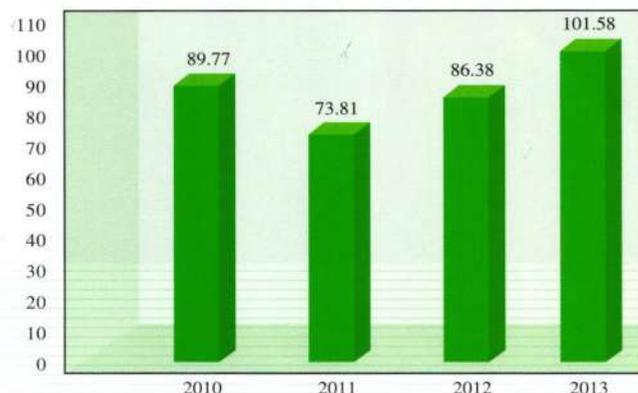


Graphical Presentation of Financial Performance

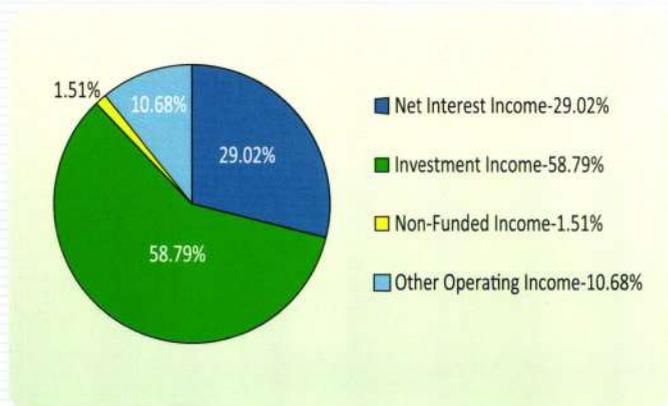
Total Operating Income (Tk. in crore)



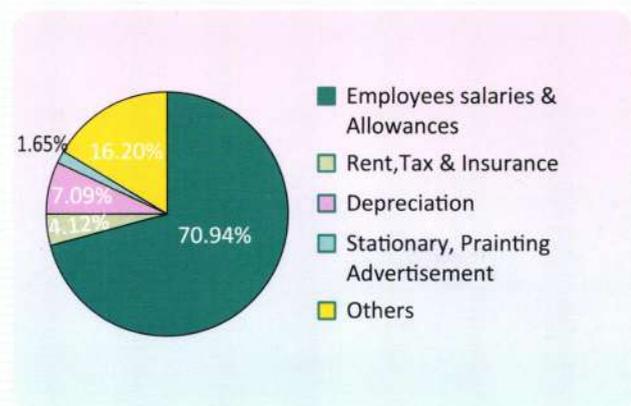
Total Operating Expenditure (Tk. in crore)



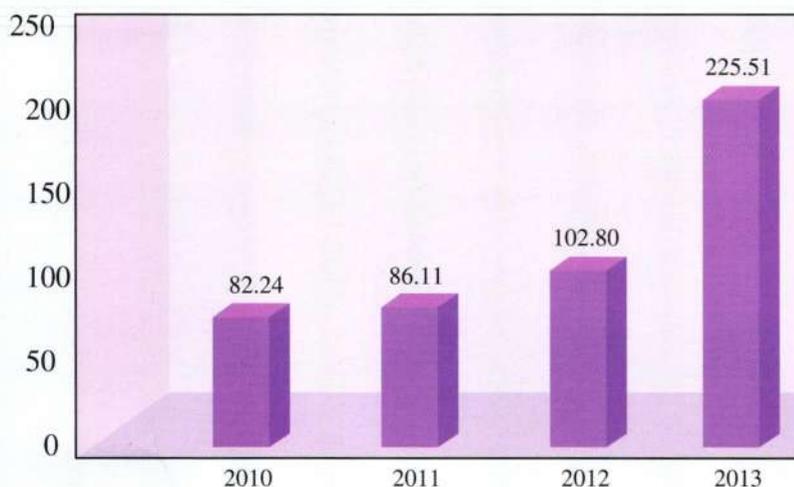
Composition of Operating Income in 2013 (In %)



Composition of Operating Expenditure in 2013 (In %)

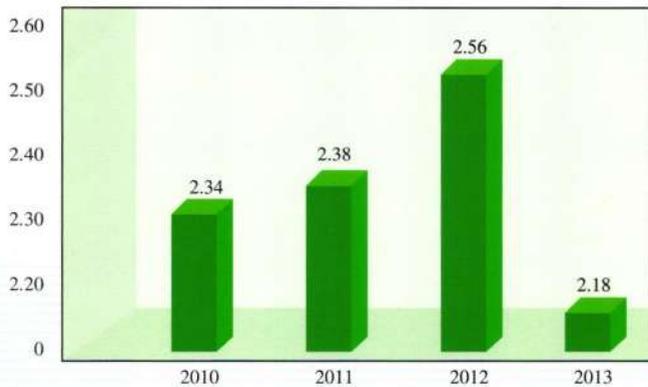


Trends of Operating Profit (Tk. in crore)

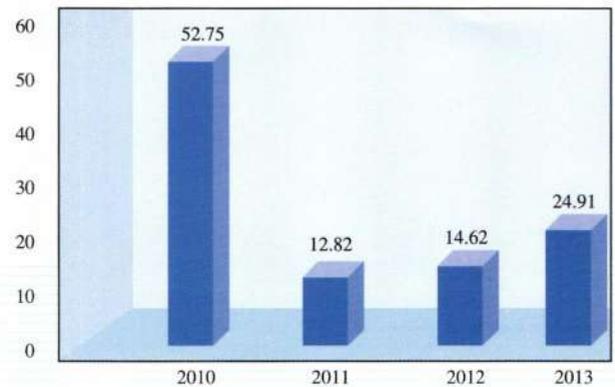


Graphical Presentation of Financial Performance

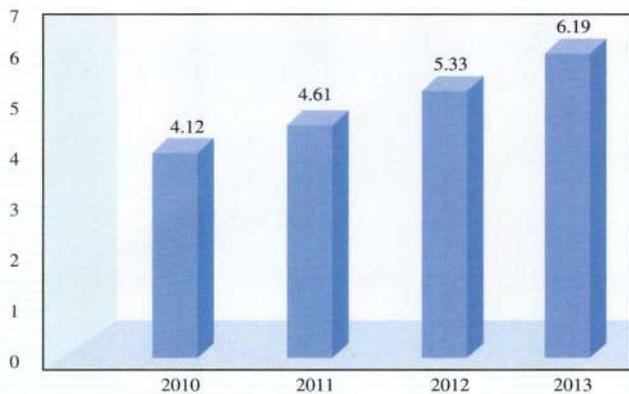
Return on Assets (In %)



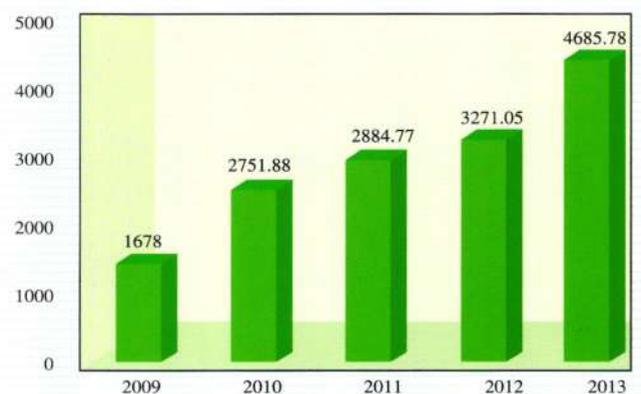
Return on Investment (In %)



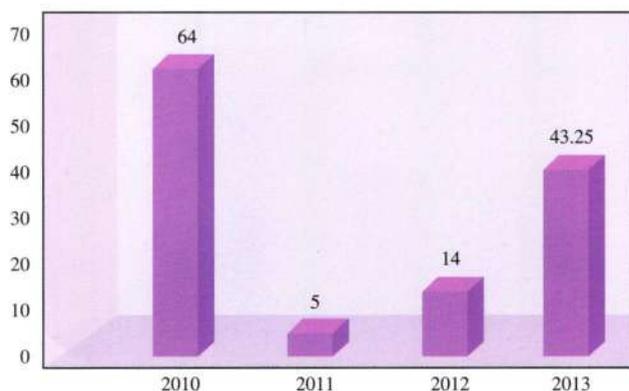
Return on Equity (In %)



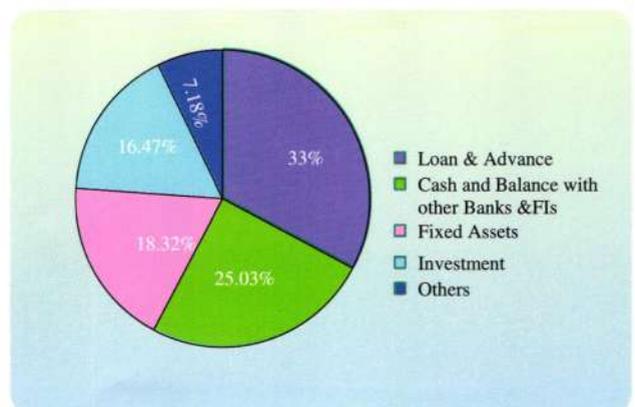
Total Assets (Tk. in crore)



Growth of Assets (In%)

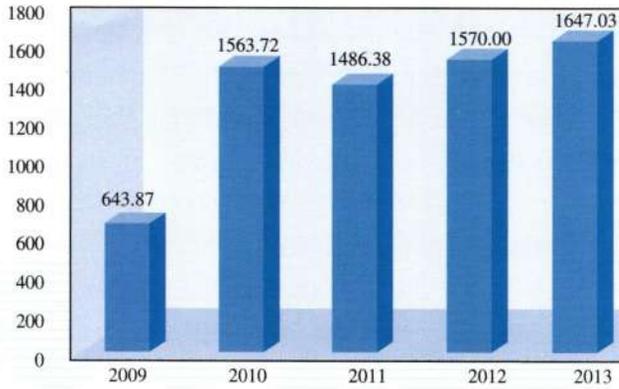


Composition of Assets in 2013 (In%)

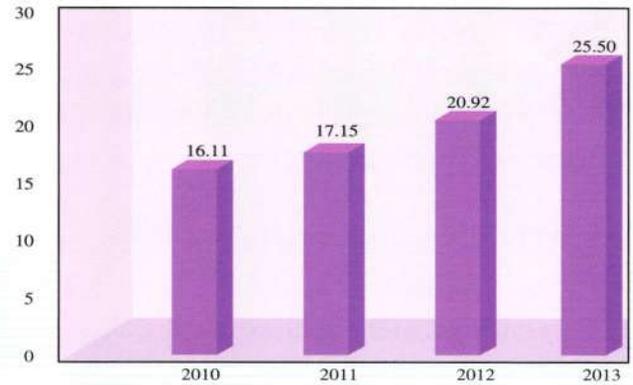


Graphical Presentation of Financial Performance

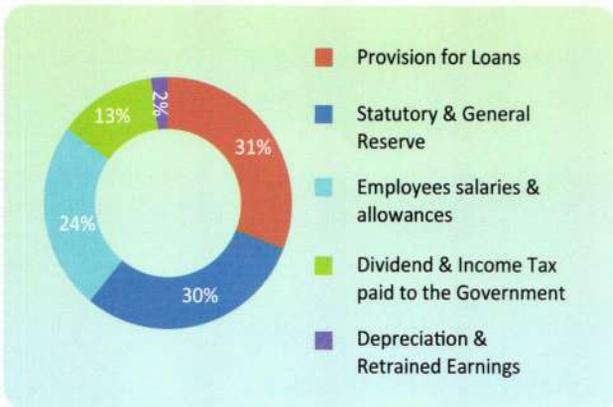
Total Equity (Tk. in crore)



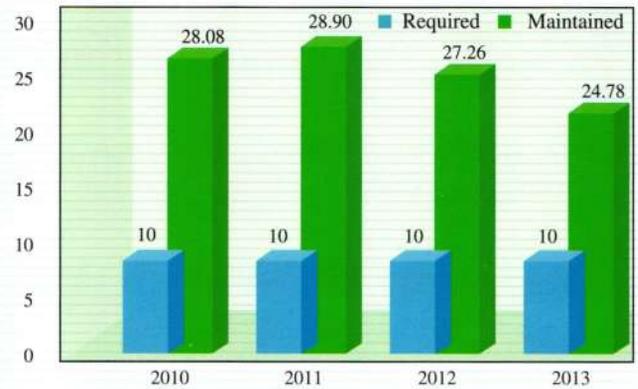
Earning Per Share (In Taka)



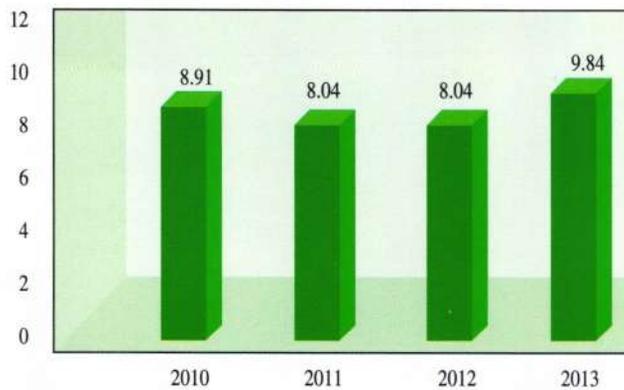
Distribution of Value Addition in 2013 (In %)



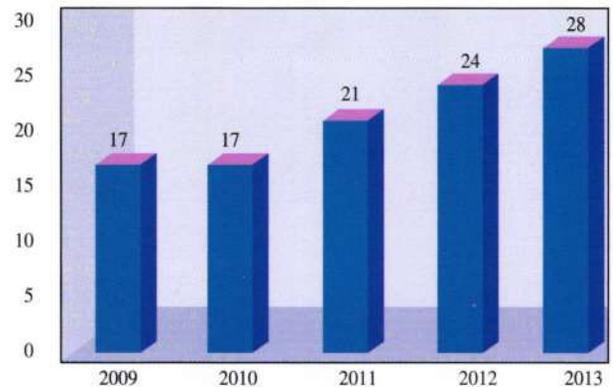
Capital Adequacy Ratio (CAR In %)



Cost of Fund (In %)



Branch Network



DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of BDBL to reflect a true and fair view of the state of its affairs. The directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Bangladesh Accounting Standards, Bangladesh Financial Reporting Standards, Companies Act, 1994 and the Bank Companies Act, 1991.

The Directors are satisfied that the Financial Statements presented give a true and fair view of the state of affairs of BDBL as at 31 December, 2013 as well as the profit for the year then ended. The Directors fully confirm that the following steps were mentioned while preparing the Annual Accounts for the year 2013 :-

- ❖ Appropriate and applicable accounting standards implemented alongwith full, proper and relevant explanation relating to material departures, if any.
- ❖ The accounting policies, framed in accordance with the guidelines of Bangladesh Bank were consistently applied.
- ❖ Practical reasonable judgment and estimates were given to provide clear descriptive picture of the state of affairs and the profit of the Bank for the year 2013.
- ❖ Adequate accounting records were efficiently maintained in accordance with the provisions of the applicable laws governing banks in Bangladesh.
- ❖ Accounts was prepared on a "going concern" basis.
- ❖ Statutory payments made up-to-date and with full satisfaction of the Directors.



CHAIRMAN'S FORWARD



PROF. SANTI NARAYAN GHOSH

Chairman

Board of Directors

Bangladesh Development Bank Ltd.

Chairman's Forward

It is a great privilege and honor for me to welcome you all to the 4th Annual General Meeting of Bangladesh Development Bank Limited. On behalf of the Board of Directors and from myself, I would like to express my sincere thanks and gratitude to all of you for your active support and co - operation without which it would not have been possible for us to take BDBL at this present stage. It is to be mentioned that this success did not come automatically, it is rather the outcome of the persistent efforts and endeavors of all involved in its operation at different levels.

The overall business environment in the banking sector in 2013 was significantly more challenging than expected. Besides, sluggish trend in the country's capital market, higher deposits rates, cautious monetary policy and provisioning of non - performing loans caused significant reduction in the profitability of Banks. Despite all these challenges, BDBL once again succeeded to achieve satisfactory profit and growth in many lines of businesses.

The Bank took a strategy of quality growth by following regulatory and policy prescription compliance in all spheres of operation. As a continued policy, the Bank remained focused in all key areas covering capital adequacy, good asset quality, sound management, good earnings and strong liquidity. As a result, the consolidated operating profit was Tk.228.55 crore during the year 2013 posting a heavy growth of 122 percent over the previous year. The Return on Equity remained 6.26 percent during the year 2013. At the same time, Earnings Per Share (EPS) stood at Tk. 25.93 in 2013 which was Tk.20.94 in 2012.

Consolidated deposits of the Bank rose to Tk.1994.85 crore during 2013 from Tk.790.05 indicating a growth rate of 152 percent over the previous year.

Despite a few odds and ends loans and advances, which were well-diversified, grew by about 4 percent to Tk.1539.23 crore during the year 2013. Foreign Exchange and Foreign Trade Financing also showed positive growth during the year.

In the year 2013, Capital Adequacy of the Bank was 24.77 percent (core capital to Risk Weighted Assets- 17.13 percent and supplementary capital to Risk Weighted Assets- 7.64 percent) on consolidated basis, which was above the stipulated rate of 10 percent.

Our customer growth ranges from individuals to corporate clients, S M E and Retail. Our principal strategic priorities are to :

- Invest in Eco - friendly industries that help mitigate environmental degradation by lending more for renewable energy, effluent treatment plants and other projects that employ energy efficient low - emission technologies including agro - based industries, small power projects, ICT, transport and infrastructure projects;

- Select and invest in industrial projects where locational advantages like, local availability of raw materials, good infrastructural facilities (road communication, transport facilities, etc.) and utilities (power, gas, water, etc.) would be available; and
- Identify prospective and potential entrepreneurs and investors / clients and motivate , guide and help them select profitable industrial venture for investment.

The Bank operates under the overall supervision and guidance of the Board of Directors. The Board throughout the year remained vigilant about compliance of the existing rules and regulations. It also spent much of its time in delivering and updating policy directives to the management for improving the performance of Bank including service delivery. All these measures together enhanced the competitiveness of the Bank during the year under review.

The Bank always believes that human resource is one of the important assets for achieving strong performance of the Bank. So, the Bank tries to create a mutual trust and dignity and our investment in human resource development is the key to sustainable profit. The Bank hires, develop and retain the human resource base with the right level of attitude, skills and talent to meet current and future demand. The employees of the Bank are given on-the-job training and sent to different training programmes / seminars and workshop. The Training Institute of the Bank arranges various courses on timely issues of banking including workshops and seminars.

For improving the strength in latest technology driven activities, the IT Division of the Bank has been working hard with a team of highly skilled officers under an IT consultant. The IT team developed various in-house software which made the operating system faster and customer-friendly.

As a part of inclusive banking, BDBL's strategy is to reach the doorsteps of the customers / entrepreneurs to provide full range of banking services based on technology at reasonable cost. With this end in view, the Bank opened 4 new Branches in different important business location of the country during 2013. Thus, the total number of Branches stood at 28 in 2013 under 4 Zone Offices.

BDBL is always committed to operate in an economically, socially and environmentally sustainable manner. The Bank formulated a CSR policy where prioritized areas are:

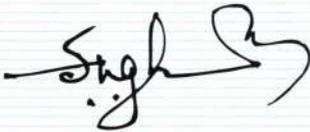
- Medical assistance for the distressed and unprivileged people of the society.
- Financial assistance for education of the poor meritorious students.
- Financial assistance for poor, helpless and disabled freedom fighters.
- Financial assistance for natural calamities affected people like cyclone, tidal bore, tsunami, etc.
- Distribution of winter cloths for the poor, shelterless and helpless people of the society.
- Assistance for beautification of urban areas and plant cultivation for conservation of environment.

The Bank took decision to allocate fund in the CSR activities about 1 percent of Net Profit of the Bank in every year.

BDBL is well positioned to meet the challenges of 2014 and expect to achieve sustainable growth with improved asset quality that will maximize value for all the stakeholders. The Bank will focus on its large customer base to generate more business from existing customers. It will also continue to harness the potential of S M E , Retail Banking, Remittance and Foreign Trade Financing including other business. However, continuous pressure on interest margins, fee, exchange earnings and increased provision requirement will pose a challenge to the financial institutions during 2014 also. In its pursuit of growth , the Bank will always adhere to good corporate governance and practices and sound risk management policies and credit evaluation procedure.

I would like to express my gratitude to the Government of Bangladesh, Bangladesh Bank, Bangladesh Securities & Exchange Commission, Office of the Registrar of the Joint Stock Companies and Firms , the stock exchanges for their continued support and guidance. I would also like to express my thanks to all valued clients , patrons, well wishers and all employees for their continued support and co- operation without which the Bank would not be able to achieve its present position.

I am thankful to our statutory auditors, Howladar Yunus & Co. and MABS & J Partners, Chartered Accountants. My appreciation also goes to my fellow members in the Board of Directors of the Bank for their generous assistance, guidance and thoughtful leadership for continuous growth of the Bank.



Prof. Santi Narayan Ghosh

Chairman

Board of Directors

REVIEW OF THE MANAGING DIRECTOR



Dr. MD. ZILLUR RAHMAN

**Managing Director
Bangladesh Development Bank Ltd.**

BDBL has been advancing towards achieving its goals with well defined targets and strategies of business activities under the guidance of expert and experienced Board of Directors.

I feel honored and it is indeed my great pleasure to welcome you all to the 4th Annual General Meeting of BDBL. I am also delighted to express my best regards and hearty felicitation to the respected shareholders, honorable Chairman and Directors of BDBL. Since its inception, BDBL has been endeavoring hard to achieve its desired goals with the continued support and co-operation of the visionary Board of Directors. As a result, the growth of BDBL through performing different business activities has been showing up tick from year to year.

Before going to present operational and financial performance of the Bank, it is deemed necessary to give a brief description of global and domestic business and economic situation during 2013.

GLOBAL ECONOMIC REVIEW

When Bangladesh Development Bank Ltd. was formed in November, 2009, the Global Economy was passing through a financial crisis originating from the Banking Industry and ultimately leading to economic recession. Even before the wounds of global financial crisis could heal, the snowballing effects of sovereign debt crisis had dampened the prospect of global economic recovery forming from some euro zone countries. The euro zone crisis spread to the financial sector and real economy. The IMF's latest World Economic Outlook Update anticipated that the average growth rate of world economy would result in a rebound in 2014 with a growth rate of 3.6 percent compared to 2.9 percent lower growth in 2013.

Among the Advanced economies, the US economy shows signs of recovery with growth and employment picking up buoyed by strong private demand. EU countries are mired in stagnancy with countries such as Italy, Spain, Portugal and Greece, still in the grip of high and stubborn unemployment. Germany remains the only performer with low unemployment and strong exports. Consequently, the euro zone is just crawling out of recession.

It is also worth mentioning here that, World trade volume is expected to grow @ 4.9 percent in 2014 which was 2.9 percent in 2013.

Global inflation is expected to accelerate further in 2014 both in Developed and Emerging countries mainly because of larger-than-expected increases in commodity prices, especially prices of food and energy goods.

But it is a matter of hope that stricter global financial regulations, various reforms and transparency to the financial markets are on the cards to prevent such disaster that may change the world financial and economic systems.

DOMESTIC ECONOMIC SCENERIO

The Bangladesh economy faced challenges due to unfriendly business environment during 2013. As mitigating measures, monetary and fiscal policies of the Government were being evaluated and adjusted from time to time to face the challenges. This has resulted in 6 percent GDP growth (using the FY 1996 as base year) during FY 2013 which was 0.2 percentage point lower than 6.2 percent growth achieved in FY 2012.

GDP growth achieved during FY 2013 was basically based on 9 percent growth in the industry sector, 5.7 percent growth in the services sector and 2.2 percent moderate growth in the agriculture sector.

The Gross Domestic Product (GDP) growth is projected at 7.3 percent in FY 2014 based on prevailing investment and growth momentum in the real economy. With this end, Bangladesh Bank's monetary programme for FY 2014 has set to provide adequate monetary accommodation to achieve targeted GDP growth in FY 2014. The monetary programmes designed to provide 18 percent productive credit growth to private sector in FY 2014 instead of 16 percent in FY 2013 to support growth oriented monetary policy as well as to contain inflation at the targeted level of 7.5 percent for FY 2014.

FINANCIAL PERFORMANCE OF BDBL

The Banking Industry of the country in 2013 was passing through several backdrops, like global financial crisis, money market and capital market volatility, crisis of fund, stricter Central Bank's regulations to contain Credit Deposit Ratio (CDR), downward trends of credit flows, political instability, shortages of power and energy, etc. Besides, introduction of few regulatory instruction in 2013, have caused upward trend of non-performing loans in many banks due to new rules regarding loan provision and classification. All these had led to slower profit growth of banks in 2013 compared to the previous year.

The management of BDBL focused more on consolidating its strength in 2013 by way of capacity building, strong capital base and efficient liquidity management. Accordingly, in the area of capacity building, the Bank revitalized its organogram to make it more dynamic and delivery oriented. For this, it created a number of new Departments and opened up of new Branches for expanding banking activities, liability marketing, branding etc. Strong Capital Base was also maintained including limiting of Credit Deposit Ratio (CDR) to the desired level.

Despite the challenges and unfavorable environment, the year 2013 was pretty good for BDBL comparing with other financial intermediaries. The picture of business and revenue growth of the Bank was much attractive from the previous year. The Key Performance Indicators (KPIs) of banking operations are testimony to the achievement and growth of the Bank. The Bank earned Net Interest Income (N I I) Tk. 94.91 crore against the target of Tk. 94.73 crore in 2013, indicating 100 percent achievement of the target. Similarly, the non-funded income (fees, commission and other non-funded) was Tk. 39.90 crore against the target of Tk. 41.68 crore in 2013, showing about 96 percent achievement of the target. The total operating income of the Bank rose by 73 percent to Tk. 327.09 crore in 2013 than Tk. 189.17 crore of the previous 2012 while 99 percent of the target achievement during the same year.

At the same time, total operating expenses in 2013 posted a moderate rise of 18 percent to Tk. 101.58 crore over the previous year. As a result, the Net Income Before Provision and Tax (NIBPT) stood at Tk. 225.51 crore in 2013 against the target of Tk. 225.00 crore, showing an achievement of 100 percent of the target. Cost to Income Ratio slightly increased to 60.97 percent in 2013 which was 59.21 percent in 2012.

The dividend policy of the Bank aims to ensure sustainable growth of the Bank with strong Capital Adequacy Ratio, which must maximize value for the shareholder. The Bank successively paid as high as Tk. 10.00 crore dividends to the shareholder in 2013.

BUSINESS GROWTH IN 2013

In 2013, all out efforts were continued to diversify and improve the deposit mix to strengthen deposit base with stable sources of funds. To increase number of deposit accounts, intensified target and campaign were speed up in 2013. The campaign was strongly supported by opening new Branches, introducing online banking and upgrading IT infrastructure and increasing promotional activities including improved delivery capabilities to meet the growing needs of the customers. Despite mounting liquidity pressure in the banking system, the deposit of Bank grew to Tk. 1998.88 crore in 2013 from Tk. 794.55 crore in 2012, indicating an increase of 152 percent growth and achievement of 156 percent of the target which was determined Tk. 1278.24 crore in 2013.

Loans and advances stood at Tk. 1545.72 crore at the end of 2013 from Tk. 1474.31 crore , showing a growth of about 5 percent over the previous year.

The Bank continued to grow and diversify its portfolio in 2013 to have a diversified client base and portfolio distributed across the sectors to reduce client specific and industry specific concentration and to reduce overall portfolio risk. Considering the future market direction, a number of retail products and S M E products aiming at specific target groups were launched in 2013.

NON – PERFORMING LOANS

Non – performing loans of the Bank increased from the previous year due to compliance of the regulatory requirements. The efforts to reduce non - performing loans ratio to total loans (excluding staff loan) did not yield desired result as was targeted in 2013. However, full provision was made against these classified loans. The Bank took different measures to reduce the quantum of classified loan. These include Short Term Road Map (STRM) for recovery including sanctioning of quality loan and regularization of loan through rephasing and rescheduling procedure. Besides, settlement of dispute outside the courts has also been accepted as a measure for loan recovery. The last approach is the filing of case against the default borrowers.

RISK MANAGEMENT

As a Financial Intermediary, BDBL also faces challenges from different types of risks that may have adverse impacts on the business and profitability. Risk management in Bank's operation includes identification, measurement, assessment, monitoring and control of various risks which aims to minimize adverse impact of risks taking and financial results of the Bank ensuring credit quality. The Risk Management Unit of the Bank prepares monthly Risk Report on the health of the Bank and Stress Test results on the financial position of the Bank and present to the Supervisory Review Process Team and high powered Risk Management Committee.

STRONG CAPITAL ADEQUACY

BDBL always puts much emphasis on strengthening and enhancing its risk management culture and internal control processes rather than increasing capital to cover up weak Risk Weighted Assets (RWA). As a result, the Bank's Capital Adequacy Ratio (CAR) remains consistently at the higher level than asked for by the Central Bank. The Capital Adequacy Ratio maintained at 24.78 percent (core capital 17.13 percent + supplementary capital 7.65 percent) in 2013 which was 27.26 percent (core capital 18.01 percent + supplementary capital 9.25 percent) in 2012.

BDBL'S RATINGS

BDBL's entity ratings by the Credit Rating Information and Services Ltd. (CRISL) also reflected stable position being awarded with AAA for Long Term and ST-1 for Short Term as Government Supported Entity. It also awarded with A- for Long Term and ST-2 for Short Term as Stand – alone Commercial Bank.

OTHER ACTIVITIES

BDBL is consistently improving its IT backbone to expand its products and services and always striving to cater to the banking needs of a wider customer base and enhance the mission of promoting financial inclusiveness.

It is true that the global financial industries contributed substantially to the on going crisis by their mindless pursuit of profit, causing negative impacts on the People and Planet. Our Bank is more sensitive to the needs of the community and environment and not concentrate solely on profit maximization. Considering the needs, the Bank formulated Green Banking Policy and Corporate Social Responsibility Policy according to the guidelines given by the Central Bank in order to implement the same for betterment of the Society and Planet.

BUSINESS OUTLOOK FOR 2014

It is apprehended that the year 2014 would be more challenging year for the economy as well as Banking Sector. The major challenges of the banking industry in 2014 would be optimum utilization of fund through achieving desired investment growth, preventing the deterioration of asset quality and maintenance of capital adequacy ratio. We are quite optimistic that we would be able to achieve our goals in 2014 by strategic planning and implementation of the same through a dedicated line of human resource.

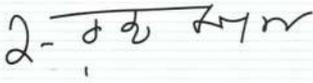
However, from the lessons of 2013, we will make every effort to focus the following in 2014 :

- Explore potential depositors and take steps to make them our customers to increase investable fund and contain cost of fund by no cost and low cost deposit mix.
- Enhance image of the Bank by taking customer focused, need-based and solution-driven activities.
- Ensure better customer services according to the needs of the customers at reasonable cost.
- Achieve business growth through enhancing non-funded activities and loans and advances with special thrust on S M Es, cluster-based finance, green projects, entrepreneurs finance including others aiming to speed up sustainable business growth..
- Drive Export-Import business in full swing.
- Determine realistic strategy to turn loss incurring Branches into profit earning Branches for healthy profit growth of the Bank.
- Reduce NPL according to Short Term Road Map (STRM).
- Accelerate recovery process in commensurate with the annual target.
- Devise new strategy and processes to realize written-off loans.
- Stay vigilant about financial scams, irregularities and other operational failure.
- Maintain adequate liquidity surplus to ensure smooth transactions.
- Maintain ethical standard in every step of the way. Ethics committee comprising of the senior management has been formed.
- Introduce online banking among all Branches by June, 2014.
- Speed-up CSR activities.
- Open more new Branches in rural and urban areas of potentialities for making banking services available to the un-banked people of the society.
- Improve performance and productivity of the employees through pursuing greater cost efficiency and capacity building.
- Activate guidance, supervision and monitoring of the Branch level activities by senior management which will play a lead role in achieving the strategic objectives of the Bank.
- Work out SWOT analysis regularly for reviewing the Bank and its market position.

We are optimistic in achieving our Goals through well-defined strategy and targets thereby to provide long term sustainable value for our shareholders with a dedicated line of human resource who act with special care, concern and consciousness.

Finally, I express sincere and special thanks to my colleagues of all levels for their efforts and dedication in achieving the desired results. I would also like to express my sincere thanks and gratitude to the Board of Directors of BDBL for their consistent guidance, support and cooperation.

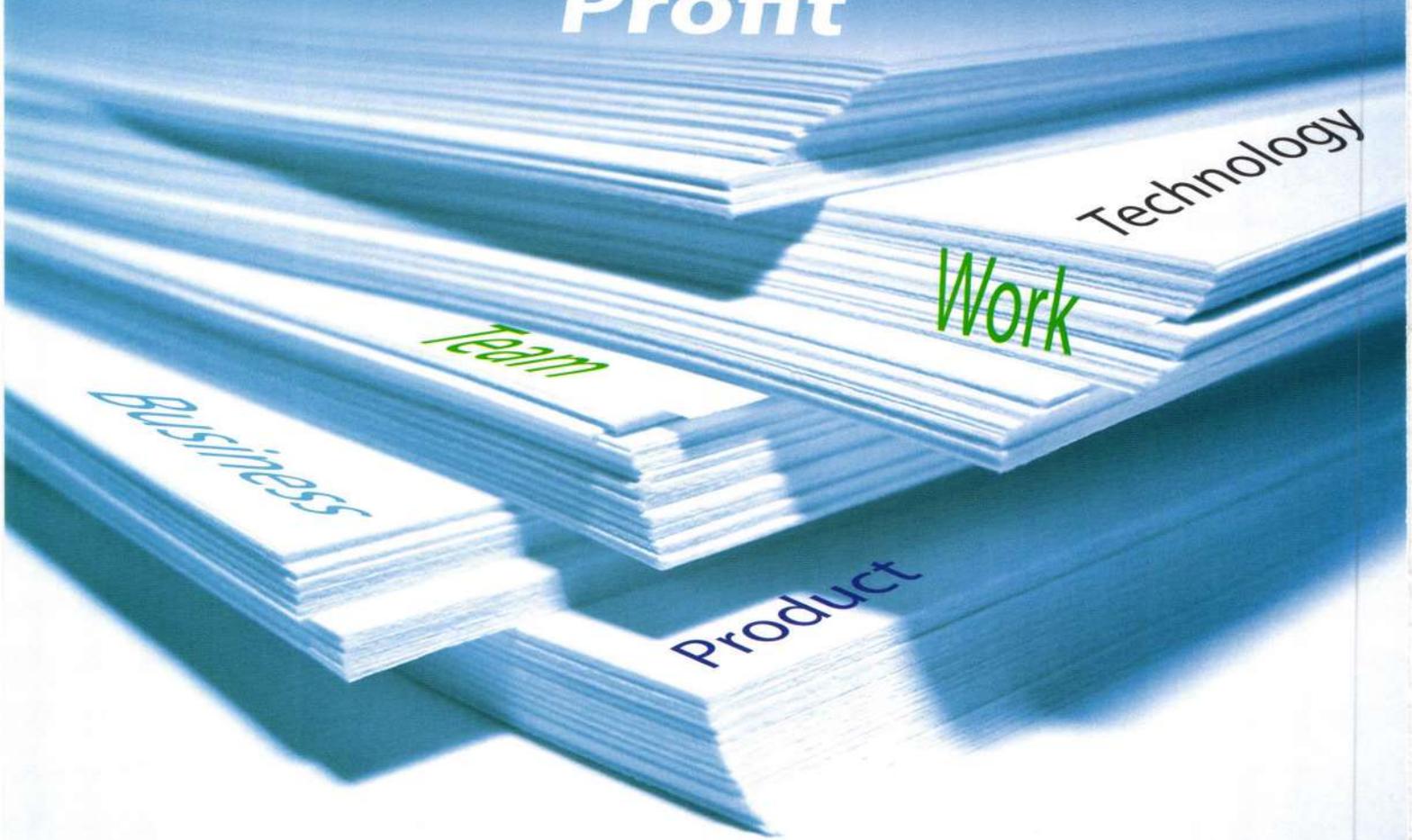
We are also indebted to the Government of Bangladesh, Bangladesh Bank, Bangladesh Securities & Exchange Commission, Office of the Registrar of Joint Stock Companies & Firms, DSE & CSE and auditors of the Bank for their continued support and cooperation.



Dr. Md. Zillur Rahman
Managing Director

DIRECTORS' REPORT: 2013

Profit



Directors' Report concisely describes the Global and Domestic economic scenario of 2013 to get an overview on the challenging macro environment prevailed in the business operation. We also review our operational and financial performance through analyzing our key operational areas and the activities of the Bank during 2013 and determine the business goals of 2014 in the light of the previous year's evaluation.

I, on behalf of the Board of Directors, cordially welcome the honorable shareholders and their representatives at the 4th Annual General Meeting of Bangladesh Development Bank Ltd. (BDBL). It is to be mentioned that following the signing of two Vendors' Agreements with the Government in December 2009, BDBL, established as a Public Limited Company, took over the undertakings and the business of statutory bodies namely Bangladesh Shilpa Bank (BSB) and Bangladesh Shilpa Rin Sangstha (BSRS) with all their assets, benefits, rights, powers, authorities, privileges, liabilities, personnel, borrowers and other obligations to carry on with the same business. Additionally, it got the licence for Commercial Banking Business as per Memorandum and Articles of Association of BDBL.

Before presenting the operational and financial performance of the Bank for the year 2013, a brief review of the global economic situation along with the performance of the Domestic Economy in 2013 would appear to be in order. A brief reference to the initial difficulties and the challenges experienced by BDBL in its first year of operation would also be relevant here.

GLOBAL ECONOMIC SCENARIO

The world economy anticipated a slow growth of 2.9 percent in 2013 than the growth rate of 3.2 percent achieved in 2012. The worsening situation happened because of the slower growth in the advanced economies including the United States, Germany, France, Italy, Spain, UK, Japan, Canada. The emerging market and developing economies also experienced downward growth.

IMF's latest World Economic Outlook Update (WEO Update October 2013) anticipated that average growth rate of world economy (2.9 percent) will be lower than the July 2013 WEO Update projections of 3.1 percent. The WEO forecast was revised downward mainly because of slower growth in China and in a growing number of emerging market economies, for both cyclical and structural reasons. Growth rate of the United States is projected to decline from 2.8 percent in 2012 to 1.6 percent in 2013. However, activity in the US is regaining pace, helped by a recovering real estate sector, higher household wealth, easier bank lending conditions, and more borrowing. In Japan, growth is projected to pick up at 2.0 percent in 2013, the same as in 2012, in response to the Bank of Japan's Quantitative and Qualitative Monetary Easing and the government's fiscal stimulus. In the euro area, economic growth is expected to contract by 0.4 percent in 2013, dampened by still tightening credit conditions in the periphery. In emerging market economies, the reasons for weaker growth may include tightening capacity constraints, stabilizing or falling commodity prices, less policy support, and slowing credit. The forecast for growth rate for China is reduced to 7.6 percent in 2013, which will affect commodity exporters among the emerging market and developing economies.

Consumer prices in advanced economies projected to decline 2.0 percent in 2012 to 1.4 percent in 2013. In the United States, the labour market improved gradually and wages declined. As a result, the CPI inflation anticipated to go down from 2.1 percent in 2012 to 1.4 percent in 2013.

Similarly, in the euro-area inflation was projected to fall from 2.5 percent in 2012 to 1.5 percent in 2013 as wages remained stagnant over this period. In the emerging and developing economies, inflation was projected slightly to decline from 6.2 percent in 2012 to 6.1 percent in 2013.

WORLD TRADE VOLUME

The growth of world trade volume (goods and services) was projected to rise to 2.9 percent in 2013 from 2.7 percent in 2012. The growth rate of exports for both advanced economies was expected to increase to 2.7 percent and 1.5 percent in 2013 from 2.0 and 1.0 percent respectively in 2012. However, the projected growth rate of export and import for emerging market and developing economies were expected to decline to 3.5 and 5.0 percent in 2013 from 4.2 and 5.5 percent in 2012 respectively.

WORLD GROWTH PROSPECTS FOR 2014

According to World Economic Outlook, October 2013, the world economy will slow to average growth rate of 3.6 percent in 2014 from over 3.9 percent in 2011 but is estimated to increase followed by 2 percent growth in the advanced economies and 5.1 percent growth in the Emerging market and developing economies including 6.5 percent growth of Developing Asia.

Despite, global growth projected to recover slightly from 3.0 percent in 2013 to 3.6 percent in 2014, the overall balance of risks to near and medium global growth outlook is still dominated by downside risks. Although near term tail risks in advanced economies have diminished, key advanced economies should maintain a supportive macroeconomic policy mix, anchored by credible plans for medium term public debt sustainability. The main downside risks are related to the possibility of a longer growth slowdown in emerging market economies, specially given risks of lower potential growth, slowing credit and weak external conditions.

A REVIEW OF BANGLADESH ECONOMY IN FY 2013

In the midst of global economic slowdown and challenging domestic environment, the Bangladesh economy provisionally posted a steady growth of 6.03 percent during FY 2013, though considerably lower than the projection of 7.2 percent growth rate due to unfriendly business environment prevailed in the country in 2013. It was also marginally lower than the growth rate 6.23 percent achieved in FY 2012. However, the increase in GDP growth in FY 2013 was mainly attributed to increase in sectoral growth in (i) Manufacturing (ii) Electricity, Gas & Water (iii) Construction (iv) Financial Intermediation (v) Public Administration and Defense (vi) Education (vii) Health & Social Work along and (viii) Agricultural Sector.

SECTORAL GROWTH PERFORMANCE

Agriculture Sector

The Agriculture Sector, which contributes about 18.70 percent of the total GDP in FY 2013, includes 3 sub-sectors namely (i) Crops & Horticulture (ii) Animal Farming and (iii) Forest & Related Services. The overall growth rate of the broad Agricultural Sector for FY 2013 was provisionally estimated at 2.17 percent over 3.11 percent in FY 2012. The deceleration of agricultural growth was largely due to the base effect of two consecutive years of record growth and lower-than-expected rice output which led to the crop sector only growing by 0.2 percent.

Within the agriculture sector, the highest growth was achieved in the fishing sub-sector followed by the forest and related services sub-sector. Fishing sub-sector grew at a rate of 5.5 percent in FY 2013 against

5.4 percent recorded in FY 2012. The growth rate of the forest and related services sub-sector increased to 4.5 percent in FY 2013 against 4.4 percent in FY 2012. Animal farming sub-sector grew by 3.5 percent in FY 2013 compared to that of 3.4 percent in FY 2012.

Industry Sector

The industry sector, comprised of the sub-sectors of mining, quarrying and manufacturing, construction and power, gas and water supply, showed provisionally an impressive growth of 9 percent in FY 2013 than the growth rate of 8.90 percent of FY 2012. This sector contributed 32 percent of GDP at constant prices for FY 2013. The manufacturing Sector is composed of two sub-sectors, which is (i) Large & Medium Scale Industries and (ii) Small Scale Industries. The overall manufacturing sector achieved a growth rate of 9.34 percent in FY 2013 as compared to 9.37 percent in FY 2012 due to depressed domestic and external demand. The large and medium scale manufacturing which accounted for 73 percent of the manufacturing sub-sector grew by 10.30 percent in FY 2013 compared to 10.50 percent in FY 2012. On the other hand, small scale manufacturing sub-sector which contributed about 27 percent of the total output of the manufacturing sector grew by 6.80 percent in FY 2013, slightly higher than 6.50 percent in FY 2012. Small scale manufacturing industries like rice milling, grain milling, knitwear, leather products, footwear and non-metallic mineral products etc. showed upward growth in FY 2013. The production of this sub-sector mostly depends on indigenous raw materials and are generally immune to external shocks.

Service Sector

The service sector, the largest sector in the economy, contributed 49.30 percent of the total GDP in FY 2013. In FY 2013, the service sector grew at a rate of 5.70 percent compared to that of 6 percent in FY 2012. The Service Sector is composed of (i) Wholesale & Retail Trade (ii) Hotel & Restaurant (ii) Transport & Communication (iv) Financial Intermediation (Banks) (v) Real Estate (vi) Renting & Business Activities (vii) Public Administration & Defense (viii) Education (ix) Health & Social Work (x) Community Social and Personal Services. Growth in the wholesale and retail trade, financial intermediations, education and health and social sub-sectors declined slightly with considerable decline in the growth in public administration and defense sub-sector. On the other hand, the growth rates in the transport, storage and communication, real estate, renting and business activities and community, social and personal services sub-sectors increased in FY 2013 compared to those in FY 2012.

FISCAL DEVELOPMENT

Expenditure

The total expenditure as percentage of GDP showed a rise of 18.3 percent in FY 2013 from 16.6 percent in FY 2012. The both current and ADP expenditure as a percentage of GDP increased to 9.9 percent and 5.0 percent respectively in FY 2013 than that of 9.8 percent and 4.1 percent respectively in FY 2012. The total expenditure increased by 24 percent to Tk. 1893.3 billion in FY 2013, which was Tk. 1524.3 billion in FY 2012.

Revenue Receipts

The total revised revenue receipts in FY 2013 was Tk. 1396.7 billion, which was close to the target. The revenue receipts were about 22 percent higher than that of the actual revenue receipt of Tk. 1146.9 billion in FY 2012. The tax revenue, comprised 83.6 percent of the total revenue receipts, grew by an increased rate of 22.7 percent in FY 2013 compared to 10.7 percent growth in FY 2012. The non-tax revenue showed a higher growth rate of 17.4 percent to Tk. 228.5 billion in FY 2013 compared than that of Tk. 194.6 billion in FY 2012. The total revenue receipts as percentage of GDP rose to 13.5 percent in FY 2013 from that of 12.5 percent in FY 2012.

OTHER MACRO ECONOMIC INDICATORS

Savings

The National Savings rate as percentage of GDP slightly increased from 29.2 percent of GDP in FY 2012 to 29.5 percent of GDP in FY 2013. The Gross Domestic Savings as percentage of GDP remained constant at 19.3 percent in FY 2013 compared to FY 2012. The Domestic and National Savings rose considerably as the current account deficit improved in FY 2013. The share of the private sector savings as percentage of GDP slightly increased to 18 percent in FY 2013 from 17.90 percent in FY 2012 and that of the public sector savings remained unchanged at 1.3 percent in FY 2013. The Gross National Savings (GNS) as percentage of GDP marginally increased to 29.5 percent in FY 2013 from 29.2 percent of GDP in FY 2012, resulting from a higher inflow of Net Factor Income (NFI) by 17 percent over the previous year.

Investment

Investment as percentage of GDP increased marginally to 26.8 percent in FY 2013 from 26.5 percent in FY 2012. While the share of private investment decreased from 20 percent in FY 2012 to 19 percent in FY 2013, the share of the public investment increased from 6.5 percent in FY 2012 to 7.9 percent in FY 2013. The increasing share of public investment in GDP in FY 2013 resulted from a higher implementation rate of ADP expenditure compared to that in FY 2012.

The domestic savings - investment gap as percentage of GDP increased from 7.2 percent in FY 2012 to 7.5 percent in FY 2013. The domestic savings - investment gap was met with Net Factor Income (NFI) from abroad.

External Sector

The overall performance of the external sector somewhat improved by a higher current account surplus during FY 2013 compared to that of FY 2012 because of increasing inflows of remittances supported by regular export growth and declining imports. The export earnings increased by about 11.2 percent to USD 27027.4 million from USD 24301.9 million, while the import payments increased marginally to USD 33576 million in FY 2013 from USD 33309 million in FY 2012. As a result, trade deficit

significantly declined by about 25 percent to USD 7010 million in FY 2013 from USD 9320 million in FY 2012 due to relatively larger expansion in export earnings compared to the increase in import expenditure. The deficit on the primary income account also widened significantly by 49.5 percent to USD 2315 million in FY 2013 from USD 1549 million in FY 2012. Secondary income increased substantially by 11.8 percent from USD 13423 million in FY 2012 to USD 15009 million in FY 2013.

Remittance inflows increased by about 13 percent to USD 14338 million in FY 2013 from USD 12734 million in FY 2012. As a result, current account surplus was USD 2526 million in FY 2013 as compared to a deficit of USD 447 million in FY 2012.

The capital and financial account surplus continued to increase from USD 1918 million in FY 2012 to USD 3367 million in FY 2013, primarily due to increased flow of FDI, Medium & long term loan disbursement and net trade credit. The capital account surplus increased from USD 482 million to USD 580 million during this period. The overall balance of payments registered a huge surplus of USD 5128 million in FY 2013 compared to a surplus of USD 494 million in FY 2012.

Because of these factors, foreign exchange reserve turned out to be a record high of USD 15300 million at the end of June, 2013 which was 47.8 percent higher than USD 10364.4 million in FY 2012. The gross foreign exchange reserve is sufficient to meet more than five months import obligations. In order to strengthening the long term stability of the country's reserves and diversifying the external asset portfolio, Bangladesh Bank invested foreign exchange reserves in sovereign / supranational / highly reputed corporate bonds, treasury bills of US Government and in short term deposit with highly reputed commercial banks.

Export

The export earnings, expressed as a percentage of GDP, slightly decreased from 20.7 percent in FY 2012 to 20.5 percent in FY 2013. But in absolute terms, export earnings increased by 11.2 percent in FY 2013 to USD 27027.4 million from USD 24301.9 million in FY 2012. The products in export basket like Ready-Made Garments (RMG), knitwear, Jute goods and leather experienced a positive growth. While some of the export items like tea, raw jute and frozen shrimp & fish showed a negative growth.

Import

Import payments, as a percent of GDP, decreased by 2.8 percentage points from 28.7 percent in FY 2012 to 25.9 percent in FY 2013. The import payments slightly increased to USD 33576 million in FY 2013 from USD 33309 million in FY 2012. This lower growth of import payments resulted mainly from negative growth in import of food grains due to adequate domestic supply of rice during the period. However, imports of pulses, oil seeds, wheat, crude petroleum, chemicals, textile and articles thereof etc. recorded increases of imports during FY 2013. Consumer and intermediate goods import including raw cotton, clinker, yarn, capital machinery, etc. also showed negative growth.

Workers' Remittances

Despite global economic slowdown, the inflow of remittances remained strong in FY 2013 and continued to play an important role in strengthening the current account balance. Remittance inflows increased by 12.6 percent to USD 14338 million in FY 2013 from USD 12734 million in FY 2012.

One of the reasons of this growth was that Bangladesh Bank had simplified the approval policy of drawing arrangements between foreign exchange houses and domestic banks.

Foreign Aid & Debet Repayment

Total official Foreign Aid is composed of Food Aid , Commodity Aid and Project Aid. The disbursement of Foreign Aid increased by 31 percent to USD 2786 million in FY 2013 from USD 2126 million received in FY 2012. This was despite a declining food aid disbursement which was amounted to USD 20 million in FY 2013 as against USD 69 million in FY 2012.

The disbursement of Project Aid increased to USD 2766 million in FY 2013, which was USD 2057 million in FY 2012. No Commodity Aid was received in FY 2013 as in the preceding year.

The total outstanding official external debt as of 30 June, 2013 was USD 23319 million as against USD 2295 million of 30 June, 2012. As percentage term of GDP, it was 18 percent in FY 2013 and 19 percent in FY 2012. Repayment of official external debt amounted to USD 1102 million in FY 2013. Out of the total repayments, principal amount was USD 906 million, while interest payment to debt was USD 196 million in FY 2013. Similarly the principal amount and interest payment was USD 789 million and USD 200 million respectively in FY 2012. The debt service ratio as percentage of export was 4.1 percent in FY 2013.

Balance of Payment

Export earnings had a 11.2 percent growth and import payments slowed to 0.8 percent growth in FY 2013. Workers' remittance had a growth of 12.6 percent during FY 2013. As a result, current account surplus was USD 2525 million in FY 2013 compared to USD 447 million in FY 2012. The overall balance of payments turned out to be a surplus of USD 5128 million during FY 2013 leading foreign reserve position of Bangladesh Bank to USD 15315.2 billion at the end of June, 2013. Despite global financial turmoil, domestic power and energy shortages, as per primary estimation FDI inflows projected to increase USD 1.3 billion in FY 2013 from USD 1.2 billion in FY 2012.

Monetary Policy Stance

The main motto of the monetary policy is to curb inflation to 7.5 percent and expedite growth to 7.2 percent in FY 2013. With this end in view, Bangladesh Bank declared Monetary Policy Stance at six months intervals in July-December and January-June for FY 2013-2014 against the backdrop of unfolding global recovery from recession and the new tension of a debt crisis in the euro area as well as the challenges of surging inflation and balance of payment pressure in the domestic economy. In order to

address these challenges, Bangladesh Bank's monetary policy stance was more restrained than that was adopted in recent years.

However, the more restrained monetary policy stance, adequate domestic food grain supply and subsequent moderation in global commodity prices contributed in reducing the point to point inflation to a single digit. On the other hand, in FY 2013 growth of domestic credit declined to 10.9 percent against 19 percent growth targeted under the programme and 19.2 percent actual growth in FY 2012. The growth in domestic credit declined due mainly to the significant decline in private sector credit to 10.8 percent against the target level of 18.5 percent for general investor faced uncertainty ahead of the national general election along with more stringent lending practices by domestic banks. The growth in public sector credit was 11.1 percent against the targeted 20.9 percent growth under the programme and 17.4 percent growth in FY 2012. As a result, net domestic assets registered 11.1 percent growth against the targeted 17.1 percent growth and 19.3 percent growth in FY 2012.

However, analysis of loans to the private sector indicates an increasing share of SME loans and a virtually unchanged share of industrial term loans in total outstanding credit which were consistent with the policies pursued by Bangladesh Bank.

Besides, considering important role of financial sector in implementation of monetary policy, measures were taken including tightening loan classification and provisioning requirements towards convergence with global best practices, strengthening and rearranging on-site and off-site supervision, requirement of online supervisory reporting in L/C opening and buying internal bills, self assessment report regarding internal audit and control with the signature of chief executive and counter signature of audit committee chairman of board. Bangladesh Bank has sharpened its monitoring on improving the quality, adequacy, transparency and timeliness regarding financial and other statements of banks and financial institutions. Special diagnostic examinations on State Owned Commercial Banks' activities were introduced.

Inflation Rate

The average inflation rate, using the new base year FY 2005-2006, moderated to 6.8 percent in FY 2013 from 8.7 percent of FY 2012. Over this period, food and non-food inflation both decreased from 7.7 to 5.5 percent and from 10.2 to 9.2 percent respectively. The decrease in average inflation during FY 2013 was mainly driven by a gradual fall of food inflation. A steady decline in non-food inflation during FY 2013 also contributed to fall in average inflation.

Exchange Rate

The exchange rate is determined based on market demand and supply forces of the respective currencies. Bangladesh Bank may purchase and sell currencies as and when it deems necessary to maintain stability in the foreign exchange market. Taka appreciated by 5.2 percent during FY 2013, which witnessed depreciation of 10 percent during FY 2012. The weighted average inter-bank rate stood at Taka 77.8 per USD as on 30 June, 2013 against 81.8 as on 30 June, 2012.

Money and Credit Developments

In FY 2013, the Bangladesh Bank continued to pursue a monetary policy stance which was designed to meet both output growth and inflation targets. This restricted diversion and excessive expansion of credit flow to unproductive sectors while ensuring adequate credit to productive sectors to stimulate inclusive growth. Bangladesh Bnk continued restrained policy stance in H1 of FY2014 curb inflation.

In H2 of FY 2013 repo and reverse repo rates were decreased from 7.75 and 5.75 percent in FY 2012 to 7.25 and 5.25 percent respectively in FY 2013. Besides, Bangladesh Bank continued to maintain the Cash Reserve Ratio (CRR) and the Statutory Liquidity Ratio (SLR) for banks at 6 percent and 19 percent respectively.

The Broad money (M2) growth stood at 16.7 percent in FY 2013 against the targeted growth of 17.7 percent under the progress and 17.4 percent actual growth in 2012.

Bank Rate

The Bank rate remained unchanged at 5 percent in FY 2013 also.

Call Money Rate

Bangladesh Bank's prudential policy measures resulted in stable weighted average interest rate in the call money market ranging from 7.2 percent to 11.5 percent during FY 2013. The weighted average interest rate ranged from 9.8 percent to 19.7 percent during FY 2012. During FY 2013 the average volume of trade in the call money market increased by Taka 367.7 billion, which was 36.1 percent higher than that of FY 2012.

Foreign Exchange Reserve

The foreign exchange reserve reached at a record high level for high remittance and export growth and stood at USD 15.31 billion at the end of June, 2013 from USD 10.36 billion at the end of June, 2012.

Sovereign Credit Ratings

Standard and Poor and Moody's Investors Service continue to rate Bangladesh at Ba3 (Moody's) and BB- (S&P) with stable outlook for the fourth consecutive year (2010-2013). Bangladesh is rated second highest in South Asia only behind India (BBB-) and ahead of Sri Lanka (B+) and Pakistan (B-). In the global economic arena, other countries in the BB- category along with Bangladesh are Vietnam, Mongolia and Nigeria. Ba3 sovereign rating was mainly supported by strong and stable growth. Moody's rating reflects low economic, institutional and government financial strengths of Bangladesh. However, these stable ratings indicate better economic structure, financial soundness and stable banking sector in the economic environment of Bangladesh.

NEAR AND MEDIUM TERM

OUTLOOK FOR THE BANGLADESH ECONOMY

The Bangladesh economy experienced an impressive and stable growth rate over 6 percent during last four years - despite the global and domestic crisis. Even against the backdrop of difficult global economic conditions, the prospects for the Bangladesh economy are favourable over the near and medium term. It is presumed that macro economic policies must continue to support a vigorous and sustained expansion in agriculture and industry together with an acceleration in the investment activities while striving to maintain inflation under control.

The GDP growth in FY 2015 has been projected to rise 7.3 percent considering the GDP growth rate of FY 2013 and overall economic situation of the country. The main growth impetus for achieving the targeted growth rate would come principally from expansion of S M E activities and augmentation of agriculture output through productivity enhancement and diversification. Accordingly, gross domestic investment has been projected to increase gradually from 26.6 percent of GDP in FY 2013 to 32.8 percent in FY 2017 supported by the introduction and implementation of pro- industrialization and investment-friendly economic policies and strategies.

Achieving these targeted growth levels would not be possible without further development of power, energy and communication infrastructure. However, the attainment of the expected GDP in FY 2015 will depend mainly on effective adoption of prudent macro economic policies in a sound domestic environment along with global recovery.

PERSPECTIVE PLAN 2010-2021

The Government keeping in view the Golden Jubilee of Independence has formulated " Bangladesh Perspective Planning 2010-2021 ", in the light of Vision- 2021 to attain a definite set of objectives that relate to economic and social development of Bangladesh.

The Plan contains necessary strategies to overcome the challenges in terms of turning the country into a medium income economy. The major goals of this Vision are :-

- To accelerate the growth rate up to 10 percent by 2021 ;
- To raise per capita income up to US\$ 2,000 ;
- To reduce the number of population living under poverty line to 13.50 percent ;
- To reduce the unemployment rate into 15 percent ;
- To increase annual per head electricity consumption to 600 Kilowatt hour ; and
- To strengthen IT sector for building a Digital Bangladesh.

REVIEW OF BANKING BUSINESS ENVIRONMENT

Despite a few setback in the year 2013, a lot of positive changes took place in the country's banking sector with the introduction of mobile-based banking, online banking facilities, ATM services, credit cards, debit cards, etc. Besides, the Year 2013 in the banking industry may be termed as the year of 'Inclusive Banking'. Reaching out to the un banked population of the country through mobile banking network and opening of 'Farmers' Account, Bank Accounts for hardcore poor, freedom fighters, unemployed youth and Bank Account for Beneficiaries under Social Security Programme for a nominal amount were the highlights of inclusive banking.

As per Central Bank's guidelines, for more inclusive and equitable economic growth, the banking sector of the country initiated a good number of ventures aiming to strengthen the goals on SME, Agro-Economy and IT driven technology. At the same time, banks were encouraged to expand CSR activities and adopt enlarged Green Banking operations for sustainability of the economy.

For efficient and stable operation of the banking businesses, the banking sector undertook effective risk management practices under revised Risk Management Guidelines issued by Bangladesh Bank.

Alongside of positive changes, the banking industry had to sustain different challenges in terms of liquidity management, high rate of interest on deposit, maintenance of increased rate of CRR and SLR, Central Bank's regulations to contain CDR (Credit to Deposit Ratio), Central Bank's new rules for loan classification, devaluation of local currencies, etc. This was further accentuated by bearish nature of capital market operation for lack of confidence and liquidity pressure.

REVIEW OF BDBL'S BUSINESS STRATEGY AND OPERATIONS

When BDBL was established, the global economy was passing through the worldwide recession, the worst since 1930s. This had its fall-out on Bangladesh economy too. However, in order to face this challenging situation, the Board of Directors of BDBL undertook various initiatives and set directions for the institution to become a dynamic and viable banking company.

As a state-owned Bank, BDBL is committed to provide industrial financing as before. It is also mandated to operate commercial Banking activities including Foreign Exchange and International Trade financing as per Memorandum and Articles of Association of BDBL. As a member of Dhaka Stock Exchange Ltd. (DSE), it has been playing a significant role in Capital Market Development.