



Annual Report

2010-2011



Bangladesh Bank

Annual Report

(July 2010-June 2011)



BANGLADESH BANK
(The Central Bank of Bangladesh)

Letter of Transmittal
BANGLADESH BANK

Dhaka
6 February 2012

The Secretary
Bank and Financial Institutions Division
Ministry of Finance
Government of the People's Republic of Bangladesh
Dhaka.

Dear Sir,

In terms of Article 40 (2) of the Bangladesh Bank Order, 1972 (P. O Number 127) I have the honour to submit to the Government of the People's Republic of Bangladesh the Annual Report of the Bangladesh Bank for the financial year 2010-2011. Audited Accounts of the Bank for the financial year was forwarded earlier on 25 August 2011.

Yours faithfully,

(Dr. Atiur Rahman)
Governor

Board of Directors

| | |
|---------------------------------|-----------|
| Dr. Atiur Rahman | Chairman |
| Mr. Md. Nazrul Huda | Director |
| Dr. Mohammad Tareque | Director |
| Dr. Nasiruddin Ahmed | Director |
| Dr. Mustafa Kamal Mujeri | Director |
| Prof. Sanat Kumar Saha | Director |
| Dr. Sadiq Ahmed | Director |
| Prof. Hannana Begum | Director |
| Mr. Md. Shafiqur Rahman Patwari | Director |
| Mr. Md. Jahangir Alam* | Secretary |

* Mr. Md. Jahangir Alam was appointed as Secretary of the Board in place of Mr. Abu Hena Mohd. Razee Hassan with effect from 2 December 2010.

Governor

Dr. Atiur Rahman

Deputy Governors

Md. Nazrul Huda

Ziaul Hassan Siddiqui

Murshid Kuli Khan

Executive Directors

Chowdhury Mohidul Haque

Nazneen Sultana

A.H.M. Kai-Khasru

Md. Ahsan Ullah

Md. Ebtadul Islam

Abu Hena Mohd. Razee Hassan

Shitangshu Kumar Sur Chowdhury

Sudhir Chandra Das

Das Gupta Asim Kumar

Md. Ataur Rahman

Md. Mahfuzur Rahman

Md. Jahangir Alam

Economic Adviser

Dr. Md. Akhtaruzzaman

Departments of the Head Office and Department Heads*

| | |
|---|--|
| Accounts & Budgeting Department | A.K.M. Rahmatullah, General Manager |
| Agricultural Credit Department | S.M. Moniruzzaman, General Manager |
| Anti-Money Laundering Department | Debaprosad Debnath, General Manager |
| Bangladesh Bank Training Academy | Subhankar Saha, General Manager |
| | Sheikh Abdullah, General Manager |
| | Abul Monsur Ahmed, General Manager |
| | Khandaker Abdus Salim, General Manager |
| Banking Regulation & Policy Department | K.M. Abdul Wadood, General Manager |
| Central Bank Strengthening Project Cell | Sheikh Azizul Haque, General Manager |
| Common Services Department | Shyamal Kumar Das, General Manager |
| Credit Information Bureau | Gouranga Chakraborty, General Manager |
| Deposit Insurance Department | Md. Abdul Haque, General Manager |
| Debt Management Department | Bishnu Pada Saha, General Manager |
| Department of Banking Inspection-1 | Ahmed Ehteshamul Haider, General Manager |
| Department of Banking Inspection-2 | Md. Humayun Kabir, General Manager |
| Department of Banking Inspection-3 | Mohammad Mobarak Hossain, General Manager |
| Department of Currency Management & Payment Systems | Mohammad Masum Kamal Bhuiyan, General Manager |
| Department of Financial Institutions & Markets | Md. Sohrawardy, General Manager |
| Department of Off-site Supervision | Sultan Ahamed, General Manager |
| Department of Printing & Publications | Dr. Md. Golam Mustafa, General Manager |
| Expenditure Management Department | Mohammad Akkas Uddin, General Manager |
| Foreign Exchange Investment Department | Md. Mizanur Rahman Jodder, General Manager |
| Foreign Exchange Operation Department | Md. Shafiqul Islam, General Manager |
| Foreign Exchange Policy Department | Ahmed Jamal, General Manager |
| Foreign Exchange Inspection & Vigilance Department | Md. Saiful Islam, General Manager |
| Forex Reserve & Treasury Management Department | Kazi Syedur Rahman, General Manager |
| Human Resources Department-1 | Dewan Abdus Sultan, General Manager |
| Human Resources Department-2 | Md. Abdul Mazid Khan, General Manager |
| Information Systems Development Department | Abdul Hamid, Systems Manager |
| Internal Audit Department | Md. Sadrul Huda, General Manager |
| I.T. Operation & Communication Department | Md. Rizwanul Haque, Systems Manager (in charge) |
| Law Department | Ashok Kumar Dey, General Manager |
| Monetary Policy Department | Begum Sultana Razia, General Manager |
| Research Department | Md. Akhtaruzzaman, General Manager |
| | Md. Shahidul Alam, General Manager |
| | Bilkis Sultana, General Manager |
| Secretary's Department | Md. Jahangir Alam, Executive Director |
| Security Management Department | Lt. Col. (Retd.) Md. Mahmudul Huq Khan Chowdhury, General Manager |
| SME & Special Programmes Department | Sukamal Sinha Chowdhury, General Manager |
| Special Studies Cell | Nurul Alam Kazi, General Manager |
| Statistics Department | Md. Abdus Satter Miah, General Manager |

As per alphabetical arrangement.

Note : i) Md. Nazimuddin, General Manager, Md. Abdul Hamid, General Manager, Md. Humayun Kabir, General Manager are on deputation with Security Printing Corporation (Bangladesh) Limited, IBB & BIBM respectively.

ii) Md. Elias Sikder, General Manager is attached with Human Resources Department-1.

* As of 30 June 2011

Branch Offices and Office Heads*

| | |
|------------|---|
| Barisal | Md. Golam Mustafa, General Manager |
| Bogra | Md. Mojibur Rahman, General Manager |
| Chittagong | Mohammad Naushad Ali Chowdhury, General Manager |
| Khulna | A.K.M. Fazlur Rahman, General Manager |
| Motijheel | Md. Abdur Rahim, General Manager Md. Saiful Islam Khan (Currency Officer) Dr. Mihir Kanti Chakraborty, Chief Medical Officer (GM-Medical) |
| Rajshahi | Jinnatul Bakeya, General Manager |
| Rangpur | Noor-Un-Nahar, General Manager (in charge) |
| Sadarghat | Md. Muslem Uddin, General Manager |
| Sylhet | Nirmal Chandra Bakta, General Manager |

As per alphabetical arrangement.

* As of 30 June 2011.

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List of Abbreviations

| | | | |
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| ACC | Anti Corruption Commission | C BSP | Central Bank Strengthening Project |
| ACH | Automated Clearing House | C BU | Completely Built-up |
| ACU | Asian Clearing Union | C FT | Counterfeiting Financial Terrorism |
| ADB | Asian Development Bank | C FT | Combating Financing of Terrorism |
| ADP | Annual Development Programme | C IB | Credit Information Bureau |
| ADs | Authorised Dealers | C IT | Cheque Imaging and Trancation |
| AIT | Asian Institute of Technology | C KD | Completely Knocked Down |
| AIT | Advanced Income Tax | C NG | Compressed Natural Gas |
| AMLD | Anti Money Laundering Department | C PF | Contributory Provident Fund |
| APG | Asia Pacific Group on Money Laundering | C PI | Consumer Price Index |
| ASA | Association for Social Advancement | C RR | Cash Reserve Requirement |
| ASEAN | Association of South East Asian Nations | C SE | Chittagong Stock Exchange |
| ATA | Anti-Terrorism Act | C SR | Corporate Social Responsibilities |
| ATDP | Agro-based Industries and Technology Development Project | C TRs | Cash Transaction Reports |
| ATF | Agreement on Trade Facilitation | DBI-1 | Department of Banking Inspection-1 |
| ATM | Automated Teller Machine | DBI-2 | Department of Banking Inspection-2 |
| BACH | Bangladesh Automated Clearing House | DBI-3 | Department of Banking Inspection-3 |
| BACPS | Bangladesh Automated Cheque Processing Systems | DC | Data Center |
| BAFI | Bassel Accord for Financial Institutions | DCMPS | Department of Currency Management & Payment Systems |
| BASIC | Bangladesh Small Industries and Commerce | DD | Demand Draft |
| BB | Bangladesh Bank | DFID | Department for International Development |
| BBS | Bangladesh Bureau of Statistics | DFIM | Department of Financial Institutions & Market |
| BBTA | Bangladesh Bank Training Academy | DFIs | Development Finance Institutions |
| BCA | Banking Companies Act | DIS | Deposit Insurance Scheme |
| BDT | Bangladesh Taka | DITF | Deposit Insurance Trust Fund |
| BEFTN | Bangladesh Electronic Fund Transfer Network | DMD | Debt Management Department |
| BGMEA | Bangladesh Garment Manufacturers and Exporters' Association | DOS | Department of Off-site Supervision |
| BGTBs | Bangladesh Government Treasury Bonds | DR | Disaster Recovery |
| BIBM | Bangladesh Institute of Bank Management | DRS | Disaster Recovery Site |
| BIC | Bassel Implementation Cell | DSE | Dhaka Stock Exchange |
| BICF | Bangladesh Investment Climate Fund | EBR | Event Behaviour Result |
| BICM | Bangladesh Institute of Capital Market | ECAIs | External Credit Assessment Institutions |
| BIEE | Bangladesh Intelligent Enterprise Edition | EDF | Export Development Fund |
| BIFF | Bangladesh Infrastructure Finance Fund | EDW | Enterprise Data Warehouse |
| BJMC | Bangladesh Jute Mills Corporation | EEF | Equity and Entrepreneurship Fund |
| BKB | Bangladesh Krishi Bank | EFT | Electronic Fund Transfer |
| BO | Beneficiary Owner | EFTN | Electronic Fund Transfer Network |
| BOP | Balance of Payments | EGBMP | Enterprise Growth and Bank Modernisation Programme |
| BOSU | Branch Office Service Unit | EI | Expenditure-Income |
| BPO | Business Process Outsourcing | EMT | Executive Management Team |
| BRAC | Bangladesh Rural Advancement Committee | EPB | Export Promotion Bureau |
| BRDB | Bangladesh Rural Development Board | EPZ | Export Processing Zone |
| BRPD | Banking Regulation & Policy Department | ERD | Economic Relations Division |
| BSTI | Bangladesh Standard and Testing Institution | ERM | Enterprise-wide Risk Management |
| BTMA | Bangladesh Textile Mills Association | ERP | Enterprise Resource Planning |
| BTRC | Bangladesh Telecommunication Regulatory Commission | ERQ | Exporters Retention Quota |
| CAMEL | Capital Adequacy, Asset Quality, Management, Earnings and Liquidity | ETP | Effluent Treatment Plant |
| CAMELS | Capital Adequacy, Asset Quality, Management, Earnings, Liquidity and Sensitivity to Market Risk | EU | European Union |
| CAMLCO | Chief Anti Money Laundering Compliance Officer | EWS | Early Warning System |
| CAR | Capital Adequacy Ratio | FATF | Financial Action Task Force |
| CAS | Centralised Accounting System | FCBs | Foreign Commercial Banks |
| | | FDI | Foreign Direct Investment |
| | | FEID | Foreign Exchange Investment Department |
| | | FEIVD | Foreign Exchange Inspection and Vigilance Department |

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| Fls | Financial Institutions | MFIs | Microfinance Institutions |
| FIU | Financial Intelligence Unit | MICR | Magnetic Ink Character Recognition |
| FoB | Free on Board | MIS | Management Information System |
| FY | Financial Year (July- June) | ML | Money Laundering |
| GDE | Gross Domestic Expenditure | MLM | Multi Level Marketing |
| GDP | Gross Domestic Product | MLPA | Money Laundering Prevention Act |
| GDS | Gross Domestic Savings | MLT | Medium and Long Term |
| GFET | Guidelines for Foreign Exchange Transactions | MMT | Million Metric Tons |
| GFSR | Global Financial Stability Report | MoC | Ministry of Commerce |
| GIIB | Government Islamic Investment Bond | MoF | Ministry of Finance |
| GNS | Gross National Savings | MoU | Memorandum of Understanding |
| GoB | Government of Bangladesh | MPD | Monetary Policy Department |
| GPF | General Provident Fund | MRA | Microcredit Regulatory Authority |
| GRI | Global Reporting Initiative | MTMF | Medium Term Macroeconomic Framework |
| GSTP | Global System of Trade Preferences | MTO | Money Transfer Operators |
| H1 | First Half | MW | Mega Watt |
| H2 | Second Half | NAFTA | North American Free Trade Agreement |
| HBFC | House Building Finance Corporation | NAMA | Non-Agricultural Market Access |
| HIES | Household Income and Expenditure Survey | NAV | Net Asset Value |
| HRD-1 | Human Resources Department-1 | NBFIs | Non-Bank Financial Institutions |
| HRD-2 | Human Resources Department-2 | NBR | National Board of Revenue |
| IAD | Internal Audit Department | NC | Non Complaint |
| IADI | International Association of Deposit Insurers | NCC | National Coordination Committee |
| IAMCL | ICB Asset Management Company Limited | NCRL | National Credit rating Ltd. |
| IAS | International Accounting Standards | NCT | Net Current Transfer |
| IASB | International Accounting Standards Board | NDA | Net Domestic Assets |
| IBA | Institution of Business Administration | NEER | Nominal Effective Exchange Rate |
| ICB | Investment Corporation of Bangladesh | NFA | Net Foreign Assets |
| ICML | ICB Capital Management Limited | NFI | Net Factor Income |
| ICT | Information and Communication Technology | NGOs | Non-Governmental Organisations |
| IDA | International Development Agency | NII | Net Interest Income |
| IDCOL | Infrastructure Development Company Limited | NIM | Net Interest Margin |
| IEA | International Energy Agency | NITA | Non-residence Investors Taka Account |
| IFC | International Finance corporation | NNPL | Net Non-Performing Loans |
| IFRS | International Financial Reporting Standard | NOC | No Objection Certificate |
| IFS | International Financial Statistics | NPLs | Non-Performing Loans |
| IMF | International Monetary Fund | NPO | Non Profit Organisation |
| IOM | International Organisation for Migration | NPS | National Payment Switch |
| IPDC | Industrial Promotion and Development Company of Bangladesh Limited | NPSC | National Payments Systems Council |
| IPFF | Investment Promotion and Financing Facility | NSD | National Savings Directorate |
| IPO | Initial Public Offering | NSS | National Savings Scheme |
| ISA | International Standards on Auditing | OECD | Organisation for Economic Cooperation and Development |
| ISTCL | ICB Securities Trading Company Limited | OMS | Open Market Sale |
| IT | Information Technology | OPEC | Organisation of Petroleum Exporting Countries |
| L/C | Letter of Credit | OTC | Over The Counter |
| LAN | Local Area Network | PAU | Policy Analysis Unit |
| LDCs | Least Developed Countries | PC | Partially Complaint |
| LDS | Live Day Simulation | PCBs | Private Commercial Banks |
| LIC | Low Income Country | PDs | Primary Dealers |
| LST | Live Simulation Test | PFI | Participating Financial Institutions |
| LWG | Legal Working Group | PKSF | Palli Karma Sahayak Foundation |
| M2 | Broad Money | PMS | Performance Management System |
| MBM | Master of Bank Management | POL | Petroleum, Oil and Lubricants |
| MCPs | Microcredit Programmes | POs | Partner Organisations |
| MCR | Minimum Capital Requirements | PoS | Point of Sale |
| MDBs | Multilateral Development Banks | PPO | Pension Payment Order |
| MDGs | Millennium Development Goals | PPP | Public Private Partnership |
| MDs | Managing Directors | PRGF | Poverty Reduction and Growth Facility |
| MEP | Minimum Export Price | PRSP | Poverty Reduction Strategy Paper |
| MFA | Multi Fibre Arrangement | PSD | Payment Systems Division |

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| PSO | Payment System Operator | SPA | Sales and Purchase Agreement |
| PSR | Profit Sharing Ratio | SPCL | Security Printing Corporation (Bangladesh) Limited |
| QIP | Quantum Index of Industrial Production | SPU | Strategic Planning Unit |
| RAKUB | Rajshahi Krishi Unnayan Bank | SREP | Supervisory Review Evaluation Process |
| RBCA | Risk Based Capital Adequacy | SRP | Supervisory Review Process |
| REER | Real Effective Exchange Rate | STRs | Suspicious Transaction Reports |
| Repo | Repurchase Agreement | T&T | Telephone & Telegraph |
| RM | Reserve Money | TA | Technical Assistant |
| RMG | Readymade Garments | TF | Terrorist Financing |
| RMMS | Risk Management Monitoring Section | TIM | Trade Integration Mechanism |
| ROA | Return on Assets | TIN | Tax Identification Number |
| ROE | Return on Equity | Tk. | Taka |
| RPCF | Remittances & Payments Challenge Fund | TMSS | Thengamara Mohila Sabuj Sangh |
| RPP | Remittance and Payments Partnership | ToT | Training for Trainer |
| RTGS | Real Time Gross Settlement | TRIPS | Trade Related aspect of Intellectual Property Rights. |
| RWA | Risk Weighted Assets | UK | United Kingdom |
| RWG | Regulatory Working Group | UN | United Nations |
| S&P | Standard and Poor's | UNDP | United Nations Development Programme |
| SAARC | South Asian Association for Regional Cooperation | US | United States |
| SAFTA | South Asian Free Trade Area | USA | United States of America |
| SC | Steering Committee | USD | US Dollar |
| SCBs | State-owned Commercial Banks | VAT | Value Added Tax |
| SDR | Special Drawing Rights | VPN | Virtual Private Network |
| SEC | Securities and Exchange Commission | WAN | Wide Area Network |
| SEF | Small Enterprise Fund | WB | World Bank |
| SIT | Systems Integration Test | WEO | World Economic Outlook |
| SLR | Statutory Liquidity Ratio | WG | Working Group |
| SMEDP | Small and Medium Enterprise Development Project | WTO | World Trade Organisation |
| SMEs | Small and Medium Enterprises | | |
| SOEs | State Owned Enterprises | | |