

Auditors' Report to the shareholders' of Bank Asia Limited

We have audited the accompanying financial statements of Bank Asia Limited ("the Bank") which comprise the balance sheet as at 31 December 2010 and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, subject to the departure from some requirements of Bangladesh Financial Reporting Standards as disclosed in note 3.14.1 in order to comply with the rules and regulations of Bangladesh Bank, the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2010 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

- iii) the Bank's balance sheet and profit and loss account dealt with by the report are in agreement with the books of account and returns;
- iv) the expenditure incurred was for the purposes of the the Bank's business;
- v) the financial position of the Bank as at 31 December 2010 and the profit for the year then ended have been properly reflected in the financial statements, and the financial statements have been prepared in accordance with the generally accepted accounting principles;
- vi) the financial statements have been drawn up in conformity with the Bank Companies Act 1991 and in accordance with the accounting rules and regulations issued by Bangladesh Bank;
- vii) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- viii) the financial statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- ix) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- x) the information and explanations required by us have been received and found satisfactory.
- xi) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 2,250 person hours for the audit of the books and accounts of the Bank; and
- xii) regarding capital adequacy ratio (CAR) as required by law, we draw the readers' attention to Note 14.4 to the financial statements.

Dhaka, 23 February 2011



Auditors
Rahman Rahman Huq
Chartered Accountants

Bank Asia Limited

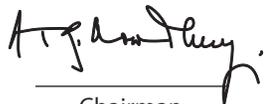
Balance Sheet

as at 31 December 2010

	Notes	2010	2009
		Taka	Taka
PROPERTY AND ASSETS			
Cash	4		
In hand (including foreign currencies)		766,251,685	473,828,721
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		5,112,246,265	3,286,540,028
		5,878,497,950	3,760,368,749
Balance with other banks and financial institutions	5		
In Bangladesh		1,054,576,691	1,110,162,272
Outside Bangladesh		25,629,603	236,272,165
		1,080,206,294	1,346,434,437
Money at call and on short notice	6	-	-
Investments	7		
Government		10,405,636,207	8,902,784,540
Others		1,670,064,725	760,312,998
		12,075,700,932	9,663,097,538
Loans and advances/investments	8		
Loans, cash credit, overdrafts etc./investments		70,219,189,799	45,805,969,766
Bills purchased and discounted		9,285,042,814	4,461,947,673
		79,504,232,613	50,267,917,439
Fixed assets including premises, furniture and fixtures	9	1,837,283,978	1,018,375,117
Other assets	10	4,822,128,381	2,607,006,696
Non - banking assets		-	-
Total assets		105,198,050,148	68,663,199,976
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	5,163,774,972	2,178,448,571
Deposits and other accounts	12		
Current/Al-wadeeah current accounts and other accounts		8,866,798,221	5,325,633,048
Bills payable		898,703,046	724,131,935
Savings bank/Mudaraba savings bank deposits		7,947,958,226	4,935,720,360
Fixed deposits/Mudaraba fixed deposits		65,887,803,875	43,847,332,887
Bearer certificates of deposit		-	-
Other deposits		-	-
		83,601,263,368	54,832,818,230
Other liabilities	13	9,373,068,607	6,697,788,618
Total liabilities		98,138,106,947	63,709,055,419
Capital/shareholders' equity			
Paid up capital	14.2	3,002,737,500	2,144,812,500
Share premium		330	330
Statutory reserve	15	2,272,917,429	1,557,013,281
Revaluation reserve	16	482,618,168	306,401,681
Exchange equalization reserve		-	3,339,553
Other reserve		8,166,144	-
Retained earnings	17	1,293,503,630	942,577,212
Total shareholders' equity		7,059,943,201	4,954,144,557
Total liabilities and shareholders' equity		105,198,050,148	68,663,199,976

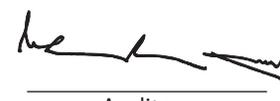
	Notes	2010	2009
		Taka	Taka
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18		
Acceptances and endorsements		10,890,899,480	5,970,538,696
Letters of guarantee		6,556,270,342	3,182,997,551
Irrevocable letters of credit		25,818,100,122	15,668,004,305
Bills for collection		5,709,414,334	3,157,281,501
Other contingent liabilities		-	-
		48,974,684,278	27,978,822,053
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		48,974,684,278	27,978,822,053
Total off-balance sheet items including contingent liabilities		48,974,684,278	27,978,822,053

The annexed notes 1 to 44 form an integral part of these financial statements.

				
Chairman	Director	Director	Director	President and Managing Director

As per our report of same date.

Dhaka, 23 February 2011


Auditors
Rahman Rahman Huq
Chartered Accountants

Bank Asia Limited

Profit and Loss Account

for the year ended 31 December 2010

	Notes	2010	2009
		Taka	Taka
Interest income/profit on investments	20	8,381,354,215	6,247,494,941
Interest paid/profit shared on deposits and borrowings etc.	21	(5,420,584,211)	(4,498,016,814)
Net interest income/net profit on investments		2,960,770,004	1,749,478,127
Investment income	22	1,163,499,707	1,012,991,711
Commission, exchange and brokerage	23	2,141,480,860	1,177,501,692
Other operating income	24	424,659,372	189,532,123
		3,729,639,939	2,380,025,526
Total operating income (A)		6,690,409,943	4,129,503,653
Salaries and allowances	25	1,015,219,528	593,257,191
Rent, taxes, insurance, electricity etc.	26	158,628,865	119,728,571
Legal expenses	27	4,196,492	4,528,540
Postage, stamp, telecommunication etc.	28	40,678,680	32,038,840
Stationery, printing, advertisements etc.	29	84,019,298	55,612,766
Managing Director's salary and fees	30	6,417,200	3,451,942
Directors' fees	31	1,582,000	832,000
Auditors' fees		450,000	365,750
Depreciation and repair of Bank's assets	32	258,136,618	172,305,825
Other expenses	33	872,216,458	530,344,526
Total operating expenses (B)		2,441,545,139	1,512,465,951
Profit before provision (C=A-B)		4,248,864,804	2,617,037,702
Provision for loans and advances/investments			
General provision		336,784,856	128,410,294
Specific provision		140,787,589	119,009,376
		477,572,445	247,419,670
Provision for off-balance sheet items		167,933,919	83,425,564
Provision for diminution in value of investments		23,818,658	-
Other provisions		19,040	-
Total provision (D)		669,344,062	330,845,234
Total profit before tax (C-D)		3,579,520,742	2,286,192,468
Provision for tax			
Current	13.5.1	1,498,735,610	779,000,000
Deferred	13.5.2	151,202,975	180,008,010
		1,649,938,585	959,008,010
Net profit after tax		1,929,582,157	1,327,184,458
Appropriations			
Statutory reserve	15	715,904,148	457,238,494
General reserve		-	-
		715,904,148	457,238,494
Retained surplus	17	1,213,678,009	869,945,964
Earnings per share (par value Taka 100)	37	64.26	44.20

The annexed notes 1 to 44 form an integral part of these financial statements.


Chairman

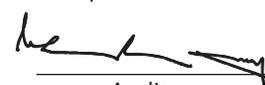

Director


Director


Director


President and
Managing Director

As per our report of same date.


Auditors
Rahman Rahman Huq
Chartered Accountants

Dhaka, 23 February 2011

Bank Asia Limited

Statement of Changes in Equity

for the year ended 31 December 2010

Particulars	Paid up capital	Statutory reserve	Share premium	Revaluation reserve	Other reserve	Exchange equalization reserve	Retained earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1 January 2009	1,743,750,000	1,099,774,787	330	12,398,929	-	3,339,553	473,693,748	3,332,957,347
Statutory reserve	-	457,238,494	-	-	-	-	(457,238,494)	-
Revaluation reserve	-	-	-	294,002,752	-	-	-	294,002,752
Issue of bonus share	401,062,500	-	-	-	-	-	(401,062,500)	-
Exchange equalization reserve	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	1,327,184,458	1,327,184,458
Balance as at 31 December 2009	2,144,812,500	1,557,013,281	330	306,401,681	-	3,339,553	942,577,212	4,954,144,557
Statutory reserve	-	715,904,148	-	-	-	-	(715,904,148)	-
Revaluation reserve	-	-	-	176,216,487	-	-	-	176,216,487
Issue of bonus share	857,925,000	-	-	-	-	-	(857,925,000)	-
Exchange equalization reserve	-	-	-	-	-	(3,339,553)	3,339,553	-
Profit equalization reserve	-	-	-	-	8,166,144	-	(8,166,144)	-
Net profit for the year	-	-	-	-	-	-	1,929,582,157	1,929,582,157
Balance as at 31 December 2010	3,002,737,500	2,272,917,429	330	482,618,168	8,166,144	-	1,293,503,630	7,059,943,201

Bank Asia Limited

Cash Flow Statement

for the year ended 31 December 2010

	Notes	2010	2009
		Taka	Taka
A) Cash flows from operating activities			
Interest receipts		9,368,067,170	6,934,156,015
Interest payments		(5,420,584,210)	(4,652,734,927)
Fees and commission receipts		2,141,480,859	1,177,501,713
Cash payment to employees		(1,015,219,528)	(538,507,737)
Cash payment to suppliers		(136,883,166)	(62,339,555)
Income tax paid		(865,706,270)	(748,029,614)
Receipts from other operating activities	35	601,446,122	187,130,123
Payments for other operating activities	36	(1,084,169,695)	(606,486,171)
Cash generated from operating activities before changes in operating assets and liabilities		3,588,431,282	1,690,689,847
Increase/(decrease) in operating assets and liabilities:			
Loans and advances to customers		(29,236,315,174)	(10,292,918,804)
Other assets		(1,349,122,988)	(16,155,733)
Deposits from customers		28,768,445,138	12,397,579,243
Trading liabilities		2,985,326,398	562,698,572
Other liabilities		832,530,100	95,168,072
		2,000,863,474	2,746,371,350
Net cash generated from operating activities		5,589,294,756	4,437,061,197
B) Cash flows from investing activities			
Investments of treasury bills and bonds		(1,962,811,181)	(2,860,648,176)
Purchase of trading securities		(699,227,836)	(296,453,042)
Purchase of fixed assets		(1,025,202,813)	(515,497,958)
Net cash used in investing activities		(3,687,241,830)	(3,672,599,176)
C) Cash flows from financing activities			
Payment for finance lease		(49,822,468)	(81,199,366)
Net cash used in financing activities		(49,822,468)	(81,199,366)
D) Net increase in cash and cash equivalents (A+ B + C)		1,852,230,458	683,262,655
E) Effects of exchange rate changes on cash and cash equivalents		-	-
F) Cash and cash equivalents at beginning of the year		5,108,420,986	4,425,158,331
G) Cash and cash equivalents at end of the year (D+E+F)		6,960,651,444	5,108,420,986
Cash and cash equivalents at end of the year represents			
Cash in hand (including foreign currencies)		766,251,685	473,828,721
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		5,112,246,265	3,286,540,028
Balance with other banks and financial institutions		1,080,206,294	1,346,434,437
Money at call and on short notice		-	-
Prize bond		1,947,200	1,617,800
		6,960,651,444	5,108,420,986

Notes to the Financial Statements

as at and for the year ended 31 December 2010

1. The Bank and its activities

1.1 Reporting entity

Bank Asia Limited is one of the third generation private commercial banks (PCBs), incorporated in Bangladesh on 28 September 1999 as a public limited company under the Companies Act 1994, and governed by the Bank Companies Act 1991. The Bank went for public issue of its shares on 23 September 2003 and its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. At present the Bank has 50 branches, 11 SME centers, 48 own ATM booths and 603 shared ATM booths.

Bank Asia Limited acquired the business of Bank of Nova Scotia (incorporated in Canada), Dhaka, in the year 2001 and at the beginning of the year 2002, the Bank also acquired the Bangladesh operations of Muslim Commercial Bank Limited (MCBL), a bank incorporated in Pakistan, having two branches at Dhaka and Chittagong. In taking over the Bangladesh operations, all assets and certain specific liabilities of MCBL were taken over by Bank Asia Limited at book values.

The registered office of the Bank is located at Tea Board Building (1st floor), 111-113, Motijheel C/A, Dhaka-1000.

1.2 Principal activities

The principal activities of the Bank are to provide all kinds of commercial banking services to its customers through its branches in Bangladesh.

1.3 Islamic banking unit

The Bank obtained the Islamic Banking unit permission vide letter no. BRPD(P-3)745(53)/2008-4804 dated 17 December 2008. The Bank commenced operation of this unit from 24 December 2008. The Islamic banking unit is governed under the rules and regulations of Bangladesh Bank. Distribution of profit on deposit is shown in Annexure-I and separate balance sheet and profit and loss account of Islamic banking unit are shown in Annexure-I.1 and Annexure-I.2.

1.4 Off-shore banking unit

The Bank obtained off-shore banking unit permission vide letter no. BRPD(P-3)744(94)/2007-1853 dated 21 June 2007. Operation of this unit commenced from 28 January 2008 and its office is located at Zone Service Complex, Chittagong Export Processing Zone, Chittagong. Off-shore banking unit is governed under the rules and regulations of Bangladesh Bank. Separate financial statements of off-shore banking unit are shown in Annexure-J to J. 3.

1.5 Capital market division

The Bank obtained membership of Dhaka Stock Exchange Limited on 19 June 2008 and commenced its operation from 5 August 2009. The bank also extends margin loan to its customers against their margin for investment in the listed companies. The required margin level is monitored daily and pursuant to established guidelines, customers are required to deposit additional margin to reduce the position, where necessary.

2. Basis of preparation

2.1 Statement of compliance

The financial statements of the Bank have been prepared in accordance with the "First Schedule (sec-38) of the Bank Companies Act 1991 as amended by BRPD Circular no. 14, dated 25 June 2003, other Bangladesh Bank Circulars, Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other prevailing laws and rules applicable in Bangladesh.

2.2 Basis of measurement

The financial statements of the Bank have been prepared on the historical cost basis except for the following:

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using marking to market concept with gain crediting revaluation reserve.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortisation concept
- Zero Coupon Bond at present value using amortisation concept

2.3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), which is the Bank's functional currency. Functional currency for Off-shore unit is US dollar. Except as indicated, financial information have been rounded off to the nearest Taka.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with BFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in notes 3.1.4 and 3.9.

2.5 Foreign currency conversion

Transactions in foreign currencies are translated into the respective functional currency of the operation at the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the spot exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the spot exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

2.6 Basis of consolidation

A separate set of records for consolidation of the statement of affairs and profit and loss account of the branches including islamic banking unit and off-shore banking unit are maintained at Head Office of the Bank based on which these financial statements have been prepared.

2.7 Cash flow statement

Cash flow statement has been prepared in accordance with the BRPD Circular No. 14, dated 25 June 2003 issued by the Banking Regulation and Policy Department of Bangladesh Bank (The central bank of Bangladesh).

2.8 liquidity Statement

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

- a) Balance with other banks and financial institutions, money at call and on short notice are on the basis of their maturity terms
- b) Investments are on the basis of their maturity terms
- c) Loans and advances/investments are on the basis of their repayment schedules
- d) Fixed assets are on the basis of their useful lives
- e) Other assets are on the basis of their realisation/adjustments
- f) Borrowings from other banks, financial institutions and agents as per their maturity/repayment terms

- g) Deposits and other accounts are on the basis of their maturity terms and behavioural past trend

- h) Other liabilities are on the basis of their payment/adjustments schedule

Details are shown in Annexure - B.

2.9 Reporting period

These financial statements cover one calendar year from 1 January to 31 December 2010.

2.10 Adoption of new accounting standards

Adoption of new accounting standards with effective from 1 January 2010 the Bank has adopted the following Bangladesh Financial Reporting Standards:

- i) BFRS 4: Insurance Contracts
- ii) BFRS 7: Financial Instruments: Disclosures
- iii) BFRS 8 : Operating Segments
- iv) BAS 32: Financial Instruments: Presentation
- v) BAS 39 : Financial Instruments: Recognition and Measurement

Departure from some requirements of financial instruments in order to comply with rules and regulations of Bangladesh Bank have been disclosed in note 3.14.1

3. Significant accounting policies

The accounting policy set out below have applied consistently to all periods presented in these financial statements and have been applied consistently by the Bank except as explained in note 3.14.1

3.1 Assets and basis of their valuation

3.1.1 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and balances with Bangladesh Bank and its agent bank, balances with other banks and financial institutions, money at call and on short notice and prize bond.

3.1.2 Investments

All investment securities are initially recognised at cost, including acquisition charges associated with the investment. Premiums are amortised and discounts are accredited.

Held to Maturity

Investments which have, 'fixed or determinable payments' and are intended to be held to maturity are classified as 'Held to Maturity'.

Held for Trading

Investments classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or if designated as such by the management.

Revaluation

As per the DOS Circular letter no. 5 dated 26 May 2008, HFT securities are revaluated each week using 'Marking to Market' concept and HTM securities are amortised once a year according to Bangladesh Bank guidelines. The HTM securities are also revalued if they are reclassified to HFT category with the Board's approval.

Value of investments has been shown as under:

Government Treasury Bills and Bonds (HFT)	At present value (using marking to market concept)
Government Treasury Bills and Bonds (HTM)	At present value (using amortisation concept)
Zero Coupon Bond	At present value (using amortisation concept)
Prize Bond and other bonds	At cost
Debentures	At cost
Unquoted shares (ordinary)	At cost or book value which ever is lower
Quoted shares (ordinary)	At cost or market value whichever is lower at balance sheet date.

Details are shown in Note 7.

3.1.3 Loans and advances/investments

- Loans and advances/investments are stated in the balance sheet on gross basis.
- Interest/profit is calculated on daily product basis, but charged and accounted for quarterly on accrual basis. Interest/profit on classified loans and advances/investments is kept in interest suspense account as per BRPD circulars no. 16 of 1998, 9 of 2001 and 10 of 2005 and recognised as income on realisation. Interest/profit is not charged on bad and loss loans and advances/investments as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.
- Provision for loans and advances/investments is made based on the arrear in equivalent month and reviewed by the management following instructions contained in Bangladesh Bank BRPD circulars no. 16 of 6 December 1998, 9 of 14 May 2001, 9 and 10 of 20 August 2005, 5 of 5 June 2006, 8 of 7 August 2007, 10 of 18 September 2007, 5 of 29 April 2008 and 32 of 27 October 2010.

Rates of provision on loans and advances/investments are given below:

Particulars	Rates
General provision on:	
Unclassified loans and advances/investments	1%
Small and medium enterprise financing	1%
Consumer finance for house building loan and loan for professional setup	2%
Loan to BHs/MBs/SDs against shares	2%

Consumer finance other than house building loan and loan for professional setup including credit cards	5%
Special Mention Account	5%
Off-balance sheet exposure	1%

Specific provision on:

Substandard loans and advances/investments	20%
Doubtful loans and advances/investments	50%
Bad/loss loans and advances/investments	100%

- d) Loans and advances/investments are written off as per guidelines of Bangladesh Bank. These write off however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.

3.1.4 Fixed assets and depreciation

Recognition and measurement

Items of fixed assets excluding land are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land is measured at cost.

Cost includes expenditure that are directly attributable to the acquisition of asset and bringing to the location and condition necessary for it to be capable of operating in the intended manner.

Subsequent costs

The cost of replacing part of an item of fixed assets is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of fixed assets are recognised in profit or loss as incurred.

Depreciation

No depreciation is charged on land. Depreciation is charged on straight-line method. In case of acquisition of fixed assets, depreciation is charged in the year of acquisition, whereas depreciation on disposed off fixed assets is charged up to the year prior to the year of disposal. Asset category-wise depreciation rates are as follows:

Category of assets	Rate of depreciation
Building	5%
Furniture and fixture	20%
Equipments	20%
Computer and accessories	20%
Motor vehicles	20%

Gain or loss on sale of fixed assets are recognised in profit and loss account as per provision of BAS 16 "Property, plant and equipments".

3.1.5 Other assets

Other assets include all other financial assets and include fees and other unrealised income receivable, advance for operating and capital expenditure and stocks of stationery and stamps. Details are shown in Note 10.

3.2 Liabilities and provisions

- 3.2.1** Borrowings from other banks, financial institutions and agents include interest-bearing borrowings redeemable at call and Bangladesh Bank refinance. These items are brought to financial statements at the gross value of the outstanding balance. **Details are shown in Note 11.**

3.2.2 Deposits and other accounts

Deposits and other accounts include non interest-bearing current deposit redeemable at call, bills payable, interest bearing on demand and special notice deposits, savings deposit and fixed deposit. These items are brought to financial statements at the gross value of the outstanding balance. **Details are shown in Note 12.**

3.2.3 Other liabilities

As per BAS 37 "Provisions, Contingent Liabilities and Contingent Assets" the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxes, interest payable, interest suspense, accrued expenses, obligation under finance lease etc. Other liabilities are recognised in the balance sheet according to the guidelines of Bangladesh Bank, Income Tax Ordinance 1984 and internal policy of the Bank. **Details are shown in Note 13.**

3.3 Capital/shareholders' equity

Authorised capital

Authorised capital is the maximum amount of share capital that the bank is authorised by its Memorandum and Articles of Association.

Paid up capital

Paid up capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding-up of the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation. **Details are shown in Note 14.2.**

Statutory reserve

Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of the Bank Companies Act 1991 until such reserve equal to its paid up capital together with the share premium.

Revaluation reserve

Revaluation reserve arises from the revaluation of Treasury bills and bonds (HFT & HTM) in accordance with the DOS circular no. 5 dated 26 May 2008 and DOS(SR) 1153/120/2010 dated 8 December 2010. The tax effects on revaluation gain are measured and recognised in the financial statements as per BAS 12: Income Taxes.

3.4 Contingent liabilities

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or any present obligation that arises from past events but is not recognised because:

- * it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- * the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income which may never be realised.

3.5 Revenue recognition

Interest income

Interest on loans and advances is calculated on daily product basis, but charged and accounted for on quarterly basis. Interest on loans and advances ceases to be taken into income when such advances fall into SMA and under classification. It is then kept in interest suspense account. Interest on SMA and classified loans and advances is accounted for on a cash receipt basis.

Profit on investment (Islamic Banking)

Mark-up on investment is taken into income account proportionately from profit receivable account. Overdue charge/compensation on classified investments is transferred to profit suspense account instead of income account.

Investment income

Income on investments is recognised on accrual basis. Investment income includes discount on treasury bills and zero coupon bonds, interest on treasury bonds, debentures and fixed deposits with other banks. Capital gain on investments in shares is also included in investment income.

Interest and fees receivable on credit cards

Interest and fees receivable on credit cards are recognised on accrual basis. Interest and fees ceases to be taken into income when the recovery of interest and fees is in arrear for over three months. Thereafter, interest and fees are accounted for on cash basis.

Fees and commission income

The Bank earns fees and commissions from diverse range of services provided to its customers. This includes fees and commission income arising on financial and other services provided by the bank including trade finance, credit cards, debit cards, passport endorsement, loan processing, loan syndication and locker facilities etc. Fees and commission income is recognised on a realisation basis.

Interest paid on borrowing and other deposits (Conventional banking)

Interest paid and other expenses are recognised on accrual basis.

Profit paid on deposits (Islamic Banking)

Profit paid to mudaraba deposits is recognised on accrual basis as per provisional rate. However, the final profit is determined and are paid to the depositors as per Annexure-I.

3.6 Employee benefits

3.6.1 Provident Fund

Provident fund benefits are given to the staff of the bank in accordance with the approved Provident fund rules. The fund is operated by a Board of Trustees. All confirmed employees of the bank are contributing 10% of their basic salary as subscription of the fund. The bank also contributes equal amount of the employees' contribution to the fund.

3.6.2 Gratuity Fund

Gratuity fund benefits are given to the eligible staff of the Bank in accordance with the approved Gratuity fund rules. Gratuity payable is determined on the basis of existing rules and regulations of the Bank. Actuarial valuation is not considered essential since amount payable at the date of balance sheet is recognised and accounted for as at that date based on actual rate.

3.6.3 Superannuation Fund

The Bank operates a Superannuation Fund for which provision is made annually covering all its eligible employees. The fund is operated by a separate Board of Trustees.

3.6.4 Hospitalisation insurance

The Bank operates a health insurance scheme to its confirmed employees and their respective spouses at rates provided in health insurance coverage policy.

3.7 Provision for Off-Balance Sheet Exposures

In compliance with Bangladesh Bank guidelines, Off-Balance Sheet items have been disclosed under contingent liabilities. As per BRPD Circular No.10 dated 18 September 2007, the Bank is required to maintain provision @ 1% against Off-Balance Sheet Exposures. Details are shown in note 13.3

3.8 Provision for Nostro Accounts

According to guideline of Foreign Exchange Policy Department of Bangladesh Bank, Circular No. FEOD (FEMO)/01/2005-677 dated 13 September 2005, Bank is required to make provision regarding the un-reconciled debit balance as at Balance Sheet date.

Details are shown in Note 13.7 and Annexure K.

3.9 Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to unrealised surplus on revaluation of held to maturity (HTM) securities is recognised directly in revaluation reserve as a part of equity and is subsequently recognised in profit and loss account on maturity of the security.

3.10 Leases

Upon initial recognition, the leased asset is measured at the amount equal to the lower of its fair value and the present value of the minimum lease payment. Subsequent to initial recognition the asset is accounted for in accordance with the accounting policy applicable to that asset.

3.11 Earnings Per Share

Earnings per Share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding as at 31 December 2010 as per Bangladesh Accounting Standard (BAS) - 33 "Earnings Per Share". Details are shown in Note 37.

Basic earnings

This represents earnings for the year attributable to ordinary shareholders. Net profit after tax has been considered as fully attributable to the ordinary shareholders.

Weighted average number of ordinary shares

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighted factor. The time weighted factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the year.

The basis of computation of number of shares is in line with the provisions of BAS 33 "Earnings per share". The logic behind this basis is, that the bonus shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources generating new earnings.

Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year under review.

3.12 Reconciliation of inter-bank/inter-branch account

Books of accounts with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled on monthly basis and there are no material differences which may affect the financial statements significantly. Details of provision on Nostro accounts are shown in Annexure-K.

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

3.13 Risk management

Bangladesh Bank has identified 6 (six) core risks for management of the Banks and has provided the necessary guidelines for implementation. The six core risks are:

- Credit risk
- Foreign exchange risk
- Asset liability risks
- Money laundering risk
- Internal control and compliance risk
- Information and Communication Technology risk

The prime objective of the risk management is that the Bank takes calculated business risk to safeguard its capital, financial resources and growth of sustainable profitability. In this context, the Bank has formed a committee (MANCOM) to overview proper implementation and regular monitoring of these critical areas.

3.13.1 Credit risk

Credit risk is one of the major risks faced by the Bank. This can be described as potential loss arising from the failure of a counter party to perform with agreed terms with the Bank. To assess and to mitigate the credit risk, the management has implemented Credit Risk Manual, which is considered an important tool for retaining the quality performance of the assets. Accordingly, Bank's credit risk management functions have been designed to address all these issues including risk that arises from global changes in banking, finance and related issues.

The Bank has segregated duties of the officers/executives engaged in the credit related activities. A separate department has been formed at Corporate Office which is entrusted with the tasks of maintaining effective relationship with the customers, marketing of credit products, exploring new business opportunities, etc. Moreover, credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, three separate units have been formed within the Credit Department. These are (i) Credit Risk Management Unit, (ii) Credit Administration Unit, and (iii) Credit Monitoring and Recovery Unit.

3.13.2 Foreign exchange risk

Foreign exchange risk is defined as the potential change in earnings arising due to unfavorable change in exchange rates. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against L/C commitments and other remittance requirements. No speculative dealing on Bank's account was conducted during the year. Treasury front office conducts deal for commercial purpose and back office of treasury keeps record and passes entries in books of account. The main risks in treasury and foreign exchange business are exchange rates risk, fund management and liquidity risk. As per Bangladesh Bank's guidelines, the Treasury Department was operationally and physically divided into front office and back office to mitigate the risk.

3.13.3 Asset liability/balance sheet risks

The Bank has an Asset Liability Committee (ALCO) which is responsible for managing short-term and long-term liquidity and ensuring that the Bank has adequate liquidity at all times at the most appropriate funding cost. ALCO reviews liquidity requirements of the Bank, maturity of assets and liabilities, deposit and lending pricing strategy and the liquidity contingency plan. The Asset Liability Committee also monitors Balance Sheet risk. The Balance Sheet risk is defined as potential changes in earnings due to changes in rate of interest and exchange rates which are not of trading nature.

3.13.4 Money laundering risk

Money laundering risk comprises of money laundering and terrorist financing. It leads to both reputation loss as well as financial loss. Under the law of FATF, our fund outstanding with foreign correspondence banks might be frozen, if any link is found with terrorist activities. For mitigating the risks, the Bank has nominated a Chief Compliance Officer at Corporate Office and Branch Compliance Officers at branches, who independently review the accounting transactions to locate and verify suspicious transactions. Know Your Customer (KYC) policy and Transaction Profile (TP) format have been introduced. The regulatory requirements are being complied with and the guidelines in respect of KYC are being followed for opening of new accounts. Training is being provided continuously to all the categories of executives and officers for developing awareness and skill for identifying suspicious activities.

In addition, the President & Managing Director has provided a message on Anti Money Laundering (AML) policy. The management has circulated a Customer Acceptance Policy to the members of the staff for guidance.

3.13.5 Internal control and compliance risk

Operational loss may arise from errors, omissions, frauds and forgeries due to lack of proper internal control and compliance culture. Management, through the Internal Control and Compliance Department, ensures controls over all operational areas of the Bank. Internal Control and Compliance Department undertakes periodical and special audit and inspection of the branches and departments at Corporate Office for identifying and reviewing the operational lapses and compliance of statutory requirements as well as Bank's own guidelines. The Audit Committee of the Board also reviews the Audit and Inspection reports of the Internal Control and Compliance Department. The Bank has introduced Risk Based Internal Audit (RBIA) and audit rating over its branches from 2006 and prepared a comprehensive audit manual which has been approved for implementation by the Board of Directors.

3.13.6 Information and Communication Technology risk

Bank Asia Limited follows the guideline stated in BRPD circular no. 14 dated 23 October 2005 regarding "Guideline on Information and Communication Technology for scheduled Banks. IT management deals with IT policy documentation, internal IT audit, training etc. The objective of IT management is to achieve the highest levels of technology service quality by minimum operational risk. Physical security involves providing environmental safeguards as well as controlling physical access to equipment and data. IT department has controls over Password, User ID maintenance, input control, network security, virus protection, internet and e-mail. Data centre has been set up and disaster recovery plan has been formulated as part of Business Continuity Planning (BCP).

3.14 Compliance of Bangladesh Accounting standard (BAS) and Bangladesh Financial Reporting Standard (BFRS)

Name of the standards	Ref.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	BFRS-1	Not Applicable
Share based Payment	BFRS-2	Not Applicable
Business Combinations	BFRS-3	Not Applicable
Insurance Contracts	BFRS-4	Not Applicable
Non-current Assets Held for Sale and Discontinued Operations	BFRS-5	Not Applicable
Exploration for and Evaluation of Mineral Resources	BFRS-6	Not Applicable
Financial Instruments: Disclosures	BFRS-7	Applied with some departure (note 3.14.1)
Operating Segments	BFRS-8	Not Applicable
Presentation of Financial Statements	BAS-1	Applied with some departure (note 3.14.1)
Inventories	BAS-2	Not Applicable
Statement of Cash Flows	BAS-7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	BAS-8	Applied
Events after the Reporting Period	BAS-10	Applied
Construction Contracts	BAS-11	Not Applicable
Income Taxes	BAS-12	Applied
Property, Plant and Equipment	BAS-16	Applied
Leases	BAS-17	Applied
Revenue	BAS-18	Applied
Employee Benefits	BAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	BAS-20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	BAS-21	Applied
Borrowing Costs	BAS-23	Applied
Related Party Disclosures	BAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	BAS-26	Not Applicable
Consolidated and Separate Financial Statements	BAS-27	Not Applicable
Investments in Associates	BAS-28	Not Applicable
Interests in Joint Ventures	BAS-31	Not Applicable
Financial Instruments: Presentation	BAS-32	Applied with some departure (note 3.14.1)
Earnings Per Share	BAS-33	Applied
Interim Financial Reporting	BAS-34	Applied
Impairment of Assets	BAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS-37	Applied
Intangible Assets	BAS-38	Not Applicable
Financial Instruments: Recognition and Measurement	BAS-39	Applied with some departure (note 3.14.1)
Investment property	BAS-40	Not Applicable
Agriculture	BAS-41	Not Applicable

3.14.1 Disclosure of departure from few requirements of BFRSs due to mandatory compliance of Bangladesh Bank's requirements Bangladesh Bank is the prime regulatory body for banks in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with those of financial instruments and general provision standards of BFRSs. As such the company has departed from those contradictory requirements of BFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below along with financial impact where applicable:

1. As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment. As such the company measures and recognizes investment in quoted and unquoted shares at cost if the year end market value (for quoted shares) and book value (for unquoted shares) are higher than the cost. At the year-end the company's market value and book value of quoted and unquoted shares was higher than cost price by Tk. 71.67 million. However as per requirements of BAS 39 investment in shares falls either under "at fair value through profit and loss" or under "available for sale" where any change in the fair value at the year-end is taken to profit and loss account or revaluation reserve respectively.
2. According to DOS circular no. 05 dated 26 May 2008 and subsequent clarification in DOS circular no. 05 dated 28 January 2009 loss on revaluation of Government securities (T-bill/T-bond) should be charged in profit and loss account, and gain on such revaluation should be recorded under Revaluation Reserve Account. At the year end the company has accumulated revaluation gain of Tk 482.62 million for T-bonds at HFT category. However as per requirement of BAS 39, such T-bonds will fall under the category of "held for trading" where any change in the fair value of held for trading is recognized in profit and loss account.
3. As per BRPD circular no. 5 dated 5 June 2006 a general provision at 1% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained. However such general provision cannot satisfy the conditions of provision as per BAS 37. At the year end the company has recognized an accumulated general provision of Tk. 959.72 million in the balance sheet under liabilities as per Bangladesh Bank's requirement.
4. As per BRPD circular no. 10 dated 18 September 2007, a general provision at 1% is required to be provided for all off-balance sheet risk exposures. However such general provision cannot satisfy the conditions of provision as per BAS 37. At the year end the Bank has recognized an accumulated general provision of Tk. 414.12 million in the balance sheet under other liabilities as per Bangladesh Bank's requirement.
5. Bangladesh Bank has issued templates for financial statements that must be followed by all banks. These templates neither include Other Comprehensive Income nor allow to include the elements of Other Comprehensive Income. As such the Bank does not prepare the Other Comprehensive Income statement (OCI). However elements of OCI are shown in the statements of changes in equity.
6. As per Bangladesh Bank guidelines financial instruments are categorized, recognized and measured differently from those prescribed in BAS 39. As such some disclosure and presentation requirements of BFRS 7 and BAS 32 have not been made in the accounts.

3.15 Approval of financial statements

The financial statements were approved by the board of directors on 23 February 2011.

		2010 Taka	2009 Taka
4	Cash		
4.1	In hand		
	Conventional and islamic banking :		
	Local currency	752,481,945	465,526,291
	Foreign currencies	13,769,740	8,302,430
		766,251,685	473,828,721
	Off-shore banking unit	-	-
		766,251,685	473,828,721
4.2	Balance with Bangladesh Bank and its agent bank		
	Conventional and islamic banking :		
	Balance with Bangladesh Bank		
	Local currency (statutory deposit)	5,131,470,325	3,215,904,427
	Foreign currencies	(125,378,088)	12,375,346
		5,006,092,237	3,228,279,773
	Balance with agent bank (Sonali Bank Limited)		
	Local currency	106,154,028	58,260,255
	Foreign currencies	-	-
		106,154,028	58,260,255
		5,112,246,265	3,286,540,028
	Off-shore banking unit	-	-
		5,112,246,265	3,286,540,028
		5,878,497,950	3,760,368,749

4.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of Bank Companies Act 1991, BRPD circular nos. 11 and 12, dated 25 August 2005 and MPD 4 & 5 dated 1 December 2010..

The statutory Cash Reserve Requirement on the Bank's time and demand liabilities at the rate 6% has been calculated and maintained with Bangladesh Bank in local currency and 19% (11.5% for Islamic Banking) Statutory Liquidity Ratio, including CRR, on the same liabilities has also been maintained in the form of cash in hand, balance with Bangladesh Bank and its agent bank, treasury bills, bonds and debentures. CRR and SLR maintained by the Bank are shown below:

4.3.1	Cash Reserve Requirement (CRR):		
	6% (2009: 5%) of Average Demand and Time Liabilities:		
	Required reserve	5,050,482,947	2,688,225,000
	Actual reserve maintained	5,248,570,000	3,065,218,536
	Surplus	198,087,053	376,993,536

	2010 Taka	2009 Taka
4.3.2 Statutory Liquidity Ratio (SLR):		
Conventional Banking		
19% (2009: 18%) of Average Demand and Time Liabilities including 6% CRR :		
Required reserve (including CRR)	15,863,500,000	9,677,610,000
Actual reserve maintained (including CRR)	16,333,874,840	12,514,972,768
Surplus	470,374,840	2,837,362,768
Islamic Banking		
11.5% of Average Demand and Time Liabilities including 6% CRR :		
Required reserve (including CRR)	129,696,000	-
Actual reserve maintained (including CRR)	165,055,052	-
Surplus	35,359,052	-
	505,733,892	2,837,362,768
4.3.3 Held for Statutory Liquidity Ratio		
Conventional Banking		
Cash in hand	751,363,633	473,828,721
Balance with Bangladesh Bank as per statement	5,098,403,000	3,065,218,536
Balance with agent bank (Sonali Bank Limited) as per statement	122,372,000	58,140,971
Government securities	9,988,889,007	8,051,895,119
Other securities	372,847,200	865,889,421
	16,333,874,840	12,514,972,768
Islamic Banking		
Cash in hand	14,888,052	-
Balance with Bangladesh Bank as per statement	150,167,000	-
Balance with agent bank (Sonali Bank Limited) as per statement	-	-
Government securities	-	-
Other securities	-	-
	165,055,052	-
	16,498,929,892	12,514,972,768

		2010 Taka	2009 Taka
5	Balance with other banks and financial institutions		
	In Bangladesh		
	Conventional and Islamic banking (Note 5.1.1)	1,054,576,691	1,110,162,272
	Off-shore banking unit	-	-
		1,054,576,691	1,110,162,272
	Outside Bangladesh		
	Conventional and Islamic banking (Note 5.2.1)	(103,395,698)	228,229,857
	Off-shore banking unit	129,025,301	8,042,308
		25,629,603	236,272,165
		1,080,206,294	1,346,434,437
5.1	In Bangladesh		
5.1.1	Conventional and Islamic banking		
	Current accounts		
	AB Bank Limited	245,405	226,141
	Agrani Bank Limited	3,507,631	3,089,868
	Islami Bank Bangladesh Limited	144,264	-
	National Bank Limited	2,834,492	16,218,507
	Premier Bank Limited	200,000,000	-
	Social Islamic Bank Limited	300,000,000	-
	Sonali Bank Limited	3,949,920	500,000
	Standard Chartered Bank	4,247,888	4,532,631
	The City Bank Limited	3,187,114	3,094,278
	United Commercial Bank Limited	6,160,570	8,255,591
		524,277,284	35,917,016
	Short-term deposit accounts		
	BRAC Bank Limited	5,620,043	2,373,421
	Dutch Bangla Bank Limited	2,522,496	2,507,354
	Islami Bank Bangladesh Limited	6,983,630	127,150
	Jamuna Bank Limited	3,003,181	6,031,457
	Janata Bank Limited	7,143,161	-
	Mercantile Bank Limited	17,886	20,226
	Rupali Bank Limited	3,000,000	-
	Uttara Bank Limited	2,009,010	3,185,648
		30,299,407	14,245,256

	2010 Taka	2009 Taka
Fixed deposit accounts		
With banks	-	-
With financial institutions:		
Bay Leasing & Investment Limited	-	30,000,000
Industrial and Infrastructure Development Finance Company Limited	-	200,000,000
International Leasing and Financial Services Limited	50,000,000	250,000,000
Lanka Bangla Finance Limited	-	150,000,000
National Housing Finance and Investments Limited	50,000,000	-
Oman Bangladesh Lease Finance	-	30,000,000
Phoenix Finance and Investment Company Limited	300,000,000	250,000,000
Reliance Lease Finance	30,000,000	-
Union Capital Limited	70,000,000	150,000,000
	500,000,000	1,060,000,000
	1,054,576,691	1,110,162,272
5.2 Outside Bangladesh		
5.2.1 Conventional and islamic banking		
Current account		
Interest bearing :		
Citibank NA, London	1,471,052	832,984
Citibank NA, London	8,533,312	2,375,876
Citibank NA, New York	(29,553,323)	23,423,368
Habib American Bank, New York	41,468,366	25,415,305
Mashreqbank psc, New York	1,109,789	2,451,509
National Westminster Bank plc, London	14,158,733	8,011,521
Standard Chartered Bank, Mumbai	3,453,806	12,863,828
Standard Chartered Bank, New York	59,322,507	2,136,509
	99,964,242	77,510,900
Non-interest bearing :		
AB Bank Limited, Mumbai	(144,940,675)	23,856,508
Bank of Nova Scotia, Toronto	-	1,452,814
Bhutan National Bank Limited, Thimphu	4,734,889	6,966,750
Canadian Imperial Bank of Commerce	590,833	-
Commerzbank AG, Frankfurt	10,953,599	8,761,724
Credit Suisse First Boston, Zurich	486,278	191,435
Habib Metropolitan Bank Limited, Karachi	37,171	30,285,860
HSBC Australia Limited, Sydney	52,222	232,119
HSBC, New York	15,561,253	3,810,176
Hypo Vereinsbank, Munich	192,157	687,002

		2010 Taka	2009 Taka
	ICICI Bank Limited, Kowloon	2,363,668	9,147,475
	ICICI Bank Limited, Mumbai	(92,512,914)	5,233,036
	Muslim Commercial Bank Limited, Colombo	1,879,853	753,409
	Muslim Commercial Bank Limited, Karachi	18,324,340	1,780,009
	Nepal Bangladesh Bank Limited, Kathmandu	536,754	17,423,638
	UBAF, Tokyo	625,929	2,421,586
	Wachovia Bank N.A, New York	(22,369,933)	37,715,416
	Wachovia Bank, London	124,636	-
		(203,359,940)	150,718,957
		(103,395,698)	228,229,857
	Details are shown in Annexure-C		
5.3	Maturity grouping of balance with other banks and financial institutions		
	Up to 1 month	630,206,294	286,434,437
	More than 1 month but not more than 3 months	150,000,000	-
	More than 3 months but not more than 6 months	-	-
	More than 6 months but not more than 1 year	300,000,000	1,060,000,000
	More than 1 year but not more than 5 years	-	-
	More than 5 years	-	-
		1,080,206,294	1,346,434,437
6	Money at call and on short notice		
	Banking company	-	-
	Non-banking financial institutions	-	-
		-	-
7	Investments		
	Government (Note 7.1)	10,405,636,207	8,902,784,540
	Others (Note 7.2)	1,670,064,725	760,312,998
		12,075,700,932	9,663,097,538
7.1	Government (Note 7.1)		
	Conventional and islamic banking (Note 7.1.1)	10,405,636,207	8,902,784,540
	Off-shore banking unit	-	-
		10,405,636,207	8,902,784,540
7.1.1	Conventional and islamic banking		
	Treasury bills (Note 7.1.1.1)	-	297,299,224
	Treasury bonds (Note 7.1.1.2)	10,403,689,007	8,603,867,516
	Prize bond	1,947,200	1,617,800
		10,405,636,207	8,902,784,540

	2010 Taka	2009 Taka
7.1.1.1 Treasury bills		
364 days treasury bills	-	297,299,224
	-	297,299,224
7.1.1.2 Treasury bonds		
Bangladesh Bank Islamic bond	56,400,000	-
3 years T & T digital treasury bonds	358,400,000	456,812,584
3 years T & T mobile treasury bonds	-	392,459,037
5 years Bangladesh Government treasury bonds	6,679,497,217	4,394,578,959
10 years Bangladesh Government treasury bonds	3,017,991,790	3,068,616,936
15 years Bangladesh Government treasury bonds	291,400,000	291,400,000
	10,403,689,007	8,603,867,516
7.2 Others		
Conventional and islamic banking (Note 7.2.1)	1,670,064,725	760,312,998
Off-shore banking unit	-	-
	1,670,064,725	760,312,998
7.2.1 Conventional and islamic banking		
Ordinary shares (Details are shown in Annexure-D)		
Quoted shares	393,572,105	250,002,000
Unquoted share	271,944,223	265,110,883
	665,516,328	515,112,883
Provision for diminution in the market value of shares	(23,818,658)	-
	641,697,670	515,112,883
Mutual Fund		
1st Janata Bank mutual fund	50,000,000	-
MBL 1st mutual fund	50,000,000	-
	100,000,000	-
Debentures		
Debentures (10 years):		
Beximco Denims Limited	13,143,026	15,327,628
Beximco Textiles Limited	10,742,286	12,890,744
Zero Coupon Bond (ACI)	48,662,743	48,662,743
MTBL subordinated bond	150,000,000	-
Orascom Telecom Bd Limited	400,000,000	-
Prime Bank Limited	140,000,000	-
	762,548,055	76,881,115
Debentures of House Building Finance Corporation	12,500,000	15,000,000
Membership		
Dhaka Stock Exchange Limited	153,319,000	153,319,000
	1,670,064,725	760,312,998

		2010 Taka	2009 Taka
7.3	Investments classified as per Bangladesh Bank Circular:		
	Held for trading (HFT)	8,031,190,006	5,796,895,894
	Held to maturity (HTM)	2,316,100,000	3,119,270,845
	Other securities	1,728,410,926	746,930,799
		12,075,700,932	9,663,097,538
7.4	Maturity-wise grouping		
	On demand	371,700,647	1,617,800
	Up to 3 months	165,300,000	297,299,224
	More than 3 months but not more than 1 year	399,500,000	740,873,621
	More than 1 year but not more than 5 years	6,929,724,900	5,003,206,642
	More than 5 years	4,209,475,385	3,620,100,251
		12,075,700,932	9,663,097,538
8	Loans and advances/investments		
	Loans, cash credit, overdrafts etc./Investments (Note 8.1)	70,219,189,799	45,805,969,766
	Bills purchased and discounted (Note 8.2)	9,285,042,814	4,461,947,673
		79,504,232,613	50,267,917,439
8.1	Loans, cash credit, overdrafts etc./Investments		
	Conventional and islamic banking		
	Inside Bangladesh		
	Overdrafts/ Quard against deposit	16,635,429,646	11,593,375,918
	Cash credit/Bai Murabaha (Muajjal)	188,146,911	111,296,047
	Loans (General)/ Musharaka	5,050,583,645	3,637,638,590
	House building loans	485,716,557	210,616,761
	Loan against trust receipts/ Bai Murabaha post import	24,044,744,651	14,590,017,760
	Payment against documents	3,554,313,766	2,546,743,921
	Consumer credit scheme	2,763,851,054	2,167,752,144
	Transport loan	597,442,162	415,593,909
	Term loan- industrial	3,347,939,656	2,792,701,942
	Term loan- others/ Hire purchase Shirkatul Melk	8,001,236,944	6,017,469,263
	Staff Loan	435,974,822	319,926,946
	Credit card	513,878,730	309,273,967
	Small and medium enterprise (SME)	2,142,223,019	745,509,095
	Credit for poverty alleviation scheme-micro credit	17,532,109	22,857,407
		67,779,013,672	45,480,773,670
	Outside Bangladesh	-	-
		67,779,013,672	45,480,773,670
	Off-shore banking unit	2,440,176,127	325,196,096
		70,219,189,799	45,805,969,766

	2010 Taka	2009 Taka
8.2 Bills purchased and discounted (Note 8.14)		
Conventional and islamic banking	9,215,557,697	4,414,686,414
Off-shore banking unit	69,485,117	47,261,259
	9,285,042,814	4,461,947,673
8.3 Maturity-wise grouping		
Repayable on demand	18,245,347,851	3,202,901,558
Not more than 3 months	19,818,982,659	10,841,554,139
More than 3 months but not more than 1 year	24,748,911,281	21,939,947,165
More than 1 year but not more than 5 years	11,577,066,000	8,229,689,316
More than 5 years	5,113,924,822	6,053,825,261
	79,504,232,613	50,267,917,439
8.4 Net loans and advances/investments		
Gross loans and advances/investments	79,504,232,613	50,267,917,439
Less: Interest suspense (Note 13.4)	148,156,005	89,353,245
Provision for loans and advances/investments	1,279,003,221	982,036,321
	1,427,159,226	1,071,389,566
	78,077,073,387	49,196,527,873
8.5 Loans and advances/investments under the following broad categories		
In Bangladesh:		
Loans	53,395,613,242	33,817,230,617
Cash credit	188,146,911	111,296,047
Overdrafts	16,635,429,646	11,877,443,102
Bills purchased and discounted (Note 8.14)	8,452,852,983	3,936,813,651
	78,672,042,782	49,742,783,417
Outside Bangladesh:		
Bills purchased and discounted (Note 8.14)	832,189,831	525,134,022
	79,504,232,613	50,267,917,439
8.6 Significant concentration wise grouping		
a) Directors	-	-
b) Chief Executive and other senior executives		
i) Managing Director	3,940,969	4,277,000
ii) Other senior executives	59,962,462	60,922,000
	63,903,431	65,199,000

	2010 Taka	2009 Taka
c) Consumers		
i) Commercial lending	34,092,876,456	23,850,733,251
ii) Export financing	832,189,831	525,134,022
iii) House building loan	485,716,557	210,616,761
iv) Consumer credit scheme	2,763,851,054	2,190,609,550
v) Small and medium enterprise	2,142,223,019	745,509,095
vi) Staff loan	435,974,822	254,727,945
vii) Credit card	513,878,730	309,273,967
ix) Non-banking financial institutions	547,860,000	477,784,000
	41,814,570,469	28,564,388,591
d) Industries		
i) Agricultural and jute	1,075,182,000	117,516,000
ii) Cement	4,113,976,000	534,864,000
iii) Chemical	5,829,136,000	336,237,000
iv) Electronics	2,326,249,000	156,817,000
v) Food and allied	348,725,000	2,124,719,000
vi) Paper	498,291,000	840,552,000
vii) Readymade garments	205,536,000	2,540,997,000
viii) Real estate	3,864,930,000	2,033,515,239
ix) Steel	1,762,976,000	3,496,723,000
x) Textile	2,330,648,000	3,131,042,000
xi) Other	11,492,874,713	3,027,108,609
	33,848,523,713	18,340,090,848
e) Infrastructural		
i) Power	354,810,000	525,382,000
ii) Telecom	73,458,000	317,046,000
iii) Construction	1,311,600,000	917,210,000
iv) Transport	2,037,367,000	1,538,601,000
	3,777,235,000	3,298,239,000
	79,504,232,613	50,267,917,439
8.7 Geographical location-wise grouping		
Inside Bangladesh		
Urban		
Dhaka Division	47,954,885,006	28,762,922,401
Chittagong Division	23,557,134,164	17,579,690,976
Khulna Division	915,529,384	391,280,340
Rajshahi Division	1,221,522,023	851,673,602
Sylhet Division	589,719,801	482,157,233
	74,238,790,378	48,067,724,552
Rural		
Dhaka Division	3,260,633,556	1,758,738,686
Chittagong Division	1,810,200,413	440,654,936
Sylhet Division	52,714,075	799,265
Rajshahi Division	141,894,191	-
	5,265,442,235	2,200,192,887
Outside Bangladesh	-	-
	79,504,232,613	50,267,917,439

	2010 Taka	2009 Taka
8.8 Securities against loans/investments including bills purchased and discounted		
Collateral of movable/immovable assets	38,168,184,850	24,232,325,522
Local banks' and financial institutions guarantee	738,271,986	601,360,779
Foreign banks' guarantee	397,461,997	182,040,104
Export documents	2,384,771,986	1,100,146,768
Cash and quasi cash	8,744,163,949	5,683,628,669
Personal guarantee	19,873,099,886	12,289,157,476
Other securities	9,198,277,959	6,179,258,121
	79,504,232,613	50,267,917,439

8.9 Details of large loan/investments - -

As at 31 December 2010 there were twelve (2009: eleven) clients with whom amount of outstanding and classified loans and advances exceeded 10% of the total capital of the Bank. Total capital of the Bank was Tk 8,156.96 million as at 31 December 2010 (Tk 5,538.18 million in 2009).

Details are shown in Annexure-G

8.10 Particulars of loans and advances/investments		
i) Loans/investments considered good in respect of which the bank is fully secured	50,432,854,768	31,799,501,842
ii) Loans/investments considered good against which the bank holds no security other than the debtors' personal guarantee	19,873,099,886	12,289,157,476
iii) Loans/investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors of one or more parties in addition to the personal guarantee of the debtors	9,198,277,959	6,179,258,121
iv) Loans/investments adversely classified; provision not maintained there against	-	-
	79,504,232,613	50,267,917,439
v) Loans/investments due by directors or officers of the bank or any of them either separately or jointly with any other persons	435,974,822	319,926,946
vi) Loans/investments due from companies or firms in which the directors or officers of the bank have interest as directors, partners or managing agents or in case of private companies, as members	-	-
vii) Maximum total amount of advances/investments, including temporary advances/investments made at any time during the year to directors or managers or officers of the bank or any of them either separately or jointly with any other person.	435,974,822	319,926,946

	2010 Taka	2009 Taka
viii) Maximum total amount of advances/investments, including temporary advances/investments granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies, as members	-	-
ix) Due from banking companies	9,285,042,814	4,461,947,673
x) Classified loans/investments for which interest has not been charged:		
a) (Decrease)/increase of provision (specific)	(14,447,273)	(301,485,351)
Amount of loan written off	380,606,136	476,282,061
Amount realised against the loans previously written off	-	-
b) Provision kept against loans/investments classified as bad debts	246,938,000	261,385,273
c) Interest credited to interest suspense account	148,156,005	59,087,706
xi) Cumulative amount of written off loans/investments		
Opening Balance	477,725,357	1,443,296
Amount written off during the year	380,606,136	476,282,061
The amount of written off loans/investments for which law suit has been filed	858,331,493	477,725,357
8.11 Grouping as per classification rules		
Unclassified:		
Standard including staff loan	76,944,499,396	49,200,516,510
Special Mention Account (SMA)	1,275,482,000	282,332,000
	78,219,981,396	49,482,848,510
Classified:		
Sub-standard	783,169,217	144,485,120
Doubtful	146,510,000	142,254,890
Bad/loss	354,572,000	498,328,919
	1,284,251,217	785,068,929
	79,504,232,613	50,267,917,439

8.12 Particulars of required provision for loans and advances/investments

Status	2010			2009	
	Outstanding as at 31 Dec 2010	Base for provision	% of required	Required provision	Required provision
	Taka	Taka	provision	Taka	Taka
For loans and advances/Investments:					
Unclassified - General provision					
All unclassified loans (other than SME financing, house building loan and loan for professional, loan to BH, consumer finance, staff loan and SMA)	61,544,761,000	61,544,761,000	1%	615,447,610	427,128,965
Small and medium enterprise financing	5,715,166,000	5,715,166,000	1%	57,151,660	36,807,000
House building loan and loan for professional	1,621,358,000	1,621,358,000	2%	32,427,160	16,933,740
Loans to BH	3,284,815,000	3,284,815,000	2%	65,696,300	-
Consumer finance	2,081,811,000	2,081,811,000	5%	104,090,550	82,015,300
Special Mention Account (SMA)	1,022,257,000	993,665,000	5%	49,683,250	13,770,250
				924,496,530	576,655,255
Off-shore unit					
Unclassified loans (general)	2,256,436,000	2,256,436,000	1%	22,564,360	-
Special Mention Account (SMA)	253,225,000	252,257,000	5%	12,612,850	-
				35,177,210	-
Classified - Specific provision:					
Sub-standard	783,169,217	285,277,000	20%	57,055,400	26,081,649
Doubtful	146,510,000	101,275,000	50%	50,637,500	67,914,143
Bad/loss	354,572,000	246,938,000	100%	246,938,000	261,385,273
				354,630,900	355,381,065
Required provision for loans and advances				1,314,304,640	932,036,320
Total provision maintained					
Conventional and Islamic Banking (Note 13.2)				1,279,003,221	978,311,747
Off-shore Banking Unit				35,343,216	3,724,573
				1,314,346,437	982,036,320
Excess provision at 31 December				41,797	50,000,000

		2010 Taka	2009 Taka
8.13	Suits filed by the Bank (Branch wise details)		
	Bashundhara Branch	16,096,623	-
	CDA Avenue Branch	12,983,420	-
	Corporate Branch	23,413,542	17,782,719
	Dhanmondi Branch	4,200,000	3,726,372
	Dilkusha Branch	95,224,574	14,286,154
	Gulshan Branch	63,610,747	74,595,024
	Khatunganj Branch	70,400,556	95,914,688
	Mirpur branch	1,428,412	-
	North South Road Branch	46,432,468	45,262,434
	Principal Office Branch	336,822,022	355,337,769
	Scotia Branch	449,442,866	294,500,025
	SK.Mujib Road Branch	116,852,098	-
	Sylhet Main Branch	5,900,878	-
	Uttara Branch	590,000	587,560
	Credit cards	58,705	-
		1,243,456,911	901,992,745
8.14	Bills purchased and discounted		
	Payable in Bangladesh	8,452,852,983	3,936,813,651
	Payable outside Bangladesh	832,189,831	525,134,022
		9,285,042,814	4,461,947,673
8.15	Maturity-wise grouping of bills purchased and discounted		
	Payable within 1 month	350,005,874	112,496,289
	More than 1 month but less than 3 months	2,746,749,660	1,330,858,313
	More than 3 months but less than 6 months	4,188,350,982	2,028,593,106
	More than 6 months	1,999,936,298	989,999,965
		9,285,042,814	4,461,947,673
9	Fixed assets including premises, furniture and fixtures		
	Conventional and islamic banking (Note 9.1)	1,837,283,978	1,018,375,117
	Off-shore banking unit	-	-
		1,837,283,978	1,018,375,117

	2010 Taka	2009 Taka
9.1 Conventional and islamic banking		
Cost:		
Land	734,660,017	182,443,587
Building	756,501,200	568,481,174
Furniture and fixtures	452,048,996	322,539,556
Equipments	310,252,345	205,322,395
Computer and accessories	176,101,278	138,133,512
Motor vehicles	67,096,285	55,570,785
	2,496,660,121	1,472,491,009
Less: Accumulated depreciation	659,376,143	454,115,892
Written down value at the end of the year	1,837,283,978	1,018,375,117
Details are shown in Annexure-E		
10 Other assets		
Conventional and islamic banking (Note 10.1)	4,800,358,912	2,607,076,682
Off-shore banking unit	21,769,469	222,437
	4,822,128,381	2,607,299,119
Less: Due from off shore banking unit	-	292,423
	4,822,128,381	2,607,006,696
10.1 Conventional and islamic banking		
Income generating other assets		
Income receivable (Note-10.2)	389,074,959	394,442,615
Non-income generating other assets		
Investment in shares of subsidiary companies	449,955,000	-
Stock of stamps	1,892,250	1,384,583
Stationery, printing materials, etc.	51,073,232	19,876,055
Receivable from Government in connection with Rang's properties (Note 10.3)	-	9,921,459
Prepaid expenses	17,325,426	6,949,881
Deposits and advance rent	236,114,915	120,938,747
Due from off-shore banking unit	-	292,423
Due from Capital Market unit	542,519,608	-
Branch adjustment accounts (Note 10.4)	125,011,216	44,688,904
Suspense account (Note 10.5)	118,779,404	58,568,036
Advance income tax	2,695,638,641	1,829,932,371
Receivable against government sanchaypatra	124,277,283	40,033,902
Receivable against remittance	3,003,000	16,200,000
Sundry debtors	40,822,768	57,069,870
Receivable from Dhaka Stock Exchange Limited	-	3,734,496
Excise duty recoverable	4,871,210	3,043,340
	4,800,358,912	2,607,076,682

		2010 Taka	2009 Taka																																						
10.2	Income receivable Income receivable consists of interest accrued on investment and other income.																																								
10.3	Receivable from Government in connection with Rangs properties Balance at the beginning of the year Add: addition during the year Less: Provision made during the year	9,921,459 - 9,921,459 9,921,459 -	20,375,108 - 20,375,108 10,453,649 9,921,459																																						
10.4	Branch adjustment accounts represents outstanding inter-branch and head office transactions (net) which are originated but not responded by the counter transaction at the balance sheet date. The unresponded entries of 31 December 2010 are given below:																																								
		<table border="1"> <thead> <tr> <th colspan="2">Number of unresponded entries</th> <th colspan="2">Amount of unresponded entries (Taka)</th> </tr> <tr> <th>Dr</th> <th>Cr</th> <th>Dr</th> <th>Cr</th> </tr> </thead> <tbody> <tr> <td>Up to 3 months</td> <td style="text-align: right;">55</td> <td style="text-align: right;">13</td> <td style="text-align: right;">136,026,258</td> <td style="text-align: right;">11,015,042</td> </tr> <tr> <td>More than 3 months but within 6 months</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>More than 6 months but within 1 year</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>More than 1 year but within 5 years</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Above 5 years</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td style="text-align: right;">55</td> <td style="text-align: right;">13</td> <td style="text-align: right;">136,026,258</td> <td style="text-align: right;">11,015,042</td> </tr> </tbody> </table>		Number of unresponded entries		Amount of unresponded entries (Taka)		Dr	Cr	Dr	Cr	Up to 3 months	55	13	136,026,258	11,015,042	More than 3 months but within 6 months	-	-	-	-	More than 6 months but within 1 year	-	-	-	-	More than 1 year but within 5 years	-	-	-	-	Above 5 years	-	-	-	-		55	13	136,026,258	11,015,042
Number of unresponded entries		Amount of unresponded entries (Taka)																																							
Dr	Cr	Dr	Cr																																						
Up to 3 months	55	13	136,026,258	11,015,042																																					
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Above 5 years	-	-	-	-																																					
	55	13	136,026,258	11,015,042																																					
10.5	Suspense account consists of advance amount paid for purchasing of fixed assets and advance payment of rent for new branches of the Bank.																																								
11	Borrowings from other banks, financial institutions and agents Conventional and islamic banking (Note 11.1) Off-shore banking unit	3,800,448,571 1,363,326,401 5,163,774,972	1,894,948,571 283,500,000 2,178,448,571																																						
11.1	Conventional and islamic banking In Bangladesh (Note 11.1.1) Outside Bangladesh	3,800,448,571 - 3,800,448,571	1,894,948,571 - 1,894,948,571																																						

	2010 Taka	2009 Taka
11.1.1 In Bangladesh		
Secured	-	-
Un secured:		
Money at call and on short notice		
Bank Al Falah Limited	250,000,000	100,000,000
Citibank, N.A.	30,000,000	60,000,000
Commercial Bank of Ceylon Limited	130,000,000	-
Dutch Bangla Bank Limited	600,000,000	-
Habib Bank Limited	-	100,000,000
National Bank Limited	-	150,000,000
Premier Bank Limited	300,000,000	-
Rupali Bank Limited	450,000,000	400,000,000
Sonal Bank Limited	1,000,000,000	-
Southeast Bank limited	300,000,000	-
Standard Chartered Bank	50,000,000	150,000,000
The Hongkong and Shanghai Banking Corporation Limited	30,000,000	30,000,000
The Trust Bank Limited	-	300,000,000
United Commercial Bank Limited	550,000,000	500,000,000
	3,690,000,000	1,790,000,000
Term borrowing		
Bangladesh Bank refinance	110,448,571	104,948,571
	110,448,571	104,948,571
	3,800,448,571	1,894,948,571
11.2		
Payable on demand	5,053,326,401	1,790,000,000
Up to 1 month	-	-
More than 1 month but within 3 months	6,354,286	283,500,000
More than 3 months but within 1 year	43,443,808	-
More than 1 year but within 5 years	60,650,477	104,948,571
More than 5 years	-	-
	5,163,774,972	2,178,448,571

		2010 Taka	2009 Taka
12	Deposits and other accounts		
	Conventional and Islamic banking (Note 12.1)	83,526,716,661	54,789,597,348
	Off-shore banking unit	74,546,707	43,220,882
		83,601,263,368	54,832,818,230
	Deposits and other accounts		
	Current/Al-wadeeah current accounts and other accounts		
	Deposits from banks	-	-
	Deposits from customers	8,866,798,221	5,325,633,048
		8,866,798,221	5,325,633,048
	Bills payable		
	Deposits from banks	-	-
	Deposits from customers	898,703,046	724,131,935
		898,703,046	724,131,935
	Savings bank/Mudaraba savings bank deposits		
	Deposits from banks	500,000,000	-
	Deposits from customers	7,447,958,226	4,935,720,360
		7,947,958,226	4,935,720,360
	Fixed deposits/Mudaraba fixed deposits		
	Deposits from banks	1,550,000,000	3,500,000,000
	Deposits from customers	64,337,803,875	40,347,332,887
		65,887,803,875	43,847,332,887
		83,601,263,368	54,832,818,230
12.1	Conventional and Islamic banking		
	Deposits from banks (Note 12.1.1)	2,050,000,000	3,500,000,000
	Deposits from customers (Note 12.1.2)	81,476,716,661	51,289,597,348
		83,526,716,661	54,789,597,348
12.1.1	Deposits from banks		
	Fixed deposit:		
	AL-Arafah Islami Bank Limited	800,000,000	-
	Bangladesh Krishi Bank	-	500,000,000
	Eastern Bank Limited	-	1,000,000,000
	Hongkong Shanghai Banking Corporation	250,000,000	-
	IFIC Bank Limited	-	700,000,000
	National Credit and Commerce Bank Limited	-	200,000,000
	Social Islami Bank Limited	300,000,000	-
	The City Bank Limited	-	700,000,000
	The Premier Bank Ltd	200,000,000	-
	Trust Bank Limited	-	400,000,000
		1,550,000,000	3,500,000,000
	Bangladesh Bank refinance	500,000,000	-
		2,050,000,000	3,500,000,000

	2010 Taka	2009 Taka
12.1.2 Deposits from customers		
Current/Al-wadeeah current accounts and other accounts (Note 12.1.2a)	8,792,251,514	5,282,412,166
Bills payable (Note 12.1.2b)	898,703,046	724,131,935
Savings bank/Mudaraba savings deposits	7,447,958,226	4,935,720,360
Fixed deposits/Mudaraba fixed deposits (Note 12.1.2c)	64,337,803,875	40,347,332,887
	81,476,716,661	51,289,597,348
12.1.2a Current/Al-wadeeah current accounts and other accounts		
Current/Al-wadeeah current accounts	4,396,923,035	2,889,773,998
Other demand deposit - Local currency	2,408,103,446	1,182,781,322
Other demand deposit - Foreign currencies	1,268,710,680	705,021,517
Foreign currency deposits (non-interest bearing)	533,048,720	390,977,927
Export retention quota	185,465,633	113,857,402
	8,792,251,514	5,282,412,166
12.1.2b Bills payable		
Bills payable - local currency	891,658,493	675,636,668
Bills payable - foreign currencies	7,044,553	2,576,708
Demand draft	-	45,918,559
	898,703,046	724,131,935
12.1.2c Fixed deposits/Mudaraba fixed deposits		
Fixed deposits/Mudaraba fixed deposits	52,184,308,072	32,391,777,262
Special notice deposit	6,574,326,494	3,789,756,541
Foreign currency deposits (interest bearing)	8,220,767	12,507,897
Deposit under schemes	5,570,948,542	4,153,291,187
	64,337,803,875	40,347,332,887
12.2 Payable on demand and time deposits		
a) Demand deposits		
Current/Al-wadeeah current accounts and other accounts	4,471,469,742	2,932,994,880
Savings bank/Mudaraba savings deposits	670,316,240	444,214,832
Foreign currency deposits (non interest bearing)	533,048,720	390,977,927
Sundry deposits	3,862,279,759	2,001,660,241
Bills payable	898,703,046	724,131,935
	10,435,817,507	6,493,979,815

		2010 Taka	2009 Taka
	b) Time deposits		
	Savings bank/Mudaraba savings deposits	7,277,641,986	4,491,505,528
	Fixed deposits/Mudaraba fixed deposits	53,734,308,072	35,891,777,262
	Foreign currency deposits (interest bearing)	8,220,767	12,507,897
	Special notice deposit	6,574,326,494	3,789,756,541
	Security deposits	-	-
	Deposits under schemes	5,570,948,542	4,153,291,187
		73,165,445,861	48,338,838,415
		83,601,263,368	54,832,818,230
12.3	Sector-wise break-up of deposits and other accounts		
	Government	1,546,128,000	1,131,885,817
	Deposit from banks	1,588,295,000	3,500,000,000
	Other public	3,486,213,000	4,521,824,445
	Foreign currencies	1,987,225,033	1,111,084,049
	Private	74,993,402,335	44,568,023,919
		83,601,263,368	54,832,818,230
12.4	Maturity-wise grouping		
12.4.1	Deposits from banks		
	Payable on demand	-	-
	Up to 1 month	-	-
	Over 1 month but within 6 months	1,850,000,000	3,500,000,000
	Over 6 months but within 1 year	200,000,000	-
	Over 1 year but within 5 years	-	-
	Over 5 years	-	-
		2,050,000,000	3,500,000,000
12.4.2	Customer deposits excluding bills payable		
	Payable on demand	6,924,324,747	3,418,849,364
	Up to 1 month	9,815,884,993	1,845,113,134
	Over 1 month but within 6 months	27,871,500,000	22,020,922,751
	Over 6 months but within 1 year	19,846,303,093	11,426,900,522
	Over 1 year but within 5 years	10,184,714,124	11,635,011,371
	Over 5 years	6,009,833,365	261,889,153
		80,652,560,322	50,608,686,295

	2010 Taka	2009 Taka
12.4.3 Bills payable		
Payable on demand	898,703,046	724,131,935
Up to 1 month	-	-
Over 1 month but within 6 months	-	-
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years	-	-
	898,703,046	724,131,935
	83,601,263,368	54,832,818,230
13 Other liabilities		
Conventional and Islamic banking (Note 13.1)	9,242,214,670	6,691,462,499
Off-shore banking unit	130,853,937	6,618,542
	9,373,068,607	6,698,081,041
Less: Due from off shore banking unit	-	292,423
	9,373,068,607	6,697,788,618
13.1 Conventional and Islamic banking		
Provision for loans and advances/investments (Note 13.2)	1,279,003,221	978,311,747
Provision on off-balance sheet exposures (Note 13.3)	414,120,697	246,020,802
Interest payable	2,506,122,355	2,025,915,107
Interest suspense account (Note 13.4)	148,156,005	89,353,245
Provision for income tax (including deferred tax) (Note 13.5)	4,040,623,693	2,617,154,168
Provision for performance bonus	188,224,647	123,060,498
Credit card	7,497,200	9,883,417
Expenditures and other payables	43,463,807	43,366,834
Withholding income tax, VAT etc.	258,252,424	154,577,871
Obligation under finance lease (Note 13.6)	81,576,965	131,399,433
Provision for nostro accounts (Note 13.7)	19,040	-
Other payable	23,079,964	-
Provision for profit equalisation	2,285,963	2,285,963
Unearned income on bai murabaha muajjal	17,699,362	8,353,251
Unearned income on bai murabaha post import	228,504,800	123,832,654
Conventional settlement account	-	300,300
Advance from brokerage customer	-	9,787,682
Payable to Government	3,584,527	127,859,527
	9,242,214,670	6,691,462,499

		2010 Taka	2009 Taka
13.2	Provision for loans and advances/investments		
	A. General		
	Balance at the beginning of the year	622,930,682	498,244,962
	Add: Provision made during the year		
	On general loans and advances/investments etc.	252,915,790	178,243,470
	On Special Mention Account (SMA)	48,525,850	-
		301,441,640	178,243,470
	Less: Provision no longer required	-	(53,557,750)
	Balance at the end of the year	924,372,322	622,930,682
	B. Specific		
	Balance at the beginning of the year	355,381,065	644,771,372
	Less: Interest waiver during the year	(52,181,236)	(34,112,938)
	Write off during the year	(89,356,519)	(374,286,745)
		(141,537,755)	(408,399,683)
	Add: Recoveries of amounts previously written off	-	-
	Specific provision made during the year for other accounts	140,787,589	119,009,376
		140,787,589	119,009,376
	Balance at the end of the year	354,630,899	355,381,065
	C. Total provision on loans and advances/ investments (A+B)	1,279,003,221	978,311,747
13.3	Provision on off-balance sheet exposures		
	Balance as at 1 January	246,020,802	164,545,124
	Add: Provision made during the year (Note-34)	168,099,895	81,475,678
		414,120,697	246,020,802
	Less: Adjustments made during the year	-	-
	Balance as at 31 December	414,120,697	246,020,802
13.4	Interest suspense account		
	Balance as at 1 January	89,353,245	155,862,372
	Add: Amount transferred to "interest suspense" account during the year	344,954,931	280,205,799
		434,308,176	436,068,171
	Less: Amount of interest suspense recovered	244,925,176	298,726,589
	Amount written off during the year	34,114,241	37,365,315
	Interest waiver during the year	7,112,754	10,623,022
		286,152,171	346,714,926
	Balance as at 31 December	148,156,005	89,353,245

		2010 Taka	2009 Taka
13.5	Provision for income tax		
	Current tax (Note 13.5.1)	3,785,096,073	2,286,358,717
	Deferred tax (Note 13.5.2)	255,527,620	330,795,451
		4,040,623,693	2,617,154,168
13.5.1	Provision for current tax		
	Balance as at 1 January	2,286,358,717	2,061,256,021
	Provision made during the year	1,498,735,610	779,000,000
		3,785,094,327	2,840,256,021
	Adjustments made during the year	1,746	(553,897,304)
	Balance as at 31 December	3,785,096,073	2,286,358,717
	Corporate tax position of the Bank has been shown in Annexure-F .		
13.5.2	Provision for deferred tax		
	Balance as at 1 January	330,795,451	(65,538,788)
	Provision made for deferred tax liabilities:		
	Charged/(credited) to profit and loss account	164,685,104	(111,547,981)
	Charged/(credited) to revaluation reserve	(226,470,806)	216,326,229
		(61,785,702)	104,778,248
		269,009,749	39,239,460
	Provision made for deferred tax assets	(13,482,129)	291,555,991
	Balance as at 31 December	255,527,620	330,795,451
13.6	Obligation under finance lease		
	Furniture, fixtures and equipments	56,510,059	90,161,559
	Computer and accessories	23,818,827	33,294,851
	Motor vehicles	1,248,079	6,596,986
	Building	-	1,346,037
		81,576,965	131,399,433
13.7	Provision for nostro accounts		

As per instructions contained in the circular letter no.FEPD (FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, Bank is required to make provision regarding the un-reconciled debit balance of nostro account as at balance sheet date.

Adequate provision has been made for debit entries which are outstanding for more than 3 months.

Details of unreconciled entries are shown in Annexure K.

		2010 Taka	2009 Taka
14	Share capital		
14.1	Authorized capital		
	44,500,000 ordinary shares of Taka 100 each	4,450,000,000	4,450,000,000
14.2	Issued, subscribed and fully paid up capital		
	5,637,248 ordinary shares of Taka 100 each issued for cash	563,724,800	563,724,800
	24,390,127 (2009: 15,810,877) ordinary shares of Taka 100 each issued as bonus shares	2,439,012,700	1,581,087,700
		3,002,737,500	2,144,812,500
14.3	Initial public offer (IPO)		
	Out of the total issued, subscribed and fully paid up capital of the Bank 2,000,000 ordinary shares of Taka 100 each amounting to Taka 200,000,000 was raised through public offering of shares in 2003.		
14.4	Capital adequacy ratio		
	The calculation of CAR has been done as per BRPD Circular no. 10 dated 10 March 2010 and the Basel-II guideline December 2010 vide BRPD Circular no. 35 dated 29 December 2010.		
	Core capital (Tier-I)		
	Paid up capital	3,002,737,500	2,144,812,500
	Share premium	330	330
	Statutory reserve (Note 15)	2,272,917,429	1,557,013,281
	Retained earnings (Note 17)	1,293,503,630	942,577,212
		6,569,158,889	4,644,403,323
	Supplementary capital (Tier-II)		
	General provision maintained against unclassified loan/investments	924,372,322	626,655,255
	General provision on off-balance sheet exposure	413,954,721	248,192,755
	Exchange equalization reserve	-	3,339,553
	Other reserve	8,166,144	-
	Revaluation reserve of Government securities	241,309,084	15,587,257
		1,587,802,271	893,774,820
	Additional Supplementary capital (Tier-III)		
	A) Total capital	8,156,961,160	5,538,178,143
	B) Total risk weighted assets	100,545,900,000	45,150,284,000
	C) Required capital	9,049,100,000	4,515,028,400
	D) (Deficit)/Surplus (A-C)	(892,138,840)	1,023,149,743
	Capital adequacy ratio:		
	On core capital - against standard of minimum 4.5% (2009: 5%)	6.53%	10.29%
	On total capital - against standard of minimum 9% (2009: 10%)	8.11%	12.27%

14.5 Percentage of shareholdings at the closing date

Category	As at 31 December 2010		As at 31 December 2009	
	No. of shares	%	No. of shares	%
Sponsor	14,931,307	49.73	10,763,269	50.18
General public	7,839,246	26.11	4,599,032	21.44
Institutions	5,681,954	18.92	5,403,570	25.19
Investment companies	972,149	3.24	342,280	1.60
Non-resident Bangladeshi	475,719	1.58	339,974	1.59
Foreign Investors	127,000	0.42	-	-
	30,027,375	100.00	21,448,125	100.00

Figures of previous year have been rearranged, wherever considered necessary, to conform the current year's presentation.

14.6 Classification of shareholders by holding

Holding	No. of holders		% of total holding	
	2010	2009	2010	2009
Less than 500	13,052	9,668	3.59	3.31
500 to 5,000	1,381	976	5.67	5.53
5,001 to 10,000	77	68	1.89	2.19
10,001 to 20,000	59	39	2.73	2.37
20,001 to 30,000	23	16	1.94	1.94
30,001 to 40,000	9	19	1.09	2.96
40,001 to 50,000	12	7	1.78	1.48
50,001 to 100,000	25	30	5.89	10.00
100,001 to 1,000,000	56	45	52.35	70.22
Over 1,000,000	6	-	23.07	-
	14,700	10,868	100.00	100.00

14.7 Name of the Directors and their shareholdings as at 31 December 2010

SI	Name of the directors	Status	Opening position	Closing position
1	Mr. A Rouf Chowdhury	Chairman	392,975	550,164
2	Mr. Mohd. Safwan Chowdhury (Representing Phulbari Tea Estates Ltd.)	Vice Chairman	844,586	1,182,419
3	Mr. Mohammed Lakiotullah (Independent director)	Vice Chairman	-	-
4	Mr. Anisur Rahman Sinha	Director	122,981	172,173
5	Mr. Rume A Hossain	Director	887,858	1,243,001
6	Mr. Romo Rouf Chowdhury	Director	353,997	495,595
7	Mr. A M Nurul Islam	Director	106,900	-
8	Mr. Mashiur Rahman / Mr. Mir Shajahan	Director	441,877	618,627
9	Mr. M Irfan Syed	Director	30,750	30,000
10	Mr. Faisal Samad	Director	-	140,000
11	Ms. Sohana Rouf Chowdhury	Director	165,000	231,000
12	Lt. Col. Farid Uddin Ahmed	Director	89,366	125,112
13	Mr. Shah Md. Nurul Alam (Representing Amiran Generations Ltd.)	Director	-	922,395
14	Mr. Murshed Sultan Chowdhury	Director	-	1,161,617
			3,436,290	6,872,103

		2010 Taka	2009 Taka
15	Statutory reserve		
	Balance as at 1 January	1,557,013,281	1,099,774,787
	Add: Addition during the year (20% of pre-tax profit)	715,904,148	457,238,494
	Balance as at 31 December	2,272,917,429	1,557,013,281
16	Revaluation reserve		
	HTM securities (Note 16.1)	-	31,174,514
	HFT securities (Note 16.2)	482,618,168	275,227,167
		482,618,168	306,401,681
16.1	Revaluation reserve on HTM securities		
	Balance as at 1 January	31,174,514	8,362,819
	Adjustment for sale/maturity of securities	(31,174,514)	-
	Gain from revaluation on investments	-	39,011,420
		-	47,374,239
	Deferred tax liabilities	-	(16,199,725)
	Balance as at 31 December	-	31,174,514
16.2	Revaluation reserve on HFT securities		
	Balance as at 1 January	275,227,167	4,036,110
	Gain from revaluation on investments	260,678,624	650,315,979
	Adjustment for sale/maturity of securities	(53,287,623)	(178,998,418)
		482,618,168	475,353,671
	Add: Deferred tax released during the year	-	1,844,689
		482,618,168	477,198,360
	Less: Deferred tax liabilities	-	201,971,193
	Balance as at 31 December	482,618,168	275,227,167
17	Retained earnings		
	Balance as at 1 January	942,577,212	473,693,748
	Add: Retained surplus for the year	1,213,678,009	869,945,964
	Transferred from exchange equalization reserve	3,339,553	-
		2,159,594,774	1,343,639,712
	Less: Issue of bonus share	857,925,000	401,062,500
	Transferred to profit equalisation reserve	8,166,144	-
		866,091,144	401,062,500
	Balance as at 31 December	1,293,503,630	942,577,212

	2010 Taka	2009 Taka
18 Contingent liabilities		
Conventional and Islamic banking	48,704,206,413	27,761,626,796
Off-shore banking unit	270,477,865	217,195,257
	48,974,684,278	27,978,822,053
Acceptances and endorsements		
Conventional and Islamic banking	10,771,189,260	5,847,924,280
Off-shore banking unit	119,710,220	122,614,416
	10,890,899,480	5,970,538,696
Letters of guarantee		
Conventional and Islamic banking (Note 18.1)	6,556,270,342	3,182,997,551
Off-shore banking unit	-	-
	6,556,270,342	3,182,997,551
Irrevocable letters of credit		
Conventional and Islamic banking (Note 18.2)	25,735,341,572	15,573,423,464
Off-shore banking unit	82,758,550	94,580,841
	25,818,100,122	15,668,004,305
Bills for collection		
Conventional and Islamic banking (Note 18.3)	5,641,405,239	3,157,281,501
Off-shore banking unit	68,009,095	-
	5,709,414,334	3,157,281,501
Other contingent liabilities		
Conventional and Islamic banking	-	-
Off-shore banking unit	-	-
	-	-
	48,974,684,278	27,978,822,053
18.1 Letters of guarantee		
Letters of guarantee (Local)	6,516,045,556	3,080,483,431
Letters of guarantee (Foreign)	40,224,786	102,514,120
	6,556,270,342	3,182,997,551
Less: Margin	170,316,080	146,268,794
	6,385,954,262	3,036,728,757
Balance for which the Bank is contingently liable in respect of guarantee issued favouring:		
Directors or officers	-	-
Government	651,371,228	620,353,551
Banks and other financial institutions	278,748,364	253,407,604
Others	5,626,150,750	2,309,236,396
	6,556,270,342	3,182,997,551
Less: Margin	170,316,080	146,268,794
	6,385,954,262	3,036,728,757

		2010	2009
		Taka	Taka
18.2	Irrevocable letters of credit		
	Letters of credit (Inland)	1,930,851,852	1,127,378,808
	Letters of credit (General)	15,986,211,652	11,610,447,575
	Back to back L/C	5,241,471,085	516,923,105
	Back to back bills	2,576,806,983	2,318,673,976
		25,735,341,572	15,573,423,464
	Less: Margin	1,697,610,685	834,001,218
		24,037,730,887	14,739,422,246
18.3	Bills for collection		
	Outward local bills for collection	3,657,927,867	2,160,890,502
	Outward foreign bills for collection	1,881,695,319	931,711,595
	Inward local bills for collection	87,002,845	37,227,389
	Inward foreign bills for collection	14,779,208	27,452,015
		5,641,405,239	3,157,281,501
18.4	Workers' profit participation fund (WPPF)		
	As per Bangladesh Labour Act 2006 and SRO no. 336/Law/2010, all companies falling within the scope of WPPF are required to provide 5% of its profit before charging such expense to their eligible employees within the stipulated time. Bank obtained opinion from its Association of Bankers of Bangladesh regarding this issue which stated that the Bank is not required to make provision for WPPF as it is not within the scope of WPPF. As such the Bank did not make any provision during the year for WPPF.		
19	Income statement		
	Income:		
	Interest, discount and similar income (Note 19.1)	9,542,268,922	7,260,486,652
	Dividend income (Note 22)	2,585,000	-
	Fees, commission and brokerage (Note 19.2)	1,242,128,185	680,323,338
	Gains less losses arising from dealing in securities	-	-
	Gains less losses arising from investment securities	-	-
	Gains less losses arising from dealing in foreign currencies (Note 23.1)	899,352,675	497,178,354
	Income from non-banking assets	-	-
	Other operating income (Note 24)	424,659,372	189,532,123
	Profit less losses on interest rate changes	-	-
		12,110,994,154	8,627,520,467
	Expenses:		
	Interest paid/profit shared on deposits and borrowings, etc. (Note 21)	5,420,584,211	4,498,016,814
	Administrative expenses (Note 19.3)	1,364,055,932	838,346,661
	Other expenses (Note 33)	872,216,458	530,344,526
	Depreciation on banks assets (Note 32.1)	205,272,749	143,774,764
		7,862,129,350	6,010,482,765
		4,248,864,804	2,617,037,702

		2010 Taka	2009 Taka
19.1	Interest, discount and similar income		
	Interest income/profit on investments (Note 20)	8,381,354,215	6,247,494,941
	Interest on treasury bills	23,547,960	4,905,788
	Interest on treasury bonds	963,164,997	738,327,143
	Interest on debentures	529,981	-
	Income from investment in shares	117,870,745	87,476,255
	Capital gain on Government securities	55,801,024	182,282,525
		9,542,268,922	7,260,486,652
	Figures of previous year have been rearranged, wherever considered necessary, to conform the current year's presentation.		
19.2	Fees, commission and brokerage		
	Commission	1,242,128,185	680,323,338
	Brokerage	-	-
		1,242,128,185	680,323,338
19.3	Administrative expenses		
	Salaries and allowances (Note 25)	1,015,219,528	593,257,191
	Rent, taxes, insurance, electricity, etc. (Note 26)	158,628,865	119,728,571
	Legal expenses (Note 27)	4,196,492	4,528,540
	Postage, stamp, telecommunication, etc. (Note 28)	40,678,680	32,038,840
	Stationery, printing, advertisement, etc. (Note 29)	84,019,298	55,612,766
	Managing Director's salary and fees (Note 30)	6,417,200	3,451,942
	Directors' fees (Note 31)	1,582,000	832,000
	Auditors' fees	450,000	365,750
	Repair of Bank's assets (Note 32.1)	52,863,869	28,531,061
		1,364,055,932	838,346,661
20	Interest income/profit on investments		
	Conventional and Islamic banking (Note 20.1)	8,317,818,178	6,245,342,590
	Off-shore banking unit	63,536,037	2,152,351
		8,381,354,215	6,247,494,941

		2010	2009
		Taka	Taka
20.1	Conventional and Islamic banking		
	Loans (General)/Musharaka	3,523,855	150,663,320
	Loans against trust receipts/ Bai Murabaha post import	2,432,325,831	1,753,147,070
	Packing credit	8,716,177	5,964,657
	House building loan	43,864,541	25,209,180
	Payment against documents	493,158,896	384,237,559
	Cash credit/Bai-Muajjal	17,956,276	5,787,425
	Overdraft/ Quard against deposit	1,737,527,090	1,302,950,856
	Consumer credit scheme	398,159,024	294,596,709
	Staff loan	25,972,775	17,692,188
	Local bills purchased	661,412,962	407,258,416
	Foreign bills purchased	56,093,800	36,584,175
	Interest income from credit card	100,235,267	60,245,365
	Term loan- others/ Hire purchase Shirkatul Melk	794,268,307	618,402,149
	Term loan- industrial	374,616,722	411,345,812
	Demand loan	515,548,996	403,256,174
	Transport loan	66,997,639	60,550,202
	Poverty alleviation loan	2,340,074	3,996,448
	Sachsondo - SME	218,084,976	48,499,187
	Upfront fee	2,113,650	-
	Other loans and advances	121,975,180	42,712,953
	Net Interest on margin loan of broker house	113,104,715	6,403,206
	Total interest/profit on loans and advances/investments	8,187,996,753	6,039,503,051
	Interest/profit on balance with other banks and financial institutions	117,900,431	185,988,416
	Interest/profit received from foreign banks	11,920,994	19,851,123
		8,317,818,178	6,245,342,590
21	Interest paid/profit shared on deposits and borrowings etc.		
	Conventional and Islamic banking (Note 21.1)	5,392,773,541	4,497,302,555
	Off-shore banking unit	27,810,670	714,259
		5,420,584,211	4,498,016,814
21.1	Conventional and Islamic banking		
	Interest paid/profit shared on deposits		
	Fixed deposits/ Mudaraba Fixed deposit	3,739,445,735	3,453,377,488
	Sanchaya plus	147,822,632	291,480,250
	Savings deposits/ Mudaraba Savings bank	291,443,573	190,954,371
	Special notice deposits	341,760,724	155,553,777
	Other deposits	436,795,851	235,566,991
		4,957,268,515	4,326,932,877
	Interest on borrowings		
	Local banks including Bangladesh Bank	435,505,026	170,369,678
	Foreign banks	-	-
		435,505,026	170,369,678
		5,392,773,541	4,497,302,555

		2010	2009
		Taka	Taka
22	Investment income		
	Interest on treasury bills	23,547,960	4,905,788
	Interest on treasury bonds	963,164,997	738,327,143
	Capital gain from investment in shares	117,870,745	87,476,255
	Dividend on shares	2,585,000	-
	Interest on debentures	529,981	-
	Capital gain on Government securities	55,801,024	182,282,525
		1,163,499,707	1,012,991,711
	Figures of previous year have been rearranged, wherever considered necessary, to conform the current year's presentation.		
23	Commission, exchange and brokerage		
	Conventional and Islamic banking (Note 23.1)	2,134,970,563	1,175,095,231
	Off-shore banking unit	6,510,297	2,406,461
		2,141,480,860	1,177,501,692
23.1	Conventional and Islamic Banking		
	Commission on L/C	329,107,892	419,178,684
	Commission on back to back L/C	277,304,213	-
	Fees and commission	53,973,637	8,498,777
	Commission on L/G	64,866,156	41,609,746
	Commission on export bills	54,205,858	62,774,467
	Commission on accepted bills	-	280,835
	Commission on OBC, IBC, etc.	8,539,124	2,905
	Commission on PO, DD, TT, TC, etc.	11,599,884	98,013,501
	Commission on brokerage	429,414,894	17,637,820
	Other commission	6,606,230	29,920,142
		1,235,617,888	677,916,877
	Foreign exchange gain	899,352,675	497,178,354
		2,134,970,563	1,175,095,231
24	Other operating income		
	Conventional and Islamic banking (Note 24.1)	420,293,100	188,748,876
	Off-shore banking unit	4,366,272	783,247
		424,659,372	189,532,123

		2010 Taka	2009 Taka
24.1	Conventional and Islamic banking		
	Locker charge	4,401,380	2,609,750
	Service and other charges	107,222,536	103,843,806
	Master card fees and charges	65,184,868	30,434,462
	Postage/telex/SWIFT/fax recoveries	203,563,069	44,577,864
	Profit on sale of fixed assets	-	2,402,000
	Non-operating income	15,453,671	3,873,468
	Rebate on nostro A/C	24,467,576	-
	Other income from brokerage	-	1,007,526
		420,293,100	188,748,876
25	Salaries and allowances		
	Conventional and Islamic banking (Note 25.1)	1,015,219,528	592,962,168
	Off-shore banking unit	-	295,023
		1,015,219,528	593,257,191
25.1	Conventional and Islamic banking		
	Basic salary	307,282,444	173,328,516
	Allowances	393,748,096	229,024,056
	Festival bonus	67,380,956	34,583,677
	Gratuity	29,113,794	16,220,278
	Provident fund contribution	29,728,206	16,848,143
	Performance bonus	187,966,032	122,957,498
		1,015,219,528	592,962,168
26	Rent, taxes, insurance, electricity etc.		
	Conventional and Islamic banking (Note 26.1)	158,529,081	119,578,820
	Off-shore banking unit	99,784	149,751
		158,628,865	119,728,571
26.1	Conventional and Islamic banking		
	Rent, rate and taxes	85,202,660	66,546,424
	Insurance	43,456,764	32,350,623
	Power and electricity	29,869,657	20,681,773
		158,529,081	119,578,820
27	Legal expenses		
	Conventional and Islamic banking (Note 27.1)	4,196,492	4,528,540
	Off-shore banking unit	-	-
		4,196,492	4,528,540
27.1	Conventional and Islamic Banking		
	Legal expenses	2,766,422	3,172,160
	Other professional charges	1,430,070	1,356,380
		4,196,492	4,528,540

		2010	2009
		Taka	Taka
28	Postage, stamps, telecommunication etc.		
	Conventional and Islamic banking (Note 28.1)	40,311,911	31,992,579
	Off-shore banking unit	366,769	46,261
		40,678,680	32,038,840
28.1	Conventional and Islamic banking		
	Postage	668,847	369,721
	Telephone and telex	10,654,306	9,768,319
	Courier	14,036,543	9,726,967
	SWIFT charge	8,088,200	7,654,014
	Master/VISA card process fee	1,977,273	-
	ATM charge	1,827,398	1,705,139
	Reuter charge	1,399,440	1,399,617
	Internet	1,659,904	1,368,802
		40,311,911	31,992,579
29	Stationery, printing, advertisements etc.		
	Conventional and Islamic banking (Note 29.1)	84,019,298	55,586,176
	Off-shore banking unit	-	26,590
		84,019,298	55,612,766
29.1	Conventional and Islamic banking		
	Office and security stationery	35,416,397	25,473,786
	Calendar, diary, souvenir, etc	1,081,940	3,338,555
	ATM card	463,800	14,758
	Books and periodicals	1,385,099	1,475,150
	Publicity and advertisement	45,672,062	25,283,927
		84,019,298	55,586,176
30	Managing Director's salary and fees		
	Basic salary	3,592,000	1,676,968
	House rent allowance	1,176,000	790,793
	Entertainment allowances	60,000	2,903
	Bonus	690,000	416,000
	Utility allowance	240,000	163,871
	House maintenance allowance	300,000	239,033
	Provident fund	359,200	162,374
		6,417,200	3,451,942

		2010 Taka	2009 Taka
31	Directors' fees		
	Directors' fees	1,582,000	832,000
		1,582,000	832,000
32	Depreciation and repair of Bank's assets		
	Conventional and Islamic banking (Note 32.1)	258,136,618	172,305,825
	Off-shore banking unit	-	-
		258,136,618	172,305,825
32.1	Conventional and Islamic banking		
	Depreciation (Details are shown in Annexure-E)		
	Owned assets	158,000,420	94,453,835
	Leased assets	47,272,329	49,320,929
		205,272,749	143,774,764
	Repairs		
	Building	2,678,287	6,438,227
	Furniture and fixtures	273,843	84,859
	Equipments	3,600,921	2,397,900
	Computer and accessories	11,101,006	-
	Maintenance	35,209,812	19,610,075
		52,863,869	28,531,061
		258,136,618	172,305,825
33	Other expenses		
	Conventional and Islamic banking (Note 33.1)	871,987,284	530,291,487
	Off-shore banking unit	229,174	53,039
		872,216,458	530,344,526
33.1	Conventional and Islamic banking		
	Car expenses	87,240,124	64,071,312
	Contractual service expenses	124,265,668	73,216,635
	Computer expenses	70,797,188	47,262,472
	Other management and administrative expenses	92,356,844	65,931,593
	Entertainment	37,703,297	22,683,954
	AGM/EGM expenses	7,905,064	-
	Office plantation	4,326,297	3,463,630
	Payment to superannuation fund	2,400,000	2,400,000
	Finance charge for lease assets	19,633,652	54,428,227
	Donation and subscription to institutions	27,317,620	13,589,707
	Travelling expenses	9,353,490	8,153,980
	Training and internship	4,228,866	3,829,629
	Directors' travelling expenses	447,354	155,480
	Provision for profit equalisation	-	2,285,963
	Provision for others	9,910,037	-
	Loss on revaluation on investment	132,692,254	104,188,906
	Loan write-off	241,409,529	64,629,999
		871,987,284	530,291,487

		2010 Taka	2009 Taka
34	Provision for loans and advances/investments and off-balance sheet items		
	Conventional and Islamic banking	610,329,124	325,170,774
	Off-shore banking unit	35,177,240	5,674,460
		645,506,364	330,845,234
	Break up of provision for loans and advances/Investments is shown below:		
	General provision		
	Conventional and Islamic banking	301,441,640	124,685,720
	Off-shore banking unit	35,343,216	3,724,574
		336,784,856	128,410,294
	Specific provision		
	Conventional and Islamic banking	140,787,589	119,009,376
	Off-shore banking unit	-	-
		140,787,589	119,009,376
	Provision for off-balance sheet items		
	Conventional and Islamic banking	168,099,895	81,475,678
	Off-shore banking unit	(165,976)	1,949,886
		167,933,919	83,425,564
		645,506,364	330,845,234
35	Receipts from other operating activities		
	Conventional and Islamic banking (Note 35.1)	597,079,850	186,346,876
	Off-shore banking unit	4,366,272	783,247
		601,446,122	187,130,123
35.1	Conventional and Islamic banking		
	Locker charge	4,401,380	2,609,750
	Service and other charges	107,222,536	103,843,806
	Master card fees and charges	65,184,868	30,434,462
	Postage/telex/SWIFT/ fax recoveries	203,563,069	44,577,864
	Non-operating income	216,707,997	4,880,994
		597,079,850	186,346,876
36	Payments for other operating activities		
	Conventional and Islamic banking (Note 36.1)	1,083,840,737	606,283,381
	Off-shore banking unit	328,958	202,790
		1,084,169,695	606,486,171

		2010 Taka	2009 Taka
36.1	Conventional and Islamic banking		
	Rent, rates and taxes	158,529,081	171,114,300
	Legal expenses	4,196,492	4,528,540
	Directors' fees	1,582,000	832,000
	Repair and maintenance	-	28,531,061
	Postage, stamp, telecommunication, etc	40,678,680	32,038,840
	Other expenses	871,987,284	369,238,640
	Managing Director's salary	6,417,200	-
	Auditors' fee	450,000	-
		1,083,840,737	606,283,381
37	Earnings per share (EPS)		
	Net profit after tax (Numerator)	1,929,582,157	1,327,184,458
	Number of ordinary shares outstanding (Denominator)	30,027,375	30,027,375
	Earnings per share (EPS)	64.26	44.20

Earnings per share has been calculated in accordance with BAS 33: "Earnings Per Share (EPS)". Earnings per share for previous year has been restated since the bonus issue is an issue without consideration of cash. It is treated as if it has occurred prior to the beginning of 2010, the earliest period reported. Actual EPS for 2009 was Taka 61.88.

38 Number of employees

The number of employees receiving remuneration of Taka 36,000 or above per employee per year were 1,237 (2009: 1,052).

Audit committee

In pursuance of the directives of the Bangladesh Bank vide BRPD Circular no.12 dated 23 December 2002, the Board of Directors in its meeting held on 18 January 2003 constituted an Audit Committee. Presently, the Audit Committee members are:

Name	Status in the Board	Status in the Audit Committee	Educational qualification
Mr. Rumea A Hossain	Director	Chairman of the Audit Committee	B. Sc in Mechanical Engineering, MBA
Mr. Mohammed Lakiotullah	Vice Chairman & Director	Member of the Audit Committee	M.Sc.
Mr. Shah Md. Nurul Alam	Director	Member of the Audit Committee	MBA (IBA), M.Sc (Applied Physics)

The Company Secretary of the Bank acts as the Secretary of the Committee.

No. of meeting	Date	No. of meeting	Date
1. 53rd Meeting	2 March 2010	10. 62nd Meeting	3 August 2010
2. 54th Meeting	28 March 2010	11. 63rd Meeting	22 August 2010
3. 55th Meeting	6 April 2010	12. 64th Meeting	8 September 2010
4. 56th Meeting	11 May 2010	13. 65th Meeting	21 September 2010
5. 57th Meeting	12 May 2010	14. 66th Meeting	28 September 2010
6. 58st Meeting	10 June 2010	15. 67th Meeting	12 October 2010
7. 59th Meeting	13 June 2010	16. 68th Meeting	27 October 2010
8. 60th Meeting	19 July 2010	17. 69st Meeting	8 November 2010
9. 61st Meeting	25 July 2010	18. 70th Meeting	23 November 2010

1. Audit and Inspection report of the internal and external auditors and Bangladesh Bank inspection team and progress towards addressing the lapses identified in those reports to ensure internal control and for development of a compliance culture in the Bank.
2. Financial report with explanations from the management, internal and external auditors, when necessary.
3. Examine the organization structure of Audit Department, its functions, efficiency, effectiveness, resources and ensure no hindrance and unjustified restrictions are made.
4. Revised draft audit policy.
5. Evaluate whether the banking operations are conducted in conformity with regulations and guidelines of the regulatory authorities as well as Board of Directors of the Bank.
6. Operations of other departments of the Bank like - Credit Administration, ICCD, Treasury, Credit and Credit Card - which are concerned with exposure to risk.

Related party transactions

During the year 2010, the Bank concluded business deals with the following organizations in which the directors had interest:

Name of director	Status with the Bank	Name of organization	Nature of business
Mr. A Rouf Chowdhury	Chairman	Rangs Motors Ltd. Rangs ITT Ltd. Reliance Insurance Ltd. Shield Security Services Ltd. Rangs Industries Ltd. The Daily Star	Vehicles IT connectivity service Insurance Security services Generator Publication of advertisement
Mr. Romo Rouf Chowdhury	Director	Rangs Motors Ltd. Rangs ITT Limited Rangs Industries Ltd. Shield Security Services Ltd.	Vehicles IT connectivity service Generator Security services
Ms. Sohana Rouf Chowdhury	Director	Rangs Motors Ltd.	Vehicles
Mr. Rumeel A Hossain	Director	Romask Ltd. Rangs Industries Ltd.	Printing Generator

The Bank sanctioned the following facilities in favour of The Daily Star (Media World Limited) during the year 2010:

Name of the director having interest	Nature of facility	Limit (Taka)	Outstanding balance as at 31 December 2010 (Taka)	Nature of Security
Mr. A. Rouf Chowdhury Mr. Romo Rouf Chowdhury Ms. Sohana Rouf Chowdhury	L/C	50,000,000	32,029,000	Documents of title to goods

As at the balance sheet date, the Bank had no transaction with the related party(ies) as defined in the BRPD Circular No. 14 issued by the Bangladesh Bank on 25 June 2003 other than as disclosed above.

41 Coverage of external audit

The external auditor of the Bank, M/s Rahman Rahman Huq, Chartered Accountants worked about 2,250 person hours. They have reviewed more than 80% of the Bank's risk weighted assets as at the Balance Sheet date.

42 Share trading

The bank started trading its ordinary shares in CDBL on 30 January 2006. The closing market price on 31 December 2010 was Tk. 383.25 (2009: 426.75) at DSE and Tk. 382.25 (2009: 428.00) at CSE.

43 General

Highlights on the overall activities of the bank have been furnished in Annexure - A.

44 Events after the reporting period

The Board of Directors in its 199th meeting held on 23 February 2011 has recommended stock dividend @ 40% subject to the approval of the shareholders at the next Annual General Meeting.

The Board of Directors has also decided:

- To increase the authorised share capital from Tk 4,450 million to Tk 15,000 million, as approved by the Bangladesh Bank.
- To offer right share at par @ 25% i.e. 1 (one) right share for every 4 (four) shares held subject to the approval of the shareholders in its next Extra Ordinary General Meeting (EGM) and regulatory authorities.
- To restructure/revise the features of the proposed Subordinated Debt in the form of Zero Coupon Bonds to be issued to raise Tk 2,500 million subject to approval by the shareholders and regulatory authorities.

Bank Asia Limited

Highlights on the overall activities

as at and for the year ended 31 December 2010

Annexure-A

Sl no.	Particulars		2010	2009
1	Paid-up capital	Taka	3,002,737,500	2,144,812,500
2	Total capital	Taka	8,156,961,160	5,538,178,143
3	Capital (deficit)/surplus	Taka	(892,138,840)	1,023,149,743
4	Total assets	Taka	105,198,050,148	68,663,199,976
5	Total deposits	Taka	83,601,263,368	54,832,818,230
6	Total loans and advances / investments	Taka	79,504,232,613	50,267,917,439
7	Total contingent liabilities and commitments	Taka	48,974,684,278	27,978,822,053
8	Credit deposit ratio		95.10%	91.67%
9	Percentage of classified loans / investments against total loans and advances / investments		1.62%	1.56%
10	Profit after tax and provision	Taka	1,929,582,157	1,327,184,458
11	Amount of classified loans/investments during current year	Taka	1,284,251,217	785,068,929
12	Provisions kept against classified loans / investments	Taka	354,630,899	355,381,065
13	Provision surplus against classified loans / investments	Taka	41,797	50,000,000
14	Cost of fund		8.01%	8.15%
15	Interest earning assets	Taka	98,949,482,217	65,432,190,792
16	Non-interest earning assets	Taka	6,248,567,931	3,231,009,184
17	Return on investment (ROI) [PAT/(Shareholders equity + Borrowing)]		15.79%	18.61%
18	Return on assets (ROA) [PAT/ Average assets]		2.22%	2.18%
19	Income from investment	Taka	1,163,499,707	1,012,991,711
20	Capital adequacy		8.11%	12.27%
21	Stock dividend		(Proposed) 40%	40%
22	Earnings per share	Taka	64.26	44.20
23	Net income per share	Taka	64.26	44.20
24	Price earning ratio	Times	5.96	6.90

Bank Asia Limited

Liquidity Statement

(Analysis of maturity of assets and liabilities) as at 31 December 2010

Annexure-B

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Assets:						
Cash in hand	868,971,634	-	-	5,009,526,316	-	5,878,497,950
Balance with other banks and financial institutions	630,206,294	150,000,000	300,000,000	-	-	1,080,206,294
Money at call and on short notice	-	-	-	-	-	-
Investments	371,700,647	165,300,000	399,500,000	6,929,724,900	4,209,475,385	12,075,700,932
Loans and advances/investments	18,245,347,851	19,818,982,659	24,748,911,281	11,577,066,000	5,113,924,822	79,504,232,613
Fixed assets including premises, furniture and fixtures	-	-	-	1,837,283,978	-	1,837,283,978
Other assets	809,129,707	510,861,189	2,717,408,110	236,114,915	548,614,460	4,822,128,381
Non banking assets	-	-	-	-	-	-
Total assets (A)	20,925,356,133	20,645,143,848	28,165,819,391	25,589,716,109	9,872,014,667	105,198,050,148
Liabilities:						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	5,053,326,401	6,354,286	43,443,808	60,650,477	-	5,163,774,972
Deposits	17,638,912,786	22,670,334,832	27,097,468,261	10,184,714,124	6,009,833,365	83,601,263,368
Provision and other liabilities	477,183,941	433,549,899	148,156,005	5,694,079,995	2,620,098,767	9,373,068,607
Total liabilities (B)	23,169,423,128	23,110,239,017	27,289,068,074	15,939,444,596	8,629,932,132	98,138,106,947
Net liquidity gap (A - B)	(2,244,066,995)	(2,465,095,169)	876,751,317	9,650,271,513	1,242,082,535	7,059,943,201

Bank Asia Limited

Balance with other banks-Outside Bangladesh (Nostro Account)

as at 31 December 2010

Annexure-C

Name of the Bank	Account type	Currency type	2010		2009		Equivalent Taka
			FC amount	Exchange rate	FC amount	Exchange rate	
Conventional and Islamic banking:							
Interest bearing :							
Citibank N.A., London	CD	EURO	16,345.02	90.00	1,471,052	9,255.38	832,984
Citibank N.A., London	CD	GBP	65,640.86	130.00	8,533,312	18,275.97	2,375,876
Citibank NA, New York	CD	USD	(422,190.33)	70.00	(29,553,323)	334,619.55	23,423,368
Habib American Bank, New York	CD	USD	592,405.23	70.00	41,468,366	363,075.79	25,415,305
Mashreqbank psc, New York	CD	USD	15,854.13	70.00	1,109,789	35,021.56	2,451,509
National Westminster Bank plc, London	CD	GBP	157,319.26	90.00	14,158,733	61,627.08	8,011,521
Standard Chartered Bank, Mumbai	CD	ACU	49,340.09	70.00	3,453,806	183,768.97	12,863,828
Standard Chartered Bank, New York	CD	USD	847,464.39	70.00	59,322,507	30,521.56	2,136,509
					99,964,242		77,510,900
Non-interest bearing :							
AB Bank Ltd., Mumbai	CD	ACU	(2,070,581.07)	70.00	(144,940,675)	340,807.25	23,856,508
Bank of Nova Scotia, Toronto	CD	CAD	-	55.00	-	26,414.80	1,452,814
Bhutan National Bank Ltd., Thimphu	CD	USD	67,641.27	70.00	4,734,889	99,525.00	6,966,750
Canadian Imperial Bank of commerce	CD	CAD	10,742.42	55.00	590,833	-	-
Commerzbank AG, Frankfurt	CD	EURO	121,706.66	90.00	10,953,599	97,352.49	8,761,724
Credit Suisse First Boston, Zurich	CD	CHF	9,725.56	50.00	486,278	3,828.69	191,435
Habib Metropolitan Bank Ltd., Karachi	CD	ACU	531.01	70.00	37,171	432,655.14	30,285,860
HSBC Australia Ltd., Sydney	CD	AUD	1,044.44	50.00	52,222	4,642.37	232,119
HSBC, New York	CD	USD	222,303.61	70.00	15,561,253	54,431.09	3,810,176
Hypo Vereinsbank, Munich	CD	EURO	2,135.08	90.00	192,157	7,633.36	687,002
ICICI Bank Ltd., Kowloon	CD	USD	33,766.69	70.00	2,363,668	130,678.21	9,147,475
ICICI Bank Ltd., Mumbai	CD	ACU	(1,321,613.06)	70.00	(92,512,914)	74,757.66	5,233,036
Muslim Commercial Bank Ltd., Colombo	CD	ACU	26,855.04	70.00	1,879,853	10,762.99	753,409
Muslim Commercial Bank Ltd., Karachi	CD	ACU	261,776.29	70.00	18,324,340	25,428.70	1,780,009
Nepal Bangladesh Bank Ltd., Kathmandu	CD	ACU	7,667.91	70.00	536,754	248,909.12	17,423,638
UBAF, Tokyo	CD	JPY	1,138,052.73	0.55	625,929	4,402,884.00	2,421,586
Wachovia Bank N.A, New York	CD	USD	(319,570.47)	70.00	(22,369,933)	538,791.66	37,715,416
Wachovia Bank, London	CD	EURO	1,384.84	90.00	124,636	-	-
					(203,359,940)		150,718,957
Off-shore banking unit:							
Commerzbank AG, Frankfurt	CD	EURO	1,047,955.39	90.00	94,315,985	-	-
Habib American Bank, New York	CD	USD	495,847.37	70.00	34,709,316	114,890.12	8,042,308
					129,025,301		8,042,308
					25,629,603		25,629,603

Bank Asia Limited

Investment in Shares

as at 31 December 2010

Annexure - D

Sl. no.	Name of the company	Type of shares	Face value	No. of shares including bonus shares	Cost of holding	Average cost	Quoted rate per share as at 31.12.2010		Total market value as at 31.12.2010
							Taka	Taka	
Quoted									
1	AB Bank Limited	A	100	6,000	9,721,020	1,620.17	1,580.50	9,483,000	
2	Aftab Automobiles Limited	A	10	315,543	50,000,000	158.46	451.60	142,499,219	
3	Bay Leasing & Investment Limited	A	100	650	1,832,760	2,819.63	2,926.25	1,902,063	
4	Bangladesh General Insurance Co. Ltd.	A	10	4,500	414,720	92.16	77.00	346,500	
5	The Dacca Dyeing & Manufacturing Co. Ltd.	A	10	7,200	570,744	79.27	98.30	707,760	
6	Dhaka Bank Limited	A	10	174,000	14,593,380	83.87	76.30	13,276,200	
7	Exim Bank Limited	A	10	140,000	9,286,200	66.33	60.70	8,498,000	
8	Goldenson Limited	A	10	143,500	18,332,125	127.75	102.30	14,680,050	
9	HeidelbergCement Bangladesh Limited	A	100	3,660	14,723,082	4,022.70	3,659.25	13,392,855	
10	IDLC Finance Limited	A	100	3,500	18,016,355	5,147.53	4,647.50	16,266,250	
11	Islami Bank Bangladesh Limited	A	100	34,950	28,266,861	808.78	800.50	27,977,475	
12	Khulna Power Company Limited	A	10	2,458	415,579	169.07	112.60	276,771	
13	Lanka Bangla Finance Limited	A	10	75,000	40,048,500	533.98	497.90	37,342,500	
14	Mercantile Bank Limited	A	100	113,400	69,984,810	617.15	580.50	65,828,700	
15	MI Cement	N	10	32,338	3,608,921	111.60	-	-	
16	National Bank Limited	A	10	20,000	3,621,200	181.06	191.60	3,832,000	
17	NCC Bank Limited	A	10	28,250	2,178,075	77.10	68.80	1,943,600	
18	Ocean Containers Limited	A	10	3,645	295,945	81.19	131.20	478,224	
19	One Bank Limited	A	100	2,000	2,001,520	1,000.76	1,153.75	2,307,500	
20	Phoenix Finance and Investments Limited	A	100	6,700	15,937,625	2,378.75	2,256.50	15,118,550	
21	Prime Finance & Investment Limited	A	10	24,000	12,001,920	500.08	465.90	11,181,600	
22	Prime Insurance Limited	A	100	3,050	5,467,156	1,792.51	1,584.25	4,831,963	

Sl. no.	Name of the company	Type of shares	Face value	No. of shares including bonus shares	Cost of holding	Average cost	Quoted rate per share as at 31.12.2010	Total market value as at 31.12.2010
23	Pubali Bank Limited	A	10	17,100	1,773,441	103.71	107.40	1,836,540
24	RAK Ceramics (Bangladesh) Limited	N	10	45,518	2,184,864	48.00	171.60	7,810,889
25	Reliance Insurance Limited	A	100	2,850	5,579,815	1,957.83	1,738.25	4,954,013
26	RN Spinning Mills Limited	A	10	159,000	21,069,090	132.51	119.70	19,032,300
27	Social Islami Bank Limited	A	10	200,000	10,970,000	54.85	52.80	10,560,000
28	Southeast Bank Limited	A	100	16,000	9,661,600	603.85	600.25	9,604,000
29	United Commercial Bank Limited	A	100	85,001	21,014,797	247.23	226.70	19,269,727
					393,572,105			465,238,249
Unquoted								
1	Industrial and Infrastructure Development Finance Co. Limited		100	227700	10,000,000	43.92	-	-
2	Central Depository Bangladesh Limited		10	512,889	8,833,340	17	-	-
3	Era-Infotech Limited		100	3,837	383,700	100.00	-	-
4	Nepal Bangladesh Bank Limited *		90.42	2,767,500	250,227,683	90.42	-	-
5	Dun and Bradstreet rating agency		100	24,995	2,499,500	100.00	-	-
				3,536,921	271,944,223			-

* The Bank purchased shares of Nepal Bangladesh Bank Limited @ NRs. 100 per share on behalf of IFIC Bank Limited. There is a buy back agreement between the bank and IFIC Bank Limited to repurchase the shares within three years.

Bank Asia Limited

Schedule of fixed assets including premises, furniture and fixtures as at 31 December 2010

Annexure-E

Particulars	Cost				Rate of dep. %	Depreciation			Written down value as at 31 December 2010 Taka
	Balance as at 1 January 2010 Taka	Additions during the year Taka	Disposal/ adjustment during the year Taka	Balance as at 31 December 2010 Taka		Charged during the year Taka	Disposal/ adjustment during the year Taka	Balance as at 31 December 2010 Taka	
Own assets									
Land	182,443,587	552,216,430	-	734,660,017	0	-	-	-	734,660,017
Building	552,481,174	188,020,026	-	740,501,200	5	37,025,060	-	90,969,399	649,531,801
Furniture and fixtures	155,376,708	130,543,141	(1,033,701)	284,886,148	20	54,621,921	(12,498)	110,460,515	174,425,633
Equipments	99,121,256	104,929,950	-	204,051,206	20	37,985,275	-	79,588,149	124,463,057
Computer and accessories	65,929,412	37,967,766	-	103,897,178	20	20,300,543	-	42,775,987	61,121,191
Motor vehicles	29,147,860	11,525,500	-	40,673,360	20	8,067,621	-	19,623,310	21,050,050
	1,084,499,997	1,025,202,813	(1,033,701)	2,108,669,109		158,000,420	(12,498)	343,417,360	1,765,251,749
Leased assets									
Building	16,000,000	-	-	16,000,000	5	800,000	-	4,800,000	11,200,000
Furniture and fixtures	167,162,848	-	-	167,162,848	20	19,391,361	-	141,650,018	25,512,830
Equipments	106,201,139	-	-	106,201,139	20	15,281,738	-	83,550,370	22,650,769
Computer and accessories	72,204,100	-	-	72,204,100	20	8,967,630	-	59,535,470	12,668,630
Motor vehicles	26,422,925	-	-	26,422,925	20	2,831,600	-	26,422,925	-
	387,991,012	-	-	387,991,012		47,272,329	-	315,958,783	72,032,229
Total	1,472,491,009	1,025,202,813	(1,033,701)	2,496,660,121		205,272,749	(12,498)	659,376,143	1,837,283,978

Bank Asia Limited

Schedule of fixed assets including premises, furniture and fixtures as at 31 December 2009

Annexure-E.1

Particulars	Cost			Rate of dep. %	Depreciation			Written down value as at 31 December 2009 Taka
	Balance as at 1 January 2009 Taka	Additions during the year Taka	Disposal/adjustment during the year Taka		Balance as at 31 December 2009 Taka	Charged during the year Taka	Disposal/adjustment during the year Taka	
Own assets								
Land	182,443,587	-	-	0	-	-	-	182,443,587
Building	206,101,150	346,380,024	-	5	26,320,280	27,624,059	-	498,536,835
Furniture and fixtures	71,727,762	84,023,946	(375,000)	20	26,421,417	29,599,675	(170,000)	99,525,616
Equipments	47,023,219	52,098,037	-	20	23,303,586	18,299,288	-	57,518,382
Computer and accessories	34,193,461	31,735,951	-	20	9,325,948	13,149,496	-	43,453,968
Motor vehicles	25,280,860	3,867,000	-	20	5,774,372	5,781,317	-	17,592,171
	566,770,039	518,104,958	(375,000)		91,145,603	94,453,835	(170,000)	899,070,559
Leased assets								
Building	16,000,000	-	-	5	3,200,000	800,000	-	12,000,000
Furniture and fixtures	167,162,848	-	-	20	102,867,296	19,391,361	-	44,904,191
Equipments	106,201,139	-	-	20	52,986,894	15,281,738	-	37,932,507
Computer and accessories	72,204,100	-	-	20	41,600,210	8,967,630	-	21,636,260
Motor vehicles	32,299,525	-	(5,876,600)	20	24,587,725	4,880,200	(5,876,600)	2,831,600
	393,867,612	-	(5,876,600)		225,242,125	49,320,929	(5,876,600)	119,304,558
Total	960,637,651	518,104,958	(6,251,600)		316,387,728	143,774,764	(6,046,600)	1,018,375,117

Bank Asia Limited

Statement of tax position

as at 31 December 2010

Annexure-F

Accounting year	Assessment year	Tax provision as per accounts	Tax demand as per assessment order	Excess/(Short) provision	Status
		Taka	Taka	Taka	
2000	2001-2002	2,000,000	7,080,931	(5,080,931)	Final
2001	2002-2003	42,626,674	38,156,227	4,470,447	Taxes Appellate Tribunal
2002	2003-2004	91,950,000	83,933,056	8,016,944	Final
2003	2004-2005	165,000,000	155,712,331	9,287,669	Taxes Appellate Tribunal
2004	2005-2006	166,807,728	187,552,594	(20,744,866)	Taxes Appellate Tribunal
2005	2006-2007	220,089,576	273,929,209	(53,839,633)	Final
2006	2007-2008	432,447,206	433,037,008	(589,802)	Final
2007	2008-2009	704,871,326	707,990,638	(3,119,312)	Taxes Appellate Tribunal
2008	2009-2010	790,000,000	715,369,681	74,630,319	Return filed with DCT
2009	2010-2011	779,000,000	-	-	Return filed with DCT

Bank Asia Limited

Details of Large Loan

as at 31 December 2010

Annexure-G

	2010	2009
Number of clients	12	11
Amount of outstanding advances (Taka)	13,928.80	8,015.30
Amount of classified advances (Taka)	NIL	NIL
Measures taken for recovery (Taka)	NIL	NIL

Client-wise break up is as follows:

Amount in million

Sl. No.	Name of clients	Outstanding (Taka) 2010			Outstanding (Taka) 2009		
		Funded	Non Funded	Total	Funded	Non Funded	Total
1	Abdul Monem Ltd	705.90	111.60	817.50	360.70	657.70	1,018.40
2	Aftab-Navana	627.40	650.40	1,277.80	-	-	-
3	B S R M Steels Ltd	422.20	627.90	1,050.10	428.00	323.00	751.00
4	Bashundhara Group	201.60	1,620.60	1,822.20	151.10	594.70	745.80
5	BRAC	179.80	1,244.60	1,424.40			-
6	Desh Baundhu Sugar Mills Ltd	-	-	-	2.40	710.90	713.30
7	H. Steel Re-Rolling Mills Ship Breaking	-	-	-	507.30	49.90	557.20
8	Karim Spinning Mills Ltd	530.30	408.60	938.90	354.30	273.90	628.20
9	Kayaba Group	299.30	583.50	882.80			-
10	KDS Packaing Industries Ltd	710.20	410.40	1,120.60	436.20	200.30	636.50
11	Petromax Refinery Ltd.	-	958.30	958.30			-
12	PHP Cold Rolling Mills Ltd	-	-	-	63.90	580.60	644.50
13	S.A.Oil Refinery	826.60	110.00	936.60	449.40	225.80	675.20
14	Shama Impex	-	-	-	247.90	309.60	557.50
15	Sheema Automatic Re-Rolling Mills Ltd.	-	-	-	373.40	714.30	1,087.70
16	Sufia Cotton Mills Limited	660.70	718.00	1,378.70			-
17	Western Marine Group	459.00	861.90	1,320.90	-	-	-
	Total	5,623.00	8,305.80	13,928.80	3,374.60	4,640.70	8,015.30

Bank Asia Limited

Names of Directors and their interest in different entities

Annexure-H

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
1.	Mr. A Rouf Chowdhury	Chairman	Rangs Ltd. Rangs Workshop Ltd. Rangs Industries Ltd. Rangs Motors Ltd. Rangs Properties Ltd. Ranks ITT Ltd. Dears International Ltd. Rancon Engineering Ltd. Shield Security Services Ltd. Reliance Insurance Ltd. Media World Ltd. (The Daily Star) Sea Resources Ltd. Sea Fishers Ltd. Deep Sea Fishers Ltd. Sea Resources Cold Storage Ltd. Sea Resources Agencies Ltd. Fishers Shipyard Ltd. Semans Dockyard & Fishmeal Ltd. Rangs Pharmaceuticals Ltd. Ranks Telecom Ltd. Mavis Ispat Ltd. Yellow Lines Ltd. Rancon Motors Ltd. Ranks Union Ltd. Rancon Sweaters Ltd. Ranks Energy Ltd. Rancon Services Ltd. Bengal Laboratories Ltd. Appollo Steel Mills Ltd. Bon Kids Ltd. SDIL Rancon Autos Ltd. Ranks Interior Ltd. Ranks Agro Bioteq Ltd. Ran-Jas Ltd.

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
2.	Mr. Mohd. Safwan Choudhury (Representing Phulbari Tea Estates Ltd.)	Vice Chairman	M. Ahmed Tea & Lands Co. Ltd. Phulbari Tea Estates Ltd. M. Ahmed Cold Storage Ltd. Premier Dyeing & Calendering Ltd. Anandaniketan Ltd. Ranks Telecom Ltd. Enterprise Asia Ltd.
3.	Mr. Mohammed Lakiotullah	Vice Chairman	Hajj Finance Company Limited RSL Consultancy
4.	Mr. Anisur Rahman Sinha	Director	Sinha Designers Ltd. Sinha Washing Plant Ltd. Sinha Sp. Denim Washing Plant Ltd. Opex Apparels Ltd. Opex Industries Ltd. Sinha Industries Ltd. Opex Style Wear Ltd. Sinha Style Wears Ltd. Opex Apparels Accessories Ltd. Opex C&F Ltd. Ornate Garments Ltd. Jaycee Fashions (Pvt.) Ltd. Opex Fashions Ltd. Opex Sweaters Ltd. Opex Ready Wears Ltd. Ornate Apparels Ltd. Multi Apparels Ltd. Sinha Apparels Accessories Ltd. Opex Washing Plant Ltd. Sinha Knitting Ltd. Pritha Apparels Ltd. Pritha Fashions Ltd. Sinha Textiles Ltd. Sinha Garments & Textile Ltd. Opex Designers Ltd. Sinha Dyeing & Finishing Ltd. Sinha Yarn Dyeing & Fabrics Ltd. Sinha Rotor Spinning Ltd. Sinha Spinning Ltd. Sinha Denim Ltd. Sinha Rope Denim Ltd. Sinha Home Furnishings Ltd. Sinha Specialized Cold Storage Sinha Agro Based Industries

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
5.	Mr. Rume A Hossain	Director	<p>Mirpur Packaging Ltd. Sinha Poly Industries Ltd. Sinha Packaging Ltd. Lafarge Surma Cement Ltd. National Telecom Ltd. Medler Fashions Ltd. Medler Apparels Ltd. Medlar Accessories Ltd. Enterprise Asia Ltd. Venture Energy Resources Ltd. Sinha Apparels Ltd. Sinha Fashions Ltd. Supreme Knitwear Ltd. Supreme Smartwear Ltd. Medlar Garments Ltd. Sinha Power Generation Ltd. Spencer Apparels Ltd. J.K. Fashions Ltd. Sinha Printing Press Sattar Jute Mills Ltd. Sinha Denimwear Ltd. Sinha Auto Spinning Mills Ltd. Rangs Industries Ltd. Rangs ITT Ltd. Romask Ltd. Rangs Pharmaceuticals Ltd. Rangs Telecom Ltd. Rangs Petroleum Ltd.(Representative Director)</p>
6.	Mr. Romo Rouf Chowdhury	Director	<p>Rangs Ltd. Rangs Workshop Ltd. Rangs Industries Ltd. Rangs Motors Ltd. Agro Food Services Ltd. Rancon Motors Ltd. Rangs Union Ltd. Rancon Engineering Ltd. Rangs Telecom Ltd. Bon Childs Ltd. Shield Security Services Ltd. Rangs ITT Ltd. Bengal Laboratories Ltd. Appollo Steel Mills Ltd. Rangs Pharmaceuticals Ltd.</p>

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
7.	Mr. A M Nurul Islam	Director	Rancon Services Ltd. Bangla Industrial Trading Co.Ltd. Rancon Automobiles Ltd. Ranks Agro Bioteq Ltd. Ranks Interiors Ltd. Mavis Ispat Ltd. Rangs Properties Ltd. Rancon Autos Ltd.
8.	Mr. Mashiur Rahman	Director	Nil
9.	Mr. M Irfan Syed	Director	VihreäCom Ltd.
10.	Mr. Faisal Samad	Director	Savar Textiles Ltd. Supasox Ltd. Surma Garments Ltd. Surma Dyeing Ltd. Multi Source Smart Sox Ltd.
11.	Ms. Sohana Rouf Chowdhury	Director	Rangs Motors Rangs Ltd.
12.	Lt. Col. Fariduddin Ahmed (Retd)	Director	Executive Director,Opex Garments Ltd.
13.	Mr. Shah Md. Nurul Alam (Representing Amiran Generations Ltd.)	Director	Nil
14.	Mr.Murshed Sultan Chowdhury	Director	Rangs Pharmaceuticals Ltd.

Bank Asia Limited

Distribution of Profit on Deposit Under Islamic Banking Operation

Annexure-I

To meet the growing demand of our religious Muslim people Bank Asia Limited started its Islamic Banking operation through opening of Islamic Windows at its Uttara Branch on 24 December 2008. Later another window at Shantinagar branch was opened on 21 January 2009. In 2010 the Bank opened three more windows and currently five windows are working in Dhaka, Chittagong and Sylhet with separate software, fund management and monitoring system. Many more windows will be opened in different branches to reach the Islamic Banking services at the door step of mass people.

According to our Income Sharing Module, there will be pre-defined Investment Income Sharing Ratio (ISR) for each type of depositor and the Bank. ISR would determine the portion of distributable investment income to each type of depositor and the Bank. For example, the ISR of 70: 30 would mean that 70% of distributable income is to be shared by the concerned depositors and the rest 30% to be shared by the Bank as Management Fee and/or otherwise. Investment Income Sharing Ratios between each type of Mudaraba depositors and the Bank (Mudarib) to be duly disclosed at the time of Mudaraba contract (Account opening) or at the beginning of the concerned period. Profit rate would be emerged at actual, as derived from the income fetched from deployment of the concerned fund. In other words, rate of profit on deposit under Islamic Banking is nothing but a post facto expression of the amount of profit distributed to the depositors according to their respective agreed ratios.

Bank Asia Limited declared following ISR for their depositors in the year 2010:

Distributable Investment Income Sharing Ratio (ISR)		
Types of Mudaraba Deposit	Client	Bank
Mudaraba Term Deposit Account (MTDA) 12 month	80%	20%
Mudaraba Term Deposit Account (MTDA) 24 month	83%	17%
Mudaraba Term Deposit Account (MTDA) 36 month and above	85%	15%
Mudaraba Special Notice Deposit Account (MSND)	35%	65%
Mudaraba Savings Account (MSA)	50%	50%
Mudaraba Savings Account (MSA Staff)	50%	50%
Mudaraba Hajj Savings Scheme (MHSA)	90%	10%
Mudaraba Deposit Pension Scheme (MDPS)	85%	15%

Bank Asia Limited

Islamic Banking Unit

Annexure-I.1

Balance Sheet

as at 31 December 2010

	2010 Taka	2009 Taka
PROPERTY AND ASSETS		
Cash:		
Cash in hand (including foreign currencies)	14,888,052	1,832,212
Balance with Bangladesh Bank and its agent bank (Including foreign currencies)	93,766,667	-
	108,654,719	1,832,212
Balance with other banks and financial institutions		
In Bangladesh	500,389,669	353,290
Outside Bangladesh	-	-
	500,389,669	353,290
Placement with other banks and financial institutions	-	-
Investments:		
Bangladesh Islamic bond	56,400,000	1,372,295,819
Investment (Loans, cash credit, overdrafts etc.)	2,608,961,771	-
	2,665,361,771	1,372,295,819
Fixed assets including premises, furniture and fixtures	3,629,586	2,639,185
Other assets	293,513,189	838,007
Non - banking assets	-	-
Total assets	3,571,548,934	1,377,958,513
LIABILITIES AND CAPITAL		
Liabilities:		
Placement from other banks, financial institutions and agents	-	-
Deposits and other Accounts :		
Al-wadeeah current and other deposits accounts, etc.	183,503,567	26,460,774
Bills payable	10,497,670	7,669,466
Mudaraba savings deposits	619,594,169	34,570,860
Mudaraba term deposits	2,482,100,619	300,985,729
	3,295,696,025	369,686,829
Other liabilities	275,852,909	1,008,271,684
Total liabilities	3,571,548,934	1,377,958,513
OFF- BALANCE SHEET ITEMS		
Contingent liabilities		
Letters of guarantee	-	-
Irrevocable letters of credit	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
	-	-
Other commitments:	-	-
Total Off-Balance Sheet items including contingent liabilities	-	-

Bank Asia Limited

Islamic Banking Unit

Annexure-I.2

Profit and Loss Account

for the year ended 31 December 2010

	2010 Taka	2009 Taka
Investment income	184,923,592	37,415,668
Profit paid on deposits, borrowings, etc.	(83,490,046)	(18,763,396)
Net investment income	101,433,546	18,652,272
Profit on deposit with bank and financial institutions	2,048,583	-
Commission, exchange and brokerage	30,439,489	18,724,691
Other operating income	1,132,169	534,866
Total operating income	135,053,787	37,911,829
Salaries and allowances	24,478,340	11,089,843
Rent, taxes, insurance, electricity, etc.	2,251,594	1,401,659
Legal expenses	-	-
Postage, stamp, telecommunication, etc.	173,248	97,818
Stationery, printing, advertisement, etc.	396,776	120,925
Depreciation and repair of Bank's assets	2,101,678	502,971
Other expenses	4,662,079	5,662,838
Total operating expenses	34,063,715	18,876,054
Profit before provision	100,990,072	19,035,775
Provision for investments		
General provision	12,134,192	13,722,000
Specific provision	1,134,963	-
	13,269,155	13,722,000
Provision for diminution in value of investments	-	-
Other provision	8,166,144	-
Total provision	21,435,299	13,722,000
Total profit/(loss) before taxes	79,554,773	5,313,775

Bank Asia Limited

Off-shore Banking Unit

Annexure-J

Balance Sheet

as at 31 December 2010

	Notes	2010		2009
		USD	Taka	Taka
PROPERTY AND ASSETS				
Cash				
In hand (including foreign currencies)		-	-	-
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		-	-	-
		-	-	-
Balance with other banks and financial institutions	3			
In Bangladesh		-	-	-
Outside Bangladesh		1,843,218.59	129,025,301	8,042,308
		1,843,218.59	129,025,301	8,042,308
Loans and advances	4			
Loans, cash credits, overdrafts, etc.		34,859,658.95	2,440,176,127	325,196,096
Bills purchased and discounted		992,644.53	69,485,117	47,261,259
		35,852,303.48	2,509,661,244	372,457,355
Fixed assets including premises, furniture and fixtures		-	-	-
Other assets	5	310,992.41	21,769,469	222,437
Non - banking assets		-	-	-
Total assets		38,006,514.48	2,660,456,014	380,722,100
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions and agents	6	34,918,948.58	2,444,326,401	332,500,000
Deposits and other accounts	7			
Current deposits		1,064,952.95	74,546,707	43,220,882
Bills payable		-	-	-
Savings bank deposits		-	-	-
Fixed deposits		-	-	-
Bearer certificate of deposit		-	-	-
		1,064,952.95	74,546,707	43,220,882
Other liabilities	8	1,869,341.96	130,853,937	6,618,542
Total liabilities		37,853,243.49	2,649,727,045	382,339,424
Capital / Shareholders' equity				
Paid up capital		-	-	-
Statutory reserve		-	-	-
Other reserve		-	-	-
Deficit in profit and loss account/Retained earnings		153,270.99	10,728,969	(1,617,324)
Total Shareholders' equity		153,270.99	10,728,969	(1,617,324)
Total liabilities and Shareholders' equity		38,006,514.48	2,660,456,014	380,722,100

	Notes	2010		2009
		USD	Taka	Taka
OFF- BALANCE SHEET ITEMS				
Contingent liabilities				
Acceptances and endorsements	9	1,710,146.00	119,710,220	122,614,416
Letters of guarantee		-	-	-
Irrevocable letters of credit	10	1,182,265.00	82,758,550	94,580,841
Bills for collection		971,558.50	68,009,095	-
Other contingent liabilities		-	-	-
		3,863,969.50	270,477,865	217,195,257
Other commitments				
Documentary credits and short term trade -related transactions		-	-	-
Forward assets purchased and forward deposits placed		-	-	-
Undrawn note issuance and revolving underwriting facilities		-	-	-
Undrawn formal standby facilities , credit lines and other commitments		-	-	-
Liabilities against forward purchase and sale		-	-	-
Other commitments		-	-	-
		3,863,969.50	270,477,865	217,195,257
Other memorandum items				
Value of travellers' cheques in hand		-	-	-
Value of Bangladesh Sanchayapatra in hand		-	-	-
		-	-	-
Total Off-Balance Sheet items including contingent liabilities		3,863,969.50	270,477,865	217,195,257

Bank Asia Limited

Off-shore Banking Unit

Annexure-J.1

Profit and Loss Account

for the year ended 31 December 2010

	Notes	2010		2009
		USD	Taka	Taka
Interest income	11	907,657.67	63,536,037	2,152,351
Interest paid on deposits and borrowings, etc.	12	(397,295.28)	(27,810,670)	(714,259)
Net interest/net profit on investments		510,362.39	35,725,367	1,438,092
Commission, exchange and brokerage	13	93,004.24	6,510,297	2,406,461
Other operating income	14	62,375.32	4,366,272	783,247
Total operating income (A)		665,741.95	46,601,936	4,627,800
Salaries and allowances		-	-	295,023
Rent, taxes, insurance, electricity, etc.		1,425.49	99,784	149,751
Postage, stamp, telecommunication, etc.		5,239.55	366,769	46,261
Stationery, printing, advertisements, etc.		-	-	26,590
Auditors' fees		-	-	-
Depreciation and repair of Bank's assets		-	-	-
Other expenses		3,273.92	229,174	53,039
Total operating expenses (B)		9,938.96	695,727	570,664
Profit before provision (C=A-B)		655,802.99	45,906,209	4,057,136
Provision for loans and advances				
General provision		504,903.09	35,343,216	3,724,574
Specific provision			-	-
		504,903.09	35,343,216	3,724,574
Provision for off-balance sheet items		(2,371.09)	(165,976)	1,949,886
Provision for diminution in value of investments		-	-	-
Other provision		-	-	-
Total provision (D)		502,532.00	35,177,240	5,674,460
Total profit/(loss) (C-D)		153,270.99	10,728,969	(1,617,324)

Bank Asia Limited

Off-shore Banking Unit

Annexure-J.2

Cash Flow Statement

for the year ended 31 December 2010

	2010		2009
	USD	Taka	Taka
A) Cash flows from operating activities			
Interest receipts	907,657.67	63,536,037	2,152,351
Interest payments	(397,295.28)	(27,810,670)	(714,259)
Fees and commission receipts	93,004.24	6,510,297	2,406,461
Cash payment to employees	-	-	(295,023)
Cash payment to suppliers	(6,665.04)	(366,769)	(72,851)
Income tax paid	-	-	-
Receipts from other operating activities	62,375.32	4,366,272	783,247
Payments for other operating activities	(3,273.92)	(328,958)	(202,790)
Cash generated from operating activities before changes in operating assets and liabilities	655,802.99	45,906,209	4,057,136
Increase/(decrease) in operating assets and liabilities:			
Loans and advances to customers	(30,531,484.13)	(2,137,203,889)	(372,457,355)
Other assets	(154,543.77)	(10,818,064)	(222,437)
Deposits from customers	447,511.84	31,325,825	35,148,972
Trading liabilities	30,168,948.59	2,111,826,401	332,500,000
Other liabilities	1,118,988.39	78,329,187	541,766
	1,049,420.91	73,459,460	(4,489,054)
Net cash generated from/(used in) operating activities	1,705,223.90	119,365,669	(431,918)
B) Cash flows from investing activities			
Investments of treasury bills and bonds	-	-	-
(Purchase)/sale of trading securities	-	-	-
Purchase of fixed assets	-	-	-
Net cash from investing activities	-	-	-
C) Cash flows from financing activities			
Transfer of profit to Head Office	23,104.63	1,617,324	(352,774)
Net cash generated from/(used in) financing activities	23,104.63	1,617,324	(352,774)
D) Net increase in cash and cash equivalents (A+ B + C)	1,728,328.53	120,982,993	(784,692)
E) Effects of exchange rate changes on cash and cash equivalents	-	-	-
F) Cash and cash equivalents at beginning of the year	114,890.11	8,042,308	8,827,000
G) Cash and cash equivalents at end of the year (D+E+F)	1,843,218.64	129,025,301	8,042,308
Cash and cash equivalents at end of the year represents			
Cash in hand (including foreign currencies)	-	-	-
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	-	-	-
Balance with other banks and financial institutions	1,843,218.59	129,025,301	8,042,308
Money at call and on short notice	-	-	-
Prize bond	-	-	-
	1,843,218.59	129,025,301	8,042,308

Bank Asia Limited

Off-shore Banking Unit (OBU)

Annexure-J.3

Notes to the Financial Statements

as at and for the year ended 31 December 2010

1 Status of the unit

Off-shore banking Unit ("the Unit") is a separate business unit of Bank Asia Limited, governed under the Rules and Guidelines of Bangladesh Bank. The Bank obtained the Off-shore banking unit permission vide letter no.BRPD(P-3)744(94)/2007-1853 dated 21 June 2007. The Bank commenced the operation of its Off-shore Banking Unit from 28 January 2008 and its office is located at Zone Service Complex, Chittagong Export Processing Zone, Chittagong.

2 Significant accounting policies and basis of preparations

2.1 Basis of preparation

The financial statements are prepared on the basis of a going concern and represent the financial performance and financial position of the OBU. The financial statements of the OBU are prepared in accordance with the Bank Companies Act 1991, in particular, Banking Regulation and Policy Department (BRPD) Circular No. 14 dated 25 June 2003, other Bangladesh Bank Circulars, Bangladesh Financial Reporting Standards (BFRSs) and other rules and regulations where necessary.

2.2 Foreign currency

Items included in the financial statements of the Unit are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements of the Unit are presented in US Dollar (USD) and Taka where USD is the functional currency and USD and Taka are the Unit's presentation currency.

2.3 Loans and advances

a) Loans and advances are stated in the balance sheet on gross basis.

b) Interest is calculated on daily product basis, but charged and accounted for quarterly on accrual basis. Interest on classified loans and advances/investments is kept in interest suspense account as per BRPD circulars no. 16 of 1998, 9 of 2001 and 10 of 2005 and recognised as income on realisation. Interest is not charged on bad and loss loans and advances/investments as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

c) Provision for loans and advances is made based on the arrear in equivalent month and reviewed by the management following instructions contained in Bangladesh Bank BRPD circulars no. 16 of 6 December 1998, 9 of 14 May 2001, 9 and 10 of 20 August 2005, 5 of 5 June 2006, 8 of 7 August 2007, 10 of 18 September 2007, 5 of 29 April 2008 and 32 of 27 October 2010.

	2010		2009
	USD	Taka	Taka
3	Balance with other banks and financial institutions		
In Bangladesh	-	-	-
Outside Bangladesh	1,843,218.59	129,025,301	8,042,308
	1,843,218.59	129,025,301	8,042,308
4	Loans and advances		
Loans, cash credit, overdrafts etc. (Note 4.1)	34,859,658.95	2,440,176,127	325,196,096
Bills purchased and discounted (Note 4.2)	992,644.53	69,485,117	47,261,259
	35,852,303.48	2,509,661,244	372,457,355
4.1	Loans, cash credit, overdrafts etc.		
Loan to branches	27,570,954.94	1,929,966,846	-
Loan against packing credit	157,762.08	11,043,346	5,264,851
Term loan industrial	285,043.65	19,953,056	23,687,989
Overdraft	3,617,504.25	253,225,298	284,067,185
Loan against trust receipts	3,228,393.60	225,987,552	12,176,071
Payment against documents	0.43	30	-
	34,859,658.95	2,440,176,128	325,196,096
4.2	Bills purchased and discounted		
Payable in Bangladesh	-	-	-
Payable outside Bangladesh	992,644.53	69,485,117	47,261,259
	992,644.53	69,485,117	47,261,259
5	Other assets		
Interest receivable	310,992.41	21,769,469	222,437
	310,992.41	21,769,469	222,437
6	Borrowings from other banks, financial institutions and agents		
Borrowing from Bangladesh Bank	19,398,948.58	1,357,926,401	283,500,000
Borrowing from corporate office, Dhaka	15,520,000.00	1,086,400,000	49,000,000
	34,918,948.58	2,444,326,401	332,500,000
7	Deposits and other accounts		
Bank deposits	-	-	-
Customer deposits and other accounts (Note 7.1)	1,064,952.95	74,546,707	43,220,882
	1,064,952.95	74,546,707	43,220,882

	2010		2009
	USD	Taka	Taka
7.1 Customer deposits and other accounts			
Foreign currency	772,821.61	54,097,513	14,998,172
Other demand deposits	292,131.34	20,449,194	22,144,438
Sundry deposits	-	-	6,078,272
	1,064,952.95	74,546,707	43,220,882
8 Other liabilities			
Provision for loans and advances	504,903.09	35,343,216	3,724,573
Provision for off balance sheet items	(2,371.09)	(165,976)	2,171,953
Due to Head Office	-	-	292,423
Interest payable	29,903.74	2,093,262	429,593
Branch adjustment account	1,319,471.97	92,363,038	-
Accrued expense payable	700.00	49,000	-
Interest suspense account	13,863.23	970,426	-
Adjustment account credit balance	2,871.02	200,971	-
	1,869,341.96	130,853,937	6,618,542
9 Acceptances and endorsements			
Letters of credit (Back to Back)	1,710,146.00	119,710,220	119,797,826
Letters of credit (Acceptances)	-	-	2,816,590
	1,710,146.00	119,710,220	122,614,416
Less: Margin	-	-	58,659
	1,710,146.00	119,710,220	122,555,757
10 Irrevocable letters of credit			
Letters of credit (Back to Back)	945,707.00	66,199,490	69,005,223
Letters of credit (cash)	236,558.00	16,559,060	25,575,618
	1,182,265.00	82,758,550	94,580,841
Less: Margin	26,730.00	1,871,100	6,019,613
	1,155,535.00	80,887,450	88,561,228
11 Interest income			
Demand loan	-	-	280,895
Packing credit	15,748.75	1,102,413	14,851
Overdraft	153,038.39	10,712,687	567,184
Loan against trust receipt	148,115.18	10,368,063	55,894
Payment against documents	1,280.92	89,664	96,261
Term loan - industrial	21,428.37	1,499,986	837,190
Foreign bill purchased	568,046.06	39,763,224	300,076
	907,657.67	63,536,037	2,152,351

	2010		2009
	USD	Taka	Taka
12 Interest paid on deposits and borrowings etc.			
Interest on deposit	-	-	-
Interest on borrowings :			
Local banks including Bangladesh Bank	397,295.28	27,810,670	714,259
Foreign banks	-	-	-
	397,295.28	27,810,670	714,259
13 Commission, exchange and brokerage			
Commission on remittance	4,665.46	326,582	150,641
Commission on L/C	88,338.78	6,183,715	2,255,820
	93,004.24	6,510,297	2,406,461
14 Other operating income			
Postage charge recovery	4,300.00	301,000	48,580
SWIFT Charge recovery	14,815.00	1,037,050	467,600
Other	43,260.32	3,028,222	267,067
	62,375.32	4,366,272	783,247

Bank Asia Limited
Statement of outstanding unreconciled entries (nostro account)
as at 31 December 2010

Annexure-K

Sl. no.	Period of unreconciliation	As per local book				As per correspondents' book			
		Debit entries		Credit entries		Debit entries		Credit entries	
		No.	USD	No.	USD	No.	USD	No.	USD
1	Upto 3 months	27	3,073,479.15	135	10,543,864.23	57	212,089.66	201	4,078,919.06
2	More than 3 months but less than 6 months	-	-	4	56,479.99	2	2,720.00	-	-
3	More than 6 months but less than 9 months	-	-	3	3,790.00	-	-	-	-
4	More than 9 months but less than 12 months	-	-	-	-	-	-	-	-
5	More than 12 months	-	-	-	-	-	-	-	-
	Total	27	3,073,479.15	142	10,604,134.22	59	214,809.66	201	4,078,919.06

Bank Asia Limited

Reconciliation between Bangladesh Bank statement and Bank's book

Annexure - L

The reconciling items relates to clearing of the following:

- a. Bangladesh Bank cheques
- b. Foreign currency demand drafts
- c. Government bonds

Local currency :	As per Bangladesh Bank Statement	As per Bank's General ledger	Reconciling Difference
	BDT	BDT	BDT
Bangladesh Bank, Dhaka	5,082,762,315	4,986,197,127	93,766,667
Bangladesh Bank, Dhaka (Al-wadeeah current account)	93,766,667	93,766,667	-
Bangladesh Bank, Chittagong	1,380,269	526,868	853,401
Bangladesh Bank, Sylhet	4,999,724	4,999,739	(15)
Bangladesh Bank, Khulna	40,326,839	40,326,839	-
Bangladesh Bank, Rajshahi	2,224,197	2,224,197	-
Bangladesh Bank, Bogra	3,428,888	3,428,888	-
Total	5,228,888,899	5,131,470,325	94,620,053
Bank credited but not debited by Bangladesh Bank			74,625,015
Bank debited but not credited by Bangladesh Bank			(189,874,189)
Bangladesh Bank credited but not debited by Bank			283,963,705
Bangladesh Bank debited but not credited by Bank			(71,295,957)
			97,418,574

Foreign currency:	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	USD	USD	BDT	USD
USD Clearing account	25,702.58	(1,835,777.42)	(128,504,419)	1,861,480.00
Total	25,702.58	(1,835,777.42)	(128,504,419)	1,861,480.00
Bank credited but not debited by Bangladesh Bank				3,556,193.88
Bank debited but not credited by Bangladesh Bank				(9,962,516.96)
Bangladesh Bank credited but not debited by Bank				10,056,656.02
Bangladesh Bank debited but not credited by Bank				(1,788,852.94)
				1,861,480.00

	As per Bangladesh Bank statement		As per Bank's general ledger		Reconciling difference
	GBP	GBP	BDT	GBP	
	GBP Clearing account	18,068.16	17,854.02	2,321,023	214.14
	18,068.16	17,854.02	2,321,023	214.14	
Bank credited but not debited by Bangladesh Bank				214.14	
Bank debited but not credited by Bangladesh Bank				-	
Bangladesh Bank credited but not debited by Bank				-	
Bangladesh Bank debited but not credited by Bank				-	
				214.14	

	As per Bangladesh Bank statement		As per Bank's general ledger		Reconciling difference
	EUR	EUR	BDT	EUR	
	EUR Clearing account	8,689.02	8,671.42	780,428	17.60
	8,689.02	8,671.42	780,428	17.60	
Bank credited but not debited by Bangladesh Bank				-	
Bank debited but not credited by Bangladesh Bank				-	
Bangladesh Bank credited but not debited by Bank				17.60	
Bangladesh Bank debited but not credited by Bank				-	
				17.60	

	As per Bangladesh Bank statement		As per Bank's general ledger		Reconciling difference
	JPY	JPY	BDT	JPY	
	JPY Clearing account	45,238	45,238	24,881	-
	45,238	45,238	24,881	-	
Total (BDT)			5,006,092,237		