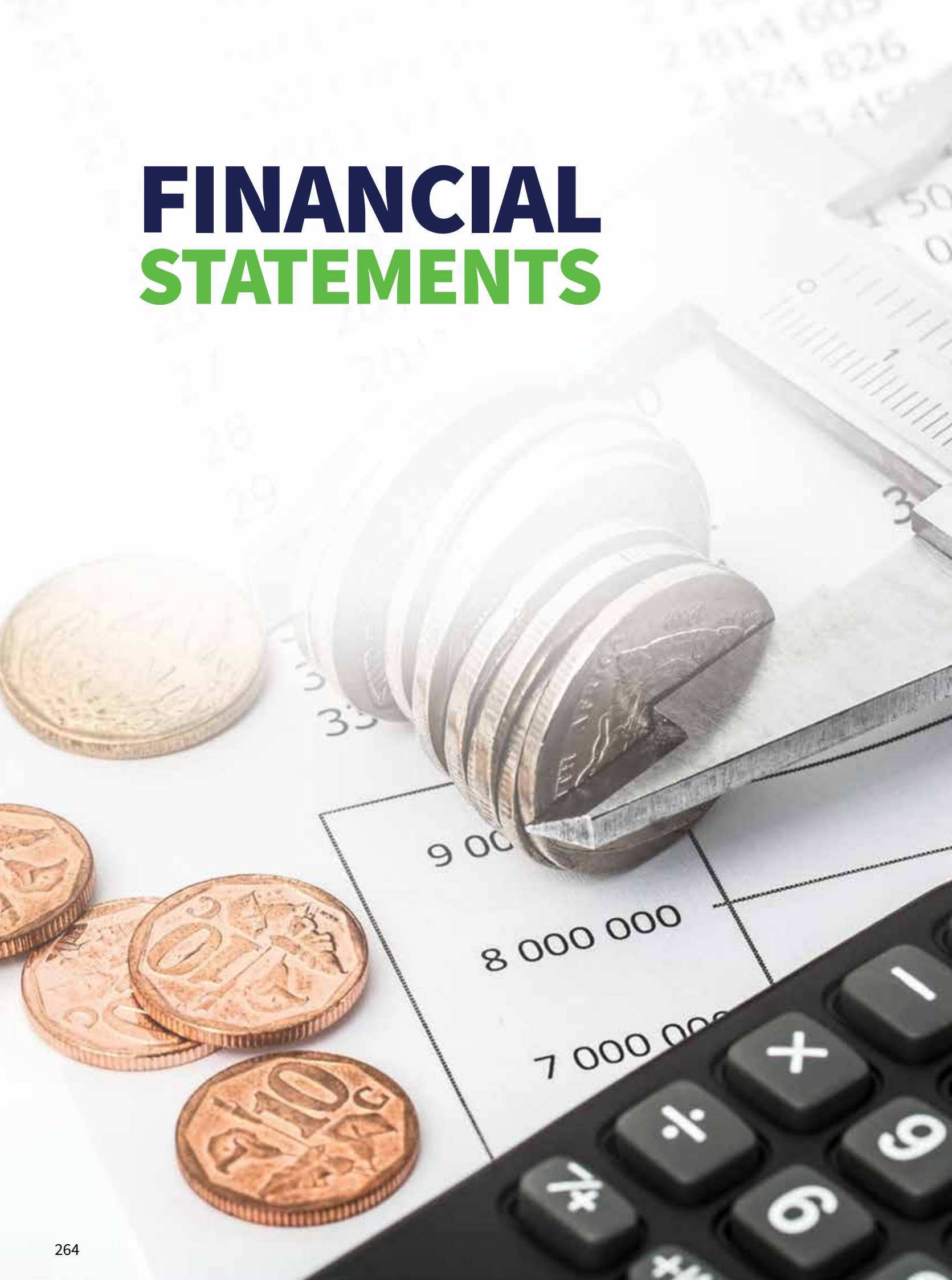


FINANCIAL STATEMENTS





Independent Auditor's Report to the Shareholders of Bank Asia Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Bank Asia Limited and its subsidiaries (the "Group"), as well as the separate financial statements of Bank Asia Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2019, and the consolidated and separate profit and loss accounts, consolidated and separate changes in equity and consolidated and separate cash flow statement for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and separate financial statement of the Bank give true and fair view of the consolidated balance sheet of the group and the separate balance sheet of the Bank as at 31 December 2019, and of its consolidated and separate profit and loss accounts and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 02-03.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Investment	
Refer note no 3.1.2,3,4 and 5 and 7, 7(a) to the consolidated financial statements	
The classification and measurement in quoted and unquoted securities require judgment and complex estimates. In the absence of a quoted price in an active market, the fair value of quoted and unquoted securities is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.	We assessed the processes and controls put in place by the Group to identify and confirm the existence of financial instruments. We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the financial instrument valuation processes, including controls over market data inputs into valuation models, applicable governance, and valuation adjustments. We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data. Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
Measurement of provision for loans and advances	
Refer note no 3.1.6, and 8, 8(a) 13, 13(a) to the consolidated financial statements	
The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex. For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions. For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation. At year end the Group reported total gross loans and advances of BDT. 230,095,211,871 (2018: BDT. 217,552,931,835) and provision for loans and advances of BDT 12,833,611,089 (2018:9,502,495,960) including provision maintained by BASL BDT. 554,494,169 (2018: BDT. 518,494,169).	We tested the design and operating effectiveness of key controls focusing on the following: <ul style="list-style-type: none"> ● Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; ● Reviewed identification of loss events, including early warning and default warning indicators; ● Reviewed quarterly Classification of Loans (CL);

Key audit matter	How our audit addressed the key audit matter
<p>We have focused on the following significant judgements and estimates which could give rise to material misstatement in the financial statements or management bias:</p> <p>Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no. 16 dated 06 December 1998, 9 dated 14 May 2001, 9 and 10 dated 20 August 2005, 8 dated 07 August 2007, 10 dated 18 September 2007, 14 dated 23 September 2012, 19 dated 27 December 2012, 5 dated 29 May 2013, 16 dated 18 November 2014, 8 dated 02 August 2015, 12 dated 20 August 2017, 15 dated 27 September 2017, 01 dated 03 January 2018, 01 dated 20 February 2018, 01 dated 03 January 2019, 01 dated 06 February 2019, 03 dated 21 April 2019, 05 dated 16 May 2019.</p> <p>For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows.</p> <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p>	<p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> ● Reviewed the adequacy of the companies general and specific provisions; ● Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; ● Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
Legal and regulatory matters	
<p>We focused on this area because the Bank and its subsidiaries (the “Group”) operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Group’s best estimate for existing legal matters that have a probable and estimable impact on the Group’s financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group’s key controls over the legal provision and contingency processes.</p> <p>We enquired into those charged with governance to obtain their views on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Group’s internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Group’s provisions and contingent liabilities disclosure.</p>
IT Assets Management	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included master data management, user access management, developer access to the production environment and changes to the IT environment. Among others, these are key to ensuring operating effectiveness of IT dependent application based controls.</p>	<p>We tested the design and operating effectiveness of the Group’s IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Group’s periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors’ report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or

our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 02-03, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 (As amended 2018) and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare

circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Bank Company Act, 1991 (as Amended 2018) and the rules and regulations issued by Bangladesh Bank, 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 purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities {other than matters disclosed in these financial statements};
- (iii) The financial statements of the Bank's subsidiaries named Bank Asia Securities Limited audited by us, but other two overseas subsidiaries BA Exchange Company (UK) Limited and BA Express USA Inc. was not audited by us. The financial statements of BA Exchange Company (UK) Limited for the year ended 31 December 2019 have been audited by AGP Consulting Chartered Accountants and Statutory Auditors, UK and expressed an unmodified opinion. The financial statements of BA Express USA Inc. for the year ended 31 December 2019 have been audited by Arman Chowdhury, CPA P.C. USA and expressed an unmodified opinion. These accounts have been properly reflected in the consolidated financial statements.
- (iv) in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (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 spent over 26,500 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dated, Dhaka
22 March 2020



Md. Mominul Karim, FCA
Partner
ACNABIN, Chartered Accountants

Bank Asia Limited and its subsidiaries

Consolidated Balance Sheet

as at 31 December 2019

Amount in Taka

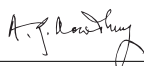
	Notes	31 Dec 2019	31 Dec 2018
PROPERTY AND ASSETS			
Cash		23,986,604,446	15,555,719,854
In hand (including foreign currencies)	4.1(a)	3,242,877,542	2,683,207,852
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2(a)	20,743,726,904	12,872,512,002
Balance with other banks and financial institutions	5(a)	23,634,997,570	26,243,135,322
In Bangladesh		19,875,113,514	23,753,126,357
Outside Bangladesh		3,759,884,056	2,490,008,965
Money at call and on short notice	6(a)	4,600,000,000	100,000,000
Investments	7(a)	55,526,971,926	36,544,202,442
Government		52,197,323,349	33,133,291,838
Others		3,329,648,577	3,410,910,604
Loans and advances/investments	8(a)	230,095,211,871	217,552,931,835
Loans, cash credits, overdrafts, etc/investments		210,835,675,997	196,655,897,163
Bills purchased and discounted		19,259,535,874	20,897,034,672
Fixed assets including premises, furniture and fixtures	9(a)	7,065,893,231	5,445,867,834
Other assets	10(a)	10,810,548,234	7,786,013,371
Non - banking assets		-	-
Total assets		355,720,227,278	309,227,870,658
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	34,382,128,495	31,379,916,599
Subordinated non-convertible bonds	11(aa)	11,800,000,000	7,400,000,000
Deposits and other accounts	12(a)	254,077,526,668	222,734,891,777
Current/Al-wadeeah current accounts and other accounts		47,821,635,983	47,487,805,711
Bills payable		3,742,697,471	4,124,678,804
Savings bank/Mudaraba savings bank deposits		48,293,710,027	39,558,517,712
Fixed deposits/Mudaraba fixed deposits		154,219,483,187	131,563,889,550
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13(a)	30,873,993,667	24,523,223,592
Total liabilities		331,133,648,830	286,038,031,968
Capital/shareholders' equity			
Total shareholders' equity		24,586,578,448	23,189,838,689
Paid-up capital	14.2	11,659,068,600	11,103,874,860
Statutory reserve	15	9,052,555,407	8,268,393,179
Revaluation reserve	16(a)	2,065,683,636	2,120,032,204
General reserve		8,166,144	8,166,144
Retained earnings	17(a)	1,800,257,979	1,686,898,121
Foreign currency translation reserve		836,486	2,462,381
Non-controlling interest	17(b)	10,196	11,799
Total liabilities and shareholders' equity		355,720,227,278	309,227,870,658

Consolidated Balance Sheet

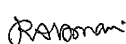
Amount in Taka

	Notes	31 Dec 2019	31 Dec 2018
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18	118,576,860,518	136,225,517,128
Acceptances and endorsements		39,192,489,873	48,569,391,593
Letters of guarantee		36,999,351,447	41,312,967,803
Irrevocable letters of credit		26,468,819,479	30,327,687,774
Bills for collection		15,916,199,719	16,015,469,958
Other contingent liabilities		-	-
Other commitments		2,040,416,443	1,233,739,359
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		2,040,416,443	1,233,739,359
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		120,617,276,961	137,459,256,487

These Financial Statements should be read in conjunction with the annexed notes



Chairman



Director



Director



Director



President and Managing Director

Report of the auditor's to the shareholders:

This is the statement of Consolidated Balance Sheet referred to our report of even date.

Dhaka, Dated
22 March 2020



Md. Mominul Karim, FCA
Partner
ACNABIN, Chartered Accountants

Bank Asia Limited and its subsidiaries

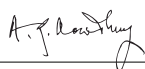
Consolidated Profit and Loss Account

for the year ended 31 December 2019

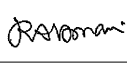
Amount in Taka

	Notes	31 Dec 2019	31 Dec 2018
OPERATING INCOME			
Interest income	20(a)	22,974,067,272	21,010,148,200
Interest paid on deposits and borrowings, etc	21(a)	14,464,586,306	13,011,217,964
Net interest income		8,509,480,966	7,998,930,236
Investment income	22(a)	3,293,064,994	2,311,462,131
Commission, exchange and brokerage	23(a)	3,495,510,223	3,110,434,216
Other operating income	24(a)	1,052,116,649	985,191,390
		7,840,691,866	6,407,087,737
Total operating income (A)		16,350,172,832	14,406,017,973
OPERATING EXPENSES			
Salaries and allowances	25(a)	3,360,493,052	2,963,638,772
Rent, taxes, insurance, electricity, etc	26(a)	471,721,301	714,978,997
Legal expenses	27(a)	22,218,779	27,388,071
Postage, stamp, telecommunication, etc	28(a)	126,842,671	111,154,986
Stationery, printing, advertisements, etc	29(a)	159,503,843	136,747,954
Managing Director's salary and fees	30	16,572,420	13,900,000
Directors' fees	31(a)	3,726,400	3,886,000
Auditors' fees	32(a)	3,440,259	2,913,042
Depreciation and repairs of Bank's assets	33(a)	842,466,683	480,859,178
Other expenses	34(a)	1,914,318,567	1,767,128,995
Total operating expenses (B)		6,921,303,975	6,222,595,995
Profit before provision (C=A-B)		9,428,868,857	8,183,421,978
Provision for loans and advances/investments			
General provision		2,847,887,484	990,055,890
Specific provision		2,841,142,562	2,714,517,014
		5,689,030,046	3,704,572,904
Provision for off-balance sheet items	13.3	(196,376,913)	(172,971,972)
Provision for diminution in value of investments		(66,065,312)	10,000,000
Other provisions		25,000,000	12,500,000
Total provision (D)	34(c)	5,451,587,821	3,554,100,932
Total profit before tax (C-D)		3,977,281,036	4,629,321,046
Provision for taxation			
Current tax	13.5.1(a)	2,019,469,389	2,395,930,537
Deferred tax	13.5.2	-	-
		2,019,469,389	2,395,930,537
Net profit after tax		1,957,811,647	2,233,390,509
Appropriations			
Statutory reserve	15	784,162,228	923,255,397
General reserve		-	-
		784,162,228	923,255,397
Retained surplus		1,173,649,419	1,310,135,112
Attributable to:			
Equity holders of Bank Asia Limited		1,173,649,329	1,310,135,036
Non-controlling interest		90	76
		1,173,649,419	1,310,135,112
Earnings Per Share (EPS)	37(a)	1.68	1.92

These Financial Statements should be read in conjunction with the annexed notes



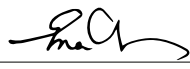
Chairman



Director



Director



Director



President and Managing Director

Report of the auditor's to the shareholders:

This is the statement of Consolidated Profit and Loss Account referred to our report of even date.

Dhaka, Dated
22 March 2020


Md. Mominul Karim, FCA
Partner
ACNABIN, Chartered Accountants

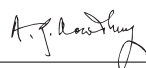
Bank Asia Limited and its subsidiaries

Consolidated Cash Flow Statement

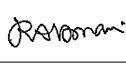
for the year ended 31 December 2019

	Notes	31 Dec 2019	31 Dec 2018
<i>Amount in Taka</i>			
Cash flows from operating activities (A)			
Interest receipts		25,393,562,346	22,761,387,592
Interest payments		(14,444,046,102)	(13,007,026,870)
Dividends receipts		51,407,464	31,854,449
Fees and commission receipts		3,495,510,223	3,110,434,216
Recoveries on loans previously written off		145,983,239	102,546,693
Cash payment to employees		(3,367,078,233)	(2,906,276,213)
Cash payment to suppliers		(232,488,003)	(206,063,350)
Income tax paid		(2,121,219,144)	(1,498,841,576)
Receipts from other operating activities	35 (a)	1,077,007,651	1,060,755,795
Payments for other operating activities	36 (a)	(2,558,840,397)	(2,641,350,091)
Operating profit before changes in operating assets & liabilities		7,439,799,044	6,807,420,645
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers and banks		(13,378,765,853)	(19,325,039,902)
Other assets		(680,913,355)	(369,434,488)
Deposits from customers and banks		31,342,634,891	15,450,946,090
Trading liabilities		3,002,211,896	914,358,352
Other liabilities		(983,438,889)	19,736,557
Net Increase/(decrease) in operating assets and liabilities		19,301,728,690	(3,309,433,390)
Net cash flows from operating activities		26,741,527,734	3,497,987,254
Cash flows from investing activities (B)			
Investments in treasury bills, bonds and others		(19,064,031,511)	(8,702,036,838)
Sale/(Purchase) of trading securities		81,262,027	303,184,687
(Purchase)/disposal of fixed assets including lease rental and right-of-use assets		(1,280,200,867)	(518,914,367)
Net cash flows from/(used in) investing activities		(20,262,970,351)	(8,917,766,518)
Cash flows from financing activities (C)			
Issuance of subordinated non-convertible bond		5,000,000,000	-
Adjustment of subordinated non-convertible bond		(600,000,000)	(692,588,885)
Dividend paid (cash dividend)		(555,193,743)	-
Net cash flows from/(used in) financing activities		3,844,806,257	(692,588,885)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		10,323,363,640	(6,112,368,149)
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		41,900,401,176	48,012,769,325
Cash and cash equivalents at the end of the year		52,223,764,816	41,900,401,176
Cash and cash equivalents:			
Cash		3,242,877,542	2,683,207,852
Balance with Bangladesh Bank and its agent bank(s)		20,743,726,904	12,872,512,002
Balance with other banks and financial institutions		23,634,997,570	26,243,135,322
Money at call and on short notice		4,600,000,000	100,000,000
Prize bonds		2,162,800	1,546,000
		52,223,764,816	41,900,401,176

These Financial Statements should be read in conjunction with the annexed notes



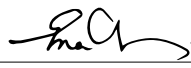
Chairman



Director



Director



Director



President and Managing Director

Bank Asia Limited and its subsidiaries Consolidated Statement of Changes in Equity

for the year ended 31 December 2019

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	General reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 01 January 2018	9,870,110,990	7,345,137,782	2,154,384,193	8,166,144	1,551,777	1,554,316,722	20,933,667,608	11,723	20,933,679,331
Transferred during the year	-	923,255,397	-	-	-	(923,255,397)	-	-	-
Adjustment on revaluation of fixed assets and other investment	-	-	19,363,275	-	-	-	19,363,275	-	19,363,275
Transferred to retained earnings	-	-	(53,715,264)	-	-	53,715,264	-	-	-
Foreign currency translation for opening retained earnings	-	-	-	-	-	2,494,970	2,494,970	-	2,494,970
Foreign currency translation for the year	-	-	-	-	910,605	-	910,605	-	910,605
Issue of bonus shares	1,233,763,870	-	-	-	-	(1,233,763,870)	-	-	-
Net profit for the year	-	-	-	-	-	2,233,390,433	2,233,390,433	76	2,233,390,509
Balance as at 31 December 2018	11,103,874,860	8,268,393,179	2,120,032,204	8,166,144	2,462,381	1,686,898,121	23,189,826,890	11,799	23,189,838,689
Transferred during the year	-	784,162,228	-	-	-	(784,162,228)	-	-	-
Adjustment on revaluation of fixed assets and other investment	-	-	(633,304)	-	-	-	(633,304)	-	(633,304)
Transferred to retained earnings	-	-	(53,715,264)	-	-	53,715,264	1,693	(1,693)	-
Foreign currency translation for opening retained earnings	-	-	-	-	-	(3,618,945)	(3,618,945)	-	(3,618,945)
Foreign currency translation for the year	-	-	-	-	(1,625,895)	-	(1,625,895)	-	(1,625,895)
Issue of bonus shares	555,193,740	-	-	-	-	(555,193,740)	-	-	-
Cash dividend paid	-	-	-	-	-	(555,193,743)	(555,193,743)	-	(555,193,743)
Net profit for the year	-	-	-	-	-	1,957,811,557	1,957,811,557	90	1,957,811,647
Balance as at 31 December 2019	11,659,068,600	9,052,555,407	2,065,683,636	8,166,144	836,486	1,800,256,286	24,586,568,251	10,196	24,586,578,448

These Financial Statements should be read in conjunction with the annexed notes

A. J. Nasir

Chairman

Ravshan

Director

Sinnat

Director

Rahim

Director

[Signature]

President and Managing Director

Bank Asia Limited

Balance Sheet

as at 31 December 2019

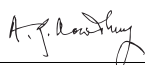
		<i>Amount in Taka</i>	
	Notes	31 Dec 2019	31 Dec 2018
PROPERTY AND ASSETS			
Cash		23,985,692,079	15,552,120,728
In hand (including foreign currencies)	4.1	3,241,965,175	2,679,608,726
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2	20,743,726,904	12,872,512,002
Balance with other banks and financial institutions		23,113,553,804	25,865,613,166
In Bangladesh	5.1	19,491,968,105	23,488,274,856
Outside Bangladesh	5.2	3,621,585,699	2,377,338,310
Money at call and on short notice	6	4,600,000,000	100,000,000
Investments	7	54,932,579,936	35,999,198,344
Government		52,197,323,349	33,133,291,838
Others		2,735,256,587	2,865,906,506
Loans and advances/investments	8	227,298,956,048	214,618,151,145
Loans, cash credits, overdrafts, etc/investments		208,039,420,174	193,721,116,473
Bills purchased and discounted		19,259,535,874	20,897,034,672
Fixed assets including premises, furniture and fixtures	9	7,025,602,707	5,431,553,592
Other assets	10	12,843,989,123	9,724,763,581
Non - banking assets		-	-
Total assets		353,800,373,697	307,291,400,556
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	34,382,128,495	31,318,674,113
Subordinated non-convertible bonds	11 (aa)	11,800,000,000	7,400,000,000
Deposits and other accounts	12	253,709,574,615	222,471,716,244
Current/Al-wadeeah current accounts and other accounts		47,453,683,930	47,224,630,178
Bills payable		3,742,697,471	4,124,678,804
Savings bank/Mudaraba savings bank deposits		48,293,710,027	39,558,517,712
Fixed deposits/Mudaraba fixed deposits		154,219,483,187	131,563,889,550
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13	29,163,552,669	22,760,876,373
Total liabilities		329,055,255,779	283,951,266,730
Capital/shareholders' equity			
Total shareholders' equity		24,745,117,918	23,340,133,826
Paid-up capital	14.2	11,659,068,600	11,103,874,860
Statutory reserve	15	9,052,555,407	8,268,393,179
Revaluation reserve	16	2,065,683,636	2,120,032,204
General reserve		8,166,144	8,166,144
Retained earnings	17	1,959,644,131	1,839,667,438
Total liabilities and shareholders' equity		353,800,373,697	307,291,400,556

Balance Sheet

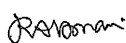
Amount in Taka

	Notes	31 Dec 2019	31 Dec 2018
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18	118,576,860,518	136,225,517,128
Acceptances and endorsements		39,192,489,873	48,569,391,593
Letters of guarantee		36,999,351,447	41,312,967,803
Irrevocable letters of credit		26,468,819,479	30,327,687,774
Bills for collection		15,916,199,719	16,015,469,958
Other contingent liabilities		-	-
Other commitments		2,040,416,443	1,233,739,359
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		2,040,416,443	1,233,739,359
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		120,617,276,961	137,459,256,487

These Financial Statements should be read in conjunction with the annexed notes



Chairman



Director



Director



Director



President and Managing Director

Report of the auditor's to the shareholders:

This is the statement of Balance Sheet referred to our report of even date.

Dhaka, Dated
22 March 2020



Md. Mominul Karim, FCA
Partner
ACNABIN, Chartered Accountants

Bank Asia Limited

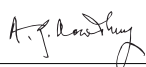
Profit and Loss Account

for the year ended 31 December 2019

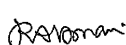
Amount in Taka

	Notes	31 Dec 2019	31 Dec 2018
OPERATING INCOME			
Interest income	20	22,863,139,585	20,910,683,339
Interest paid on deposits and borrowings, etc	21	14,462,380,548	13,007,993,495
Net interest income		8,400,759,037	7,902,689,844
Investment income	22	3,293,064,994	2,311,462,131
Commission, exchange and brokerage	23	3,361,368,126	2,990,693,997
Other operating income	24	1,018,730,455	917,723,225
		7,673,163,575	6,219,879,353
Total operating income (A)		16,073,922,612	14,122,569,197
OPERATING EXPENSES			
Salaries and allowances	25	3,266,449,893	2,882,190,002
Rent, taxes, insurance, electricity, etc	26	440,093,246	684,528,849
Legal expenses	27	20,534,559	25,213,849
Postage, stamp, telecommunication, etc	28	124,471,658	108,489,491
Stationery, printing, advertisements, etc	29	156,689,993	133,450,519
Managing Director's salary and fees	30	16,572,420	13,900,000
Directors' fees	31	3,424,000	3,656,000
Auditors' fees	32	1,478,225	875,500
Depreciation and repairs of Bank's assets	33	834,076,015	475,722,070
Other expenses	34	1,887,668,330	1,734,164,998
Total operating expenses (B)		6,751,458,339	6,062,191,278
Profit before provision (C=A-B)		9,322,464,273	8,060,377,919
Provision for loans and advances/investments			
General provision		2,847,887,484	990,055,890
Specific provision		2,805,142,562	2,604,517,014
	13.2	5,653,030,046	3,594,572,904
Provision for off-balance sheet items	13.3	(196,376,913)	(172,971,972)
Provision for diminution in value of investments	13.7	(80,000,000)	10,000,000
Other provisions	13.8	25,000,000	12,500,000
Total provision (D)	34(b)	5,401,653,133	3,444,100,932
Total profit before tax (C-D)		3,920,811,140	4,616,276,987
Provision for taxation			
Current tax	13.5.1	1,960,000,000	2,350,000,000
Deferred tax	13.5.2	-	-
		1,960,000,000	2,350,000,000
Net profit after tax		1,960,811,140	2,266,276,987
Appropriations			
Statutory reserve	15	784,162,228	923,255,397
General reserve		-	-
		784,162,228	923,255,397
Retained surplus		1,176,648,912	1,343,021,590
Earnings Per Share (EPS)	37	1.68	1.94

These Financial Statements should be read in conjunction with the annexed notes



Chairman



Director



Director



Director



President and Managing Director

Report of the auditor's to the shareholders:

This is the statement of Profit and Loss Account referred to our report of even date.

Dhaka, Dated
22 March 2020



Md. Mominul Karim, FCA
Partner
ACNABIN, Chartered Accountants

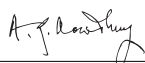
Bank Asia Limited

Cash Flow Statement

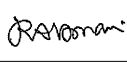
for the year ended 31 December 2019

	Notes	31 Dec 2019	Amount in Taka 31 Dec 2018
Cash flows from operating activities (A)			
Interest receipts		25,072,331,026	22,447,616,948
Interest payments		(14,231,536,711)	(12,789,496,618)
Dividends receipts		51,407,464	31,854,449
Fees and commission receipts		3,361,368,126	2,990,693,997
Recoveries on loans previously written off		145,983,239	102,546,693
Cash payment to employees		(3,273,035,074)	(2,824,827,443)
Cash payment to suppliers		(229,674,153)	(202,765,915)
Income tax paid		(2,051,736,653)	(1,415,204,443)
Receipts from other operating activities	35	1,043,621,457	993,287,630
Payments for other operating activities	36	(2,494,242,438)	(2,570,828,687)
Operating profit before changes in operating assets & liabilities		7,394,486,283	6,762,876,611
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers and banks		(13,519,492,993)	(19,214,544,287)
Other assets		(708,379,076)	(367,508,723)
Deposits from customers and banks		31,237,858,371	15,430,244,863
Trading liabilities		3,063,454,382	1,050,362,060
Other liabilities		(950,432,513)	(17,537,100)
Net Increase/(decrease) in operating assets and liabilities		19,123,008,171	(3,118,983,186)
Net cash flows from operating activities		26,517,494,454	3,643,893,424
Cash flows from investing activities (B)			
Investments in treasury bills, bonds and others		(19,064,031,511)	(8,702,036,838)
Sale/(Purchase) of trading securities		130,649,919	248,656,913
(Purchase)/disposal of fixed assets including lease rental and right-of-use asse		(1,246,790,330)	(513,611,126)
Net cash flows from/(used in) investing activities		(20,180,171,922)	(8,966,991,051)
Cash flows from financing activities (C)			
Issuance of subordinated non-convertible bond		5,000,000,000	-
Adjustment of subordinated non-convertible bond		(600,000,000)	(692,588,885)
Dividend paid (cash dividend)		(555,193,743)	-
Net cash flows from/(used in) financing activities		3,844,806,257	(692,588,885)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		10,182,128,789	(6,015,686,512)
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		41,519,279,894	47,534,966,406
Cash and cash equivalents at the end of the year		51,701,408,683	41,519,279,894
Cash and cash equivalents:			
Cash		3,241,965,175	2,679,608,726
Balance with Bangladesh Bank and its agent bank(s)		20,743,726,904	12,872,512,002
Balance with other banks and financial institutions		23,113,553,804	25,865,613,166
Money at call and on short notice		4,600,000,000	100,000,000
Prize bonds		2,162,800	1,546,000
		51,701,408,683	41,519,279,894

These Financial Statements should be read in conjunction with the annexed notes



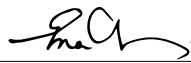
Chairman



Director



Director



Director



President and Managing Director

Bank Asia Limited





Statement of Changes in Equity

for the year ended 31 December 2019

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	General reserve	Retained earnings	Total
Balance at 01 January 2018	9,870,110,990	7,345,137,782	2,154,384,193	8,166,144	1,676,694,455	21,054,493,564
Transferred during the year	-	923,255,397	-	-	(923,255,397)	-
Adjustment on revaluation of fixed assets and other investment	-	-	19,363,275	-	-	19,363,275
Transferred to retained earnings	-	-	(53,715,264)	-	53,715,264	-
Issue of bonus shares	1,233,763,870	-	-	-	(1,233,763,870)	-
Net profit for the year	-	-	-	-	2,266,276,987	2,266,276,987
Balance at 31 December 2018	11,103,874,860	8,268,393,179	2,120,032,204	8,166,144	1,839,667,438	23,340,133,826
Transferred during the year	-	784,162,228	-	-	(784,162,228)	-
Adjustment on revaluation of fixed assets and other investment	-	-	(633,304)	-	-	(633,304)
Transferred to retained earnings	-	-	(53,715,264)	-	53,715,264	-
Issue of bonus shares	555,193,740	-	-	-	(555,193,740)	-
Cash dividend paid	-	-	-	-	(555,193,743)	(555,193,743)
Net profit for the year	-	-	-	-	1,960,811,140	1,960,811,140
Balance at 31 December 2019	11,659,068,600	9,052,555,407	2,065,683,636	8,166,144	1,959,644,131	24,745,117,918

These Financial Statements should be read in conjunction with the annexed notes


 A. J. Hossain Chairman	 R. M. Islam Director	 R. A. Khan Director
		 R. A. Khan President and Managing Director

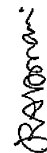
Bank Asia Limited Liquidity Statement (Analysis of Maturity of Assets and Liabilities)

as at 31 December 2019

Amount in Taka

Particulars	Maturity					Total
	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	
Assets						
Cash in hand and with banks	9,348,177,079	-	-	-	14,637,515,000	23,985,692,079
Balance with other banks and financial institutions	10,148,653,804	10,964,900,000	2,000,000,000	-	-	23,113,553,804
Money at call and on short notice	4,600,000,000	-	-	-	-	4,600,000,000
Investments	3,800,078,275	4,022,700,000	16,213,600,000	12,123,715,602	18,772,486,059	54,932,579,936
Loans and advances	32,536,456,048	33,477,600,000	75,668,900,000	70,342,105,600	15,273,894,400	227,298,956,048
Fixed assets including premises, furniture and fixtures	-	-	-	-	7,025,602,707	7,025,602,707
Other assets	1,437,500,000	801,800,000	1,586,637,996	6,903,257,128	2,114,794,000	12,843,989,123
Non-banking assets	-	-	-	-	-	-
Total Assets (A)	61,870,865,206	49,267,000,000	95,469,137,996	89,369,078,330	57,824,292,166	353,800,373,697
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	4,207,328,495	11,386,200,000	17,036,200,000	3,352,400,000	10,200,000,000	46,182,128,495
Deposits	44,306,265,277	47,318,180,598	69,390,930,219	76,241,136,231	16,453,062,291	253,709,574,615
Provision and other liabilities	277,200,000	911,800,000	1,145,033,682	2,014,114,905	24,815,404,082	29,163,552,669
Total Liabilities (B)	48,790,793,772	59,616,180,598	87,572,163,901	81,607,651,136	51,468,466,373	329,055,255,779
Net Liquidity Excess/(Shortage) (A-B)	13,080,071,434	(10,349,180,598)	7,896,974,095	7,761,427,194	6,355,825,793	24,745,117,918


Chairman


Director


Director


Director

President and Managing Director

Bank Asia Limited

Notes to the financial statements

as at and for the year ended 31 December 2019

1. THE BANK AND ITS ACTIVITIES

1.1 Bank Asia Limited

Bank Asia Limited (“the Bank”) 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, governed by the Bank Company 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 128 branches including 4 SME/Agri Branches and 4 SME service centres, 5 Islamic Windows and 168 own ATM booths. The Bank has three subsidiary companies namely, Bank Asia Securities Limited incorporated in Bangladesh, BA Exchange Company (UK) Limited incorporated in United Kingdom and BA Express USA Inc. incorporated in United States of America (USA). The Bank has also an Offshore Banking Unit (OBU) at Chittagong Export Processing Zone, Chittagong.

Bank Asia Limited acquired the business of Bank of Nova Scotia, Dhaka (incorporated in Canada) in the year 2001. 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 Bangladesh operations, all assets and certain specific liabilities of MCBL were taken over by Bank Asia Limited at their book values.

The registered office of the Bank is situated at Rangs Tower, 68 Purana Paltan, Dhaka 1000, Bangladesh.

1.2 Principal activities

The principal activities of the Bank are to provide all kinds of conventional and Islamic commercial banking services to its customers through its branches, islamic windows, SME centres, and vibrant alternative delivery channels (ATM booths, Mobile banking, internet banking) in Bangladesh.

1.3 Islamic banking unit

The Bank obtained permission from Bangladesh Bank (country’s central bank) to operate Islamic Banking Unit vide Bangladesh Bank’s 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.

1.4 Off-shore banking unit

The Bank obtained off-shore banking unit permission from Bangladesh Bank vide its 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.

1.5 Bank Asia Securities Limited

Bank Asia Securities Limited, a majority owned (99.99%) subsidiary company of Bank Asia Limited was incorporated as a private limited company in Bangladesh on 04 August 2010 bearing certificate of incorporation no. C-86230/10 dated 04 August 2010 under the Companies Act 1994 having its registered office at Hadi Mansion (7th Floor), 2 Dilkusha Commercial Area, Dhaka 1000 which commenced its business on the 17 April 2011.

The main objective of this company is to act as a full fledged stock broker and stock dealer to execute buy and sale order and to maintain own portfolio as well as customers’ portfolio under the discretion of customers. It also performs the other activities relating to capital market as and when regulators permit.

1.6 BA Exchange Company (UK) Limited

BA Exchange Company (UK) Limited was incorporated as a private limited company under United Kingdom Companies Act and registered with Companies House of England and Wales vide registration no. 07314397 as a fully owned subsidiary company of Bank Asia Limited, BA Exchange Company (UK) Limited launched its operation in London on 16 May 2011. BA Exchange Company (UK) Limited attaches a fresh width to the Bank’s remittance operation and expands its global presence for remittance services. Bank Asia stretched its business in United Kingdom through its fully owned (100%) subsidiary to facilitate speedy and dependable medium for remitting the hard-earned money of expatriates to home.

1.7 BA Express USA inc

BA Express USA Inc. is fully owned subsidiary company of Bank Asia Limited incorporated in New York State Department of Financial Services (NYSDFS) in USA. The company obtained license to receive money for transmission within USA and abroad and to transmit same, pursuant to the provision of Article 13-B of the USA Banking Law, subject to all rules and regulations made by the Superintendent of Financial Services of New York relating to such business, effective November 22, 2013. The company has started its commercial operation from June 01, 2014.

Notes to the financial statements

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Bank have been prepared in accordance with the “First Schedule (Section 38) of the Bank Company Act 1991 (amended upto 2018), BRPD circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), and the standards set by the FRA the Financial Reporting Council (FRC) as per The Financial Reporting Act 2015 (FRA) enacted in 2015. Section 38 of the Bank Company Act 1991 has been replaced through BRPD Circular no. 10 dated October 04, 2015. The Bank complied with the requirement of the following regulatory and legal authorities:

- i. Bank Company Act 1991 (amended upto 2018)
- ii. Companies Act 1994
- iii. Rules, regulations and circulars issued by the Bangladesh Bank from time to time
- iv. The Securities and Exchange Ordinance 1969
- v. The Securities and Exchange Rules 1987
- vi. Bangladesh Securities and Exchange Commission Act 1993
- vii. Bangladesh Securities and Exchange Commission (Public Issues) Rules 2015
- viii. Income Tax Ordinance and Rules 1984
- ix. Value Added Tax Act 1991
- x. Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and Central Depository Bangladesh (CDBL) rules and regulations.

In case the requirement of provisions and circulars issued by Bangladesh Bank differs with those of other regulatory authorities and accounting standards, the provisions and circulars issued by Bangladesh Bank shall prevail.

Bank have departed from certain contradictory requirements of IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

i) Presentation of financial statements

IFRS: As per IAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

Bangladesh Bank: A format of financial statements (i.e. balance sheet, profit and loss account, cash flows statement, changes inequity, liquidity statement) is prescribed in the “First Schedule” of section 38 of the Bank Company Act 1991 (amended up to 2018) and BRPD circular no. 14 dated 25 June 2003 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

ii) Investment in shares and Securities

IFRS: As per requirements of IFRS 9 investment in shares and securities generally falls under “Amortized cost”, “fair value through profit or loss” or “fair value through other comprehensive income” where any change in the fair value at the year-end is taken to profit or loss account or other comprehensive income/revaluation reserve respectively.

Bangladesh Bank: 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. As per DOS circular letter no. 03 dated March 12, 2015, investment in Mutual Fund (close-end) is revalued at lower of cost and (higher of market value and 85% of NAV). Being provision is made for any loss arising from diminution in value of investment; otherwise investments are recognized at costs.

iii) Revaluation gain/loss on Government securities

IFRS: As per requirement of IFRS 9 where T-bills and T-bonds will fall under the category of “held for trading”, any change in the fair value of held for trading assets is recognized through profit or loss.

T-bills/bonds designated as held to maturity are measured at amortized cost method and interest income is recognized through the profit and loss account.

Bangladesh Bank: 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) which are categorized as held for trading will be charged through profit and loss account, but any gain on such revaluation should be recorded under Revaluation Reserve Account. T-bills designated as held to maturity are measured at amortized cost method but interest income/gain is recognized

Notes to the financial statements

through reserve.

iv) Provision on loans and advances

IFRS: As per IFRS 9 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets which are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD circular no. 16 dated 18 November 2014, BRPD Circular 14 dated 23 September 2012, BRPD Circular no. 19 dated 27 December 2012 and BRPD Circular no. 05 dated 29 May 2013, provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Provision for unclassified loan was made at the specified rate i.e. 0.25% to 5% based on different categories of loans and advances. Such provision policies are not specifically in line with those prescribed by IFRS 9. Also, a general provision @ 1% should be provided for off-balance sheet exposures.

Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of the Bank Company Act 1991 (amended upto 2018) until such reserve equal to its paid-up capital together with the share premium. Statutory reserve transferred in yearly basis.

v) Other comprehensive income

IFRS: As per IAS 1 Other Comprehensive Income is a component of financial statements or the elements of Other Comprehensive Income are to be included in a Single Comprehensive Income (OCI) Statement.

Bangladesh Bank: Bangladesh Bank has issued financial templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income or the elements of Other Comprehensive Income allowed to include in a Other Comprehensive Income (OCI) Statement. As such the company does not prepare the other comprehensive income statement. However elements of OCI, if any, are shown in the statements of changes in equity. Furthermore, the above templates require disclosure of appropriation of profit on the face of Profit and Loss Statement.

vi) Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IFRS 9. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the accounts.

vii) Repo transactions

IFRS: When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a deposit, and the underlying asset continues to be recognized in the entity's financial statements. This transaction will be treated as loan and the difference between selling price and repurchase price will be treated as interest expense.

Bangladesh Bank: As per DOS Circular letter no. 06 dated 15 July 2010 and subsequent clarification in DOS Circular No. 02 dated 23 June 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

viii) Financial guarantees

IFRS: As per IFRS 9, financial guarantees are contracts that require an entity to make specified payments to reimburse to the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 financial guarantees such as L/C, L/G will be treated as Off-Balance Sheet items. No liability is recognized for the guarantee except the cash margin and 1% general provision for all contingent liabilities.

ix) Cash and cash equivalent

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

Notes to the financial statements

Bangladesh Bank: As per BRPD Circular 14 dated 25 June 2003, Cash and cash-equivalents consist of cash with Bangladesh Bank, with its agent bank(s), government securities (prize bond) and deposits with other banks.

x) **Non-banking asset**

IFRS: No indication of Non-banking asset is found in any IFRS.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 there must exist a face item named Non-banking asset.

xi) **Cash flow statement**

IFRS: Cash flow statement can be prepared either in direct method or in indirect method as per IAS 7 of Statement of Cash Flows. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 cash flow is the mixture of direct and indirect method.

xii) **Balance with Bangladesh Bank: (CRR)**

IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

xiii) **Presentation of intangible asset**

IFRS: Intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38

Bangladesh Bank: There is no requirement for regulation of intangible assets in BRPD circular no. 14 dated 25 June 2003.

xiv) **Off-balance sheet items**

IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement of disclosure of off-balance sheet items.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 off balance sheet items must be disclosed separately in face of balance sheet. Accordingly the Bank has recognized the following off balance sheet items:

- Acceptances and endorsements
- Letters of guarantee
- Irrevocable letters of credit
- Bills for collection
- Foreign exchange contracts

xv) **Disclosure of appropriation of profit**

IFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed in the face of profit and loss account.

xvi) **Loans and advance net of provision**

IFRS: Loans and advances should be presented net of provisions.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

xvii) **Recognition of Interest in Suspense**

IFRS: Loans and advances to customers are generally classified as "loans and receivables" as per IFRS 9 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per BRPD Circular No. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in balance sheet.

xviii) **Uniform Accounting Policy**

In several cases Bangladesh Bank and Bangladesh Securities and Exchange Commission guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IFRS 10. As such some disclosure, presentation

Notes to the financial statements

and measurement requirements of IFRS 10 cannot be made in financial statements.
(Also refer to note 3.20 Compliance of IFRSs)

2.2 Basis of measurement

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

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using marked to market with gains, if any, credited to revaluation reserve.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortisation concept.
- Zero Coupon Bonds at present value using amortisation concept.

2.3 Use of estimates and judgments

The preparation of the financial statements in conformity with IAS/ IFRS requires management to make judgments, 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.

Key estimates include the following:

- Provision on loans and advances
- Deferred tax assets/liabilities
- Gratuity fund

2.4 Foreign currency transactions

Functional and presentation currency

These financial statements are presented in Bangladesh Taka (BDT), which is the Bank's functional currency. Functional currencies for Off-shore banking unit and BA Express USA Inc. are US Dollar, BA Exchange Company (UK) Limited is UK Pound. Except as indicated, financial information have been rounded off to the nearest Taka.

Foreign currency translation

Foreign currency transactions have been converted into equivalent Taka currency at the ruling exchange rates on the respective date of such transactions as per IAS 21 "The Effects of Changes in Foreign Exchange Rates".

In preparing solo financial statements, assets and liabilities in foreign currencies as at December 31, 2018 have been converted into Taka currency at the revaluation rate determined by the Bank. For BA Exchange Company (UK) Limited and BA Express USA Inc. assets and liabilities in foreign currencies as at December 31, 2018 have been converted into Taka currency at the closing rate as on December 31, 2018 and profit and loss accounts have been converted into monthly average rate.

Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting /crediting exchange gain or loss account. Foreign currency translation gain and loss for foreign subsidiary operation is reported as separate component of Equity.

Commitment

Commitments for outstanding forward foreign exchange contracts disclosed in the consolidated financial statements and financial statements of Bank have been translated at contracted rates. Contingent liabilities/commitments for letter of credit, letter of guarantee and acceptance denominated in foreign currencies have been expressed in Taka currency at the rate of revaluation rate.

Translation gain and losses

Gains or losses arising out of translation of foreign exchange have been included in the Profit and Loss Statement, except those arising on the translation of net investment in foreign subsidiaries.

Foreign operations

The results of financial statements of the Bank whose functional currency is not Bangladesh Taka are translated into Bangladesh Taka as follows:

- assets and liabilities for each statement of Balance Sheet have been translated at the closing rate on the date of Balance sheet.
- income and expenses for Profit and Loss Statement have been translated at monthly average rate; and
- all resulting exchange differences have been recognized as a separate components of equity.

2.5 Basis of consolidation

The financial statements of the Bank's include the financial statements of main operation of Bank Asia Limited and its two business units namely, Islamic Banking Unit and Off-shore Banking Unit operating in Bangladesh.

Notes to the financial statements

The consolidated financial statements include the financial statements of the Bank and three subsidiary companies namely, Bank Asia Securities Limited operating in Bangladesh, BA Exchange Company (UK) Limited operating in United Kingdom and BA Express USA Inc. operating in USA.

The consolidated financial statements have been prepared in accordance with International Accounting Standard 27: Separate Financial Statements and International Financial Reporting Standard 10: Consolidated Financial Statements. The consolidated as well as separate financial statements are prepared for a common financial year ended on December 31.

Consolidated financial statements and separate financial statements of the Bank comprise of Balance Sheet, Profit and Loss Statement, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement and relevant notes and disclosures.

2.5.1 Subsidiaries of the Bank

A subsidiary company is one in which the parent company, Bank Asia Limited owns majority of its shares. As an owner of the subsidiary, the Bank controls the activities of the subsidiary. Bank Asia Limited has three subsidiary companies as detailed below:

Name of Subsidiary	Ownership	Date of Commercial Operation	Country of Operation	Status	Regulator	Year Closing
Bank Asia Securities Limited	99.99%	17.04.2011	Bangladesh	Majority Owned	BSEC, Bangladesh	31 December
BA Exchange Company (UK) Limited	100%	16.05.2011	United Kingdom	Fully Owned	FSA, UK	31 December
BA Express USA inc	100%	01.06.2014	United States of America	Fully Owned	NYSDFS, New York	31 December

2.6 Cash flow statement

Cash Flow Statement is prepared principally in accordance with IAS 7 “Statement of Cash Flows” under the guidelines of BRPD circular no.14 dated 25 June 2003. The Cash Flow Statement shows the structure of and changes in cash and cash equivalents during the year. It Cash Flows during the period have been classified as operating activities, investing activities and financing activities.

2.7 Statement of changes in equity

Statement of Changes in Equity has been prepared in accordance with IAS 1 “Presentation of Financial Statements” and following the guidelines of Bangladesh Bank BRPD circular no.14 dated 25 June 2003.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements and have been applied consistently by the Bank.

3.1 Assets and basis of their valuation

3.1.1 Cash and cash equivalents

Cash and cash equivalents include 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 bonds.

3.1.2 Investments

Investment in securities

All investments in securities (bills and bonds) are initially recognized at purchase price excluding commission and accrued coupon interest. Investments are segregated in two broad categories. These are held to maturity (HTM) and held for trading (HFT).

Held to maturity

Debt securities that a firm has intention to hold until maturity. These are reported at amortized cost therefore, they are not affected by swings in the financial markets.

Held for trading

Held for trading securities are those which are held with intention of selling in order to generate profits. Held for trading securities are revalued at market price.

Revaluation

As per Bangladesh Bank DOS circular letter no. 5 dated 28 January 2009, HFT securities are revalued each week using Marked to Market concept and HTM securities are amortized once a year according to Bangladesh Bank guidelines. The HTM securities are

Notes to the financial statements

also revalued if these are reclassified to HFT category with the Board approval. Value of investment has been shown as under:

Government treasury bills and bonds (HFT)	At present value (using marked to market concept)
Government treasury bills and bonds (HTM)	At present value (using amortisation concept)
Zero coupon bonds	At present value (using amortisation concept)
Prize bonds and other bonds	At cost
Debentures	At cost
Unquoted shares (ordinary)	At cost (as per BRPD circular 14 dated June 25, 2003)
Quoted shares (ordinary)	At cost (provision made for any shortfall arising due to reduce market price from cost price)

3.1.3 Investment in listed securities

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income which are reported at cost. Unrealised gains are not recognised in the profit and loss statement. But provision was made for diminution in value of investment.

3.1.4 Investment in unquoted securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

As per Bangladesh Bank DOS Circular # 04 dated 24 November 2011, provision for diminution in value of investment was made by netting off unrealised gain/ loss of shares from market price/ book value less cost price.

Besides, bank complied with Bangladesh Bank BRPD Circular 14 dated June 25, 2003 as follows, "All investments in shares and securities (both dealing and investment) should be revalued at the year- end. The quoted shares should be valued as per market price in the stock exchange(s) and unquoted shares as per book value of last audited balance sheet. Provision should be made for any loss arising from diminution in value of investments."

3.1.5 Investment in subsidiary

Investment in subsidiary is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the IAS 27 "Separate Financial Statements", IFRS 3 "Business Combination", IFRS 36 "Impairment of Assets" and IFRS 10 "Consolidated Financial Statements".

3.1.6 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. 14 dated September 23, 2012 on Master Circular: Loan Classification and Provisioning. 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.
- Commission and discounts on bills purchased and discounted are recognised at the time of realisation.
- 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/letters no. 16 dated 06 December 1998, 9 dated 14 May 2001, 9 and 10 dated 20 August 2005, 8 dated 07 August 2007, 10 dated 18 September 2007, 14 dated 23 September 2012, 19 dated 27 December 2012, 5 dated 29 May 2013, 16 dated 18 November 2014, 8 dated 02 August 2015, 12 dated 20 August 2017, 15 dated 27 September 2017, 01 dated 03 January 2018, 01 dated 20 February 2018, 01 dated 06 February 2019, 03 dated 21 April 2019 and 05 dated 16 May 2019.

Notes to the financial statements

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

Types of loans and advances		Provision				
		STD	SMA	SS	DF	BL
Consumer	House finance	1%	1%	20%	50%	100%
	Loans for professionals	2%	2%	20%	50%	100%
	Other than housing finance & professionals to setup business	5%	5%	20%	50%	100%
Provision for loan to broker house, merchant banks, stock dealers, etc		2%	2%	20%	50%	100%
Short-term agri-credit and micro credit		1%	1%	5%	5%	100%
Small and medium enterprise finance		0.25%	0.25%	20%	50%	100%
Others		1%	1%	20%	50%	100%

In line with Bangladesh Bank BRPD Circular no. 04 dated January 29, 2015, All restructured loans treated as Special Mention Account (SMA) for the purpose of classification. Provision was made at existing applicable rate of SMA with additional 1%.

- e) 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.
- f) The Bank has restructured (Large loan restructure) certain loan facilities of M/s. Samannaz Super Oil Limited, S. A. Oil Refinery Limited, Abdul Monem Sugar Refinery Limited and Shinepukur Ceramics Limited under BRPD Circular No. 04 dated 29 January 2015. As of December 31, 2019 total outstanding amount was Tk. 3,950.22 million as per the terms and conditions of the said circular. Out of these facilities M/s. Samannaz Super Oil Limited and S. A. Oil Refinery Limited is now under Solenama (Compromise Agreement submitted before the Court) as unclassified with outstanding amount Tk 3,225.22 million.
- g) In stay order cases the unclassified loans and advances include certain customer accounts with an aggregate outstanding amount of Tk.2,483.98 million which have not been reported under classification as at 31 December 2019 on the basis of stay order from the Honorable High Court Division of the Supreme Court of Bangladesh. An aggregate amount of Tk. 1,037.57 million has been kept as general provision against those customers.

3.1.7 Impairment of financial assets

An asset is impaired when its carrying value exceeds its recoverable amount as per IAS 36 "Impairment of Assets". At each balance sheet date, Bank Asia Limited assesses whether there is objective evidence that a financial asset or a group of financial assets i.e., loans and advances, off balance sheet items and investments is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if -

there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset up to the balance sheet date;

the loss event had an impact on the estimated future cash flows of the financial asset or the group of financial assets; and a reliable estimate of the loss amount can be made.

In the event of impairment loss, the Bank reviews whether a further allowance for impairment should be provided in the profit and loss statement in addition to the provision made based on Bangladesh Bank guidelines or other regulatory requirements.

3.1.8 Property, plant and equipment

Recognition and measurement

All fixed assets are stated at cost less accumulated depreciation as per IAS 16 "Property, Plant and Equipment". Land is measured at cost.

The cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of the IFRS.

The cost of an item of property, plant and equipment is recognised as an asset if-

it is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably.

The cost of an items of property, plant and equipment comprises:

- (a) its purchase price, including import duties and non- refundable purchase taxes, after deducting trade discounts and rebates

Notes to the financial statements

- (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purpose other than to produce inventories during that period.

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. Charging depreciation against fixed assets commences from the month of acquisition (for full month) and ceases at the month when the assets are disposed. Asset category-wise depreciation rates are as follows:

Category of assets	Rate of depreciation
Building	5%
Furniture and fixtures	20%
Equipment	20%
Computers and accessories	20%
Motor vehicles	20%

Gain or loss on sale of fixed assets is recognised in profit and loss statement as per provision of IAS 16 “Property, Plant and Equipment”.

Construction work in progress/Building under Construction

Building under construction is recognized and reported under Fixed Assets as per IAS 16 “Property, Plant and Equipment” as Construction work in progress until the construction work is completed and the assets is ready for intended use. This asset is stated at cost and depreciation of the asset will be charged from the date of its intended use.

Intangible Asset

a. Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Acquisitions of Minority interest (non-controlling interest) are accounted as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. Subsequently goodwill is measured at cost less accumulated Impairment Losses.

b. Software

Software acquired by the Bank is stated at cost less accumulated amortisation and accumulated impairment losses.

c. License

Value of license is recognised at cost and since it has an indefinite useful life it is not amortized. The value of the license is not measured at fair value.

3.1.9 Leased assets

The Bank has applied “IFRS 16: Lease” using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4.

3.1.10 Impairment of fixed assets

At each balance sheet date, the Bank assesses whether there is any indication that the carrying amount of an asset exceeds its recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and an impairment loss is recognised as an expense in the profit and loss statement unless the asset is carried at revalued amount in accordance with International Accounting Standard (IAS) 16, Property, Plant and Equipment in which case any impairment loss of a revalued asset should be treated as a revaluation decrease under that Accounting Standard. No impairment loss was recognized up to the reporting period as there were no such indication existed as on Balance Sheet date.

Notes to the financial statements

3.1.11 Investment properties

a) Investment property is held to earn rentals or for capital appreciation or both and the future economic benefits that are associated with the investment property but not held for sale in the ordinary course of business.

b) Investment property is accounted for under cost model in the financial statements. Accordingly, after recognition as an asset, the property is carried at its cost, less accumulated depreciation and accumulated impairment loss.

3.1.12 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.

3.1.13 Inventories

Inventories are measured at the lower of cost and net realisable value.

3.2 Liabilities and provisions

3.2.1 Borrowings from other banks, financial institutions and agents

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.

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, fixed deposit and scheme deposit. These items are brought to financial statements at the gross value of the outstanding balance.

As per IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” the Bank recognizes 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.

3.2.3 Other liabilities

As per IAS 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 laws and internal policy of the Bank.

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 share 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 winding-up of the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to receive any residual proceeds of liquidation.

Statutory reserve

Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of the Bank Company Act 1991 (amended up to 2018) until such reserve equal to its paid-up capital together with the share premium. Statutory reserve transferred in yearly basis.

Revaluation reserve

Revaluation reserve arises from the revaluation of Treasury bills and bonds (HFT and HTM) in accordance with the Bangladesh Bank DOS circular no. 5 dated 26 May 2008. The tax effects on revaluation gain are measured and recognised in the financial statements as per IAS 12: Income Taxes.

When an fixed asset's carrying amount is increased as a result of revaluation, the increased amount has been credited directly to equity under the head of revaluation reserve as per IAS 16 “Property, Plant and Equipment”. The revaluation surplus included in equity transferred directly to retained earnings with the amount of the surplus from the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost as per the para 41 of IAS 16.

Notes to the financial statements

Non-controlling (minority) interest

Non-controlling (minority) interest in business is an accounting concept that refers to the portion of a subsidiary company's stock that is not owned by the parent company. The magnitude of the minority interest in Bank Asia Securities Limited, a majority owned subsidiary (99.99%) of Bank Asia Limited is very insignificant. Minority interest belongs to a sponsor Director of the Bank and is reported on the consolidated balance sheet to reflect the claim on assets belonging to the other non-controlling shareholder. Also, minority interest is reported on the consolidated income statement as a share of profit belonging to the minority shareholder.

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 Memorandum items

Memorandum items are maintained for those items for which the Bank has only a business responsibility and no legal commitment.

3.6 Revenue recognition

In line with IFRS 15 revenue and disclosure in the financial statements the income of the bank has been recognized as follows

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 under classification. It is then kept in interest suspense account. Interest on 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 Unearned Income account. Income/compensation on classified investments is transferred to profit/rent/compensation/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 and dividend on investment in shares are 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 the basis of realisation.

Dividend income on shares

Dividend income from investment in shares is recognised when the Bank's right to receive dividend is established. It recognised when:

- a. It is probable that the economic benefits associated with the transaction will flow to the entity; and
- b. the amount of the revenue can be measured reliably.

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 according to Income Sharing Ratio (ISR).

Notes to the financial statements

Other operating expenses

All other operating expenses are provided for in the books of the account on accrual basis according to the IAS 1 “Presentation of Financial Statements”.

3.7 Employee benefits

3.7.1 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.

3.7.2 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 and actuarial valuation.

3.7.3 Superannuation Fund

The Bank operates a superannuation fund for which provision is made annually as per actuarial valuation. The fund is operated by a separate Board of Trustees.

3.7.4 Hospitalisation insurance

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

3.7.5 Worker’s Profit Participation Fund

Consistent with the industry practice and in accordance with the Banking Companies Act, 1991, no provision has been made to WPPF

3.8 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 has maintain provision @ 1% against off-balance sheet exposures complying BRPD Circular No. 07, dated 21 June 2018 and BRPD circular letter no. 01 dated 03 Jan 2018

3.9 Provision for nostro accounts

According to guidelines 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.

3.10 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

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

Deferred tax

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 temporary differences relating to 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 realized 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 statement on maturity of the security.

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 at 31 December 2018 as per International Accounting Standard (IAS) - 33 “Earnings Per Share”. EPS for comparative period also restated by the bonus share issued for the year 2018. Details are in note 37.

Notes to the financial statements

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.

The basis of computation of number of shares is in line with the provisions of IAS 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. It is pertinent to mention that, potential ordinary shares is in convertible subordinate bond that may entitle their holders to ordinary shares.

3.12 Reconciliation of inter-bank/inter-branch account

Books of account 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.

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

3.13 Risk Management at Bank Asia Ltd.

Being a financial institution, in the ordinary course of business, the bank is sensitive to varieties of risks. The generic severity of such risk(s) is much intense in our locality due to presence of large number of banks and complex financial transactions. In such highly competitive environment to ensure a bank’s consistent system and performance, the presence of strong Risk Management culture is obligatory.

The Board of Director and Senior Management of the bank need to remain positive toward adaptation of active risk management culture throughout the bank. Such awareness (risk) has helped the bank to do more than just regulatory compliance as far as risk management practice is concerned, the consequence of such initiatives has helped the bank to safeguard valuable capital and ensure consistent profitability, through avoiding excessive credit, market and operation loss and inadequate capital allocation under Basel III. Being compliant, the bank is now looking forward to take risk management practice to a different level, i.e. preventing risk before occurrence rather than a reactive manner; on a proactive basis.

As a part of regulatory and global benchmarking the bank has based upon 06 (six) core risks guidelines of Bangladesh Bank and Basel framework. Listed below are the identified risks the bank is currently managing or intents to manage in the future:

Sl	Core Risk Guideline of BB	Basel Accord	Pillar
1	Credit Risk	Credit Risk	Pillar - I
2	Foreign Exchange Risk	Market Risk	
3	Asset Liability Risk	Operational Risk	
4	Money Laundering Risk	Residual Risk	Pillar - II
5	Internal Control & Compliance Risk	Credit Concentration Risk	Pillar -II
6	Information and Communication Technology Risk	Liquidity Risk	Pillar -II
7		Interest Rate Risk in Banking Book	Pillar -II
8		Settlement Risk	Pillar -II
9		Reputation Risk	Pillar -II
10		Environmental and climate change risk	Pillar -II
11		Strategic Risk	Pillar -II
12		Pension Obligation Risk	Pillar -II
13		Compliance Risk	Pillar -II

In view of core risk guideline the bank has established various departments to address specific risks, e.g. credit risk management, credit admin, internal control and compliance department, anti-money laundering department etc. Further to manage the overall risks of the bank in line of Basel the bank has formed a dedicated Risk Management Division.

Accordingly the bank has various high powered committees to monitor and ensure smooth risk management activities. For example, Senior Management Team (SMT), Asset Liability Committee (ALCO), Credit Committee (CC), Audit Committee, Executive Risk Management Committee, Supervisory Review Process Team etc.

The current risk management framework of the bank is as follow:

Notes to the financial statements

Credit Risk Management: Credit risk can be defined as risk of failure of customer/counterparty of the bank to meet financial obligations. Another major source of credit risk could be concentration risk, which arises when a bank's credit portfolio tend to be non diversified i.e. large single borrower exposure or lending exposure to clients having similar economic factors (single sub-sector, industry, geographic region etc) that would adversely impact the repayment ability of mass obligor during any possible economic downturn.

To ensure the portfolio health, the bank has distributed the overall credit concentration among different segments/industry/trading. For example, branches are primarily responsible for sourcing of potential clients and initiate limit (credit) approval process for review of Credit Risk Management Division (CRMD), this division (CRMD) ensure the quality of credit proposal before limit approval, a separate division known as Credit Administration (CAD) monitors the documentation aspects of approved credits and finally the Legal Recovery Department manages the deteriorating accounts. It is mentionable that the bank has own credit risk management guideline.

All other remaining risk in regards to credit portfolio are addressed by the Risk Management Division (RMD), the primary responsibility of this Division is to identify and assess the severity of risks and highlight the same to the management for strategic decision making. Below are risk wise list of few global model that RMD is currently using or intends to use in the future:

Residual Risk (e.g. wrong valuation of collateral, documentation error etc)	Capital computation under Pillar –II using the foundation Internal Rating Based (FIRB) approach
Concentration Risk	Herfindahl-Hirschman Index (HHI) index, Shannon's Index (SI) and Gini coefficient (GI)

Foreign Exchange Risk Management: The Foreign Exchange Risk arises from transaction involvement in any other national currency. Providing major foreign exchange related transactions are carried out on behalf of client thus bank has minimal exposure to the captioned risk. It is mentionable that the bank do not involve in any speculative transactions.

The treasury division independently conducts the transactions and back office is responsible for verifying the deal and passes necessary accounting entries. As advised by Bangladesh Bank on month end all foreign exchange related transactions are revalued at mark-to-market rate. All Nostro accounts are reconciled on daily basis and outstanding entries beyond 30 days are reviewed by management for settlement. It is mentionable that bank management is looking forward to establish treasury mid office to effectively perform the reconciliation activities.

At present Bank assess daily Value-at-Risk (VaR) based on exponential weighted average method using web based platform for foreign exchange risk more effectively.

Asset Liability Management: The Asset Liability Risk is comprises of Balance Sheet Risk and liquidity risk. The Balance Sheet risk refers to risk of change in earning and/or devaluation of asset due to interest rate movement. The liquidity risk can be defined as the risk or chance of failure to meet up any withdrawal/disbursement request by a counterparty/client. 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.

Risk assessment tools in regards to ALM risk management are as follow:

Equity investment risk	Value-at-risk (VaR) on equity position
	Liquidity Coverage Ratio (LCR)
Liquidity Risk	Net Stable Funding Ratio (NSFR)
	Stress Testing (Duration and Sensitivity Analysis)
Interest Rate Risk	Assessment of Interest Rate Risk in Banking Book

Prevention of Money Laundering: Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the 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.

Ensuring internal control and compliance: Operational loss arising from error and fraud due to lack of proper internal control and compliance. 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 reviews the audit and inspection reports periodically and provides necessary instructions and recommendations for rectifications of lapses and observations identified by the audit team.

Notes to the financial statements

Further to above the bank is in the process of developing various globally recognized operational risk identification processes through the Risk Management Division. For example adaptation of

Risk Control Self Assessment (RCSA) for assessing all possible operational risks based on operational process review and previous experiences before occurrence of any such event.

Using the Key Risk Indicator (KRI) approach to identify operational risk trigger points.

Managing Information and communication Technology Risk : Bank Asia Limited follows the guideline stated in DFIM circular no. 6 dated 21 June 2010 regarding “Guideline on ICT Security for Banks and Financial Institutions, April 2010”. IT management deals with IT policy documentation, internal IT audit, training etc. The core objective of IT management is to achieve the highest levels of technology service quality and minimize possible 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).

All other risk management: These are risks that are not directly covered by core risk guidelines of Bangladesh Bank, more precisely additional risk under Pillar II of Basel III. The Risk Management Division is primarily responsible for assessing and developing controls for managing these risks. In order to do so the RMD of the bank is performing various exercises like assessment of quality Risk Weighted Assets of the Bank, Stress Testing to assess the sensitivity of the bank against adverse scenarios is performed, additional capital (on top of MCR under Pillar –II) will be assessed using a model namely Internal Capital Adequacy Assessment Process (ICAAP), perform the capital reporting model etc.

On top of assessment the RMD of the bank is reporting these risks to senior management (through BRMC); which are ultimately aiding the bank to allocate adequate capital in line with Basel III requirement and at the same time implant active strategies to precisely manage all potential risks of the bank.

3.14 Events after reporting period

As per IAS -10 “Events after Reporting Period” are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- (b) those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

3.15 Related party disclosures

A party is related to the company if:

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;
- (ii) the party is an associate;
- (iii) the party is a joint venture;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

3.16 Directors’ responsibilities on statement

The Board of Directors takes the responsibilities for the preparation and presentation of these Financial Statements.

3.17 Segment Reporting

As per IFRS 8 “Operating Segments”, is a component of an equity:

- (a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity)
- (b) whose operating results are regularly reviewed by the entity’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performances, and
- (c) for which discrete financial information is available.

Notes to the financial statements

Bank reported its segments in respect of business segment and geographical segment. Business segments are comprised of Conventional Banking, Islamic Banking, Off-shore Banking, Bank Asia Securities Limited, BA Exchange Company (UK) Limited and BA Express USA Inc. Geographical segments report consist of location wise performance of above segments.

3.18 Changes in Accounting Policies

As per IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” Accounting Policies are applied consistently for comparability between financial statements of different accounting periods. Changes in Accounting Policies are applied retrospectively in the financial statements. Comparative amounts presented in the financial statements affected by the change in accounting policy for each prior period presented.

3.19 IFRS 15 - Revenue from Contract with Customers

IFRS 15 “Revenue from Contracts with Customers” replaces IAS 18 Revenue and IAS 11 Construction Contracts. IFRS 15 establishes a more systematic approach for revenue measurement and recognition by introducing a five-step model governing revenue recognition. The five-step model includes: 1) identifying the contract with the customer, 2) identifying each of the performance obligations included in the contract, 3) determining the amount of consideration in the contract, 4) allocating the consideration to each of the identified performance obligations and 5) recognising revenue as each performance obligation is satisfied. The Bank has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements.

3.20 Compliance checklist of International Accounting Standards (IASs)/International Financial Reporting Standards (IFRSs)

Name of the standards	Ref.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	IFRS - 1	N/A
Share Based Payment	IFRS - 2	N/A
Business Combinations	IFRS - 3	Complied
Insurance Contracts	IFRS - 4	N/A
Non-current Assets Held for Sale and Discontinued Operations	IFRS - 5	N/A
Exploration for and Evaluation of Mineral Resources	IFRS - 6	N/A
Financial Instruments: Disclosures	IFRS - 7	Complied
Operating Segments	IFRS - 8	Complied
Financial Instruments: Recognition and Measurement	IFRS - 9	Complied
Consolidated Financial Statements	IFRS-10	Complied
Joint Arrangements	IFRS-11	N/A
Disclosure of Interests in other entities	IFRS-12	N/A
Fair Value Measurement	IFRS-13	Complied
Regulatory Deferral Accounts	IFRS-14	N/A
Revenue from Contracts with Customers	IFRS-15	Complied
Leases	IFRS-16	Complied
Presentation of Financial Statements	IAS - 1	Complied
Inventories	IAS - 2	Complied
Statement of Cash Flows	IAS - 7	Complied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS - 8	Complied
Events after the Reporting Period	IAS-10	Complied
Income Taxes	IAS-12	Complied
Property, Plant and Equipment	IAS-16	Complied
Employee Benefits	IAS-19	Complied
Accounting for Government Grants and Disclosure of Government Assistance	IAS-20	Complied
The Effects of Changes in Foreign Exchange Rates	IAS-21	Complied
Borrowing Costs	IAS-23	Complied
Related Party Disclosures	IAS-24	Complied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	N/A
Separate Financial Statements	IAS-27	Complied
Investments in Associates and Joint Ventures	IAS-28	Complied
Financial Instruments: Presentation	IAS-32	Complied

Notes to the financial statements

Earnings Per Share	IAS-33	Complied
Interim Financial Reporting	IAS-34	Complied
Impairment of Assets	IAS-36	Complied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Complied
Intangible Assets	IAS-38	Complied
Investment property	IAS-40	Complied
Agriculture	IAS-41	N/A

3.21 New and amended standards and interpretations:

IFRS 16 Leases

The Bank has applied “IFRS 16: Lease” using the modified retrospective approach as per paragraph C8 of IFRS 16 with necessary adjustment as stated in IAS 8 and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. IFRS 16 supersedes IAS 17 and applicable from January 01, 2019.

Leases previously classified as operating leases

- a) Bank Asia recognise a lease liability at the date of initial application for leases previously classified as an operating lease applying IAS 17 and measure that lease liability at the present value of the remaining lease payments, discounted using incremental borrowing rate at 9% at the date of initial application i.e. January 01, 2019.
- b) recognise a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying IAS 17 and choose, on a lease-by-lease basis, to measure that right-of-use asset; an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is depreciated using the straight line methods from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The right of use asset is reduced by impairment losses as per IAS 36, and adjusted for certain measurements of the lease liability if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and discounted using the incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is change in estimate of the amount expected to be payable under a residual value guarantee, or if changes its assessment of whether it will exercise purchase, extension or termination option.

When the lease liability is measured in this way, a corresponding adjustment is made to the carrying amount of the right to use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Bank may elect not to apply the IFRS 16 for short-term leases and leases for which the underlying asset is of low value.

3.22 Approval of financial statements

The financial statements were approved by the Board of Directors on March 22, 2020.

3.23 General

- (i) Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year without, however, creating any impact on the operating result and value of assets and liabilities as reported in the financial statements for the current year.
- (ii) Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- (iii) These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- (iv) These financial statements cover one calendar year from 01 January 2019 to 31 December 2019 .

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
4 Cash		
4.1 In hand (including foreign currencies)		
Conventional and Islamic banking		
Local currency	3,215,685,185	2,642,651,071
Foreign currencies	26,279,990	36,957,655
	3,241,965,175	2,679,608,726
Off-shore banking unit	-	-
	<u>3,241,965,175</u>	<u>2,679,608,726</u>
4.1(a) Consolidated Cash in hand		
Bank Asia Limited	3,241,965,175	2,679,608,726
Bank Asia Securities Limited	6,689	7,290
BA Exchange Company (UK) Limited	905,678	3,483,040
BA Express USA, Inc	-	108,796
	<u>3,242,877,542</u>	<u>2,683,207,852</u>
4.2 Balance with Bangladesh Bank and its agent bank (including foreign currencies)		
Conventional and Islamic banking		
Balance with Bangladesh Bank		
Local currency (statutory deposit)	14,281,134,218	11,813,624,203
Foreign currencies	5,483,798,564	333,978,489
	19,764,932,782	12,147,602,692
Balance with agent bank (Sonal Bank Limited)		
Local currency	978,794,122	724,909,310
Foreign currencies	-	-
	978,794,122	724,909,310
	20,743,726,904	12,872,512,002
Off-shore banking unit	-	-
	<u>20,743,726,904</u>	<u>12,872,512,002</u>
4.2(a) Consolidated Balance with Bangladesh Bank and its agent bank (including foreign currencies)		
Bank Asia Limited	20,743,726,904	12,872,512,002
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>20,743,726,904</u>	<u>12,872,512,002</u>

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

Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with Section 33 of Bank Company Act 1991, DOS circular nos. 01 dated 19 January 2014, MPD circular no. 01 and MPD circular no. 116/2018-592 dated 03 April 2018 and and DOS Circular Letter No. 26 dated August 19, 2019.

The statutory Cash Reserve Ratio on the Bank's time and demand liabilities at the rate 5.5% (conventional, islamic and offshore banking) has been calculated and maintained with Bangladesh Bank in local currency and 13% (5.5% for Islamic Banking) Statutory Liquidity Ratio for conventional and offshore banking, 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 Ratio (CRR)

Conventional and Offshore Banking

As per Bangladesh Bank DOS Circular No. 01 dated January 19, 2014, MPD circular no. 01 and MPD circular no. 116/2018-592 dated 03 April 2018 and DOS Circular Letter No. 26 dated August 19, 2019 Bank has to maintain CRR @ 5.5% on fortnightly cumulative average basis and minimum @ 5% on daily basis for its Conventional and Offshore Banking.

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
i. Daily Bank's CRR maintenance:		
Required reserve (5 % on Demand and Time Liabilities)	12,425,814,000	10,107,919,550
Domestic Banking Operation	11,454,521,000	10,107,919,550
Offshore Banking Operation	971,293,000	-
Actual reserve maintained	14,342,548,530	11,016,525,310
Surplus	1,916,734,530	908,605,760
ii. Fortnightly Bank's CRR maintenance:		
Required reserve (5.5 % of Demand and Time Liabilities)	13,668,395,000	11,118,711,505
Domestic Banking Operation	12,599,973,000	11,118,711,505
Offshore Banking Operation	1,068,422,000	-
Actual reserve maintained (average)	13,858,631,590	11,338,798,000
Surplus	190,236,590	220,086,495
Islamic Banking		
i. Daily Bank's CRR maintenance:		
Required reserve (5% Demand and Time Liabilities)	881,019,000	686,085,700
Actual reserve maintained	971,336,000	755,523,504
Surplus	90,317,000	69,437,804
ii. Fortnightly Bank's CRR maintenance:		
Required reserve (5.5% of Demand and Time Liabilities)	969,120,000	754,694,240
Actual reserve maintained (Average)	982,962,670	755,523,504
Surplus	13,842,670	829,264
4.3.2 Statutory Liquidity Ratio (SLR)		
Conventional Banking		
13% of Average Demand and Time Liabilities		
Required reserve	32,307,116,000	26,280,590,830
Domestic Banking Operation	29,781,755,000	26,280,590,830
Offshore Banking Operation	2,525,361,000	-
Actual reserve maintained	55,749,003,020	35,613,981,000
Surplus	23,441,887,020	9,333,390,170
Islamic Banking		
5.5% of Average Demand and Time Liabilities		
Required reserve	969,120,000	754,694,240
Actual reserve maintained	1,010,836,000	786,588,000
Surplus	41,716,000	31,893,760
	23,483,603,020	9,365,283,930
4.3.3 Held for Statutory Liquidity Ratio		
Conventional Banking		
Cash in hand	3,202,645,610	2,645,456,000
Excess of CRR - Balance with Bangladesh Bank	674,153,530	-
Balance with agent bank (Sonali Bank Limited)	644,180,530	589,932,000
Government securities	51,225,860,540	32,377,047,000
Other securities	2,162,800	1,546,000
	55,749,003,010	35,613,981,000

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
Islamic Banking		
Cash in hand	39,320,000	31,058,000
Excess of CRR - Balance with Bangladesh Bank	2,216,000	830,000
Government securities	969,300,000	754,700,000
Other securities	-	-
	<u>1,010,836,000</u>	<u>786,588,000</u>
	<u>56,759,839,010</u>	<u>36,400,569,000</u>
5. Balance with other banks and financial institutions		
In Bangladesh		
Conventional and Islamic banking (Note 5.1)	19,491,968,105	23,488,274,856
Off-shore banking unit	-	-
	<u>19,491,968,105</u>	<u>23,488,274,856</u>
Outside Bangladesh		
Conventional and Islamic banking (Note 5.2)	3,163,855,218	1,911,475,826
Off-shore banking unit	457,730,481	465,862,484
	<u>3,621,585,699</u>	<u>2,377,338,310</u>
	<u>23,113,553,804</u>	<u>25,865,613,166</u>
5.1 Conventional and Islamic banking-In Bangladesh		
Current accounts		
AB Bank Limited	41,480	41,480
Agrani Bank Limited	242,743,542	5,696
Jamuna Bank Limited	-	345
Janata Bank Limited	74,235,985	66,465,691
Rupali Bank Limited	106,657,418	59,552,217
Pubali Bank Limited	181,718,255	-
Standard Chartered Bank	258,270	9,354,693
Sonali Bank Limited	276,432,774	249,494,042
Trust Bank Limited	(5,022,218)	(8,923,545)
	<u>877,065,506</u>	<u>375,990,619</u>
Short- notice deposit accounts		
AB Bank Limited	558,562	545,194
Bank Alfalah Limited	15,035	2,012,720
BRAC Bank Limited	-	829,427
Islami Bank Bangladesh Limited	180,283	180,283
Uttara Bank Limited	48,719	116,613
	<u>802,599</u>	<u>3,684,237</u>
Fixed deposit accounts/ MTD		
Islamic Finance and Investment Limited	150,000,000	200,000,000
Hajj Finance Company Limited	150,000,000	150,000,000
Premier Bank Limited	-	500,000,000
	<u>300,000,000</u>	<u>850,000,000</u>
	<u>1,177,868,105</u>	<u>1,229,674,856</u>
Placements		
With Banking companies	12,764,100,000	19,308,600,000
With Non-banking financial institutions	5,550,000,000	2,950,000,000
	<u>18,314,100,000</u>	<u>22,258,600,000</u>
	<u>19,491,968,105</u>	<u>23,488,274,856</u>

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
Details of Placement with Banking companies(Local Currency)		
EXIM Bank Limited	-	1,000,000,000
Jamuna Bank Limited	3,500,000,000	4,000,000,000
Mercantile Bank Limited	1,000,000,000	1,000,000,000
Mutual Trust Bank Limited	500,000,000	1,000,000,000
National Credit and Commerce Bank Limited	-	500,000,000
National Bank Limited	1,000,000,000	1,600,000,000
One Bank Limited	3,000,000,000	-
Social Islami Bank Limited	-	1,000,000,000
Standard Bank Limited	3,000,000,000	3,000,000,000
	12,000,000,000	13,100,000,000
Details of Placement- with Banking companies (Foreign Currencies)		
Eastern Bank Limited	-	1,845,800,000
Islami Bank Bangladesh Limited	-	4,195,000,000
Modhumoti Bank Limited	764,100,000	167,800,000
	764,100,000	6,208,600,000
	12,764,100,000	19,308,600,000
Details of Placement with Non-banking financial institutions		
Delta Brac Housing	400,000,000	300,000,000
Investment Corporation of Bangladesh	3,000,000,000	2,000,000,000
IPDC Finance Limited	500,000,000	300,000,000
IDLC Finance Limited	1,500,000,000	-
United Finance Limited	-	200,000,000
Union Capital Limited	150,000,000	150,000,000
	5,550,000,000	2,950,000,000
5.2 Conventional and Islamic banking- Outside Bangladesh		
Current accounts		
Interest bearing:		
Citibank N.A., London (EURO)	467,484	23,748,210
Citibank N.A., London (GBP)	12,159,468	6,372,266
Citibank NA, New York (USD)	521,514,002	299,678,693
Habib American Bank, New York	1,811,044,754	956,850
Mashreqbank PSC, New York (USD)	25,612,854	201,571
Standard Chartered Bank, Mumbai	44,364,590	1,319,346
Standard Chartered Bank, New York	415,466,240	667,918,664
	2,830,629,392	1,000,195,600
Non-interest bearing:		
AB Bank Limited, Mumbai	8,937,928	1,562,296
Al Rajhi Bank K.S.A	28,689,207	127,982
Bank of Sydney	2,484,730	995,746
Bhutan National Bank Limited, Thimphu	13,141,369	14,884,715
Axis Bank Ltd, Mumbai (Acu)	26,614,443	-
Commerzbank AG, Frankfurt (EURO)	19,112,994	88,445,423
Commerzbank AG, Frankfurt (USD)	6,400,719	741,169,583
Habib Metropolitan Bank Limited, Karachi	15,504,093	2,882,244
Aktif Bank, Istanbul -Jpy	2,537,702	-
ICICI Bank Limited, Kowloon	10,577,408	6,105,011
ICICI Bank Limited, Mumbai	66,812,787	540,261
JP Morgan Chase Bank N.A New York, U.S.A	46,115,614	350,075

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
Mashreqbank PSC, Mumbai (EURO)	764,315	768,342
Mashreqbank PSC, Dubai	44,358,240	1,232,672
Muslim Commercial Bank Limited, Colombo	15,102,974	13,303,597
Nepal Bangladesh Bank Limited, Kathmandu	7,489,419	16,822,578
HDFC Bank, Mumbai	181,135	-
Saudi Hollandi K.S.A	-	13,090,027
Unicredit Bank AG, Munich (EURO)/Hypovereins Bank, Munich (EURO)	1,025,425	2,486,562
Wells Fargo Bank NA, New York, (USD)	11,926,959	4,085,974
Wells Fargo Bank NA, London, (Euro)	3,616,182	1,867,588
Zurcher Kantonal Bank, Switzerland	1,832,183	559,550
	333,225,826	911,280,226
	3,163,855,218	1,911,475,826
Placement with Off-shore Banking Unit	1,139,358,801	922,900,000
Less: Inter company transaction	(1,139,358,801)	(922,900,000)
	3,163,855,218	1,911,475,826
5.3 Maturity grouping of balance with other banks and financial institutions		
Up to 1 month	10,148,653,804	13,030,613,166
More than 1 month but not more than 3 months	10,964,900,000	10,076,500,000
More than 3 months but not more than 6 months	2,000,000,000	2,758,500,000
More than 6 months but not more than 1 year	-	-
More than 1 year but not more than 5 years	-	-
More than 5 years	-	-
	23,113,553,804	25,865,613,166
5(a) Consolidated Balance with other banks and financial institutions		
In Bangladesh		
Bank Asia Limited	19,491,968,105	23,488,274,856
Bank Asia Securities Limited	390,202,061	279,364,574
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	19,882,170,166	23,767,639,430
Less: Inter-company transactions	7,056,653	14,513,073
	19,875,113,514	23,753,126,357
Outside Bangladesh		
Bank Asia Limited	3,621,585,699	2,377,338,310
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	44,673,605	37,479,766
BA Express USA, Inc	93,624,752	75,190,889
	3,759,884,056	2,490,008,965
	23,634,997,570	26,243,135,322
6. Money at call and on short notice		
Call money Lending (Note 6.1)	2,500,000,000	100,000,000
Short Notice Lending (Note 6.2)	2,100,000,000	-
	4,600,000,000	100,000,000
6.1 Call Money Lending- with Banking companies:		
Pubali Bank Limited	-	100,000,000
Standard Bank Limited	300,000,000	-
National Bank Limited	900,000,000	-
NRB Bank Limited	300,000,000	-
Midland Bank Limited	600,000,000	-
	2,100,000,000	100,000,000

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
With non Banking financial institutions:		
Delta Brac Housing	400,000,000	-
	<u>2,500,000,000</u>	<u>100,000,000</u>
6.2 Short Notice Lending		
AB Bank Limited	1,500,000,000	-
NRB Commercial Bank Limited	600,000,000	-
	<u>2,100,000,000</u>	<u>-</u>
6(a) Consolidated Money at call and on short notice		
Bank Asia Limited	4,600,000,000	100,000,000
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>4,600,000,000</u>	<u>100,000,000</u>
7. Investments		
Government (Note 7.1)	52,197,323,349	33,133,291,838
Others (Note 7.2)	2,735,256,587	2,865,906,506
	<u>54,932,579,936</u>	<u>35,999,198,344</u>
7.1 Government		
Conventional and Islamic banking (Note 7.1.1)	52,197,323,349	33,133,291,838
Off-shore banking unit	-	-
	<u>52,197,323,349</u>	<u>33,133,291,838</u>
7.1.1 Conventional and Islamic banking		
Treasury bills (Note 7.1.1.1)	17,957,242,335	5,566,966,237
Treasury bonds (Note 7.1.1.2)	34,237,918,214	27,564,779,601
Prize bonds	2,162,800	1,546,000
	<u>52,197,323,349</u>	<u>33,133,291,838</u>
7.1.1.1 Treasury bills		
91days treasury bills	983,819,500	-
182 days treasury bills	5,802,790,192	1,999,243,099
364 days treasury bills	11,170,632,643	3,567,723,138
	<u>17,957,242,335</u>	<u>5,566,966,237</u>
7.1.1.2 Treasury bonds		
Bangladesh Bank Islamic bond	969,300,000	754,700,000
2 years Bangladesh Government treasury bonds	11,860,346,380	10,360,647,089
5 years Bangladesh Government treasury bonds	1,232,569,103	-
10 years Bangladesh Government treasury bonds	6,949,813,038	7,173,179,558
15 years Bangladesh Government treasury bonds	8,844,580,607	7,067,240,345
20 years Bangladesh Government treasury bonds	4,381,309,086	2,209,012,609
	<u>34,237,918,214</u>	<u>27,564,779,601</u>
7.2 Others		
Conventional and Islamic banking (Note 7.2.1)	2,735,256,587	2,865,906,506
Off-shore banking unit	137,586,963	94,182,403
Less: Adjustment with OBU	(137,586,963)	(94,182,403)
	<u>2,735,256,587</u>	<u>2,865,906,506</u>
7.2.1 Conventional and Islamic banking		
a) Ordinary shares (Details are shown in Annexure-B)		
Quoted shares	451,939,366	478,246,611
Unquoted share	226,743,590	197,320,728
	<u>678,682,956</u>	<u>675,567,339</u>

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
b) Mutual Fund (Details are shown in Annexure-B)		
1st Janata Bank Mutual fund	50,000,000	50,000,000
EBL NRB Ist Mutual Fund	149,665,000	149,665,000
Ist Bangladesh Fixed Income Fund	250,000,000	250,000,000
MBL 1st Mutual Fund	50,000,000	50,000,000
EXIM Bank 1st Mutual Fund	235,793,533	242,235,820
	<u>735,458,533</u>	<u>741,900,820</u>
c) Debentures		
Beximco Denims Limited	9,537,605	9,537,605
Beximco Textiles Limited	6,445,370	6,445,370
	<u>15,982,975</u>	<u>15,982,975</u>
d) Bonds		
MTB Second subordinated bond	240,000,000	320,000,000
UCB Second subordinated bond	180,000,000	240,000,000
BSRM Steels Limited zero coupon bond	21,132,123	66,455,372
Premier Bank Non-convert subordinated bond	500,000,000	500,000,000
BSRML Coupon bond	-	22,000,000
7 Year Preference Share Of Summit BPL	54,000,000	64,000,000
5 Year Pre. Sh. of Summit Gazipur II Power	50,000,000	-
5 Year Pref. Sh.of Summit Lng Ter Co(Pvt)	100,000,000	-
SIBL subordinated Mudaraba bond	80,000,000	120,000,000
SIBL 2nd Mudaraba Subordinated Bond	80,000,000	100,000,000
	<u>1,305,132,123</u>	<u>1,432,455,372</u>
	<u>2,735,256,587</u>	<u>2,865,906,506</u>
7.3 Investments classified as per Bangladesh Bank circular		
Held for trading (HFT)	17,957,242,335	5,566,966,237
Held to maturity (HTM)	33,268,618,214	26,810,079,601
Other securities	3,706,719,387	3,622,152,506
	<u>54,932,579,936</u>	<u>35,999,198,344</u>
7.4 Maturity-wise grouping		
On demand	3,800,078,275	5,460,178,275
Up to 3 months	4,022,700,000	102,600,000
More than 3 months but not more than 1 year	16,213,600,000	12,679,200,000
More than 1 year but not more than 5 years	12,123,715,602	7,320,000,000
More than 5 years	18,772,486,059	10,437,220,069
	<u>54,932,579,936</u>	<u>35,999,198,344</u>
7(a) Consolidated Investments		
Government		
Bank Asia Limited	52,197,323,349	33,133,291,838
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>52,197,323,349</u>	<u>33,133,291,838</u>
Others		
Bank Asia Limited	2,735,256,587	2,865,906,506
Bank Asia Securities Limited	594,391,990	545,004,098
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>3,329,648,577</u>	<u>3,410,910,604</u>
	<u>55,526,971,926</u>	<u>36,544,202,442</u>

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
8 Loans and advances/investments		
Loans, cash credits, overdrafts, etc/investments (Note 8.1)	208,039,420,174	193,721,116,473
Bills purchased and discounted (Note 8.2)	19,259,535,874	20,897,034,672
	<u>227,298,956,048</u>	<u>214,618,151,145</u>
8.1 Loans, cash credits, overdrafts, etc/investments		
Conventional and Islamic banking		
Inside Bangladesh		
Agricultural loan	4,159,541,046	2,304,858,400
Cash credit/Bai Murabaha (Muajjal)	5,200,792,123	4,845,956,472
Credit card	2,516,315,246	2,079,086,197
Credit for poverty alleviation scheme-micro credit	7,123,089	7,837,482
Consumer credit scheme	12,187,585,434	10,952,376,679
Demand loan	35,233,505,899	32,699,461,515
Export Development Fund (EDF)	13,877,741,438	12,122,911,605
House building loans	1,132,154,665	1,024,681,187
Loans (General)/ Musharaka	22,237,867,700	14,033,128,865
Loan against trust receipts/ Bai Murabaha post import	11,706,288,469	13,066,570,576
Overdrafts/ Quard against scheme	36,888,315,235	39,411,033,569
Packing credit	501,557,309	548,322,822
Payment against documents	122,281,961	173,243,859
Staff Loan	1,534,466,105	1,402,891,669
Transport loan	1,876,229,886	1,802,259,629
Term loan- industrial/ Hire purchase under Shirkatul Melk	21,034,437,536	20,485,425,374
Term loan- others	35,140,657,300	33,712,504,848
	205,356,860,441	190,672,550,748
Outside Bangladesh	-	-
	205,356,860,441	190,672,550,748
Off-shore banking unit	2,682,559,733	3,048,565,725
	<u>208,039,420,174</u>	<u>193,721,116,473</u>
8.2 Bills purchased and discounted		
Conventional and Islamic banking	2,370,138,131	3,093,996,825
Off-shore banking unit	16,889,397,743	17,803,037,847
	<u>19,259,535,874</u>	<u>20,897,034,672</u>
8.3 Maturity-wise grouping		
Repayable on demand	32,536,456,048	30,721,351,145
Not more than 3 months	33,477,600,000	28,777,300,000
More than 3 months but not more than 1 year	75,668,900,000	64,148,600,000
More than 1 year but not more than 5 years	70,342,105,600	74,760,900,000
More than 5 years	15,273,894,400	16,210,000,000
	<u>227,298,956,048</u>	<u>214,618,151,145</u>
8.4 Net loans and advances/investments		
Gross loans and advances/investments	227,298,956,048	214,618,151,145
Less: Interest suspense (Note 13.4)	2,014,114,905	1,689,435,106
Provision for loans and advances/investments (Note 13.2)	12,279,116,920	8,984,001,791
	14,293,231,825	10,673,436,897
	<u>213,005,724,223</u>	<u>203,944,714,247</u>
8.5 Loans and advances/investments under the following broad categories		
In Bangladesh		
Loans	165,950,312,816	149,464,126,432
Cash credits	5,200,792,123	4,845,956,472
Overdrafts	36,888,315,235	39,411,033,569
Bills purchased and discounted	18,438,714,690	19,814,947,128
	226,478,134,864	213,536,063,601
Outside Bangladesh		

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
Bills purchased and discounted	820,821,184	1,082,087,544
	<u>227,298,956,048</u>	<u>214,618,151,145</u>

8.6 Significant concentration wise grouping

a) Directors	-	-
b) Chief Executive and other senior executives		
i) Managing Director	2,704,000	3,032,000
ii) Other senior executives	174,989,000	149,279,000
	177,693,000	152,311,000
c) Agriculture	4,776,100,000	5,915,900,000
d) Industry	108,924,763,048	102,575,940,145
Food Manufacturing	13,514,000,000	11,750,700,000
Beverage industry	338,600,000	434,400,000
Tobacco industry	69,600,000	231,500,000
RMG industry	22,705,100,000	25,513,200,000
Textile industry	21,335,000,000	21,784,900,000
Wood cork and allied products	48,900,000	50,300,000
Furniture and Fixture	159,100,000	152,900,000
Paper and paper products	6,561,400,000	5,673,200,000
Leather and leather products	2,298,900,000	1,896,500,000
Rubber products	2,775,400,000	2,124,500,000
Chemical and chemical products	2,178,900,000	1,394,500,000
Basic metal products	8,800,200,000	8,826,700,000
Electrical machinery and apparatus	3,327,000,000	2,847,800,000
Other manufacturing industries	18,284,363,048	16,107,940,145
Ship building	4,608,300,000	2,729,900,000
Ship breaking	1,419,700,000	621,500,000
Pharmaceutical	500,300,000	435,500,000
e) Constructions	5,704,100,000	3,915,600,000
f) Power, Gas, Water and Sanitary Services	7,657,100,000	3,624,000,000
g) Transport, Storage and Communication	1,577,500,000	2,620,600,000
h) Trade Services	47,112,900,000	45,579,000,000
i) Housing Services	15,140,400,000	14,305,100,000
j) Banking and Insurance	3,429,000,000	4,658,800,000
k) Professional and Misc. services	32,799,400,000	31,270,900,000
	<u>227,298,956,048</u>	<u>214,618,151,145</u>

8.7 Geographical location-wise grouping

Inside Bangladesh

Urban

Dhaka Division	150,749,987,430	139,809,593,390
Chittagong Division	44,596,194,337	46,460,461,901
Khulna Division	4,081,619,811	3,614,476,768
Rajshahi Division	2,725,982,194	2,592,279,575
Barisal Division	804,001,905	778,313,758
Sylhet Division	1,968,108,052	1,811,339,623
Rangpur Division	1,271,032,534	1,050,457,579
Mymensingh Division	530,778,677	467,274,393
	206,727,704,940	196,584,196,987

Rural

Dhaka Division	13,510,893,368	11,671,299,336
Chattagram Division	4,155,761,316	3,768,587,276
Khulna Division	95,611,839	68,074,698

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
Sylhet Division	384,841,443	366,770,250
Rajshahi Division	2,424,143,142	2,159,222,598
	20,571,251,108	18,033,954,158
Outside Bangladesh	-	-
	<u>227,298,956,048</u>	<u>214,618,151,145</u>

8.8 Loans/investments including bills purchased and discounted covered by securities

Collateral of movable/immovable assets	131,430,205,799	130,127,028,163
Local banks and financial institutions' guarantee	723,545,355	418,733,584
Foreign banks' guarantee	91,182,676	17,852,799
Export documents	8,394,416,952	6,979,780,484
Cash and quasi cash	6,258,140,290	6,392,742,654
Personal guarantee	16,493,947,200	31,162,266,498
Other securities	63,907,517,775	39,519,746,963
	<u>227,298,956,048</u>	<u>214,618,151,145</u>

8.9 Details of large loans/investments

As at 31 December 2019 there were eight (2018: nine) 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 Taka 42,757.14 million as at 31 December 2019 (Taka 35,082.90 million in 2018). Details are shown in Annex E.

8.10 Particulars of loans and advances/investments

i) Loans/investments considered good in respect of which the Bank is fully secured	146,897,491,073	143,936,137,684
ii) Loans/investments considered good against which the Bank holds no security other than the debtors' personal guarantee	16,493,947,200	31,162,266,498
iii) Loans/investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	63,907,517,775	39,519,746,963
iv) Loans/investments adversely classified; provision not maintained there against	-	-
	<u>227,298,956,048</u>	<u>214,618,151,145</u>
v) Loans/investments due by directors or officers of the Bank or any of them either separately or jointly with any other persons	1,534,466,105	1,402,891,669
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.	1,534,466,105	1,402,891,669
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	<u>19,259,535,874</u>	<u>20,897,034,672</u>
x) Amount of classified loans/investments on which interest has not been charged mentioned as follows:		
a) Increase/(Decrease) of provision (specific)	711,897,413	152,759,761
Amount of loan written off	2,716,368,198	2,890,073,681
Amount realised against the loans previously written off	145,983,239	102,546,693

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
b) Provision kept against loans/investments classified as bad debts	4,604,656,791	3,892,759,378
c) Interest credited to interest suspense account	2,014,114,905	1,689,435,106
xi) Cumulative amount of written off loans/investments		
Balance as at 1 January	10,151,537,951	7,261,464,270
Amount written off during the year	2,716,368,198	2,890,073,681
The amount of written off loans/investments for which law suit has been filed	12,867,906,149	10,151,537,951

8.11 Grouping as per classification rules

Unclassified:

Standard including staff loan	208,365,703,048	194,395,578,967
Special mentioned account	8,453,268,000	11,412,741,749
	216,818,971,048	205,808,320,716

Classified:

Sub-standard	1,847,769,000	273,124,207
Doubtful	576,934,000	690,818,120
Bad/loss	8,055,282,000	7,845,888,102
	10,479,985,000	8,809,830,429
	227,298,956,048	214,618,151,145

8.12 Particulars of required provision for loans and advances/investments

Status	Outstanding	Base for	Required provision	
	at 31 Dec 2019	provision	%	Amount

For loans and advances/Investments:

Unclassified - general provision

All unclassified loans (other than SME financing, house building loan and loan for professional, loan to Brokerage House (BH),

consumer finance, staff loan and SMA)	143,217,807,418	110,576,382,660	1% to 5%	6,635,246,309	4,054,864,680
Small and medium enterprise financing	27,772,463,000	27,772,463,000	0.25%	69,431,158	71,297,815
House building loan and loan for professional	10,848,239,000	10,848,239,000	1 to 2%	108,482,390	87,081,359
Loans to BH	1,934,258,000	1,934,258,000	2.00%	38,685,160	42,649,454
Consumer finance	4,165,675,000	4,165,675,000	2% to 5%	208,283,750	131,853,081
Staff loan	1,530,890,000	297,683.00	20%	59,537	-
				7,060,188,303	4,387,746,390

Special mentioned account

	7,777,681,154	7,777,681,154	0.25% to 90%	411,112,252	495,112,661
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Off-shore unit

Unclassified loans (general)	18,896,370,630	18,896,370,630	1%	188,963,706	206,641,311
Special mentioned account	675,586,846	675,586,846	0.25% to 90%	6,755,868	1,708,407
Sub-standard	-	-		-	3,326,356
				195,719,574	211,676,074

Classified - specific provision

Sub-standard	1,847,769,000	1,170,987,000	20% / 5%	234,201,791	20,732,833
Doubtful	576,934,000	257,562,000	50% / 5%	128,781,000	148,690,956
Bad/loss	8,055,282,000	4,239,831,000	100%	4,239,831,000	3,714,894,317
				4,602,813,791	3,884,318,106

Provision required for loans and advances

Total provision maintained (Note 13.2)				12,269,833,920	8,978,853,231
Conventional and Islamic Banking				12,083,397,346	8,772,325,717
Off-shore Banking Unit				195,719,574	211,676,074
				12,279,116,920	8,984,001,791

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
8.13 Suits filed by the Bank (Branch wise details)		
Agrabad Branch	2,693,658,008	2,774,258,008
Anderkilla Branch	2,146,564,386	2,105,234,642
Ashulia Branch	21,764,732	23,540,241
Bahadderhat Branch	90,638,634	85,691,640
Bank Asia Bhaban Branch	100,592,656	100,592,656
Bashundhara Branch	312,998,503	312,046,119
Beanibazar Branch	5,584,770	5,584,770
Bhatiary Branch	245,224,731	657,867,500
Bogra Branch	170,554,742	170,554,742
BSMMU Branch	1,413,816	1,413,816
Credit Cards Department	64,430,319	69,433,018
CDA Avenue Branch	5,640,824,080	5,640,824,080
Chandragonj Branch	492,048	492,048
Chatkhil Branch	6,793,978	6,793,978
Corporate Branch	330,238,700	334,807,982
Cumilla Branch	32,485,367	18,704,998
Dhanmondi Branch	1,009,129,125	122,804,875
Donia Branch	46,946,884	32,926,436
Elephant Road	2,375,836	2,375,836
Gulshan Branch	1,338,662,983	1,338,662,983
Holy Family RCMCH Branch	58,723,079	58,723,079
Jatrabari SME	1,185,818	328,558
Jessore Branch	89,881,449	89,881,449
Jurain SME Centre	941,349	941,349
Kamal Bazar Branch	315,335	315,335
Khatunganj Branch	3,131,411,640	2,157,859,046
Khulna Branch	77,394,034	77,394,034
Konabari Branch	12,544,477	12,544,477
Lohagara Branch	15,123,119	15,123,119
Maijdee Court Branch	98,687,119	-
Malkhanagar Branch	77,943,669	99,260,146
MCB Banani Branch	132,311,907	132,311,907
MCB Dilkusha Branch	1,383,595,978	1,282,815,521
MCB Sk. Mujib Road Branch	2,056,385,324	2,056,385,324
Mirpur Branch	14,808,324	26,444,967
Mitford Branch	300,047,766	300,047,766
Moghbar Branch	53,513,290	53,513,290
Mohakhali Branch	62,424,673	62,424,673
Moulavibazar Branch	19,007,011	2,762,801
Narayangonj Branch	163,562,826	89,442,295
North South Road Branch	1,692,245,369	1,366,732,384
Oxygen Moor Branch	5,874,497	5,874,497
Paltan Branch	70,216,500	10,831,306
Principal Office Branch	1,059,220,847	1,002,679,377
Progoti Sarani Branch	41,295,179	35,201,218
Rajshahi Branch	38,621,684	4,856,245
Ramgonj SME/Agri Branch	13,655,636	13,655,636
Rekabi bazar SME Center	348,681	348,681
Rupnagar Branch	870,417	870,417

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
Savar Branch	19,429,224	19,429,224
Scotia Branch	675,239,701	675,239,701
Shantingar Branch	1,000,549,493	967,970,063
Station Road Branch	158,228,019	158,228,019
Strand Road Branch	14,991,880	4,941,664
Sylhet Main Branch	23,438,876	31,102,359
Sylhet Uposhahar Branch	5,351,680	183,201,041
Sylhet Uposhahar Islamic Window Branch	19,936,418	17,140,393
Tarail Branch	230,000	1,162,000
Tongi Branch	2,174,613	2,174,613
Uttara Branch	924,570,685	924,570,685
EPZ Branch	5,904,884	5,519,100
	<u>27,783,576,768</u>	<u>25,754,858,130</u>

8.14 Bills purchased and discounted

Payable in Bangladesh	18,438,714,690	19,814,947,128
Payable outside Bangladesh	820,821,184	1,082,087,544
	<u>19,259,535,874</u>	<u>20,897,034,672</u>

8.15 Maturity-wise grouping of bills purchased and discounted

Payable within 1 month	8,072,270,117	3,973,106,392
More than 1 month but less than 3 months	5,373,161,137	9,482,018,096
More than 3 months but less than 6 months	4,517,632,558	6,424,063,662
More than 6 months	1,296,472,062	1,017,846,523
	<u>19,259,535,874</u>	<u>20,897,034,672</u>

8(a) Consolidated Loans and advances/investments

Loans, cash credits, overdrafts, etc/investments		
Bank Asia Limited	208,039,420,174	193,721,116,473
Bank Asia Securities Limited	4,649,980,291	4,993,663,846
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>212,689,400,465</u>	<u>198,714,780,319</u>
Less: Inter- companies transactions	1,853,724,468	2,058,883,156
	<u>210,835,675,997</u>	<u>196,655,897,163</u>
Bills purchased and discounted		
Bank Asia Limited	19,259,535,874	20,897,034,672
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>19,259,535,874</u>	<u>20,897,034,672</u>
	<u>230,095,211,871</u>	<u>217,552,931,835</u>

9 Fixed assets including premises, furniture and fixtures

Conventional and Islamic banking (Note 9.1)	7,025,602,707	5,431,553,592
Off-shore banking unit	-	-
	<u>7,025,602,707</u>	<u>5,431,553,592</u>

9.1 Conventional and Islamic banking

Cost:

Land	2,646,764,306	2,646,764,306
Building	2,752,485,492	2,752,485,491
Furniture and fixtures	1,392,511,972	1,355,809,379

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
Equipments	1,260,865,987	1,033,724,535
Computer and accessories	546,994,266	513,104,363
Motor vehicles	222,685,296	262,179,818
Intangible assets	24,000,000	-
Construction work in progress	667,935,308	379,079,065
Right-of-use assets	1,739,075,475	-
	11,253,318,102	8,943,146,959
Less: Accumulated depreciation	4,174,000,131	3,457,878,103
Adjustment of assets revaluation	53,715,264	53,715,264
Written down value at the end of the year - Details are shown in Annex C.	7,025,602,707	5,431,553,592

9(a) Consolidated Fixed assets including premises, furniture and fixtures

Bank Asia Limited	7,025,602,707	5,431,553,592
Bank Asia Securities Limited	35,734,740	7,771,251
BA Exchange Company (UK) Limited	1,797,251	2,975,027
BA Express USA, Inc	2,758,533	3,567,964
	7,065,893,231	5,445,867,834

10 Other assets

Conventional and Islamic banking (Note 10.1)	12,794,895,226	9,694,314,078
Off-shore banking unit	49,093,897	30,449,503
	12,843,989,123	9,724,763,581

10.1 Conventional and Islamic banking

Income generating other assets		
Investment in Bank Asia Securities Ltd - incorporated in Bangladesh	1,999,990,000	1,999,990,000
Investment in BA Exchange Company (UK) Limited - incorporated in UK	33,300,000	31,800,000
Investment in BA Express USA Inc - incorporated in USA	81,504,000	80,544,000
	2,114,794,000	2,112,334,000

Non-income generating other assets		
Income receivable (Note 10.2)	1,007,575,087	667,109,668
Stock of stamps	8,488,149	7,423,486
Stationery, printing materials, etc	64,887,379	51,495,808
Prepaid expenses	1,802,233	14,619,641
Deposits and advance rent	340,391,863	323,031,650
Advances, prepayments and others (Note 10.3)	244,111,397	267,763,746
Advance income tax (Note 10.4)	7,236,912,463	5,185,175,810
Receivable against government	138,341,463	506,000,150
Sundry debtors	62,639,097	64,944,699
Branch adjustment account (Note 10.5)	1,152,362,220	130,417,688
Protested bills	68,035,265	68,035,265
Receivable from BA Exchange Company (UK) Limited	83,868,721	71,073,212
Receivable from BA Express USA Inc	219,844,009	206,003,095
Excise duty recoverable	50,841,880	18,886,160
	10,680,101,226	7,581,980,078
	12,794,895,226	9,694,314,078

10.2 income receivable

Income receivable consists of interest accrued on investment and other income.

10.3 Advances, prepayments and others

Advances, prepayments and others account consists of advance amount paid for purchasing of fixed assets, advance payment of rent for new branches of the Bank, advance against salary and legal expenses, etc.

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
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10.4 Advance income tax

Advance income tax represents the tax payment to the government exchequer.

10.5 Branch adjustment accounts

This 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 2019 are given below:

Periods of Reconciliation	Number of responded entries (Debit)	Amount of responded entries (Taka)	Number of responded entries (Credit)	Amount of responded entries (Taka)
Up to 3 months	43	1,126,423,486	116	41,194,135
More than 3 months but within 6 months	-	-	4	30,525
More than 6 months but within 1 year	-	-	-	-
More than 1 year but within 5 years	-	-	-	-
Above 5 years	-	-	-	-
	43	1,126,423,486	120	41,224,660

10.6 Receivable from Government in connection with Rangs Properties:

The Bank has a receivable from Government in connection with demolition of Rangs Bhaban in 2008 situated at 113-116 Old Airport Road, Dhaka-1215. Bank Asia had a purchased floor at 3rd floor of the Building, where from the then Scotia Branch used to run. Total receivable in this regard is Tk. 3,19,52,365 (Taka three crore nineteen lac fifty two thousand three hundred sixty five) which was eventually written-off from the Book considering uncertainty and prolonged legal proceedings.

10 (a) Consolidated Other assets

Bank Asia Limited	12,843,989,123	9,724,763,581
Bank Asia Securities Limited	302,091,372	344,853,599
BA Exchange Company (UK) Limited	2,376,043	2,236,204
BA Express USA, Inc	78,843,426	101,661,544
	13,227,299,964	10,173,514,928
Less: Inter- companies transactions		
Investment in Bank Asia Securities Limited	1,999,990,000	1,999,990,000
Investment in BA Exchange Company (UK) Limited	32,553,000	30,995,250
Investment in BA Express USA, Inc	80,496,000	79,440,000
Receivable from BA Exchange Company (UK) Limited	83,868,721	71,073,212
Receivable from BA Exchange USA, Inc.	219,844,009	206,003,095
	10,810,548,234	7,786,013,371

10(aa) Demutualization membership of Dhaka Stock Exchange

The majority owned (99.99%) subsidiary company of the Bank, Bank Asia Securities Limited (BASL) has acquired the membership of Dhaka Stock Exchange for Tk.153,119,000. As per the scheme of Demutualization of DSE, BASL being the initial shareholders of DSE, is entitled to receive 7,215,106 shares of Tk. 10 each, totaling Tk. 72,151,060.

Under section 14(Ka) of Demutualization Act 2013, Share Purchase Agreement (SPA) executed between Dhaka Stock Exchange Ltd. (DSE) and its strategic investors namely Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE) and completed the sale of 25% (Twenty-five percent) DSE shares to SZSE and SSE. In this connection, BASL sold 1,803,777 number of share at the rate of Tk.21 per share totaling Tk. 37,879,317. Currently BASL holding 5,411,329 shares at a cost of totaling Tk. 114,839,239

The Scheme is not yet completed and these shares are also currently not traded. Hence the actual fair value is not readily ascertainable. However, management expect the fair value to be similar or more that the current revalued amount. Once more clarity about the Scheme and related factors are available a determination of fair value and related adjustments including impairment assessment, if any shall be made at that time.

11 Borrowings from other banks, financial institutions and agents

Conventional and Islamic banking (Note 11.1)	15,905,617,561	11,261,104,814
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Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
Off-shore banking unit (Note 11.2)	19,615,869,735	20,980,469,299
Less: Adjustment with Head Office	(1,139,358,801)	(922,900,000)
	<u>34,382,128,495</u>	<u>31,318,674,113</u>
11.1 Conventional and Islamic banking		
In Bangladesh (Note 11.1.1)	15,905,617,561	11,261,104,814
Outside Bangladesh	-	-
	<u>15,905,617,561</u>	<u>11,261,104,814</u>
11.1.1 In Bangladesh		
Secured:	-	-
Un secured:		
Money at call and on short notice		
Arab Bangladesh Bank Limited	1,500,000,000	-
	<u>1,500,000,000</u>	<u>-</u>
Borrowings		
Bangladesh Bank (BB) refinance	206,595,589	54,294,895
Borrowing from BB under Long Term Financing Facilities (LTFF) scheme	459,465,745	568,099,155
SME Foundation Pre Finance	23,422,607	54,092,607
Borrowing A/C (AGRI Taka 10)	31,223,040	6,852,836
Bio-Gas Plant refinance	-	183,330
Borrowing- Green finance refinance	50,000,000	90,000,000
Export development fund	13,634,910,580	10,487,581,991
Onshore export discount	137,586,963	94,182,403
	<u>14,543,204,524</u>	<u>11,355,287,217</u>
Less : Inter borrowings between OBU and Conventional Banking	(137,586,963)	(94,182,403)
	<u>15,905,617,561</u>	<u>11,261,104,814</u>
11.2 Borrowing at Off-shore banking unit		
Secured:	-	-
Un secured:		
Conventional Banking	1,125,267,792	910,250,000
International Finance Corporation	6,708,000,000	3,310,000,000
Borrowing - ECA	362,158,541	408,465,717
Standard Chartered Bank, Singapore	2,728,059,750	3,361,439,468
First Gulf Bank	419,250,000	1,655,000,000
National Bank of Ras Al Khaimah	1,844,700,000	1,903,250,000
Emirates Islami Bank	-	1,158,500,000
United Bank Limited, UAE	838,500,000	993,000,000
Caixa Bank, Barcelona	-	1,271,391,688
Bank Of Tokyo-Mitsubishi	-	2,482,500,000
HDFC, Gift City, Mumbai	1,257,750,000	372,375,000
Emirates NBD Bank PJSC	-	827,500,000
Noor Islami Bank, Dubai, UAE	1,090,050,000	-
Abu Dhabi Commercial bank	838,500,000	1,034,375,000
ID-Valvitalia Spa	-	104,959,926
Habib AG Zurich	-	500,637,500
State Bank of India	-	273,075,000
Nepal Bangladesh Bank Limited	-	413,750,000

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
The Commercial Bank, Qatar	503,100,000	-
DBS Bank Singapore	1,509,300,000	-
Banca Valsabbina SCPA Vestone Italy	108,239,902	-
Sanima Bank, Nepal	282,993,750	-
	<u>19,615,869,735</u>	<u>20,980,469,299</u>

11(a) Consolidated Borrowings from other banks, financial institutions and agents

Bank Asia Limited	34,382,128,495	31,318,674,113
Bank Asia Securities Limited	1,853,724,468	2,120,125,642
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>36,235,852,963</u>	<u>33,438,799,755</u>
Less: Inter-company transactions	<u>1,853,724,468</u>	<u>2,058,883,156</u>
	<u>34,382,128,495</u>	<u>31,379,916,599</u>

11(aa) Subordinated Non-Convertible Bonds

Subordinated Non-Convertible Zero Coupon Bond

Agrani Bank Limited	120,000,000	160,000,000
BRAC Bank Limited	60,000,000	80,000,000
Janata Bank Limited	150,000,000	200,000,000
Mercantile Bank Limited	300,000,000	400,000,000
One Bank Limited	360,000,000	480,000,000
Pubali Bank Limited	150,000,000	200,000,000
Rupali Bank Limited	360,000,000	480,000,000
Sonali Bank Limited	300,000,000	400,000,000
	<u>1,800,000,000</u>	<u>2,400,000,000</u>

Subordinated Non-Convertible floating rate bond

Agrani Bank Limited	250,000,000	250,000,000
Dhaka Bank Limited	750,000,000	750,000,000
Janata Bank Limited	250,000,000	250,000,000
National Life Insurance Co	500,000,000	500,000,000
Pubali Bank Limited	1,000,000,000	1,000,000,000
Sabinco	150,000,000	150,000,000
Sadharan Bima Corporation	100,000,000	100,000,000
Sonali Bank Limited	1,000,000,000	1,000,000,000
Southeast Bank Limited	500,000,000	500,000,000
Uttara Bank Limited	500,000,000	500,000,000
	<u>5,000,000,000</u>	<u>5,000,000,000</u>

Subordinated Non-Convertible floating rate bond

Agrani Bank Limited	2,500,000,000	-
Eastern Bank Limited	1,000,000,000	-
Trust Bank Limited	500,000,000	-
Dutch-Bangla Bank Limited	500,000,000	-
Pubali Bank Limited	500,000,000	-
	<u>5,000,000,000</u>	<u>-</u>
	<u>11,800,000,000</u>	<u>7,400,000,000</u>

11.3 Maturity-wise grouping (Note 11 and Note 11 aa)

Payable on demand	4,207,328,495	4,076,274,113
Up to 1 month	-	-
More than 1 month but within 3 months	11,386,200,000	13,952,500,000
More than 3 months but within 1 year	17,036,200,000	10,117,500,000

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
More than 1 year but within 5 years	3,352,400,000	9,572,400,000
More than 5 years	10,200,000,000	1,000,000,000
	<u>46,182,128,495</u>	<u>38,718,674,113</u>

11.4 Disclosure regarding REPO

Disclosure regarding REPO transactions of the bank are given as per Bangladesh Bank, DOS Circular No. 6 dated July 15, 2010

a (i) Disclosure regarding outstanding REPO as on 31 December

Sl. #	Counter party name	Agreement date	Reversal Date	Amount (Taka)
NIL				
Total				-

(ii) Disclosure regarding outstanding Reverse REPO as on 31 December

Sl. #	Counter party name	Agreement date	Reversal Date	Amount (Taka)
1	Brac Bank Limited	30-Dec-19	2-Jan-20	1,003,285,998
2	Jamuna Bank Limited	30-Dec-19	2-Jan-20	492,985,000
Total				1,496,270,998

b Disclosure regarding overall transaction of REPO & Reverse REPO

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under repo:			
i) with Bangladesh Bank	-	-	-
ii) with other banks & FIs	-	-	-
Securities purchased under reverse repo:			
i) with Bangladesh Bank	-	-	-
ii) with other banks & FIs	-	-	-

12 Deposits and other accounts

Conventional and Islamic banking (Note 12.1)	253,114,207,271	222,012,507,650
Off-shore banking unit	595,367,344	459,208,594
	<u>253,709,574,615</u>	<u>222,471,716,244</u>

Deposits and other accounts

Current/Al-wadeeah current accounts and other accounts

Deposits from banks	-	-
Deposits from customers	47,005,242,314	46,831,596,579
Off-shore banking unit	448,441,616	393,033,599
	47,453,683,930	47,224,630,178

Bills payable

Deposits from banks	-	-
Deposits from customers	3,742,697,471	4,124,678,804
	3,742,697,471	4,124,678,804

Savings bank/Mudaraba savings bank deposits

Deposits from banks	-	-
Deposits from customers	48,293,710,027	39,558,517,712
	48,293,710,027	39,558,517,712

Fixed deposits/Mudaraba fixed deposits

Deposits from banks	1,654,615	1,958,989
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Notes to the financial statements

	Amount in Taka	
	31 Dec 2019	31 Dec 2018
Deposits from customers	154,070,902,844	131,495,755,566
Off-shore banking unit	146,925,728	66,174,995
	<u>154,219,483,187</u>	<u>131,563,889,550</u>
	<u>253,709,574,615</u>	<u>222,471,716,244</u>
12.1 Conventional and Islamic banking		
Deposits from banks (Note 12.1.1)	1,654,615	1,958,989
Deposits from customers (Note 12.1.2)	253,112,552,656	222,010,548,661
	<u>253,114,207,271</u>	<u>222,012,507,650</u>
12.1.1 Deposits from banks		
Fixed deposit/SND		
AB Bank Limited	40,107	40,056
EXIM Bank Limited	456,585	784,438
Social Islami Bank Limited	577,859	566,168
Trust Bank Limited	580,064	568,327
	<u>1,654,615</u>	<u>1,958,989</u>
12.1.2 Deposits from customers		
Current/Al-wadeeah current accounts and other accounts (Note 12.1.2a)	47,005,242,314	46,831,596,579
Bills payable (Note 12.1.2b)	3,742,697,471	4,124,678,804
Savings bank/Mudaraba savings deposits	48,293,710,027	39,558,517,712
Fixed deposits/Mudaraba fixed deposits (Note 12.1.2c)	154,070,902,844	131,495,755,566
	<u>253,112,552,656</u>	<u>222,010,548,661</u>
12.1.2a Current/Al-wadeeah current accounts and other accounts		
Current/Al-wadeeah current accounts	17,441,207,887	16,626,865,081
Other demand deposit - Local currency	22,733,007,110	23,221,634,537
Other demand deposit - Foreign currencies	5,227,954,342	5,456,866,477
Foreign currency deposits	1,603,072,975	1,526,230,484
Export retention quota	-	-
	<u>47,005,242,314</u>	<u>46,831,596,579</u>
12.1.2b Bills payable		
Bills payable - local currency	3,669,925,828	4,114,942,932
Bills payable - foreign currencies	72,771,643	9,735,872
Demand draft	-	-
	<u>3,742,697,471</u>	<u>4,124,678,804</u>
12.1.2c Fixed deposits/Mudaraba fixed deposits		
Fixed deposits/Mudaraba fixed deposits	91,651,024,581	78,423,944,865
Special notice deposit	27,251,216,317	19,471,499,885
Foreign currency deposits (interest bearing)	3,364,448	3,314,296
Deposit under schemes	35,165,297,498	33,596,996,520
	<u>154,070,902,844</u>	<u>131,495,755,566</u>
12.2 Payable on demand and time deposits		
a) Demand deposits		
Current/Al-wadeeah current accounts and other accounts	17,889,649,503	17,019,898,680
Savings bank/Mudaraba savings deposits	4,346,433,902	3,560,266,594
Foreign currency deposits (non interest bearing)	6,831,027,317	6,983,096,961
Sundry deposits	22,733,007,110	23,221,634,537
Bills payable	3,742,697,471	4,124,678,804
	<u>55,542,815,303</u>	<u>54,909,575,576</u>
b) Time deposits		
Savings bank/Mudaraba savings deposits	43,947,276,125	35,998,251,118

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
Fixed deposits/Mudaraba fixed deposits	91,799,604,924	78,492,078,849
Foreign currency deposits (interest bearing)	3,364,448	3,314,296
Special notice deposit	27,251,216,317	19,471,499,885
Security deposits	-	-
Deposits under schemes	35,165,297,498	33,596,996,520
	<u>198,166,759,312</u>	<u>167,562,140,668</u>
	<u>253,709,574,615</u>	<u>222,471,716,244</u>

12.3 Sector-wise break-up of deposits and other accounts

Government	6,526,196,000	3,689,607,000
Deposit from banks	1,654,615	1,958,989
Other public	3,066,290,000	1,950,668,000
Foreign currencies	7,502,530,752	7,455,355,723
Private	<u>236,612,903,248</u>	<u>209,374,126,532</u>
	<u>253,709,574,615</u>	<u>222,471,716,244</u>

12.4 Maturity-wise grouping

12.4.1 Deposits from banks

Payable on demand	1,654,615	1,958,989
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	-	-
	<u>1,654,615</u>	<u>1,958,989</u>

12.4.2 Customer deposits excluding bills payable

Payable on demand	3,883,700,000	3,883,700,000
Up to 1 month	39,968,110,662	35,497,257,255
Over 1 month but within 6 months	44,028,283,127	46,478,121,196
Over 6 months but within 1 year	69,390,930,219	44,430,000,000
Over 1 year but within 5 years	76,241,136,231	66,740,000,000
Over 5 years	16,453,062,291	21,316,000,000
	<u>249,965,222,529</u>	<u>218,345,078,451</u>

12.4.3 Bills payable

Payable on demand	444,200,000	444,200,000
Up to 1 month	8,600,000	8,600,000
Over 1 month but within 6 months	3,289,897,471	3,671,878,804
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years	-	-
	<u>3,742,697,471</u>	<u>4,124,678,804</u>
	<u>253,709,574,615</u>	<u>222,471,716,244</u>

12(a) Consolidated Deposits and other accounts

Current/Al-wadeeah current accounts and other accounts

Bank Asia Limited	47,453,683,930	47,224,630,178
Bank Asia Securities Limited	375,008,705	277,688,606
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>47,828,692,635</u>	<u>47,502,318,784</u>
Less: Inter-company transactions	<u>7,056,652</u>	<u>14,513,073</u>

Notes to the financial statements

	Amount in Taka	
	31 Dec 2019	31 Dec 2018
	47,821,635,983	47,487,805,711
Bills payable		
Bank Asia Limited	3,742,697,471	4,124,678,804
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	3,742,697,471	4,124,678,804
Savings bank/Mudaraba savings bank deposits		
Bank Asia Limited	48,293,710,027	39,558,517,712
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	48,293,710,027	39,558,517,712
Fixed deposits/Mudaraba fixed deposits		
Bank Asia Limited	154,219,483,187	131,563,889,550
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	154,219,483,187	131,563,889,550
	254,077,526,668	222,734,891,777
13 Other liabilities		
Conventional and Islamic banking (Note 13.1)	29,159,473,351	22,760,876,373
Off-shore banking unit	4,079,318	-
	29,163,552,669	22,760,876,373
13.1 Conventional and Islamic banking		
Provision for loans and advances/investments (Note 13.2)	12,279,116,920	8,984,001,791
Provision on off-balance sheet exposures (Note 13.3)	961,650,585	1,158,027,498
Interest suspense account (Note 13.4)	2,014,114,905	1,689,435,106
Provision for income tax including deferred tax (Note 13.5)	10,575,874,451	8,615,874,451
Provision for performance and festival bonus	288,426,987	295,012,168
Master card and Visa card payables	37,032,028	14,655,334
Expenditures and other payables	385,368,729	293,552,352
Provision for nostro accounts (Note 13.6)	-	-
Other payable	82,626,079	71,027,834
Provision for profit equalisation	19,403,976	24,152,568
Provision for diminution in value of shares (Note 13.7)	183,383,553	263,383,553
Payable to Government	8,357,621	299,677,621
Provision for others (Note 13.8)	172,218,755	147,218,755
Rebate payable on good borrowers	67,700,000	67,700,000
Unearned income	665,377,497	526,091,282
Interest payable on subordinated non-convertible zero coupon bond	230,843,837	208,496,877
Fraction Bonus Share	2,768,571	2,768,571
ATM/POS settlement account	76,439,468	99,800,612
Lease liabilities (Note 13.9)	1,108,769,389	-
	29,159,473,351	22,760,876,373
13.2 Provision for loans and advances/investments		
A. General provision - Conventional and Islamic		

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
Balance as at 1 January	4,882,892,695	3,949,633,111
Add: Provision made during the year	2,780,517,628	933,259,584
Transfer from diminution value of share	80,000,000	-
Less: Provision no longer required		
Specific provision	-	-
Written off	(264,669,768)	-
	(264,669,768)	-
Conventional and Islamic Balance at the end of the year	7,478,740,555	4,882,892,695
B. General provision - OBU		
Balance at the beginning of the year	208,349,718	151,553,412
Add: Provision made during the year	-	56,796,306
Less: Provision no longer required	(12,630,144)	-
OBU Balance at the end of the year	195,719,574	208,349,718
C. Total general provision on loans and advances/investments (A+B)	7,674,460,129	5,091,242,413
D. Specific provision		
Balance as at 1 January	3,892,759,378	3,739,999,617
Less: Write off/amicable settlement during the year	(2,239,228,388)	(2,554,303,945)
Add/ Back: Recoveries of amounts previously written off	145,983,239	102,546,693
Specific provision made during the year	2,805,142,562	2,604,517,014
	2,951,125,801	2,707,063,706
Total specific provision on loans and advances/investments	4,604,656,791	3,892,759,378
E. Total provision on loans and advances/investments (C+D)	12,279,116,920	8,984,001,791

13.3 Provision on off-balance sheet exposures

Balance at 1 January	1,157,621,318	1,330,412,915
Add: Provision made during the year	-	-
	1,157,621,318	1,330,412,915
Less: Adjustments made during the year	(196,284,055)	(172,791,597)
Balance at the end of the year	961,337,263	1,157,621,318
General provision maintained for OBU as at 01 January	406,180	586,555
Less: Adjustments made during the year	(92,858)	(180,375)
	313,322	406,180
Balance at the end of the year	961,650,585	1,158,027,498

As per BRPD circular letter no. 01 dated 03 Jan 2018, Letter of Credit for fast-track projects from Bangladesh Power Development Board are exempted from 1% off-balance sheet provision charging and as per BRPD Circular No. 07, dated 21 June 2018 no provision required for bills for collection and for counter guarantee provision is maintained based on BB rating grade.

13.4 Interest suspense account

Balance at 1 January	1,689,435,106	1,709,429,069
Add: Amount transferred to "interest suspense" account during the year	818,341,563	1,703,374,813
	2,507,776,669	3,412,803,882
Less: Amount of interest suspense recovered	353,260,126	1,530,425,841
Interest waiver during the year	140,401,638	192,942,935
	493,661,764	1,723,368,776
Balance as at 31 December	2,014,114,905	1,689,435,106

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018		
13.5 Provision for taxation				
Current tax (Note 13.5.1)	10,103,853,086	8,143,853,086		
Deferred tax (Note 13.5.2)	472,021,365	472,021,365		
	<u>10,575,874,451</u>	<u>8,615,874,451</u>		
13.5.1 Provision for current tax				
Balance at 1 January	8,143,853,086	8,805,454,026		
Add: Provision made during the year	1,960,000,000	2,350,000,000		
	10,103,853,086	11,155,454,026		
Less: Adjustments made during the year	-	3,011,600,940		
	<u>10,103,853,086</u>	<u>8,143,853,086</u>		
13.5.1(a) Consolidated Provision for current tax				
Balance as at 1 January	8,438,505,719	9,054,176,122		
Add: Provision made during the year				
Bank Asia Limited	1,960,000,000	2,350,000,000		
Bank Asia Securities Limited	59,469,389	45,930,537		
BA Exchange Company (UK) Limited	-	-		
BA Express USA, Inc	-	-		
	<u>2,019,469,389</u>	<u>2,395,930,537</u>		
	10,457,975,108	11,450,106,659		
Less: Adjustments made during the year				
Bank Asia Limited	-	3,011,600,940		
Bank Asia Securities Limited	-	-		
BA Exchange Company (UK) Limited	-	-		
BA Express USA, Inc	-	-		
	<u>-</u>	<u>3,011,600,940</u>		
Balance as at 31 December	<u>10,457,975,108</u>	<u>8,438,505,719</u>		
13.5.2 Provision for deferred tax				
Balance at 1 January	472,021,365	472,021,365		
Provision made for deferred tax liabilities				
Provision made for deferred tax assets	-	-		
Balance as at 31 December	<u>472,021,365</u>	<u>472,021,365</u>		
13.5.2 (a) Deferred Tax (asset)/liability				
Particulars	Book value	Tax Base	(Deductible)/ Taxable	Deferred tax (Asset)/ Liability
Balance as at December 31, 2018				
Deferred Tax Asset				(686,957,303)
Deferred Tax Liability				457,431,300
Net Deferred Tax Asset 2018				<u>(229,526,003)</u>
Balance as at Dec 31, 2019				
Loan loss provision (Note 13.2)	4,604,656,791		-	(970,232,060)
Deferred tax assets (a)			(2,587,285,494)	<u>(970,232,060)</u>

Notes to the financial statements

Amount in Taka

			31 Dec 2019	31 Dec 2018
Particulars	Book value	Tax Base	(Deductible)/ Taxable	Deferred tax (Asset)/ Liability
Interest receivable	1,007,575,087	-	1,007,575,087	377,840,658
Fixed assets	2,883,180,789	2,289,682,371	574,925,971	215,597,239
Deferred tax liability (b)				593,437,897
Net Deferred Tax Asset 2019 (a+b)				(376,794,164)
Movement for the year 2019				
Opening deferred tax assets				(686,957,303)
Closing deferred tax assets				(970,232,060)
Charge for the year				(283,274,757)
Opening deferred tax liabilities				457,431,300
Closing deferred tax liabilities				593,437,897
Charge for the year				136,006,597
Total charge during the year				(147,268,161)

As per Bangladesh Bank, BRPD circular no. 11 dated December 12, 2011 deferred tax assets may be recognized but restrictions are to be followed if deferred tax assets is calculated and recognized based on the provisions against classified loan, advances; such as i. amount of the net income after tax increased due to recognition of deferred tax assets on such provision will not be distributed as divided. ii. the amount of deferred tax assets recognized on such provisions should be deducted while calculating the Regulatory Eligible Capital. iii. a description should be provided regarding deferred tax assets recognized on loan loss provision in the notes to the financial statements. On the other hand, deferred tax liabilities must be recognized for those items which are mentioned to recognize in IAS. Hence, the bank did not recognize deferred tax assets but recognize deferred tax liabilities when it arises.

13.6 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 unrecognized entries are shown in Annex I.

13.7 Provision for diminution in value of shares

Balance as at 1 January	263,383,553	253,383,553
Less: Transfer to general provision for loans and advances/investments	-	-
Add: Provision for impairment loss of investment in subsidiaries	(80,000,000)	10,000,000
Balance as at 31 December	183,383,553	263,383,553
Provision requirement for quoted and unquoted share including subsidiaries (Annex B)	169,694,780	117,455,432
Provision maintained	183,383,553	263,383,553
Surplus provision maintained	13,688,773	145,928,121

13.8 Provision for others

Balance at the beginning of the year	147,218,755	134,718,755
Adjustment	-	-
Add: Provision made during the year	25,000,000	12,500,000
Balance at the end of the year	172,218,755	147,218,755
Provision requirement	167,112,000	139,266,000
Provision maintained	172,218,755	147,218,755

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
Surplus provision maintained	5,106,755	7,952,755

(Provision for others made for legal expenses, protested bills, expenditure related unreconciled entries and other assets that classified as bad and loss as per Bangladesh Bank BRPD Circular 14 dated June 25, 2001.)

13.9 Lease liabilities

Balance as at 1 January	1,405,418,936	-
Add: Interest charge during the year	126,487,704	-
Less: Payment made during the year	423,137,251	-
Balance as at 31 December	<u>1,108,769,389</u>	<u>-</u>
Lease liabilities - non current portion	975,063,036	-
Lease liabilities - current portion	133,706,353	-
	<u>1,108,769,389</u>	<u>-</u>

The lease liabilities represents the present value of the lease payments discounting using the incremental borrowing rate as per IFRS 16 against which right-of- use assets has been arisen (ref: Annex C).

13(a) Consolidated Other liabilities

Bank Asia Limited	29,163,552,669	22,760,876,373
Bank Asia Securities Limited	1,704,550,663	1,751,860,673
BA Exchange Company (UK) Limited	92,327,339	88,500,221
BA Express USA, Inc	217,275,726	199,062,632
Foreign currency effect for subsidiaries	-	-
	<u>31,177,706,397</u>	<u>24,800,299,899</u>
Less: Inter- companies transactions		
Receivable from BASL	-	-
Receivable from BA Exchange (UK) Limited	83,868,721	71,073,212
BA Express USA, Inc	219,844,009	206,003,095
	<u>30,873,993,667</u>	<u>24,523,223,592</u>

14 Share capital

14.1 Authorized capital

1,500,000,000 ordinary shares of Taka 10 each	<u>15,000,000,000</u>	<u>15,000,000,000</u>
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14.2 Issued, subscribed and fully paid up capital

56,372,480 ordinary shares of Taka 10 each issued for cash	563,724,800	563,724,800
364,010,770 (2010: 243,901,270) ordinary shares of Taka 10 each		
Issued as bonus shares	3,640,107,700	3,640,107,700
Right shares issued 25% for the year 2010	1,050,958,100	1,050,958,100
Issued as bonus shares 20% for the year 2011	1,050,958,120	1,050,958,120
Issued as bonus shares 10% for the year 2012	630,574,870	630,574,870
Issued as bonus shares 10% for the year 2013	693,632,350	693,632,350
Issued as bonus shares 10% for the year 2014	762,995,590	762,995,590
Issued as bonus shares 5% for the year 2015	419,647,570	419,647,570
Issued as bonus shares 12% for the year 2016	1,057,511,890	1,057,511,890
Issued as bonus shares 12.50% for the year 2017	1,233,763,870	1,233,763,870
Issued as bonus shares 5% for the year 2018	555,193,740	-
	<u>11,659,068,600</u>	<u>11,103,874,860</u>

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 to risk-weighted asset

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated December 21, 2014		
Common Equity Tier -1 capital (Going-Concern Capital)	In line of Basel III	In line of Basel III
Paid up capital	11,659,068,600	11,103,874,860
Statutory reserve (Note 15)	9,052,555,407	8,268,393,179
General reserve	8,166,144	8,166,144
Retained earnings (Note 17)	1,959,644,131	1,839,667,438
	22,679,434,282	21,220,101,622
Less: Regulatory adjustments		
Reciprocal crossholding in the CET - 1 Capital of Banking, Financial and Insurance Entities	43,436,430	54,732,730
Common Equity Tier -1 capital (Going-Concern Capital)	22,635,997,852	21,165,368,892
Additional Tier 1 Capital	-	-
Total Tier- 1 Capital	22,635,997,852	21,165,368,892
Tier - 2 Capital (Gone-Concern Capital)		
General provision maintained against unclassified loan/investments	7,674,460,129	5,091,242,413
General provision on off-balance sheet exposure	961,650,585	1,158,027,498
Subordinated non-covertable zero coupon bonds	11,800,000,000	7,400,000,000
Revaluation reserve of securities and fixed assets	1,341,296,217	1,341,296,217
	21,777,406,931	14,990,566,128
Less: Regulatory adjustments		
100 % of revaluation reserve for fixed assets, securities and equity securities	1,341,296,217	1,073,036,973
Total Tier- 2 Capital	20,436,110,714	13,917,529,155
Maximum Limit of Tier-2Capital (Tier 2 Capital can be maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher)	20,121,138,491	13,917,529,155
Excess Amount over Maximum Limit of Tier-2	314,972,223	-
Total admissible Tier-2 Capital	20,121,138,491	13,917,529,155
A) Total capital	42,757,136,343	35,082,898,046
B) Total risk weighted assets (RWA)	238,427,232,656	233,085,627,587
C) Required capital	23,842,723,266	23,308,562,759
D) Capital surplus (A-C)	18,914,413,077	11,774,335,287
E) Minimum total capital plus capital conservation buffer requirement @ 12.50% (2018 @ 11.875%)	29,803,404,082	27,678,918,276
F) Capital surplus (A-E) with capital conservation buffer	12,953,732,261	7,403,979,770
Capital to risk weighted asset ratio		
Common Equity Tier- 1 to RWA (minimum 4.5% under Basel III)	9.49%	9.08%
Tier- 1 to RWA (minimum 6% under Basel III)	9.49%	9.08%
Capital to Risk Weighted Assets against minimum requirement 10%	17.93%	15.05%

14.4 (a) Consolidated capital to risk-weighted asset

The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated December 21, 2014.

	In line of Basel III	In line of Basel III
Common Equity Tier -1 capital (Going-Concern Capital)		
Paid up capital	11,659,068,600	11,103,874,860
Non-controlling (Minority) interest	10,196	11,799
Statutory reserve (Note 15)	9,052,555,407	8,268,393,179
General reserve	8,166,144	8,166,144
Retained earnings (Note 17a)	1,800,257,979	1,686,898,121
	22,520,058,326	21,067,344,104
Less: Regulatory adjustments		
Reciprocal crossholding in the CET - 1 Capital of Banking, Financial and Insurance Entities	43,436,430	54,732,730
Common Equity Tier -1 capital (Going-Concern Capital)	22,476,621,896	21,012,611,374

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
Additional Tier 1 Capital	-	-
Total Tier- 1 Capital	22,476,621,896	21,012,611,374
Tier - 2 Capital (Gone-Concern Capital)		
General provision maintained against unclassified loan/investments	7,674,460,129	5,091,242,413
General provision on off-balance sheet exposure	961,650,585	1,158,027,498
Subordinated non-convertible zero coupon bonds	11,800,000,000	7,400,000,000
Revaluation reserve of securities and fixed assets	1,341,296,217	1,341,296,217
	21,777,406,931	14,990,566,128
Less: Regulatory adjustments		
100 % of revaluation reserve for fixed assets, securities and equity securities	1,341,296,217	1,073,036,973
Total Tier- 2 Capital	20,436,110,714	13,917,529,155
Maximum Limit of Tier-2Capital (Tier 2 Capital can be maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher)	19,979,469,203	13,917,529,155
Excess Amount over Maximum Limit of Tier-2	456,641,511	-
Total admissible Tier-2 Capital	19,979,469,203	13,917,529,155
A) Total capital	42,456,091,099	34,930,140,528
B) Total risk weighted assets (RWA)	242,096,830,071	236,588,929,108
C) Required capital	24,209,683,007	23,658,892,911
D) Capital surplus (A-C)	18,246,408,092	11,271,247,617
E) Minimum total capital plus capital conservation buffer requirement @ 12.50% (2018 @ 11.875%)	30,262,103,759	28,094,935,332
F) Capital surplus (A-E) with capital conservation buffer	12,193,987,340	6,835,205,197
Capital to risk weighted asset ratio		
Common Equity Tier- 1 to RWA (minimum 4.5% under Basel III)	9.28%	8.88%
Tier- 1 to RWA (minimum 6% under Basel III)	9.28%	8.88%
Capital to Risk Weighted Assets against minimum requirement 10%	17.54%	14.76%

14.5 Percentage of shareholdings at the closing date

Category	At 31 December 2019	At 31 December 2019	At 31 December 2018	At 31 December 2018
	No. of shares	%	No. of shares	%
Sponsors & Directors	596,898,621	51.20	580,171,212	52.25
General public	169,727,589	14.56	168,707,497	15.19
Institutions	259,623,630	22.27	255,227,403	22.99
Investment companies	133,181,344	11.42	95,345,747	8.59
Non-resident Bangladeshi	2,129,985	0.18	6,690,904	0.60
Foreign investors	4,345,691	0.37	4,244,723	0.38
	1,165,906,860	100	1,110,387,486	100

14.6 Classification of shareholders by holding

Holding	No. of holders		% of total holding	
	2019	2018	2019	2018
Less than 5,000	6,836	7,767	0.68	0.83
5,000 to 50,000	1,769	2,150	2.10	2.65
50,001 to 100,000	118	149	0.71	0.95
100,001 to 200,000	49	77	0.58	0.95
200,001 to 300,000	27	41	0.58	0.93
300,001 to 400,000	12	9	0.35	0.27
400,001 to 500,000	12	14	0.47	0.59

Notes to the financial statements

Amount in Taka

Holding	No. of holders		% of total holding	
	2019	2018	2019	2018
500,001 to 1,000,000	37	30	2.34	1.9
1,000,001 to 10,000,000	70	80	22.27	24.6
Over 10,000,000	30	27	69.92	66.33
	8,960	10,344	100.00	100.00

14.7 Name of the Directors and their shareholdings as at 31 December 2019

Sl	Name of the director	Status	Closing position	Opening position
1	Mr. A Rouf Chowdhury	Chairman	23,350,148	22,238,237
2	Mr. Mohd Safwan Choudhury (Representing Phulbari Tea Estates Ltd)	Vice Chairman	45,666,246	43,491,664
3	Mr. Romo Rouf Chowdhury	Vice Chairman	23,323,746	22,213,092
4	Mr. Rume A Hossain	Director	34,416,554	32,177,671
5	Mrs. Hosneara Sinha	Director	53,184,729	50,652,123
6	Ms. Naheed Akhter Sinha	Director	55,842,838	53,183,656
7	Ms. Romana Rouf Chowdhury (Representing Maya Limited)	Director	41,679,196	39,694,473
8	Maj. Gen. Mohammad Matiur Rahman (Retd.) (Representing Sinha Fashions Limited)	Director	23,401,435	22,287,081
9	Ms. Farhana Haq	Director	54,907,244	52,211,661
10	Mr. Enam Chowdhury (Representing Amiran Generations Limited)	Director	47,558,630	45,293,934
11	Mr. M Shahjahan Bhuiyan (Independent Director)	Director	-	-
12	Mr. Md. Nazrul Huda (Independent Director)	Director	-	-
13	Mr. Dilwar H Choudhury (Independent Director)	Director	-	-
14	Mr. Ashraful Haq Chowdhury (Independent Director)	Director	-	-

15 Statutory reserve

Balance at the beginning of the year	8,268,393,179	7,345,137,782
Add: Addition during the year (20% of pre-tax profit)	784,162,228	923,255,397
Balance at the end of the year	9,052,555,407	8,268,393,179

16 Revaluation reserve

HTM securities (Note 16.1)	20,176,016	16,504,049
HFT securities (Note 16.2)	7,434,933	11,740,204
Fixed Assets revaluation (Note 16.3)	2,038,072,687	2,091,787,951
	2,065,683,636	2,120,032,204

16.1 Revaluation reserve on HTM securities

Balance at 1 January	16,504,049	8,880,978
Gain from revaluation on investments	14,919,561	9,815,237
Adjustment for sale/maturity of securities	(11,247,594)	(2,192,166)
	20,176,016	16,504,049

16.2 Revaluation reserve on HFT securities

Balance at 1 January	11,740,204	-
Gain from revaluation on investments	492,331,474	934,571,047
Adjustment for sale/maturity of securities	(496,636,745)	(922,830,843)
	7,434,933	11,740,204

16.3 Revaluation reserve on Fixed Assets

Balance at 1 January	2,091,787,951	2,145,503,215
Depreciation charged during the year	(53,715,264)	(53,715,264)
	2,038,072,687	2,091,787,951

16 (a) Consolidated Revaluation reserve

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
Bank Asia Limited	2,065,683,636	2,120,032,204
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>2,065,683,636</u>	<u>2,120,032,204</u>
17 Retained earnings		
Balance at 1 January	1,839,667,438	1,676,694,455
Add: Post - tax profit for the year	1,960,811,140	2,266,276,987
Revaluation reserve transferred to retained earnings	53,715,264	53,715,264
	<u>3,854,193,842</u>	<u>3,996,686,706</u>
Less: Issue of bonus shares for the year 2017	-	1,233,763,870
Issue of cash dividend for the year 2018	555,193,743	-
Issue of bonus shares for the year 2018	555,193,740	-
Transfer to statutory reserve	784,162,228	923,255,397
	<u>1,894,549,711</u>	<u>2,157,019,267</u>
	<u>1,959,644,131</u>	<u>1,839,667,438</u>
17(a) Consolidated Retained earnings		
Balance at 1 January	1,686,898,121	1,554,316,722
Add: Foreign exchange revaluation reserve for opening retained earnings	(3,618,945)	2,494,969
Revaluation reserve transferred to retained earnings	53,715,264	53,715,264
Post- tax profit for the year	1,957,811,647	2,233,390,509
Adjustment of non controlling interest	1,693	-
Less: Non controlling interest	90	76
	<u>3,694,807,690</u>	<u>3,843,917,389</u>
Less: Issue of bonus shares for the year 2017	-	1,233,763,870
Issue of cash dividend for the year 2018	555,193,743	-
Issue of bonus shares for the year 2018	555,193,740	-
Transferred to statutory reserve	784,162,228	923,255,397
	<u>1,894,549,711</u>	<u>2,157,019,267</u>
	<u>1,800,257,979</u>	<u>1,686,898,121</u>
17(b) Non-controlling (Minority) interest		
Bank Asia Securities Limited	10,196	11,799
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>10,196</u>	<u>11,799</u>
18 Contingent liabilities		
Conventional and Islamic banking	120,585,944,792	137,418,638,484
Off-shore banking unit	31,332,169	40,618,003
	<u>120,617,276,961</u>	<u>137,459,256,487</u>
Acceptances and endorsements (Note 18.1)		
Conventional and Islamic banking	39,190,434,015	48,556,114,935
Off-shore banking unit	2,055,858	13,276,658
	<u>39,192,489,873</u>	<u>48,569,391,593</u>
Letters of guarantee		
Conventional and Islamic banking (Note 18.2)	36,999,351,447	41,312,967,803
Off-shore banking unit	-	-
	<u>36,999,351,447</u>	<u>41,312,967,803</u>
Irrevocable letters of credit		
Conventional and Islamic banking (Note 18.3)	26,439,543,168	30,300,346,429
Off-shore banking unit	29,276,311	27,341,345
	<u>26,468,819,479</u>	<u>30,327,687,774</u>
Bills for collection		
Conventional and Islamic banking (Note 18.4)	15,916,199,719	16,015,469,958

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
Off-shore banking unit	-	-
	15,916,199,719	16,015,469,958
Other commitments		
Conventional and Islamic banking (Note 18.5)	2,040,416,443	1,233,739,359
Off-shore banking unit	-	-
	2,040,416,443	1,233,739,359
	<u>120,617,276,961</u>	<u>137,459,256,487</u>

18.1 Acceptances and endorsements

Conventional and Islamic banking	39,190,434,015	48,556,114,935
Off-shore banking unit	2,055,858	13,276,658
	<u>39,192,489,873</u>	<u>48,569,391,593</u>

18.2 Letters of guarantee

Letters of guarantee (Local)	23,279,766,953	20,747,116,559
Letters of guarantee (Foreign)	13,719,584,494	20,565,851,244
	<u>36,999,351,447</u>	<u>41,312,967,803</u>

Balance for which the Bank is contingently liable in respect of guarantees issued favouring:

Directors or officers	-	-
Government	27,928,576,899	29,036,809,306
Banks and other financial institutions	925,708,758	1,489,804,673
Others	8,145,065,790	10,786,353,825
	<u>36,999,351,447</u>	<u>41,312,967,803</u>

18.3 Irrevocable letters of credit

Letters of credit Back to Back (Inland)	3,394,140,530	2,847,330,194
Letters of credit (General)	19,708,039,248	23,821,302,958
Back to back L/C	3,337,363,390	3,631,713,277
	<u>26,439,543,168</u>	<u>30,300,346,429</u>

18.4 Bills for collection

Local bills for collection	10,467,042,903	9,524,744,721
Foreign bills for collection	5,449,156,816	6,490,725,237
	<u>15,916,199,719</u>	<u>16,015,469,958</u>

18.5 Other commitments

Forward Assets Purchased and Forward Deposits Placed	2,040,416,443	1,233,739,359
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18.6 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 legal advisor 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)	26,103,448,197	23,190,136,141
Dividend income (Note 22.1)	51,407,464	31,854,449

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
Fees, commission and brokerage (Note 19.2)	1,610,106,976	1,489,282,892
Gains/ less Losses arising from dealing securities	-	-
Gains/ less Losses arising from investment securities	1,348,918	154,880
Gains/ less Losses arising from dealing in foreign currencies (Note 23.1)	1,751,261,150	1,501,411,105
Income from non-banking assets	-	-
Other operating income (Note 24)	1,018,730,455	917,723,225
Profit/ less Losses on interest rate changes	-	-
	30,536,303,160	27,130,562,692
Expenses:		
Interest paid/profit shared on deposits and borrowings, etc (Note 21)	14,462,380,548	13,007,993,495
Administrative expenses (Note 19.3)	4,102,698,154	3,921,619,606
Other expenses (Note 34)	1,887,668,330	1,734,164,998
Depreciation on banks assets (Note 33.1)	761,091,855	406,406,674
	21,213,838,887	19,070,184,773
	9,322,464,273	8,060,377,919
19.1 Interest, discount and similar income		
Interest income/profit on investments (Note 20)	22,863,139,585	20,910,683,339
Interest on treasury bills/reverse repo/bills	3,074,953,797	2,051,028,806
Interest income on corporate bonds	141,812,731	153,014,471
Interest on debentures	-	-
Income from investment in shares, bonds etc	-	-
Capital gain on Government securities and assets	23,542,084	75,409,525
	26,103,448,197	23,190,136,141
Figures of previous year have been rearranged, wherever considered necessary, to conform the current year's presentation.		
19.2 Fees, commission and brokerage		
Commission	1,610,106,976	1,489,282,892
Brokerage	-	-
	1,610,106,976	1,489,282,892
19.3 Administrative expenses		
Salaries and allowances (Note 25)	3,266,449,893	2,882,190,002
Rent, taxes, insurance, electricity, etc (Note 26)	440,093,246	684,528,849
Legal expenses (Note 27)	20,534,559	25,213,849
Postage, stamp, telecommunication, etc (Note 28)	124,471,658	108,489,491
Stationery, printing, advertisement, etc (Note 29)	156,689,993	133,450,519
Managing Director's salary and fees (Note 30)	16,572,420	13,900,000
Directors' fees (Note 31)	3,424,000	3,656,000
Auditors' fees (Note 32)	1,478,225	875,500
Repair of Bank's assets (Note 33.1)	72,984,160	69,315,396
	4,102,698,154	3,921,619,606
20 Interest income/profit on investments		
Conventional and Islamic banking (Note 20.1)	21,725,303,785	19,911,597,243
Off-shore banking unit	1,166,103,247	1,081,620,297
	22,891,407,032	20,993,217,540
Less: inter transaction between OBU and Conventional banking	28,267,447	82,534,201
	22,863,139,585	20,910,683,339
20.1 Conventional and Islamic banking		
Agricultural loan	332,659,093	282,113,500
Cash credit/Bai Murabaha (Muajjal)	477,480,468	457,037,796

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
Credit card	415,843,541	324,100,884
Credit for poverty alleviation scheme-micro credit	295,388	92,816
Consumer credit scheme	1,293,440,738	1,143,490,482
Demand loan	3,743,496,347	3,569,955,613
Export Development Fund (EDF)	275,917,006	244,863,066
House building loan	113,021,311	129,927,048
Loans (General)/Musharaka	1,960,409,510	1,557,474,933
Loans against trust receipts/ Bai Murabaha post import	1,342,255,595	1,409,455,469
Overdrafts/ Quard against scheme	4,104,797,684	3,773,890,004
Packing credit	41,612,011	45,821,049
Payment against documents	15,135,149	29,834,321
Staff loan	73,896,843	65,997,862
Transport loan	198,006,038	188,674,213
Term loan- industrial	2,448,635,975	1,930,763,463
Term loan- others/ Hire purchase under Shirkatul Melk	2,534,322,559	2,522,781,275
Foreign bills purchased	19,527,512	11,811,596
Local bills purchased	202,427,713	205,907,068
Total interest/profit on loans and advances/investments	19,593,180,481	17,893,992,458
Interest/profit on balance with other banks and financial institutions	2,071,621,354	2,004,980,786
Interest/profit received from foreign banks	60,501,950	12,623,999
	<u>21,725,303,785</u>	<u>19,911,597,243</u>
20(a) Consolidated Interest income/profit on investments		
Bank Asia limited	22,863,139,585	20,910,683,339
Bank Asia Securities Ltd	321,231,320	313,770,644
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>23,184,370,905</u>	<u>21,224,453,983</u>
Less: Inter-company transactions	<u>210,303,633</u>	<u>214,305,783</u>
	<u>22,974,067,272</u>	<u>21,010,148,200</u>
21 Interest paid/profit shared on deposits and borrowings etc.		
Conventional and Islamic banking (Note 21.1)	13,624,978,979	12,282,148,200
Off-shore banking unit	865,669,016	808,379,496
	<u>14,490,647,995</u>	<u>13,090,527,696</u>
Less: inter transaction with OBU	<u>28,267,447</u>	<u>82,534,201</u>
	<u>14,462,380,548</u>	<u>13,007,993,495</u>
21.1 Conventional and Islamic banking		
Interest paid/profit shared on deposits		
Fixed deposits/ Mudaraba Fixed deposit	5,729,597,318	4,481,297,453
Scheme deposits	5,106,327,157	5,150,743,459
Sanchaya plus	22,011,682	52,999,719
Savings deposits/ Mudaraba Savings bank	1,231,128,548	1,072,706,104
Special notice deposits	688,775,835	537,248,560
	<u>12,777,840,540</u>	<u>11,294,995,295</u>
Interest on borrowings and others		
Local banks including Bangladesh Bank	83,654,999	160,134,035
Interest on subordinated non-covertable bond	762,314,302	826,740,041
Foreign banks	1,169,138	278,829
	<u>847,138,439</u>	<u>987,152,905</u>

Notes to the financial statements

	Amount in Taka	
	31 Dec 2019	31 Dec 2018
	13,624,978,979	12,282,148,200
21(a) Consolidated Interest Expenses/profit paid on Deposits		
Bank Asia limited	14,462,380,548	13,007,993,495
Bank Asia Securities Limited	212,509,391	217,530,252
Bank Asia Securities Ltd	-	-
BA Express USA, Inc	-	-
	14,674,889,939	13,225,523,747
Less: Inter-company transactions	210,303,633	214,305,783
	14,464,586,306	13,011,217,964
22 Investment income		
Conventional and Islamic banking (Note 22.1)	3,293,064,994	2,311,462,131
Off-shore banking unit	-	-
	3,293,064,994	2,311,462,131
22.1 Conventional and Islamic Banking		
Interest on treasury bills	670,410,633	212,456,854
Interest on treasury bonds	2,366,047,464	1,817,182,647
Interest income on corporate bonds	141,812,731	153,014,471
Interest on Islamic bonds	31,211,410	20,850,530
Capital gain from investment in shares	1,348,918	154,880
Dividend on shares	51,407,464	31,854,449
Capital gain on Government securities	23,542,084	75,409,525
Interest on reverse repo	7,284,290	538,775
	3,293,064,994	2,311,462,131
22(a) Consolidated investment income		
Bank Asia Limited	3,293,064,994	2,311,462,131
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	3,293,064,994	2,311,462,131
23 Commission, exchange and brokerage		
Conventional and Islamic banking (Note 23.1)	3,347,666,556	2,979,980,600
Off-shore banking unit	13,701,570	10,713,397
	3,361,368,126	2,990,693,997
23.1 Conventional and Islamic Banking		
Commission on L/C	41,348,963	79,860,743
Commission on back to back L/C	835,085,521	806,732,966
Fees and commission including Export	335,748,324	187,487,482
Commission on L/G	341,559,858	360,507,918
Commission on export	6,772,710	8,806,450
Commission on PO, DD, TT, TC, etc	24,714,096	21,979,775
Other commission	11,175,934	13,194,161
	1,596,405,406	1,478,569,495
Foreign exchange gain	1,751,261,150	1,501,411,105
	3,347,666,556	2,979,980,600
23(a) Consolidated Commission, exchange and brokerage		

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
Bank Asia limited	3,361,368,126	2,990,693,997
Bank Asia Securities Ltd	92,693,307	97,015,477
BA Exchange Company (UK) Limited	29,652,687	10,765,960
BA Express USA, Inc	11,796,103	11,958,782
	<u>3,495,510,223</u>	<u>3,110,434,216</u>
24 Other operating income		
Conventional and Islamic banking (Note 24.1)	990,421,481	891,643,815
Off-shore banking unit	28,308,974	26,079,410
	<u>1,018,730,455</u>	<u>917,723,225</u>
24.1 Conventional and Islamic banking		
Locker charge	11,975,125	11,407,510
Service and other charges	536,740,372	479,149,066
Master/Visa card fees and charges	241,919,424	206,373,235
Postage/telex/SWIFT/fax recoveries	127,286,381	118,436,866
Profit on sale of fixed assets	8,753,381	4,405,572
Non-operating income	8,137,975	8,466,596
Rebate on nostro account	39,467,833	42,670,132
Other income from brokerage	16,140,990	20,734,838
	<u>990,421,481</u>	<u>891,643,815</u>
24 (a) Consolidated other operating income		
Bank Asia Limited	1,018,730,455	917,723,225
Bank Asia Securities Ltd	29,775,796	66,480,030
BA Exchange Company (UK) Limited	2,661,714	433,766
BA Express USA, Inc	948,684	554,369
	<u>1,052,116,649</u>	<u>985,191,390</u>
25 Salaries and allowances		
Conventional and Islamic banking (Note 25.1)	3,266,449,893	2,882,190,002
Off-shore banking unit	-	-
	<u>3,266,449,893</u>	<u>2,882,190,002</u>
25.1 Conventional and Islamic banking		
Basic salary	1,236,906,707	1,049,325,671
Allowances	1,249,136,318	1,074,786,083
Festival bonus	196,721,513	171,674,192
Gratuity	202,400,000	222,400,000
Provident fund contribution	111,297,360	96,885,151
Performance bonus	269,987,995	267,118,905
	<u>3,266,449,893</u>	<u>2,882,190,002</u>
25(a) Consolidated Salaries and allowances		
Bank Asia Limited	3,266,449,893	2,882,190,002
Bank Asia Securities Ltd	66,559,270	54,887,031
BA Exchange Company (UK) Limited	12,325,604	7,900,286
BA Express USA, Inc	15,158,285	18,661,453
	<u>3,360,493,052</u>	<u>2,963,638,772</u>
26 Rent, taxes, insurance, electricity etc.		
Conventional and Islamic banking (Note 26.1)	439,835,697	684,268,635
Off-shore banking unit	257,549	260,214
	<u>440,093,246</u>	<u>684,528,849</u>
26.1 Conventional and Islamic banking		

Notes to the financial statements

	Amount in Taka	
	31 Dec 2019	31 Dec 2018
Rent, rate and taxes (Note 26.1.1)	26,712,121	405,338,783
Insurance	169,710,299	165,523,467
Power and electricity	116,925,573	113,406,385
Interest portion on lease liabilities (Note 26.1.1)	126,487,704	-
	<u>439,835,697</u>	<u>684,268,635</u>
26.1.1 Total rent expenses for the year 2019 was Tk 423,137,251 as per IAS 17. To implement “IFRS 16: Lease” this rent expense has been adjusted with depreciation Tk 326,661,553 arises against right-of-use assets (ref: Annex C) and interest expenses Tk 126,487,704 arises against lease liabilities.		
26(a) Consolidated Rent, taxes, insurance, electricity etc.		
Bank Asia Limited	440,093,246	684,528,849
Bank Asia Securities Ltd	17,321,041	15,014,394
BA Exchange Company (UK) Limited	6,804,596	8,154,039
BA Express USA, Inc	7,502,418	7,281,715
	<u>471,721,301</u>	<u>714,978,997</u>
27 Legal expenses		
Conventional and Islamic banking (Note 27.1)	20,114,446	25,213,849
Off-shore banking unit	420,113	-
	<u>20,534,559</u>	<u>25,213,849</u>
27.1 Conventional and Islamic Banking		
Legal expenses	20,114,446	25,213,849
Other professional charges	-	-
	<u>20,114,446</u>	<u>25,213,849</u>
27(a) Consolidated Legal expenses		
Bank Asia Limited	20,534,559	25,213,849
Bank Asia Securities Ltd	818,600	609,628
BA Exchange Company (UK) Limited	444,004	1,329,275
BA Express USA, Inc	421,616	235,319
	<u>22,218,779</u>	<u>27,388,071</u>
28 Postage, stamps, telecommunication etc.		
Conventional and Islamic banking (Note 28.1)	123,751,262	107,709,668
Off-shore banking unit	720,396	779,823
	<u>124,471,658</u>	<u>108,489,491</u>
28.1 Conventional and Islamic banking		
Telephone, courier and postage	77,977,767	65,967,767
Master/VISA card process fee	25,589,255	22,502,359
ATM charge	1,822,152	1,584,183
SWIFT and Reuter charge	16,709,367	15,902,887
Internet	1,652,721	1,752,472
	<u>123,751,262</u>	<u>107,709,668</u>
28(a) Consolidated Postage, stamps, telecommunication etc.		
Bank Asia Limited	124,471,658	108,489,491
Bank Asia Securities Ltd	1,579,425	1,681,261
BA Exchange Company (UK) Limited	570,892	598,814

Notes to the financial statements

	Amount in Taka	
	31 Dec 2019	31 Dec 2018
BA Express USA, Inc	220,696	385,420
	<u>126,842,671</u>	<u>111,154,986</u>
29 Stationery, printing, advertisements etc.		
Conventional and Islamic banking (Note 29.1)	156,639,432	133,391,807
Off-shore banking unit	50,561	58,712
	<u>156,689,993</u>	<u>133,450,519</u>
29.1 Conventional and Islamic banking		
Office and security stationery	74,489,241	61,169,752
Calendar, diary, souvenir, etc	23,803,440	25,497,895
ATM card /Supplies And Stationeries	30,226,705	15,751,549
Books and periodicals	1,609,580	2,054,194
Publicity and advertisement	26,510,466	28,918,417
	<u>156,639,432</u>	<u>133,391,807</u>
29(a) Consolidated Stationery, printing, advertisements etc.		
Bank Asia Limited	156,689,993	133,450,519
Bank Asia Securities Ltd	1,234,650	1,481,826
BA Exchange Company (UK) Limited	1,357,957	472,154
BA Express USA, Inc	221,243	1,343,455
	<u>159,503,843</u>	<u>136,747,954</u>
30 Managing Director's salary and fees		
Basic salary	7,801,613	6,000,000
House rent allowance	1,860,484	1,500,000
Entertainment allowances	420,162	300,000
Incentive bonus	1,000,000	1,000,000
Festival bonus	1,210,000	1,100,000
Utility allowance and others	1,200,000	1,200,000
House maintenance allowance	600,000	600,000
Provident fund	780,161	600,000
Leave fare assistance	1,700,000	1,600,000
	<u>16,572,420</u>	<u>13,900,000</u>
31 Directors' fees		
Directors' fees	<u>3,424,000</u>	<u>3,656,000</u>
31(a) Consolidated Directors' fees		
Bank Asia Limited	3,424,000	3,656,000
Bank Asia Securities Ltd.	302,400	230,000
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>3,726,400</u>	<u>3,886,000</u>
32 Auditors' fees		
Audit fees	1,478,225	875,500
Others	-	-
	<u>1,478,225</u>	<u>875,500</u>
32(a) Consolidated Auditors fees		

Notes to the financial statements

	Amount in Taka	
	31 Dec 2019	31 Dec 2018
Bank Asia Limited	1,478,225	875,500
Bank Asia Securities Ltd	95,833	95,833
BA Exchange Company (UK) Limited	630,240	650,649
BA Express USA, Inc	1,235,961	1,291,060
	<u>3,440,259</u>	<u>2,913,042</u>
33 Depreciation and repair of Bank's assets		
Conventional and Islamic banking (Note 33.1)	834,076,015	475,722,070
Off-shore banking unit	-	-
	<u>834,076,015</u>	<u>475,722,070</u>
33.1 Conventional and Islamic banking		
Depreciation	761,091,855	406,406,674
Repairs:		
Building	10,055,315	6,477,977
Furniture and fixtures	3,583,154	1,381,017
Equipments	19,297,980	6,990,839
	32,936,449	14,849,833
Maintenance	40,047,711	54,465,563
	<u>834,076,015</u>	<u>475,722,070</u>
33(a) Consolidated Depreciation and repairs of Bank's assets		
Bank Asia Limited	834,076,015	475,722,070
Bank Asia Securities Ltd	4,709,168	1,622,905
BA Exchange Company (UK) Limited	2,033,364	1,882,435
BA Express USA, Inc	1,648,136	1,631,768
	<u>842,466,683</u>	<u>480,859,178</u>
34 Other expenses		
Conventional and Islamic banking (Note 34.1)	1,868,985,671	1,720,922,197
Off-shore banking unit	18,682,659	13,242,801
	<u>1,887,668,330</u>	<u>1,734,164,998</u>
34.1 Conventional and Islamic banking		
Car expenses	324,170,297	327,603,784
Contractual service expenses	744,761,162	653,073,820
Computer expenses	168,235,611	154,704,899
Other management and administrative expenses	246,377,129	205,074,053
Commission paid to agents	153,238,259	65,197,958
Entertainment	63,159,412	49,288,292
AGM/EGM expenses	1,528,027	3,451,105
Payment to superannuation fund	7,320,000	7,320,000
Donation and subscription to institutions	103,516,418	192,002,911
Travelling expenses	37,390,737	40,157,362
Training and internship	18,106,353	22,478,413
Directors' travelling expenses	682,266	69,600
Sharia council fees	500,000	500,000
	<u>1,868,985,671</u>	<u>1,720,922,197</u>
34(a) Consolidated other expenses		
Bank Asia Limited	1,887,668,330	1,734,164,998

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
Bank Asia Securities Ltd	11,032,998	12,952,991
BA Exchange Company (UK) Limited	6,329,186	11,255,466
BA Express USA, Inc	9,288,053	8,755,540
	<u>1,914,318,567</u>	<u>1,767,128,995</u>

34(b) Provision for loans and advances/investments and off-balance sheet items

Conventional and Islamic banking	5,414,376,135	3,384,158,645
Off-shore banking unit	(12,723,002)	59,942,287
	<u>5,401,653,133</u>	<u>3,444,100,932</u>

Break up of provision for loans and advances/Investments is shown below:

General provision		
Conventional and Islamic banking	2,860,517,628	933,259,584
Off-shore banking unit	(12,630,144)	56,796,306
	<u>2,847,887,484</u>	<u>990,055,890</u>
Specific provision		
Conventional and Islamic banking	2,805,142,562	2,601,190,658
Off-shore banking unit	-	3,326,356
	<u>2,805,142,562</u>	<u>2,604,517,014</u>
Provision for off-balance sheet items		
Conventional and Islamic banking	(196,284,055)	(172,791,597)
Off-shore banking unit	(92,858)	(180,375)
	<u>(196,376,913)</u>	<u>(172,971,972)</u>
Provision for diminution in value of investments	(80,000,000)	10,000,000
Other provisions	25,000,000	12,500,000
	<u>5,401,653,133</u>	<u>3,444,100,932</u>

34(c) Consolidated Provision for loans and advances/investments

Bank Asia Limited	5,401,653,133	3,444,100,932
Bank Asia Securities Limited:		
Specific Provision	36,000,000	110,000,000
Provision for diminution in value of investments	13,934,688	-
Other provisions	-	-
	<u>36,000,000</u>	<u>110,000,000</u>
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>5,451,587,821</u>	<u>3,554,100,932</u>

35 Receipts from other operating activities

Conventional and Islamic banking (Note 35.1)	1,015,312,483	967,208,220
Off-shore banking unit	28,308,974	26,079,410
	<u>1,043,621,457</u>	<u>993,287,630</u>

35.1 Conventional and Islamic banking

Locker charge	11,975,125	11,407,510
Service and other charges	536,740,372	479,149,066
Master card fees and charges	241,919,424	206,373,235
Postage/telex/SWIFT/ fax recoveries	127,286,381	118,436,866
Non-operating income	97,391,181	151,841,543
	<u>1,015,312,483</u>	<u>967,208,220</u>

35(a) Consolidated Receipts from other operating activities

Notes to the financial statements

Amount in Taka

	31 Dec 2019	31 Dec 2018
Bank Asia Limited	1,043,621,457	993,287,630
Bank Asia Securities Ltd	29,775,796	66,480,030
BA Exchange Company (UK) Limited	2,661,714	433,766
BA Express USA, Inc	948,684	554,369
	1,077,007,651	1,060,755,795
Less: inter- companies transactions	-	-
	<u>1,077,007,651</u>	<u>1,060,755,795</u>

36 Payments for other operating activities

Conventional and Islamic banking (Note 36.1)	2,475,302,230	2,557,325,672
Off-shore banking unit	18,940,208	13,503,015
	<u>2,494,242,438</u>	<u>2,570,828,687</u>

36.1 Conventional and Islamic banking

Rent, rates and taxes	439,835,697	684,268,635
Legal expenses	20,534,559	25,213,849
Directors' fees	3,424,000	3,656,000
Postage, stamp, telecommunication, etc	124,471,658	108,489,491
Other expenses	1,868,985,671	1,720,922,197
Managing Director's salary	16,572,420	13,900,000
Auditors' fee	1,478,225	875,500
	<u>2,475,302,230</u>	<u>2,557,325,672</u>

36(a) Payments for other operating activities

Bank Asia Limited	2,494,242,438	2,570,828,687
Bank Asia Securities Ltd	31,150,297	30,584,107
BA Exchange Company (UK) Limited	14,778,918	21,988,243
BA Express USA, Inc	18,668,744	17,949,054
	<u>2,558,840,397</u>	<u>2,641,350,091</u>

37 Earnings per share (EPS)

Net profit after tax (Numerator)	1,960,811,140	2,266,276,987
Number of ordinary shares outstanding (Denominator)	1,110,387,486	1,110,387,486
Issue of bonus shares 5%	55,519,374	55,519,374
Number of ordinary shares outstanding (Denominator)	1,165,906,860	1,165,906,860
Earnings per share (EPS)	<u>1.68</u>	<u>1.94</u>

Earnings per share has been calculated in accordance with IAS 33: "Earnings Per Share (EPS)". Earnings per share for previous period 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 2018, the earliest period reported. Actual EPS for December 2018 was Taka 2.04.

37(a) Consolidated Earnings per share (EPS)

Net profit after tax (Numerator)	1,957,811,647	2,233,390,509
Number of ordinary shares outstanding (Denominator)	1,165,906,860	1,165,906,860
Earnings per share (EPS)	<u>1.68</u>	<u>1.92</u>

38 Number of employees

The number of employees receiving remuneration of Taka 36,000 or above per employee per year were 2,376 (2018: 2,256).

39 Audit committee

The Audit Committee of the Board of Directors of Bank Asia Limited was constituted in the 44th meeting of the Board held on January 18, 2003 in compliance with the Bangladesh Bank directives. The Audit Committee was formed with the objectives to establish a platform for a compliant and secured banking structure in the Bank. The present Audit Committee was reconstituted by the Board in

Notes to the financial statements

the 409th meeting held on April 30, 2019 consisting of the following members:

Name	Status with the Board	Status with the Audit Committee
Mr. Dilwar H Choudhury	Independent Director	Chairman
Mr. Mohd. Safwan Choudhury	Vice Chairman	Member
Major General Mohammad Matiur Rahman (retd.)	Director	Member
Mr. Ashraful Haq Chowdhury	Independent Director	Member

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

No. of meeting	Date	No. of meeting	Date
200 th Audit	21 st March, 2019	204 th Audit	11 th September, 2019
201 st Audit	29 th April, 2019	205 th Audit	23 rd October, 2019
202 nd Audit	10 th July, 2019	206 th Audit	2 nd December, 2019
203 rd Audit	31 st July, 2019		

In the year 2019, 07 (seven) meetings of the Audit Committee were held in which, the following issues, amongst others, were reviewed and discussed:

- 1 External Audit Report of the Bank and the recommendations made therein.
- 2 Bangladesh Bank comprehensive inspection report and the recommendations made therein.
- 3 Audit and Inspection reports on the branches, divisions and departments of the Corporate Office prepared by the Internal Control and Compliance Division (ICCD) of the Bank.
- 4 Actions taken by the management with regard to shortcomings raised in the Bangladesh Bank Inspection report and by the Internal Audit Team of the Bank.
- 5 The corrective measures taken by the management with regard to the lapses pointed out on the internal control and other issues raised by internal and external auditors and inspectors of the regulatory authority.
- 6 The compliance status of the audit objections and the recommendations made by the Bangladesh Bank Inspectors, External Auditors and the Internal Auditors in the reports.
- 7 Management Report on Accounts of the Bank for the year ended on 31.12.2018.
- 8 Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk and compliance thereof.
- 9 Review of status of recovery of classified loans and necessary guidelines provided to the management to reduce Non Performing Loan (NPL).

The Audit Committee has further satisfied that

- * The rules and regulations of the Bangladesh Bank and all other regulatory authorities and Bank's own policy guidelines approved by the Board of Directors are duly complied with.
- * Adequate internal control and security measures have been taken by the Bank facilitating Information Technology (IT) based banking including generation of proper Management Information System (MIS).
- * The system of internal control and business processes have been strengthened including development of human resources towards creation of a compliance culture in the Bank.
- * Efforts have been made to keep assets of the Bank safe along with liabilities and commitments being transparent.
- * The Financial Statements of the Bank have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) which contained full disclosure.

40 RELATED PARTY TRANSACTIONS

While making any related party transactions the management always pays proper attention to economic efficiency and competitive pricing and necessary approval of Bangladesh Bank and other authorities had been obtained wherever applicable. Significant related party transactions of the Bank for the period January – December 2019 is given below:

Name of Organization	Relationship	Service Type	Transaction amount (Tk.)
Agro Food Services Ltd.	Common Directors / Close family members Director	Office Rent	18,204,129
Romask Ltd	-do-	Printing	54,167,282
Rangs Industries Ltd.	-do-	Electronics items provider	143,400

Notes to the financial statements

Name of Organization	Relationship	Service Type	Transaction amount (Tk.)
Garda Shield Security Service Ltd.	-do-	Maintenance	1,755,751
Rangs workshop Ltd	-do-	Car repair and Services	2,384,644
Ranks ITT Ltd.	-do-	Network Connectivity fees	96,331,449
DHS Motors	-do-	Car providers & Car repair and Services	670,069
Shield Security Service	-do-	Security Service providers	246,193,140
Green Bangla	-do-	Tree Plantation	579,492
Reliance Insurance	-do-	Insurance Service	37,055,997
The Daily Star	-do-	Advertising	6,642,088
Rangs Limited	-do-	Car providers	3,334,055
Ali Estates Limited	-do-	Office Rent	247,938,038
Rangs Motors Limited	-do-	Machinery Equipments provider	2,021,907
Rangs Power Tech Limited	-do-	Machinery Equipments provider	3,660,700
Rancon Industrial Solutions Limited	-do-	Machinery Equipments provider	23,499,287
M/s. M Ahmed Tea & Land Co. Ltd.	-do-	Office Rent	270,000
Opex Fashions Limited	-do-	Office Rent	3,308,850
Rancon Motor Bikes Ltd	-do-	Motor Bike	7,120,000
Enterprise Asia Ltd	-do-	Advance Office Rent	293,784,960
ERA Infotech	Associate Company	Software vendor	84,931,606

During the year 2019, Directors and their interest in different entities are given in Annexure F:

40.1 Key Management personnel compensation

Transactions with Key Management personnel of the Bank for the period January – December 2019 is given below:

Particulars	Amount Tk
Short-term employee benefit	98,314,668

Key Management personnel includes President and Managing Director, 05 nos. Deputy Managing Director, 08 nos Senior Executive Vice President, Company Secretary, Head of Internal Control & Compliance Division and Chief Financial Officer.

Key management personnel get car facilities and leave fare assistance as per existing company policy. In addition gratuity, benevolent and superannuation fund benefits are provided as per service rule if eligible.

41 COVERAGE OF EXTERNAL AUDIT

The external auditors of the Bank, ACNABIN, Chartered Accountants worked about 26,500 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 2019 was Tk. 18.20 (2018: Tk. 17.70) at DSE and Tk. 18.50 at CSE (2018: 17.70).

43 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its 428th meeting held on March 22, 2020 has recommended 10 % cash dividend subject to the approval of the shareholders at the next Annual General Meeting.

Other than this, no material events which have occurred after the reporting period which could affect the values stated in the financial statements.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensure sustainable consumption and production patterns

"Nature provides a free lunch but only if we control our appetite"
– William Ruckelshaus

1.3 billion tons of food is wasted every year, while almost 2 billion people go hungry or undernourished. If people everywhere switched to energy efficient lightbulbs, the world would save US\$120 billion annually. One-fifth of the world's final energy consumption in 2013 was from renewable sources.



About 5.5% of the total procured food is wasted of which 3% is wasted during procurement and preparation stage, 1.4% during serving and another 1.1% from the plates. Waste management system in Bangladesh comprising formal, community initiative and informal system is still not well organized.



Disbursed
Tk. 3650.36
million to
71,458 rural
farmers

Net savings of
Tk. 8.9 million
from green
banking activities

Spent Tk. 116.15
million as
Corporate Social
Responsibilities

Bank Asia Limited

Highlights on the overall activities

as at and for the year ended 31 December 2019

Sl no.	Particulars	Amount in Taka			Amount in USD	
		2019	2018		2019	2018
1	Paid-up Capital	11,659,068,600	11,103,874,860		139,046,733	132,425,460
2	Total Capital	42,757,136,343	35,082,898,046		509,924,107	418,400,692
3	Capital (deficit)/surplus	18,914,413,077	11,774,335,287		225,574,396	140,421,411
4	Total Asset	353,800,373,697	307,291,400,556		4,219,443,932	3,664,775,200
5	Total Deposit	253,709,574,615	222,471,716,244		3,025,755,213	2,653,210,689
6	Total loans and advances / investments	227,298,956,048	214,618,151,145		2,710,780,633	2,559,548,612
7	Total contingent liabilities and commitments	120,617,276,961	137,459,256,487		1,438,488,694	1,639,347,126
8	Credit deposit ratio	76.47%	81.75%		76.47%	81.75%
9	Percentage of classified loans / investments against total loans and advances / investments	4.61%	4.10%		4.61%	4.10%
10	Profit after tax and provision	1,960,811,140	2,266,276,987		23,384,748	27,027,752
11	Amount of classified loans/investments during current year	10,479,985,000	8,809,830,429		124,984,914	105,066,553
12	Provisions kept against classified loans / investments	4,604,656,791	3,892,759,378		54,915,406	46,425,276
13	Provision surplus against classified loans / investments	1,843,000	5,114,917		21,980	61,001
14	Cost of fund	8.26%	8.25%		8.26%	8.25%
15	Interest earning assets	312,059,883,788	278,695,296,655		3,721,644,410	3,323,736,394
16	Non-interest earning assets	41,740,489,909	28,596,103,901		497,799,522	341,038,806
17	Return on investment (ROI) [PAT/(Shareholders' equity + Borrowing)]	2.76%	3.65%		2.76%	3.65%
18	Return on assets (ROA) [PAT/ Average assets]	0.59%	0.76%		0.59%	0.76%
19	Income from investment	3,293,064,994	2,311,462,131		39,273,286	27,566,632
20	Capital adequacy	17.93%	15.05%		17.93%	15.05%
21	Earnings per share	1.68	2.04		1.68	2.04
22	Net income per share	1.68	2.04		1.68	2.04
23	Price earning ratio	10.83	8.67		10.83	8.67

Exchange rate used 1 USD equivalent to BDT 83.85 (2018: BDT 82.75)

Bank Asia Limited Balance with other banks-Outside Bangladesh (Nostro Account)

as at 31 December 2019

Name of the Bank	Account type	Currency type	2019		2018	
			FC amount	Exchange rate	FC amount	Exchange rate
Conventional and Islamic banking:						
Interest bearing						
Citibank N.A., London	CD	EURO	4,926	94.90	283,054	95.40
Citibank N.A., London	CD	GBP	109,546	111.00	12,159,468	106.00
Citibank NA, New York	CD	USD	6,142,685	84.90	521,514,002	83.90
Habib American Bank, New York	CD	USD	21,331,505	84.90	1,811,044,754	83.90
Mashreqbank psc, New York	CD	USD	301,683	84.90	25,612,854	83.90
Standard Chartered Bank, Mumbai	CD	ACU	522,551	84.90	44,364,591	83.90
Standard Chartered Bank, New York	CD	USD	4,893,595	84.90	415,466,240	83.90
					2,830,629,394	1,000,195,600
Non-interest bearing:						
AB Bank Ltd, Mumbai	CD	ACU	105,276	84.90	8,937,928	83.90
Al Rajhi Bank, KSA	CD	SAR	1,269,434	22.60	28,689,207	5,817
AXIS Bank Ltd	CD	ACU	313,480	84.90	26,614,444	-
HDFC Bank Limited, Mumbai, India	CD	ACU	2,134	84.90	181,135	-
AKTIF Bank, Istanbul -JPY	CD	JPY	3,172,128	0.80	2,537,702	-
Bank of Sydney	CD	AUD	41,936	59.25	2,484,730	16,877
Bhutan National Bank Ltd, Thimphu	CD	USD	154,786	84.90	13,141,369	177,410
Commerzbank AG, Frankfurt	CD	USD	75,391	84.90	6,400,720	8,833,964
Mashreqbank PSC (Dubai AE)	CD	AED	1,920,270	23.10	44,358,240	55,878
Commerzbank AG, Frankfurt	CD	EURO	201,401	94.90	19,112,994	927,101
Habib Metropolitan Bank Ltd, Karachi	CD	ACU	182,616	84.90	15,504,093	34,353
ICICI Bank Ltd, Hongkong	CD	USD	124,587	84.90	10,577,408	72,765
ICICI Bank Ltd, Mumbai	CD	ACU	786,959	84.90	66,812,789	6,439
JP Morgan Chase Bank, New York	CD	USD	543,176	84.90	46,115,611	4,173
Mashreqbank psc, Mumbai (EURO)	CD	EURO	8,054	94.90	764,315	8,054
Muslim Commercial Bank Ltd, Colombo	CD	ACU	177,891	84.90	15,102,974	158,565
Nepal Bangladesh Bank Ltd, Kathmandu	CD	ACU	88,215	84.90	7,489,419	200,507
Saudi Hollandi Bank, KSA	CD	SAR	-	-	-	595,001
Unicredit Bank AG Munich	CD	EURO	10,805	94.90	1,025,425	26,065
Wells Fargo Bank N.A, New York	CD	USD	140,482	84.90	11,926,957	48,701
Wells Fargo Bank N.A, London	CD	EURO	38,105	94.90	3,616,182	19,576
Zurcher Kantonal Bank, Switzerland	CD	CHF	21,157	86.60	1,832,183	6,618
					333,225,824	911,280,226
Off-shore banking unit:						
Commerzbank AG, Frankfurt	CD	EURO	1,071	113.17	121,161	36,082
Habib American Bank, New York	CD	USD	5,457,470	83.85	457,608,880	5,581,042
Sonali Bank, London	CD	GBP	3	134.15	440	3
					457,730,481	465,862,484
					3,621,585,699	2,377,338,310

Bank Asia Limited Investment in Shares

as at 31 December 2019

Sl. No.	Name of the company	Face value	No. of shares including bonus shares	Cost of holding	Cost of Per Share	Quoted rate per share as at 31 Dec 2019	Total market value as at 31 Dec 2019	Unrealized profit/ (loss) as at 31 Dec 2019
Quoted Shares								
1	AB Bank Limited	10	141,912	9,721,000	68.50	7.90	1,121,105	(8,599,895)
2	Dhaka Bank Limited	10	558,197	15,813,721	28.33	12.00	6,698,364	(9,115,357)
3	Exim Bank Limited	10	1,877,123	38,582,386	20.55	10.10	18,958,942	(19,623,444)
4	Golden Son Limited	10	119,185	8,586,791	72.05	6.70	798,540	(7,788,251)
5	Lanka Bangla Finance Limited	10	1,247,636	59,764,883	47.90	18.00	22,457,448	(37,307,435)
6	Mercantile Bank Limited	10	483,000	10,495,590	21.73	13.20	6,375,600	(4,119,990)
7	Phoenix Finance and Investments Limited	10	1,177,770	49,442,785	41.98	21.50	25,322,055	(24,120,730)
8	Prime Finance & Investment Limited	10	72,576	12,001,821	165.37	7.50	544,320	(11,457,501)
9	Prime Insurance Company Limited	10	60,564	5,466,943	90.27	26.00	1,574,664	(3,892,279)
10	Reliance Insurance Limited	10	139,977	7,343,193	52.46	43.50	6,089,000	(1,254,193)
11	Southeast Bank Limited	10	1,356,308	34,735,048	25.61	13.40	18,174,527	(16,560,521)
12	United Commercial Bank Limited	10	2,499,411	63,784,968	25.52	13.30	33,242,166	(30,542,802)
13	Premier Bank Limited	10	2,887,500	40,511,625	14.03	12.50	36,093,750	(4,417,875)
14	The ACME Laboratories Limited	10	1,000,000	57,650,000	57.65	60.90	60,900,000	3,250,000
A. Provision requirement for quoted shares				413,900,754			238,350,481	(175,550,273)
Available cash balance				38,038,611				
				451,939,365				
Mutual Fund								
15	1st Janata Bank Mutual Fund	10	7,248,082	50,000,000	6.90	4.30	31,166,753	-
16	MBL 1st Mutual Fund	10	5,000,000	50,000,000	10.00	6.10	30,500,000	(6,200,000)
17	EBL NRB Mutual Fund	10	22,376,041	149,665,000	6.69	4.10	91,741,768	-
18	First Bangladesh Fixed Income Fund	10	38,807,348	250,000,000	6.44	3.70	143,587,188	-
19	EXIM Bank 1st Mutual Fund	10	33,779,648	235,793,533	6.98	4.10	138,496,557	-
B. Provision requirement for Mutual Fund as per BB Circular				107,211,119			435,492,265	(6,200,000)

Sl. No.	Name of the company	Face value	No. of Shares including bonus	Cost of holding	Per Unit cost	Per share (NAV)	Total book value	Unrealized profit (loss)
Unquoted Shares								
1	Industrial & Infrastructure Development Finance Co. Ltd.	10	11,726,576	59,000,260	5.03	17.19	201,629,080	142,628,820
2	Central Depository Bangladesh Limited	10	1,142,361	3,138,890	2.75	34.73	39,676,988	36,538,098
3	Era-InfoTech Limited	100	195,687	383,700	1.96	265.37	51,930,305	51,546,605
4	Bangladesh Rating Agency Limited	100	32,015	3,201,512	100.00	21.94	702,472	(2,499,040)
5	MSF Asset Management Co. Ltd.	10	200,000	2,000,000	10.00	10.00	2,000,000	-
6	Universal Financial Solutions Limited (UFS)	10	10,000,000	100,000,000	10.00	9.84	98,400,000	(1,600,000)
7	Investment in SWIFT share	307,890	29	9,035,228	311,559.59	307,889.86	9,035,228	-
8	Energypac Power Generation Limited	10	1,192,800	49,984,000	41.90	41.15	49,080,763	(903,237)
	C. Unrealized profit of unquoted stocks		24,485,631	226,743,590			453,448,459	225,711,245
9	Provision required for subsidiaries							(197,672,777)
	D. Provision for unquoted stock							28,038,468
	E. Provision required for Beximco Debentures							(15,982,975)
	F. Total Provision Requirement (A+B+D+E)							(169,694,780)
	G. Provision maintained							183,383,553
	H. Provision Excess / (Shortfall) for quoted and unquoted share							13,688,773

Conventional Banking, Islamic Banking and Off-shore Banking unit Schedule of fixed assets including premises, furniture and fixtures

as at 31 December 2019

Annex C-1

Particulars	Cost					Rate of dep. %	Depreciation				Written down value as at 31 Dec 2019	
	Balance as at 01 Jan 2019	Addition during the year	Revaluation during the year	Disposal/ adjustment during the year	Balance as at 31 Dec 2019		Charged during the year	Charged from Revaluation reserve during the year	Disposal/ adjustment during the year	Balance as at 31 Dec 2019		
Own assets												
Land	2,646,764,306	-	-	-	2,646,764,306	-	-	-	-	-	-	2,646,764,306
Building	2,752,485,492	-	-	-	2,752,485,492	5	1,098,677,739	53,715,264	-	95,383,783	-	1,247,776,786
Furniture and fixtures	1,188,646,531	37,502,593	-	(800,000)	1,225,349,124	20	948,230,191	90,058,019	-	90,058,019	(381,250)	1,037,906,960
Machinery & Equipments	927,523,396	228,901,452	-	(1,760,000)	1,154,664,848	20	627,141,174	116,511,998	-	116,511,998	(1,760,000)	741,893,172
Computer and accessories	440,900,264	33,889,902	-	-	474,790,166	20	312,923,474	52,002,096	-	52,002,096	-	364,925,570
Motor vehicles	243,279,818	3,334,055	-	(42,828,577)	203,785,296	20	160,152,702	26,759,142	-	26,759,142	(42,828,577)	144,083,267
Sub-total	8,199,599,807	303,628,002	-	(45,388,577)	8,457,839,232		3,147,125,280	380,715,038	53,715,264	380,715,038	(44,969,827)	3,536,585,755
Leased assets												
Furniture and fixtures	167,162,848	-	-	-	167,162,848	20	167,162,848	-	-	-	-	167,162,848
Machinery & Equipments	106,201,139	-	-	-	106,201,139	20	106,201,139	-	-	-	-	106,201,139
Computer and accessories	72,204,100	-	-	-	72,204,100	20	72,204,100	-	-	-	-	72,204,100
Motor vehicles	18,900,000	-	-	-	18,900,000	20	18,900,000	-	-	-	-	18,900,000
Sub-total	364,468,087	-	-	-	364,468,087		364,468,087	-	-	-	-	364,468,087
Total	8,564,067,894	303,628,002	-	(45,388,577)	8,822,307,319		3,511,593,367	380,715,038	53,715,264	380,715,038	(44,969,827)	3,901,053,842
Intangible assets												
Corporate Membership ¹	-	24,000,000	-	-	24,000,000		-	-	-	-	-	24,000,000
Work in progress - building												
Kawran bazar building ²	332,037,775	240,408,069	-	-	572,445,844		-	-	-	-	-	572,445,844
Sukrabad building ³	47,041,290	35,427,974	-	-	82,469,264		-	-	-	-	-	82,469,264
Renovation ⁴	-	13,020,200	-	-	13,020,200		-	-	-	-	-	13,020,200
Right-of-use assets												
Office space ⁵	-	1,739,075,475	-	-	1,739,075,475		-	326,661,553	-	326,661,553	-	1,412,413,922
Grand Total	8,943,146,959	2,355,559,720	-	(45,388,577)	11,253,318,102		-	707,376,591	53,715,264	(44,969,827)	4,227,715,395	7,025,602,707

¹ Membership fees to BCCL² For construction of 12 storied commercial building with 22 stored foundation³ For construction of 9 storied building⁴ Gulshan Branch and Fatullah Branch⁵ Right-of-use assets arises for implementing of the "IFRS 16: Lease". This amount comprises lease liabilities (ref: Note 13.9) and initial payment for executing the contract.

Bank Asia Limited

Conventional Banking, Islamic Banking and Off-shore Banking unit

Schedule of fixed assets including premises, furniture and fixtures

as at 31 December 2018

Particulars	Cost				Rate of dep. %	Depreciation				Written down value as at 31 Dec 2018
	Balance as at 01 Jan 2018	Addition during the year	Disposal/ adjustment during the year	Balance as at 31 Dec 2018		Charged during the year	Charged from Revaluation reserve during the year	Disposal/ adjustment during the year	Balance as at 31 Dec 2018	
Own assets										
Land	2,646,764,306	-	-	2,646,764,306	-	-	-	-	-	2,646,764,306
Building	2,752,485,491	-	-	2,752,485,491	5	949,578,696	53,715,264	-	1,098,677,739	1,653,807,752
Furniture and fixtures	1,097,315,470	94,334,061	(3,003,000)	1,188,646,531	20	851,731,495	97,705,634	(1,206,938)	948,230,191	240,416,340
Machinery & Equipments	785,151,504	142,930,554	(558,663)	927,523,396	20	538,192,038	89,445,301	(496,165)	627,141,174	300,382,222
Computer and accessories	404,958,567	35,941,696	-	440,900,263	20	264,389,416	48,534,058	-	312,923,474	127,976,789
Motor vehicles	194,732,600	61,299,575	(12,752,357)	243,279,818	20	150,326,595	21,622,638	(11,796,530)	160,152,703	83,127,116
Sub-total	7,881,407,939	334,505,886	(16,314,019)	8,199,599,806	2,754,218,240	352,691,410	53,715,264	(13,499,634)	3,147,125,280	5,052,474,527
Leased assets										
Furniture and fixtures	167,162,848	-	-	167,162,848	20	167,162,848	-	-	167,162,848	-
Machinery & Equipments	106,201,139	-	-	106,201,139	20	106,201,139	-	-	106,201,139	-
Computer and accessories	72,204,100	-	-	72,204,100	20	72,204,100	-	-	72,204,100	-
Motor vehicles	18,900,000	-	-	18,900,000	20	18,900,000	-	-	18,900,000	-
Sub-total	364,468,087	-	-	364,468,087		364,468,087	-	-	364,468,087	-
Total	8,245,876,026	334,505,886	(16,314,019)	8,564,067,893	3,118,686,327	352,691,410	53,715,264	(13,499,634)	3,511,593,367	5,052,474,527
Work in progress - building										
Kawran bazar building ¹	163,317,128	168,720,647	-	332,037,775	-	-	-	-	-	332,037,775
Sukrabad building ²	39,233,671	7,807,619	-	47,041,290	-	-	-	-	-	47,041,290
Total	202,550,799	176,528,266	-	379,079,065	-	-	-	-	-	379,079,065
Grand Total	8,448,426,824	511,034,152	(16,314,019)	8,943,146,959	3,118,686,327	352,691,410	53,715,264	(13,499,634)	3,511,593,367	5,431,553,592

¹ For construction of 12 storied commercial building with 22 stored foundation² For construction of 9 storied building

Bank Asia Limited and its Subsidiaries Consolidated Schedule of fixed assets including premises, furniture and fixtures

Annex C-3

as at 31 December 2019

Particulars	Cost				Rate of dep. %	Depreciation				Written down value as at 31 Dec 2019
	Balance as at 01 Jan 2019	Addition during the year	Disposal/ adjustment during the year	Balance as at 31 Dec 2019		Charged during the year	Charged from Revaluation reserve during the year	Disposal/ adjustment during the year	Balance as at 31 Dec 2019	
Own assets										
Land	2,646,764,306	-	-	2,646,764,306	0	-	-	-	-	2,646,764,306
Building	2,773,626,243	737,880	127,713	2,774,491,836	5	1,114,966,115	97,335,178	645,698	1,266,662,255	1,507,829,582
Furniture and fixtures	1,206,448,427	61,578,715	(11,191,101)	1,256,836,041	20	961,950,088	92,732,221	(10,771,204)	1,043,911,105	212,924,937
Machinery & Equipments	935,599,805	235,594,987	(6,470,579)	1,164,724,213	20	633,174,330	117,723,860	(6,406,685)	744,491,505	420,232,708
Computer and accessories	453,288,375	35,792,902	(4,243,011)	484,838,266	20	321,974,971	53,006,595	(4,233,740)	370,747,826	114,090,440
Motor vehicles	243,279,818	3,334,055	(42,828,577)	203,785,296	20	160,152,703	26,759,142	(42,828,577)	144,083,268	59,702,029
Sub-total	8,259,006,975	337,038,539	(64,605,555)	8,531,439,959		3,192,218,206	387,556,996	(63,594,508)	3,569,895,958	4,961,544,001
Leased assets										
Furniture and fixtures	167,162,848	-	-	167,162,848	20	167,162,848	-	-	167,162,848	-
Machinery & Equipments	106,201,139	-	-	106,201,139	20	106,201,139	-	-	106,201,139	-
Computer and accessories	72,204,100	-	-	72,204,100	20	72,204,100	-	-	72,204,100	-
Motor vehicles	18,900,000	-	-	18,900,000	20	18,900,000	-	-	18,900,000	-
Sub-total	364,468,087	-	-	364,468,087		364,468,087	-	-	364,468,087	-
Total	8,623,475,062	337,038,539	(64,605,555)	8,895,908,046		3,556,686,293	387,556,996	(63,594,508)	3,934,364,045	4,961,544,001
Intangible assets										
Corporate Membership ¹	-	24,000,000	-	24,000,000		-	-	-	-	24,000,000
Work in progress - building										
Kawran bazar building ²	332,037,775	240,408,069	-	572,445,844		-	-	-	-	572,445,844
Sukrabad building ³	47,041,290	35,427,974	-	82,469,264		-	-	-	-	82,469,264
Renovation ⁴	-	13,020,200	-	13,020,200		-	-	-	-	13,020,200
Sub-total	379,079,065	288,856,243	-	667,935,308		-	-	-	-	667,935,308
Right-of-use assets										
Office space ⁵	-	1,739,075,475	-	1,739,075,475		-	326,661,553	-	326,661,553	1,412,413,922
Grand Total	9,002,554,127	2,388,970,257	(64,605,555)	11,326,918,829		3,556,686,293	714,218,549	(63,594,508)	4,261,025,598	7,065,893,231

¹ Membership fees to BCCL² For construction of 12 storied commercial building with 22 stored foundation³ For construction of 9 storied building⁴ Gulshan Branch and Fatullah Branch⁵ Right-of-use assets arises for implementing of the "IFRS 16: Lease". This amount comprises lease liabilities (ref: Note 13.9) and initial payment for executing the contract.

Bank Asia Limited and its Subsidiaries Consolidated Schedule of fixed assets including premises, furniture and fixtures

Annex C-4

as at 31 December 2018

Particulars	Cost				Rate of dep. %	Depreciation				Written down value as at 31 Dec 2018
	Balance as at 01 Jan 2018	Additions during the year	Disposal/ adjustment during the year	Balance as at 31 Dec 2018		Charged during the year	Charged from Revaluation reserve during the year	Disposal/ adjustment during the year	Balance as at 31 Dec 2018	
Own assets										
Land	2,646,764,306	-	-	2,646,764,306	0	-	-	-	-	2,646,764,306
Building	2,774,297,051	-	(670,808)	2,773,626,243	5	962,722,912	98,227,902	300,037	1,114,966,115	1,658,660,129
Furniture and fixtures	1,112,510,964	97,039,134	(3,101,671)	1,206,448,427	20	865,125,158	98,145,466	(1,320,536)	961,950,088	244,498,339
Equipments	791,520,005	144,638,462	(558,663)	935,599,805	20	543,828,967	89,841,528	(496,165)	633,174,330	302,425,475
Computer and accessories	416,390,539	36,897,836	-	453,288,375	20	272,531,726	49,443,245	-	321,974,971	131,313,404
Motor vehicles	194,732,600	61,299,575	(12,752,357)	243,279,818	20	150,326,595	21,622,638	(11,796,530)	160,152,703	83,127,116
Sub-total	7,936,215,466	339,875,007	(17,083,498)	8,259,006,975		2,794,535,358	357,280,779	(13,313,195)	3,192,218,206	5,066,788,769
Leased assets										
Furniture and fixtures	167,162,848	-	-	167,162,848	20	167,162,848	-	-	167,162,848	-
Equipments	106,201,139	-	-	106,201,139	20	106,201,139	-	-	106,201,139	-
Computer and accessories	72,204,100	-	-	72,204,100	20	72,204,100	-	-	72,204,100	-
Motor vehicles	18,900,000	-	-	18,900,000	20	18,900,000	-	-	18,900,000	-
Sub-total	364,468,087	-	-	364,468,087		364,468,087	-	-	364,468,087	-
Total	8,300,683,553	339,875,007	(17,083,498)	8,623,475,062		3,159,003,445	357,280,779	(13,313,195)	3,556,686,293	5,066,788,769
Work in progress - building										
Kawran bazar building ¹	163,317,128	168,720,647	-	332,037,775		-	-	-	-	332,037,775
Sukrabad building ²	39,233,672	7,807,619	-	47,041,291		-	-	-	-	47,041,291
Total	202,550,799	176,528,266	-	379,079,065		-	-	-	-	379,079,065
Grand Total	8,503,234,352	516,403,273	(17,083,498)	9,002,554,127		3,159,003,445	357,280,779	(13,313,195)	3,556,686,293	5,445,867,834

¹ For construction of 12 storied commercial building with 22 stored foundation

² For construction of 9 storied building

Bank Asia Limited

Statement of tax position

Annex D

as at 31 December 2019

Accounting year	Assessment year	Status
2000	2001-2002	Assessment finalized
2001	2002-2003	Assessment finalized
2002	2003-2004	Assessment finalized
2003	2004-2005	Assessment finalized
2004	2005-2006	Assessment finalized
2005	2006-2007	Assessment finalized
2006	2007-2008	Assessment finalized
2007	2008-2009	Assessment finalized
2008	2009-2010	Assessment finalized
2009	2010-2011	Assessment finalized
2010	2011-2012	At Honorable High Court stage
2011	2012-2013	At Honorable High Court stage
2012	2013-2014	Assessment finalized
2013	2014-2015	Assessment finalized
2014	2015-2016	Assessment finalized
2015	2016-2017	Assessment finalized
2016	2017-2018	Assessment finalized
2017	2018-2019	Assessment finalized
2018	2019-2020	Return submitted

Bank Asia Limited

Details of Large Loan

as at 31 December 2019

	2019	2018
Number of clients	8	9
Amount of outstanding advances (Taka)	43,683	50,121
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) 2019			Outstanding (Taka) 2018		
		Funded	Non Funded	Total	Funded	Non Funded	Total
1	Spectra Group	1,489	4,247	5,736	-	-	-
2	Saiham Group	1,951	3,032	4,983	-	-	-
3	Meghna Group	2,014	2,793	4,807	-	-	-
4	ACI Group	2,606	2,168	4,773	-	-	-
5	Basundhara Group	4,508	2,221	6,729	3,329	2,579	5,907
6	City Group	1,862	4,182	6,044	1,270	3,339	4,610
7	Summit Group	2,049	3,413	5,461	568	11,870	12,438
8	Western Marine Group	4,204	945	5,149	2,288	2,002	4,290
9	Pran RFL Group	-	-	-	1,843	2,795	4,638
10	AA Group	-	-	-	2,367	1,639	4,006
11	Max Group	-	-	-	3,337	556	3,893
12	ECHOTEX Group	-	-	-	1,690	3,147	4,837
13	Salma Group	-	-	-	2,072	3,430	5,502
	Total	20,683	23,000	43,683	18,765	31,356	50,121

Bank Asia Limited

Names of Directors and their interest in different entities

Annex F

as at 31 December 2019

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 Limited
			Rangs Workshop Limited
			Rangs Industries Ltd.
			Rangs Properties Limited
			Rangs Motors Limited
			Rangs Pharmaceuticals Limited
			Ranks ITT Limited
			Ranks Telecom Limited
			Ranks Petroleum Limited
			Ranks Interiors Limited
			Rancon Motors Limited
			Rancon Engineering Limited
			Rancon Services Limited
			Shield Security Services Limited
			Rancon Autos Limited
			Rancon Automobiles Limited
			Rancon Motor Bikes Limited
			Ranks Steels Limited
			Ranks Real Estate Limited
			Rangs Motors Workshop Limited
			Ranks Agro Bioteq Limited
			Zest Polymers Ltd.
			Metro Foils Limited
			Rancon Holdings Limited
			Sea Resources Limited
			Sea Fishers Limited
			Deep Sea Fishers Limited
			Sea Resources Agencies Limited
			Fishers Shipyard Limited
			Sea Resources Cold Storage Limited
			Seamans Dockyard & Fish Meal Ltd.
			The Daily Star
Agro Food Services Ltd.			
Ranks FC Properties Limited			
Softex Communication Limited			
Bank Asia Limited			

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. Phulbari Tea Estates Ltd. M. Ahmed Cold Storage Ltd. M. Ahmed Food & Spices Ltd. M. Ahmed Real Estates Ltd. Premier Dyeing & Calendaring Ltd. Anandaniketan Ltd. JVS Ltd. FIVDB Bank Asia Limited
3	Mr. Romo Rouf Chowdhury	Vice Chairman	Rangs Limited Rangs Workshop Limited Rangs Industries Ltd. Rangs Properties Limited Rangs Motors Limited Rangs Pharmaceuticals Limited Ranks ITT Limited Ranks Telecom Limited Ranks Petroleum Limited Ranks Interiors Limited Rancon Motors Limited Rancon Engineering Limited Rancon Services Limited Shield Security Services Limited Rancon Autos Limited Rancon Automobiles Limited Ranks Steel Limited Ranks Real Estate Limited Rangs Motors Workshop Limited Ranks Agro Bioteq Limited Zest Polymers Ltd. Metro Foils Limited Sea Resources Limited Sea Fishers Limited Deep Sea Fishers Limited Sea Resources Agencies Limited Fishers Shipyard Limited Sea Resources Cold Storage Limited Seamans Dockyard & Fish Meal Ltd. Sash Limited Agro Food Services Ltd. Bank Asia Limited

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
4.	Mr. Rume A Hossain	Director	Rangs Industries Ltd.
			Romask Limited
			Rangs Petroleum Ltd.
			Rangs ITT Limited
			Rangs Pharmaceuticals Limited
			Rangs Telecom Limited
			Bank Asia Limited
5.	Ms. Romana Rouf Chowdhury (Representing Maya Limited)	Director	Rangs Limited
			Rangs Workshop Limited
			Rangs Industries Ltd.
			Rangs Properties Limited
			Rangs Motors Limited
			Rangs Pharmaceuticals Limited
			Rangs ITT Limited
			Rangs Telecom Limited
			Rangs Petroleum Limited
			Rangs Interiors Limited
			Rancon Motors Limited
			Rancon Engineering Limited
			Rancon Services Limited
			Shield Security Services Limited
			Rancon Autos Limited
			Rancon Automobiles Limited
			Rangs Steels Limited
			Rangs Real Estate Limited
			Rangs Motors Workshop Limited
			Rangs Agro Bioteq Limited
			Zest Polymers Ltd.
			Metro Foils Limited
			Sea Resources Limited
			Sea Resources Agencies Limited
			Sea Resources Cold Storage Limited
			Sea Fishers Limited
			Sea Natural Food Ltd.
			Sea Natural Ltd.
			Fishers Shipyard Limited
			Deep Sea Fishers Limited
			Agro Food Services Ltd.
Seamans Dockyard & Fish Meal Limited			
Romask Limited			
SRL Marine Product Ltd.			
Amreen Romana Ltd.			
Amiran Romana Ltd.			
Maya Limited			
Bank Asia Limited			

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
6.	Ms. Hosneara Sinha	Director	Pritha Fashions Ltd.
			Sinha Auto Spinning Mills Ltd.
			Sattar Jute Mills Ltd.
			Bank Asia Limited
7.	Ms. Farhana Haq	Director	DHS Motors Limited
			Platform Solutions Limited
			FAR Limited
			Ali Estates Limited
			Surja Soft Ltd.
8.	Ms. Naheed Akhter Sinha	Director	Bank Asia Limited
			Lafargeholcim Bangladesh Ltd.
			Enterprise Cluster Pte. Ltd. (Singapore)
			Cluster World Pte. Ltd. (Singapore)
9.	Mr. M Shahjahan Bhuiyan (Independent Director)	Director	Bank Asia Limited
			Bank Asia Limited
10.	Mr. Dilwar H Choudhury (Independent Director)	Director	Bank Asia Limited
			Bank Asia Limited
11.	Major General Mohammad Matiur Rahman (retd.) (Representing Sinha Fashions Ltd.)	Director	Sinha-Medlar Group
			Bank Asia Limited
12.	Mr. Ashraful Haq Chowdhury (Independent Director)	Director	Star Infrastructure Development Consortium Limited
			Star Allied Venture Limited
			Bank Asia Limited
			Bank Asia Limited
13.	Mr. Enam Chowdhury (Representing Amiran Generations Limited)	Director	Agro Food Services Ltd.
			Bank Asia Limited
14.	Mr. Md. Abul Quasem (Independent Director)	Director	Anwar Galvanizing Limited
			National Credit Rating Limited
			Bank Asia Limited
15.	Mr. M. A. Baqui Khalily (Independent Director)	Director	University of Asia Pacific
			Bank Asia Limited

Bank Asia Limited

Islamic Banking Operations

as at and for the year ended 31 December 2019

The operation of our Islamic Banking is totally different from the Bank's conventional operation as the former operates their business on the basis of Islamic Shariah. Accounting system is vital for ensuring Shariah compliance in such banking operation. Our Islamic Banking operation is committed to follow the accounting principles that refrain from interest. In a nutshell, we follow under noted principles for accounting under its Islamic Banking umbrella, run through a separate Islamic Banking software namely i-HIKMAH.

1. Deposit Collection and income Sharing Ratio (ISR) based Profit Distribution

For procuring funds from depositors, our Islamic Banking follows Al-Wadiah and Mudaraba principles. In case of Al-Wadiah Account, no profit is allowed at present. But for Mudaraba depositors, Bank Asia as the first Bank in Bangladesh, follows Income Sharing technique. It is different from traditional Weightage System so far practiced by almost all Islamic Banking operators in the country.

Income sharing module of Bank Asia has been appreciated by different quarters/institutions/organizations, particularly by the Central Shariah Board for Islamic Banks of Bangladesh and Islamic Banks Consultative Forum. Our module offers pre-defined Income Sharing Ratio (ISR) for each type of depositor and the Bank. The ISR determines the portion of income for each type of depositor and the Bank. For example, the ISR of 75 : 25 would mean that 75% of distributable income is to be shared by the concerned depositors and the rest 25% to be shared by the Bank. The ISR between each type of Mudaraba depositors and the Bank (Mudarib) are duly disclosed at the time of Account opening and/or beginning of the concerned period. Profit rate is emerged at actual, as derived from the income fetched from deployment of the concerned fund. As such our rate of profit on deposit under Islamic Banking is nothing but a post facto expression of the respective agreed sharing ratios. Our profit rate is an output based on the Bank's earning on investment.

The ISR declared on Mudaraba deposits for the year 2019

Types of Mudaraba Deposit	Distributable Investment Income Sharing Ratio (ISR) w.e.f. 01.06.2019	
	Client	Bank
1. Mudaraba Term Deposit Account (MTDA) 1 month	60%	40%
2. Mudaraba Term Deposit Account (MTDA) 2 months	60%	40%
3. Mudaraba Term Deposit Account (MTDA) 3 months	70%	30%
4. Mudaraba Term Deposit Account (MTDA) 6 months (Below Tk.1 crore)	72%	28%
5. Mudaraba Term Deposit Account (MTDA) 6 months (Tk.1 crore & above but below Tk.5 crore)	80%	20%
6. Mudaraba Term Deposit Account (MTDA) 6 months (Tk.5 crore & above)	85%	15%
7. Mudaraba Term Deposit Account (MTDA) 12 months (Below Tk.1 crore)	80%	20%
8. Mudaraba Term Deposit Account (MTDA) 12 months (Tk.1 crore & above)	85%	15%
9. Mudaraba Term Deposit Account (MTDA) 24 months (Below Tk.1 crore)	80%	20%
10. Mudaraba Term Deposit Account (MTDA) 24 months (Tk.1 crore & above)	85%	15%
11. Mudaraba Term Deposit Account (MTDA) 36 months (Below Tk.1 crore)	80%	20%
12. Mudaraba Term Deposit Account (MTDA) 36 months (Tk.1 crore & above)	85%	15%
13. Mudaraba Term Deposit Account (MTDA) 60 months (Below Tk.1 crore)	80%	20%
14. Mudaraba Term Deposit Account (MTDA) 60 months (Tk.1 crore & above)	85%	15%
15. Corporate Term Deposit Account (CTDA) 3 months (Tk.1 crore & above)	75%	25%
16. Corporate Term Deposit Account (CTDA) 6 months (Tk.1 crore & above but below Tk.5 crore)	80%	20%
17. Corporate Term Deposit Account (CTDA) 6 months (Tk.5 crore & above)	85%	15%
18. Corporate Term Deposit Account (CTDA) 12 months (Tk.1 crore & above)	85%	15%
19. Mudaraba Savings Account (MSA)	45%	55%
20. Mudaraba Corporate Privilege Savings Account (MCPSA)	45%	55%
21. Smart Junior Saver (School Banking) Account	60%	40%

22. Mudaraba Special Notice Deposit Account (MSND)	35%	65%
23. Mudaraba Monthly Profit Paying Deposit (MMPPD)- 1 year	80%	20%
24. Mudaraba Monthly Profit Paying Deposit (MMPPD)- 2 years	82%	18%
25. Mudaraba Monthly Profit Paying Deposit (MMPPD)- 3-5 years	85%	15%
26. Mudaraba Deposit Pension Scheme (MDPS) 3-12 Years	85%	15%
27. Mudaraba Hajj Savings Scheme (MHSS) 1- 10 Years	88%	12%
28. Cash Waqf	88%	12%

2. Investment Operation and Return Thereon

Investments of our Islamic Banking are broadly categorized in the following two types in respect of charging (rate of) return:

- Fixed return based investment
- Variable return based investment

Fixed return based investment system is applicable for our Bai-Murabaha Muajjal Investment mode. Under this mode, Bank sells the goods to a client at a fixed profit /mark-up on deferred payment including post import basis. Hire Purchase Shirkatul Melk (HPSM) is also a fixed return based investment mode. In this case rate of rent is fixed but amount of rent becomes variable on the basis of diminishing balance method.

Variable return based income is applied for our Musaharaka mode of investment. In these cases, only ratio of Income Sharing is stated in the agreement. Bank bags income on the basis of the concerned venture according to the agreed ratio (comparable to our Mudaraba deposit products). Genuine loss, if any, is borne according to capital ratio of the client & the Bank.

3. Income/ Revenue Recognition Principle

The bank earns income from various sources such as charges, fees, commission and investment income. To recognize all sorts of income, Bank follows Shariah principle strictly. Usually charges, fees & commission etc. are recognized on actual basis. Recognition of income from investment follows principles as under:

For Bai-Murabaha Muajjal Investment

While creating each deal, in case of Bai-Murabaha Muajjal mode of investment, markup/profit is added to the bank's purchase cost with a credit to unearned income A/c. Thereafter time apportionment of profit is recognized out of the unearned income amount at the end of each month on accrual basis. Allowance (rebate) for early repayment, if any, may however be applied at Bank's discretion.

For Hire Purchase Shirkatul Melk (HPSM) Investment

In case of HPSM mode of investment rent is charged and taken into income account at the end of each month on accrual basis.

If the account has a provision of gestation period, generally no income is earned during the period. In this case income starts just after the end of gestation period. However rent is chargeable in spite of gestation, if the delivery of asset is completed in usable condition such as a machine or a set of machinery or building etc.

All accrual income is subject to prevailing classification and provisioning rules of Bangladesh Bank.

For Musharaka Investment

In recognizing the revenue from Musharaka Investment we follow the actual (cash/ realization) basis instead of accrual i.e. no income is recognized until the result of the venture is arrived at.

4. Cost Recognition Principle

Cost in respect of profit paid on deposit is recognized on accrual basis. Monthly accruals in this respect are calculated on the basis of Income Sharing Ratio. Other costs are also recognized on the accrual basis following the matching concept of Accounting.

To ensure/ supervise Shariah compliance in banking operation, Bank Asia has a knowledgeable Shariah Supervisory Committee comprising renowned Fuqaha, Islamic bankers and academicians conversant in Islamic Economics & Finance.

Bank Asia Limited Islamic Banking Unit Balance Sheet

Annex G-1

as at 31 December 2019

	Amount in Taka	
	31 Dec 2019	31 Dec 2018
PROPERTY AND ASSETS		
Cash	1,010,655,911	786,581,748
Cash in hand (including foreign currencies)	39,319,564	31,058,244
Balance with Bangladesh Bank and its agent bank (Including foreign currencies)	971,336,347	755,523,504
 Balance with other banks and financial institutions	 300,753,880	 852,738,197
In Bangladesh	300,753,880	852,738,197
Outside Bangladesh	-	-
	-	-
Placement with other banks and financial institutions	-	-
Investments in shares and securities	1,049,300,000	874,700,000
Government	969,300,000	754,700,000
Others	80,000,000	120,000,000
 Investments	 13,304,712,470	 11,719,264,673
General Investment	13,253,555,559	11,713,961,145
Bills purchased and discounted	51,156,911	5,303,528
 Fixed assets including premises, furniture and fixtures	 4,884,814	 6,791,260
Other assets	4,139,401,670	1,794,638,896
Non - banking assets	-	-
Total assets	<u>19,809,708,745</u>	<u>16,034,714,774</u>
LIABILITIES AND CAPITAL		
Liabilities		
Placement from other banks, financial institutions and agents	-	-
Deposits and other Accounts		
Al-wadeeah current and other deposits accounts, etc.	815,561,996	995,086,895
Bills payable	108,992,752	86,397,037
Mudaraba savings deposits	2,551,157,860	1,691,519,432
Mudaraba term deposits	15,090,188,481	12,231,860,076
	18,565,901,089	15,004,863,440
Other liabilities	1,243,807,656	1,029,851,334
Total liabilities	<u>19,809,708,745</u>	<u>16,034,714,774</u>
OFF- BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	-	-
Letters of guarantee	214,311,365	146,540,716
Irrevocable letters of credit	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
Other commitments	-	-
Total Off-Balance Sheet items including contingent liabilities	<u>214,311,365</u>	<u>146,540,716</u>

Bank Asia Limited Islamic Banking Unit Profit and Loss Statement

Annex G-2

for the year ended 31 December 2019

	Amount in Taka	
	31 Dec 2019	31 Dec 2018
Investment income	1,348,621,170	1,165,033,072
Profit paid on deposits, borrowings, etc.	1,003,503,946	848,694,828
Net investment income	345,117,224	316,338,244
Profit on Investment with bank and financial institutions	31,211,410	20,850,530
Commission, exchange and brokerage	59,755,482	62,646,875
Other operating income	9,390,895	7,452,917
Total operating income	445,475,011	407,288,566
Salaries and allowances	84,059,716	75,221,809
Rent, taxes, insurance, electricity, etc.	9,826,725	8,063,405
Legal expenses	92,500	281,520
Postage, stamp, telecommunication, etc.	862,710	562,602
Stationery, printing, advertisement, etc.	1,532,772	1,048,993
Depreciation and repair of Bank's assets	4,733,774	4,697,271
Other expenses	42,724,634	27,147,174
Total operating expenses	143,832,831	117,022,774
Profit before provision	301,642,180	290,265,792
Provision for investments		
General provision	1,809,521	(7,266,443)
Specific provision	163,150,386	(1,228,906)
	164,959,907	(8,495,349)
Provision for off balance sheet items	677,707	372,705
Total provision	165,637,614	(8,122,644)
Total profit before taxes	136,004,566	298,388,436

Bank Asia Limited

Off-shore Banking Unit Balance Sheet

Annex H

as at 31 December 2019

	Notes	31 Dec 2019		31 Dec 2018	
		USD	Taka	USD	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		5,458,920	457,730,481	5,629,758	465,862,484
		5,458,920	457,730,481	5,629,758	465,862,484
Investments					
Government		-	-	-	-
Others		1,628,319	136,534,543	1,108,910	91,762,334
		1,628,319	136,534,543	1,108,910	91,762,334
Loans and advances					
	4				
Loans, cash credits, overdrafts, etc.		31,992,364	2,682,559,733	36,840,673	3,048,565,725
Bills purchased and discounted		201,423,944	16,889,397,743	215,142,451	17,803,037,847
		233,416,309	19,571,957,476	251,983,125	20,851,603,572
Fixed assets including premises, furniture and fixtures					
		-	-	-	-
Other assets					
	5	585,497	49,093,897	367,970	30,449,503
Non - banking assets					
		-	-	-	-
Total assets		<u>241,089,045</u>	<u>20,215,316,397</u>	<u>259,089,763</u>	<u>21,439,677,893</u>
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents					
	6	233,940,009	19,615,869,735	253,540,414	20,980,469,299
Deposits and other accounts					
	7				
Current deposits		5,348,141	448,441,616	4,749,651	393,033,599
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Fixed deposits		1,752,245	146,925,728	799,698	66,174,995
Bearer certificate of deposit		-	-	-	-
		7,100,386	595,367,344	5,549,349	459,208,594
Other liabilities					
	8	48,650	4,079,318	-	-
Total liabilities		<u>241,089,045</u>	<u>20,215,316,397</u>	<u>259,089,763</u>	<u>21,439,677,893</u>
OFF- BALANCE SHEET ITEMS					
Contingent liabilities					
Acceptances and endorsements	9	24,518	2,055,858	160,443	13,276,658
Letters of guarantee		-	-	-	-
Irrevocable letters of credit	10	349,151	29,276,311	330,409	27,341,345
Bills for collection		-	-	-	-
Other contingent liabilities		-	-	-	-
		373,669	31,332,169	490,852	40,618,003
Other commitments		-	-	-	-
Total Off-Balance Sheet items including contingent liabilities		<u>373,669</u>	<u>31,332,169</u>	<u>490,852</u>	<u>40,618,003</u>

Bank Asia Limited Off-shore Banking Unit Profit and Loss Statement

Annex H-1

for the year ended 31 December 2019

	Notes	31 Dec 2019		31 Dec 2018	
		USD	Taka	USD	Taka
Interest income	11	13,995,478	1,166,103,247	13,110,549	1,081,620,297
Interest paid on deposits and borrowings, etc.	12	10,389,691	865,669,016	9,798,539	808,379,496
Net interest/net profit on investments		3,605,788	300,434,231	3,312,010	273,240,801
Investment Income		-	-	-	-
Commission, exchange and brokerage	13	92,454	13,701,570	70,052	10,713,397
Other operating income	14	339,762	28,308,974	316,114	26,079,410
Total operating income (A)		4,038,004	342,444,775	3,698,176	310,033,608
		-	-	-	-
Salaries and allowances		-	-	-	-
Rent, taxes, insurance, electricity, etc.		3,091	257,549	3,154	260,214
Legal expenses		5,042	420,113	-	-
Postage, stamp, telecommunication, etc.		8,646	720,396	9,452	779,823
Stationery, printing, advertisements, etc.		607	50,561	712	58,712
Auditors' fees		-	-	-	-
Depreciation and repair of Bank's assets		-	-	-	-
Other expenses		224,228	18,682,659	160,519	13,242,801
Total operating expenses (B)		241,614	20,131,278	173,837	14,341,550
Profit before provision (C=A-B)		3,796,390	322,313,497	3,524,339	295,692,058
Provision for loans and advances					
General provision		(151,586)	(12,630,144)	688,440	56,796,306
Specific provision		-	-	40,319	3,326,356
		(151,586)	(12,630,144)	728,760	60,122,662
Provision for off-balance sheet items		(1,114)	(92,858)	(2,186)	(180,375)
Total provision (D)		(152,700)	(12,723,002)	726,573	59,942,287
Total profit/(loss) (C-D)		3,949,090	335,036,499	2,797,766	235,749,771

Off-shore Banking Unit (OBU)

Notes to the Financial Statements

as at and for the year ended 31 December 2019

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 Off-shore Banking Unit (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, Bangladesh Bank BCD Circular No. (P) 744(27), dated 17 December, 1985, 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 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) As per BRPD circular no. 16 dated 18 November 2014, BRPD Circular 14 dated 23 September 2012, BRPD Circular no. 19 dated 27 December 2012 and BRPD Circular no. 05 dated 29 May 2013, provision for sub-standard loans, doubtful loans and bad loss loans has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Provision for unclassified loan was made at the specified rate i.e. 0.25% to 5%

2.4 General

Assets and liabilities have been translated into Taka currency @USD 1 = BDT 83.85 (2018 : BDT 82.75). Income and expenses are translated at an average rate @ USD 1 = BDT 83.32 (2018 : BDT 80.50). Assets and liabilities and Income and expenses of Conventional Banking have been translated into Taka currency @ USD 1 = BDT 84.90

	31 Dec 2019		31 Dec 2018	
	USD	Taka	USD	Taka
3 Balance with other banks and financial institutions				
In Bangladesh	-	-	-	-
Outside Bangladesh				
Commerzbank A.G, Frankfurt	1,445	121,161	48,711	4,030,817
Habib American Bank, New York	5,457,470	457,608,880	5,581,042	461,831,233
Sonal Bank (UK) Limited, London	5	440	5	434
	<u>5,458,920</u>	<u>457,730,481</u>	<u>5,629,758</u>	<u>465,862,484</u>
4 Loans and advances				
Loans, cash credit, overdrafts etc. (Note 4.1)	31,992,364	2,682,559,733	36,840,673	3,048,565,725
Bills purchased and discounted (Note 4.2)	201,423,944	16,889,397,743	215,142,451	17,803,037,847
	<u>233,416,309</u>	<u>19,571,957,476</u>	<u>251,983,125</u>	<u>20,851,603,572</u>

Off-shore Banking Unit (OBU)

Notes to the Financial Statements

	31 Dec 2019		31 Dec 2018	
	USD	Taka	USD	Taka
4.1 Loans, cash credit, overdrafts etc.				
Term loan industrial	30,754,031	2,578,725,495	35,848,609	2,966,472,380
Term loan others	-	-	61,949	5,126,281
Loan against trust receipts	113,016	9,476,426	-	-
Demand loan	407,736	34,188,702	-	-
Loan others	717,580	60,169,110	930,116	76,967,064
	<u>31,992,364</u>	<u>2,682,559,733</u>	<u>36,840,673</u>	<u>3,048,565,725</u>
4.2 Bills purchased and discounted				
Payable in Bangladesh	201,423,944	16,889,397,743	215,142,451	17,803,037,847
Payable outside Bangladesh	-	-	-	-
	<u>201,423,944</u>	<u>16,889,397,743</u>	<u>215,142,451</u>	<u>17,803,037,847</u>
5 Other assets				
Branch adjustment account	169,698	14,229,167	169,698	14,042,495
Prepaid expenses	415,799	34,864,730	198,272	16,407,008
	<u>585,497</u>	<u>49,093,897</u>	<u>367,970</u>	<u>30,449,503</u>
6 Borrowings from other banks, financial institutions and agents				
Borrowing from other banks (Note 6.1)	136,200,875	11,420,443,402	197,604,273	16,351,753,582
Borrowing from corporate office, Dhaka	13,420,009	1,125,267,792	11,000,000	910,250,000
Borrowing - ECA	4,319,124	362,158,541	4,936,142	408,465,717
Borrowing from IFC	80,000,000	6,708,000,000	40,000,000	3,310,000,000
	<u>233,940,009</u>	<u>19,615,869,735</u>	<u>253,540,414</u>	<u>20,980,469,299</u>
6.1 Borrowing from other banks				
Standard Chartered Bank, Singapore	32,535,000	2,728,059,750	40,621,625	3,361,439,468
First Gulf Bank	5,000,000	419,250,000	20,000,000	1,655,000,000
National Bank of Ras Al Khaimah	22,000,000	1,844,700,000	23,000,000	1,903,250,000
Emirates Islami Bank	-	-	14,000,000	1,158,500,000
United Bank Limited, UAE	10,000,000	838,500,000	12,000,000	993,000,000
Caixa Bank, Barcelona	-	-	15,364,250	1,271,391,688
Bank Of Tokyo-Mitsubishi	-	-	30,000,000	2,482,500,000
HDFC, Gift City, Mumbai	15,000,000	1,257,750,000	4,500,000	372,375,000
Emirates NBD Bank PJSC	-	-	10,000,000	827,500,000
Noor Islami Bank, Dubai, UAE	13,000,000	1,090,050,000	-	-
Abu Dhabi Commercial bank	10,000,000	838,500,000	12,500,000	1,034,375,000
ID-Valvitalia Spa	-	-	1,268,398	104,959,926
Habib AG Zurich	-	-	6,050,000	500,637,500
State Bank of India	-	-	3,300,000	273,075,000
Nepal Bangladesh Bank Limited	-	-	5,000,000	413,750,000
The Commercial Bank, Qatar	6,000,000	503,100,000	-	-
DBS Bank Singapore	18,000,000	1,509,300,000	-	-
Banca Valsabbina SCPA Vestone Italy	1,290,875	108,239,902	-	-
Sanima Bank, Nepal	3,375,000	282,993,750	-	-
	<u>136,200,875</u>	<u>11,420,443,402</u>	<u>197,604,273</u>	<u>16,351,753,582</u>
7 Deposits and other accounts				
Customer deposits and other accounts (Note 7.1)	<u>7,100,386</u>	<u>595,367,344</u>	<u>5,549,349</u>	<u>459,208,594</u>

Off-shore Banking Unit (OBU) Notes to the Financial Statements

	31 Dec 2019		31 Dec 2018	
	USD	Taka	USD	Taka
7.1 Customer deposits and other accounts				
Foreign currency (Current)	3,531,472	296,113,904	2,535,459	209,809,238
Other demand deposits (Current)	1,816,669	152,327,712	2,214,192	183,224,361
Fixed deposit	1,752,245	146,925,728	799,698	66,174,995
	<u>7,100,386</u>	<u>595,367,344</u>	<u>5,549,349</u>	<u>459,208,594</u>
8 Other liabilities				
Provision for loans and advances	(150,628)	(12,630,144)	726,558	60,122,662
Provision for off balance sheet items	(1,107)	(92,858)	2,180	180,375
Due to Head Office	151,735	12,723,002	(728,738)	(60,303,037)
FDR on Export Bill	48,425	4,060,473	-	-
Interest suspense account	225	18,846	-	-
	<u>48,650</u>	<u>4,079,319</u>	<u>-</u>	<u>-</u>
9 Acceptances and endorsements				
Letters of credit (Back to Back)	-	-	-	-
Letters of credit (Acceptances)	24,518	2,055,858	160,443	13,276,658
	<u>24,518</u>	<u>2,055,858</u>	<u>160,443</u>	<u>13,276,658</u>
10 Irrevocable letters of credit				
Letters of credit (Back to Back)	-	-	-	-
Letters of credit (cash)	349,151	29,276,311	330,409	27,341,345
	<u>349,151</u>	<u>29,276,311</u>	<u>330,409</u>	<u>27,341,345</u>
11 Interest income				
Demand loan	17,436	1,452,793	6,553	540,590
Loan against trust receipt	8,380	698,190	19,205	1,584,448
Term loan - industrial	1,617,682	134,785,301	1,708,823	140,977,863
Term loan - others	2,259	188,235	5,942	490,175
Foreign bill purchased	12,296,826	1,024,571,538	11,341,751	935,694,486
Lease finance	52,895	4,407,190	28,276	2,332,735
	<u>13,995,478</u>	<u>1,166,103,247</u>	<u>13,110,549</u>	<u>1,081,620,297</u>
12 Interest paid on deposits and borrowings etc.				
Interest on deposit	48,601	4,049,409	11,073	913,498
Interest on borrowings	10,341,090	861,619,607	9,787,467	807,465,998
	<u>10,389,691</u>	<u>865,669,016</u>	<u>9,798,539</u>	<u>808,379,496</u>
13 Commission, exchange and brokerage				
Commission on L/C	7,752	645,896	8,041	663,383
Commission on export	69,689	5,806,497	51,476	4,246,805
Commission on PO, DD, TT, TC, etc	14,120	1,176,477	9,191	758,256
Foreign exchange gain and charges	-	5,998,295	-	4,934,075
Fees and commission	893	74,405	1,344	110,879
	<u>92,454</u>	<u>13,701,570</u>	<u>70,052</u>	<u>10,713,397</u>
14 Other operating income				
SWIFT charge recovery	7,198	599,738	7,475	616,688
Other	332,564	27,709,236	308,639	25,462,722
	<u>339,762</u>	<u>28,308,974</u>	<u>316,114</u>	<u>26,079,410</u>

Bank Asia Limited

Statement of outstanding unreconciled entries (nostro account)

as at 31 December 2019

Amount in USD

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	Less than 1 month	59	5,427,373	218	7,761,528	106	40,480,947	492	15,908,257
2	More than 1 month but less than 3 months	40	1,641,869	26	329,009	-	-	124	2,274,479
3	More than 3 months but less than 6 months	-	-	-	-	-	-	-	-
4	More than 6 months but less than 9 months	-	-	-	-	-	-	-	-
5	More than 9 months but less than 12 months	-	-	-	-	-	-	-	-
6	More than 12 months	-	-	-	-	-	-	-	-
	Total	99	7,069,242	244	8,090,536	106	40,480,947	616	18,182,737

Bank Asia Limited

Reconciliation between Bangladesh Bank statement and Bank's book

as at 31 December 2019

The reconciling items relates to clearing of the following:

- Bangladesh Bank cheques
- Foreign currency demand drafts
- Government bonds, Sanchayapatra, etc

Local currency	As per Bangladesh Bank Statement	As per Bank's General ledger	Reconciling Difference
	BDT	BDT	BDT
Bangladesh Bank, Dhaka	13,135,822,774.37	13,074,411,259.60	61,411,514.77
Bangladesh Bank, Dhaka (Al-wadeeah current account)	971,336,347.21	971,336,347.21	-
Bangladesh Bank, Chittagong	161,934,174.07	161,935,194.07	(1,020.00)
Bangladesh Bank, Sylhet	21,753,905.63	21,753,905.63	-
Bangladesh Bank, Khulna	4,155,838.67	4,129,378.67	26,460.00
Bangladesh Bank, Rajshahi	8,108,398.90	8,108,398.90	-
Bangladesh Bank, Bogra	20,363,816.54	20,343,109.34	20,707.20
Bangladesh Bank, Barishal	14,335,311.55	14,335,311.55	-
Bangladesh Bank, Rangpur	4,781,312.78	4,781,312.78	-
Total	14,342,591,879.72	14,281,134,217.75	61,457,661.97

Bank credited but not debited by Bangladesh Bank

37,868,732.00

Bank debited but not credited by Bangladesh Bank

-

Bangladesh Bank credited but not debited by Bank

218,303,869.69

Bangladesh Bank debited but not credited by Bank

(194,714,939.72)

61,457,661.97

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	USD	USD	BDT	USD
USD Clearing account	66,228,786.04	64,518,957.60	5,477,659,500.24	1,709,828.44
Total	66,228,786.04	64,518,957.60	5,477,659,500.24	1,709,828.44

Bank credited but not debited by Bangladesh Bank

4,832,136.29

Bank debited but not credited by Bangladesh Bank

(123,303.85)

Bangladesh Bank credited but not debited by Bank

-

Bangladesh Bank debited but not credited by Bank

(2,999,004.00)

1,709,828.44

Foreign currency	As per Bangla- desh Bank statement	As per Bank's general ledger		Reconciling difference
	GBP	GBP	BDT	GBP
GBP Clearing account	6,730.72	6,730.72	747,109.92	-
	6,730.72	6,730.72	747,109.92	-

Bank credited but not debited by Bangladesh Bank

Bank debited but not credited by Bangladesh Bank

Bangladesh Bank credited but not debited by Bank

Bangladesh Bank debited but not credited by Bank

-
-
-
-

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	EUR	EUR	BDT	EUR
EUR Clearing account	56,435.88	56,435.88	5,355,765.01	-
	56,435.88	56,435.88	5,355,765.01	-

Bank credited but not debited by Bangladesh Bank

Bank debited but not credited by Bangladesh Bank

Bangladesh Bank credited but not debited by Bank

Bangladesh Bank debited but not credited by Bank

-
-
-
-

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	JPY	JPY	BDT	JPY
JPY Clearing account	45,238.00	45,238.00	36,190.40	-
	45,238.00	45,238.00	36,190.40	-

Bank credited but not debited by Bangladesh Bank

Bank debited but not credited by Bangladesh Bank

Bangladesh Bank credited but not debited by Bank

Bangladesh Bank debited but not credited by Bank

-
-
-
-

Total (BDT)

19,764,932,783

Bank Asia Limited Segment Reporting

The Bank reports its operations under the following business segments as per Bangladesh Financial Reporting Standards (BFRS) 8 “Operating segment”

Particulars	Bank Asia Limited				Bank Asia Limited and its subsidiaries			Inter company transaction	Consolidated
	Inside Bangladesh		Off-shore Banking unit	Total	Inside Bangladesh		Outside Bangladesh		
	Conventional Banking	Islamic Banking			Bank Asia Securities Ltd	BA Exchange Company (UK) Ltd			
Interest income	20,348,415,168	1,348,621,170	1,166,103,247	22,863,139,585	321,231,320	-	-	(210,303,633)	22,974,067,272
Interest paid on deposits and borrowings, etc	12,593,207,586	1,003,503,946	865,669,016	14,462,380,548	212,509,391	-	-	(210,303,633)	14,464,586,306
Net interest income	7,755,207,582	345,117,224	300,434,231	8,400,759,037	108,721,929	-	-	-	8,509,480,966
Investment income	3,261,853,584	31,211,410	-	3,293,064,994	-	-	-	-	3,293,064,994
Commission, exchange and brokerage	3,287,911,074	59,755,482	13,701,570	3,361,368,126	92,693,307	29,652,687	11,796,103	-	3,495,510,223
Other operating income	981,030,586	9,390,895	28,308,974	1,018,730,455	29,775,796	2,661,714	948,684	-	1,052,116,649
Total operating income (A)	15,286,002,826	445,475,011	342,444,775	16,073,922,612	231,191,032	32,314,401	12,744,787	-	7,840,691,866
Salaries and allowances	3,182,390,177	84,059,716	-	3,266,449,893	66,559,270	12,325,604	15,158,285	-	3,360,493,052
Rent, taxes, insurance, electricity, etc	430,008,972	9,826,725	257,549	440,093,246	17,321,041	6,804,596	7,502,418	-	471,721,301
Legal expenses	20,021,946	92,500	420,113	20,534,559	818,600	444,004	421,616	-	22,218,779
Postage, stamp, telecommunication, etc	122,888,552	862,710	720,396	124,471,658	1,579,425	570,892	220,696	-	126,842,671
Stationery, printing, advertisements, etc	155,106,660	1,532,772	50,561	156,689,993	1,234,650	1,357,957	221,243	-	159,503,843
Managing Director's salary and fees	16,572,420	-	-	16,572,420	-	-	-	-	16,572,420
Directors' fees	3,424,000	-	-	3,424,000	302,400	-	-	-	3,726,400
Auditors' fees	1,478,225	-	-	1,478,225	95,833	630,240	1,235,961	-	3,440,259
Depreciation and repairs of Bank's assets	829,342,241	4,733,774	-	834,076,015	4,709,168	2,033,364	1,648,136	-	842,466,683
Other expenses	1,826,261,037	42,724,634	18,682,659	1,887,668,330	11,032,998	6,329,186	9,288,053	-	1,914,318,567
Total operating expenses (B)	6,587,494,230	143,832,831	20,131,278	6,751,458,339	103,653,385	30,495,843	35,696,408	-	6,921,303,975
Profit before provision (C=A-B)	8,698,508,596	301,642,180	322,313,497	9,322,464,273	127,537,647	1,818,558	(22,951,621)	-	9,428,868,857
Provision:									
Provision for loans and advances/investments				5,653,030,046	36,000,000	-	-	-	5,689,030,046
Provision for off-balance sheet items				(196,376,913)	-	-	-	-	(196,376,913)
Provision for diminution in value of investments				(80,000,000)	13,934,688	-	-	-	(66,065,312)
Other provisions				25,000,000	-	-	-	-	25,000,000
Total provision (D)				5,401,653,133	49,934,688	-	-	-	5,451,587,821
Profit before tax provision (E=C-D)				3,920,811,140	77,602,959	1,818,558	(22,951,621)	-	3,977,281,036
Provision for taxation				1,960,000,000	59,469,389	-	-	-	2,019,469,389
Profit after tax provision				1,960,811,140	18,133,570	1,818,558	(22,951,621)	-	1,957,811,647

Amount in Taka

Bank Asia Limited Segment Reporting

Annex K-1

The Bank reports its operations under the following business segments as per Bangladesh Financial Reporting Standards (BFRS) 8 “Operating segment”

Amount in Taka

Particulars	Bank Asia Limited				Bank Asia Limited and its subsidiaries			Inter company transaction	Consolidated
	Inside Bangladesh		Off-shore Banking unit	Total	Outside Bangladesh		Inter company transaction		
	Conventional Banking	Islamic Banking			Bank Asia Ltd	BA Exchange Company (UK) Ltd			
PROPERTY AND ASSETS									
Cash	22,975,036,168	1,010,655,911	-	23,985,692,079	6,689	905,678	-	-	23,986,604,446
Balance with other banks and financial institutions	22,355,069,443	300,753,880	457,730,481	23,113,553,804	390,202,061	44,673,605	93,624,752	(7,056,652)	23,634,997,570
Money at call and on short notice	4,600,000,000	-	-	4,600,000,000	-	-	-	-	4,600,000,000
Investments	53,746,745,393	1,049,300,000	136,534,543	54,932,579,936	594,391,990	-	-	-	55,526,971,926
Loans and advances/investments	194,422,286,102	13,304,712,470	19,571,957,476	227,298,956,048	4,649,980,291	-	-	(1,853,724,468)	230,095,211,871
Fixed assets including premises, furniture and fixtures	7,020,717,893	4,884,814	-	7,025,602,707	35,734,740	1,797,251	2,758,533	-	7,065,893,231
Other assets	8,655,493,556	4,139,401,670	49,093,897	12,843,989,123	302,091,372	2,376,043	78,843,426	(2,416,751,730)	10,810,548,234
Non - banking assets	-	-	-	-	-	-	-	-	-
Total assets	313,775,348,555	19,809,708,745	20,215,316,397	353,800,373,697	5,972,407,143	49,752,577	175,226,711	(4,277,532,850)	355,720,227,278
LIABILITIES AND CAPITAL									
Liabilities									
Borrowings from other banks, financial institutions and agents	14,766,258,761	-	19,615,869,735	34,382,128,495	1,853,724,468	-	-	(1,853,724,468)	34,382,128,495
Subordinated Non-Convertible Zero Coupon Bond	11,800,000,000	-	-	11,800,000,000	-	-	-	-	11,800,000,000
Deposits and other accounts	234,548,306,182	18,565,901,089	595,367,344	253,709,574,615	375,008,705	-	-	(7,056,652)	254,077,526,668
Other liabilities	28,051,670,261	1,243,807,656	4,079,318	29,163,552,669	1,704,550,663	92,327,339	217,275,726	(303,712,730)	30,873,993,667
Total liabilities	289,166,235,204	19,809,708,745	20,215,316,397	329,055,255,779	3,933,283,836	92,327,339	217,275,726	(2,164,493,850)	331,133,648,830
Total shareholders' equity	24,745,117,918	-	-	24,745,117,918	2,039,123,307	(42,574,762)	(42,049,015)	(2,113,039,000)	24,586,578,448
Total liabilities and shareholders' equity	313,911,353,120	19,809,708,745	20,215,316,397	353,800,373,697	5,972,407,143	49,752,577	175,226,711	(4,277,532,850)	355,720,227,278

Bank Asia Securities Limited

Independent Auditor's Report to the Shareholders of Bank Asia Securities Limited

Opinion

We have audited the accompanying financial statements of Bank Asia Securities Limited which comprise the Statement of Financial Position as at 31 December 2019, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 02-03.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained in note 02-03, 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. The Bangladesh Securities and Exchange Commission rules and regulations together with other applicable regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Report, which we could not obtain prior to the date of this auditors' report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with ISAs.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and other applicable Laws and Regulations, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statement of financial position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Dated, Dhaka
19 February 2020

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ACNABIN
Chartered Accountants

Bank Asia Securities Limited

Statement of Financial Position

as at 31 December 2019

		<i>Amount in Taka</i>	
		31 Dec 2019	31 Dec 2018
Non-Current Assets			
Property, plant and equipment	4	35,734,740	7,771,251
Demutualization membership of DSE	5	114,839,239	114,839,239
Total non-current assets		150,573,979	122,610,490
Current Assets			
Advances, deposits and prepayments		17,171,496	3,770,111
Investment in shares at cost		479,552,751	430,164,859
Margin loans		4,649,980,291	4,993,663,846
Accounts receivable		43,575,667	18,259,115
Advance income tax		241,344,210	322,824,373
Deferred tax assets		1,635,140	1,918,965
Cash and cash equivalents		390,208,750	279,371,864
Total current assets		5,823,468,304	6,049,973,133
Total assets		5,974,042,283	6,172,583,623
Equity			
Share capital	12	2,000,000,000	2,000,000,000
Retained earnings	13	40,758,447	22,908,701
		2,040,758,447	2,022,908,701
Current Liabilities			
Customer deposits	14	375,008,705	277,688,606
Loans and borrowings	15	1,853,724,468	2,120,125,642
Accounts payable	16	703,187	858,886
Liability for expenses	17	21,691,177	27,286,911
Interest suspense account	18	890,799,214	890,799,214
Provision for diminution in value of investments	19	33,703,549	19,768,861
Provision for client margin loan	20	554,494,169	518,494,169
Provision for corporate income tax	21	203,159,368	294,652,633
Total current liabilities		3,933,283,836	4,149,674,921
Total equity and liabilities		5,974,042,283	6,172,583,623

These Financial Statements should be read in conjunction with the annexed notes

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Chairman

-sd-

Director

-sd-

Chief Executive Officer

-sd-

ACNABIN

Chartered Accountants

Dated, Dhaka
19 February 2020

Bank Asia Securities Limited

Statement of Profit or loss and Other Comprehensive income

for the year ended 31 December 2019

		<i>Amount in Taka</i>	
		31 Dec 2019	31 Dec 2018
Brokerage commission	23	92,693,307	97,015,477
Interest income	24	321,231,320	313,770,644
Interest expense	25	(212,509,391)	(217,530,252)
Net interest income		108,721,929	96,240,393
Other operating income/loss	26	29,775,796	66,480,029
Total operating income		231,191,032	259,735,899
Operating expenses	27	(103,653,385)	(88,575,869)
Profit before provision		127,537,647	171,160,029
Provision for diminution in value of investments	19	(13,934,688)	-
Provision for client margin loan	20	(36,000,000)	(110,000,000)
Profit / (Loss) before tax		77,602,959	61,160,029
Current tax expense	21	(59,469,389)	(45,930,537)
Deferred tax Income/(expense)	22	(283,825)	1,918,965
Income tax expense		(59,753,214)	(44,011,572)
Profit/ (Loss) after tax		17,849,745	17,148,458
Other comprehensive income		-	-
Total comprehensive income/(loss)		17,849,745	17,148,458
Earnings per share	28	0.89	0.86

These Financial Statements should be read in conjunction with the annexed notes

-sd-

Chairman

-sd-

Director

-sd-

Chief Executive Officer

Dated, Dhaka
19 February 2020

-sd-

ACNABIN

Chartered Accountants

Bank Asia Securities Limited Statement of Cash Flows

for the year ended 31 December 2019

	<i>Amount in Taka</i>	
	31 Dec 2019	31 Dec 2018
A. Cash flows from operating activities		
Cash received from		
Interest income	321,231,320	221,419,694
Brokerage commission	92,693,307	96,619,691
Cash payment for		
Interest expenses	(212,509,391)	(164,603,698)
Operating expenses	(104,539,951)	(80,865,373)
Customers' deposits	97,320,099	20,167,195
Margin loan to customers	373,459,352	186,742,582
Other assets	(38,717,936)	25,775,887
Accounts Payable	(155,699)	(685,068)
Income tax paid	(69,482,491)	(83,637,133)
Net cash flows from/ (used in) operating activities	459,298,609	220,933,777
B. Cash flows from investing activities		
Investment in listed securities	(49,387,892)	16,248,013
Demutualization membership of DSE	-	38,279,761
Acquisition of property, plant and equipment	(32,672,657)	(5,369,121)
Net cash from/ (used in) investing activities	(82,060,549)	49,158,653
C. Cash flows from financing activities		
Loans and borrowings	(266,401,174)	(326,941,692)
Net cash (used in)/ from financing activities	(266,401,174)	(326,941,692)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	110,836,886	(56,849,262)
E. Opening cash and cash equivalents	279,371,864	336,221,126
F. Closing cash and cash equivalents	390,208,750	279,371,864

These Financial Statements should be read in conjunction with the annexed notes

-sd-

Chairman

-sd-

Director

-sd-

Chief Executive Officer

Dated, Dhaka
19 February 2020

-sd-
ACNABIN
Chartered Accountants

Bank Asia Securities Limited Statement of Changes in Equity

for the year ended 31 December 2019

	<i>Amount in Taka</i>			
	Share capital	Share Premium	Retained earnings/ (Accumulated Losses)	Total
Year ended 31 Dec 2018				
Opening balance	2,000,000,000	-	5,760,244	2,005,760,244
Net profit for the year	-	-	17,148,458	17,148,458
Closing balance	2,000,000,000	-	22,908,701	2,022,908,701
Year ended 31 Dec 2019				
Opening balance	2,000,000,000	-	22,908,701	2,022,908,701
Net profit for the year	-	-	17,849,745	17,849,745
Closing balance	2,000,000,000	-	40,758,447	2,040,758,447

These Financial Statements should be read in conjunction with the annexed notes

-sd-
Chairman

-sd-
Director

-sd-
Chief Executive Officer

Dated, Dhaka
19 February 2020

-sd-
ACNABIN
Chartered Accountants

Bank Asia Securities Limited

Notes to the Financial Statements

as at and for the year ended 31 December 2019

1. Reporting entity

Bank Asia Securities Limited (“the Company”), a majority owned subsidiary company of Bank Asia Limited was incorporated as a private limited company in Bangladesh on 04 August 2010 bearing certificate of incorporation no. C-86230/10 dated 04 August 2010 under the Companies Act 1994 having its registered office at Hadi Mansion (2nd Floor), 2 Dilkusha Commercial Area, Dhaka 1000.

The Company obtained permission from Bangladesh Securities and Exchange Commission on 16 March 2011 to operate as a full fledged stock broker and stock dealer bearing registration nos. Reg/3.1/DSE-237/2011/463 and Reg/3.1/DSE-237/2011/464 respectively.

The main objective of the Company is to act as a full fledged stock broker and stock dealer to execute buy and sell orders and to maintain own portfolio as well as customers portfolio under the discretion of customers. The Company also performs the other activities relates to capital market as and when regulators permits the company to carry out activities as per their guidelines.

2. Basis of preparation

2.1 Statement of compliance

The financial statements of the Company are prepared on a going concern basis under historical cost conversion in accordance following International Financial Reporting Standards (IFRSs)/International Accounting Standards (IASs), The Companies Act-1994, and other laws and rules applicable in Bangladesh. Wherever appropriate, such principles are explained in succeeding notes.

2.2 Components of the financial statements

The financial statements referred to here comprise:

- a) Statement of Financial Position;
- b) Statement of Profit or loss and Other Comprehensive income;
- c) Statement of Cash Flows;
- d) Statement of Changes in Equity; and
- e) Notes to the Financial Statements.

2.3 Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, 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 reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the periods in which the estimate is revised and in any future periods affected.

Key estimates include the following:

- * Property, Plant and Equipment
- * Provision on margin loan and Investment in shares
- * Deffered Tax Asset/Liabilities

2.4 Statement of cash flows

Statement of Cash Flows has been prepared as per International Accounting Standard IAS-7 under direct method. The Cash Flow Statement shows the structure of and changes in cash and cash equivalents during the year. Cash Flows during the year have been classified as operating activities, investing activities and financing activities.

2.5 Reporting period

These financial statements cover period from 1 January 2019 to 31 December 2019.

2.6 Date of authorization

The Board of Directors accorded its approval and authorized these financial statements on 19 February 2020.

2.7 Functional and presentational currency

The financial statements are presented in Bangladesh Taka, which is the Company’s functional currency.

Bank Asia Securities Limited Notes to the Financial Statements

2.8 Share capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

2.9 Going concern

The Company has adequate resources to continue its operation for foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations to continue.

2.10 Investment in securities

These securities are bought and held primarily for the purpose of selling them in future or held for dividend incomes which are reported at fair value. Unrealized gains are not recognized in the profit and loss statement. But provision was made for diminution in value of investment as per BSEC guideline.

2.11 Provision, Contingent asset and contingent liabilities

As per IAS-37 "Provisions, Contingent Liabilities and Contingent Assets" the Bank Asia Securities Limited 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.

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 Company; 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.

2.12 Taxation

Current tax

Provision for current tax is made in accordance with the provision of Income Tax Ordinance, 1984 and subsequent amendments made thereto from time to time.

Deferred Tax

Deferred Tax is calculated as per International Accounting Standard IAS-12 "Income Taxes". Deferred Tax is recognized on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred Tax liabilities are recognized for all taxable temporary differences. Deferred Tax assets are generally recognized for all deductible temporary differences.

Deferred Tax is measured at the tax rate that is 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.

2.13 Branch Details

The Company has a total five number of Branch offices, Two Extension Office (excluding Head Office), with no overseas branch as on December 31, 2019.

Accounts of the branches are maintained at the head offices which are included in the accompanying financial statements.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Certain comparative amounts have been reclassified to conform with the current year's presentation.

Bank Asia Securities Limited Notes to the Financial Statements

3.1 Revenue Recognition

In terms of provision of IFRS-15 on revenue and disclosures in the financial statements of the company the following items have been recognized as mentioned.

Brokerage commission

Income from brokerage is recognised on daily basis in the Statement of Comprehensive Income after receiving the trading note of securities transacted from Dhaka Stock Exchange Limited, at which point performance is assured to be completed.

Interest Income from margin loan

Interest on loans and advances is calculated on daily product basis, but charged and accounted for on quarterly basis except negative equity clients where interest is recognized based on effective interest rate which is estimated recoverable amount as per IFRS-9.

Dividend income and profit/ (loss) on sale of marketable securities

Dividend income is recognized when right to receive payment is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized or loss is incurred.

3.2 Interest paid and other expenses

In terms of the provisions of IAS-1 “Presentation of Financial Statements” interest and other expenses are recognized on accrual basis.

3.3 Earnings per share

Earnings per share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding at 31 December 2019 as per International Accounting Standard IAS- 33 “Earnings Per Share”.

3.4 Property, plant and equipment

Items of property, plant and equipment, are measured at cost less accumulated depreciation and impairment losses, as per IAS-16: Property, Plant and Equipment. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment 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 cost of day-to-day servicing items of property, plant and equipment are expensed when incurred.

Depreciation

Depreciation is charged on straight-line method. Charging depreciation against fixed assets commences from the month of acquisition (for full month) and ceases at the month when the assets are disposed.

3.5 Intangible assets

Computer software

Computer software acquired by the Company which have finite useful lives are measured at cost less accumulated amortisation.

Subsequent costs

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss.

Amortisation of intangible assets

Computer software are amortised @ 20% per annum in a straight-line method.

BA EXCHANGE COMPANY (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the Company is the provision of bureau de change services.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr. A Rouf Chowdhury

Mr. Arfan Ali

Mr. Abm Kamrul Huda Azad

Results and dividends

The profit for the year, after taxation, amounted to £17,312 (2018 - loss £194,053).

The directors have not declared a dividend for the year.

Post reporting date events

There have been no significant events affecting the Company since the year end.

Future developments

The Company is constantly looking at opportunities to develop and refine its business models and is constantly speaking with third parties for potentials of expanding the business and network further and parent entity is willing to support this.

Auditor

The auditors, AGP Consulting, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 25th September 2019 and signed on its behalf.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. On behalf of the board

.....
Mr. Abm Kamrul Huda Azad
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BA EXCHANGE COMPANY (UK) LIMITED

OPINION

We have audited the financial statements of BA Exchange Company (UK) Limited (the 'company') for the year ended 31 December 2019 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BA EXCHANGE COMPANY (UK) LIMITED

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

for and on behalf of
AGP Consulting
Chartered Accountants
Statutory Auditor

Q West
Great West Road
Brentford
TW8 0GP

BA EXCHANGE COMPANY (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
Turnover	307,640	103,279
Cost of sales	(47,768)	(96,063)
GROSS PROFIT	259,872	7,216
Administrative expenses	(242,560)	(201,269)
(Loss)/profit before taxation	17,312	(194,053)
Tax on (loss)/profit	-	-
Profit for the Financial Year	17,312	(194,053)

BALANCE SHEET

AS AT 31 DECEMBER 2019

	2019 £	2018 £
FIXED ASSETS		
Tangible assets	16,563	28,795
CURRENT ASSETS		
Debtors	21,898	21,644
Cash at bank and in hand	420,047	396,475
	441,945	418,119
Creditors: amounts falling due within one year	(850,867)	(856,585)
NET CURRENT LIABILITIES	(408,922)	(438,466)
TOTAL ASSET LESS CURRENT LIABILITIES	(392,359)	(409,671)
CAPITAL AND RESERVES		
Called up share capital	300,000	300,000
Profit and loss account	(692,359)	(709,671)
Total equity	(392,359)	(409,671)

BA EXCHANGE COMPANY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies

Company information

BA Exchange Company (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 125 Whitechapel Road, London, E1 1DT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors consider that the Company will be able to rely upon sufficient additional support from the parent undertaking for at least the next 12 month or by arranging funds through and alternative means possibly by way of a loan from one of the directors and the Board of the Bank has approved this, to allow the Company to be able to meet all its commitments as they fall due.

Therefore the directors consider that the going concern basis is appropriate in respect of the financial statements for the year ended 31 December 2019.

1.3 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Commission income

Income from remittance services is recognised when a customer gives instructions to the Company to make a remittance on their behalf.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	10% Straight line basis
Fixtures and fittings	25% Reducing balance basis

BA EXPRESS USA INC.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and
BA Express USA Inc.

We have audited the accompanying balance sheet of BA Express USA Inc. (a New York Corporation) as of December 31, 2019, and the related statements of income, retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used a significant estimate made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BA Express USA Inc. as of December 31, 2019, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

-sd-

New York, New York
March 13, 2020

Arman Chowdhury, CPA, P.C.
87-54 168th Street, Suite #201
Jamaica, NY 11432

BA EXPRESS USA INC.

BALANCE SHEET

For the Year Ended *December 31, 2019*
(See accompanying auditor's report)

Assets	2019 (\$)
Current Assets:	
Cash in Bank	1,116,574
Accounts Receivable	888,071
Other Current Assets	18,060
Total Current Assets	2,022,705
Fixed assets, net	32,898
Organizational Costs, net	8,460
Security deposits	25,700
Total Fixed Assets	67,058
Total assets	2,089,764
LIABILITIES AND STOCKHOLDER'S EQUITY	
Current Liabilities :	
Remittance payable to Bank Asia	2,576,540
Beneficiary	2,006
Accrued Taxes and other liabilities	10,000
Withholding Taxes	2,697
Total Current Liabilities	2,591,242
Total stockholder's equity	(501,479)
Total Liabilities & Stockholder's Equity	2,089,764

BA EXPRESS USA INC.

STOCKHOLDER'S EQUITY

For the Year Ended *December 31, 2019*

(See accompanying auditor's report)

		2019 (\$)
Paid in Capital		960,000
Retained Earnings beginning of the year	(1,183,904)	
Net Income / (Loss) for the twelve months ended December 31, 2019.	(277,574)	
Retained Earnings at the end of Dec. 31, 2019		(1,461,479)
Total Stockholder's Equity		<u>(501,479)</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF INCOME AND RETAINED EARNINGS

For the Year Ended *December 31, 2019*

(See accompanying auditor's report)

		2019 (\$)
Revenue		
Agent Commission / Fees Income		160,293
FX Commission/ Gain		79,304
Other Income		-
Interest Income		11,386
Total revenue		<u>250,983</u>
Expenses		
General and Administrative expenses		
New York, office expenses		490,780
Depreciation and Amortization		20,657
Total		<u>511,437</u>
Operating income before taxes		(260,454)
Income Taxes		
NYS and NYC		(17,120)
Net Income (loss)		<u>(277,574)</u>
Retained Earnings at the beginning of the period		<u>(1,183,904)</u>
Retained Earnings at the end of the year		<u>(1,461,479)</u>

BA EXPRESS USA INC.

STATEMENT OF CASH FLOW

For the Year Ended *December 31, 2019*
(See accompanying auditor's report)

	2019 (\$)
Cash flow from operating activities :	
Net Income	(277,574)
Adjustments to reconcile net income to net cash Provided by (used in) operating activities :	
Depreciation	19,780
Amortization	877
Receivable from Agents	287,246
Due to parent bank	196,395
Other Liabilities	1,625
Due to beneficiary	(9,025)
Accrued taxes	(1,719)
Net cash Flow from operation	<u>217,605</u>
Cash flow from investing activities:	
Fixed Assets	(761)
Security Deposits	(1,500)
Leasehold Improvements	(8,800)
Net Cash provided by investing activities	<u>206,544</u>
Cash flow from Financing Activities:	
Paid in Capital	<u>-</u>
Net increase (decrease) in cash	
Cash at beginning of the period	206,544
Adjustment	910,030
Cash at the end of the year	<u><u>1,116,574</u></u>

BA EXPRESS USA INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended *December 31, 2019*

Note A. Nature of the Organization and reports

These financial statements are prepared to the best of the management's knowledge, belief and actual transactions as of December 31, 2019.

BA Express USA Inc. is 100% owned by Bank Asia Ltd, commercial Bank in Bangladesh

Company was incorporated on September 20, 2011 under the laws of the State of New York. On June 28, 2013 the company received license as an international money transmitter from the state of New York Department of financial Services.

BA Express USA INC "BA Express" maintains its offices in New York. BA Express signed paying agent agreement with Bank Asia Ltd. Bank Asia distributes all funds to Beneficiaries in Bangladesh

Related Party Transactions and Shareholders

The company has been operating from 168-29 HILLSIDE AVE, Suite 2B JAMAICA, NEW YORK, 11432.

The Company's principal Shareholder is :

	Owner	Related Party	Correspondent
Bank Asia Ltd	100%	Yes	Yes

Note B. Surety Bond / Collateral

The Company has signed agreement with NYS Department of Financial Services and provided \$500,000 as collateral, as pledge to Superintendent. This \$500,000 is held at HAB Bank in NY.

Note C. Summary of significant Accounting Policies

Revenue Recognition: The majority of the company's revenues are comprised of the transaction-based fees, which typically constitutes a percentage of dollar volume processed, per transaction processed, or some combination thereof.

Revenue is primarily derived from two sources

1. Transaction fees charged to money transfer consumer.
2. The company generates revenue by acquiring currency at higher rate (wholesale) and sell the currency to the customer at retail exchange rates (lower).

Fees from typical money transfers are generally based on the principal amount of the transaction and the location where the funds are to be transferred. This transaction is sent by the Company and is recorded as revenue at the time of sale.

Agent Commissions: There are generally two agent locations involved in a money transfer transaction, the agent initiating the transaction (receiving agent) and the correspondent disbursing funds. The receiving agent earns a commission generally based on a percentage of the fee charged to the customer. Receiving Agent commissions are recorded as Expenses.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.