



independent auditor's report to the shareholders of bank asia limited

We have audited the accompanying consolidated financial statements of Bank Asia Limited and its subsidiaries (together referred to as 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 2014, consolidated and separate profit and loss accounts, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS) as explained in Note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the local central bank (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.

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and the separate financial statements of the Bank.

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

OPINION

In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2014, and of its consolidated and separate financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) as explained in Note 2.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the Companies Act, 1994, Securities and Exchange Rules 1987, the Bank Company Act 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

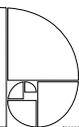
- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

- (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 and the Bank as disclosed in Note 2 to 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 Bank and its related entities;
- (iii) financial statements of all subsidiaries of the Bank have been audited by us as well as other auditors and have been properly reflected in the consolidated financial statements;
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- (v) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vi) the expenditures incurred was for the purpose of the Bank's business;
- (vii) 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;
- (viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (ix) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3,725 person hours during the audit; and
- (xii) Capital Adequacy Ratio (CAR) as required by the Bangladesh Bank has been maintained adequately during the year.

Hoda Vasi Chowdhury & Co

Hoda Vasi Chowdhury & Co
Chartered Accountants
BTMC Bhaban (7th Level)
7-9 Karwan Bazar, Dhaka-1215

Dhaka, 26 February 2015



consolidated balance sheet

As at 31 December 2014

Amount in Taka

	Notes	31 Dec 2014	31 Dec 2013
PROPERTY AND ASSETS			
Cash		10,951,752,735	9,710,625,661
In hand (including foreign currencies)	4.1(a)	1,334,530,665	1,623,748,920
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2(a)	9,617,222,070	8,086,876,741
Balance with other banks and financial institutions	5(a)	832,167,816	1,368,921,853
In Bangladesh		693,456,017	1,330,150,719
Outside Bangladesh		138,711,799	38,771,134
Money at call and on short notice	6(a)	300,000,000	-
Investments	7(a)	38,892,515,061	34,111,552,052
Government		34,844,385,059	30,512,642,417
Others		4,048,130,002	3,598,909,635
Loans and advances/investments	8(a)	119,890,004,570	107,942,564,235
Loans, cash credits, overdrafts, etc/investments		111,866,471,980	104,106,039,712
Bills purchased and discounted		8,023,532,590	3,836,524,523
Fixed assets including premises, furniture and fixtures	9(a)	5,237,641,931	5,310,777,180
Other assets	10(a)	7,989,760,255	6,622,755,197
Non - banking assets		-	-
Total assets		184,093,842,368	165,067,196,178
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions & agents	11(a)	8,459,915,794	2,359,117,075
Subordinated non-convertible zero coupon bonds	11(aa)	449,036,430	599,998,411
Deposits and other accounts	12(a)	140,681,116,682	133,682,889,808
Current/Al-wadeeah current accounts and other accounts		21,323,479,108	17,318,034,961
Bills payable		1,808,032,594	1,667,720,280
Savings bank/Mudaraba savings bank deposits		16,547,202,983	12,827,249,596
Fixed deposits/Mudaraba fixed deposits		101,002,401,997	101,869,884,971
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13(a)	17,901,674,358	13,867,771,828
Total liabilities		167,491,743,264	150,509,777,122
Capital/shareholders' equity			
Total shareholders' equity		16,602,099,104	14,557,419,056
Paid-up capital	14.2	7,629,955,940	6,936,323,590
Statutory reserve	15	5,051,466,882	4,208,075,877
Revaluation reserve	16(a)	2,682,592,433	2,705,391,603
General reserve		8,166,474	8,166,474
Retained earnings	17(a)	1,229,245,329	699,449,908
Foreign currency translation reserve		661,265	-
Non-controlling (minority) interest	17(b)	10,781	11,604
Total liabilities and shareholders' equity		184,093,842,368	165,067,196,178

consolidated balance sheet

	Notes	31 Dec 2014	31 Dec 2013
<i>Amount in Taka</i>			
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18	71,527,154,594	67,164,264,930
Acceptances and endorsements		23,788,621,938	22,488,214,073
Letters of guarantee		21,663,339,317	17,820,912,163
Irrevocable letters of credit		19,948,666,485	17,909,992,216
Bills for collection		6,126,526,854	8,945,146,478
Other contingent liabilities		-	-
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines & other commitments		-	-
Total off-balance sheet items including contingent liabilities		<u>71,527,154,594</u>	<u>67,164,264,930</u>

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

 Chairman	 Director	 Director	 Director	 President and Managing Director
---	---	---	--	--

Hoda Vasi Chowdhury & Co
Hoda Vasi Chowdhury & Co
Chartered Accountants
BTMC Bhaban (7th Level)
7-9 Karwan Bazar, Dhaka-1215
Dhaka, 26 February 2015



consolidated profit and loss statement

For the year ended 31 December 2014

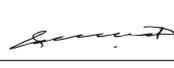
Amount in Taka

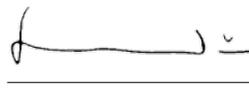
	Notes	31 Dec 2014	31 Dec 2013
OPERATING INCOME			
Interest income	20(a)	13,963,856,420	14,249,022,354
Interest paid on deposits and borrowings, etc	21(a)	10,758,874,679	11,205,201,440
Net interest income		3,204,981,741	3,043,820,914
Investment income	22(a)	4,035,196,622	3,055,009,284
Commission, exchange and brokerage	23(a)	2,009,023,109	1,912,117,096
Other operating income	24(a)	571,357,099	504,516,651
		6,615,576,830	5,471,643,031
Total operating income (A)		9,820,558,571	8,515,463,945
OPERATING EXPENSES			
Salaries and allowances	25(a)	1,878,784,873	1,487,461,781
Rent, taxes, insurance, electricity, etc	26(a)	453,338,381	388,742,958
Legal expenses	27(a)	13,598,714	9,144,734
Postage, stamp, telecommunication, etc	28(a)	71,439,706	68,512,059
Stationery, printing, advertisements, etc	29(a)	77,514,359	70,553,652
Managing Director's salary and fees	30	14,159,744	13,000,000
Directors' fees	31(a)	2,971,250	1,840,750
Auditors' fees	32(a)	2,223,357	1,956,800
Depreciation and repairs of Bank's assets	33(a)	448,602,098	386,446,375
Other expenses	34(a)	1,085,927,807	787,107,283
Total operating expenses (B)		4,048,560,289	3,214,766,392
Profit before provision (C=A-B)		5,771,998,282	5,300,697,553
Provision for loans and advances/investments			
General provision		117,587,306	49,000,849
Specific provision		1,464,654,113	1,519,802,819
		1,582,241,419	1,568,803,668
Provision for off-balance sheet items		43,628,897	79,485,283
Provision for diminution in value of investments		63,352,383	247,053,414
Other provisions		55,000,000	-
Total provision (D)		1,744,222,699	1,895,342,365
Total profit before tax (C-D)		4,027,775,583	3,405,355,188
Provision for taxation			
Current tax	13.4.1(a)	1,964,118,166	2,055,629,854
Deferred tax	13.4.2(a)	51,100,000	19,186,932
		2,015,218,166	2,074,816,786
Net profit after tax		2,012,557,417	1,330,538,402
Appropriations			
Statutory reserve	15	843,391,005	704,117,706
General reserve		-	-
		843,391,005	704,117,706
Retained surplus		1,169,166,412	626,420,696
Attributable to:			
Equity holders of Bank Asia Limited		1,169,167,235	626,421,283
Non-controlling (minority) interest		(823)	(587)
		1,169,166,412	626,420,696
Earnings Per Share (EPS)	37(a)	2.64	1.74

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


Chairman


Director


Director


Director


President and Managing Director

Hoda Vasi Chowdhury & Co

Hoda Vasi Chowdhury & Co
Chartered Accountants
Dhaka, 26 February 2015

consolidated cash flow statement

For the year ended 31 December 2014

	Notes	31 Dec 2014	31 Dec 2013
<i>Amount in Taka</i>			
Cash flows from operating activities (A)			
Interest receipts		17,747,055,040	16,971,625,817
Interest payments		(9,796,358,377)	(10,161,746,611)
Fees and commission receipts		2,009,023,109	1,912,082,603
Cash payment to employees		(1,788,327,931)	(1,455,244,654)
Cash payment to suppliers		(146,926,629)	(142,189,633)
Income tax paid		(1,513,877,130)	(2,221,014,583)
Receipts from other operating activities	35 (a)	1,143,516,556	683,238,602
Payments for other operating activities	36 (a)	(1,642,595,736)	(1,268,147,969)
Operating profit before changes in operating assets & liabilities		6,011,508,902	4,318,603,572
Increase/decrease in operating assets and liabilities			
Loans and advances to customers		(11,511,408,570)	(15,062,136,365)
Other assets		32,591,102	197,172,716
Deposits from customers		5,719,145,651	21,458,991,279
Trading liabilities		5,949,836,738	(359,393,401)
Other liabilities		45,170,838	(29,143,504)
Net increase in operating liabilities		235,335,759	6,205,490,725
Net cash from operating activities		6,246,844,661	10,524,094,297
Cash flows from investing activities (B)			
Investments in treasury bills, bonds and others		(4,331,742,642)	(11,000,845,184)
Sale/(Purchase) of trading securities		(449,220,367)	2,151,875,814
Purchase of fixed assets		(309,086,528)	(1,120,518,175)
Net cash used in investing activities		(5,090,049,537)	(9,969,487,545)
Cash flows from financing activities (C)			
Payment for finance lease		(1,362,816)	(2,035,865)
Subordinated non-convertible zero coupon bonds		(150,961,981)	-
Net cash from/(used) in financing activities		(152,324,797)	(2,035,865)
Net increase in cash and cash equivalents (A+B+C)		1,004,470,327	552,570,887
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		11,082,332,424	10,529,761,537
Cash and cash equivalents at the end of the year		12,086,802,751	11,082,332,424
Cash and cash equivalents:			
Cash		1,334,530,665	1,623,748,920
Balance with Bangladesh Bank and its agent bank(s)		9,617,222,070	8,086,876,741
Balance with other banks and financial institutions		832,167,816	1,368,921,853
Money at call and on short notice		300,000,000	-
Prize bonds		2,882,200	2,784,910
		12,086,802,751	11,082,332,424

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



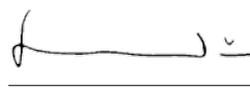
Chairman



Director



Director



Director



President and Managing Director

Hoda Vasi Chowdhury & Co

Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 26 February 2015



consolidated statement of changes in equity

For the year ended 31 December 2014

Particulars	Amount in Taka								
	Paid-up capital	Statutory reserve	Revaluation reserve	General reserve	Foreign Currency Revaluation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 01 January 2013	6,305,748,720	3,503,958,171	2,592,675,837	8,166,474	-	703,603,495	13,114,152,697	12,191	13,114,164,888
Transferred during the year	-	704,117,706	-	-	-	(704,117,706)	-	-	-
Adjustment on revaluation of fixed assets and other investment	-	-	112,715,766	-	-	-	112,715,766	-	112,715,766
Issue of bonus shares	630,574,870	-	-	-	-	(630,574,870)	-	-	-
Issue of right shares	-	-	-	-	-	-	-	-	-
Dividend paid to non-controlling (minority) interest	-	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	1,330,538,989	1,330,538,989	(587)	1,330,538,402
Balance at 31 December 2013	6,936,323,590	4,208,075,877	2,705,391,603	8,166,474	-	699,449,908	14,557,407,452	11,604	14,557,419,056
Transferred during the year	-	843,391,005	-	-	-	(843,391,005)	-	-	-
Adjustment for revaluation of fixed assets and others investments	-	-	28,027,782	-	-	-	28,027,782	-	28,027,782
Transferred to retained earnings	-	-	(50,826,952)	-	-	50,826,952	-	-	-
Foreign currency translation reserve for opening retained earnings	-	-	-	-	-	3,433,584	3,433,584	-	3,433,584
Foreign currency revaluation reserve for the year	-	-	-	-	661,265	-	661,265	-	661,265
Issue of bonus shares	693,632,350	-	-	-	-	(693,632,350)	-	-	-
Net profit for the year	-	-	-	-	-	2,012,558,240	2,012,558,240	(823)	2,012,557,417
Balance at 31 December 2014	7,629,955,940	5,051,466,882	2,682,592,433	8,166,474	661,265	1,229,245,329	16,602,088,323	10,781	16,602,099,104

balance sheet

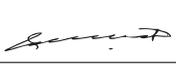
As at 31 December 2014

		<i>Amount in Taka</i>	
	Notes	31 Dec 2014	31 Dec 2013
PROPERTY AND ASSETS			
Cash		10,950,749,076	9,708,569,284
In hand (including foreign currencies)	4.1	1,333,527,006	1,621,692,543
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2	9,617,222,070	8,086,876,741
Balance with other banks and financial institutions		743,113,165	1,362,883,245
In Bangladesh	5.1	682,549,164	1,325,297,321
Outside Bangladesh	5.2	60,564,001	37,585,924
Money at call and on short notice	6	300,000,000	-
Investments	7	38,683,407,600	33,933,356,023
Government		34,844,385,059	30,512,642,417
Others		3,839,022,541	3,420,713,606
Loans and advances/investments	8	116,808,854,559	104,911,261,053
Loans, cash credits, overdrafts, etc/investments		108,785,321,969	101,074,736,530
Bills purchased and discounted		8,023,532,590	3,836,524,523
Fixed assets including premises, furniture and fixtures	9	5,213,607,289	5,288,348,327
Other assets	10	10,031,208,657	8,573,325,470
Non - banking assets		-	-
Total assets		182,730,940,346	163,777,743,402
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	7,846,139,969	1,944,757,246
Subordinated non-convertible zero coupon bonds	11 aa	449,036,430	599,998,411
Deposits and other accounts	12	140,869,286,126	133,489,374,641
Current/Al-wadeeah current accounts and other accounts		21,511,648,552	17,124,519,794
Bills payable		1,808,032,594	1,667,720,280
Savings bank/Mudaraba savings bank deposits		16,547,202,983	12,827,249,596
Fixed deposits/Mudaraba fixed deposits		101,002,401,997	101,869,884,971
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13	16,702,053,325	13,125,909,087
Total liabilities		165,866,515,850	149,160,039,385
Capital/shareholders' equity			
Total shareholders' equity		16,864,424,496	14,617,704,017
Paid-up capital	14.2	7,629,955,940	6,936,323,590
Statutory reserve	15	5,051,466,882	4,208,075,877
Revaluation reserve	16	2,682,592,433	2,705,391,603
General reserve		8,166,474	8,166,474
Retained earnings	17	1,492,242,767	759,746,473
Total liabilities and shareholders' equity		182,730,940,346	163,777,743,402

balance sheet

		<i>Amount in Taka</i>	
	Notes	31 Dec 2014	31 Dec 2013
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18	71,527,154,594	67,164,264,930
Acceptances and endorsements		23,788,621,938	22,488,214,073
Letters of guarantee		21,663,339,317	17,820,912,163
Irrevocable letters of credit		19,948,666,485	17,909,992,216
Bills for collection		6,126,526,854	8,945,146,478
Other contingent liabilities		-	-
Other commitments		-	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		<u>71,527,154,594</u>	<u>67,164,264,930</u>

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

				
Chairman	Director	Director	Director	President and Managing Director

Hoda Vasi Chowdhury & Co

Hoda Vasi Chowdhury & Co
Chartered Accountants
Dhaka, 26 February 2015

profit and loss statement

For the year ended 31 December 2014

	Notes	31 Dec 2014	31 Dec 2013
<i>Amount in Taka</i>			
OPERATING INCOME			
Interest income	20	13,914,306,656	14,319,420,431
Interest paid on deposits and borrowings, etc	21	10,699,769,024	11,139,136,545
Net interest income		3,214,537,632	3,180,283,886
Investment income	22	4,029,119,872	3,053,795,319
Commission, exchange and brokerage	23	1,877,813,941	1,801,337,502
Other operating income	24	564,728,562	497,738,396
		6,471,662,375	5,352,871,217
Total operating income (A)		9,686,200,007	8,533,155,103
Salaries and allowances	25	1,821,359,360	1,448,943,946
Rent, taxes, insurance, electricity, etc	26	429,936,885	370,253,838
Legal expenses	27	10,474,191	8,863,980
Postage, stamp, telecommunication, etc	28	68,249,997	64,863,116
Stationery, printing, advertisements, etc	29	75,546,760	69,798,722
Managing Director's salary and fees	30	14,159,744	13,000,000
Directors' fees	31	2,770,000	1,720,000
Auditors' fees	32	690,000	1,090,550
Depreciation and repairs of Bank's assets	33	440,643,021	379,304,597
Other expenses	34	1,043,538,876	759,555,320
Total operating expenses (B)		3,907,368,834	3,117,394,069
Profit before provision (C=A-B)		5,778,831,173	5,415,761,034
Provision for loans and advances/investments			
General provision		117,587,306	49,000,849
Specific provision		1,289,159,944	1,519,802,819
		1,406,747,250	1,568,803,668
Provision for off-balance sheet items		43,628,897	79,485,283
Provision for diminution in value of investments		56,500,000	246,883,553
Other provisions		55,000,000	-
Total provision (D)		1,561,876,147	1,895,172,504
Total profit before tax (C-D)		4,216,955,026	3,520,588,530
Provision for taxation			
Current tax	13.4.1	1,947,162,329	2,041,583,693
Deferred tax	13.4.2	51,100,000	19,186,932
		1,998,262,329	2,060,770,625
Net profit after tax		2,218,692,697	1,459,817,905
Appropriations			
Statutory reserve	15	843,391,005	704,117,706
General reserve		-	-
		843,391,005	704,117,706
Retained surplus		1,375,301,692	755,700,199
Earnings Per Share (EPS)	37	2.91	1.91

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

Chairman

Director

Director

Director

President and Managing Director

Hoda Vasi Chowdhury & Co

Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 26 February 2015

cash flow statement

For the year ended 31 December 2014

Amount in Taka

	Notes	31 Dec 2014	31 Dec 2013
Cash flows from operating activities (A)			
Interest receipts		17,358,855,701	16,558,158,931
Interest payments		(9,404,679,897)	(9,652,684,691)
Fees and commission receipts		1,877,813,941	1,801,303,009
Cash payment to employees		(1,730,902,418)	(1,416,726,819)
Cash payment to suppliers		(144,959,030)	(141,434,703)
Income tax paid		(1,496,986,867)	(2,206,968,422)
Receipts from other operating activities	35	1,136,888,019	675,246,382
Payments for other operating activities	36	(1,568,756,470)	(1,209,233,751)
Operating profit before changes in operating assets & liabilities		6,027,272,979	4,407,659,936
Increase/decrease in operating assets and liabilities			
Loans and advances to customers		(11,779,102,720)	(12,582,442,528)
Other assets		71,424,343	198,987,567
Deposits from customers		6,100,830,262	21,927,315,100
Trading liabilities		5,750,420,742	(1,880,243,230)
Other liabilities		(22,104,561)	(12,093,188)
Net increase in operating liabilities		121,468,066	7,651,523,721
Net cash from operating activities		6,148,741,045	12,059,183,657
Cash flows from investing activities (B)			
Investments in treasury bills, bonds and others		(4,331,742,642)	(11,003,630,094)
Sale/(Purchase) of trading securities		(418,308,935)	2,176,093,675
Purchase of fixed assets		(297,957,669)	(1,119,603,415)
Investments in subsidiaries		(25,900,000)	(1,556,500,000)
Net cash used in investing activities		(5,073,909,246)	(11,503,639,834)
Cash flows from financing activities (C)			
Payment for finance lease		(1,362,816)	(2,035,865)
Subordinated non-convertible zero coupon bonds		(150,961,981)	-
Net cash from/(used) in financing activities		(152,324,797)	(2,035,865)
Net increase in cash and cash equivalents (A+B+C)		922,507,002	553,507,958
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		11,074,237,439	10,520,729,481
Cash and cash equivalents at the end of the year		11,996,744,441	11,074,237,439
Cash and cash equivalents:			
Cash		1,333,527,006	1,621,692,543
Balance with Bangladesh Bank and its agent bank(s)		9,617,222,070	8,086,876,741
Balance with other banks and financial institutions		743,113,165	1,362,883,245
Money at call and on short notice		300,000,000	-
Prize bonds		2,882,200	2,784,910
		11,996,744,441	11,074,237,439

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

Chairman

Director

Director

Director

President and Managing Director

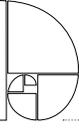
Hoda Vasi Chowdhury & Co

Hoda Vasi Chowdhury & Co
Chartered Accountants
Dhaka, 26 February 2015

statement of changes in equity

For the year ended 31 December 2014

Particulars	Amount in Taka					
	Paid-up capital	Statutory reserve	Revaluation reserve	General reserve	Retained earnings	Total
Balance at 01 January 2013	6,305,748,720	3,503,958,171	2,592,675,837	8,166,474	634,621,144	13,045,170,346
Statutory reserve	-	704,117,706	-	-	(704,117,706)	-
Revaluation reserve	-	-	112,715,766	-	-	112,715,766
Issue of bonus shares	630,574,870	-	-	-	(630,574,870)	-
Issue of right shares	-	-	-	-	-	-
Net profit for the year	-	-	-	-	1,459,817,905	1,459,817,905
Balance at 31 December 2013	6,936,323,590	4,208,075,877	2,705,391,603	8,166,474	759,746,473	14,617,704,017
Balance at 01 January 2014	6,936,323,590	4,208,075,877	2,705,391,603	8,166,474	759,746,473	14,617,704,017
Statutory reserve	-	843,391,005	-	-	(843,391,005)	-
Revaluation reserve	-	-	28,027,782	-	-	28,027,782
Transferred to retained earnings	-	-	(50,826,952)	-	50,826,952	-
Issue of bonus shares	693,632,350	-	-	-	(693,632,350)	-
Issue of right shares	-	-	-	-	-	-
Net profit for the year	-	-	-	-	2,218,692,697	2,218,692,697
Balance at 31 December 2014	7,629,955,940	5,051,466,882	2,682,592,433	8,166,474	1,492,242,767	16,864,424,496



Liquidity statement (analysis of maturity of assets and liabilities)

As at 31 December 2014

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	1,983,914,316	-	-	-	8,966,834,760	10,950,749,076
Balance with other banks and financial institutions	93,113,165	450,000,000	200,000,000	-	-	743,113,165
Money at call and on short notice	100,000,000	200,000,000	-	-	-	300,000,000
Investments	16,985,900,000	114,200,000	1,915,700,000	10,238,807,161	9,428,800,439	38,683,407,600
Loans and advances	19,956,300,000	19,665,100,000	49,731,300,000	18,872,447,359	8,583,707,200	116,808,854,559
Fixed assets including premises, furniture and fixtures	-	-	-	-	5,213,607,289	5,213,607,289
Other assets	3,677,000,000	1,788,600,000	3,166,221,527	274,582,412	1,124,804,718	10,031,208,657
Non-banking assets	-	-	-	-	-	-
Total Assets (A)	42,796,227,481	22,217,900,000	55,013,221,527	29,385,836,932	33,317,754,406	182,730,940,346
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	5,091,539,969	700,000,000	2,024,600,000	479,036,430	-	8,295,176,399
Deposits	30,115,600,000	22,506,200,000	50,514,600,000	16,635,045,039	21,097,841,087	140,869,286,126
Provision and other liabilities	650,000,000	1,200,000,000	439,200,000	11,403,545,909	2,994,642,416	16,687,388,325
Total Liabilities (B)	35,857,139,969	24,406,200,000	52,978,400,000	28,517,627,378	24,092,483,503	165,851,850,850
Net Liquidity Excess/(Shortage) (A-B)	6,939,087,512	(2,188,300,000)	2,034,821,527	868,209,554	9,225,270,903	16,879,089,496

notes to the financial statements

As at and for the year ended 31 December 2014

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 91 branches, 6 SME centres and 97 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 has 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 sell 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.

notes to the financial statements

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.

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 as amended by BRPD circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, Bangladesh Financial Reporting Standards (BFRSs), Bangladesh Accounting Standards (BAS), etc. The Bank complied with the requirement of the following regulatory and legal authorities:

- i. Bank Company Act 1991
- 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 2006
- viii. Income Tax Ordinance and Rules 1984
- ix. Value Added Tax Act 1991
- x. Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE) and Central Depository Bangladesh Ltd. (CDBL) rules and regulations.

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

i) Investment in shares and Securities

BFRS: As per requirements of BAS 39 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the year-end is taken to profit and loss account or revaluation reserve respectively.

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. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognized at costs.

ii) Revaluation gain/loss on Government securities

BFRS: As per requirement of BAS 39 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 and loss account. T-bills designated as held to maturity are measured at amortized cost method and interest income is recognized through the profit & 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. However at the year-end if there is any revaluation gain for any particular held for trading T-bills/T-bonds, such gain can be used to the extent of any revaluation loss for that particular held for trading T-bills/T-bonds. T-bills designated as held to maturity are measured at amortized cost method but interest income/gain is recognized through reserve.

iii) Provision on loans and advances

BFRS: As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment

notes to the financial statements

exists for financial assets that are individually significant. For financial assets are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD circular no. 5 dated 5 June 2006 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loan, 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. Again as per BRPD circular no. 10 dated 18 September 2007, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

iv) Other comprehensive income

BFRS: As per BAS 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 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 Single 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.

v) Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in BAS 39. As such some disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the accounts.

vi) Repo transactions

BFRS: 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 BRPD guidelines, 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.

vii) Financial guarantees

BFRS: As per BAS 39, 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 14, 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.

viii) Cash and cash equivalent

BFRS: Cash and cash equivalent items should be reported as cash item as per BAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice, Treasury bills, Prize bond are not shown as cash and cash equivalent. Money at call and on short notice is shown as face item in balance sheet, and Treasury bills, Prize bonds are shown in Investment.

notes to the financial statements

- ix) Non-banking asset
BFRS: No indication of Non-banking asset is found in any BFRS.
Bangladesh Bank: As per BRPD 14, there must exist a face item named Non-banking asset.
- x) Cash flow statement
BFRS: Cash flow statement can be prepared either in direct method or in indirect method. 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 14, cash flow is the mixture of direct and indirect method.
- xi) Balance with Bangladesh Bank: (CRR)
BFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per BAS 7.
Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.
- xii) Presentation of intangible asset
BFRS: Intangible asset must be identified and recognized, and the disclosure must be given as per BAS 38.
Bangladesh Bank: There is no requirement for regulation of intangible assets in BRPD 14.
- xiii) Off-balance sheet items
BFRS: There is no concept of off-balance sheet items in any BFRS; hence there is no requirement of disclosure of off-balance sheet items.
Bangladesh Bank: As per BRPD 14, off balance sheet items (e.g. L/C, L/G, etc.) must be disclosed separately in face of balance sheet.
- xiv) Disclosure of appropriation of profit
BFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.
Bangladesh Bank: As per BRPD 14, an appropriation of profit should be disclosed in the face of profit and loss account.
- xv) Loans and advance net of provision
BFRS: Loans and advances should be presented net of provisions.
Bangladesh Bank: As per BRPD 14, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.
(Also refer to note 3.19 Compliance of BFRSs)

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 BAS/ BFRS 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.

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 BAS 21 "The Effects of Changes in Foreign Exchange Rates".

In preparing solo financial statements, assets and liabilities in foreign currencies as at December 31, 2014 have been converted into Taka currency at the notional 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, 2014 have been converted into Taka currency at the closing rate as on December 31, 2014 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 notional 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:

- a. assets and liabilities for each statement of Balance Sheet have been translated at the closing rate on the date of Balance sheet.
- b. income and expenses for Profit and Loss Statement have been translated at monthly average rate; and
- c. 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.

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 United States of America.

The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard 27: Separate Financial Statements and Bangladesh Financial Reporting Standard 10: Consolidated Financial Statements. The consolidated as well as separate financial statements are prepared for a common financial period ended on December 31, 2014.

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.

notes to the financial statements

2.5.1 Subsidiary

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
Bank Asia Securities Limited	99.99%	17.04.2011	Bangladesh	Majority Owned	BSEC, Bangladesh
BA Exchange Company (UK) Limited	100%	16.05.2011	United Kingdom	Fully Owned	FSA, UK
BA Express USA Inc.	100%	01.06.2014	United States of America	Fully Owned	NYSDFS, New York

2.6 Cash flow statement

Cash Flow Statement is prepared principally in accordance with BAS 7 "Cash Flow Statement" under direct method as per 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 BAS 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 policy set out below have 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 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)

notes to the financial statements

Zero coupon bonds	At present value (using amortisation concept)
Prize bonds and other bonds	At cost
Debentures	At cost
Unquoted shares (ordinary)	At cost
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 hold for dividend income which are reported at cost. Unrealised gains are not recognised in the profit and loss statement. But provision 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.

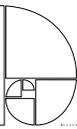
Besides, bank complied with Bangladesh Bank BRPD Circular 14 dated June 25, 2003 as follows, "All investments in shares and securities (both dealing and investment) should be revalued at the year- end. The quoted shares should be valued as per market price in the stock exchange(s) and unquoted shares 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 BAS 27 "Separate Financial Statements" and BFRS 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 no. 16 dated November 18, 2014, BRPD circulars no. 5 dated 29 May 2013, 14 dated 23 September 2012, 16 dated 06 December 1998, 9 dated 14 May 2001, 9 and 10 dated 20 August 2005, 5 dated 05 June 2006, 8 dated 07 August 2007, 10 dated 18 September 2007, 5 dated 29 April 2008 and 32 dated 27 October 2010.



notes to the financial statements

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

Types of loans and advances		Provision				
		UC	SMA	SS	DF	BL
Consumer	House building and professional	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	2.5%	2.5%	5%	5%	100%
	Small and medium enterprise finance	0.25%	0.25%	20%	50%	100%
	Others	1%	1%	20%	50%	100%

- 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.

3.1.7 Impairment of Financial 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 ie, 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 BAS 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 BFRS.

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 equipement comprises:

- its purchase price, including import duties and non- refundable purchase taxes, after deducting trade discounts and rebates
- 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
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation

notes to the financial statements

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 BAS 16 “Property, Plant and Equipment”.

3.1.9 Leased assets

Where property, plant and equipment have been financed by lease arrangement under which substantially all the risks and rewards of ownership are transferred to the lessees are treated as finance leases as per BAS 17 “Leases”. All other leases are classified as operating leases as per BAS 17 “Leases”.

Assets held under finance lease are recognised as assets of the Bank at their fair value at the date of acquisition or if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets.

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 Bangladesh Accounting Standard (BAS) 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.

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

notes to the financial statements

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

3.2.3 Other liabilities

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

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxes, interest payable, interest suspense, accrued expenses, obligation under finance lease etc. Other liabilities are recognised in the balance sheet according to the guidelines of Bangladesh Bank, income tax 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 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 BAS 12: Income Taxes.

Non-controlling (minority) interest

Minority interest (non-controlling 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.

notes to the financial statements

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. Stock of traveller's cheques, value of savings certificates (sanchaya patra), etc fall under the memorandum items.

3.6 Revenue recognition

Interest income

Interest on loans and advances is calculated on daily product basis, but charged and accounted for on quarterly basis. Interest on loans and advances ceases to be taken into income when such advances fall 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 profit receivable account. Overdue charge/compensation on classified investments is transferred to profit suspense account instead of income account.

Investment income

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

As per BAS 18 "Revenue", 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.

notes to the financial statements

Profit paid on deposits (Islamic Banking)

Profit paid to mudaraba deposits is recognised on accrual basis as per provisional rate.

Other operating expenses

All other operating expenses are provided for in the books of the account on accrual basis according to the BAS 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. Actuarial valuation is not considered essential since amount payable at the date of balance sheet is recognised and accounted for as at that date based on actual rate.

3.7.3 Superannuation and Benevolent Fund

The Bank operates a superannuation and a benevolent fund. Superannuation fund for its employees to pay a lumpsum amount on retirement or death. The bank also operates a benevolent fund to provide one time financial assistance to its employees in the event of disability caused by any accident or disease. In case of superannuation fund the bank pays Tk. 200,000 per month and in case of benevolent fund Tk. 100 is deducted from salary per month per employee. The funds are operated by separate Board of Trustees.

3.7.4 Hospitalisation insurance

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

3.8 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 is required to maintain provision @ 1% against off-balance sheet exposures.

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 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 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

notes to the financial statements

on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

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

3.11 Leases

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

3.12 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 2014 as per Bangladesh Accounting Standard (BAS) - 33 "Earnings Per Share". EPS for comparative period also restated by the bonus share issued for the year 2013. Details are shown in note 37.

Basic earnings

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

Weighted average number of ordinary shares

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year.

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

Diluted earnings per share

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

3.13 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.

3.14 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 II. 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.

notes to the financial statements

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 intends to manage in the future:

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

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

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

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 Unit (RMU), the primary responsibility of this unit 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 RMU 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

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.

notes to the financial statements

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 Risk	Liquidity Coverage Ratio (LCR)
	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.

Further to above the bank is in the process of developing various globally recognized operational risk identification processes through the Risk Management Unit. 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 munication 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).

notes to the financial statements

All other risk management: These are risks that are not directly covered by core risk guidelines of Bangladesh Bank, more precisely additional risk under Basel II. The Risk Management Unit is primarily responsible for assessing and developing controls for managing these risks. In order to do so the RMU of the bank is performing various exercises, for example, with the help of Finance and IT division Minimum Capital Requirement (MCR) is assessed on quarterly basis, 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 (currently in the process of development) Internal Capital Adequacy Assessment Process (ICAAP), Supervisory Review Process (SRP) is performed by the bank as per Bangladesh Bank requirement.

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

3.15 Events after reporting period

As per BAS -10 “Events after Reporting Period” events after the 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).

3.16 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.

3.17 Directors’ responsibilities on statement

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

3.18 Segment Reporting

As per BFRS 8 “Operating Segments”, an operating segment 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.

Bank reported its segment reporting in respect of business segment and geographical segment wise. Business segment comprise 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 location wise performance of above segments.

notes to the financial statements

3.19 Compliance checklist of Bangladesh Accounting Standards (BASs)/Bangladesh Financial Reporting Standards (BFRSs)

Name of the standards	Ref.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	BFRS-1	N/A
Share Based Payment	BFRS-2	N/A
Business Combinations	BFRS-3	Complied
Insurance Contracts	BFRS-4	N/A
Non-current Assets Held for Sale and Discontinued Operations	BFRS-5	N/A
Exploration for and Evaluation of Mineral Resources	BFRS-6	N/A
Financial Instruments: Disclosures	BFRS-7	Complied
Operating Segments	BFRS-8	Complied
Consolidated Financial Statements	BFRS-10	Complied
Joint Arrangements	BFRS-11	N/A
Disclosure of Interests in other entities	BFRS-12	N/A
Fair Value Measurement	BFRS-13	Partially Complied
Presentation of Financial Statements	BAS-1	Complied
Inventories	BAS-2	Complied
Statement of Cash Flows	BAS-7	Complied
Accounting Policies, Changes in Accounting Estimates and Errors	BAS-8	Complied
Events after the Reporting Period	BAS-10	Complied
Construction Contracts	BAS-11	Complied
Income Taxes	BAS-12	Complied
Property, Plant and Equipment	BAS-16	Complied
Leases	BAS-17	Complied
Revenue	BAS-18	Complied
Employee Benefits	BAS-19	Complied
Accounting for Government Grants and Disclosure of Government Assistance	BAS-20	N/A
The Effects of Changes in Foreign Exchange Rates	BAS-21	Complied
Borrowing Costs	BAS-23	Complied
Related Party Disclosures	BAS-24	Complied
Accounting and Reporting by Retirement Benefit Plans	BAS-26	N/A
Separate Financial Statements	BAS-27	Complied
Investments in Associates and Joint Ventures	BAS-28	Complied
Financial Instruments: Presentation	BAS-32	Complied
Earnings Per Share	BAS-33	Complied
Interim Financial Reporting	BAS-34	Complied
Impairment of Assets	BAS-36	Complied
Provisions, Contingent Liabilities and Contingent Assets	BAS-37	Complied
Intangible Assets	BAS-38	Complied
Financial Instruments: Recognition and Measurement	BAS-39	Complied
Investment property	BAS-40	Complied
Agriculture	BAS-41	N/A

3.20 Approval of financial statements

The financial statements were approved by the board of directors on 26 February 2015.

3.21 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.

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
4 CASH		
4.1 In hand		
Conventional and Islamic banking		
Local currency	1,314,418,826	1,610,300,083
Foreign currencies	19,108,180	11,392,460
	<u>1,333,527,006</u>	<u>1,621,692,543</u>
Off-shore banking unit	-	-
	<u>1,333,527,006</u>	<u>1,621,692,543</u>
4.1(a) Consolidated In hand		
Bank Asia Limited	1,333,527,006	1,621,692,543
Bank Asia Securities Limited	6,029	14,857
BA Exchange Company (UK) Limited	989,788	2,041,520
BA Express USA Inc.	7,842	-
	<u>1,334,530,665</u>	<u>1,623,748,920</u>
4.2 Balance with Bangladesh Bank and its agent bank		
Conventional and Islamic banking		
Balance with Bangladesh Bank		
Local currency (statutory deposit)	9,417,361,100	7,949,014,646
Foreign currencies	7,358,020	95,017,949
	<u>9,424,719,120</u>	<u>8,044,032,595</u>
Balance with agent bank (Sonali Bank Limited)		
Local currency	192,502,950	42,844,146
Foreign currencies	-	-
	<u>192,502,950</u>	<u>42,844,146</u>
	<u>9,617,222,070</u>	<u>8,086,876,741</u>
Off-shore banking unit	-	-
	<u>9,617,222,070</u>	<u>8,086,876,741</u>
4.2(a) Consolidated Balance with Bangladesh Bank and its agent bank		
Bank Asia Limited	9,617,222,070	8,086,876,741
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA Inc.	-	-
	<u>9,617,222,070</u>	<u>8,086,876,741</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 and MPD circular no. 01 dated 23 June 2014.

The statutory Cash Reserve Ratio on the Bank's time and demand liabilities at the rate 6.5% (both conventional and Islamic banking) has been calculated and maintained with Bangladesh Bank in local currency and 13% (5.5% for Islamic Banking) Statutory Liquidity Ratio, 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 Banking

As per Bangladesh Bank DOS Circular No. 01 dated 01 January 2014 and MPD circular no. 01 dated 23 June 2014, Bank has to maintain CRR @ 6.5% on fortnightly cumulative average basis and minimum @ 6% on daily basis.

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
i. Daily Bank's CRR maintenance:		
Required reserve (6 % on Demand and Time Liabilities)	7,974,415,968	6,512,848,276
Actual reserve maintained	9,006,032,000	7,733,746,000
Surplus	1,031,616,032	1,220,897,724
ii. Fortnightly Bank's CRR maintenance:		
Required reserve (6.5 % of Demand and Time Liabilities)	8,638,950,632	7,104,925,392
Actual reserve maintained (average)	8,696,864,450	7,179,982,000
Surplus	57,913,818	75,056,608
Islamic Banking		
i. Daily Bank's CRR maintenance:		
Required reserve (6% Demand and Time Liabilities)	302,662,272	188,830,090
Actual reserve maintained	330,813,000	207,209,000
Surplus	28,150,728	18,378,910
ii. Fortnightly Bank's CRR maintenance:		
Required reserve (6.5% of Demand and Time Liabilities)	327,884,128	205,996,460
Actual reserve maintained (Average)	330,813,000	207,221,941
Surplus	2,928,872	1,225,481
4.3.2 Statutory Liquidity Ratio (SLR)		
Conventional Banking		
13% of Average Demand and Time Liabilities :		
Required reserve	17,277,901,264	22,498,930,408
Actual reserve maintained	35,483,104,000	37,699,127,770
Surplus	18,205,202,736	15,200,197,362
Islamic Banking		
5.5% of Average Demand and Time Liabilities :		
Required reserve	277,440,416	394,826,560
Actual reserve maintained (including CRR)	292,091,000	418,042,000
Surplus	14,650,584	23,215,440
Total Surplus	18,219,853,320	15,223,412,802

notes to the financial statements

Amount in Taka

	31 Dec 2014	31 Dec 2013
--	-------------	-------------

4.3.3 Held for Statutory Liquidity Ratio
Conventional Banking

Cash in hand	1,086,945,000	1,447,540,000
Excess of CRR - Balance with Bangladesh Bank	367,081,368	628,820,608
Balance with agent bank (Sonali Bank Limited)	187,061,000	41,355,770
Government securities	33,834,134,000	28,468,701,090
Other securities	7,882,000	7,784,910
	<u>35,483,103,368</u>	<u>30,594,202,378</u>

Islamic Banking

Cash in hand	12,163,000	23,333,000
Balance with Bangladesh Bank	2,928,872	207,209,000
Balance with agent bank (Sonali Bank Limited)	-	-
Government securities	277,000,000	187,500,000
Other securities	-	-
	<u>292,091,872</u>	<u>418,042,000</u>
	<u>35,775,195,240</u>	<u>31,012,244,378</u>

5 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS
In Bangladesh

Conventional and Islamic banking (Note 5.1.1)	682,549,164	1,325,297,321
Off-shore banking unit	-	-
	<u>682,549,164</u>	<u>1,325,297,321</u>

Outside Bangladesh

Conventional and Islamic banking (Note 5.2.1)	39,192,638	30,350,600
Off-shore banking unit	21,371,363	7,235,324
	<u>60,564,001</u>	<u>37,585,924</u>
	<u>743,113,165</u>	<u>1,362,883,245</u>

5.1 In Bangladesh
5.1.1 Conventional and Islamic banking
Current accounts

AB Bank Limited	41,480	41,480
Agrani Bank Limited	826,280	826,280
National Bank Limited	739,539	752,918
Sonali Bank Limited	31,264,648	61,252,979
Standard Chartered Bank	2,585,337	366,707
Trust Bank Limited	(8,881,968)	(34,602,703)
	<u>26,575,316</u>	<u>28,637,661</u>

notes to the financial statements

Amount in Taka

	31 Dec 2014	31 Dec 2013
Short- notice deposit accounts		
BRAC Bank Limited	3,149,305	4,685,599
AB Bank Limited	501,161	489,190
Islami Bank Bangladesh Limited	168,009	160,042
Uttara Bank Limited	2,155,373	1,771,057
	5,973,848	7,105,888
Fixed deposit accounts/ MTDR		
Islamic Finance and Investment Limited	-	100,000,000
Hajj Finance Company Limited	400,000,000	150,000,000
Southeast Bank Limited	-	200,000,000
The Premier Bank Limited	-	200,000,000
Al-Arafah Islami Bank limited	-	439,553,772
Union Bank Limited	250,000,000	200,000,000
	650,000,000	1,289,553,772
	682,549,164	1,325,297,321
5.2 Outside Bangladesh		
5.2.1 Conventional and Islamic banking		
Current accounts		
Interest bearing :		
Citibank N.A., London (EURO)	108,207	752,522
Citibank N.A., London (GBP)	3,394,848	319,791
Citibank NA, New York (USD)	11,186,740	150,771
Habib American Bank, New York	128,702	6,913
Mashreqbank psc, New York	2,582,588	1,816,270
National Westminster Bank plc, London	-	125,970
Standard Chartered Bank, Mumbai	307,144	1,900,097
Standard Chartered Bank, New York	1,727,732	495,162
	19,435,961	5,567,496
Non-interest bearing :		
AB Bank Limited, Mumbai	143,908	41,091
Al Rajhi Bank K.S.A	1,584,110	1,988,360
Bhutan National Bank Limited, Thimphu	1,675,306	702,167
Casisse Centrale Desjardins	188,024	275,000
Commerzbank AG, Frankfurt (EURO)	2,316,074	1,813,503
Commerzbank AG, Frankfurt (USD)	230,799	-
Habib Metropolitan Bank Limited, Karachi	125,558	1,688,249
Habib Bank UK, London	534,923	650,000
HSBC Australia Limited, Sydney	-	25,493
HSBC, New York	-	3,542,797
ICICI Bank Limited, Hong Kong	101,973	891,184
ICICI Bank Limited, Mumbai	234,662	993,418

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
JP Morgan Chase Bank N.A New York, U.S.A	17,728	1,290,761
Muslim Commercial Bank Limited, Colombo	1,826,083	2,751,569
Muslim Commercial Bank Limited, Karachi	4,765,166	3,719,191
National Australia Bank Limited	1,311,723	92,750
Nepal Bangladesh Bank Limited, Kathmandu	165,509	2,012,529
Sonali Bank (UK) Limited, London	1,452,914	282,710
Saudi Hollandi K.S.A	109,714	109,714
UBAF, Tokyo	1,353,200	1,388,798
Unicredit Bank AG, Munich (EURO)/Hypovereins Bank, Munich (EURO)	432,348	46,932
Wells Fargo Bank NA, New York, (USD)	3,473	82,119
Wells Fargo Bank NA, London, (Euro)	1,099,274	54,819
Zurcher Kantonal Bank, Switzerland	84,208	339,950
	<u>19,756,677</u>	<u>24,783,104</u>
Off-shore banking unit	21,371,363	7,235,324
	<u>60,564,001</u>	<u>37,585,924</u>

5.3 Maturity grouping of balance with other banks and financial institutions

Up to 1 month	93,113,165	712,883,245
More than 1 month but not more than 3 months	450,000,000	-
More than 3 months but not more than 6 months	200,000,000	650,000,000
More than 6 months but not more than 1 year	-	-
More than 1 year but not more than 5 years	-	-
More than 5 years	-	-
	<u>743,113,165</u>	<u>1,362,883,245</u>

**5(a) Consolidated Balance with other banks and financial institutions
In Bangladesh**

Bank Asia Limited	682,549,164	1,325,297,321
Bank Asia Securities Limited	309,529,359	6,302,861
BA Exchange Company (UK) Limited	-	-
BA Express USA Inc.	-	-
	<u>992,078,523</u>	<u>1,331,600,182</u>
Less: Inter-company transactions	298,622,506	1,449,463
	<u>693,456,017</u>	<u>1,330,150,719</u>

Outside Bangladesh

Bank Asia Limited	60,564,001	37,585,924
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	5,931,538	1,185,210
BA Express USA Inc.	72,216,260	-
	<u>138,711,799</u>	<u>38,771,134</u>
	<u>832,167,816</u>	<u>1,368,921,853</u>

notes to the financial statements

Amount in Taka

	31 Dec 2014	31 Dec 2013
6 MONEY AT CALL AND ON SHORT NOTICE		
Call money		
With Banking companies	-	-
With Non-banking financial institutions (Note 6.1)	300,000,000	-
	<u>300,000,000</u>	<u>-</u>
6.1 Call Money- with non Banking companies:		
Investment Corporation of Bangladesh	300,000,000	-
	-	-
	<u>300,000,000</u>	<u>-</u>
6(a) Consolidated Money at call and on short notice		
Bank Asia Limited	300,000,000	-
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA Inc.	-	-
	<u>300,000,000</u>	<u>-</u>
7 INVESTMENTS		
Government (Note 7.1)	34,844,385,059	30,512,642,417
Others (Note 7.2)	3,839,022,541	3,420,713,606
	<u>38,683,407,600</u>	<u>33,933,356,023</u>
7.1 Government		
Conventional and Islamic banking (Note 7.1.1)	34,844,385,059	30,512,642,417
Off-shore banking unit	-	-
	<u>34,844,385,059</u>	<u>30,512,642,417</u>
7.1.1 Conventional and Islamic banking		
Treasury bills (Note 7.1.1.1)	14,847,995,557	9,101,643,856
Treasury bonds (Note 7.1.1.2)	19,991,007,302	21,403,213,651
Debentures of House Building Finance Corporation	2,500,000	5,000,000
Prize bonds	2,882,200	2,784,910
	<u>34,844,385,059</u>	<u>30,512,642,417</u>
7.1.1.1 Treasury bills		
91 days treasury bills	1,234,632,839	147,949,221
182 days treasury bills	4,083,217,616	363,616,692
364 days treasury bills	9,530,145,102	8,590,077,943
	<u>14,847,995,557</u>	<u>9,101,643,856</u>

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
7.1.1.2 Treasury bonds		
Bangladesh Bank Islamic bond	277,000,000	187,500,000
30 days Bangladesh Government treasury bonds	-	777,576,373
2 years Bangladesh Government treasury bonds	100,735,393	1,629,864,237
5 years Bangladesh Government treasury bonds	7,050,955,584	9,116,194,613
10 years Bangladesh Government treasury bonds	10,354,284,549	8,595,324,426
15 years Bangladesh Government treasury bonds	1,965,315,049	920,286,261
20 years Bangladesh Government treasury bonds	242,716,727	176,467,741
	<u>19,991,007,302</u>	<u>21,403,213,651</u>
7.2 Others		
Conventional and Islamic banking (Note 7.2.1)	2,439,022,541	3,420,713,606
Off-shore banking unit	1,400,000,000	-
	<u>3,839,022,541</u>	<u>3,420,713,606</u>
7.2.1 Conventional and Islamic banking		
a) Ordinary shares (Details are shown in Annexure-B)		
Quoted shares	553,925,167	544,835,589
Unquoted share	142,817,792	142,115,780
	<u>696,742,959</u>	<u>686,951,369</u>
b) Mutual Fund (Details are shown in Annexure-B)		
1st Janata Bank Mutual fund	50,000,000	50,000,000
EBL NRB 1st Mutual Fund	149,665,000	149,665,000
1st 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	248,740,000	248,740,000
	<u>748,405,000</u>	<u>748,405,000</u>
c) Debentures		
Beximco Denims Limited	9,537,605	10,514,422
Beximco Textiles Limited	6,445,370	8,227,537
	<u>15,982,975</u>	<u>18,741,959</u>
d) Bonds (Details are shown in Annexure-B)		
ACI Zero Coupon Bonds	7,891,607	16,615,278
MTBL subordinated bond	150,000,000	150,000,000
Orascom Telecom Bangladesh Limited	-	160,000,000
Prime Bank Limited	140,000,000	140,000,000
BSRML	100,000,000	-
	<u>397,891,607</u>	<u>466,615,278</u>
e) Placements		
With Banking companies (Note 7.2.1(b))	280,000,000	-
With Non-banking financial institutions (Note 7.2.1(c))	300,000,000	1,500,000,000
	<u>580,000,000</u>	<u>1,500,000,000</u>
	<u>2,439,022,541</u>	<u>3,420,713,606</u>

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
7.2.1(a) Placement- with Banking companies (Local Currency)		
7.2.1(b) Placement- with Banking companies (Foreign Currency)		
National Credit and Commerce Bank Limited	280,000,000	-
	<u>280,000,000</u>	<u>-</u>
7.2.1(c) Placement- with Non-banking financial institutions:		
Investment Corporation of Bangladesh	-	1,150,000,000
Lanka Bangla Finance Limited	200,000,000	-
Phoenix Finance and Investment Company Limited	-	200,000,000
Union Capital Limited	-	100,000,000
Bangladesh Finance	-	50,000,000
Uttara Finance	100,000,000	-
Placement with Off-shore Banking Unit	2,233,000,000	-
	2,533,000,000	1,500,000,000
Less : Adjustment with OBU	(2,233,000,000)	-
	<u>300,000,000</u>	<u>1,500,000,000</u>
7.3 Investments classified as per Bangladesh Bank circular:		
Held for trading (HFT)	19,451,266,209	18,637,156,919
Held to maturity (HTM)	15,110,736,650	11,680,200,588
Other securities	4,121,404,741	3,615,998,516
	<u>38,683,407,600</u>	<u>33,933,356,023</u>
7.4 Maturity-wise grouping		
On demand	16,985,900,000	14,657,300,000
Up to 3 months	114,200,000	3,918,340,750
More than 3 months but not more than 1 year	1,915,700,000	1,146,327,678
More than 1 year but not more than 5 years	10,238,807,161	205,587,595
More than 5 years	9,428,800,439	14,005,800,000
	<u>38,683,407,600</u>	<u>33,933,356,023</u>
7(a) Consolidated Investments		
Government		
Bank Asia Limited	34,844,385,059	30,512,642,417
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA Inc.	-	-
	34,844,385,059	30,512,642,417
Others		
Bank Asia Limited	3,839,022,541	3,420,713,606
Bank Asia Securities Limited	209,107,461	178,196,029
BA Exchange Company (UK) Limited	-	-
BA Express USA Inc.	-	-
	4,048,130,002	3,598,909,635
	<u>38,892,515,061</u>	<u>34,111,552,052</u>

notes to the financial statements

Amount in Taka

	31 Dec 2014	31 Dec 2013
8 LOANS AND ADVANCES/INVESTMENTS		
Loans, cash credits, overdrafts, etc/investments (Note 8.1)	108,785,321,969	101,074,736,530
Bills purchased and discounted (Note 8.2)	8,023,532,590	3,836,524,523
	<u>116,808,854,559</u>	<u>104,911,261,053</u>
8.1 Loans, cash credits, overdrafts, etc/investments		
Conventional and Islamic banking		
Inside Bangladesh		
Overdrafts/ Quard against deposit	24,321,536,886	23,045,160,010
Cash credit/Bai Murabaha (Muajjal)	981,745,955	794,776,624
Loans (General)/ Musharaka	21,908,836,092	16,534,053,688
House building loans	163,889,214	204,978,595
Loan against trust receipts/ Bai Murabaha post import	11,205,600,235	14,356,815,703
Payment against documents	710,392,882	592,809,509
Consumer credit scheme	4,073,104,225	3,326,870,132
Transport loan	1,141,077,392	967,743,358
Term loan- industrial	5,857,182,563	6,830,057,095
Term loan- others/ Hire purchase under Shirkatul Melk	32,840,211,015	27,835,722,087
Staff Loan	1,090,191,930	814,286,807
Credit card	1,063,165,332	951,977,130
Small and medium enterprise (SME)	2,675,505,156	2,605,569,547
Credit for poverty alleviation scheme-micro credit	9,133,858	11,313,151
	108,041,572,735	98,872,133,436
Outside Bangladesh	-	-
	108,041,572,735	98,872,133,436
Off-shore banking unit	743,749,234	2,202,603,094
	<u>108,785,321,969</u>	<u>101,074,736,530</u>
8.2 Bills purchased and discounted		
Conventional and Islamic banking	2,202,147,551	3,789,937,684
Off-shore banking unit	5,821,385,039	46,586,839
	<u>8,023,532,590</u>	<u>3,836,524,523</u>
8.3 Maturity-wise grouping		
Repayable on demand	19,956,300,000	20,865,230,272
Not more than 3 months	19,665,100,000	19,142,002,638
More than 3 months but not more than 1 year	49,731,300,000	30,743,944,056
More than 1 year but not more than 5 years	18,872,447,359	26,156,922,584
More than 5 years	8,583,707,200	8,003,161,503
	<u>116,808,854,559</u>	<u>104,911,261,053</u>
8.4 Net loans and advances/investments		
Gross loans and advances/investments	116,808,854,559	104,911,261,053
Less: Interest suspense (Note 13.3)	1,007,483,804	687,051,851
Provision for loans and advances/investments	5,137,046,801	4,112,634,273
	6,144,530,605	4,799,686,124
	<u>110,664,323,954</u>	<u>100,111,574,929</u>

notes to the financial statements

Amount in Taka

	31 Dec 2014	31 Dec 2013
--	-------------	-------------

8.5 Loans and advances/investments under the following broad categories
In Bangladesh:

Loans	83,482,039,128	77,234,799,896
Cash credits	981,745,955	794,776,624
Overdrafts	24,321,536,886	23,045,160,010
Bills purchased and discounted	7,271,781,516	3,464,833,678
	116,057,103,485	104,539,570,208

Outside Bangladesh:

Bills purchased and discounted	751,751,074	371,690,845
	116,808,854,559	104,911,261,053

8.6 Significant concentration wise grouping

a) Directors	-	-
b) Chief Executive and other senior executives		
i) Managing Director	39,618,000	795,000
ii) Other senior executives	117,589,000	146,850,000
	157,207,000	147,645,000
c) Consumers		
i) Commercial lending	37,105,857,892	26,100,355,171
ii) Export financing	1,765,300,000	812,304,707
iii) House building loan	163,889,214	204,978,595
iv) Consumer credit scheme	4,073,104,225	3,326,870,132
v) Small and medium enterprises	2,675,505,156	2,605,569,547
vii) Staff loan	932,984,930	666,641,807
vi) Credit card	1,063,165,332	951,900,000
vi) Non-banking financial institutions	643,209,074	3,764,364,501
	48,423,015,823	38,432,984,460
d) Industries		
i) Agricultural and jute	1,579,106,953	3,216,349,128
ii) Cement	1,646,810,536	1,046,486,977
iii) Chemical	1,207,933,785	1,219,165,619
iv) Electronics	392,810,417	986,861,461
v) Food and allied	6,878,985,467	5,883,242,696
vi) Paper	3,303,537,101	3,583,731,833
vii) Readymade garments	6,128,239,235	7,924,203,832
viii) Real estate	5,123,086,120	3,947,282,449
ix) Steel	11,851,852,241	6,882,155,171
x) Textile	6,283,447,635	6,985,004,244
xi) Other	14,235,568,281	15,264,792,205
	58,631,377,771	56,939,275,614
e) Infrastructural		
i) Power	1,498,706,450	1,713,704,880
ii) Telecom	339,397,434	847,553,434
iii) Construction	4,338,945,452	3,232,798,025
iv) Transport	3,420,204,629	3,597,299,640
	9,597,253,965	9,391,355,978
	116,808,854,559	104,911,261,053

notes to the financial statements

Amount in Taka

31 Dec 2014

31 Dec 2013

8.7 Geographical location-wise grouping
Inside Bangladesh
Urban

Dhaka Division	79,086,334,912	64,625,851,053
Chittagong Division	25,051,386,983	28,228,040,000
Khulna Division	1,302,548,652	1,331,570,000
Rajshahi Division	1,897,683,219	2,163,750,000
Barisal	163,887,729	125,500,000
Sylhet Division	899,970,548	843,110,000
Rangpur	101,415,622	-
	<u>108,503,227,665</u>	<u>97,317,821,053</u>

Rural

Dhaka Division	4,527,525,175	4,558,810,000
Chittagong Division	2,521,857,389	2,347,470,000
Khulna Division	215,763,329	-
Sylhet Division	300,741,637	206,470,000
Rajshahi Division	739,739,364	480,690,000
	<u>8,305,626,894</u>	<u>7,593,440,000</u>
Outside Bangladesh	-	-
	<u>116,808,854,559</u>	<u>104,911,261,053</u>

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

Collateral of movable/immovable assets	80,124,327,682	66,562,030,353
Local banks and financial institutions' guarantee	449,232,462	1,829,805,576
Foreign banks' guarantee	336,094,000	274,331,815
Export documents	2,084,461,133	5,136,166,289
Cash and quasi cash	6,371,898,082	5,484,601,432
Personal guarantee	15,494,554,950	14,495,168,248
Other securities	11,948,286,249	11,129,157,340
	<u>116,808,854,559</u>	<u>104,911,261,053</u>

8.9 Details of large loan/investments

As at 31 December 2014 there were sixteen (2013: twelve) 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 18,147.04 million as at 31 December 2014 (Taka 15,574.85 million in 2013). (Details are shown in Annex E)

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
8.10 Particulars of loans and advances/investments		
i) Loans/investments considered good in respect of which the Bank is fully secured	89,366,013,359	79,286,935,465
ii) Loans/investments considered good against which the Bank holds no security other than the debtors' personal guarantee	15,494,554,950	14,495,168,248
iii) Loans/investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	11,948,286,249	11,129,157,340
iv) Loans/investments adversely classified; provision not maintained there against	-	-
	<u>116,808,854,559</u>	<u>104,911,261,053</u>
v) Loans/investments due by directors or officers of the Bank or any of them either separately or jointly with any other persons	1,090,191,930	814,286,807
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.	<u>1,090,191,930</u>	<u>814,286,807</u>
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>8,023,532,590</u>	<u>3,836,524,523</u>
x) Amount of classified loans/investments on which interest has not been charged mentioned as follows:		
a) Decrease of provision (specific)	906,825,023	381,959,758
Amount of loan written off	471,377,402	1,341,123,058
Amount realised against the loans previously written off	76,606,895	23,313,731
b) Provision kept against loans/investments classified as bad debts	3,894,914,351	2,857,152,000
c) Interest credited to interest suspense account	1,007,483,804	687,051,851
xi) Cumulative amount of written off loans/investments		
Opening balance	2,655,297,223	1,314,174,165
Amount written off during the year	471,377,402	1,341,123,058
	<u>3,126,674,625</u>	<u>2,655,297,223</u>
The amount of written off loans/investments for which law suit has been filed	<u>3,126,674,625</u>	<u>2,655,297,223</u>

notes to the financial statements

Amount in Taka

	31 Dec 2014	31 Dec 2013
--	-------------	-------------

8.11 Grouping as per classification rules
Unclassified:

Standard including staff loan	106,002,370,559	95,482,873,558
Special mentioned account	4,605,934,000	3,549,596,639
	<u>110,608,304,559</u>	<u>99,032,470,197</u>

Classified:

Sub-standard	425,308,000	517,380,895
Doubtful	151,917,000	544,310,529
Bad/loss	5,623,325,000	4,817,099,432
	<u>6,200,550,000</u>	<u>5,878,790,856</u>
	<u>116,808,854,559</u>	<u>104,911,261,053</u>

8.12 Particulars of required provision for loans and advances/investments

Status	Outstanding at 31 Dec 2014	Base for provision	% of required provision	Required provision	
For loans and advances/Investments:					
Unclassified - general provision					
All unclassified loans (other than SME financing, house building loan and loan to Brokerage House (BH), consumer finance, staff loan and SMA	79,029,516,710	79,029,516,710	1% to 5%	799,148,327	780,814,050
Small and medium enterprise financing	11,511,095,000	11,511,095,000	0.25%	28,777,738	25,683,745
House building loan and loan for professional	2,935,492,000	2,932,698,000	2.00%	58,653,960	43,170,980
Loans to BH	3,253,143,646	3,253,143,646	2.00%	65,062,873	59,522,720
Consumer finance	1,617,797,000	1,617,797,000	5.00%	80,889,850	66,730,100
Special mentioned account	4,605,934,000	5,355,381,000	0.25% to 5%	57,602,910	39,786,000
Staff loan	1,090,191,930	-	-	-	-
				<u>1,090,135,657</u>	<u>1,015,707,595</u>
Off-shore unit					
Unclassified loans (general)	6,565,134,273	6,565,134,273	1%	65,651,343	22,491,899
Special mentioned account				-	-
				<u>65,651,343</u>	<u>22,491,899</u>
Classified - specific provision:					
Sub-standard	425,308,000	247,168,000	20% / 5%	48,556,000	71,032,778
Doubtful	151,917,000	76,946,000	50%	37,789,450	146,250,000
Bad/loss	5,623,325,000	3,449,119,000	100%	3,449,119,000	2,857,152,000
				<u>3,535,464,450</u>	<u>3,074,434,778</u>
				<u>4,691,251,450</u>	<u>4,112,634,272</u>
Required provision for loans and advances				<u>4,691,251,450</u>	<u>4,112,634,272</u>
Total provision maintained					
Conventional and Islamic Banking (Note 13.1)				5,071,395,458	4,090,142,374
Off-shore Banking Unit				<u>65,651,343</u>	<u>22,491,899</u>
				<u>5,137,046,801</u>	<u>4,112,634,273</u>
Excess provision at 31 December 2014				<u>445,795,351</u>	<u>1</u>

notes to the financial statements

Amount in Taka

	31 Dec 2014	31 Dec 2013
--	-------------	-------------

8.13 Suits filed by the Bank (Branch wise details)

Agrabad	1,562,036,126	382,273,224
Anderkilla	236,276,883	58,795,183
Ashulia	14,163,464	-
Bahadderhat	92,569,803	-
Bashundhara	25,180,188	25,530,188
Cards Dept	58,705	58,705
CDA Avenue	411,873,961	310,512,049
Chatkhil	17,361,013	17,361,013
Corporate	323,938,255	315,304,262
Dhanmondi	87,499,269	55,533,265
Gulshan	101,159,943	101,159,943
Jatrabari SME Centre	851,992	644,879
Jurain SME Centre	941,349	941,349
Kamal Bazar	315,335	315,335
Khatunganj	1,991,645,961	1,921,020,832
Khulna	77,394,034	77,394,034
Malkhanagar	124,311,455	112,901,027
MCB Banani	40,300,343	36,512,219
MCB Dilkusha	85,270,398	82,173,919
MCB Sk. Mujib Road	1,282,530,284	378,212,291
Mirpur	18,886,181	10,741,694
Mitford	52,106,556	217,001,014
Mohakhali	593,321	593,321
North South Road	196,565,388	196,604,599
Principal Office	405,550,329	397,235,006
Rajshahi	2,752,675	2,752,675
Ramgonj SME/Agri	7,337,232	2,617,904
Rekabi bazar SME Center	348,681	244,975
Scotia	625,254,415	627,520,232
Shantingar	86,316,221	65,700,500
Station Road	154,116,307	150,817,448
Sylhet Main	17,534,302	17,534,302
Sylhet Uposhahar	156,159,197	156,159,197
Tarail	8,786,422	7,532,431
Uttara	590,000	590,000
	<u>8,208,575,986</u>	<u>5,730,289,014</u>

8.14 Bills purchased and discounted

Payable in Bangladesh	7,271,781,516	3,464,833,678
Payable outside Bangladesh	751,751,074	371,690,845
	<u>8,023,532,590</u>	<u>3,836,524,523</u>

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
8.15 Maturity-wise grouping of bills purchased and discounted		
Payable within 1 month	4,011,766,295	1,923,279,869
More than 1 month but less than 3 months	2,888,471,732	1,372,171,918
More than 3 months but less than 6 months	1,123,294,563	541,072,736
More than 6 months	-	-
	<u>8,023,532,590</u>	<u>3,836,524,523</u>
8.(a) Consolidated Loans and advances/investments		
Loans, cash credits, overdrafts, etc/investments		
Bank Asia Limited	108,785,321,969	101,074,736,530
Bank Asia Securities Limited	5,832,650,452	5,580,299,642
BA Exchange Company (UK) Limited	-	-
BA Express USA Inc.	-	-
	114,617,972,421	106,655,036,172
Less: Inter- companies transactions	2,751,500,441	2,548,996,460
	<u>111,866,471,980</u>	<u>104,106,039,712</u>
Bills purchased and discounted		
Bank Asia Limited	8,023,532,590	3,836,524,523
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA Inc.	-	-
	8,023,532,590	3,836,524,523
	<u>119,890,004,570</u>	<u>107,942,564,235</u>
9 FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES		
Conventional and Islamic banking (Note 9.1)	5,213,383,925	5,288,050,203
Off-shore banking unit	223,364	298,124
	<u>5,213,607,289</u>	<u>5,288,348,327</u>
9.1 Conventional and Islamic banking		
Cost:		
Land	2,643,839,095	2,643,839,095
Building	2,481,719,434	2,481,719,434
Furniture and fixtures	1,018,231,865	840,526,293
Equipments	583,090,424	511,665,065
Computer and accessories	290,281,363	256,437,890
Motor vehicles	169,041,839	158,008,575
	7,186,204,021	6,892,196,352
Less: Accumulated depreciation	1,921,769,781	1,559,242,525
Adjustment of Assets revaluation	50,826,951	44,605,500
Written down value at the end of the year	<u>5,213,607,289</u>	<u>5,288,348,327</u>
Details are shown in Annex C.		

notes to the financial statements

Amount in Taka

	31 Dec 2014	31 Dec 2013
9(a) Fixed assets including premises, furniture and fixtures		
Bank Asia Limited	5,213,607,289	5,288,348,327
Bank Asia Securities Limited	5,425,783	9,852,653
BA Exchange Company (UK) Limited	9,279,242	12,576,200
BA Express USA Inc.	9,329,617	-
	<u>5,237,641,931</u>	<u>5,310,777,180</u>
Details are shown in Annex C2.		
10 OTHER ASSETS		
Conventional and Islamic banking (Note 10.1)	9,997,566,025	8,533,671,497
Off-shore banking unit	33,642,632	39,653,973
	<u>10,031,208,657</u>	<u>8,573,325,470</u>
10.1 Conventional and Islamic banking		
Income generating other assets		
Income receivable (Note 10.2)	582,140,959	673,555,375
Investment in BA Exchange Company (UK) Limited	39,000,000	39,000,000
Investment in Bank Asia Securities Ltd	1,999,990,000	1,999,990,000
Investment in BA Express USA Inc	67,200,000	41,300,000
	<u>2,688,330,959</u>	<u>2,753,845,375</u>
Non-income generating other assets		
Stock of stamps	4,474,167	3,595,391
Stationery, printing materials, etc	22,461,472	27,707,617
Prepaid expenses	4,118,192	7,372,165
Deposits and advance rent	312,040,642	378,522,022
Due from Capital Market Division of the Bank	9,999,998	9,999,998
Branch adjustment account	-	40,645,004
Advances, prepayments and others (Note 10.4)	64,614,517	96,611,166
Advance income tax	6,498,450,622	5,001,463,755
Receivable against government	217,579,825	73,088,401
Sundry debtors	23,372,406	63,361,605
Protested bills	73,942,765	57,163,704
Receivable from BA Exchange Company (UK) Limited	34,708,663	16,145,334
Receivable from BA Express USA Inc	39,382,567	-
Excise duty recoverable	4,089,230	4,149,960
	<u>7,309,235,066</u>	<u>5,779,826,122</u>
	<u>9,997,566,025</u>	<u>8,533,671,497</u>

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 2014	31 Dec 2013
--	-------------	-------------

10.4 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. 3,19,52,365.00 (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	10,031,208,657	8,573,325,470
Bank Asia Securities Limited	130,797,800	111,568,819
BA Exchange Company (UK) Limited	3,301,441	2,996,240
BA Express USA Inc.	19,299,059	-
	<u>10,184,606,957</u>	<u>8,687,890,529</u>
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	35,780,220	39,000,000
Investment in BA Express USA Inc.	74,985,254	-
Receivable from BASL	9,999,998	9,999,998
Receivable from BA Exchange Company (UK) Limited	34,708,663	16,145,334
Receivable from BA Exchange USA, Inc.	39,382,567	-
	<u>2,194,846,702</u>	<u>2,065,135,332</u>
	<u>7,989,760,255</u>	<u>6,622,755,197</u>

11 BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AGENTS

Conventional and Islamic banking (Note 11.1)	3,021,476,083	1,944,757,246
Off-shore banking unit (Note 11.2)	7,099,663,886	-
Less: Inter borrowings between OBU and Conventional Banking	(2,275,000,000)	-
	<u>7,846,139,969</u>	<u>1,944,757,246</u>

11.1 Borrowings from other banks, financial institutions and agents

In Bangladesh (Note 11.1.1)	3,021,476,083	1,944,757,246
Outside Bangladesh	-	-
	<u>3,021,476,083</u>	<u>1,944,757,246</u>

11.1.1 In Bangladesh
Secured
Un secured
Money at call and on short notice

State Bank of India	230,000,000.00	-
Rupali Bank	400,000,000.00	-
United Commercial Bank Limited	200,000,000.00	-
IFIC Bank Limited	600,000,000.00	-
Basic Bank	300,000,000.00	-
Dutch Bangla Bank Limited	450,000,000.00	-
	<u>2,180,000,000.00</u>	<u>-</u>

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
Term borrowing		
Bangladesh Bank Refinance	811,476,083	1,924,757,246
SME Foundation Pre Finance	30,000,000	20,000,000
	<u>841,476,083</u>	<u>1,944,757,246</u>
	<u>3,021,476,083</u>	<u>1,944,757,246</u>
11.2 Borrowing at Off-shore banking unit		
Secured		
Un secured		
Money at call and on short notice		
Conventional Banking	2,275,000,000	-
United Bank Limited, UAE	93,170,000	-
Habib Bank Limited, Bangladesh	49,000,000	-
Commercial Bank of Ceylon, Bangladesh	175,000,000	-
	<u>2,592,170,000</u>	-
Term borrowing		
Bankmuscat, Oman	385,000,000	-
Noor Islami Bank, Dubai, UAE	17,690,176	-
United Bank Limited, UAE	541,803,710	-
BMI Bank, Bahrain	525,000,000	-
Habib Bank Limited, Bangladesh	70,000,000	-
ICICI Hong Kong	868,000,000	-
International Finance Corporation	2,100,000,000	-
	<u>4,507,493,886</u>	-
	<u>7,099,663,886</u>	-
11(a) Consolidated Borrowings from other banks, financial institutions and agents		
Bank Asia Limited	7,846,139,969	1,944,757,246
Bank Asia Securities Limited	3,365,276,266	2,963,356,289
BA Exchange Company (UK) Limited	-	-
BA Express USA Inc.	-	-
	<u>11,211,416,235</u>	<u>4,908,113,535</u>
Less: inter- companies transactions	<u>2,751,500,441</u>	<u>2,548,996,460</u>
	<u>8,459,915,794</u>	<u>2,359,117,075</u>

notes to the financial statements

Amount in Taka

	31 Dec 2014	31 Dec 2013
--	-------------	-------------

11(aa) Subordinated Non-Convertible Zero Coupon Bond

A.K Khan & Company Limited	187,096,765	249,997,004
EBL NRB Mutual Fund	14,908,480	19,920,576
Popular Life 1st Mutual Fund	7,454,240	9,960,288
EXIM Bank 1st Mutual Fund	29,933,432	39,996,781
IFIC Bank 1st Mutual Fund	7,454,240	9,960,288
AB Bank 1st Mutual Fund	28,419,290	37,973,598
EBL First Mutual Fund	7,477,535	9,991,414
First Bangladesh Fixed Income Fund	157,121,403	209,944,195
Industrial and Infrastructure Development Finance Company Limited (IIDFC)	9,171,045	12,254,267
	<u>449,036,430</u>	<u>599,998,411</u>

11.3 Maturity-wise grouping

(Note 11 and Note 11aa)

Payable on demand	2,180,000,000	1,924,757,246
Up to 1 month	2,911,539,969	-
More than 1 month but within 3 months	700,000,000	-
More than 3 months but within 1 year	2,024,600,000	-
More than 1 year but within 5 years	479,036,430	619,998,411
More than 5 years	-	-
	<u>8,295,176,399</u>	<u>2,544,755,657</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)
1	UCBL	30-Dec-2014	1-Jan-2015	989,741,000
2	JANATA BANK	30-Dec-2014	1-Jan-2015	494,870,500
3	SONALI BANK	30-Dec-2014	1-Jan-2015	1,484,611,500
4	AGRANI BANK	30-Dec-2014	1-Jan-2015	989,741,000
Total				3,958,964,000

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

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

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	481,603,500	6,377,678,000	960,629,324
Securities purchased under reverse repo:			
i) with Bangladesh Bank	-	-	-
ii) with other banks & FIs	-	-	-

notes to the financial statements

Amount in Taka

	31 Dec 2014	31 Dec 2013
12 DEPOSITS AND OTHER ACCOUNTS		
Conventional and Islamic banking (Note 12.1)	139,948,578,380	132,802,504,952
Off-shore banking unit	920,707,746	686,869,689
	<u>140,869,286,126</u>	<u>133,489,374,641</u>
Deposits and other accounts		
Current/Al-wadeeah current accounts and other accounts		
Deposits from banks	-	-
Deposits from customers	20,617,888,516	16,836,782,077
	<u>20,617,888,516</u>	<u>16,836,782,077</u>
Bills payable		
Deposits from banks	-	-
Deposits from customers	1,808,032,594	1,667,720,280
	<u>1,808,032,594</u>	<u>1,667,720,280</u>
Savings bank/Mudaraba savings bank deposits		
Deposits from banks	-	-
Deposits from customers	16,547,202,983	12,827,249,596
	<u>16,547,202,983</u>	<u>12,827,249,596</u>
Fixed deposits/Mudaraba fixed deposits		
Deposits from banks	15,574,726	4,500,000,000
Deposits from customers	100,959,879,561	96,970,752,999
	<u>100,975,454,287</u>	<u>101,470,752,999</u>
	<u>139,948,578,380</u>	<u>132,802,504,952</u>
12.1 Conventional and Islamic banking		
Deposits from banks (Note 12.1.1)	15,574,726	4,500,000,000
Deposits from customers (Note 12.1.2)	139,933,003,654	128,302,504,952
	<u>139,948,578,380</u>	<u>132,802,504,952</u>
12.1.1 Deposits from banks		
Fixed deposit/SND		
AB Bank Limited	1,320,235	-
EXIM Bank Limited	7,702,712	-
Sonali Bank Limited	5,504,734	-
Social Islami Bank Limited	522,530	-
The Premier Bank Limited	-	200,000,000
The Trust Bank Limited	524,515	-
Southeast Bank	-	200,000,000
IFIC Bank Limited	-	500,000,000
Rupali Bank Limited	-	3,000,000,000
ONE Bank Limited	-	600,000,000
	<u>15,574,726</u>	<u>4,500,000,000</u>
Bangladesh Bank Refinance	-	-
	<u>15,574,726</u>	<u>4,500,000,000</u>

notes to the financial statements
Amount in Taka

	31 Dec 2014	31 Dec 2013
--	--------------------	--------------------

12.1.2 Deposits from customers

Current/Al-wadeeah current accounts and other accounts (Note 12.1.2a)	20,617,888,516	16,836,782,077
Bills payable (Note 12.1.2b)	1,808,032,594	1,667,720,280
Savings bank/Mudaraba savings deposits	16,547,202,983	12,827,249,596
Fixed deposits/Mudaraba fixed deposits (Note 12.1.2c)	100,959,879,561	96,970,752,999
	<u>139,933,003,654</u>	<u>128,302,504,952</u>

12.1.2a Current/Al-wadeeah current accounts and other accounts

Current/Al-wadeeah current accounts	7,268,978,934	6,088,225,409
Other demand deposit - Local currency	10,579,482,537	8,704,668,986
Other demand deposit - Foreign currencies	2,221,246,152	1,545,775,165
Foreign currency deposits	548,180,893	498,112,517
	<u>20,617,888,516</u>	<u>16,836,782,077</u>

12.1.2b Bills payable

Bills payable - local currency	1,801,046,700	1,659,276,640
Bills payable - foreign currencies	6,985,894	8,443,640
	<u>1,808,032,594</u>	<u>1,667,720,280</u>

12.1.2c Fixed deposits/Mudaraba fixed deposits

Fixed deposits/Mudaraba fixed deposits	61,408,417,355	67,486,671,493
Special notice deposit	13,412,462,265	9,444,532,308
Foreign currency deposits (interest bearing)	5,481,257	5,469,270
Deposit under schemes	26,133,518,684	20,034,079,928
	<u>100,959,879,561</u>	<u>96,970,752,999</u>

12.2 Payable on demand and time deposits
a) Demand deposits

Current/Al-wadeeah current accounts and other accounts	8,162,738,970	6,375,963,126
Savings bank/Mudaraba savings deposits	1,489,248,268	1,154,452,464
Foreign currency deposits (non interest bearing)	2,769,427,045	2,043,887,682
Sundry deposits	10,579,482,537	8,704,668,986
Bills payable	1,808,032,594	1,667,720,280
	<u>24,808,929,414</u>	<u>19,946,692,538</u>

b) Time deposits

Savings bank/Mudaraba savings deposits	15,057,954,715	11,672,797,132
Fixed deposits/Mudaraba fixed deposits	61,450,939,791	72,385,803,465
Foreign currency deposits (interest bearing)	5,481,257	5,469,270
Special notice deposit	13,412,462,265	9,444,532,308
Deposits under schemes	26,133,518,684	20,034,079,928
	<u>116,060,356,712</u>	<u>113,542,682,103</u>
	<u>140,869,286,126</u>	<u>133,489,374,641</u>

notes to the financial statements

Amount in Taka

	31 Dec 2014	31 Dec 2013
12.3 Sector-wise break-up of deposits and other accounts		
Government	3,029,841,834	4,301,195,726
Deposit from banks	15,574,726	4,500,000,000
Other public	4,591,458,051	4,085,083,986
Foreign currencies	3,702,601,942	2,744,670,281
Private	129,529,809,573	117,858,424,648
	<u>140,869,286,126</u>	<u>133,489,374,641</u>
12.4 Maturity-wise grouping		
12.4.1 Deposits from banks		
Payable on demand	15,574,726	-
Up to 1 month	-	4,100,000,000
Over 1 month but within 6 months	-	400,000,000
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years	-	-
	<u>15,574,726</u>	<u>4,500,000,000</u>
12.4.2 Customer deposits excluding bills payable		
Payable on demand	4,658,900,000	8,216,698,529
Up to 1 month	25,245,225,274	15,122,756,985
Over 1 month but within 6 months	60,894,067,406	48,863,804,454
Over 6 months but within 1 year	10,514,600,000	9,700,348,890
Over 1 year but within 5 years	16,635,045,039	25,254,066,907
Over 5 years	21,097,841,087	20,163,978,596
	<u>139,045,678,806</u>	<u>127,321,654,361</u>
12.4.3 Bills payable		
Payable on demand	195,900,000	896,535,874
Up to 1 month	-	346,752,190
Over 1 month but within 6 months	1,612,132,594	424,432,216
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years	-	-
	<u>1,808,032,594</u>	<u>1,667,720,280</u>
	<u>140,869,286,126</u>	<u>133,489,374,641</u>
12(a) Consolidated Deposits and other accounts		
Current/Al-wadeeah current accounts and other accounts		
Bank Asia Limited (including OBU)	21,511,648,552	17,124,519,794
Bank Asia Securities Limited	110,453,062	194,964,630
BA Exchange Company (UK) Limited	-	-
BA Express USA Inc.	-	-
	<u>21,622,101,614</u>	<u>17,319,484,424</u>
Less: Inter-company transactions	298,622,506	1,449,463
	<u>21,323,479,108</u>	<u>17,318,034,961</u>

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
Bills payable		
Bank Asia Limited	1,808,032,594	1,667,720,280
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA Inc.	-	-
	<u>1,808,032,594</u>	<u>1,667,720,280</u>
Savings bank/Mudaraba savings bank deposits		
Bank Asia Limited	16,547,202,983	12,827,249,596
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA Inc.	-	-
	<u>16,547,202,983</u>	<u>12,827,249,596</u>
Fixed deposits/Mudaraba fixed deposits		
Bank Asia Limited (including OBU)	101,002,401,997	101,869,884,971
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA Inc.	-	-
	<u>101,002,401,997</u>	<u>101,869,884,971</u>
13 OTHER LIABILITIES		
Provision for loans and advances/investments (Note 13.1)	5,137,046,801	4,112,634,273
Provision on off-balance sheet exposures (Note 13.2)	715,271,546	671,642,649
Interest suspense account (Note 13.3)	1,007,483,804	687,051,851
Provision for income tax including deferred tax (Note 13.4)	8,649,628,405	6,651,366,076
Provision for performance and festival bonus	210,196,052	184,017,005
Master card and Visa card payables	6,442,077	7,306,276
Expenditure and other payables	79,210,397	80,379,428
Obligation under finance lease (Note 13.5)	6,251,573	10,836,114
Provision for nostro accounts (Note 13.6)	-	-
Other payable	31,764,540	47,448,817
Provision for profit equalisation	31,518,386	20,643,916
Provision for Smart Junior Saver A/c	114,983	49,665
Provision for diminution in value of shares	303,383,553	246,883,553
Payable to Government	29,307,621	32,465,155
Provision for others (Note 13.7)	124,822,336	69,831,098
Unearned income	181,778,928	244,882,150
Clearing adjustment account	56,793,187	28,861,480
Interest payable on subordinated non-convertible zero coupon bond	24,653,825	29,609,581
Branch adjustment account credit balance (Note 13.8)	64,385,311	-
Adjustment with OBU	42,000,000	-
	<u>16,702,053,325</u>	<u>13,125,909,087</u>

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
13.1 Provision for loans and advances/investments		
A. General		
Balance at the beginning of the year	1,015,707,596	984,827,113
Add: Provision made during the year		
On general loans and advances/investments etc.	56,611,447	30,880,483
On special mentioned account	17,816,415	-
	74,427,862	30,880,483
Less: Provision no longer required		
On general loans and advances/investments etc.	-	-
On special mentioned account	-	-
	-	-
Balance at the end of the year	1,090,135,458	1,015,707,596
B. Specific		
Balance at the beginning of the year	3,074,434,778	2,641,109,129
Less: Interest waiver during the year	-	(123,022)
Write off/amicable settlement during the year	(506,121,466)	(1,209,667,879)
	(506,121,466)	(1,209,790,901)
Add/ Back: Recoveries of amounts previously written off	76,606,895	123,313,731
Provision against malkhanagar protested bills	47,179,849	-
Specific provision made during the year for other accounts	1,289,159,944	1,519,802,819
	1,412,946,688	1,643,116,550
Balance at the end of the year	3,981,260,000	3,074,434,778
C. Total provision on loans and advances/investments (A+B)	5,071,395,458	4,090,142,374
D. General provision maintained for OBU as at 01 January	22,491,899	4,371,533
Add: Provision made during the year	43,159,444	18,120,366
Provision on loans and advances for OBU	65,651,343	22,491,899
E. Total provision on loans and advances/investments (C+D)	5,137,046,801	4,112,634,273
13.2 Provision on off-balance sheet exposures		
Balance at 1 January	668,513,351	587,637,090
Add: Provision made during the year	45,003,077	80,876,261
	713,516,428	668,513,351
Less: Adjustments made during the year	-	-
Balance at 31 December	713,516,428	668,513,351
Provision on off-balance sheet maintained for OBU as at 01 January	3,129,298	4,520,276
Add: Provision made during the year	-	-
Less: Adjustments made during the year	(1,374,180)	(1,390,978)
	1,755,118	3,129,298
Balance at 31 December	715,271,546	671,642,649

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
13.3 Interest suspense account		
Balance at 1 January	687,051,851	461,780,702
Add: Addition during the year	1,975,538,924	1,252,245,863
	<u>2,662,590,775</u>	<u>1,714,026,565</u>
Less: Interest suspense recovered during the year	1,622,861,917	990,874,796
Interest waiver during the year	32,245,054	36,099,918
	<u>1,655,106,971</u>	<u>1,026,974,714</u>
Balance at 31 December	<u><u>1,007,483,804</u></u>	<u><u>687,051,851</u></u>
13.4 Provision for taxation		
Current tax (Note 13.4.1)	8,297,368,394	6,350,206,065
Deferred tax (Note 13.4.2)	352,260,011	301,160,011
	<u>8,649,628,405</u>	<u>6,651,366,076</u>
13.4.1 Provision for current tax		
Balance at 1 January	6,350,206,065	7,089,642,948
Add: Provision made during the year	1,947,162,329	2,041,583,693
	<u>8,297,368,394</u>	<u>9,131,226,641</u>
Less: Adjustments made during the year	-	2,781,020,576
Balance at 31 December	<u><u>8,297,368,394</u></u>	<u><u>6,350,206,065</u></u>
13.4.2 Provision for deferred tax		
Balance at 1 January	301,160,011	281,973,079
Provision made for deferred tax liabilities:		
Charged/(credited) to profit and loss statement	51,100,000	19,186,932
Charged/(credited) to revaluation reserve	-	-
	<u>51,100,000</u>	<u>19,186,932</u>
	<u>352,260,011</u>	<u>301,160,011</u>
Provision made for deferred tax assets	-	-
Balance at 31 December	<u><u>352,260,011</u></u>	<u><u>301,160,011</u></u>
13.4.1(a) Consolidated Provision for current tax		
Bank Asia Limited	1,947,162,329	2,041,583,693
Bank Asia Securities Limited	16,893,989	14,046,161
BA Exchange Company (UK) Limited	-	-
BA Express USA Inc.	61,848	-
	<u>1,964,118,166</u>	<u>2,055,629,854</u>
13.4.2(a) Consolidated provision for deferred tax		
Bank Asia Limited	51,100,000	19,186,932
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA Inc.	-	-
	<u>51,100,000</u>	<u>19,186,932</u>

notes to the financial statements

Amount in Taka

	31 Dec 2014	31 Dec 2013
--	-------------	-------------

13.5 Obligation under finance lease

Motor vehicles	6,251,573	10,836,114
----------------	-----------	------------

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 others

Balance at the beginning of the year	69,831,098	69,831,323
Adjustment	(8,762)	(225)
Add: Provision made during the year	55,000,000	-
Balance at the end of the year	124,822,336	69,831,098
Provision requirement for Others	90,926,000	69,831,098
Provision maintained for Others	124,822,336	69,831,098
Surplus provision maintained	33,896,336	-

13.8 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 2014 are given below:

Particulars	Number of unresponded entries (Debit)	Amount of unresponded entries (Taka)	Number of unresponded entries (Credit)	Amount of unresponded entries (Taka)
Up to 3 months	129	22,536,000	111	10,817,000
More than 3 months but within 6 months	9	5,630,000	2	43,000
More than 6 months but within 1 year	2	366,000	5	474,000
More than 1 year but within 5 years	-	-	-	-
Above 5 years	-	-	-	-
	140	28,532,000	118	11,334,000

13(a) Consolidated Other liabilities

Bank Asia Limited	16,702,053,325	13,125,909,087
Bank Asia Securities Limited	1,195,047,962	746,619,173
BA Exchange Company (UK) Limited	36,237,391	21,388,900
BA Express USA Inc.	52,426,908	-
	17,985,765,586	13,893,917,160
Less: Inter- companies transactions		
Receivable from BASL	9,999,998	9,999,998
Receivable from BA Exchange (UK) Limited	34,708,663	16,145,334
BA Express USA Inc.	39,382,567	-
	84,091,228	26,145,332
	17,901,674,358	13,867,771,828

notes to the financial statements

Amount in Taka

	31 Dec 2014	31 Dec 2013
--	-------------	-------------

14 SHARE CAPITAL
14.1 Authorized capital

1,500,000,000 ordinary shares of Taka 10 each	15,000,000,000	15,000,000,000
	<u>15,000,000,000</u>	<u>15,000,000,000</u>

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 2011	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	-
	<u>7,629,955,940</u>	<u>6,936,323,590</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 adequacy ratio

The calculation of CAR has been done as per BRPD Circular no. 10 dated 10 March 2010 and the Basel-II guidelines, December 2010 vide BRPD Circular no. 35 dated 29 December 2010.

Core capital (Tier-I)

Paid up capital	7,629,955,940	6,936,323,590
Statutory reserve (Note 15)	5,051,466,882	4,208,075,877
Retained earnings (Note 17)	1,492,242,767	759,746,473
	<u>14,173,665,589</u>	<u>11,904,145,940</u>

Supplementary capital (Tier-II)

General provision maintained against unclassified loan/investments	1,155,786,801	1,038,199,495
General provision on off-balance sheet exposure	715,271,546	671,642,649
Subordinated non-coverable zero coupon bonds	449,036,430	599,998,411
General reserve	8,166,474	8,166,474
Revaluation reserve of Government securities and fixed assets	1,341,296,217	1,352,695,802
	<u>3,669,557,468</u>	<u>3,670,702,831</u>

Additional supplementary capital (Tier-III)

A) Total capital	<u>17,843,223,056</u>	<u>15,574,848,771</u>
B) Total risk weighted assets	<u>157,574,620,000</u>	<u>140,976,922,828</u>
C) Required capital	<u>15,757,462,000</u>	<u>14,097,692,283</u>
D) (Deficit)/Surplus (A-C)	<u>2,085,761,056</u>	<u>1,477,156,488</u>

Capital adequacy ratio:

On core capital - against standard of minimum 5%	8.99%	8.44%
On total capital - against standard of minimum 10%	11.32%	11.05%

notes to the financial statements

Amount in Taka

	31 Dec 2014	31 Dec 2013
14.4 (a) Consolidated Capital adequacy ratio		
The calculation of CAR has been done as per BRPD Circular no. 10 dated 10 March 2010 and the Basel-II guidelines, December 2010 vide BRPD Circular no. 35 dated 29 December 2010.		
Core capital (Tier-I)		
Paid up capital	7,629,955,940	6,936,323,590
Non-controlling (Minority) interest	10,781	11,604
Statutory reserve (Note 15)	5,051,466,882	4,208,075,877
Retained earnings (Note 17a)	1,229,245,329	699,449,908
	13,910,678,932	11,843,860,979
Supplementary capital (Tier-II)		
General provision maintained against unclassified loan/investments	1,155,786,801	1,038,199,495
General provision on off-balance sheet exposure	715,271,546	671,642,649
Subordinated non-convertible zero coupon bonds	449,036,430	599,998,411
General reserve	8,166,474	8,166,474
Revaluation reserve of Government securities and fixed assets	1,341,296,217	1,352,695,802
	3,669,557,468	3,670,702,831
Additional supplementary capital (Tier-III)	-	-
A) Total capital	17,580,236,399	15,514,563,810
B) Total risk weighted assets	159,062,557,435	143,296,500,000
C) Required capital	15,906,255,744	14,329,650,000
D) (Deficit)/Surplus (A-C)	1,673,980,656	1,184,913,810
Capital adequacy ratio:		
On core capital - against standard of minimum 5%	8.75%	8.27%
On total capital - against standard of minimum 10%	11.05%	10.83%

14.5 Percentage of shareholdings at the closing date

	At 31 December 2014	At 31 December 2014	At 31 December 2013	At 31 December 2013
Category	No. of shares	%	No. of shares	%
Sponsors & Directors	354,538,315	46.47	330,909,211	47.71
General public	141,895,144	18.60	152,975,106	22.05
Institutions	230,714,179	30.24	181,163,697	26.12
Investment companies	28,030,782	3.66	21,468,345	3.09
Non-resident Bangladeshi	5,392,928	0.71	4,912,140	0.71
Foreign investors	2,424,246	0.32	2,203,860	0.32
	762,995,594	100.00	693,632,359	100.00

notes to the financial statements

14.6 Classification of shareholders by holding

Holding	No. of holders		% of total holding	
	2014	2013	2014	2013
Less than 5000	13792	15725	1.64	2.11
5,000 to 50,000	2024	2041	3.43	3.95
50,001 to 100,000	126	124	1.14	1.28
100,001 to 200,000	72	78	1.38	1.62
200,001 to 300,000	22	34	0.71	1.23
300,001 to 400,000	22	18	1.02	0.9
400,001 to 500,000	11	15	0.66	0.96
500,001 to 1,000,000	35	49	3.3	5.23
1,000,001 to 10,000,000	84	77	28.31	31.76
Over 10,000,000	23	18	58.41	50.96
	16,211	18,179	100	100

14.7 Name of the Directors and their shareholdings as at 31 December 2014

SI	Name of the director	Status	Closing position	Opening position
1	Mr. A Rouf Chowdhury	Chairman	18,819,652	17,108,775
2	Mr. Mohd Safwan Choudhury (Representing Phulbari Tea Estate Ltd.)	Vice Chairman	29,885,019	27,168,200
3	Mr. A M Nurul Islam (Independent Director)	Vice Chairman	-	-
4	Mr. Mohammed Lakiotullah (Independent Director)	Director	-	-
5	Mr. Rume A Hossain	Director	20,124,838	26,930,653
6	Mr. Shah Md. Nurul Alam (Independent Director)	Director	-	-
7	Ms. Hosneara Sinha	Director	34,805,281	31,641,165
8	Ms. Farhana Haq Chowdhury	Director	20,757,167	18,870,152
9	Mr. M Irfan Syed (Representative director of Amiran Generations Ltd.)	Director	24,209,398	22,008,544
10	Ms. Naheed Akhter Sinha	Director	36,544,807	33,222,552
11	Ms. Sabrina Chowdhury	Director	16,282,175	14,801,978
12	Mr. Murshed Sultan Chowdhury	Director	15,259,912	21,466,671
13	Ms. Sohana Rouf Chowdhury	Director	15,259,912	5,336,100
14	Mr. Mashiur Rahman (Independent Director)	Director	-	-
15	Mr. Mir Shahjahan	Director	15,719,293	14,290,267

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
15 STATUTORY RESERVE		
Balance at 1 January	4,208,075,877	3,503,958,171
Add: Addition during the year (20% of pre-tax profit)	843,391,005	704,117,706
Balance at 31 December	<u>5,051,466,882</u>	<u>4,208,075,877</u>
16 REVALUATION RESERVE		
HTM securities (Note 16.1)	1,502,377	2,684,722
HFT securities (Note 16.2)	344,223,506	315,013,379
Fixed Assets revaluation (Note 16.3)	2,336,866,550	2,387,693,502
	<u>2,682,592,433</u>	<u>2,705,391,603</u>
16.1 Revaluation reserve on HTM securities		
Balance at 1 January	2,684,722	2,849,271
Add: Addition during the year	938,307	2,684,483
Less: Adjustment for sale and maturity	(2,120,652)	(2,849,032)
Balance at 31 December	<u>1,502,377</u>	<u>2,684,722</u>
16.2 Revaluation reserve on HFT securities		
Balance at 1 January	315,013,379	157,527,564
Add: Addition during the year	2,725,989,587	844,833,025
Less: Adjustment for sale and maturity	(2,696,779,460)	(687,347,210)
Balance at 31 December	<u>344,223,506</u>	<u>315,013,379</u>
16.3 Revaluation reserve on Fixed Assets		
Balance at 1 January	2,387,693,502	2,432,299,002
Depreciation charged during the year transferred to retained earnings	(50,826,952)	(44,605,500)
Balance at 31 December	<u>2,336,866,550</u>	<u>2,387,693,502</u>
16 (a) Consolidated Revaluation reserve		
Bank Asia Limited	2,682,592,433	2,705,391,603
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA Inc.	-	-
	<u>2,682,592,433</u>	<u>2,705,391,603</u>
17 RETAINED EARNINGS		
Balance at 1 January	759,746,473	634,621,144
Add: Post - tax profit for the year	2,218,692,697	1,459,817,905
Revaluation reserve transferred to retained earnings	50,826,952	-
Less: Issue of bonus shares for the year 2013	693,632,350	-
Issue of bonus shares for the year 2012	-	630,574,870
Transfer to statutory reserve	843,391,005	704,117,706
Balance at 31 December	<u>1,492,242,767</u>	<u>759,746,473</u>

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
17(a) Consolidated Retained earnings		
Balance at 1 January	699,449,908	703,603,495
Add: Foreign exchange revaluation reserve for opening retained earnings	3,433,584	-
Revaluation reserve transferred to retained earnings	50,826,952	-
Post- tax profit for the year	2,012,557,417	1,330,538,402
Less: Non controlling interest	(823)	(587)
	<u>2,766,268,684</u>	<u>2,034,142,484</u>
Less : Issue of bonus shares	693,632,350	630,574,870
Transferred to statutory reserve	843,391,005	704,117,706
	<u>1,537,023,355</u>	<u>1,334,692,576</u>
Balance at 31 December	<u><u>1,229,245,329</u></u>	<u><u>699,449,908</u></u>
17(b) Non-controlling (Minority) interest		
Bank Asia Securities Limited	10,781	11,604
BA Exchange Company (UK) Limited	-	-
BA Express USA Inc.	-	-
	<u>10,781</u>	<u>11,604</u>
18 CONTINGENT LIABILITIES		
Conventional and Islamic banking	71,351,642,744	66,851,335,098
Off-shore banking unit	175,511,850	312,929,832
	<u>71,527,154,594</u>	<u>67,164,264,930</u>
Letters of guarantee		
Conventional and Islamic banking (Note 18.1)	21,663,339,317	17,820,912,163
Off-shore banking unit	-	-
	<u>21,663,339,317</u>	<u>17,820,912,163</u>
Irrevocable letters of credit		
Conventional and Islamic banking (Note 18.2)	19,895,718,625z	17,857,816,246
Off-shore banking unit	52,947,860	52,175,970
	<u>19,948,666,485</u>	<u>17,909,992,216</u>
Bills for collection		
Conventional and Islamic banking (Note 18.3)	6,085,075,294	8,851,401,136
Off-shore banking unit	41,451,560	93,745,342
	<u>6,126,526,854</u>	<u>8,945,146,478</u>
Acceptances and endorsements (Note 18.4)		
Conventional and Islamic banking	23,707,509,508	22,321,205,553
Off-shore banking unit	81,112,430	167,008,520
	<u>23,788,621,938</u>	<u>22,488,214,073</u>
Other contingent liabilities		
Conventional and Islamic banking	-	-
Off-shore banking unit	-	-
	<u>-</u>	<u>-</u>
	<u><u>71,527,154,594</u></u>	<u><u>67,164,264,930</u></u>

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
18.1 Letters of guarantee		
Letters of guarantee (Local)	21,663,339,317	17,820,912,163
Letters of guarantee (Foreign)	-	-
	<u>21,663,339,317</u>	<u>17,820,912,163</u>
Balance for which the Bank is contingently liable in respect of guarantees issued favouring:		
Directors or officers	434,133	434,133
Government	-	30,744,576
Banks and other financial institutions	8,312,782,335	5,218,555,530
Others	13,350,122,849	12,571,177,924
	<u>21,663,339,317</u>	<u>17,820,912,163</u>
18.2 Irrevocable letters of credit		
Letters of credit Back to Back (Inland)	2,336,573,970	2,204,190,166
Letters of credit (General)	15,740,120,408	13,929,029,005
Back to back L/C	1,819,024,247	1,724,597,075
	<u>19,895,718,625</u>	<u>17,857,816,246</u>
18.3 Bills for collection		
Local bills for collection	3,747,243,070	7,393,137,932
Foreign bills for collection	2,337,832,224	1,458,263,204
	<u>6,085,075,294</u>	<u>8,851,401,136</u>
18.4 Acceptances and endorsements		
Conventional and Islamic banking	23,707,509,508	22,321,205,553
Off-shore banking unit	81,112,430	167,008,520
	<u>23,788,621,938</u>	<u>22,488,214,073</u>
18.5 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)	17,647,037,973	16,907,483,699
Dividend income (Note 22)	20,363,972	16,277,211
Fees, commission and brokerage (Note 19.2)	980,344,673	939,507,670
Interest on Nepal Bangladesh Bank Limited	-	22,464,886
Interest on Orascom Telecom Bangladesh Ltd. senior secured bonds	8,160,000	27,270,000
Interest on ACI Convertible zero coupon bonds	4,978,205	4,157,628
Interest on Bangladesh Steel Re-rolling Mills	8,666,666	
MTBL unsecured subordinated convertible bonds	18,000,009	17,975,478

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
Prime Bank Ltd unsecured non-convertible subordinated bonds	16,100,000	16,077,624
Interest on placements	220,119,703	361,509,224
Gains less losses arising from dealing in foreign currencies (Note 23.1)	897,469,268	861,829,832
Other operating income (Note 24)	564,728,562	497,738,396
	<u>20,385,969,031</u>	<u>19,672,291,648</u>
Expenses:		
Interest paid/profit shared on deposits and borrowings, etc (Note 21)	10,699,769,024	11,139,136,545
Administrative expenses (Note 19.3)	2,492,599,207	2,050,170,133
Other expenses (Note 34)	1,043,538,876	759,555,320
Depreciation on banks assets (Note 33.1)	371,230,751	307,668,616
	<u>14,607,137,858</u>	<u>14,256,530,614</u>
	<u>5,778,831,173</u>	<u>5,415,761,034</u>
19.1 Interest, discount and similar income		
Interest income/profit on investments	13,914,306,656	14,319,420,431
Interest on treasury bills	845,489,089	450,928,642
Interest on treasury bonds	2,331,261,977	1,974,460,101
Interest on debentures	4,184,766	1,443,750
Income from investment in shares	6,496,772	1,919,098
Capital gain on Government securities	545,298,713	159,311,677
	<u>17,647,037,973</u>	<u>16,907,483,699</u>
Figures of previous year have been rearranged, wherever considered necessary, to conform the current year's presentation.		
19.2 Fees, commission and brokerage		
Commission	980,344,673	939,507,670
Brokerage	-	-
	<u>980,344,673</u>	<u>939,507,670</u>
19.3 Administrative expenses		
Salaries and allowances (Note 25)	1,821,359,360	1,448,943,946
Rent, taxes, insurance, electricity, etc (Note 26)	429,936,885	370,253,838
Legal expenses (Note 27)	10,474,191	8,863,980
Postage, stamp, telecommunication, etc (Note 28)	68,249,997	64,863,116
Stationery, printing, advertisement, etc (Note 29)	75,546,760	69,798,722
Managing Director's salary and fees (Note 30)	14,159,744	13,000,000
Directors' fees (Note 31)	2,770,000	1,720,000
Auditors' fees (Note 32)	690,000	1,090,550
Repair of Bank's assets (Note 33.1)	69,412,270	71,635,981
	<u>2,492,599,207</u>	<u>2,050,170,133</u>

notes to the financial statements

Amount in Taka

	31 Dec 2014	31 Dec 2013
--	-------------	-------------

20 INTEREST INCOME/PROFIT ON INVESTMENTS

Conventional and Islamic banking (Note 20.1)	13,818,527,443	14,243,487,152
Off-shore banking unit	146,536,852	75,933,279
	13,965,064,295	14,319,420,431
Less: inter transaction between OBU and Conventional banking	50,757,639	-
	13,914,306,656	14,319,420,431

20.1 Conventional and Islamic banking

Loans (General)/ Musharaka	15,603,524	5,755,748
Loans against trust receipts/ Bai Murabaha post import	1,745,470,417	2,527,079,575
Packing credit	20,226,270	13,484,651
House building loan	41,487,558	51,861,215
Payment against documents	75,582,340	125,917,179
Cash credit/Bai-Muajjal	113,836,825	95,346,908
Overdraft/ Quard against deposit	550,094,325	621,957,203
Consumer credit scheme	573,048,587	552,349,739
Staff loan	54,009,115	41,815,072
Local bills purchased	312,419,609	446,921,893
Foreign bills purchased	36,951,554	85,549,979
Interest income from credit card	203,146,304	184,288,597
Term loan- others/ Hire purchase Shirkatul Melk	3,227,995,329	2,903,280,228
Term loan- industrial	965,081,315	1,040,189,474
Demand loan	1,595,193,912	1,681,393,728
Transport loan	177,500,051	180,533,822
Sachsondo - SME	407,089,144	409,096,470
Other loans and advances	3,501,367,214	3,115,659,390
Total interest/profit on loans and advances/investments	13,616,103,393	14,082,480,871
Interest/profit on balance with other banks and financial institutions	201,985,628	159,298,167
Interest/profit received from foreign banks	438,422	1,708,114
	13,818,527,443	14,243,487,152

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
20(a) Consolidated Interest income/profit on investments		
Bank Asia limited	13,914,306,656	14,319,420,431
BA Exchange Company (UK) Limited	-	-
Bank Asia Securities Ltd	382,122,589	372,598,948
BA Express USA Inc.	-	-
	<u>14,296,429,245</u>	<u>14,692,019,379</u>
Less: Inter-company transactions	332,572,825	442,997,025
	<u>13,963,856,420</u>	<u>14,249,022,354</u>
21 INTEREST PAID/PROFIT SHARED ON DEPOSITS AND BORROWINGS ETC.		
Conventional and Islamic banking (Note 21.1)	10,630,449,001	11,101,786,937
Off-shore banking unit	120,077,662	37,349,608
	<u>10,750,526,663</u>	<u>11,139,136,545</u>
Less: inter transaction between OBU and Conventional banking	50,757,639	-
	<u>10,699,769,024</u>	<u>11,139,136,545</u>
21.1 Conventional and Islamic banking		
Interest paid/profit shared on deposits		
Fixed deposits/ Mudaraba Fixed deposit	5,805,297,473	7,400,394,908
Sanchaya plus	167,894,029	130,755,342
Savings deposits/ Mudaraba Savings bank	595,915,401	629,505,209
Special notice deposits	534,417,349	544,751,749
Other deposits	3,105,662,254	2,034,000,575
	<u>10,209,186,506</u>	<u>10,739,407,783</u>
Interest on borrowings		
Local banks including Bangladesh Bank	384,355,717	341,362,436
Foreign banks	59,516	115,833
Interest on subordinated non-convertible zero coupon bond	36,847,262	20,900,885
	<u>421,262,495</u>	<u>362,379,154</u>
	<u>10,630,449,001</u>	<u>11,101,786,937</u>
21(a) Consolidated Interest Expenses/profit paid on Deposits		
Bank Asia limited	10,699,769,024	11,139,136,545
BA Exchange Company (UK) Limited	-	-
Bank Asia Securities Ltd	391,678,480	509,061,920
BA Express USA Inc.	-	-
	<u>11,091,447,504</u>	<u>11,648,198,465</u>
Less: Inter-company transactions	332,572,825	442,997,025
	<u>10,758,874,679</u>	<u>11,205,201,440</u>

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
22 INVESTMENT INCOME		
Conventional and Islamic banking (Note 22.1)	4,000,884,608	3,053,795,319
Off-shore banking unit	28,235,264	-
	<u>4,029,119,872</u>	<u>3,053,795,319</u>
22.1 Conventional and Islamic Banking		
Interest on treasury bills	845,489,089	450,928,642
Interest on treasury bonds	2,327,701,829	1,971,612,045
Interest on Islamic bonds	3,560,148	2,848,056
Prime Bank Ltd unsecured non-convertible subordinated bonds	16,100,000	16,077,624
Interest on Nepal Bangladesh Bank Limited	-	22,464,886
Interest on Orascom Telecom Bangladesh Ltd. senior secured bonds	8,160,000	27,270,000
Interest on ACI Convertible zero coupon bonds	4,978,205	4,157,628
MTBL unsecured subordinated convertible bonds	18,000,009	17,975,478
Interest on placement	191,884,439	361,509,224
Capital gain from investment in shares	6,496,772	1,919,098
Dividend on shares	20,363,972	16,277,211
Interest on debentures	4,184,766	1,443,750
Capital gain on Government securities	545,298,713	159,311,677
Interest on Bangladesh Steel Re-rolling Mills	8,666,666	-
	<u>4,000,884,608</u>	<u>3,053,795,319</u>
22(a) Consolidated investment income		
Bank Asia Limited	4,029,119,872	3,053,795,319
Bank Asia Securities Limited	6,076,750	1,213,965
BA Exchange Company (UK) Limited	-	-
BA Express USA Inc.	-	-
	4,035,196,622	3,055,009,284
Less: Inter-company transactions	-	-
	<u>4,035,196,622</u>	<u>3,055,009,284</u>
23 COMMISSION, EXCHANGE AND BROKERAGE		
Conventional and Islamic banking (Note 23.1)	1,871,714,801	1,793,882,032
Off-shore banking unit	6,099,140	7,455,470
	<u>1,877,813,941</u>	<u>1,801,337,502</u>

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
23.1 Conventional and Islamic Banking		
Commission on L/C	227,709,658	239,489,768
Commission on back to back L/C	453,081,713	398,410,403
Fees and commission	61,262,230	46,979,425
Commission on L/G	198,348,476	75,419,439
Commission on export	8,289,700	155,542,499
Commission on PO, DD, TT, TC, etc	10,210,689	6,970,632
Other commission	15,343,067	9,240,034
	974,245,533	932,052,200
Foreign exchange gain	897,469,268	861,829,832
	<u>1,871,714,801</u>	<u>1,793,882,032</u>
23(a) Consolidated Commission, exchange and brokerage		
Bank Asia limited	1,877,813,941	1,801,337,502
Bank Asia Securities Ltd	116,204,857	96,923,154
BA Exchange Company (UK) Limited	7,118,757	13,856,440
BA Express USA Inc.	7,885,554	-
	<u>2,009,023,109</u>	<u>1,912,117,096</u>
24 OTHER OPERATING INCOME		
Conventional and Islamic banking (Note 24.1)	554,024,017	491,670,796
Off-shore banking unit	10,704,545	6,067,600
	<u>564,728,562</u>	<u>497,738,396</u>
24.1 Conventional and Islamic banking		
Locker charge	8,631,810	7,836,750
Service and other charges	272,863,536	253,384,611
Master/Visa card fees and charges	95,288,754	87,398,975
Postage/telex/SWIFT/fax recoveries	90,370,107	81,643,058
Profit on sale of fixed assets	2,680,750	-
Non-operating income	23,134,455	12,670,181
Rebate on nostro account	55,881,044	48,737,221
Other income from brokerage	5,173,561	-
	<u>554,024,017</u>	<u>491,670,796</u>
24(a) Consolidated other operating income		
Bank Asia Limited	564,728,562	497,738,396
Bank Asia Securities Ltd	6,628,537	6,778,255
BA Exchange Company (UK) Limited	-	-
BA Express USA Inc.	-	-
	<u>571,357,099</u>	<u>504,516,651</u>

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
25 Salaries and allowances		
Conventional and Islamic banking (Note 25.1)	1,821,359,360	1,448,943,946
Off-shore banking unit	-	-
	<u>1,821,359,360</u>	<u>1,448,943,946</u>
25.1 Conventional and Islamic banking		
Basic salary	670,276,081	516,283,588
Allowances	683,698,617	569,825,016
Festival bonus	109,436,191	91,593,288
Gratuity	92,816,391	43,099,268
Provident fund contribution	60,132,080	48,142,786
Performance bonus	205,000,000	180,000,000
	<u>1,821,359,360</u>	<u>1,448,943,946</u>
25(a) Consolidated Salaries and allowances		
Bank Asia Limited	1,821,359,360	1,448,943,946
Bank Asia Securities Ltd	37,856,947	30,542,204
BA Exchange Company (UK) Limited	6,645,926	7,975,631
BA Express USA Inc.	12,922,640	-
	<u>1,878,784,873</u>	<u>1,487,461,781</u>
26 RENT, TAXES, INSURANCE, ELECTRICITY ETC.		
Conventional and Islamic banking (Note 26.1)	429,637,292	370,172,493
Off-shore banking unit	299,593	81,345
	<u>429,936,885</u>	<u>370,253,838</u>
26.1 Conventional and Islamic banking		
Rent, rate and taxes	267,737,747	231,581,347
Insurance	95,096,930	89,485,923
Power and electricity	66,802,615	49,105,223
	<u>429,637,292</u>	<u>370,172,493</u>
26(a) Consolidated Rent, taxes, insurance, electricity etc.		
Bank Asia Limited	429,936,885	370,253,838
Bank Asia Securities Ltd	12,323,515	9,839,570
BA Exchange Company (UK) Limited	6,542,620	8,649,550
BA Express USA Inc.	4,535,361	-
	<u>453,338,381</u>	<u>388,742,958</u>

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
27 LEGAL EXPENSES		
Conventional and Islamic banking (Note 27.1)	10,474,191	8,863,980
Off-shore banking unit	-	-
	<u>10,474,191</u>	<u>8,863,980</u>
27.1 Conventional and Islamic Banking		
Legal expenses	10,474,191	8,863,980
Other professional charges	-	-
	<u>10,474,191</u>	<u>8,863,980</u>
27(a) Consolidated Legal expenses		
Bank Asia Limited	10,474,191	8,863,980
Bank Asia Securities Ltd	102,078	128,264
BA Exchange Company (UK) Limited	1,084,906	152,490
BA Express USA Inc.	1,937,539	-
	<u>13,598,714</u>	<u>9,144,734</u>
28 POSTAGE, STAMPS, TELECOMMUNICATION ETC.		
Conventional and Islamic banking (Note 28.1)	68,051,160	64,576,428
Off-shore banking unit	198,837	286,688
	<u>68,249,997</u>	<u>64,863,116</u>
28.1 Conventional and Islamic banking		
Telephone, courier and postage	50,004,090	44,094,269
Master/VISA card process fee	2,171,123	3,529,605
ATM charge	2,057,389	1,391,751
SWIFT and Reuter charge	11,402,162	13,056,345
Internet	2,416,396	2,504,458
	<u>68,051,160</u>	<u>64,576,428</u>
28(a) Consolidated Postage, stamps, telecommunication etc.		
Bank Asia Limited	68,249,997	64,863,116
Bank Asia Securities Ltd	2,563,731	3,098,913
BA Exchange Company (UK) Limited	443,279	550,030
BA Express USA Inc.	182,699	-
	<u>71,439,706</u>	<u>68,512,059</u>
29 STATIONERY, PRINTING, ADVERTISEMENTS ETC.		
Conventional and Islamic banking (Note 29.1)	75,546,760	69,798,722
Off-shore banking unit	-	-
	<u>75,546,760</u>	<u>69,798,722</u>

notes to the financial statements

Amount in Taka

	31 Dec 2014	31 Dec 2013
29.1 Conventional and Islamic banking		
Office and security stationery	40,435,391	32,554,713
Calendar, diary, souvenir, etc	523,400	5,606,887
ATM card	417,587	184,200
Books and periodicals	2,022,487	1,413,023
Publicity and advertisement	32,147,895	30,039,899
	<u>75,546,760</u>	<u>69,798,722</u>
29(a) Consolidated Stationery, printing, advertisements etc.		
Bank Asia Limited	75,546,760	69,798,722
Bank Asia Securities Ltd	677,192	260,930
BA Exchange Company (UK) Limited	247,184	494,000
BA Express USA Inc.	1,043,223	-
	<u>77,514,359</u>	<u>70,553,652</u>
30 MANAGING DIRECTOR'S SALARY AND FEES		
Basic salary	6,903,225	6,000,000
House rent allowance	1,274,194	1,500,000
Entertainment allowances	441,936	600,000
Performance bonus	1,000,000	1,000,000
Festival bonus	1,200,000	1,000,000
Utility allowance and others	1,504,904	1,200,000
House maintenance allowance	345,162	300,000
Provident fund	690,323	600,000
Leave fare assistance	800,000	800,000
	<u>14,159,744</u>	<u>13,000,000</u>
31 DIRECTORS' FEES		
Directors' fees	2,770,000	1,720,000
	<u>2,770,000</u>	<u>1,720,000</u>
31(a) Consolidated Directors' fees		
Bank Asia Limited	2,770,000	1,720,000
Bank Asia Securities Ltd.	201,250	120,750
BA Exchange Company (UK) Limited	-	-
BA Express USA Inc.	-	-
	<u>2,971,250</u>	<u>1,840,750</u>
32 AUDITORS' FEES		
Statutory audit fees	690,000	690,000
Others	-	400,550
	<u>690,000</u>	<u>1,090,550</u>

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
32(a) Consolidated Auditors fees		
Bank Asia Limited	690,000	1,090,550
Bank Asia Securities Ltd	86,250	86,250
BA Exchange Company (UK) Limited	751,320	780,000
BA Express USA Inc.	695,787	-
	<u>2,223,357</u>	<u>1,956,800</u>
33 DEPRECIATION AND REPAIR OF BANK'S ASSETS		
Conventional and Islamic banking (Note 33.1)	440,558,108	379,230,047
Off-shore banking unit	84,913	74,550
	<u>440,643,021</u>	<u>379,304,597</u>
33.1 Conventional and Islamic banking		
Depreciation		
Owned assets	366,233,871	303,014,062
Leased assets	4,911,967	4,580,004
	<u>371,145,838</u>	<u>307,594,066</u>
Repairs		
Building	20,023,948	24,867,226
Furniture and fixtures	510,265	386,570
Equipments	4,699,211	4,652,006
Maintenance	44,178,846	41,730,179
	<u>69,412,270</u>	<u>71,635,981</u>
	<u>440,558,108</u>	<u>379,230,047</u>
33(a) Consolidated Depreciation and repairs of Bank's assets		
Bank Asia Limited	440,643,021	379,304,597
Bank Asia Securities Ltd	4,722,446	4,663,328
BA Exchange Company (UK) Limited	2,472,344	2,478,450
BA Express USA Inc.	764,287	-
	<u>448,602,098</u>	<u>386,446,375</u>
34 OTHER EXPENSES		
Conventional and Islamic banking (Note 34.1)	1,038,409,564	759,520,827
Off-shore banking unit	5,129,312	34,493
	<u>1,043,538,876</u>	<u>759,555,320</u>
34.1 Conventional and Islamic banking		
Car expenses	222,743,910	184,732,899
Contractual service expenses	274,091,811	206,965,949
Computer expenses	100,100,159	104,019,769

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
Other management and administrative expenses	117,352,564	112,403,148
Entertainment	28,242,116	23,373,802
AGM/EGM expenses	3,687,389	10,228,451
Office plantation	5,903,365	4,983,452
Payment to superannuation fund	2,400,000	2,400,000
Finance charge for lease assets	1,362,816	2,035,865
Donation and subscription to institutions	241,280,869	83,757,186
Travelling expenses	27,620,298	14,538,015
Training and internship	12,869,587	9,450,451
Directors' travelling expenses	214,240	131,840
Sharia council fees	500,000	500,000
Write off fixed assets	40,440	-
	<u>1,038,409,564</u>	<u>759,520,827</u>
34(a) Consolidated other expenses		
Bank Asia Limited	1,043,538,876	759,555,320
Bank Asia Securities Ltd	26,135,478	22,801,503
BA Exchange Company (UK) Limited	4,219,758	4,750,460
BA Express USA Inc.	12,033,695	-
	<u>1,085,927,807</u>	<u>787,107,283</u>
34(b) Provision charge for the year against loans and advances		
Off-balance sheet items		
Conventional and Islamic banking	1,408,590,883	1,631,559,563
Off-shore banking unit	41,785,264	16,729,388
	<u>1,450,376,147</u>	<u>1,648,288,951</u>
Break up of provision for loans and advances/Investments is shown below:		
General provision		
Conventional and Islamic banking	74,427,862	30,880,483
Off-shore banking unit	43,159,444	18,120,366
	<u>117,587,306</u>	<u>49,000,849</u>
Specific provision		
Conventional and Islamic banking	1,289,159,944	1,519,802,819
Off-shore banking unit	-	-
	<u>1,289,159,944</u>	<u>1,519,802,819</u>
Adjust with General provision	-	-
	<u>1,289,159,944</u>	<u>1,519,802,819</u>

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
Provision for off-balance sheet items		
Conventional and Islamic banking	45,003,077	80,876,261
Off-shore banking unit	(1,374,180)	(1,390,978)
	43,628,897	79,485,283
	<u>1,450,376,147</u>	<u>1,648,288,951</u>
34(c) Consolidated Provision charge for the year against loans and advances, investment and other assets		
Bank Asia Limited	1,561,876,147	1,895,172,504
Bank Asia Securites Limited:		
Specific Provision	175,494,169	-
Provision for diminution in value of investments	6,852,383	169,861
Other provisions	-	-
	182,346,552	169,861
BA Exchange Company (UK) Limited	-	-
BA Express USA Inc.	-	-
	<u>1,744,222,699</u>	<u>1,895,342,365</u>
35 Receipts from other operating activities		
Conventional and Islamic banking (Note 35.1)	1,126,183,474	669,178,782
Off-shore banking unit	10,704,545	6,067,600
	<u>1,136,888,019</u>	<u>675,246,382</u>
35.1 Conventional and Islamic banking		
Locker charge	8,631,810	7,836,750
Service and other charges	272,863,536	253,384,611
Master card fees and charges	95,288,754	87,398,975
Postage/telex/SWIFT/ fax recoveries	90,370,107	81,643,058
Non-operating income	659,029,267	238,915,388
	<u>1,126,183,474</u>	<u>669,178,782</u>
35(a) Consolidated Receipts from other operating activities		
Bank Asia Limited	1,136,888,019	675,246,382
Bank Asia Securities Ltd	6,628,537	7,992,220
BA Exchange Company (UK) Limited	-	-
BA Express USA Inc.	-	-
	<u>1,143,516,556</u>	<u>683,238,602</u>
Less: inter- companies transactions	-	-
	<u>1,143,516,556</u>	<u>683,238,602</u>

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
36 PAYMENTS FOR OTHER OPERATING ACTIVITIES		
Conventional and Islamic banking (Note 36.1)	1,568,456,877	1,217,229,594
Off-shore banking unit	299,593	81,345
	<u>1,568,756,470</u>	<u>1,217,310,939</u>
36.1 Conventional and Islamic banking		
Rent, rates and taxes	429,936,885	370,172,493
Legal expenses	10,474,191	8,863,980
Directors' fees	2,770,000	1,720,000
Repair and maintenance	-	-
Postage, stamp, telecommunication, etc	68,249,997	64,863,116
Other expenses	1,042,176,060	757,519,455
Managing Director's salary	14,159,744	13,000,000
Auditors' fee	690,000	1,090,550
	<u>1,568,456,877</u>	<u>1,217,229,594</u>
36(a) Payments for other operating activities		
Bank Asia Limited	1,568,756,470	1,217,310,939
Bank Asia Securities Ltd	41,412,302	35,954,500
BA Exchange Company (UK) Limited	13,041,883	14,882,530
BA Express USA Inc.	19,385,081	-
	<u>1,642,595,736</u>	<u>1,268,147,969</u>
37 EARNINGS PER SHARE (EPS)		
Net profit after tax (Numerator)	2,218,692,697	1,459,817,905
Number of ordinary shares outstanding (Denominator)	693,632,359	693,632,359
Issue of bonus shares 10%	69,363,236	69,363,236
Number of ordinary shares outstanding (Denominator)	762,995,595	762,995,595
Earnings per share (EPS)	<u>2.91</u>	<u>1.91</u>
37(a) Consolidated Earnings per share (EPS)		
Net profit after tax (Numerator)	2,012,557,417	1,330,538,402
Number of ordinary shares outstanding (Denominator)	762,995,595	762,995,595
Earnings per share (EPS)	<u>2.64</u>	<u>1.74</u>

Earnings per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2014 in terms of Bangladesh Accounting Standard (BAS)-33. Accordingly to BAS-33, EPS for the year 2013 was restated for the issues of bonus share in 2014. Actual EPS for December 2013 was Taka 2.10 (solo basis) and Taka 1.92 (consolidated basis).

38 NUMBER OF EMPLOYEES

The number of employees receiving remuneration of Taka 36,000 or above per employee per year were 1,773 (2013: 1,605).

notes to the financial statements

39 AUDIT COMMITTEE

The Board of Directors of Bank Asia Limited constituted the Audit Committee of the Board, in compliance with the Bangladesh Bank directives in the 44th meeting held on January 18, 2003. The Audit Committee was formed with the objectives to establishing a platform for a compliant and secured banking structure in the bank. The present Audit Committee was reconstituted the Board in the 283rd meeting held on March 31, 2014 consisting of the following members:

Name	"Status in the Audit Committee"	Educational qualification
Mr. Mohammed Lakiotullah	Chairman	M.sc
Mr. Nafees Khundker	Vice Chairman (resigned from Directorship)	MBA
Mr. A M Nurul Islam	Member	BA (Hon's) MA
Mr. A Rouf Chowdhury	Member	Graduate in Business Management from USA
Mr. Mohd. Safwan Choudhury	Member	BA (Hon's) MA

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

No. of meeting	Date	No. of meeting	Date
135th Audit	23rd Jan, 2014	145th Audit	6th July, 2014
136th Audit	14th Feb, 2014	146th Audit	20th July, 2014
137th Audit	4th March, 2014	147th Audit	7th August, 2014
138th Audit	5th March, 2014	148th Audit	18th August, 2014
139th Audit	11th March, 2014	149th Audit	7th September, 2014
140th Audit	7th April, 2014	150th Audit	23rd September, 2014
141st Audit	20th April, 2014	151st Audit	13th October, 2014
142nd Audit	5th May, 2014	152nd Audit	26th October, 2014
143rd Audit	18th May, 2014	153rd Audit	9th November, 2014
144th Audit	17th June, 2014	154th Audit	23rd November, 2014

In the year 2014, the Audit Committee held 20 (twenty) meetings in which, the following issues, among others, were reviewed and discussed:

In the meetings amongst others the Committee discussed the following issues:

- 1 External Audit Report of the Bank and the recommendations made there under.
- 2 Bangladesh Bank comprehensive inspection report and the recommendations made there under.
- 3 Audit & Inspection reports on the branches, divisions and departments of the Corporate Office prepared by the Internal Control and Compliance (ICC) Division of the Bank.
- 4 Actions taken by the management in regard to deficiencies raised in the Bangladesh Bank Inspection report and by the Internal Audit and Inspection Team of the Bank.
- 5 The corrective measures taken by the Management in regard to the lapses pointed out by the internal control and other issues as are 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 31st December, 2014
- 8 Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk along with the compliance thereof.

notes to the financial statements

- 9 The review of status of recovery of classified loans and providing with the necessary guidelines to the management to contain the NPLs.

The Audit Committee has further satisfied itself 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 of the Bank are to be duly complied with.
- * Internal control and security measures have been adequately undertaken by the Bank towards facilitating Information Technology (IT) based banking including generation of proper Management Information System (MIS).
- * The system of Internal Control and the business processes have been strengthened including development of human resources towards creation of a compliance culture in the bank.
- * The efforts have been made to keep assets of the Bank safe along with liabilities and commitments are made transparent.
- * The Financial Statements of the Bank have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and 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 2014 is given below:

Name of Organization	Relationship	Service Type	Transaction amount (TK)
Rangs Properties	Common Directors & Close family members Director	Office Rent	15,421,186
Rangs Telecom	-do-	Mobile Phone	12,626,609
ZRC Engineering	Close family members Director	Transportation	4,765,385
Romask Ltd	Common Directors & Close family members Director	Printing	11,290,844
Rangs Industries Ltd.	-do-	Electronics items providers	621,100
Rancon Service Ltd.	-do-	Electric equipment Maintenance	13,177,233
Rangs workshop Ltd	-do-	Car repair and Services	1,441,285
Rangs ITT Ltd.	-do-	Network Connectivity fees	16,769,823
DHS Motors	-do-	Car providers	7,553,529
Shield Security Service	-do-	Security Service providers	112,190,434
Green Bangla	Close family members Director	Tree Plantation	931,086
The Shokaler Khabor	-do-	Advertising	2,225,298
Reliance Insurance	-do-	Insurance Service	16,928,404
The Daily Star	-do-	Advertising	2,625,560
Hajj Finanace	Common Directors	Lease Rental	5,947,356
ERA Infotech	Associate Company	Software vendor	45,032,465
Rangs Ltd.	Common Directors & Close family members Director	Car providers	6,833,264
Hajj Finanace	Common Directors	Lease obligation for lease Car	3,780,000
ERA Infotech Ltd.	Associate	Investment in Share	383,700
Total			280,544,563

notes to the financial statements

During the year 2014, the Bank concluded business deals with the following organizations in which the directors had interest:

Name of director	Status with the Bank	Name of the organization	Nature of business
Mr. A Rouf Chowdhury	Chairman	Rangs Motors Ltd	Vehicles
		Rangs ITT Ltd	IT connectivity/service
		Rangs Limited	Industries
		Rangs Workshop Limited	Service
		Reliance Insurance Ltd	Insurance
		Shield Security Services Ltd	Security Service
		Rangs Industries Ltd	Microwave woven/AC/TV
		The Daily Star	Publication of advertisement
		The Daily Shakaler Khabor	Publication of advertisement
		Rangs Properties Ltd	Tenancy
		Enterprise Asia	Tenancy
		Rangs Telecom Ltd	Telephone facility
		Rancon Services Ltd	Maintenance
Mr. Mohammed Lakiotullah	Vice Chairman	Hajj Finance Company Ltd	Lease Finance
Ms. Farhana Haq Chowdhury	Director	Rangs Telecom Ltd	Telephone facility
		DHS Motors Limited	Motor Vehicles
Ms. Sohana Rouf Chowdhury	Director	Rangs Motors Ltd	Vehicles
Mr. Rume A Hossain	Director	Romask Ltd	Printing
		Rangs Industries Ltd	Microwave woven/AC/TV
		Rangs ITT Ltd	IT connectivity/service
		Rangs Telecom Ltd	Telephone facility
Mr. Shah Md. Nurul Alam	Director	Hajj Finance Company Ltd	Lease Finance
Mr. Mohd. Safwan Choudhury	Director	Enterprise Asia	Tenancy

The Bank sanctioned the following facilities in favor of the Phulbari Tea Estates Ltd. and M. Ahmed Tea & Lands Co. Ltd. during the year 2014.

Name of the director having interest	Nature of facility	Limit(Taka)	Outstanding balance as at 31 December 2014 (Taka)	Nature of Security
Mr. Mohd. Safwan Chowdhury	Bank Guarantee	434,137	434,137	Lien on FDR

41 COVERAGE OF EXTERNAL AUDIT

The external auditors of the Bank, Hoda Vasi Chowdhury & Co, Chartered Accountants worked about 3,200 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 2014 was Tk. 16.7 (2013: 23) at DSE and Tk. 16.9 (2013: 22.90) at CSE.

43 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its 310 th meeting held on 26 February 2015 has recommended stock dividend @ 10% and cash dividend @ 5% subject to the approval of the shareholders at the next Annual General Meeting.

The bank raised Tk.3,000,000,000 Tier 2 capital in the form 7 year floating rate (11.50% to 14%) Subordinated bond through private placement after obtaining required approvals from general shareholders, Bangladesh Securities and Exchange Commission and Bangladesh Bank. The investors in the bond were nationalized commercial banks and private commercial banks

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

highlights on the overall activities

As at and for the year ended 31 December 2014

SL	Particulars		2014	2013
1	Paid-up capital	Taka	7,629,955,940	6,936,323,590
2	Total capital	Taka	17,843,223,056	15,574,848,771
3	Capital (deficit)/surplus	Taka	2,085,761,056	1,477,156,488
4	Total assets	Taka	182,730,940,346	163,777,743,402
5	Total deposits	Taka	140,869,286,126	133,489,374,641
6	Total loans and advances / investments	Taka	116,808,854,559	104,911,261,053
7	Total contingent liabilities and commitments	Taka	71,527,154,594	67,164,264,930
8	Credit deposit ratio	%	82.92%	78.59%
9	Percentage of classified loans / investments against total loans and advances / investments	%	5.31%	5.60%
10	Profit after tax and provision	Taka	2,218,692,697	1,459,817,905
11	Amount of classified loans/investments during current year	Taka	6,200,550,000	5,878,790,856
12	Provisions kept against classified loans / investments	Taka	3,981,260,000	3,074,434,778
13	Provision surplus against classified loans / investments	Taka	445,795,351	1
14	Cost of fund	%	10.57%	11.44%
15	Interest earning assets	Taka	156,535,375,324	140,207,500,321
16	Non-interest earning assets	Taka	26,195,565,022	23,570,243,081
17	Return on investment (ROI) [PAT/(Shareholders' equity + Borrowing)]	%	8.82%	8.51%
18	Return on assets (ROA) [PAT/ Average assets]	%	1.28%	0.96%
19	Income from investment	Taka	4,029,119,872	3,053,795,319
20	Capital adequacy	%	11.32%	11.05%
21	Earnings per share	Taka	2.91	1.91
22	Net income per share	Taka	2.91	1.91
23	Price earning ratio	Times	5.74	12.02

balance with other banks-outside bangladesh (nostro account)

at 31 December 2014

Name of the Bank	Account type	Currency type	2014			2013		
			FC amount	Exchange rate	Equivalent Taka	FC amount	Exchange rate	Equivalent Taka
Conventional and Islamic banking:								
Interest bearing :								
Citibank N.A., London	CD	EURO	1,202.30	90.00	108,207	8,361.36	90.00	752,522
Citibank N.A., London	CD	GBP	26,114.22	130.00	3,394,849	2,459.93	130.00	319,791
Citibank NA, New York	CD	USD	159,810.56	70.00	11,186,739	2,153.86	70.00	150,770
Habib American Bank, New York	CD	USD	1,838.61	70.00	128,703	98.76	70.00	6,913
Mashreqbank psc, New York	CD	USD	36,894.11	70.00	2,582,588	25,946.71	70.00	1,816,270
National Westminster Bank Plc, London	CD	GBP	-	-	-	969.00	130.00	125,970
Standard Chartered Bank, Mumbai	CD	ACU	4,387.77	70.00	307,144	27,144.24	70.00	1,900,097
Standard Chartered Bank, New York	CD	USD	24,681.88	70.00	1,727,732	7,073.74	70.00	495,162
					19,435,961			5,567,495
Non-interest bearing :								
AB Bank Ltd, Mumbai	CD	ACU	2,055.82	70.00	143,907	587.01	70.00	41,091
Bhutan National Bank Ltd, Thimphu	CD	USD	23,932.95	70.00	1,675,307	10,030.95	70.00	702,167
Commerzbank AG, Frankfurt	CD	USD	3,297.13	70.00	230,799	-	-	-
Caisse Centrale Desjardins	CD	CAD	3,418.62	55.00	188,024	5,000.00	55.00	275,000
Commerzbank AG, Frankfurt	CD	EURO	25,734.16	90.00	2,316,074	20,150.03	90.00	1,813,503
Zurcher Kantonal Bank, Switzerland	CD	CHF	1,684.16	50.00	84,208	6,799.00	50.00	339,950
Habib Metropolitan Bank Ltd, Karachi	CD	ACU	1,793.69	70.00	125,558	24,117.84	70.00	1,688,249
HSBC Australia, Sydney	CD	AUD	-	-	-	509.86	50.00	25,493
HSBC, New York	CD	USD	-	-	-	50,611.38	70.00	3,542,797
National Australia Bank Limited, Melbourne	CD	AUD	26,234.45	50.00	1,311,723	1,855.00	50.00	92,750
Unicredit Bank AG Munich	CD	EURO	4,803.87	90.00	432,348	521.47	90.00	46,932
Habib Bank UK, London	CD	GBP	4,114.79	130.00	534,923	5,000.00	130.00	650,000
ICICI Bank Ltd, Kowloon	CD	USD	1,456.75	70.00	101,973	12,731.20	70.00	891,184
ICICI Bank Ltd, Mumbai	CD	ACU	3,352.32	70.00	234,662	14,191.69	70.00	993,418
Muslim Commercial Bank Ltd, Colombo	CD	ACU	26,086.90	70.00	1,826,083	39,308.13	70.00	2,751,569
Muslim Commercial Bank Ltd, Karachi	CD	ACU	68,073.80	70.00	4,765,166	53,131.30	70.00	3,719,191
Nepal Bangladesh Bank Ltd, Kathmandu	CD	ACU	2,364.41	70.00	165,509	28,750.41	70.00	2,012,529
UBAF, Tokyo	CD	JPY	2,460,363.00	0.55	1,353,200	2,525,089.00	0.55	1,388,799
Wells Fargo Bank N.A, New York	CD	USD	49.61	70.00	3,473	1,173.13	70.00	82,119
Wells Fargo Bank N.A, London	CD	EURO	12,214.16	90.00	1,099,274	609.11	90.00	54,820
Sonali Bank (UK) Ltd	CD	USD	20,755.92	70.00	1,452,914	4,038.72	70.00	282,710
Al Rajhi Bank, KSA	CD	SAR	72,005.00	22.00	1,584,110	90,380.00	22.00	1,988,360
Saudi Hollandi Bank, KSA	CD	SAR	4,987.00	22.00	109,714	4,987.00	22.00	109,714
JP Morgan Chase Bank, New York	CD	USD	253.26	70.00	17,728	18,439.44	70.00	1,290,761
					19,756,677			24,783,105
Off-shore banking unit:								
Commerzbank AG, Frankfurt	CD	EURO	2.60	90.00	234	4,828.14	90.00	434,533
Habib American Bank, New York	CD	USD	305,297.33	70.00	21,370,447	97,149.05	70.00	6,800,422
Sonali Bank, London	CD	GBP	5.25	130.00	683	2.84	130.00	369
					21,371,363			7,235,324
					60,564,001			37,585,924



investment in shares

at 31 December 2014

Annex -B

SL. No.	Name of the company	Face value	No. of shares including bonus shares	Cost of holding	Per Share cost	Quoted rate per share 31 Dec 2014	Total market value as at 31 Dec 2014	31 Dec 2014 Unrealized profit / (loss)
Quoted Share								
1	Khulna Power Company	10	4,265	406,760	95.37	57.00	243,105	(163,655)
2	Summit Alliance Port/Ocean	10	25	1,100	44.01	82.90	2,073	973
3	Advanced Chemical Ind. Ltd.	10	40,860	5,541,842	135.63	389.90	15,931,314	10,389,472
4	AB Bank	10	99,670	9,720,996	97.53	29.90	2,980,133	(6,740,863)
5	Dhaka Bank	10	371,940	15,811,119	42.51	18.30	6,806,502	(9,004,617)
6	Exim Bank	10	1,706,476	38,582,440	22.61	11.10	18,941,884	(19,640,557)
7	Goldenson	10	105,943	8,586,787	81.05	45.30	4,799,218	(3,787,569)
8	IDLC Finance	10	314,497	31,289,947	99.49	74.70	23,492,926	(7,797,021)
9	Islami Bank	10	196,158	6,974,560	35.56	23.40	4,590,097	(2,384,463)
10	Lanka Bangla Finance	10	531,864	55,896,304	105.10	44.00	23,402,016	(32,494,288)
11	Mercantile Bank	10	3,617,290	99,660,403	27.55	13.70	49,556,873	(50,103,530)
12	National Housing Finance & Investment Ltd.	10	263,500	13,094,325	49.69	28.60	7,536,100	(5,558,225)
13	Phoenix Finance	10	1,024,148	49,442,462	48.28	26.90	27,549,581	(21,892,880)
14	Prime Finance	10	72,576	12,001,824	165.37	21.40	1,553,126	(10,448,698)
15	Prime Insurance	10	57,680	5,466,942	94.78	19.80	1,142,064	(4,324,878)
16	Pubali Bank	10	6	208	34.65	25.50	153	(55)
17	Reliance Insurance	10	79,523	7,343,865	92.35	58.00	4,612,334	(2,731,531)
18	Southeast Bank	10	1,072,181	34,732,696	32.39	19.40	20,800,311	(13,932,385)
19	United Commercial Bank	10	1,803,328	63,772,870	35.36	29.30	52,837,510	(10,935,360)
20	Premier Bank	10	2,905,530	66,796,135	22.99	10.00	29,055,300	(37,740,835)
	Sub total			525,123,584			295,832,621	(229,290,963)
	Available cash balance			28,801,584				
				553,925,167				
Mutual Fund (MF)								
21	1st Janata MF	10	5,553,097	50,000,000	9.00	5.10	28,320,795	(21,679,205)
22	MBL 1st MF	10	5,000,000	50,000,000	10.00	4.50	22,500,000	(27,500,000)

SL. No.	Name of the company	Face value	No. of shares including bonus shares	Cost of holding	Per Share cost	Quoted rate per share 31 Dec 2014	Total market value as at 31 Dec 2014	31 Dec 2014 Unrealized profit / (loss)
23	EBL NRB MF	10	17,726,633	149,665,000	8.44	4.90	86,860,502	(62,804,498)
24	FBDF Income	10	29,995,296	250,000,000	8.33	7.40	221,965,190	(28,034,810)
25	EXIM BANK 1st MF	10	15,000,000	150,000,000	9.05	7.00	105,000,000	(45,000,000)
26	EXIM BANK 1st MF	10	12,474,069	98,740,000	9.05	7.00	87,318,483	(11,421,517)
	Sub total			748,405,000			551,964,970	(196,440,030)
	Bond							
27	ACI Zero Coupon Bonds	1000	13,001	7,891,607	607.00	1040.00	13,521,040	5,629,433
	A. Provision requirement for quoted stocks							(420,101,560)
SL. No.	Name of the company	Face value	No. of shares including bonus shares	Cost of holding	Average cost	Per share (NAV)	Total book value as at 31 Dec 2014	31 Dec 2014 Unrealized profit / (loss)
Unquoted share								
1	Industrial & Infrastructure Development Finance Co. Limited	100	7,329,110	29,683,820	4.05	14.22	104,184,622	74,500,802
2	Central Depository Bangladesh Limited	10	1,142,361	3,138,890	2.75	27.44	31,341,008	28,202,118
3	Era-Infotech Limited	100	3,837	383,700	100.00	4,274.14	16,399,877	16,016,177
4	Bangladesh Rating Agency Limited	100	32,015	3,201,512	100.00	24.06	770,252	(2,431,260)
5	MSF Asset Management Co. Ltd.	10	200,000	2,000,000	10.00	10.00	2,000,000	-
6	ACME Laboratories Ltd	10	1,000,000	52,000,000	52.00	66.16	66,163,680	14,163,680
7	Investment in SWIFT share	303,234	8	2,425,870	8.00	303,233.75	2,425,870	-
8	Energypac Power Generation Limited	10	1,136,000	49,984,000	44.00	32.13	36,505,031	(13,478,969)
	B. Provision requirement for unquoted stocks							116,972,548
	C. Provision Requirement for quoted and unquoted stocks (A+B)							(303,129,012)
	D. Provision maintained							303,383,553
	E. Provision Excess / (Shortfall)							254,541



Annex -C-1

schedule of fixed assets including premises, furniture and fixtures

at 31 December 2014

Particulars	Cost					Depreciation				Written down value as at 31 Dec 2014		
	Balance as at 01 Jan 2014	Additions during the year	Re valuation	Disposal/ Adjustment during the year	Balance as at 31 Dec 2014	Rate (%)	Charge during the year	Charged from Revaluation Reserve	Disposal/ Adjustment during the year		Balance as at 31 Dec 2014	
Own assets												
Land	2,643,839,095	-	-	-	-	-	-	-	-	-	-	2,643,839,095
Building	2,432,146,347	-	-	-	2,432,146,347	5	78,680,493	47,407,470	-	-	488,091,636	1,944,054,711
Furniture and fixtures	673,363,445	178,855,572	-	(1,150,000)	851,069,017	20	404,245,452	118,290,267	(555,944)	-	521,979,778	329,089,236
Equipments	405,463,926	71,425,359	-	-	476,889,285	20	262,431,826	68,013,078	-	-	330,444,904	146,444,381
Computer and accessories	184,233,790	33,843,473	-	-	218,077,263	20	123,653,129	28,593,276	-	-	152,246,405	65,830,858
Motor vehicles	139,108,575	13,833,264	-	(2,800,000)	150,141,839	20	82,369,892	23,120,580	(2,800,000)	-	102,690,472	47,451,367
Sub-total	6,478,155,178	297,957,669	-	(3,950,000)	6,772,162,847		1,234,703,972	316,697,694	47,407,470	(3,355,944)	1,595,453,195	5,176,709,652
Leased assets												
Building	49,573,087	-	-	-	49,573,087	5	12,235,966	800,003	3,419,481	-	16,455,450	33,117,637
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	11,340,000	3,780,000	-	-	15,120,000	3,780,000
Sub-total	414,041,174	-	-	-	414,041,174		369,144,053	4,580,003	3,419,481	-	377,143,537	36,897,637
Total	6,892,196,352	297,957,669	-	(3,950,000)	7,186,204,021		1,603,848,025	321,277,697	50,826,951	(3,355,944)	1,972,596,732	5,213,607,289

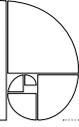
schedule of fixed assets including premises, furniture and fixtures

at 31 December 2013

Annex -C-2

Amount in Taka

Particulars	Cost				Rate (%)	Depreciation				Written down value as at 31 Dec 2013		
	Balance as at 01 Jan 2013	Additions during the year	Re valuation	Disposal/ Adjustment during the year		Balance as at 31 Dec 2013	Charge during the year	Charged from Revaluation Reserve	Disposal/ Adjustment during the year		Balance as at 31 Dec 2013	
Own assets												
Land	2,531,152,000	112,687,095	-	2,643,839,095	0	-	-	-	-	-	-	2,643,839,095
Building	1,682,405,028	749,741,319	-	2,432,146,347	5	258,442,451	60,634,376	42,926,846	-	362,003,673	2,070,142,674	
Furniture and fixtures	542,338,091	131,875,354	-	673,363,445	20	285,763,605	118,960,440	-	(478,593)	404,245,452	269,117,993	
Equipments	337,554,738	67,909,188	-	405,463,926	20	192,608,331	69,823,495	-	-	262,431,826	143,032,100	
Computer and accessories	151,993,119	32,283,671	-	(43,000)	20	92,898,172	30,780,757	-	(25,800)	123,653,129	60,580,661	
Motor vehicles	113,086,360	26,022,215	-	139,108,575	20	59,480,348	22,889,544	-	-	82,369,892	56,738,683	
Sub-total	5,358,529,336	1,120,518,842	-	(893,000)	6,478,155,178	889,192,907	303,088,612	42,926,846	(504,393)	1,234,703,972	5,243,451,206	
Leased assets												
Building	49,573,087	-	-	49,573,087	5	9,757,308	800,004	1,678,654	-	12,235,966	37,337,121	
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	7,560,000	3,780,000	-	-	11,340,000	7,560,000	
Sub-total	414,041,174	-	-	414,041,174		362,885,395	4,580,004	1,678,654	-	369,144,053	44,897,121	
Total	5,772,570,510	1,120,518,842	-	(893,000)	6,892,196,352	1,252,078,302	307,668,616	44,605,500	(504,393)	1,603,848,025	5,288,348,327	



Annex - C-3

consolidated schedule of fixed assets including premises, furniture and fixtures

at 31 December 2014

Amount in Taka

Particulars	Cost			Rate (%)	Depreciation			Written down value as at 31 Dec 2014
	Balance as at 01 Jan 2014	Additions during the year	Disposal/ Adjustment during the year		Balance as at 31 Dec 2014	Charge during the year	Charged from Revaluation Reserve	
Own assets								
Land	2,643,839,095	-	-	-	-	-	-	- 2,643,839,095
Building	2,432,146,347	-	- 2,432,146,347	5	362,003,673	78,680,493	47,407,470	- 488,091,636 1,944,054,711
Furniture and fixtures	686,450,148	179,589,556	(3,692,150)	20	412,170,963	121,152,683	-	(2,841,398) 530,482,249 331,865,305
Equipments	410,782,401	72,694,688	-	20	265,547,698	69,328,526	-	- 334,876,224 148,600,865
Computer and accessories	191,687,413	33,914,073	-	20	127,753,006	30,098,120	-	- 157,851,126 67,750,360
Motor vehicles	139,108,575	13,833,264	(2,800,000)	20	82,369,892	23,120,580	-	(2,800,000) 102,690,472 47,451,367
Sub-total	6,504,013,979	300,031,581	(6,492,150)		1,249,845,232	322,380,403	47,407,470	(5,641,398) 1,613,991,707 5,183,561,703
Leased assets								
Building	65,543,048	8,323,429	(901,745)	5	16,494,600	2,750,422	3,419,481	- 22,664,503 50,300,229
Furniture and fixtures	167,162,848	-	-	20	167,162,848	-	-	- 167,162,848 -
Equipments	106,201,139	-	-	20	106,201,139	-	-	- 106,201,139 -
Computer and accessories	72,204,100	-	-	20	72,204,100	-	-	- 72,204,100 -
Motor vehicles	18,900,000	-	-	20	11,340,000	3,780,000	-	- 15,120,000 3,780,000
Sub-total	430,011,135	8,323,429	(901,745)		373,402,687	6,530,422	3,419,481	- 383,352,590 54,080,229
Total	6,934,025,114	308,355,010	(7,393,895)		1,623,247,919	328,910,825	50,826,951	(5,641,398) 1,997,344,298 5,237,641,931

consolidated schedule of fixed assets including premises, furniture and fixtures

at 31 December 2013

Annex -C-4

Particulars	Cost			Rate (%)	Depreciation			Written down value as at 31 Dec 2013
	Balance as at 01 Jan 2013	Additions during the year	Disposal/ Adjustment during the year		Balance as at 31 Dec 2013	Charge during the year	Charged from Revaluation Reserve	
Own Assets								
Land	2,531,152,000	112,687,095	- 2,643,839,095	-	-	-	-	- 2,531,152,000
Building	1,682,405,028	749,741,319	- 2,432,146,347	5	258,442,451	60,634,376	42,926,846	362,003,673
Furniture and fixtures	553,311,039	132,059,514	(850,000)	20	290,595,118	121,697,900	-	411,814,425
Equipments	344,802,973	67,909,188	- 412,712,161	20	195,017,231	70,887,187	-	265,904,418
Computer and accessories	158,716,142	33,014,271	(43,000)	20	95,507,322	32,271,483	-	127,753,005
Motor vehicles	113,086,360	26,022,215	- 139,108,575	20	59,480,348	22,889,544	-	82,369,892
Sub-total	5,383,473,542	1,121,433,602	(893,000)		899,042,470	308,380,490	42,926,846	1,249,845,413
								5,254,168,731
Leased assets								
Building	65,543,048	-	- 65,543,048	5	12,419,022	2,396,924	1,678,654	16,494,600
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	7,560,000	3,780,000	-	11,340,000
Sub-total	430,011,135	-	- 430,011,135		365,547,109	6,176,924	1,678,654	373,402,687
Total	5,813,484,677	1,121,433,602	(893,000)		1,264,589,578	314,557,414	44,605,500	1,623,248,099
								5,310,777,180

Amount in Taka

statement of tax position

at 31 December 2014

Accounting year	Assessment year	Tax provision as per accounts	Tax demand as per assessment order	Excess/(Short) provision	Status
2000	2001-2002	2,000,000	7,080,931	(5,080,931)	Assessment finalized
2001	2002-2003	42,626,674	38,156,227	4,470,447	Assessment finalized
2002	2003-2004	91,950,000	83,933,056	8,016,944	Assessment finalized
2003	2004-2005	165,000,000	155,712,331	9,287,669	Assessment finalized
2004	2005-2006	166,807,728	187,552,594	(20,744,866)	Assessment finalized
2005	2006-2007	220,089,576	273,929,209	(53,839,633)	Assessment finalized
2006	2007-2008	432,447,206	433,037,008	(589,802)	Assessment finalized
2007	2008-2009	704,871,326	707,990,638	(3,119,312)	Assessment finalized
2008	2009-2010	790,000,000	715,369,681	74,630,319	Assessment finalized
2009	2010-2011	779,000,000	928,407,967	(149,407,967)	Assessment finalized
2010	2011-2012	1,498,735,610	1,874,438,423	(375,702,813)	Tax Appellate Tribunal
2011	2012-2013	1,515,992,334	1,738,409,929	(222,417,595)	Tax Appellate Commissioner
2012	2013-2014	1,788,554,541	1,595,557,386	192,997,155	Assessment under process in DCT level
2013	2014-2015	2,041,583,693	1,505,559,716	536,023,977	Assessment under process in DCT level

details of large loan

at 31 December 2014

	2014	2013
Number of clients	16	12
Amount of outstanding advances (Taka)	40,802.60	24,461.31
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) 2014			Outstanding (Taka) 2013		
		Funded	Non Funded	Total	Funded	Non Funded	Total
1	Abul Khair Steel Industries Ltd.	1,423.60	975.50	2,399.10	-	-	-
2	Thermax Group	1,612.30	548.10	2,160.40	1,566.10	713.85	2,279.95
3	BRAC	596.50	1,939.60	2,536.10	520.92	2,108.80	2,629.72
4	Abdul Monem Ltd.	1,764.00	965.40	2,729.40	1,067.71	1,232.88	2,300.59
5	S.R. Spinings	-	-	-	1,758.51	-	1,758.51
6	Echotex	232.50	2,041.00	2,273.50	-	-	-
7	Pran RFL Group	914.00	1,540.80	2,454.80	-	-	-
8	Kabir Steel Re-Rolling Mills Ltd.	1,472.60	1,923.10	3,395.70	-	-	-
9	Resaisance Group	-	-	-	647.42	825.69	1,473.10
10	KDS Packaing Industries Ltd	-	-	-	855.45	787.49	1,642.94
11	Prime ship recycling Ltd.	2,018.80	-	2,018.80	486.98	2,167.38	2,654.36
12	Bank asia securities Ltd.	2,751.20	300.00	3,051.20	2,548.33	50.00	2,598.33
13	S.A group	2,543.90	465.60	3,009.50	1,746.01	278.41	2,024.42
14	S.Trading corporation	-	-	-	921.38	964.08	1,885.46
15	Shasha denims Ltd.	-	-	-	868.33	817.49	1,685.82
16	Apex adelchi footwear	2,122.30	813.80	2,936.10	870.38	657.73	1,528.10
17	Summit Group	1,000.40	2,491.90	3,492.30	-	-	-
18	City Sugar Industries Ltd.	561.20	1,698.00	2,259.20	-	-	-
19	Western Marine Group	1,237.40	984.40	2,221.80	-	-	-
20	Basundhara Group	1,435.00	504.70	1,939.70	-	-	-
21	Partex Group	304.80	1,620.20	1,925.00	-	-	-
		21,990.50	18,812.10	40,802.60	13,857.52	10,603.80	24,461.31

name of directors and their interest in different entities

at 31 December 2014

SL. No.	Name of the Directors	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 Motor Bikes Limited Daily Shokaler Khabor Publications Ltd Ranks Steel Limited Ranks Real Estate Limited Ranks Motors Workshop Limited Sea Resources Ltd. Sea Fishers Ltd. Deep Sea Fishers Ltd. Sea Resources Agencies Ltd. Fishers Shipyard Ltd. Sea Resources Cold Storage Limited Sea Mans Dockyard & Fish Meal Ltd. Bangla Industrial Trading Co. Ltd. Star Accumulators Limited Bangal Laboratories Limited Brooks Bangladesh Co. Limited Bank Asia Ltd. Reliance Insurance Limited Media World Limited Bank Asia Securities Ltd.
2	Mr. Mohd. Safwan Chowdhury	Vice Chairman	M. Ahmed Tea & Lands Co. Phulbari Tea Estates Ltd.

name of directors and their interest in different entities

SL. No.	Name of the Directors	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
			M. Ahmed Cold Storage Ltd
			M. Ahmed Food & Spices Ltd.
			Premier Dyeing & Calendering Ltd.
			Anandaniketan Ltd.
			Bank Asia Ltd.
3	Mr. A M Nurul Islam (Independent Director)	Vice Chairman	Bank Asia Ltd.
4.	Mr. Rumees Akhtar Hossain	Director	Rangs Industries Ltd.
			Romask Ltd.
			Rangs Petroleum Ltd
			Bank Asia Ltd.
5.	Mrs. Hosneara Sinha	Director	Sinha Apparels Ltd.
			ZMS Fashions Ltd.
			Pritha Apparels Ltd.
			Sinha Auto Spinning Mills Ltd.
			Sattar Jute Mills Ltd.
			Bank Asia Ltd.
6	Ms. Farhana Haq Chowdhury	Director	Rangs Pharmaceuticals Limited
			Rangs Telecom Limited
			Rancon Automobiles Limited
			DHS Motors Limited
			Rancon Motor Bikes Limited
			Bank Asia Ltd.
7	Mr. Mohammed Lakiotullah (Independent Director)	Director	Hajj Finance Company Ltd.
			Bank Asia Ltd.
8	Mr. Murshed Sultan Choudhury	Director	Rangs Pharmaceuticals Ltd.
			Metro Foils Limited
			Bank Asia Ltd.
9	Ms. Sohana Rouf Chowdhury	Director	Rangs Motors Workshop Limited
			Rangs Motors Limited
			Rangs Pharmaceuticals Limited
			Rangs Telecom. Limited
			Rangs Interiors Limited
			Rangs Real Estate Limited
			Sash Limited
			Bank Asia Ltd.

name of directors and their interest in different entities

SL. No.	Name of the Directors	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
10	Mr. Mohammed Irfan Syed (Representing Amiran Generations Ltd.)	Director	Bank Asia Ltd.
11	Mrs. Naheed Akhter Sinha	Director	Sinha Apparels Ltd. ZMS Fashions Ltd. Skytel Communications Ltd. Bank Asia Ltd.
12	Mr Shah Md. Nurul Alam (Independent Director)	Director	Hajj Finance Company Ltd. Bank Asia Ltd.
13	Mr. Mashiur Rahman (Independent Director)	Director	Bank Asia Ltd.
14	Mr. Mir Shahjahan	Director	ZMS Fashions Ltd. Bank Asia Ltd
15	Ms. Sabrina Chowdhury	Director	Rangs Limited Rangs Workshop Limited Rangs Motors Limited Rangs Industries Limited Bank Asia Ltd.

islamic banking operations of bank asia

As at and for the year ended 31 December 2014

The operation of our Islamic Banking Windows is totally different from the Bank's conventional operation as the former operate 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 styled 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 with variable management fees for the Bank. It is different from traditional Weightage System so far practiced by all Islamic Banking operators in the country.

Income sharing module of Bank Asia has been appreciated by different quarters, particularly by the Central Shariah Board for Islamic Banks of Bangladesh and Islamic Banks Consultative Forum. Our module offers pre-defined Investment 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 2014

Types of Mudaraba Deposit	Distributable Investment Income Sharing Ratio (ISR) w.e.f. 01.01.2014	
	Client	Bank
1. Mudaraba Term Deposit Account(MTDA) 1 month	50%	50%
2. Mudaraba Term Deposit Account(MTDA) 2 months	50%	50%
3. Mudaraba Term Deposit Account(MTDA) 3 months	75%	25%
4. Mudaraba Term Deposit Account(MTDA) 6 months	75%	25%
5. Mudaraba Term Deposit Account(MTDA) 12 months	77%	23%
6. Mudaraba Term Deposit Account(MTDA) 24 months	78%	22%
7. Mudaraba Term Deposit Account(MTDA) 36 months	80%	20%
8. Mudaraba Term Deposit Account(MTDA) 60 months	80%	20%
9. Mudaraba Special Notice Deposit Account(MSND)	35%	65%
10. Mudaraba Savings Account (MSA)	45%	55%
11. Smart Junior Saver	70%	30%
12. Mudaraba Deposit Pension Scheme (MDPS) 3-10 Years	87%	13%
13. Mudaraba Monthly Profit Paying Deposit (MMPPD)- 1 & 2 year	80%	20%
14. Mudaraba Monthly Profit Paying Deposit (MMPPD)- 3-5 years	85%	15%
15. Mudaraba Hajj Savings Scheme (MHSA)	90%	10%
16. Cash Waqf	90%	10%

2. INVESTMENT OPERATION AND RETURN THEREON

For investment purpose our Islamic Banking follows two systems:

- a. Fixed return based investment

islamic banking operations of bank asia limited

b. 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 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. 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 recognised 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, 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 recognised 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 Council comprising renowned Fuqaha, Islamic bankers and academicians conversant in Islamic Economics & Finance.

islamic banking unit sheet

as at 31 December 2014

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
PROPERTY AND ASSETS		
Cash:		
Cash in hand (including foreign currencies)	12,163,015	23,332,645
Balance with Bangladesh Bank and its agent bank (Including foreign currencies)	330,813,158	207,217,127
	342,976,173	230,549,772
Balance with other banks and financial institutions		
In Bangladesh	650,669,170	1,290,203,004
Outside Bangladesh	-	-
	650,669,170	1,290,203,004
Placement with other banks and financial institutions (Bangladesh Bank Islamic bond)	277,000,000	187,500,000
Investments:		
Investment (Loans, cash credit, overdrafts etc.)	3,476,923,095	3,460,362,535
Bills Purchased and discounted	-	35,120,432
	3,476,923,095	3,495,482,967
Fixed assets including premises, furniture and fixtures	10,145,585	2,825,565
Other assets	673,649,174	28,615,952
Non - banking assets	-	-
Total assets	5,431,363,197	5,235,177,260
LIABILITIES AND CAPITAL		
Liabilities:		
Placement from other banks, financial institutions and agents	-	-
Deposits and other Accounts :		
Al-wadeeah current and other deposits accounts, etc.	210,878,177	228,077,174
Bills payable	27,410,556	9,578,859
Mudaraba savings deposits	522,868,210	388,714,736
Mudaraba term deposits	4,328,345,866	3,441,028,943
	5,089,502,809	4,067,399,712
Other liabilities	341,860,388	1,167,777,548
Total liabilities	5,431,363,197	5,235,177,260
OFF- BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	27,260,135	33,154,596
Letters of guarantee	-	-
Irrevocable letters of credit	-	-
Bills for collection	-	725,000
Other contingent liabilities	-	-
Other commitments:	-	-
Total Off-Balance Sheet items including contingent liabilities	27,260,135	33,879,596

islamic banking unit profit and loss statement

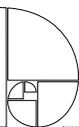
for the year ended 31 December 2014

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
Investment income	516,916,684	598,615,617
Profit paid on deposits, borrowings, etc.	394,218,963	417,324,041
Net investment income	122,697,721	181,291,576
Profit on Investment with bank and financial institutions	3,560,148	2,848,056
Commission, exchange and brokerage	22,021,548	36,687,151
Other operating income	3,471,583	3,488,992
Total operating income	151,751,000	224,315,775
Salaries and allowances	46,358,410	37,311,290
Rent, taxes, insurance, electricity, etc.	5,041,218	3,753,062
Legal expenses	-	-
Postage, stamp, telecommunication, etc.	487,771	342,162
Stationery, printing, advertisement, etc.	1,452,947	4,893,946
Depreciation and repair of Bank's assets	2,047,418	2,222,238
Repair and maintenance	-	-
Entertainment expenses	-	-
Travelling expenses	-	-
Other expenses	28,452,806	20,798,136
Total operating expenses	83,840,570	69,320,834
Profit before provision	67,910,430	154,994,941
Provision for investments		
General provision	(1,785,500)	4,458,687
Specific provision	8,899,400	(2,405,000)
	7,113,900.00	2,053,687.00
Provision for diminution in value of investments	-	-
Other provision	-	-
Total provision	7,113,900	2,053,687
Total profit/(loss) before taxes	60,796,530	152,941,254

off-shore banking unit balance sheet

as at 31 Decemebr 2014

	Notes	31 Dec 2014		31 Dec 2013
		USD	Taka	Taka
PROPERTY AND ASSETS				
Cash				
In hand (including foreign currencies)		-	-	-
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		-	-	-
Balance with other banks and financial institutions	3			
In Bangladesh		-	-	-
Outside Bangladesh		305,305	21,371,363	7,235,324
		305,305	21,371,363	7,235,324
Investments				
Government		-	-	-
Others		20,000,000	1,400,000,000	-
		20,000,000	1,400,000,000	-
Loans and advances				
	4			
Loans, cash credits, overdrafts, etc.		10,624,989	743,749,234	2,202,603,094
Bills purchased and discounted		83,162,643	5,821,385,039	46,586,839
		93,787,632	6,565,134,273	2,249,189,933
Fixed assets including premises, furniture and fixtures		3,191	223,364	298,124
Other assets	5	480,609	33,642,632	39,653,973
Non - banking assets		-	-	-
Total assets		<u>114,576,738</u>	<u>8,020,371,632</u>	<u>2,296,377,354</u>
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions and agents	6	101,423,770	7,099,663,886	1,557,878,000
Deposits and other accounts	7			
Current deposits		12,768,001	893,760,036	287,737,717
Bills payable		-	-	-
Savings bank deposits		-	-	-
Fixed deposits		384,967	26,947,710	399,131,972
Bearer certificate of deposit		-	-	-
		13,152,968	920,707,746	686,869,689
Other liabilities	8	-	-	51,629,665
Total liabilities		<u>114,576,738</u>	<u>8,020,371,632</u>	<u>2,296,377,354</u>
OFF- BALANCE SHEET ITEMS				
Contingent liabilities				
Acceptances and endorsements	9	1,158,749	81,112,430	167,008,520
Letters of guarantee		-	-	-
Irrevocable letters of credit	10	756,398	52,947,860	52,175,970
Bills for collection	11	592,165	41,451,560	93,745,342
Other contingent liabilities		-	-	-
		<u>2,507,312</u>	<u>175,511,850</u>	<u>312,929,832</u>



off-shore banking unit profit and loss statement

for the year ended 31 Decemehr 2014

	Notes	31 Dec 2014		31 Dec 2013
		USD	Taka	Taka
Interest income	12	2,093,384	146,536,852	75,933,279
Interest paid on deposits and borrowings, etc.	13	1,715,395	120,077,662	37,349,608
Net interest/net profit on investments		377,988	26,459,190	38,583,671
Investment Income		403,361	28,235,264	-
Commission, exchange and brokerage	14	87,131	6,099,140	7,455,470
Other operating income	15	152,922	10,704,545	6,067,600
Total operating income (A)		1,021,402	71,498,139	52,106,741
Salaries and allowances		-	-	-
Rent, taxes, insurance, electricity, etc.		4,280	299,593	81,345
Postage, stamp, telecommunication, etc.		2,841	198,837	286,688
Stationery, printing, advertisements, etc.		-	-	-
Auditors' fees		-	-	-
Depreciation and repair of Bank's assets		1,213	84,913	74,550
Other expenses		73,276	5,129,312	34,493
Total operating expenses (B)		81,609	5,712,655	477,076
Profit before provision (C=A-B)		939,793	65,785,484	51,629,665
Provision for loans and advances				
General provision		616,563	43,159,444	18,120,366
Specific provision		-	-	-
		616,563	43,159,444	18,120,366
Provision for off-balance sheet items		-	-	-
Provision for diminution in value of investments		(19,631)	(1,374,180)	(1,390,978)
Other provision		-	-	-
Total provision (D)		596,932	41,785,264	16,729,388
Total profit/(loss) (C-D)		342,861	24,000,220	34,900,277

off-shore banking unit to the financial statements

for the year ended 31 Decemebr 2014

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, other Bangladesh Bank Circulars, Bangladesh Financial Reporting Standards (BFRSs) and other rules and regulations where necessary.

2.2 Foreign Currency

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

2.3 Loans and Advances

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

	31 Dec 2014		31 Dec 2013
	USD	Taka	Taka
3 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS			
In Bangladesh	-	-	-
Outside Bangladesh	305,305	21,371,363	7,235,324
	<u>305,305</u>	<u>21,371,363</u>	<u>7,235,324</u>
4 LOANS AND ADVANCES			
Loans, cash credit, overdrafts etc. (Note 4.1)	10,624,989	743,749,234	2,202,603,094
Bills purchased and discounted (Note 4.2)	83,162,643	5,821,385,039	46,586,839
	<u>93,787,632</u>	<u>6,565,134,273</u>	<u>2,249,189,933</u>
4.1 Loans, cash credit, overdrafts etc.			
Loan to branches	-	-	2,121,464,265
Loan others	10,624,989	743,749,234	81,138,829
	<u>10,624,989</u>	<u>743,749,234</u>	<u>2,202,603,094</u>



notes to the financial statements

	31 Dec 2014		31 Dec 2013
	USD	Taka	Taka
4.2 Bills purchased and discounted			
Payable in Bangladesh	83,162,643	5,821,385,039	37,640,839
Payable outside Bangladesh	-	-	8,946,000
	<u>83,162,643</u>	<u>5,821,385,039</u>	<u>46,586,839</u>
5 OTHER ASSETS			
Interest receivable	491,219	34,385,321	39,591,928
Branch adjustment account	(10,610)	(742,689)	62,045
	<u>480,609</u>	<u>33,642,632</u>	<u>39,653,973</u>
6 BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AGENTS			
Borrowing from corporate office, Dhaka	71,423,770	4,999,663,886	1,557,878,000
Borrowing from IFC	30,000,000	2,100,000,000	-
	<u>101,423,770</u>	<u>7,099,663,886</u>	<u>1,557,878,000</u>
7 DEPOSITS AND OTHER ACCOUNTS			
Customer deposits and other accounts (Note 7.1)	13,152,968	920,707,746	686,869,689
	<u>13,152,968</u>	<u>920,707,746</u>	<u>686,869,689</u>
7.1 Customer deposits and other accounts			
Foreign currency (Current)	12,059,315	844,152,053	267,044,962
Other demand deposits (Current)	708,685	49,607,983	20,692,755
Fixed deposit	384,967	26,947,710	399,131,972
	<u>13,152,968</u>	<u>920,707,746</u>	<u>686,869,689</u>
8 OTHER LIABILITIES			
Provision for loans and advances	616,563	43,159,444	18,120,366
Provision for off balance sheet items	(19,631)	(1,374,180)	(1,390,978)
Due to Head Office	(596,932)	(41,785,264)	34,900,277
	<u>-</u>	<u>-</u>	<u>51,629,665</u>
9 ACCEPTANCES AND ENDORSEMENTS			
Letters of credit (Back to Back)	613,765	42,963,550	141,556,660
Letters of credit (Acceptances)	544,984	38,148,880	25,451,860
	<u>1,158,749</u>	<u>81,112,430</u>	<u>167,008,520</u>
	<u>1,158,749</u>	<u>81,112,430</u>	<u>167,008,520</u>
10 IRREVOCABLE LETTERS OF CREDIT			
Letters of credit (Back to Back)	268,615	18,803,050	15,229,690
Letters of credit (cash)	487,783	34,144,810	36,946,280
	<u>756,398</u>	<u>52,947,860</u>	<u>52,175,970</u>
	<u>756,398</u>	<u>52,947,860</u>	<u>52,175,970</u>

notes to the financial statements

	31 Dec 2014		31 Dec 2013
	USD	Taka	Taka
11 BILLS FOR COLLECTION:	592,165	41,451,560	93,745,342
12 INTEREST INCOME			
Demand loan	-	-	202,761
Packing credit	3,662	256,323	260,421
Loan against trust receipt	32,063	2,244,428	2,189,541
Payment against documents	-	-	591,266
Term loan -industrial/others	188,142	13,169,927	114,777
Foreign bill purchased	1,840,720	128,850,389	70,791,483
Lease finance	28,797	2,015,785	1,783,030
	<u>2,093,384</u>	<u>146,536,852</u>	<u>75,933,279</u>
13 INTEREST PAID ON DEPOSITS AND BORROWINGS ETC.			
Interest on deposit	249,629	17,474,042	9,985,483
Interest on borrowings	1,465,766	102,603,620	27,364,125
	<u>1,715,395</u>	<u>120,077,662</u>	<u>37,349,608</u>
14 COMMISSION, EXCHANGE AND BROKERAGE			
Commission on L/C	72,720	5,090,366	6,862,915
Commission on export	5,637	394,590	230,090
Commission on PO, DD, TT, TC, etc	8,936	625,520	348,810
Foreign exchange gain & charges	(162)	(11,336)	13,655
	<u>87,131</u>	<u>6,099,140</u>	<u>7,455,470</u>
15 OTHER OPERATING INCOME			
SWIFT charge recovery	15,992	1,119,440	1,370,040
Other	136,930	9,585,105	4,697,560
	<u>152,922</u>	<u>10,704,545</u>	<u>6,067,600</u>

statement of outstanding unreconciled entries (nostro account)

As at 31 Decemebr 2014

SL. No.	Period of unreconciliation	As per local book				As per correspondents' book			
		Debit entries		Credit entries		Debit entries		Credit entries	
		No.	USD	No.	USD	No.	USD	No.	USD
1	Upto 3 months	26	12,337,476	147	16,517,686	29	327,240	236	7,080,879
2	More than 3 months but less than 6 months	-	-	-	-	-	-	-	-
3	More than 6 months but less than 9 months	-	-	-	-	-	-	-	-
4	More than 9 months but less than 12 months	-	-	-	-	-	-	-	-
5	More than 12 months	-	-	-	-	-	-	-	-
	Total	26	12,337,476	147	16,517,686	29	327,240	236	7,080,879

reconciliation between bangladesh bank statement and bank's book

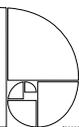
As at 31 Decemebr 2014

The reconciling items relates to clearing of the following:

- Bangladesh Bank cheques
- Foreign currency demand drafts
- Government bonds

Amount in Taka

Local currency	As per Bangladesh BDT	As per Bank's General ledger BDT	Reconciling Difference BDT	
Bangladesh Bank, Dhaka	8,878,146,375.59	8,962,609,424.44	(84,463,048.85)	
Bangladesh Bank, Dhaka (Al-wadeeah current account)	330,813,157.78	330,813,157.78	-	
Bangladesh Bank, Chittagong	73,912,312.90	73,913,382.90	(1,070.00)	
Bangladesh Bank, Sylhet	4,096,407.54	4,096,407.54	-	
Bangladesh Bank, Khulna	11,240,001.02	11,240,001.02	-	
Bangladesh Bank, Rajshahi	2,186,806.41	2,186,806.41	-	
Bangladesh Bank, Bogra	32,279,560.88	32,279,560.88	-	
Bangladesh Bank, Barishal	222,359.21	222,359.21	-	
Total	9,332,896,981.33	9,417,361,100.18	(84,464,118.85)	
Bank credited but not debited by Bangladesh Bank			1,322,202,104.32	
Bank debited but not credited by Bangladesh Bank			(323,153,388.87)	
Bangladesh Bank credited but not debited by Bank			1,033,713,537.20	
Bangladesh Bank debited but not credited by Bank			(2,117,226,371.50)	
			(84,464,118.85)	
Foreign currency	As per Bangladesh Bank statement USD	As per Bank's General ledger USD	As per Bank's General ledger BDT	Reconciling difference USD
USD Clearing account	10,276,283.76	95,057.70	6,654,039.29	10,181,226.06
Total	10,276,283.76	95,057.70	6,654,039	10,181,226.06
Bank credited but not debited by Bangladesh Bank				31,147,978.95
Bank debited but not credited by Bangladesh Bank				(6,892,698.41)
Bangladesh Bank credited but not debited by Bank				3,531,978.93
Bangladesh Bank debited but not credited by Bank				(17,606,033.41)
				10,181,226.06


reconciliation between bangladesh bank statement and bank's book

Foreign currency	As per Bangladesh Bank statement GBP	As per Bank's General ledger GBP	As per Bank's General ledger BDT	Reconciling difference GBP
GBP Clearing account	5,129.28	3,783.70	491,881.00	1,345.58
	5,129.28	3,783.70	491,881.00	1,345.58
Bank credited but not debited by Bangladesh Bank				1,334.54
Bank debited but not credited by Bangladesh Bank				-
Bangladesh Bank credited but not debited by Bank				11.04
Bangladesh Bank debited but not credited by Bank				-
				1,345.58
Foreign currency	As per Bangladesh Bank statement EUR	As per Bank's General ledger EUR	As per Bank's General ledger BDT	Reconciling difference EUR
EUR Clearing account	2,431.74	2,080.21	187,218.90	351.53
	2,431.74	2,080.21	187,218.90	351.53
Bank credited but not debited by Bangladesh Bank				359.75
Bank debited but not credited by Bangladesh Bank				(198.76)
Bangladesh Bank credited but not debited by Bank				190.54
Bangladesh Bank debited but not credited by Bank				-
				351.53
Foreign currency	As per Bangladesh Bank statement JPY	As per Bank's General ledger JPY	As per Bank's General ledger BDT	Reconciling difference JPY
JPY Clearing account	45,238	45,238	24,881	-
	45,238	45,238	24,881	-
Total (BDT)			9,424,719,120	

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			
	Inside Bangladesh		Off-shore Banking unit	Total	Inside Bangladesh		Outside Bangladesh	
	Conventional Banking	Islamic Banking			Bank Asia Securities Ltd	BA Exchange Company (UK) Ltd	BA Express USA Inc.	Total
Interest income	13,250,853,120	516,916,684	146,536,852	13,914,306,656	382,122,589	-	-	14,296,429,245
Interest paid on deposits and borrowings, etc	10,185,472,399	394,218,963	120,077,662	10,699,769,024	391,678,480	-	-	11,091,447,504
Net interest income	3,065,380,721	122,697,721	26,459,190	3,214,537,632	(9,555,891)	-	-	3,204,981,741
Investment income	4,025,559,724	3,560,148	-	4,029,119,872	6,076,750	-	-	4,035,196,622
Commission, exchange and brokerage	1,849,693,253	22,021,548	6,099,140	1,877,813,941	116,204,857	7,118,757	7,885,554	2,009,023,109
Other operating income	550,552,434	3,471,583	10,704,545	564,728,562	6,628,537	-	-	571,357,099
Total operating income (A)	9,491,186,132	151,751,000	43,262,875	9,686,200,007	119,354,253	7,118,757	7,885,554	9,820,558,571
Salaries and allowances	1,775,000,950	46,358,410	-	1,821,359,360	37,856,947	6,645,926	12,922,640	1,878,784,873
Rent, taxes, insurance, electricity, etc	424,596,074	5,041,218	299,593	429,936,885	12,323,515	6,542,620	4,535,361	453,338,381
Legal expenses	10,474,191	-	-	10,474,191	102,078	1,084,906	1,937,539	13,598,714
Postage, stamp, telecommunication, etc	67,563,389	487,771	198,837	68,249,997	2,563,731	443,279	182,699	71,439,706
Stationery, printing, advertisements, etc	74,093,813	1,452,947	-	75,546,760	677,192	247,184	1,043,223	77,514,359
Managing Director's salary and fees	14,159,744	-	-	14,159,744	-	-	-	14,159,744
Directors' fees	2,770,000	-	-	2,770,000	201,250	-	-	2,971,250
Auditors' fees	690,000	-	-	690,000	86,250	751,320	695,787	2,223,357
Depreciation and repairs of Bank's assets	438,510,690	2,047,418	84,913	440,643,021	4,722,446	2,472,344	764,287	448,602,098
Other expenses	1,009,956,758	28,452,806	5,129,312	1,043,538,876	26,135,478	4,219,758	12,033,695	1,085,927,807
Total operating expenses (B)	3,817,815,609	83,840,570	5,712,655	3,907,368,834	84,668,887	22,407,337	34,115,231	4,048,560,289
Profit before provision (C=A-B)	5,673,370,523	67,910,430	37,550,220	5,778,831,173	34,685,366	(15,288,580)	(26,229,677)	5,771,998,282
Provision:								
Provision for loans and advances/investments				1,406,747,250	175,494,169	-	-	1,582,241,419
Provision for off-balance sheet items				43,628,897	-	-	-	43,628,897
Provision for diminution in value of investments				56,500,000	6,852,383	-	-	63,352,383
Other provisions				55,000,000	-	-	-	55,000,000
Total provision (D)				1,561,876,147	182,346,552	-	-	1,744,222,699
Profit before tax provision (E=C-D)				4,216,955,026	(147,661,186)	(15,288,580)	(26,229,677)	4,027,775,583
Provision for taxation (F)				1,998,262,329	16,893,989	-	61,848	2,015,218,166
Profit after tax provision (G=E-F)				2,218,692,697	(164,555,175)	(15,288,580)	(26,291,525)	2,012,557,417



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				
	Inside Bangladesh				Bangladesh		Outside Bangladesh		Total
	Conventional Banking	Islamic Banking	Off-shore Banking unit	Total	Bank Asia Securities Ltd	BA Exchange Company (UK) Ltd	BA Express USA Inc.		
PROPERTY AND ASSETS									
Cash	10,607,772,903	342,976,173	-	10,950,749,076	6,029	989,788	7,842	10,951,752,735	
Balance with other banks and financial institutions	71,072,632	650,669,170	21,371,363	743,113,165	309,529,359	5,931,538	72,216,260	832,167,816	
Money at call and on short notice	300,000,000	-	-	300,000,000	-	-	-	300,000,000	
Investments	38,406,407,600	277,000,000	-	38,683,407,600	209,107,461	-	-	38,892,515,061	
Loans and advances/investments	106,766,797,191	3,476,923,095	6,565,134,273	116,808,854,559	5,832,650,452	-	-	119,890,004,570	
Fixed assets including premises, furniture and fixtures	5,203,238,340	10,145,585	223,364	5,213,607,289	5,425,783	9,279,242	9,329,617	5,237,641,931	
Other assets	9,323,916,851	673,649,174	33,642,632	10,031,208,657	130,797,800	3,301,441	19,299,059	7,989,760,255	
Non - banking assets	-	-	-	-	-	-	-	-	
Total assets	170,679,205,517	5,431,363,197	6,620,371,632	182,730,940,346	6,487,516,884	19,502,009	100,852,778	184,093,842,368	
LIABILITIES AND CAPITAL									
Liabilities									
Borrowings from other banks, financial institutions and agents	746,476,084	-	7,099,663,886	7,846,139,969	3,365,276,266	-	-	8,459,915,794	
Subordinated Non-Convertible Zero Coupon Bond	449,036,430	-	-	449,036,430	-	-	-	449,036,430	
Deposits and other accounts	134,859,075,571	5,089,502,809	920,707,746	140,869,286,126	110,453,062	-	-	140,681,116,682	
Other liabilities	16,360,192,937	341,860,388	-	16,702,053,325	1,195,047,962	36,237,522	52,426,908	17,901,674,358	
Total liabilities	152,414,781,022	5,431,363,197	8,020,371,632	165,866,515,850	4,670,777,290	36,237,522	52,426,908	167,491,743,264	
Total shareholders' equity	16,779,627,746	60,796,530	24,000,220	16,864,424,496	1,816,739,594	(17,664,625)	48,425,870	16,602,099,104	
Total liabilities and shareholders' equity	169,194,408,768	5,492,159,727	8,044,371,852	182,730,940,346	6,487,516,884	18,572,897	100,852,778	184,093,842,368	

independent auditor's report to the shareholders of bank asia securities limited

We have audited the accompanying financial statements of Bank Asia Securities Limited (the "Company") which comprise the Statement of Financial Position as at 31 December 2014 and the related Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

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

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

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

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Bangladesh Financial Reporting Standards ("BFRS") and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

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) 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 those books;
- (iii) the Company's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account; and
- (iv) the expenditure incurred were for the purposes of the Company's business.

হোদা বাসী চৌধুরী & কো

Hoda Vasi Chowdhury & Co
Chartered Accountants
BTMC Bhaban (7th Level)
7-9 Karwan Bazar, Dhaka-1215

Dhaka, 26 February 2015

bank asia securities limited

statement of financial position

As at 31 December 2014

Amount in Taka

	Notes	31 Dec 2014	31 Dec 2013
Non-Current Assets			
Property, plant and equipment	4	5,425,781	9,852,653
Membership of Dhaka Stock Exchange Ltd	5	153,119,000	153,119,000
Preliminary/pre-operating expenses	5.1	-	1,970,810
Total non-current assets		158,544,781	164,942,463
Current Assets			
Advances, deposits and prepayments	6	9,256,439	851,670
Investment in shares at cost	7	55,988,461	25,077,029
Margin loans	8	5,832,650,452	5,580,299,642
Accounts receivable	9	10,737,266	14,836,233
Advance income tax	10	110,804,095	93,910,106
Cash and cash equivalents	11	309,535,388	6,317,718
Total current assets		6,328,972,100	5,721,292,398
Total assets		6,487,516,881	5,886,234,861
Equity			
Share capital	12	2,000,000,000	2,000,000,000
Retained earnings/(Accumulated losses)	13	(183,260,408)	(18,705,231)
		1,816,739,592	1,981,294,769
Current Liabilities			
Customer deposits	14	110,453,062	194,964,630
Loans and borrowings	15	3,365,276,266	2,963,356,289
Accounts payable	16	12,368,402	12,544,564
Liability for expenses	17	7,319,590	7,411,942
Interest suspense account	18	890,799,213	641,342,452
Provision for diminution in value of investments	19	7,243,012	390,629
Provision for client margin loan	19.1	175,494,169	-
Provision for taxation	20	101,823,575	84,929,586
Total current liabilities		4,670,777,289	3,904,940,092
Total equity and liabilities		6,487,516,881	5,886,234,861

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


Chairman


Director


Chief Executive Officer

Hoda Vasi Chowdhury & Co

Hoda Vasi Chowdhury & Co
Chartered Accountants
Dhaka, 26 February 2015

bank asia securities limited

statement of comprehensive income

For the year ended 31 December 2014

	Notes	31 Dec 2014	31 Dec 2013
Interest income	21	382,122,589	372,598,948
Interest expense	22	(391,678,480)	(509,061,920)
Net interest income		(9,555,891)	(136,462,972)
Brokerage commission		116,204,854	96,923,154
Other operating income/loss	23	6,030,670	652,528
Total operating income		112,679,634	(38,887,290)
Operating expenses	24	(77,994,270)	(64,202,020)
Profit before provision		34,685,364	(103,089,310)
Provision for diminution in value of investments	19	(6,852,383)	(169,861)
Provision for client margin loan	19.1	(175,494,169)	-
Profit/(Loss) before tax		(147,661,188)	(103,259,171)
Income tax expense	20	(16,893,989)	(14,046,161)
Profit/(Loss) after tax		(164,555,177)	(117,305,332)
Other comprehensive income		-	-
Total comprehensive income/(loss)		(164,555,177)	(117,305,332)
Earnings per share		(8.23)	(5.87)

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


Chairman


Director


Chief Executive Officer

Hoda Vasi Chartered Accountants

Hoda Vasi Chowdhury & Co
Chartered Accountants
Dhaka, 26 February 2015

bank asia securities limited

statement of cash flows

For the year ended 31 December 2014

Amount in Taka

	31 Dec 2014	31 Dec 2013
A. Cash flows from operating activities		
Cash received from		
Interest income	382,122,589	372,598,948
Brokerage commission	116,204,854	96,923,154
Cash payment to		
Interest expenses	(391,678,480)	(509,061,920)
Operating expenses	(71,301,013)	(59,538,692)
Customers' deposits	(84,511,568)	80,152,485
Income tax paid	(16,893,989)	(14,046,161)
Net cash from/(used in) operating activities	(66,057,606)	(32,972,186)
B. Cash flows from investing activities		
Loans and advances to customers	3,044,268	(178,249,737)
Other assets	(4,205,801)	12,516,824
Accounts Payable	(176,162)	(2,717,986)
Investment in listed securities	(30,911,432)	(24,217,861)
Acquisition of property, plant and equipment	(295,576)	(903,710)
Advance for office premises	(100,000)	(750,000)
Net cash used in investing activities	(32,644,703)	(194,322,470)
C. Cash flows from financing activities		
Issue of shares	-	1,550,000,000
Loans and borrowings	401,919,977	(1,319,007,390)
Net cash from financing activities	401,919,977	230,992,610
D. "Net increase/(decrease) in cash and cash equivalents (A+B+C)"	303,217,668	3,697,954
E. Opening cash and cash equivalents	6,317,718	2,721,434
F. Closing cash and cash equivalents	309,535,386	6,419,388

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



Chairman



Director



Chief Executive Officer

Hoda Vasi Chowdhury & Co

Hoda Vasi Chowdhury & Co
Chartered Accountants
Dhaka, 26 February 2015

bank asia securities limited

statement of changes in equity

For the year ended 31 December 2014

Particulars	Share capital	Retained earnings/ (Accumulated Losses)	Amount in Taka
			Total
Year ended 31 Dec 2013			
Opening balance	450,000,000	98,600,101	548,600,101
Net loss for the year	-	(117,305,332)	(117,305,332)
Issue of shares	1,550,000,000	-	1,550,000,000
Closing balance	2,000,000,000	(18,705,231)	1,981,294,769
Year ended 31 Dec 2014			
Opening balance	2,000,000,000	(18,705,231)	1,981,294,769
Net profit for the year	-	(164,555,177)	(164,555,177)
Issue of shares	-	-	-
Closing balance	2,000,000,000	(183,260,408)	1,816,739,592


Chairman


Director


Chief Executive Officer

bank asia securities limited

notes to the financial statements

As at and for the year ended 31 December 2014

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 (7th 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 with generally accepted accounting principles following Bangladesh Financial Reporting Standards (BFRS)/Bangladesh Accounting Standards (BAS). Wherever appropriate, such principles are explained in succeeding notes.

2.2 Functional and presentational currency

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

2.3 Use of estimates and judgments

The preparation of financial statements in conformity with BFRS 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 recognised in the periods in which the estimate is revised and in any future periods affected.

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.

3.1 Interest income

Income from margin loan is recognised on accrual basis. Such income is calculated considering daily margin loan balance of the respective parties.

3.2 Income from 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.

3.3 Statement of cash flows

Statement of Cash Flows has been prepared as per Bangladesh Accounting Standard BAS 7 under direct method.

3.4 Property, plant and equipment

Items of property, plant and equipment, are measured at cost less accumulated depreciation and impairment losses, as per BAS 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.

notes to the financial statements

Depreciation

Depreciation on property, plant and equipment was charged applying straight-line method. Full year's depreciation is charged on items of property, plant and equipment those are acquired during the year and no depreciation is charged on the items in the year of disposal. Rates of depreciation on various items of property, plant and equipment considering the useful lives of assets are as follows:

Asset category	Rate of depreciation (%)
Computer and accessories	20
Furniture and fixtures	20
Office equipment	20
Office renovation	20
Details are given in Annexure	

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.

3.6 Preliminary/pre-operating expenses

Preliminary/pre-operating expenses are fully amortised during the period.

Amount in Taka

	31 Dec 2014	31 Dec 2013
4. PROPERTY, PLANT AND EQUIPMENT		
Opening balance	9,852,651	13,612,269
Add: Addition during the period	295,576	903,710
Less: Depreciation charge for the period	4,722,446	4,663,328
Closing balance	5,425,781	9,852,651

Details are given in Annex I.

5. MEMBERSHIP OF DHAKA STOCK EXCHANGE LIMITED

The Company has acquired the membership of Dhaka Stock Exchange for Tk 153,119,000.

As per the scheme of Demutualization of DSE, the Company being the initial shareholders of DSE, is entitled to receive 7,215,106 shares of Tk 10 each, totalling Tk 72,151,060.

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 than 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.

5.1 Preliminary/pre-operating expenses

Total expenses	1,970,810	2,956,215
Less: Amortised during the year	1,970,810	985,405
Net book value	-	1,970,810

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
6. ADVANCES, DEPOSITS AND PREPAYMENTS		
Opening Balance	851,670	-
Advance office rent	8,284,349	101,670
Advance for branch offices	20,420	-
Advance for Nikunjo office premises	100,000	750,000
Less: Adjustment during the period	-	851,670
	<u>9,256,439</u>	<u>851,670</u>
The balance represents advance office rent of Hadi Mansion, Nikunjo office premises & other.		
7. INVESTMENT IN SHARES (AT COST)		
Details are given in Annex	<u>55,988,461</u>	<u>25,077,029</u>
8. MARGIN LOANS TO CUSTOMERS		
Opening balance	5,580,299,642	4,913,963,024
Add: Interest accrued during the period	629,894,390	856,374,369
	6,210,194,032	5,770,337,393
Less: Repayment of Margin Loan during the period	377,543,580	190,037,751
Closing balance	<u>5,832,650,452</u>	<u>5,580,299,642</u>
The Company extends margin loan facilities to customers for trading of shares on the secondary capital market in Bangladesh. Margin loans are extended on a ratio based on the equity invested by individual customers. The ratio during the year based on directives issued by Bangladesh Securities and Exchange Commission.		
9. ACCOUNTS RECEIVABLE		
Receivable from Dhaka Stock Exchange Ltd	10,333,566	14,763,533
Receivable from Bank Asia Limited	7,700	7,700
Cheques in transit	396,000	65,000
	<u>10,737,266</u>	<u>14,836,233</u>
10. ADVANCE INCOME TAX		
Opening balance	93,910,106	79,863,945
Tax deducted at source from brokerage commission	16,519,062	13,729,759
Tax deducted at source from dividend income	159,090	181,800
Tax deducted at source from bank interest	215,837	134,602
	16,893,989	14,046,161
Closing balance	<u>110,804,095</u>	<u>93,910,106</u>
11. CASH AND CASH EQUIVALENTS		
Cash in hand (note 11.1)	6,029	14,857
Bank balances (note 11.2)	309,529,359	6,302,861
	<u>309,535,388</u>	<u>6,317,718</u>
11.1 Cash in hand		
Head-office	6,029	14,857
	<u>6,029</u>	<u>14,857</u>

notes to the financial statements

Amount in Taka

	31 Dec 2014	31 Dec 2013
--	-------------	-------------

11.2 Bank balances

Bank Asia Limited	296,949,246	1,449,463
Bank Asia Limited (IPO)	1,673,260	-
ONE Bank Limited (Consolidated Customer A/C)	5,965,174	4,845,609
ONE Bank Limited (Dealer)	4,931,679	-
Premier Bank Limited	10,000	-
Prime Bank Limited	-	7,789
	309,529,359	6,302,861

12.SHARE CAPITAL

Authorised capital : 20,000,000 ordinary shares of Taka 100 each	2,000,000,000	2,000,000,000
---	---------------	---------------

Issued, subscribed and paid up capital: 20,000,000 ordinary shares of Taka 100 each	2,000,000,000	450,000,000
--	---------------	-------------

The Company's shareholding position as at 31 December 2014 was as under:

Name of shareholder	Number of shares	% of holding	Value/Taka
Bank Asia Limited	19,999,900	99.99778	1,999,990,000
Mr. Anisur Rahman Sinha	100	0.002222	10,000
	20,000,000	100	2,000,000,000

13.RETAINED EARNINGS/(ACCUMULATED LOSSES)

Opening balance	(18,705,231)	98,600,101
Less: Dividend	-	-
	(18,705,231)	98,600,101
Add: Total comprehensive income/(loss) during the period	(164,555,177)	(117,305,332)
Closing balance	(183,260,408)	(18,705,231)

14.CUSTOMER DEPOSITS

Customer deposits represent uninvested funds lying with the Company's account at the reporting date.

	110,453,062	194,964,630
--	-------------	-------------

15.LOANS AND BORROWINGS

Bank Asia Limited	2,751,500,441	2,548,996,460
NRB Global Bank Ltd.	200,562,937	-
Prime Bank Limited	413,212,889	414,359,829
	3,365,276,266	2,963,356,289

16.ACCOUNTS PAYABLE

Bank Asia Limited	10,000,000	10,000,000
Withholding VAT on supplies' payments	-	24,439
Withholding tax on supplies' payments	-	3,154
Payable for IPO Application Process	2,204,000	-
Dhaka Stock Exchange Ltd	164,402	2,516,971
	12,368,402	12,544,564

notes to the financial statements

	<i>Amount in Taka</i>	
	31 Dec 2014	31 Dec 2013
17.Liabilities for expenses	<u>7,319,590</u>	<u>7,411,942</u>
The amount represents provisions against operating expenses during the period.		
18.INTEREST SUSPENSE ACCOUNT		
Opening balance	641,342,452	156,980,387
Add: Interest suspense during the year	249,456,761	484,362,065
Closing Balance	<u>890,799,213</u>	<u>641,342,452</u>
The amount represents interest income from loan accounts of the clients who have negative equity with Bank Asia Securities Limited during the year. The amount will be recognised as income when client equity become positive balance.		
19.PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS		
Opening Balance	390,629	220,768
Add: Provision made during the period	6,852,383	169,861
Closing balance	<u>7,243,012</u>	<u>390,629</u>
Full provision has been made for the difference in market value and cost of instruments on portfolio basis.		
19.1 Provision for Client Margin Loan		
Opening Balance	-	-
Add: Provision made during the period	175,494,169	-
Closing Balance	<u>175,494,169</u>	<u>-</u>
This represents provision made as per BSEC directive to maintain at least 20% shortfall in negative equity against unrealised loss on margin loan extended to customer.		
20.PROVISION FOR CORPORATE INCOME TAX		
Opening balance	84,929,586	70,883,425
Add: Provision made during the period	16,893,989	14,046,161
Closing balance	<u>101,823,575</u>	<u>84,929,586</u>
Provision for corporate income tax was made following applicable tax law. Income tax was withheld from the transactions of traded securities @ 0.05% under section 53BBB is the final tax liability of the Company under section 82C of Income Tax Ordinance 1984.		
21.INTEREST INCOME		
Income from bank deposits	1,684,960	586,644
Income from margin loan	380,437,628	372,012,304
	<u>382,122,589</u>	<u>372,598,948</u>
22.Interest expense		
Interest on loan	<u>391,678,480</u>	<u>509,061,920</u>
23.OTHER OPERATING INCOME		
Operating income (note 23.1)	12,705,287	7,992,220
Less: CDBL charges	6,674,617	7,339,692
	<u>6,030,670</u>	<u>652,528</u>

notes to the financial statements

Amount in Taka

	31 Dec 2014	31 Dec 2013
23.1 Operating income		
BO account opening fees	248,000	148,000
Margin account renewal fees	2,140,000	1,976,500
Income from transfer/transmission/corporate action	3,183,558	3,249,662
Margin account opening fees	19,000	12,000
BO account maintenance fees	1,037,979	1,392,093
Dividend Income	795,450	1,213,965
Capital gain from investment in shares	5,281,300	-
	12,705,287	7,992,220
24. OPERATING EXPENSES		
Amortisation of pre-operating expenses	1,970,812	985,405
Audit fees	86,250	86,250
Bank charges	293,291	73,189
Bank guarantee commission	787,500	1,225,000
BO Maintenance	1,856,400	-
Business and promotional expenses	-	272,829
Cleaning expenses	412,297	408,481
Computer accessories	227,420	222,016
Conveyance	121,028	137,773
Depreciation	4,722,446	4,663,328
Directors' remuneration	201,250	120,750
Entertainment	819,761	651,430
Fuel and oil	272,460	445,540
Hawla charges	1,156,598	1,208,792
Insurance premium	71,146	13,500
Internet charges	1,955,466	2,505,956
Laga charges	6,681,922	5,490,038
License and renewal fees	350,237	679,009
Newspaper	33,904	56,598
Office rent	11,432,608	9,174,640
Others	145,149	116,651
Plantation	255,171	221,436
Postage and courier	33,998	40,974
Printing and stationery	677,192	260,930
Professional fees	102,078	128,264
Repair and maintenance	533,408	457,219
Salaries and allowances	37,840,847	30,542,204
Service Charge	705,680.00	-
Telephone & Mobile Bill	574,267	551,983
Training Expenses	108,596	-
Transportation	118,981	-
Utilities	3,446,109	3,461,835
	77,994,270	64,202,020

25. Others

25.1 Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.

25.2 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.



bank asia securities limited

schedule of fixed assets

as at 31 December 2014

Particulars	Cost			Rate (%)	Depreciation			Written down value at 31 Dec 2014	
	At 01 January 2014	Addition during the year	Adjustment/ disposal		Total at 31 Dec 2014	Charge for the Year	Adjustment on disposal		Total at 31 Dec 2014
Computer and accessories	6,007,983	20,600	-	20	6,028,583	1,205,716	-	4,518,209	1,510,374
Furniture and fixtures	2,915,764	-	-	20	2,915,764	583,153	-	2,332,610	583,154
Office equipment	5,318,475	224,976	-	20	5,543,451	1,108,690	-	4,224,562	1,318,889
Office renovation	7,628,789	-	-	20	7,628,789	1,525,758	-	6,024,552	1,604,237
Computer software	1,445,640	50,000	-	20	1,495,640	299,128	-	1,086,512	409,128
Total at 31 Dec 2014	23,316,651	295,576	-		23,612,227	4,722,446	-	18,186,446	5,425,781

bank asia securities limited

investment in shares

For the year ended 31 December 2014

SL No	Name of the company	Nature of shares	Types of shares	Face value	Number of shares including bonus	Cost of holdings	Average cost	Quoted value per share as at 31 Dec 2014	Total market value as at 31 Dec 2014
1	APOLOISPAT	Quoted	A	10.00	15,000.00	344,977.72	23.00	19.90	298,500.00
2	PADMAOIL	Quoted	A	10.00	2,000.00	728,317.45	364.16	251.60	503,200.00
3	ONEBANKLTD	Quoted	A	10.00	132,000.00	2,233,145.83	16.92	15.80	2,085,600.00
4	SUMITPOWE	Quoted	A	10.00	50,000.00	2,137,535.20	42.75	38.30	1,915,000.00
5	POWERGRID	Quoted	A	10.00	60,000.00	3,227,929.92	53.80	40.40	2,424,000.00
6	LANKABAFIN	Quoted	A	10.00	170,250.00	11,469,022.88	67.37	44.00	7,491,000.00
7	POPULARIMF	Quoted	A	10.00	110,462.00	695,494.50	6.30	5.00	552,310.00
8	MULBD	Quoted	A	10.00	75,000.00	10,005,246.57	133.40	125.60	9,420,000.00
9	ABB15TMF	Quoted	A	10.00	108,149.00	780,558.00	7.22	6.30	681,338.70
10	CVOPRL	Quoted	B	10.00	1,000.00	672,978.75	672.98	506.50	506,500.00
11	FARCHEM	Quoted	A	10.00	100,000.00	3,695,254.08	36.95	28.70	2,870,000.00
12	Energypac Limited	Unquoted	-	10.00	454,500.00	19,998,000	44.00	-	19,998,000
						55,988,461			48,745,449

Provision required for unrealized loss	7,243,012
Provision maintained	7,243,012
Surplus/deficit	-
Provision:	
Opening balance	390,629
Charge during the year	6,852,383
	7,243,012

Annexure

BA EXCHANGE COMPANY (UK) LIMITED

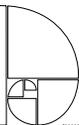
Directors' report and financial statements

for the year ended December 31, 2014

BA EXCHANGE COMPANY (UK) LIMITED

Company Information

DIRECTORS	A Rouf Chowdhury Md Mehmood Husain
REGISTERED NUMBER	07314397
REGISTERED OFFICE	1339 High Road London N20 9HR
TRADING ADDRESS	125 Whitechapel Road London E1 1DT
INDEPENDENT AUDITORS	Green & Peter (UK) Ltd Chartered Accountants & Registered Auditors The Limes 1339 High Road Whetstone London N20 9HR



BA EXCHANGE COMPANY (UK) LIMITED

Directors' report for the year ended December 31, 2014

The directors present their report and the financial statements for the year ended December 31, 2014.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' 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 judgments 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.

DIRECTORS

The directors who served during the year were:

A Rouf Chowdhury
Md Mehmood Husain

PRINCIPAL RISKS AND UNCERTAINTIES

Risk 1

The Company's business is subject the immigration policy of the UK government, in relation to existing student and future migration policies.

Risk 2

The demand for the Company's business is subject to the conversion rate of the Bangladeshi Taka and also to the general investment platform and economy in Bangladesh which has in recent years been a key driver for the amounts of inward Taka remittance in addition to the funds remitted for family support.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

BA EXCHANGE COMPANY (UK) LIMITED

**Directors' report
for the year ended December 31, 2014**

AUDITORS

The auditors, Green & Peter (UK) Ltd, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on **Complete 'ACCOUNTS COMPLETION' section** and signed on its behalf.


A Rouf Chowdhury
Director



BA EXCHANGE COMPANY (UK) LIMITED

Independent auditors' report to the shareholders of BA Exchange Company (UK) Limited

We have audited the financial statements of BA Exchange Company (UK) Limited for the year ended December 31, 2014, set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Auditors' 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standards - Provisions Available for Small Entities, in the following circumstances:

- In common with many other businesses of this size and nature, the company uses our firm to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

As part of audit activities we have also been requested to carry out a review of systems and records and to advise on Anti Money Laundering rules and related compliance matters.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at December 31, 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial

BA EXCHANGE COMPANY (UK) LIMITED

Independent auditors' report to the shareholders of BA Exchange Company (UK) Limited

statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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 to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

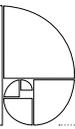
-sd-

Robert Green FCA (Senior statutory auditor)

for and on behalf of
Green & Peter (UK) Ltd

Chartered Accountants
Registered Auditors

The Limes
1339 High Road
Whetstone
London
N20 9HR


BA EXCHANGE COMPANY (UK) LIMITED
**Profit and loss account
for the year ended December 31, 2014**

	Note	2014 £	2013 £
TURNOVER	1	56,850	106,587
Cost of sales		(27,268)	(30,218)
GROSS PROFIT		29,582	76,369
Administrative expenses		(151,628)	(169,201)
OPERATING LOSS	2	(122,046)	(92,832)
Interest payable and similar charges		(46)	(32)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(122,092)	(92,864)
Tax on loss on ordinary activities	3	-	-
LOSS FOR THE FINANCIAL YEAR	8	(122,092)	(92,864)

The notes on pages 7 to 11 form part of these financial statements.

BA EXCHANGE COMPANY (UK) LIMITED

**Balance sheet
as at December 31, 2014**

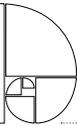
	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	4		77,802		96,740
CURRENT ASSETS					
Debtors	5	27,681		23,048	
Cash at bank and in hand		58,032		24,821	
		<u>85,713</u>		<u>47,869</u>	
CREDITORS: amounts falling due within one year	6	<u>(305,529)</u>		<u>(164,531)</u>	
NET CURRENT LIABILITIES			<u>(219,816)</u>		<u>(116,662)</u>
NET LIABILITIES			<u>(142,014)</u>		<u>(19,922)</u>
CAPITAL AND RESERVES					
Called up share capital	7		300,000		300,000
Profit and loss account	8		(442,014)		(319,922)
SHAREHOLDERS' DEFICIT			<u>(142,014)</u>		<u>(19,922)</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on **Complete 'ACCOUNTS COMPLETION' section**



A Rouf Chowdhury
Director



BA EXCHANGE COMPANY (UK) LIMITED

Notes to the financial statements for the year ended December 31, 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

S/Term Leasehold Property	-	10% Straight line basis
Fixtures and fittings	-	25 % Reducing Balance Basis

1.4 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

BA EXCHANGE COMPANY (UK) LIMITED

Notes to the financial statements for the year ended December 31, 2014

1.6 Going Concern

The Company reported a loss during the year as it is operating in recession and in a very competitive market and has not yet managed to achieve the level of business initially anticipated and were not sufficient to meet the overheads. The results though negative are in line with expectations.

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 an 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.

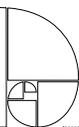
Therefore the directors consider that the going concern basis is appropriate in respect of the financial statements for the year ended 31 December 2014.

2. OPERATING LOSS

The operating loss is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	17,142	17,119
Reversal of impairment of fixed assets	-	(3,000)
Auditors' remuneration	3,000	6,000

During the year, no director received any emoluments (2013 - £NIL).



BA EXCHANGE COMPANY (UK) LIMITED

Notes to the financial statements for the year ended December 31, 2014

3. TAXATION

Factors that may affect future tax charges

The Company has tax losses of £xxx (2013 - £321,663) carried forward to relieve future trading profits, no deferred tax asset has been made due to the uncertainty of future taxable profits available for offset

4. TANGIBLE FIXED ASSETS

	S/Term Leasehold Property £	Fixtures and fittings £	Total £
Cost			
At January 1, 2014	122,846	19,555	142,401
Disposals	-	(19,555)	(19,555)
At December 31, 2014	<u>122,846</u>	<u>-</u>	<u>122,846</u>
Depreciation			
At January 1, 2014	32,759	12,902	45,661
Charge for the year	12,285	4,857	17,142
On disposals	-	(17,759)	(17,759)
At December 31, 2014	<u>45,044</u>	<u>-</u>	<u>45,044</u>
Net book value			
At December 31, 2014	<u>77,802</u>	<u>-</u>	<u>77,802</u>
At December 31, 2013	<u>90,087</u>	<u>6,653</u>	<u>96,740</u>

5. DEBTORS

	2014 £	2013 £
Prepayments	17,181	12,548
Other debtors	10,500	10,500
	<u>27,681</u>	<u>23,048</u>

BA EXCHANGE COMPANY (UK) LIMITED

**Notes to the financial statements
for the year ended December 31, 2014**

**6. CREDITORS:
Amounts falling due within one year**

	2014	2013
	£	£
Trade creditors	237,220	113,593
Other taxation and social security	97	-
Accruals	5,824	7,664
Other creditors	62,388	43,274
	305,529	164,531

7. SHARE CAPITAL

	2014	2013
	£	£
Allotted, called up and fully paid		
300,000 Ordinary shares of £1 each	300,000	300,000

8. RESERVES

	Profit and loss account £
At January 1, 2014	(319,922)
Loss for the financial year	(122,092)
At December 31, 2014	(442,014)

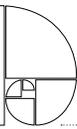
9. OPERATING LEASE COMMITMENTS

At December 31, 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014	2013
	£	£
Expiry date:		
After more than 5 years	-	42,000

10. RELATED PARTY TRANSACTIONS

All funds on behalf of customers are remitted through the parent undertaking, Bank Asia Limited. These transactions are at arm length and at commercial terms. At the year end the net amount outstanding included in creditors as TT payable was £237,220 (2013 - £113,593) which represented the TT settlement position outstanding in relation to remittances.



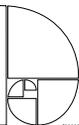
BA EXCHANGE COMPANY (UK) LIMITED**Notes to the financial statements
for the year ended December 31, 2014****11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The Company's ultimate parent undertaking is Bank Asia Limited, a company incorporated in Bangladesh. The accounts for this entity may be obtained from Head Office Bank Asia Corporate Office, Rangs Tower (2nd - 6th Floor), 68 Purana Paltan, Dhaka 1000, Bangladesh or on their website www.bankasia-bd.com.

BA EXCHANGE COMPANY (UK) LIMITED

**Detailed trading and profit and loss account
for the year ended December 31, 2014**

	2014 £	2013 £
TURNOVER	56,850	106,587
Cost of sales	(27,268)	(30,218)
	<hr/>	<hr/>
GROSS PROFIT	29,582	76,369
Gross profit %	52.0 %	71.6 %
LESS: OVERHEADS		
Administration expenses	(151,628)	(169,201)
	<hr/>	<hr/>
OPERATING LOSS	(122,046)	(92,832)
Interest payable	(46)	(32)
	<hr/>	<hr/>
LOSS FOR THE YEAR	(122,092)	(92,864)
	<hr/> <hr/>	<hr/> <hr/>



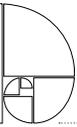
BA EXCHANGE COMPANY (UK) LIMITED

**Schedule to the detailed accounts
for the year ended December 31, 2014**

	2014 £	2013 £
TURNOVER		
Commission Income	75,462	98,049
F/X Gain	(18,612)	8,538
	<u>56,850</u>	<u>106,587</u>
COST OF SALES		
Bank Charges	27,268	30,218
ADMINISTRATION EXPENSES		
Staff salaries	53,074	61,349
Staff training	180	720
Hotels, travel and subsistence	458	1,150
Printing and stationery	582	876
Postage	291	615
Telephone and fax	3,248	3,616
Computer costs	9,234	8,599
General office expenses	3,628	5,178
Advertising and promotion	1,392	2,924
Legal and professional	8,664	1,173
Auditors' remuneration	3,000	6,000
Auditors' remuneration - non-audit	3,000	-
Rent - operating leases	38,500	42,000
Rates	1,688	13,565
Light and heat	2,596	1,110
Insurances	230	1,261
Repairs and maintenance	2,603	1,946
Depreciation - plant and machinery	-	4,834
Depreciation - leasehold property	17,141	12,285
Profit/loss on sale of tangible assets	2,119	-
	<u>151,628</u>	<u>169,201</u>
INTEREST PAYABLE		
Bank overdraft interest payable	46	32

BA EXPRESS USA INC.

FINANCIAL STATEMENTS
December 31, 2014
AUDITED



UNITED FINANCIAL CPA P.C.

Certified Public Accountants

122 East 42nd Street, Suite 2100

New York, NY 10168

Tel. (212) 661 2315; Fax (212) 983 5276

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, 2014, and the related statements of income, retained earnings, and cash flows for the twelve months 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, 2014, and the results of its operations and its cash flows for the twelve months then ended in conformity with generally accepted accounting principles.


New York, New York

January 15, 2015

BA EXPRESS USA INC.

(a wholly owned subsidiary of Bank Asia Ltd.)

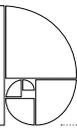
Balance sheet

For the Year Ended December 31, 2014

(See accompanying auditor's report)

<u>Assets:</u>	<u>2014</u>
Current Assets:	
Cash in Bank	\$ 924,764
Accounts Receivable	220,008
Other Current Assets	<u>2,900</u>
Total Current Assets	1,147,672
Fixed assets, net (note 3)	119,457
Amortization, net (note 3)	12,640
Security deposits	<u>24,200</u>
Total Fixed Assets	<u>156,297</u>
Total assets	<u>1,303,969</u>
Liabilities and Stockholder's Equity	
Current Liabilities:	
Remittance payable to Bank Asia and Beneficiary	662,730
Accrued Taxes and other liabilities	566
Withholding Taxes	<u>7,983</u>
Total Current Liabilities	<u>671,279</u>
Total Liabilities	671,279
Total stockholder's equity	632,690
Total Liabilities & Stockholder's Equity	<u>1,303,969</u>

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



BA EXPRESS USA INC.

(a wholly owned subsidiary of Bank Asia Ltd.)

STOCKHOLDER'S EQUITY

For the Year Ended December 31, 2014

(See accompanying auditor's report)

		<u>12/31/2014</u>
STOCKHOLDERS'S EQUITY:		\$
Paid in Capital		960,000
Retained Earnings beginning of the year	(79,979)	
Net Income / (Loss) for the nine months ended December 31, 2014.	<u>(247,331)</u>	
Retained Earnings at the end of Dec. 31, 2014		<u>(327,310)</u>
Total Stockholder's Equity		<u>632,690</u>

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

BA EXPRESS USA INC.

(a wholly owned subsidiary of Bank Asia Ltd.)

Statements of Income and Retained Earnings

For the Year Ended December 31, 2014

(See accompanying auditor's report)

<u>Revenue:</u>	<u>2014</u>
Commission / Fees Income	75,578
Miscellaneous Income	937
FX Commission / Gain	<u>81,856</u>
Total Revenue	<u>158,371</u>
<u>Expenses:</u>	
General and Administrative expenses:	
New York, office expenses (note 6)	394,505
- Depreciation and Amortization	<u>10,397</u>
Total	404,902
Operating income before taxes	(246,531)
Income Taxes:	
NYS and NYC	800
Net Income (loss)	<u>(247,331)</u>
Retained Earnings at the beginning of the period	(79,979)
Retained Earnings at the end of the year	<u>(327,310)</u>

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



BA EXPRESS USA INC.

(a wholly owned subsidiary of Bank Asia Ltd.)

Statements of Cash Flow

For the Year Ended December 31, 2014

(See accompanying auditor's report)

	<u>2014</u>
Cash flow from operating activities:	
Net Income	(247,331)
Adjustments to reconcile net income to net cash Provided by (used in) operating activities:	
Depreciation and Amortization	10,397
Employee cash advances	(2,900)
Receivable from Agents	(220,007)
Withholding Taxes Liabilities	5,226
Other Liabilities	566
Remittance payable	<u>662,730</u>
Net cash provided by operating activities	208,681
Cash flow from investing activities:	
Fixed Assets	(142,495)
Security Deposits	<u>(24,200)</u>
Net cash provided by investing activities	(166,695)
Cash flow from Financing Activities:	
Paid in Capital.	364,056
Net increase (decrease) in cash	406,042
Cash at beginning of the period	<u>518,722</u>
Cash at the end of the year	<u>924,764</u>

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

BA EXPRESS USA INC
Notes to Financial Statements
December 31, 2014

Note A. Nature of the Organization and reports:

These financial statements are prepared to the best of management's knowledge, belief and actual transactions as of December 31, 2014.

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.

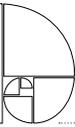
BA Express USA INC "BA Express" maintains its offices in New York. BA Express signed paying agent agreement with Bank Asia Ltd. Bank Asia distributes all funds to Beneficiaries in Bangladesh.

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



BA EXPRESS USA INC.
Notes to Financial Statements
December 31, 2014

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 constitute 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 consumer 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.

BA EXPRESS USA INC.
Notes to Financial Statements
December 31, 2014

FAIR VALUE OF FINANCIAL INSTRUMENTS & CONCENTRATION OF CREDIT RISK: Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, due to correspondents, customers transfer payable and debt. The carrying value of such items approximates their fair value at December 31, 2014.

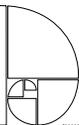
Concentration of credit risk consist of credit and fraud risks of agents, renewal of material agents contracts, loss of business from significant agents, changes in laws and political stability in countries in which the Company has material agent relationship and demand for consumer money transfer transactions. Concentration of credit risk is limited due to the high volume of individuals comprising the Company's customer base.

Accounting Method: The financial statements of the Company are prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

NOTE D: CASH BALANCE:

For the purpose of the statement of cash flows, the company considers all highly liquid investments with maturities 6 months or less when purchased to be cash equivalents. Cash includes cash at bank, cash in check amounts, the money market account and Cash held at Company Branch Locations and Restricted Funds.

	<u>2014</u>
Cash at Bank	386,155
Branch Funds	38,609
Restricted CD	<u>500,000</u>
Total	<u>924,764</u>



BA EXPRESS USA INC
Notes to Financial Statements
December 31, 2014

NOTE E ACCOUNTS RECEIVABLE: The Company has receivables due from agents for money transfer transactions. These receivables are outstanding from the day of the transfer of the payment instrument until the agent remits the funds to the Company.

	<u>2014</u>
Account Receivable	220,007
Total	<u>220,007</u>

NOTE F Property, Furniture and Equipment:

Property and Equipment are stated at cost and depreciated using straight line method over their estimated useful lives ranging 5 to 7 years and Amortization for 15 Years basis.

	<u>2014</u>
Furniture and Fixture	9,398
Equipment	13,372
Leasehold Improvements	106,574
Total	<u>129,344</u>
Less Accumulated Depreciation	<u>(9,886)</u>
Net Book Value	<u>119,458</u>
Company Organizational Costs:	13,151
Amortization	<u>511</u>
Net Book Value	<u>12,640</u>

BA EXPRESS USA INC
Notes to Financial Statements
December 31, 2014

Note I, Security Deposits:

Company made several rent security deposits to Landlord for Store front office Branch location in the NYC Metro area.

	<u>2014</u>
Rent Security Deposits	<u>24,200.</u>

Board of Directors:

Abdur Rouf Chowdhury, Chairman
Md. Mehmood Husain, Director