

Bank Asia Limited and Its Subsidiaries
Consolidated Balance Sheet as at 31 March 2014

		Amount in Taka	
		At	At
Notes		31 March 2014	31 Dec 2013
PROPERTY AND ASSETS			
Cash			
	4(a)	8,888,944,563	9,710,625,661
	4.1(a)	1,229,299,441	1,623,748,920
	4.2(a)	7,659,645,122	8,086,876,741
Balance with other banks and financial institutions			
	5(a)	1,446,530,933	1,368,921,853
		1,345,534,056	1,330,150,719
		100,996,877	38,771,134
Money at call and on short notice			
	6(a)	-	-
Investments			
	7(a)	34,153,436,211	34,111,552,052
		28,878,786,423	30,512,642,417
		5,274,649,788	3,598,909,635
Loans and advances/investments			
	8(a)	104,256,817,993	107,942,564,235
		100,599,303,582	104,106,039,712
		3,657,514,411	3,836,524,523
Fixed assets including premises, furniture and fixtures			
	9(a)	5,276,570,120	5,310,777,180
Other assets			
	10(a)	7,090,091,763	6,622,755,197
Non - banking assets			
		-	-
Total assets		161,112,391,583	165,067,196,178
LIABILITIES AND CAPITAL			
Liabilities			
	11(a)	6,652,338,750	2,359,117,075
	11(aa)	599,998,411	599,998,411
	12(a)	122,839,518,710	133,682,889,808
		18,654,255,587	17,318,034,961
		1,051,722,575	1,667,720,280
		13,292,975,500	12,827,249,596
		89,840,565,048	101,869,884,971
		-	-
		-	-
Other liabilities			
	13(a)	15,931,076,796	13,867,771,828
Total liabilities		146,022,932,667	150,509,777,122
Capital/shareholders' equity			
Total shareholders' equity		15,089,458,916	14,557,419,056
	14.2	7,629,955,940	6,936,323,590
		330	330
	15	4,365,058,491	4,208,075,877
	16(a)	2,902,617,949	2,705,391,603
		8,166,144	8,166,144
	17(a)	183,648,156	699,449,908
	17(b)	11,906	11,604
Total liabilities and shareholders' equity		161,112,391,583	165,067,196,178

Bank Asia Limited and Its Subsidiaries
Consolidated Balance Sheet as at 31 March 2014

		Amount in Taka	
		At	At
Notes		31 March 2014	31 Dec 2013
OFF-BALANCE SHEET ITEMS			
	Contingent liabilities	72,700,858,014	67,164,264,930
	Acceptances and endorsements	22,660,194,684	22,488,214,073
	Letters of guarantee	19,761,010,077	17,820,912,163
	Irrevocable letters of credit	19,860,191,489	17,909,992,216
	Bills for collection	10,419,461,764	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	72,700,858,014	67,164,264,930

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Imran Ahmed FCA, CISA
Chief Financial Officer

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Md. Mehmood Husain
President & Managing Director

Bank Asia Limited and Its Subsidiaries

**Consolidated Profit and Loss Statement
for the period ended 31 March 2014**

		Amount in Taka	
		Period ended 31 March 2014	Period ended 31 March 2013
	Notes		
OPERATING INCOME			
Interest income	20(a)	3,721,613,646	3,536,401,035
Interest paid on deposits and borrowings, etc	21(a)	2,840,429,052	2,775,644,286
Net interest income		881,184,594	760,756,749
Investment income	22(a)	800,132,721	538,456,948
Commission, exchange and brokerage	23(a)	458,029,325	402,733,575
Other operating income	24(a)	106,345,512	100,464,460
		1,364,507,558	1,041,654,983
Total operating income (A)		2,245,692,152	1,802,411,732
OPERATING EXPENSES			
Salaries and allowances	25(a)	457,473,359	349,083,543
Rent, taxes, insurance, electricity, etc	26(a)	117,054,720	98,902,521
Legal expenses	27(a)	2,321,650	1,576,583
Postage, stamp, telecommunication, etc	28(a)	17,158,979	15,460,949
Stationery, printing, advertisements, etc	29(a)	14,906,825	16,610,932
Managing Director's salary and fees	30	2,550,000	2,550,000
Directors' fees	31(a)	496,900	290,000
Auditors' fees	32(a)	195,000	197,000
Depreciation and repairs of Bank's assets	33(a)	102,650,344	80,374,737
Other expenses	34(a)	134,319,561	169,777,914
Total operating expenses (B)		849,127,338	734,824,179
Profit before provision (C=A-B)		1,396,564,814	1,067,587,553
Provision for loans and advances/investments			
General provision		(51,871,408)	121,543,251
Specific provision		487,757,781	370,542,040
		435,886,373	492,085,291
Provision for off-balance sheet items		55,365,931	22,373,890
Provision for diminution in value of investments	34(c)	53,866,297	-
Other provisions		4,727,164	-
Total provision (D)		549,845,765	514,459,181
Total profit before tax (C-D)		846,719,049	553,128,372
Provision for taxation			
Current tax	13.4.1(a)	511,905,535	443,406,546
Deferred tax	13.4.2(a)	-	-
		511,905,535	443,406,546
Net profit after tax		334,813,514	109,721,826
Appropriations			
Statutory reserve	15	156,982,614	128,186,058
General reserve		-	-
		156,982,614	128,186,058
Retained surplus		177,830,900	(18,464,232)
Attributable to:			
Equity holders of Bank Asia Limited		177,830,598	(18,462,322)
Non-controlling (minority) interest		302	(1,910)
		177,830,900	(18,464,232)
Earnings Per Share (EPS)	35(a)	0.44	0.14

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Imran Ahmed FCA, CISA
Chief Financial Officer

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Md. Mehmood Husain
President & Managing Director

Bank Asia Limited and Its Subsidiaries

**Consolidated Cash Flow Statement
for the period ended 31 March 2014**

	Amount in Taka	
	Period ended Jan to March, 2014	Period ended Jan to March, 2013
Cash flows from operating activities (A)		
Interest receipts	4,097,475,401	3,429,288,894
Interest payments	(2,840,429,052)	(2,775,644,286)
Fees and commission receipts	458,029,325	402,733,575
Cash payment to employees	(436,334,879)	(351,633,543)
Cash payment to suppliers	(30,171,896)	(66,807,379)
Income tax paid	(351,633,245)	(342,268,214)
Receipts from other operating activities	208,927,811	100,464,460
Payments for other operating activities	(273,841,317)	(284,721,984)
Operating profit before changes in operating assets & liabilities	832,022,148	111,411,523
Increase/decrease in operating assets and liabilities		
Loans and advances to customers	3,762,409,622	(3,043,333,747)
Other assets	(111,476,155)	18,975,372
Deposits from customers	(10,844,820,561)	1,817,411,931
Trading liabilities	4,439,939,114	1,630,889,849
Other liabilities	778,368,732	99,342,059
Net increase/decrease in operating liabilities	(1,975,579,248)	523,285,464
Net cash from/used in financing activities	(1,143,557,100)	634,696,987
Cash flows from investing activities (B)		
Investments in treasury bills, bonds and others	2,129,643,509	(1,275,156,749)
Sale/(Purchase) of trading securities	(1,675,740,153)	1,205,581,208
Purchase of fixed assets	(53,348,945)	(202,216,024)
Net cash from/used in financing activities	400,554,411	(271,791,565)
Cash flows from financing activities (C)		
Payment for finance lease	(275,829)	(563,412)
Subordinated non-convertible zero coupon bonds	-	-
Net cash from/(used) in financing activities	(275,829)	(563,412)
Net increase/decrease in cash and cash equivalents (A+B+C)	(743,278,518)	362,342,010
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 period	10,339,053,906	10,892,103,547
Cash and cash equivalents:		
Cash	1,229,299,441	1,271,797,539
Balance with Bangladesh Bank and its agent bank(s)	7,659,645,122	7,296,133,806
Balance with other banks and financial institutions	1,446,530,933	2,321,494,102
Money at call and on short notice	-	-
Prize bonds	3,578,410	2,678,100
	10,339,053,906	10,892,103,547

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Imran Ahmed FCA, CISA
Chief Financial Officer

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Md. Mehmood Husain
President & Managing Director

Bank Asia Limited and Its Subsidiaries

Consolidated Statement of Changes in Equity for the period ended 31 March 2014

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	Share premium	Revaluation reserve	General reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 01 January 2013	6,305,748,720	3,503,958,171	330	2,592,675,837	8,166,144	703,603,495	13,114,152,697	12,191	13,114,164,888
Transferred during the year	-	-	-	-	-	-	-	-	-
Adjustment on revaluation of fixed assets and others	-	-	-	22,102,606	-	-	22,102,606	-	22,102,606
Issue of bonus shares	630,574,870	-	-	-	-	(630,574,870)	-	-	-
Issue of right shares	-	-	-	-	-	-	-	-	-
Dividend paid to non-controlling (minority) interest	-	-	-	-	-	-	-	-	-
Non-controlling interest on retained earnings	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	109,723,736	109,723,736	(1,910)	109,721,826
Balance at 31 March 2013	6,936,323,590	3,503,958,171	330	2,614,778,443	8,166,144	182,752,361	13,245,979,039	10,281	13,245,989,320
Transferred during the period	-	704,117,706	-	-	-	(704,117,706)	-	-	-
Adjustment on revaluation of fixed assets and others	-	-	-	90,613,160	-	-	90,613,160	-	90,613,160
Issue of bonus shares	-	-	-	-	-	-	-	-	-
Issue of right shares	-	-	-	-	-	-	-	-	-
Dividend paid to non-controlling (minority) interest	-	-	-	-	-	-	-	-	-
Non-controlling interest on retained earnings	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	1,220,815,253	1,220,815,253	1,323	1,220,816,576
Balance at 31 December 2013	6,936,323,590	4,208,075,877	330	2,705,391,603	8,166,144	699,449,908	14,557,407,452	11,604	14,557,419,056
Transferred during the year	-	156,982,614	-	-	-	(156,982,614)	-	-	-
Adjustment for revaluation of fixed assets and others	-	-	-	197,226,346	-	-	197,226,346	-	197,226,346
Issue of bonus shares	693,632,350	-	-	-	-	(693,632,350)	-	-	-
Dividend paid to non-controlling (minority) interest	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	334,813,212	334,813,212	302	334,813,514
Balance at 31 March 2014	7,629,955,940	4,365,058,491	330	2,902,617,949	8,166,144	183,648,156	15,089,447,010	11,906	15,089,458,916

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Imran Ahmed FCA, CISA
Chief Financial Officer

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Md. Mehmood Husain
President & Managing Director

Bank Asia Limited
Balance Sheet as at 31 March 2014

		Amount in Taka	
		At	At
		31 March 2014	31 Dec 2013
PROPERTY AND ASSETS			
Cash	4	8,885,635,039	9,708,569,284
In hand (including foreign currencies)	4.1	1,225,989,917	1,621,692,543
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2	7,659,645,122	8,086,876,741
Balance with other banks and financial institutions	5	1,434,250,793	1,362,883,245
In Bangladesh	5.1	1,340,371,936	1,325,297,321
Outside Bangladesh	5.2	93,878,857	37,585,924
Money at call and on short notice	6	-	-
Investments	7	33,941,240,182	33,933,356,023
Government		28,878,786,423	30,512,642,417
Others		5,062,453,759	3,420,713,606
Loans and advances/investments	8	101,189,969,268	104,911,261,053
Loans, cash credits, overdrafts, etc/investments		97,532,454,857	101,074,736,530
Bills purchased and discounted		3,657,514,411	3,836,524,523
Fixed assets including premises, furniture and fixtures	9	5,255,677,972	5,288,348,327
Other assets	10	9,023,112,607	8,573,325,470
Non - banking assets		-	-
Total assets		159,729,885,861	163,777,743,402
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	6,253,404,403	1,944,757,246
Subordinated non-convertible zero coupon bonds	11 aa	599,998,411	599,998,411
Deposits and other accounts	12	122,686,778,106	133,489,374,641
Current/AI-wadeeah current accounts and other accounts		18,501,514,983	17,124,519,794
Bills payable		1,051,722,575	1,667,720,280
Savings bank/Mudaraba savings bank deposits		13,292,975,500	12,827,249,596
Fixed deposits/Mudaraba fixed deposits		89,840,565,048	101,869,884,971
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13	15,097,069,865	13,125,909,087
Total liabilities		144,637,250,785	149,160,039,385
Capital/shareholders' equity			
Total shareholders' equity		15,092,635,076	14,617,704,017
Paid-up capital	14.2	7,629,955,940	6,936,323,590
Share premium		330	330
Statutory reserve	15	4,365,058,491	4,208,075,877
Revaluation reserve	16	2,902,617,949	2,705,391,603
General reserve		8,166,144	8,166,144
Retained earnings	17	186,836,222	759,746,473
Total liabilities and shareholders' equity		159,729,885,861	163,777,743,402

Bank Asia Limited
Balance Sheet as at 31 March 2014

		Amount in Taka	
		At	At
		31 March 2014	31 Dec 2013
OFF-BALANCE SHEET ITEMS			
	Notes		
Contingent liabilities	18	72,700,858,014	67,164,264,930
Acceptances and endorsements		22,660,194,684	22,488,214,073
Letters of guarantee		19,761,010,077	17,820,912,163
Irrevocable letters of credit		19,860,191,489	17,909,992,216
Bills for collection		10,419,461,764	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		72,700,858,014	67,164,264,930

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Imran Ahmed FCA, CISA
Chief Financial Officer

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Md. Mehmood Husain
President & Managing Director

Bank Asia Limited
Profit and Loss Statement
for the period ended 31 March 2014

		Amount in Taka	
		Period ended	Period ended
		31 March 2014	31 March 2013
	Notes		
OPERATING INCOME			
Interest income	20	3,574,254,717	3,471,536,859
Interest paid on deposits and borrowings, etc	21	2,740,841,711	2,625,814,508
Net interest income		833,413,006	845,722,351
Investment income	22	800,132,721	538,456,948
Commission, exchange and brokerage	23	421,614,935	383,472,888
Other operating income	24	105,729,662	100,680,124
		1,327,477,318	1,022,609,960
Total operating income (A)		2,160,890,324	1,868,332,311
Salaries and allowances	25	448,112,893	339,600,829
Rent, taxes, insurance, electricity, etc	26	111,759,220	94,300,259
Legal expenses	27	2,365,850	1,556,953
Postage, stamp, telecommunication, etc	28	16,438,304	14,602,900
Stationery, printing, advertisements, etc	29	14,478,180	16,426,560
Managing Director's salary and fees	30	2,550,000	2,550,000
Directors' fees	31	490,000	290,000
Auditors' fees	32	-	34,500
Depreciation and repairs of Bank's assets	33	100,424,047	78,251,724
Other expenses	34	129,512,995	165,495,498
Total operating expenses (B)		826,131,489	713,109,223
Profit before provision (C=A-B)		1,334,758,835	1,155,223,088
Provision for loans and advances/investments			
General provision		(51,871,408)	121,376,870
Specific provision		487,757,781	370,542,040
		435,886,373	491,918,910
Provision for off-balance sheet items		55,365,931	22,373,890
Provision for diminution in value of investments		53,866,297	-
Other provisions		4,727,164	-
Total provision (D)		549,845,765	514,292,800
Total profit before tax (C-D)		784,913,070	640,930,288
Provision for taxation			
Current tax	13.4.1	507,208,357	440,966,138
Deferred tax	13.4.2	-	-
		507,208,357	440,966,138
Net profit after tax		277,704,713	199,964,150
Appropriations			
Statutory reserve	15	156,982,614	128,186,058
General reserve		-	-
		156,982,614	128,186,058
Retained surplus		120,722,099	71,778,092
Earnings Per Share (EPS)	35	0.36	0.26

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Imran Ahmed FCA, CISA
Chief Financial Officer

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Md. Mehmood Husain
President & Managing Director

Bank Asia Limited

**Cash Flow Statement
for the 1st quarter ended 31 March 2014**

	Notes	Amount in Taka	
		Period ended	Period ended
		Jan to March, 2014	Jan to March, 2013
Cash flows from operating activities (A)			
Interest receipts		3,950,116,472	3,364,424,718
Interest payments		(2,740,841,711)	(2,625,814,508)
Fees and commission receipts		421,614,935	383,472,888
Cash payment to employees		(445,695,345)	(282,125,829)
Cash payment to suppliers		(29,743,251)	(33,578,096)
Income tax paid		(346,936,067)	(342,268,214)
Receipts from other operating activities		208,311,961	100,680,124
Payments for other operating activities		(262,860,876)	(278,266,698)
Operating profit before changes in operating assets & liabilities		753,966,118	286,524,385
Increase/decrease in operating assets and liabilities			
Loans and advances to customers		3,944,672,604	(2,983,257,992)
Other assets		(137,146,798)	(186,688,253)
Deposits from customers		(10,802,596,535)	1,807,829,330
Trading liabilities		4,308,647,157	1,630,899,849
Other liabilities		747,221,675	75,893,607
Net increase/decrease in operating liabilities		(1,939,201,897)	344,676,541
Net cash flow /used in operating activities (A)		(1,185,235,779)	631,200,926
Cash flows from investing activities (B)			
Investments in treasury bills, bonds and others		2,129,643,509	(1,275,156,749)
Sale/(Purchase) of trading securities		(1,641,740,153)	1,204,722,040
Purchase of fixed assets		(53,164,945)	(202,216,024)
Investments in subsidiaries		-	-
Net cash from/used in financing activities		434,738,411	(272,650,733)
Cash flows from financing activities (C)			
Payment for finance lease		(275,829)	(563,412)
Subordinated non-convertible zero coupon bonds		-	-
Net cash from/used in financing activities		(275,829)	(563,412)
Net increase/decrease in cash and cash equivalents (A+B+C)		(750,773,197)	357,986,781
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 period		10,323,464,242	10,878,716,262
Cash and cash equivalents:			
Cash		1,225,989,917	1,271,792,442
Balance with Bangladesh Bank and its agent bank(s)		7,659,645,122	7,296,133,806
Balance with other banks and financial institutions		1,434,250,793	2,308,111,914
Money at call and on short notice		-	-
Prize bonds		3,578,410	2,678,100
		10,323,464,242	10,878,716,262

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Imran Ahmed FCA, CISA
Chief Financial Officer

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Md. Mehmood Husain
President & Managing Director

Bank Asia Limited

**Statement of Changes in Equity
for the period ended 31 March 2014**

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	Share premium	Revaluation reserve	General reserve	Retained earnings	Total
Balance at 01 January 2013	6,305,748,720	3,503,958,171	330	2,592,675,837	8,166,144	634,621,144	13,045,170,346
Statutory reserve	-	-	-	-	-	-	-
Revaluation reserve	-	-	-	22,102,606	-	-	22,102,606
Issue of bonus shares	630,574,870	-	-	-	-	(630,574,870)	-
Issue of right shares	-	-	-	-	-	-	-
Net profit for the period of 1st Jan to 31 March 2013 after tax	-	-	-	-	-	199,964,150	199,964,150
						-	-
Balance as at 31 March 2013	6,936,323,590	3,503,958,171	330	2,614,778,443	8,166,144	204,010,424	13,267,237,102
Statutory reserve	-	704,117,706	-	-	-	(704,117,706)	-
Revaluation reserve	-	-	-	90,613,160.00	-	-	90,613,160
Issue of bonus shares	-	-	-	-	-	-	-
Issue of right shares	-	-	-	-	-	-	-
Net profit for the period						1,259,853,755	1,259,853,755
Balance at 31 December 2013	6,936,323,590	4,208,075,877	330	2,705,391,603	8,166,144	759,746,473	14,617,704,017
Balance at 01 January 2014	6,936,323,590	4,208,075,877	330	2,705,391,603	8,166,144	759,746,473	14,617,704,017
Statutory reserve	-	156,982,614	-	-	-	(156,982,614)	-
Revaluation reserve	-	-	-	197,226,346	-	-	197,226,346
Issue of bonus shares	693,632,350	-	-	-	-	(693,632,350)	-
Issue of right shares	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	277,704,713	277,704,713
						-	-
Balance at 31 March 2014	7,629,955,940	4,365,058,491	330	2,902,617,949	8,166,144	186,836,222	15,092,635,076

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Imran Ahmed FCA, CISA
Chief Financial Officer

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Md. Mehmood Husain
President & Managing Director

Bank Asia Limited

Notes to financial statements for the Period ended 31 March 2014

General

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 86 branches, 6 SME centres and 90 own ATM booths. The Bank has two subsidiary companies namely, Bank Asia Securities Limited incorporated in Bangladesh and BA Exchange Company (UK) Limited incorporated in United Kingdom. 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 (2nd to 6th Floors), 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 Bank Asia Securities Limited

Bank Asia Securities Limited, a fully 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 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.

1.4 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 wholly owned subsidiary to facilitate speedy and dependable medium for remitting the hard-earned money of expatriates to home.

1.5 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.

Bank Asia Limited

Notes to financial statements for the Period ended 31 March 2014

1.6 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.

1.7 BA Express USA, Inc

Bank Asia has obtained license for BA Express USA, Inc from New York State Department of Financial Services. Hopefully, during the second quarter of 2014, this 100% owned subsidiary will be able to start its operation in USA.

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 (DSE), Chittagong Stock Exchange (CSE) and Central Depository Bangladesh (CDBL) rules and regulations.

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.

Bank Asia Limited

Notes to financial statements for the Period ended 31 March 2014

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 Exchange Company (UK) Limited are US Dollar and UK Pound respectively. 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".

Assets and liabilities in foreign currencies as at March 31, 2014 have been converted into Taka currency at the notional rate determined by the Bank.

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.

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 notional rate on the date of Balance sheet.
- b. income and expenses for Profit and Loss Statement have been translated at notional 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 two subsidiary companies namely, Bank Asia Securities Limited operating in Bangladesh and BA Exchange Company (UK) Limited operating in United Kingdom.

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 March 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.

Bank Asia Limited

Notes to financial statements for the period ended 31 March 2014

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 two 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	Wholly Owned	FSA, UK

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. Its 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.

Bank Asia Limited

Notes to financial statements for the period ended 31 March 2014

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)
Zero coupon bonds	At present value (using amortisation concept)
Prize bonds and other bonds	At cost
Debentures	At cost
Unquoted shares (ordinary)	At lower of cost and book value
Quoted shares (ordinary)	At lower of cost and market value at balance sheet date.

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."

Bank Asia Limited

Notes to financial statements for the period ended 31 March 2014

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 "Consolidated and Separate Financial Statements" and BFRS 3 "Business Combination".

3.1.6 Loans and advances/investments

- a) Loans and advances/investments are stated in the balance sheet on gross basis.
- b) 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.
- c) Commission and discounts on bills purchased and discounted are recognised at the time of realisation.
- d) 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. 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.

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		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.

Bank Asia Limited

Notes to financial statements for the period ended 31 March 2014

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:

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

Subsequent costs

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

Bank Asia Limited

Notes to financial statements for the period ended 31 March 2014

Depreciation

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

<u>Category of assets</u>	<u>Rate of depreciation</u>
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 Fixed Assets, 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

- 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.
- 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.

Bank Asia Limited

Notes to financial statements for the period ended 31 March 2014

3.1.12 Other assets

Other assets include all other financial assets and include fees and other unrealised income receivable, advance for operating and capital expenditure and stocks of stationery and stamps.

3.1.13 Inventories

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

3.2 Liabilities and provisions

3.2.1 Borrowings from other banks, financial institutions and agents

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

3.2.2 Deposits and other accounts

Deposits and other accounts include non interest-bearing current deposit redeemable at call, bills payable, interest bearing on demand and special notice deposits, savings deposit 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.

Bank Asia Limited

Notes to financial statements for the period ended 31 March 2014

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. 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.

Bank Asia Limited

Notes to financial statements for the period ended 31 March 2014

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

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.

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.

Bank Asia Limited

Notes to financial statements for the period ended 31 March 2014

3.7.3 Superannuation Fund

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

3.7.4 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 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.

Bank Asia Limited

Notes to financial statements for the period ended 31 March 2014

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 March 31, 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 2012. 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 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
- (iii) These notes form an integral part of the annexed financial statements and accordingly are to be

Bank Asia Limited
Notes to financial statements for the period ended 31 March 2014

		Amount in Taka	
		At	At
		31 March 2014	31 Dec 2013
4	Cash		
4.1	In hand		
	Conventional and Islamic banking:		
	Local currency	1,212,239,507	1,610,300,083
	Foreign currencies	13,750,410	11,392,460
		<u>1,225,989,917</u>	<u>1,621,692,543</u>
	Off-shore banking unit	-	-
		<u>1,225,989,917</u>	<u>1,621,692,543</u>
4.1(a)	Consolidated In hand		
	Bank Asia Limited	1,225,989,917	1,621,692,543
	Bank Asia Securities Limited	11,164	14,857
	BA Exchange Company (UK) Limited	3,298,360	2,041,520
		<u>1,229,299,441</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)	7,548,125,157	7,949,014,646
	Foreign currencies	3,454,191	95,017,949
		<u>7,551,579,348</u>	<u>8,044,032,595</u>
	Balance with agent bank (Sonali Bank Limited)		
	Local currency	108,065,774	42,844,146
	Foreign currencies	-	-
		<u>108,065,774</u>	<u>42,844,146</u>
		<u>7,659,645,122</u>	<u>8,086,876,741</u>
	Off-shore banking unit	-	-
		<u>7,659,645,122</u>	<u>8,086,876,741</u>
4.2(a)	Consolidated Balance with Bangladesh Bank and its agent bank		
	Bank Asia Limited:	7,659,645,122	8,086,876,741
	Bank Asia Securities Limited	-	-
	BA Exchange Company (UK) Limited	-	-
		<u>7,659,645,122</u>	<u>8,086,876,741</u>
5	Balance with other banks and financial institutions		
	In Bangladesh		
	Conventional and Islamic banking (Note 5.1.1)		
	Off-shore banking unit	1,340,371,936	1,325,297,321
		<u>-</u>	<u>-</u>
		<u>1,340,371,936</u>	<u>1,325,297,321</u>
	Outside Bangladesh		
	Conventional and Islamic banking (Note 5.2.1)		
	Off-shore banking unit	45,024,540	30,350,600
		<u>48,854,317</u>	<u>7,235,324</u>
		<u>93,878,857</u>	<u>37,585,924</u>
		<u>1,434,250,793</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	752,226	752,918
	Sonali Bank Limited	161,456,648	61,252,979
	Standard Chartered Bank	5,187,329	366,707
	Prime Bank Limited	-	-
	Trust Bank Limited	10,684,762	(34,602,703)
		<u>178,948,725</u>	<u>28,637,661</u>
	Short- notice deposit accounts		
	BRAC Bank Limited	8,731,457	4,685,599
	AB Bank Limited	494,980	489,190
	Islami Bank Bangladesh Limited	160,042	160,042
	Rupali Bank Limited	-	-
	Uttara Bank Limited	554,911	1,771,057
		<u>9,941,390</u>	<u>7,105,888</u>
	Fixed deposit accounts/ MTDR		
	Islamic Finance and Investment Limited	100,000,000	100,000,000
	Hajj Finance Company Limited	200,000,000	150,000,000
	Southeast Bank Limited	200,000,000	200,000,000
	The Premier Bank Limited	200,000,000	200,000,000
	Al-Arafah Islami Bank limited	451,481,821	439,553,772
	Union Bank Limited	-	200,000,000
		<u>1,151,481,821</u>	<u>1,289,553,772</u>
		<u>1,340,371,936</u>	<u>1,325,297,321</u>

Bank Asia Limited
Notes to financial statements for the period ended 31 March 2014

		Amount in Taka	
		At	At
		31 March 2014	31 Dec 2013
5.2	Outside Bangladesh		
5.2.1	Conventional and Islamic banking		
	Current accounts		
	Interest bearing :		
	Citibank N.A., London (EURO)	-	752,522
	Citibank N.A., London (GBP)	29,097,472	319,791
	Citibank NA, New York (USD)	-	150,771
	Habib American Bank, New York	-	6,913
	Mashreqbank psc, New York	-	1,816,270
	National Westminster Bank plc, London	-	125,970
	Standard Chartered Bank, Mumbai	-	1,900,097
	Standard Chartered Bank, New York	-	495,162
		<u>29,097,472</u>	<u>5,567,496</u>
	Non-interest bearing :		
	AB Bank Limited, Mumbai	-	41,091
	Bhutan National Bank Limited, Thimphu	636,507	702,167
	Commerzbank AG, Frankfurt (EURO)	-	1,813,503
	Habib Metropolitan Bank Limited, Karachi	-	1,688,249
	HSBC Australia Limited, Sydney	4,471	25,493
	HSBC, New York	-	3,542,797
	Hypo Vereinsbank, Munich	720,342	46,932
	ICICI Bank Limited, Kowloon	-	891,184
	ICICI Bank Limited, Mumbai	-	993,418
	Muslim Commercial Bank Limited, Colombo	2,938,456	2,751,569
	Muslim Commercial Bank Limited, Karachi	5,668,691	3,719,191
	Nepal Bangladesh Bank Limited, Kathmandu	1,134,729	2,012,529
	UBAF, Tokyo	681,223	1,388,798
	Sonali Bank (UK) Limited, London	-	282,710
	Wachovia Bank N.A, New York	174,345	82,119
	JP Morgan Chase Bank N.A New York, U.S.A	-	1,290,761
	Al Rajhi Bank K.S.A	1,988,360	1,988,360
	Saudi Hollandi K.S.A	109,714	109,714
	Wachovia Bank, London	-	54,819
	Zurcher Kantonal Bank, Switzerland	970,401	339,950
	Habib Bank UK, London	162,018	650,000
	National Australia Bank Limited	216,008	92,750
	Casisse Centrale Desjardins	103,781	275,000
	Commerzbank AG, Frankfurt (USD)	418,022	-
		<u>15,927,068</u>	<u>24,783,104</u>
		<u>45,024,540</u>	<u>30,350,600</u>
5(a)	Consolidated Balance with other banks and financial institutions		
	In Bangladesh		
	Bank Asia Limited	1,340,371,936	1,325,297,321
	Bank Asia Securities Limited	5,162,120	6,302,861
	BA Exchange Company (UK) Limited	-	-
		<u>1,345,534,056</u>	<u>1,331,600,182</u>
	<u>Less: Inter-company transactions</u>	<u>-</u>	<u>1,449,463</u>
		<u>1,345,534,056</u>	<u>1,330,150,719</u>
	Outside Bangladesh		
	Bank Asia Limited	93,878,857	37,585,924
	Bank Asia Securities Limited	-	-
	BA Exchange Company (UK) Limited	7,118,020	1,185,210
		<u>100,996,877</u>	<u>38,771,134</u>
		<u>1,446,530,933</u>	<u>1,368,921,853</u>
6	Money at call and on short notice		
	Call money		
	With Banking companies (Note 6.1)	-	-
	With Non-banking financial institutions	-	-
		<u>-</u>	<u>-</u>
6.1	Call Money- with Banking companies:		
	South East Bank Limited	-	-
	Mutual Trust Bank Limited	-	-
		<u>-</u>	<u>-</u>
6(a)	Consolidated Money at call and on short notice		
	Bank Asia Limited	-	-
	Bank Asia Securities Limited	-	-
	BA Exchange Company (UK) Limited	-	-
		<u>-</u>	<u>-</u>

Bank Asia Limited
Notes to financial statements for the period ended 31 March 2014

		Amount in Taka	
		At	At
		31 March 2014	31 Dec 2013
7	Investments		
	Government (Note 7.1)	28,878,786,423	30,512,642,417
	Others (Note 7.2)	5,062,453,759	3,420,713,606
		<u>33,941,240,182</u>	<u>33,933,356,023</u>
7.1	Government		
	Conventional and Islamic banking (Note 7.1.1)	28,878,786,423	30,512,642,417
	Off-shore banking unit	-	-
		<u>28,878,786,423</u>	<u>30,512,642,417</u>
7.1.1	Conventional and Islamic banking		
	Treasury bills (Note 7.1.1.1)	5,300,925,368	9,101,643,856
	Treasury bonds (Note 7.1.1.2)	23,569,282,645	21,403,213,651
	Debentures of House Building Finance Corporation	5,000,000	5,000,000
	Prize bonds	3,578,410	2,784,910
		<u>28,878,786,423</u>	<u>30,512,642,417</u>
7.1.1.1	Treasury bills		
	91 days treasury bills	5,300,925,368	147,949,221
	182 days treasury bills	-	363,616,692
	364 days treasury bills	-	8,590,077,943
		<u>5,300,925,368</u>	<u>9,101,643,856</u>
7.1.1.2	Treasury bonds		
	Bangladesh Bank Islamic bond	201,500,000	187,500,000
	30 days Bangladesh Government treasury bonds	1,546,103,845	777,576,373
	2 years Bangladesh Government treasury bonds	1,645,255,977	1,629,864,237
	5 years Bangladesh Government treasury bonds	8,339,851,503	9,116,194,613
	10 years Bangladesh Government treasury bonds	10,739,817,318	8,595,324,426
	15 years Bangladesh Government treasury bonds	920,286,261	920,286,261
	20 years Bangladesh Government treasury bonds	176,467,741	176,467,741
		<u>23,569,282,645</u>	<u>21,403,213,651</u>
7.2	Others		
	Conventional and Islamic banking (Note 7.2.1)	5,062,453,759	3,420,713,606
		<u>5,062,453,759</u>	<u>3,420,713,606</u>
7.2.1	Conventional and Islamic banking		
	a) Ordinary shares		
	Quoted shares	544,835,589	544,835,589
	Unquoted share	142,114,917	142,115,780
		<u>686,950,506</u>	<u>686,951,369</u>
	b) Mutual Fund		
	1st Janata Bank Mutual fund	50,000,000	50,000,000
	EBL NRB 1st Mutual Fund	149,665,000	149,665,000
	Ist Bangladesh Fixed Income Fund	250,000,000	250,000,000
	MBL 1st Mutual Fund	50,000,000	50,000,000
	EXIM Bank 1st Mutual Fund	248,740,000	248,740,000
		<u>748,405,000</u>	<u>748,405,000</u>
	c) Debentures		
	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		
	ACI Zero Coupon Bonds	16,615,278	16,615,278
	MTBL subordinated bond	150,000,000	150,000,000
	Orascom Telecom Bangladesh Limited	160,000,000	160,000,000
	Prime Bank Limited	140,000,000	140,000,000
		<u>466,615,278</u>	<u>466,615,278</u>
	e) Placements		
	With Banking companies (Note 7.2.1(a))	-	-
	With Non-banking financial institutions (Note 7.2.1(b))	3,144,500,000	1,500,000,000
		<u>3,144,500,000</u>	<u>1,500,000,000</u>
		<u>5,062,453,759</u>	<u>3,420,713,606</u>
7.2.1(a)	Placement- with Banking companies:		
	Prime Bank Limited	-	-
	Dhaka Bank Limited	-	-
		<u>-</u>	<u>-</u>
7.2.1(b)	Placement- with Non-banking financial institutions:		
	Investment Corporation of Bangladesh	3,144,500,000	1,150,000,000
	Phoenix Finance and Investment Company Limited	-	200,000,000
	Union Capital Limited	-	100,000,000
	Bangladesh Finance	-	50,000,000
		<u>3,144,500,000</u>	<u>1,500,000,000</u>

Bank Asia Limited
Notes to financial statements for the period ended 31 March 2014

		Amount in Taka	
		At	At
		31 March 2014	31 Dec 2013
7(a) Consolidated Investments			
	Government		
	Bank Asia Limited	28,878,786,423	30,512,642,417
	Bank Asia Securities Limited	-	-
	BA Exchange Company (UK) Limited	-	-
		<u>28,878,786,423</u>	<u>30,512,642,417</u>
	Others		
	Bank Asia Limited	5,062,453,759	3,420,713,606
	Bank Asia Securities Limited	212,196,029	178,196,029
	BA Exchange Company (UK) Limited	-	-
		<u>5,274,649,788</u>	<u>3,598,909,635</u>
		<u>34,153,436,211</u>	<u>34,111,552,052</u>
8 Loans and advances/investments			
	Loans, cash credits, overdrafts, etc/investments (Note 8.1)	97,532,454,857	101,074,736,530
	Bills purchased and discounted (Note 8.2)	3,657,514,411	3,836,524,523
		<u>101,189,969,268</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	21,397,165,018	23,045,160,010
	Cash credit/Bai Murabaha (Muajjal)	761,146,871	794,776,624
	Loans (General)/ Musharaka	18,172,582,974	16,534,053,688
	House building loans	196,069,218	204,978,595
	Loan against trust receipts/ Bai Murabaha post import	12,153,434,601	14,356,815,703
	Payment against documents	697,432,869	592,809,509
	Consumer credit scheme	3,489,590,779	3,326,870,132
	Transport loan	929,110,169	967,743,358
	Term loan- industrial	6,358,748,395	6,830,057,095
	Term loan- others/ Hire purchase under Shirkatul Melk	27,399,219,289	27,835,722,087
	Staff Loan	822,702,043	814,286,807
	Credit card	966,836,718	951,977,130
	Small and medium enterprise (SME)	2,487,576,267	2,605,569,547
	Credit for poverty alleviation scheme-micro credit	10,363,093	11,313,151
		<u>95,841,978,304</u>	<u>98,872,133,436</u>
	Outside Bangladesh	-	-
		<u>95,841,978,304</u>	<u>98,872,133,436</u>
	Off-shore banking unit	1,690,476,553	2,202,603,094
		<u>97,532,454,857</u>	<u>101,074,736,530</u>
8.2 Bills purchased and discounted			
	Conventional and Islamic banking	3,442,672,561	3,789,937,684
	Off-shore banking unit	214,841,850	46,586,839
		<u>3,657,514,411</u>	<u>3,836,524,523</u>
8.3 Bills purchased and discounted			
	Payable in Bangladesh	3,167,793,527	3,464,833,678
	Payable outside Bangladesh	489,720,884	371,690,845
		<u>3,657,514,411</u>	<u>3,836,524,523</u>
8.(a) Consolidated Loans and advances/investments			
	Loans, cash credits, overdrafts, etc/investments		
	Bank Asia Limited	97,532,454,857	101,074,736,530
	Bank Asia Securities Limited	5,762,562,624	5,580,299,642
	BA Exchange Company (UK) Limited	-	-
		<u>103,295,017,481</u>	<u>106,655,036,172</u>
	<u>Less: Inter- companies transactions</u>	<u>2,695,713,899</u>	<u>2,548,996,460</u>
		<u>100,599,303,582</u>	<u>104,106,039,712</u>
	Bills purchased and discounted		
	Bank Asia Limited	3,657,514,411	3,836,524,523
	Bank Asia Securities Limited	-	-
	BA Exchange Company (UK) Limited	-	-
		<u>3,657,514,411</u>	<u>3,836,524,523</u>
		<u>104,256,817,993</u>	<u>107,942,564,235</u>
9 Fixed assets including premises, furniture and fixtures			
	Conventional and Islamic banking (Note 9.1)	5,255,398,538	5,288,050,203
	Off-shore banking unit	279,434	298,124
		<u>5,255,677,972</u>	<u>5,288,348,327</u>

Bank Asia Limited
Notes to financial statements for the period ended 31 March 2014

		Amount in Taka	
		At	At
		31 March 2014	31 Dec 2013
9(a) Fixed assets including premises, furniture and fixtures			
Bank Asia Limited		5,255,677,972	5,288,348,327
Bank Asia Securities Limited		8,872,218	9,852,653
BA Exchange Company (UK) Limited		12,019,930	12,576,200
		5,276,570,120	5,310,777,180
10 Other assets			
Conventional and Islamic banking (Note 10.1)		9,000,553,799	8,533,671,497
Off-shore banking unit		22,558,808	39,653,973
		9,023,112,607	8,573,325,470
10.1 Conventional and Islamic banking			
Income generating other assets			
Income receivable (Note 10.2)		656,354,812	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
		2,695,344,812	2,712,545,375
Non-income generating other assets			
Stock of stamps		3,818,615	3,595,391
Stationery, printing materials, etc		26,690,590	27,707,617
Prepaid expenses		28,935,850	7,372,165
Deposits and advance rent		363,843,185	378,522,022
Due from Capital Market Division of the Bank		11,529,019	9,999,998
Branch adjustment account (Note 10.3)		-	40,645,004
Advances, prepayments and others (Note 10.4)		189,094,436	96,611,166
Advance income tax		5,348,399,822	5,001,463,755
Receivable against government		120,694,556	73,088,401
Sundry debtors		80,840,143	63,361,605
Protested bills		57,163,704	57,163,704
Receivable from BA Exchange Company (UK) Limited		22,737,527	16,145,334
Investment in BA Express USA Inc		50,400,000	41,300,000
Excise duty recoverable		1,061,540	4,149,960
		6,305,208,987	5,821,126,122
		9,000,553,799	8,533,671,497
10.2 Income receivable			
		Income receivable consists of interest accrued on investment and other income.	
10.4 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.	
10.5 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		9,023,112,607	8,573,325,470
Bank Asia Securities Limited		138,900,342	111,568,819
BA Exchange Company (UK) Limited		1,335,360	2,996,240
		9,163,348,309	8,687,890,529
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		39,000,000	39,000,000
Receivable from BASL		11,529,019	9,999,998
Receivable from BA Exchange Company (UK) Limited		22,737,527	16,145,334
Advance paid to BASL against share capital		-	-
		7,090,091,763	6,622,755,197
11 Borrowings from other banks, financial institutions and agents			
Conventional and Islamic banking (Note 11.1)		6,253,404,403	1,944,757,246
Off-shore banking unit		-	-
		6,253,404,403	1,944,757,246
11.1 Conventional and Islamic banking			
In Bangladesh (Note 11.1.1)		6,253,404,403	1,944,757,246
Outside Bangladesh		-	-
		6,253,404,403	1,944,757,246

Bank Asia Limited
Notes to financial statements for the period ended 31 March 2014

	Amount in Taka	
	At 31 March 2014	At 31 Dec 2013
11.1.1 In Bangladesh		
Secured	-	-
Un secured:		
Money at call and on short notice		
Trust Bank Limited	5,620,000,000	-
	<u>5,620,000,000</u>	<u>-</u>
Term borrowing		
Bangladesh Bank refinance (Islamic)	400,000,000	-
Bangladesh Bank refinance	213,404,403	1,924,757,246
SME Foundation Pre Finance	20,000,000	20,000,000
	<u>633,404,403</u>	<u>1,944,757,246</u>
	<u>6,253,404,403</u>	<u>1,944,757,246</u>
11(a) Consolidated Borrowings from other banks, financial institutions and agents		
Bank Asia Limited	6,253,404,403	1,944,757,246
Bank Asia Securities Limited	3,094,648,246	2,963,356,289
BA Exchange Company (UK) Limited	-	-
	<u>9,348,052,649</u>	<u>4,908,113,535</u>
Less: inter- companies transactions	<u>2,695,713,899</u>	<u>2,548,996,460</u>
	<u>6,652,338,750</u>	<u>2,359,117,075</u>
11(aa) Subordinated Non-Convertible Zero Coupon Bond		
A.K Khan & Company Limited	249,997,004	249,997,004
EBL NRB Mutual Fund	19,920,576	19,920,576
Popular Life 1st Mutual Fund	9,960,288	9,960,288
EXIM Bank 1st Mutual Fund	39,996,781	39,996,781
IFIC Bank 1st Mutual Fund	9,960,288	9,960,288
AB Bank 1st Mutual Fund	37,973,598	37,973,598
EBL First Mutual Fund	9,991,414	9,991,414
First Bangladesh Fixed Income Fund	209,944,195	209,944,195
Industrial and Infrastructure Development Finance Company Limited (IIDFC)	12,254,267	12,254,267
	<u>599,998,411</u>	<u>599,998,411</u>
12 Deposits and other accounts		
Conventional and Islamic banking (Note 12.1)	122,185,624,339	132,802,504,952
Off-shore banking unit	501,153,767	686,869,689
	<u>122,686,778,106</u>	<u>133,489,374,641</u>
Deposits and other accounts		
Current/AI-wadeeah current accounts and other accounts		
Deposits from banks	-	-
Deposits from customers	18,055,591,302	16,836,782,077
	<u>18,055,591,302</u>	<u>16,836,782,077</u>
Bills payable		
Deposits from banks	-	-
Deposits from customers	1,051,722,575	1,667,720,280
	<u>1,051,722,575</u>	<u>1,667,720,280</u>
Savings bank/Mudaraba savings bank deposits		
Deposits from banks	-	-
Deposits from customers	13,292,975,500	12,827,249,596
	<u>13,292,975,500</u>	<u>12,827,249,596</u>
Fixed deposits/Mudaraba fixed deposits		
Deposits from banks	400,000,000	4,500,000,000
Deposits from customers	89,385,334,962	96,970,752,999
	<u>89,785,334,962</u>	<u>101,470,752,999</u>
	<u>122,185,624,339</u>	<u>132,802,504,952</u>
12.1 Conventional and Islamic banking		
Deposits from banks (Note 12.1.1)	400,000,000	4,500,000,000
Deposits from customers (Note 12.1.2)	121,785,624,339	128,302,504,952
	<u>122,185,624,339</u>	<u>132,802,504,952</u>
12.1.1 Deposits from banks		
Fixed deposit:		
The Premier Bank Limited	200,000,000	200,000,000
Southeast Bank	200,000,000	200,000,000
IFIC Bank Limited	-	500,000,000
Rupali Bank Limited	-	3,000,000,000
ONE Bank Limited	-	600,000,000
	<u>400,000,000</u>	<u>4,500,000,000</u>
Bangladesh Bank refinance	-	-
	<u>400,000,000</u>	<u>4,500,000,000</u>

Bank Asia Limited
Notes to financial statements for the period ended 31 March 2014

	Amount in Taka	
	At 31 March 2014	At 31 Dec 2013
12.1.2 Deposits from customers		
Current/Al-wadeeah current accounts and other accounts (Note 12.1.2a)	18,055,591,302	16,836,782,077
Bills payable (Note 12.1.2b)	1,051,722,575	1,667,720,280
Savings bank/Mudaraba savings deposits	13,292,975,500	12,827,249,596
Fixed deposits/Mudaraba fixed deposits (Note 12.1.2c)	89,385,334,962	96,970,752,999
	121,785,624,339	128,302,504,952
12.1.2a Current/Al-wadeeah current accounts and other accounts		
Current/Al-wadeeah current accounts	6,199,037,253	6,088,225,409
Other demand deposit - Local currency	8,944,823,360	8,704,668,986
Other demand deposit - Foreign currencies	2,274,991,919	1,545,775,165
Foreign currency deposits	636,738,770	498,112,517
Export retention quota	-	-
	18,055,591,302	16,836,782,077
12.1.2b Bills payable		
Bills payable - local currency	1,043,880,571	1,659,276,640
Bills payable - foreign currencies	7,842,004	8,443,640
Demand draft	-	-
	1,051,722,575	1,667,720,280
12.1.2c Fixed deposits/Mudaraba fixed deposits		
Fixed deposits/Mudaraba fixed deposits	57,696,439,631	67,486,671,493
Special notice deposit	8,549,361,323	9,444,532,308
Foreign currency deposits (interest bearing)	5,470,833	5,469,270
Deposit under schemes	23,134,063,175	20,034,079,928
	89,385,334,962	96,970,752,999
12.2 Payable on demand and time deposits		
a) Demand deposits		
Current/Al-wadeeah current accounts and other accounts	6,644,960,934	6,375,963,126
Savings bank/Mudaraba savings deposits	1,196,367,795	1,154,452,464
Foreign currency deposits (non interest bearing)	2,911,730,689	2,043,887,682
Sundry deposits	8,944,823,360	8,704,668,986
Bills payable	1,051,722,575	1,667,720,280
	20,749,605,353	19,946,692,538
b) Time deposits		
Savings bank/Mudaraba savings deposits	12,096,607,705	11,672,797,132
Fixed deposits/Mudaraba fixed deposits	58,151,669,717	72,385,803,465
Foreign currency deposits (interest bearing)	5,470,833	5,469,270
Special notice deposit	8,549,361,323	9,444,532,308
Security deposits	-	-
Deposits under schemes	23,134,063,175	20,034,079,928
	101,937,172,753	113,542,682,103
	122,686,778,106	133,489,374,641
12(a) Consolidated Deposits and other accounts		
Current/Al-wadeeah current accounts and other accounts		
Bank Asia Limited	18,501,514,983	17,124,519,794
Bank Asia Securities Limited	152,740,604	194,964,630
BA Exchange Company (UK) Limited	-	-
	18,654,255,587	17,319,484,424
Less: Inter-company transactions		
	-	1,449,463
	18,654,255,587	17,318,034,961
Bills payable		
Bank Asia Limited	1,051,722,575	1,667,720,280
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
	1,051,722,575	1,667,720,280
Savings bank/Mudaraba savings bank deposits		
Bank Asia Limited	13,292,975,500	12,827,249,596
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
	13,292,975,500	12,827,249,596
Fixed deposits/Mudaraba fixed deposits		
Bank Asia Limited	89,840,565,048	101,869,884,971
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
	89,840,565,048	101,869,884,971

Bank Asia Limited
Notes to financial statements for the period ended 31 March 2014

	Amount in Taka	
	At 31 March 2014	At 31 Dec 2013
13 Other liabilities		
Provision for loans and advances/investments (Note 13.1)	4,622,561,973	4,112,634,273
Provision on off-balance sheet exposures (Note 13.2)	727,008,580	671,642,649
Interest suspense account	825,868,371	687,051,851
Provision for income tax including deferred tax (Note 13.3)	7,158,574,433	6,651,366,076
Provision for performance and festival bonus	156,434,553	184,017,005
Master card and Visa card payables	12,392,052	7,306,276
Expenditures and other payables / adjustment of protested bills	85,039,603	80,379,428
Obligation under finance lease (Note 13.4)	10,120,717	10,836,114
Provision for nostro accounts (Note 13.5)	-	-
Other payable	40,574,660	47,448,817
Provision for profit equalisation	18,538,376	20,643,916
Provision for Smart Junior Saver A/c	49,665	49,665
Provision for diminution in value of shares	300,749,850	246,883,553
Payable to Government	36,365,155	32,465,155
Provision for others (Note 13.6)	74,549,500	69,831,098
Unearned income	223,380,819	244,882,150
Clearing adjustment account (includes OBU placement adjustment)	64,860,856	28,861,480
Interest payable on subordinated non-convertible zero coupon bond	34,834,800	29,609,581
Branch adjustment account credit balance	117,472,885	-
Nostro account credit balance	587,693,016	-
	<u>15,097,069,865</u>	<u>13,125,909,087</u>
13.1 Provision for loans and advances/investments		
A. General		
Balance at the beginning of the year	1,015,707,596	984,827,113
<u>Add</u> : Provision made during the period		
On general loans and advances/investments etc.	(70,827,793)	30,880,483
On special mentioned account	22,395,100	-
	(48,432,693)	30,880,483
<u>Less</u> : Provision no longer required		
On general loans and advances/investments etc.	-	-
On special mentioned account	-	-
	-	-
Balance at the end of the period	<u>967,274,903</u>	<u>1,015,707,596</u>
B. Specific		
Balance at the beginning of the year	3,074,434,778	2,641,109,129
<u>Less</u> : Interest waiver during the period	(119,642)	(123,022)
Write off during the year	-	(1,209,667,879)
	(119,642)	(1,209,790,901)
<u>Add/ Back</u> : Recoveries of amounts previously written off		
Provision against malkhanagar protested bills	26,981,120	123,313,731
Specific provision made during the year for other accounts	47,179,849	-
	487,757,781	1,519,802,819
	561,918,750	1,643,116,550
Balance at the end of the period	<u>3,636,233,886</u>	<u>3,074,434,778</u>
C. Total provision on loans and advances/investments (A+B)	<u>4,603,508,789</u>	<u>4,090,142,374</u>
D. General provision maintained for OBU as at 01 January	22,491,899	4,371,533
<u>Add</u> : Provision made during the year	(3,438,715)	18,120,366
Provision on loans and advances for OBU	19,053,184	22,491,899
E. Total provision on loans and advances/investments (C+D)	<u>4,622,561,973</u>	<u>4,112,634,273</u>
13.2 Provision on off-balance sheet exposures		
Balance at 1 January	668,513,351	587,637,090
<u>Add</u> : Provision made during the period	56,020,283	80,876,261
	724,533,634	668,513,351
<u>Less</u> : Adjustments made during the period	-	-
Balance at the end of the year	<u>724,533,634</u>	<u>668,513,351</u>
General provision maintained for OBU as at 01 January	3,129,298	4,520,276
<u>Add</u> : Provision made during the period	-	-
<u>Less</u> : Adjustments made during the period	(654,352)	(1,390,978)
	2,474,946	3,129,298
Balance at the end of the period	<u>727,008,580</u>	<u>671,642,649</u>
13.3 Provision for taxation		
Current tax (Note 13.3.1)	6,857,414,422	6,350,206,065
Deferred tax (Note 13.3.2)	301,160,011	301,160,011
	<u>7,158,574,433</u>	<u>6,651,366,076</u>

Bank Asia Limited
Notes to financial statements for the period ended 31 March 2014

	Amount in Taka	
	At 31 March 2014	At 31 Dec 2013
13.3.1 Provision for current tax		
Balance at 1 January	6,350,206,065	7,089,642,948
<u>Add</u> : Provision made during the period	507,208,357	2,041,583,693
	6,857,414,422	9,131,226,641
<u>Less</u> : Adjustments made during the period	-	(2,781,020,576)
	<u>6,857,414,422</u>	<u>6,350,206,065</u>
13.3.2 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	-	19,186,932
Charged/(credited) to revaluation reserve	-	-
	-	19,186,932
	301,160,011	301,160,011
Provision made for deferred tax assets	-	-
	<u>301,160,011</u>	<u>301,160,011</u>
13.3.1(a) Consolidated Provision for current tax		
Current Tax		
Bank Asia Limited	507,208,357	1,788,554,541
Bank Asia Securities Limited	4,697,178	16,070,482
BA Exchange Company (UK) Limited	-	-
	<u>511,905,535</u>	<u>1,804,625,023</u>
13.3.2(a) Consolidated provision for deferred tax		
Bank Asia Limited	-	19,186,932
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
	-	19,186,932
13.4 Obligation under finance lease		
Furniture, fixtures and equipment	-	-
Computer and accessories	-	-
Motor vehicles	10,120,717	10,836,114
Building	-	-
	<u>10,120,717</u>	<u>10,836,114</u>
13.5 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.		
13.6 Provision for others :		
Balance at the beginning of the year	69,831,098	69,831,323
Adjustment	(8,762)	(225)
<u>Add</u> : Provision made during the period	4,727,164	-
Balance at the end of the period	<u>74,549,500</u>	<u>69,831,098</u>
13(a) Consolidated Other liabilities		
Bank Asia Limited	15,097,069,865	13,125,909,087
Bank Asia Securities Limited	838,589,537	746,619,173
BA Exchange Company (UK) Limited	29,683,940	21,388,900
	<u>15,965,343,342</u>	<u>13,893,917,160</u>
<u>Less</u> : Inter- companies transactions		
Receivable from capital operation	11,529,019	9,999,998
Receivable from BA Exchange (UK) Limited	22,737,527	16,145,334
	<u>15,931,076,796</u>	<u>13,867,771,828</u>
14 Share capital		
14.1 Authorized capital		
1,500,000,000 ordinary shares of Taka 10 each	<u>15,000,000,000</u>	<u>15,000,000,000</u>
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>

Bank Asia Limited
Notes to financial statements for the period ended 31 March 2014

	Amount in Taka	
	At	At
	31 March 2014	31 Dec 2013
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
Share premium	330	330
Statutory reserve (Note 15)	4,365,189,361	4,208,075,877
Retained earnings (Note 17)	187,359,703	759,746,473
	12,182,505,335	11,904,146,270
Supplementary capital (Tier-II)		
General provision maintained against unclassified loan/investments	986,328,087	1,038,199,495
General provision on off-balance sheet exposure	727,008,580	671,642,649
Subordinated non-convertible zero coupon bonds	599,998,411	599,998,411
General reserve	8,166,144	8,166,144
Revaluation reserve of Government securities and fixed assets	1,451,308,975	1,352,695,802
	3,772,810,197	3,670,702,501
Additional supplementary capital (Tier-III)		
A) Total capital	15,955,315,531	15,574,848,771
B) Total risk weighted assets	141,454,600,000	140,976,922,828
C) Required capital	14,145,460,000	14,097,692,283
D) (Deficit)/Surplus (A-C)	1,809,855,531	1,477,156,488
Capital adequacy ratio:		
On core capital - against standard of minimum 5%	8.61%	8.44%
On total capital - against standard of minimum 10%	11.28%	11.05%
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	11,906	11,604
Share premium	330	330
Statutory reserve (Note 15)	4,365,189,361	4,208,075,877
Retained earnings (Note 17a)	184,171,637	699,449,908
	12,179,329,175	11,843,861,309
Supplementary capital (Tier-II)		
General provision maintained against unclassified loan/investments	986,328,087	1,038,199,495
General provision on off-balance sheet exposure	727,008,580	671,642,649
Subordinated non-convertible zero coupon bonds	599,998,411	599,998,411
General reserve	8,166,144	8,166,144
Revaluation reserve of Government securities and fixed assets	1,451,308,975	1,352,695,802
	3,772,810,197	3,670,702,501
Additional supplementary capital (Tier-III)		
A) Total capital	15,952,139,371	15,514,563,810
B) Total risk weighted assets	143,383,700,000	143,296,500,000
C) Required capital	14,338,370,000	14,329,650,000
D) (Deficit)/Surplus (A-C)	1,613,769,371	1,184,913,810
Capital adequacy ratio:		
On core capital - against standard of minimum 5%	8.49%	8.27%
On total capital - against standard of minimum 10%	11.13%	10.83%
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)	156,982,614	704,117,706
Balance at 31 March 2014	4,365,058,491	4,208,075,877
16 Revaluation reserve		
HTM securities (Note 16.1)	564,069	2,684,722
HFT securities (Note 16.2)	514,360,378	315,013,379
Fixed Assets revaluation (Note 16.3)	2,387,693,502	2,387,693,502
	2,902,617,949	2,705,391,603

Bank Asia Limited
Notes to financial statements for the period ended 31 March 2014

	Amount in Taka	
	At 31 March 2014	At 31 Dec 2013
16.1 Revaluation reserve on HTM securities		
Balance at 1 January	2,684,722	2,849,271
Gain from revaluation on investments	-	2,684,483
Adjustment for sale/maturity of securities	(2,120,653)	(2,849,032)
	<u>564,069</u>	<u>2,684,722</u>
16.2 Revaluation reserve on HFT securities		
Balance at 1 January	315,013,379	157,527,564
Gain from revaluation on investments	1,414,630,057	844,833,025
Adjustment for sale/maturity of securities	(1,215,283,058)	(687,347,210)
	<u>514,360,378</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 period	-	(44,605,500)
	<u>2,387,693,502</u>	<u>2,387,693,502</u>
16 (a) Consolidated Revaluation reserve		
Bank Asia Limited	2,902,617,949	2,705,391,603
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
	<u>2,902,617,949</u>	<u>2,705,391,603</u>
17 Retained earnings		
Balance at 1 January	759,746,473	634,621,144
<u>Add:</u> Post - tax profit for the period	277,704,713	1,459,817,905
<u>Less:</u> 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	156,982,614	704,117,706
	<u>186,836,222</u>	<u>759,746,473</u>
17(a) Consolidated Retained earnings		
Balance at 1 January	699,449,908	703,603,495
<u>Add:</u> Post- tax profit for the period	334,813,514	1,330,538,402
	-	-
<u>Less:</u> Non controlling interest	302	(587)
	<u>1,034,263,120</u>	<u>2,034,142,484</u>
<u>Less :</u> Issue of bonus shares	693,632,350	630,574,870
Transferred to statutory reserve	156,982,614	704,117,706
	<u>850,614,964</u>	<u>1,334,692,576</u>
	<u>183,648,156</u>	<u>699,449,908</u>
17(b) Non-controlling (Minority) interest		
Bank Asia Securities Limited	11,906	11,604
BA Exchange Company (UK) Limited	-	-
	<u>11,906</u>	<u>11,604</u>
18 Contingent liabilities		
Conventional and Islamic banking	72,453,363,423	66,851,335,098
Off-shore banking unit	247,494,591	312,929,832
	<u>72,700,858,014</u>	<u>67,164,264,930</u>
Acceptances and endorsements		
Conventional and Islamic banking	22,582,764,954	22,321,205,553
Off-shore banking unit	77,429,730	167,008,520
	<u>22,660,194,684</u>	<u>22,488,214,073</u>
Letters of guarantee		
Conventional and Islamic banking (Note 18.1)	19,761,010,077	17,820,912,163
Off-shore banking unit	-	-
	<u>19,761,010,077</u>	<u>17,820,912,163</u>
Irrevocable letters of credit		
Conventional and Islamic banking (Note 18.2)	19,696,156,149	17,857,816,246
Off-shore banking unit	164,035,340	52,175,970
	<u>19,860,191,489</u>	<u>17,909,992,216</u>
Bills for collection		
Conventional and Islamic banking (Note 18.3)	10,413,432,243	8,851,401,136
Off-shore banking unit	6,029,521	93,745,342
	<u>10,419,461,764</u>	<u>8,945,146,478</u>

Bank Asia Limited
Notes to financial statements for the period ended 31 March 2014

	Amount in Taka	
	At 31 March 2014	At 31 Dec 2013
Other contingent liabilities		
Conventional and Islamic banking	-	-
Off-shore banking unit	-	-
	<u>72,700,858,014</u>	<u>67,164,264,930</u>
18.1 Letters of guarantee		
Letters of guarantee (Local)	19,761,010,077	17,820,912,163
Letters of guarantee (Foreign)	-	-
	<u>19,761,010,077</u>	<u>17,820,912,163</u>
<u>Less: Margin</u>	-	-
	<u>19,761,010,077</u>	<u>17,820,912,163</u>
Balance for which the Bank is contingently liable in respect of guarantees issued favouring:		
Directors or officers	-	-
Government	-	30,744,576
Banks and other financial institutions	-	5,218,555,530
Others	-	12,571,612,057
	-	<u>17,820,912,163</u>
<u>Less: Margin</u>	-	-
	-	<u>17,820,912,163</u>
18.2 Irrevocable letters of credit		
Letters of credit Back to Back (Inland)	2,375,649,693	2,204,190,166
Letters of credit (General)	14,992,174,825	13,929,029,005
Back to back L/C	2,328,331,631	1,724,597,075
	<u>19,696,156,149</u>	<u>17,857,816,246</u>
18.3 Bills for collection		
Local bills for collection	8,151,410,957	7,393,137,932
Foreign bills for collection	2,262,021,286	1,458,263,204
	<u>10,413,432,243</u>	<u>8,851,401,136</u>
18.4 Acceptances and endorsements		
Conventional and Islamic banking	22,582,764,954	22,321,205,553
Off-shore banking unit	77,429,730	167,008,520
	<u>22,660,194,684</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.		

	Amount in Taka	
	Period ended 31 March 2014	Year ended 31 March 2013
19 Income statement		
Income:		
Interest, discount and similar income (Note 19.1)	4,332,399,745	3,899,307,888
Dividend income (Note 22)	918,668	-
Fees, commission and brokerage (Note 19.2)	226,869,066	209,831,186
Interest on Others/NBBL	-	10,009,106
Interest on Orascom Telecom Bangladesh Ltd. senior secured bonds	5,460,000	8,100,000
Interest on ACI Convertible zero coupon bonds	1,141,595	887,445
MTBL unsecured subordinated convertible bonds	4,500,000	4,500,000
Prime Bank Ltd unsecured non-convertible subordinated bonds	3,778,108	3,890,099
Interest on placements	26,189,322	83,299,269
Gains less losses arising from dealing in securities	-	-
Gains less losses arising from investment securities	-	-
Gains less losses arising from dealing in foreign currencies (Note 23.1)	194,745,869	173,641,702
Income from non-banking assets	-	-
Other operating income (Note 24)	105,729,662	100,680,124
Profit less losses on interest rate changes	-	-
	<u>4,901,732,035</u>	<u>4,494,146,819</u>
Expenses:		
Interest paid/profit shared on deposits and borrowings, etc (Note 21)	2,740,841,711	2,625,814,508
Administrative expenses (Note 19.3)	611,459,518	486,513,537
Other expenses (Note 34)	129,512,995	165,495,498
Depreciation on banks assets (Note 33.1)	85,158,976	61,100,188
	<u>3,566,973,200</u>	<u>3,338,923,731</u>
	<u>1,334,758,835</u>	<u>1,155,223,088</u>

Bank Asia Limited
Notes to financial statements for the period ended 31 March 2014

	Amount in Taka	
	Period ended 31 March 2014	Period ended 31 March 2013
19.1 Interest, discount and similar income		
Interest income/profit on investments	3,574,254,717	3,471,536,859
Interest on treasury bills	190,492,565	62,185,830
Interest on treasury bonds	463,247,816	364,141,449
Interest on debentures	2,741,016	1,443,750
Income from investment in shares	-	-
Capital gain on Government securities	101,663,631	-
	<u>4,332,399,745</u>	<u>3,899,307,888</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	226,869,066	209,831,186
Brokerage	-	-
	<u>226,869,066</u>	<u>209,831,186</u>
19.3 Administrative expenses		
Salaries and allowances (Note 25)	448,112,893	339,600,829
Rent, taxes, insurance, electricity, etc (Note 26)	111,759,220	94,300,259
Legal expenses (Note 27)	2,365,850	1,556,953
Postage, stamp, telecommunication, etc (Note 28)	16,438,304	14,602,900
Stationery, printing, advertisement, etc (Note 29)	14,478,180	16,426,560
Managing Director's salary and fees (Note 30)	2,550,000	2,550,000
Directors' fees (Note 31)	490,000	290,000
Auditors' fees (Note 32)	-	34,500
Repair of Bank's assets (Note 33.1)	15,265,071	17,151,536
	<u>611,459,518</u>	<u>486,513,537</u>
20 Interest income/profit on investments		
Conventional and Islamic banking (Note 20.1)	3,542,146,271	3,466,584,115
Off-shore banking unit	32,108,446	4,952,744
	<u>3,574,254,717</u>	<u>3,471,536,859</u>
20.1 Conventional and Islamic banking		
Loans (General)/Musharaka	4,072,091	1,894,487
Loans against trust receipts/ Bai Murabaha post import	426,359,218	564,439,672
Packing credit	3,869,589	3,117,129
House building loan	10,906,297	10,949,206
Payment against documents	28,302,211	31,386,433
Cash credit/Bai-Muajjal	74,940,492	114,515,620
Overdraft/ Quard against deposit	142,048,775	160,083,227
Consumer credit scheme	5,559,547	7,707,822
Staff loan	11,857,645	11,546,747
Local bills purchased	100,169,342	120,927,635
Foreign bills purchased	16,961,255	28,290,832
Interest income from credit card	46,963,434	43,968,078
Term loan- others/ Hire purchase Shirkatul Melk	843,168,675	667,558,890
Term loan- industrial	267,499,567	219,365,562
Demand loan	381,857,939	398,949,065
Transport loan	42,836,133	60,885,179
Sachsondo	96,828,575	98,943,898
Other loans and advances	998,061,780	881,172,899
Total interest/profit on loans and advances/investments	<u>3,502,262,565</u>	<u>3,425,702,381</u>
Interest/profit on balance with other banks and financial institutions	23,617,121	40,043,400
Interest/profit received from foreign banks	16,266,585	838,334
	<u>3,542,146,271</u>	<u>3,466,584,115</u>
20(a) Consolidated Interest income/profit on investments		
Bank Asia limited	3,574,254,717	3,471,536,859
BA Exchange Company (UK) Limited	-	-
Bank Asia Securities Ltd	147,358,929	64,864,176
	<u>3,721,613,646</u>	<u>3,536,401,035</u>

Bank Asia Limited
Notes to financial statements for the period ended 31 March 2014

	Amount in Taka	
	Period ended	Year ended
	31 March 2014	31 March 2013
21 Interest paid/profit shared on deposits and borrowings etc.		
Conventional and Islamic banking (Note 21.1)	2,721,317,087	2,623,452,254
Off-shore banking unit	19,524,624	2,362,254
	<u>2,740,841,711</u>	<u>2,625,814,508</u>
21.1 Conventional and Islamic banking		
Interest paid/profit shared on deposits		
Fixed deposits/ Mudaraba Fixed deposit	1,591,490,111	1,797,835,808
Sanchaya plus	42,845,955	29,629,088
Savings deposits/ Mudaraba Savings bank	145,170,812	169,031,323
Special notice deposits	116,218,936	137,701,576
Other deposits	687,317,206	408,897,246
	<u>2,583,043,020</u>	<u>2,543,095,041</u>
Interest on borrowings		
Local banks including Bangladesh Bank	133,040,491	75,116,108
Foreign banks	8,357	15,885
Interest on subordinated non-convertible zero coupon bond	5,225,219	5,225,220
	<u>138,274,067</u>	<u>80,357,213</u>
	<u>2,721,317,087</u>	<u>2,623,452,254</u>
21(a) Consolidated Interest Expenses/profit paid on Deposits		
Bank Asia limited	2,740,841,711	2,625,814,508
BA Exchange Company (UK) Limited	-	-
Bank Asia Securities Ltd	99,587,341	149,829,778
	<u>2,840,429,052</u>	<u>2,775,644,286</u>
22 Investment income		
Interest on treasury bills	190,492,565	62,185,830
Interest on treasury bonds	463,223,018	364,141,449
Interest on Islamic bonds	24,798	-
Prime Bank Ltd unsecured non-convertible subordinated bonds	3,778,108	3,890,099
Interest on Others/NBBL	-	10,009,106
Interest on Orascom Telecom Bangladesh Ltd. senior secured bonds	5,460,000	8,100,000
Interest on ACI Convertible zero coupon bonds	1,141,595	887,445
MTBL unsecured subordinated convertible bonds	4,500,000	4,500,000
Interest on placement	26,189,322	83,299,269
Capital gain from investment in shares	-	-
Dividend on shares	918,668	-
Interest on debentures	2,741,016	1,443,750
Capital gain on Government securities	101,663,631	-
	<u>800,132,721</u>	<u>538,456,948</u>
22(a) Consolidated investment income		
Bank Asia Limited	800,132,721	538,456,948
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
	<u>800,132,721</u>	<u>538,456,948</u>
Less: Inter-company transactions	-	-
	<u>800,132,721</u>	<u>538,456,948</u>
23 Commission, exchange and brokerage		
Conventional and Islamic banking (Note 23.1)	419,875,855	380,951,483
Off-shore banking unit	1,739,080	2,521,405
	<u>421,614,935</u>	<u>383,472,888</u>
23.1 Conventional and Islamic Banking		
Commission on L/C	164,629,438	159,828,907
Commission on back to back L/C	-	-
Fees and commission	13,374,734	11,333,569
Commission on L/G	41,361,503	27,829,678
Commission on export	1,755,049	2,213,268
Commission on PO, DD, TT, TC, etc	2,226,314	2,142,497
Commission on brokerage	-	-
Other commission	1,782,948	3,961,862
	<u>225,129,986</u>	<u>207,309,781</u>
Foreign exchange gain	194,745,869	173,641,702
	<u>419,875,855</u>	<u>380,951,483</u>

Bank Asia Limited
Notes to financial statements for the period ended 31 March 2014

	Amount in Taka	
	Period ended 31 March 2014	Year ended 31 March 2013
23(a) Consolidated Commission, exchange and brokerage		
Bank Asia limited	421,614,935	383,472,888
Bank Asia Securities Ltd	33,605,870	17,269,087
BA Exchange Company (UK) Limited	2,808,520	1,991,600
	<u>458,029,325</u>	<u>402,733,575</u>
24 Other operating income		
Conventional and Islamic banking (Note 24.1)	103,911,317	98,869,266
Off-shore banking unit	1,818,345	1,810,858
	<u>105,729,662</u>	<u>100,680,124</u>
24.1 Conventional and Islamic banking		
Locker charge	1,969,866	1,219,200
Service and other charges	36,161,137	45,943,565
Master/Visa card fees and charges	23,302,819	13,305,288
Postage/telex/SWIFT/fax recoveries	22,459,008	23,347,284
Non-operating income	4,836,157	2,461,589
Rebate on nostro account	13,762,330	12,592,340
Capital gain on sale of assets	1,420,000	-
Income Adjustment - Owned premises	-	-
	<u>103,911,317</u>	<u>98,869,266</u>
24(a) Consolidated other operating income		
Bank Asia Limited	105,729,662	100,680,124
Bank Asia Securities Ltd	615,850	(215,664)
BA Exchange Company (UK) Limited	-	-
	<u>106,345,512</u>	<u>100,464,460</u>
25 Salaries and allowances		
Conventional and Islamic banking (Note 25.1)	448,112,893	339,600,829
Off-shore banking unit	-	-
	<u>448,112,893</u>	<u>339,600,829</u>
25.1 Conventional and Islamic banking		
Basic salary	139,149,321	123,924,090
Allowances	210,384,617	179,869,660
Festival bonus	30,000,000	-
Gratuity	10,715,784	9,668,967
Provident fund contribution	12,863,171	11,138,112
Performance bonus	45,000,000	15,000,000
	<u>448,112,893</u>	<u>339,600,829</u>
25(a) Consolidated Salaries and allowances		
Bank Asia Limited	448,112,893	339,600,829
Bank Asia Securities Ltd	7,540,726	7,409,604
BA Exchange Company (UK) Limited	1,819,740	2,073,110
	<u>457,473,359</u>	<u>349,083,543</u>
26 Rent, taxes, insurance, electricity etc.		
Conventional and Islamic banking (Note 26.1)	111,738,884	94,279,924
Off-shore banking unit	20,336	20,335
	<u>111,759,220</u>	<u>94,300,259</u>
26.1 Conventional and Islamic banking		
Rent, rate and taxes	76,711,392	58,576,230
Insurance	26,722,569	26,975,448
Power and electricity	8,304,923	8,728,246
	<u>111,738,884</u>	<u>94,279,924</u>
26(a) Consolidated Rent, taxes, insurance, electricity etc.		
Bank Asia Limited	111,759,220	94,300,259
Bank Asia Securities Ltd	2,997,880	2,476,112
BA Exchange Company (UK) Limited	2,297,620	2,126,150
	<u>117,054,720</u>	<u>98,902,521</u>
27 Legal expenses		
Conventional and Islamic banking (Note 27.1)	2,365,850	1,556,953
Off-shore banking unit	-	-
	<u>2,365,850</u>	<u>1,556,953</u>
27.1 Conventional and Islamic Banking		
Legal expenses	2,365,850	1,556,953
Other professional charges	-	-
	<u>2,365,850</u>	<u>1,556,953</u>

Bank Asia Limited
Notes to financial statements for the period ended 31 March 2014

		Amount in Taka	
		Period ended 31 March 2014	Year ended 31 March 2013
27(a) Consolidated Legal expenses			
	Bank Asia Limited	2,365,850	1,556,953
	Bank Asia Securities Ltd	-	-
	BA Exchange Company (UK) Limited	(44,200)	19,630
		<u>2,321,650</u>	<u>1,576,583</u>
28 Postage, stamps, telecommunication etc.			
	Conventional and Islamic banking (Note 28.1)	16,315,279	14,450,358
	Off-shore banking unit	123,025	152,542
		<u>16,438,304</u>	<u>14,602,900</u>
28.1 Conventional and Islamic banking			
	Telephone, courier and postage	11,284,263	9,009,837
	Master/VISA card process fee	531,865	575,259
	ATM charge	177,320	199,522
	SWIFT and Reuter charge	3,805,349	3,943,692
	Internet	516,482	722,048
		<u>16,315,279</u>	<u>14,450,358</u>
28(a) Consolidated Postage, stamps, telecommunication etc.			
	Bank Asia Limited	16,438,304	14,602,900
	Bank Asia Securities Ltd	644,105	734,289
	BA Exchange Company (UK) Limited	76,570	123,760
		<u>17,158,979</u>	<u>15,460,949</u>
29 Stationery, printing, advertisements etc.			
	Conventional and Islamic banking (Note 29.1)	14,478,180	16,426,560
	Off-shore banking unit	-	-
		<u>14,478,180</u>	<u>16,426,560</u>
29.1 Conventional and Islamic banking			
	Office and security stationery	6,946,577	7,855,299
	Calendar, diary, souvenir, etc	338,900	3,373,600
	ATM card	-	-
	Books and periodicals	268,282	212,090
	Publicity and advertisement	6,924,421	4,985,571
		<u>14,478,180</u>	<u>16,426,560</u>
29(a) Consolidated Stationery, printing, advertisements etc.			
	Bank Asia Limited	14,478,180	16,426,560
	Bank Asia Securities Ltd	396,925	69,062
	BA Exchange Company (UK) Limited	31,720	115,310
		<u>14,906,825</u>	<u>16,610,932</u>
30 Managing Director's salary and fees			
	Basic salary	1,500,000	1,500,000
	House rent allowance	375,000	375,000
	Entertainment allowances	150,000	150,000
	Bonus	-	-
	Utility allowance and others	300,000	300,000
	House maintenance allowance	75,000	75,000
	Provident fund	150,000	150,000
		<u>2,550,000</u>	<u>2,550,000</u>
31 Directors' fees			
	Directors' fees	490,000	290,000
		<u>490,000</u>	<u>290,000</u>
31(a) Consolidated Directors' fees			
	Bank Asia Limited	490,000	290,000
	Bank Asia Securities Ltd.	6,900	-
	BA Exchange Company (UK) Limited	-	-
		<u>496,900</u>	<u>290,000</u>
32 Auditors' fees			
	Statutory audit fees	-	-
	Others	-	34,500
		<u>-</u>	<u>34,500</u>
32(a) Consolidated Auditors fees			
	Bank Asia Limited	-	34,500
	Bank Asia Securities Ltd	-	-
	BA Exchange Company (UK) Limited	195,000	162,500
		<u>195,000</u>	<u>197,000</u>

Notes to financial statements for the period ended 31 March 2014

		Amount in Taka	
		Period ended 31 March 2014	Year ended 31 March 2013
33	Depreciation and repair of Bank's assets		
	Conventional and Islamic banking (Note 33.1)	100,405,357	78,251,724
	Off-shore banking unit	18,690	-
		<u>100,424,047</u>	<u>78,251,724</u>
33.1	Conventional and Islamic banking		
	Depreciation		
	Owned assets	83,995,285	59,955,187
	Leased assets	1,145,001	1,145,001
		<u>85,140,286</u>	<u>61,100,188</u>
	Repairs		
	Building	4,695,589	4,960,044
	Furniture and fixtures	86,198	81,100
	Equipments	789,073	1,005,941
	Maintenance	9,694,211	11,104,451
		<u>15,265,071</u>	<u>17,151,536</u>
		<u>100,405,357</u>	<u>78,251,724</u>
33(a)	Consolidated Depreciation and repairs of Bank's assets		
	Bank Asia Limited	100,424,047	78,251,724
	Bank Asia Securities Ltd	1,609,707	1,531,773
	BA Exchange Company (UK) Limited	616,590	591,240
		<u>102,650,344</u>	<u>80,374,737</u>
34	Other expenses		
	Conventional and Islamic banking (Note 34.1)	129,512,995	165,495,498
	Off-shore banking unit	-	-
		<u>129,512,995</u>	<u>165,495,498</u>
34.1	Conventional and Islamic banking		
	Car expenses	49,978,561	39,831,328
	Contractual service expenses	849,979	45,337,226
	Computer expenses	14,488,136	23,677,138
	Other management and administrative expenses	25,254,999	28,527,777
	Entertainment	7,104,534	5,201,845
	AGM/EGM expenses	1,000,000	3,000,000
	Office plantation	1,140,696	1,209,468
	Payment to superannuation fund	600,000	600,000
	Finance charge for lease assets	275,829	563,412
	Donation and subscription to institutions	23,623,568	6,681,780
	Travelling expenses	3,390,014	3,010,340
	Training and internship	1,765,479	1,649,752
	Directors' travelling expenses	41,200	8,240
	Sharia council fees	-	500,000
	Expense adjustment own portfolio	-	5,697,192
		<u>129,512,995</u>	<u>165,495,498</u>
34(a)	Consolidated other expenses		
	Bank Asia Limited	129,512,995	165,495,498
	Bank Asia Securities Ltd	3,668,546	3,244,885
	BA Exchange Company (UK) Limited	1,138,020	1,037,531
		<u>134,319,561</u>	<u>169,777,914</u>
35	Earnings per share (EPS)		
	Net profit after tax (Numerator)	277,704,713	199,964,150
	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)	<u>762,995,595</u>	<u>762,995,595</u>
	Earnings per share (EPS)	<u>0.36</u>	<u>0.26</u>
	Earnings per share has been calculated in accordance with BAS 33: "Earnings Per Share (EPS)". Earnings per share for previous year has been restated since the bonus issue is an issue without consideration of cash. It is treated as if it has occurred prior to the beginning of 2013, the earliest period reported. Actual EPS for March 2013 was Taka 0.29.		
35(a)	Consolidated Earnings per share (EPS)		
	Net profit after tax (Numerator)	334,813,514	109,721,826
	Number of ordinary shares outstanding (Denominator)	762,995,595	762,995,595
	Earnings per share (EPS)	<u>0.44</u>	<u>0.14</u>