

Bank Asia Limited and Its Subsidiaries
Consolidated Balance Sheet as at 30 September 2014

		Amount in Taka	
		At	At
		30 Sep 2014	31 Dec 2013
PROPERTY AND ASSETS			
Cash	4(a)	11,729,118,462	9,710,625,661
In hand (including foreign currencies)	4.1(a)	1,697,075,376	1,623,748,920
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2(a)	-	-
		10,032,043,086	8,086,876,741
Balance with other banks and financial institutions	5(a)	1,288,380,797	1,368,921,853
In Bangladesh		1,006,566,132	1,330,150,719
Outside Bangladesh		281,814,665	38,771,134
Money at call and on short notice	6(a)	500,000,000	-
Investments	7(a)	43,610,762,853	34,111,552,052
Government		36,652,376,892	30,512,642,417
Others		6,958,385,961	3,598,909,635
Loans and advances/investments	8(a)	110,309,875,600	107,942,564,235
Loans, cash credits, overdrafts, etc/investments		105,909,061,193	104,106,039,712
Bills purchased and discounted		4,400,814,407	3,836,524,523
Fixed assets including premises, furniture and fixtures	9(a)	5,173,988,503	5,310,777,180
Other assets	10(a)	8,039,646,376	6,622,755,197
Non - banking assets		-	-
Total assets		180,651,772,591	165,067,196,178
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	11,048,732,334	2,359,117,075
Subordinated non-convertible zero coupon bonds	11(aa)	449,036,430	599,998,411
Deposits and other accounts	12(a)	135,529,821,628	133,682,889,808
Current/Al-wadeeah current accounts and other accounts		21,524,536,835	17,318,034,961
Bills payable		1,355,782,597	1,667,720,280
Savings bank/Mudaraba savings bank deposits		15,520,414,875	12,827,249,596
Fixed deposits/Mudaraba fixed deposits		97,129,087,321	101,869,884,971
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13(a)	17,930,969,927	13,867,771,828
Total liabilities		164,958,560,319	150,509,777,122
Capital/shareholders' equity		15,693,212,272	14,557,419,056
Total shareholders' equity		15,693,212,272	14,557,419,056
Paid-up capital	14.2	7,629,955,940	6,936,323,590
Share premium		330	330
Statutory reserve	15	4,671,153,095	4,208,075,877
Revaluation reserve	16(a)	3,038,621,239	2,705,391,603
General reserve		8,166,144	8,166,144
Retained earnings	17(a)	345,303,745	699,449,908
Non-controlling (minority) interest	17(b)	11,778	11,604
Total liabilities and shareholders' equity		180,651,772,591	165,067,196,178

Bank Asia Limited and Its Subsidiaries
Consolidated Balance Sheet as at 30 September 2014

	Notes	Amount in Taka	
		At 30 Sep 2014	At 31 Dec 2013
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18	74,784,927,475	67,164,264,930
Acceptances and endorsements		22,131,590,740	22,488,214,073
Letters of guarantee		21,241,935,620	17,820,912,163
Irrevocable letters of credit		20,827,492,237	17,909,992,216
Bills for collection		10,583,908,878	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		74,784,927,475	67,164,264,930

- Sd -

Imran Ahmed FCA, CISA
Chief Financial Officer

- Sd -

Md. Mehmood Husain
President & Managing Director

Bank Asia Limited and Its Subsidiaries
Consolidated Profit and Loss Statement
for the period ended 30 September 2014

		Amount in Taka			
		Jan to Sep 2014	Jan to Sep 2013	July to Sep 2014	July to Sep 2013
OPERATING INCOME					
Interest income	20(a)	10,701,241,986	10,832,883,401	3,446,804,468	3,646,801,046
Interest paid on deposits and borrowings, etc	21(a)	8,277,168,326	8,634,240,014	2,721,973,657	2,981,837,756
Net interest income		2,424,073,660	2,198,643,387	724,830,811	664,963,290
Investment income	22(a)	2,811,967,426	2,022,945,313	1,012,209,492	761,576,392
Commission, exchange and brokerage	23(a)	1,396,514,472	1,446,940,765	443,018,721	513,081,102
Other operating income	24(a)	384,470,538	330,205,966	118,802,494	91,957,328
Total operating income (A)		4,592,952,436	3,800,092,044	1,574,030,707	1,366,614,822
OPERATING EXPENSES					
Salaries and allowances	25(a)	1,364,254,341	1,131,868,149	479,969,949	396,614,316
Rent, taxes, insurance, electricity, etc	26(a)	337,863,678	295,457,023	114,705,083	100,877,104
Legal expenses	27(a)	8,604,928	7,110,287	4,538,330	2,575,245
Postage, stamp, telecommunication, etc	28(a)	54,567,667	52,766,381	19,718,500	17,819,561
Stationery, printing, advertisements, etc	29(a)	57,850,327	52,388,221	19,470,263	16,347,942
Managing Director's salary and fees	30	10,942,000	9,206,000	4,842,000	3,106,000
Directors' fees	31(a)	2,125,090	1,306,750	893,090	365,000
Auditors' fees	32(a)	864,997	690,000	474,997	330,500
Depreciation and repairs of Bank's assets	33(a)	332,975,593	270,425,681	111,767,077	98,572,785
Other expenses	34(a)	813,839,060	552,334,267	317,334,493	190,796,433
Total operating expenses (B)		2,983,887,681	2,373,552,759	1,073,713,782	827,404,886
Profit before provision (C=A-B)		4,033,138,415	3,625,182,672	1,225,147,736	1,204,173,226
Provision for loans and advances/investments					
General provision		69,916,866	(155,690,460)	24,085,842	(106,278,121)
Specific provision		1,447,624,171	1,431,302,333	551,931,551	596,065,204
		1,517,541,037	1,275,611,873	576,017,393	489,787,083
Provision for off-balance sheet items		76,206,626	34,869,849	(12,590,538)	(41,167,845)
Provision for diminution in value of investments	34(c)	72,719,390	320,000,000	(7,301,251)	120,000,000
Other provisions		26,600,000	5,000,000	9,198,098	5,000,000
Total provision (D)		1,693,067,053	1,635,481,722	565,323,702	573,619,238
Total profit before tax (C-D)		2,340,071,362	1,989,700,950	659,824,034	630,553,988
Provision for taxation					
Current tax	13.4.1(a)	1,537,507,782	1,253,466,857	517,483,363	384,324,489
Deferred tax	13.4.2(a)	-	-	-	-
		1,537,507,782	1,253,466,857	517,483,363	384,324,489
Net profit after tax		802,563,580	736,234,093	142,340,671	246,229,499
Appropriations					
Statutory reserve	15	463,077,218	426,299,254	136,177,327	120,566,108
General reserve		-	-	-	-
		463,077,218	426,299,254	136,177,327	120,566,108
Retained surplus		339,486,361	309,934,839	6,163,344	125,663,391
Attributable to:					
Equity holders of Bank Asia Limited		339,486,187	309,938,564	6,163,338	125,662,858
Non-controlling (minority) interest		174	(3,725)	6	533
		339,486,361	309,934,839	6,163,344	125,663,391
Earnings Per Share (EPS)	35(a)	1.05	0.96	0.19	0.32

- Sd -

Imran Ahmed FCA, CISA
Chief Financial Officer

- Sd -

Md. Mehmood Husain
President & Managing Director

Bank Asia Limited and Its Subsidiaries

**Consolidated Cash Flow Statement
for the period ended 30 September 2014**

	Amount in Taka	
	Jan to Sep 2014	Jan to Sep 2013
Cash flows from operating activities (A)		
Interest receipts	14,380,790,207	12,076,122,448
Interest payments	(8,277,168,326)	(8,590,062,762)
Fees and commission receipts	1,396,514,472	1,446,940,765
Cash payment to employees	(1,390,138,980)	(1,131,868,149)
Cash payment to suppliers	(107,695,157)	(105,513,085)
Income tax paid	(1,119,293,748)	(1,593,716,321)
Receipts from other operating activities	399,475,823	343,274,344
Payments for other operating activities	(1,227,915,732)	(906,453,922)
Operating profit before changes in operating assets & liabilities	4,054,568,559	1,538,723,318
Increase/decrease in operating assets and liabilities		
Loans and advances to customers	(2,135,111,172)	(8,915,417,673)
Other assets	(356,140,034)	(36,876,545)
Deposits from customers	1,846,931,820	12,327,011,969
Trading liabilities	8,538,653,278	4,950,991,168
Other liabilities	284,572,705	351,489,304
Net increase in operating liabilities	8,178,906,597	8,677,198,223
Net cash from operating activities	12,233,475,156	10,215,921,541
Cash flows from investing activities (B)		
Investments in treasury bills, bonds and others	(6,139,734,475)	(8,377,420,773)
Sale/(Purchase) of trading securities	(3,359,476,326)	(849,382,868)
Purchase of fixed assets	(144,356,612)	(605,990,063)
Net cash used in investing activities	(9,643,567,413)	(9,832,793,704)
Cash flows from financing activities (C)		
Payment for finance lease	(1,090,927)	(1,578,026)
Subordinated non-convertible zero coupon bonds	(150,961,981)	-
Net cash from/(used) in financing activities	(152,052,908)	(1,578,026)
Net increase in cash and cash equivalents (A+B+C)	2,437,854,835	381,549,811
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	13,520,187,259	10,911,311,348
Cash and cash equivalents:		
Cash	1,697,075,376	1,311,471,980
Balance with Bangladesh Bank and its agent bank(s)	10,032,043,086	7,908,677,992
Balance with other banks and financial institutions	1,288,380,797	1,687,409,866
Money at call and on short notice	500,000,000	-
Prize bonds	2,688,000	3,751,510
	13,520,187,259	10,911,311,348

- Sd -

Imran Ahmed FCA, CISA
Chief Financial Officer

- Sd -

Md. Mehmood Husain
President & Managing Director

Bank Asia Limited and Its Subsidiaries

Consolidated Statement of Changes in Equity for the period ended 30 September 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 period	-	426,299,254	-	-	-	(426,299,254)	-	-	-
Adjustment on revaluation of fixed assets and others	-	-	-	75,646,201	-	-	75,646,201	-	75,646,201
Issue of bonus shares	630,574,870	-	-	-	-	(630,574,870)	-	-	-
Issue of right shares	-	-	-	-	-	-	-	-	-
Dividend paid to non-controlling (minority) interest	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	736,237,285	736,237,285	(3,192)	736,234,093
Balance at 30 September 2013	6,936,323,590	3,930,257,425	330	2,668,322,038	8,166,144	382,966,656	13,926,036,183	8,999	13,926,045,182
Transferred during the period	-	277,818,452	-	-	-	(277,818,452)	-	-	-
Adjustment on revaluation of fixed assets and others	-	-	-	37,069,565	-	-	37,069,565	-	37,069,565
Issue of bonus shares	-	-	-	-	-	-	-	-	-
Issue of right shares	-	-	-	-	-	-	-	-	-
Dividend paid to non-controlling (minority) interest	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	594,301,704	594,301,704	2,605	594,304,309
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	-	463,077,218	-	-	-	(463,077,218)	-	-	-
Adjustment for revaluation of fixed assets and others	-	-	-	333,229,636	-	-	333,229,636	-	333,229,636
Issue of bonus shares	693,632,350	-	-	-	-	(693,632,350)	-	-	-
Dividend paid to non-controlling (minority) interest	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	802,563,406	802,563,406	174	802,563,580
Balance at 30 September 2014	7,629,955,940	4,671,153,095	330	3,038,621,239	8,166,144	345,303,745	15,693,200,494	11,778	15,693,212,272

- Sd -

Imran Ahmed FCA, CISA
Chief Financial Officer

- Sd -

Md. Mehmood Husain
President & Managing Director

Bank Asia Limited
Balance Sheet as at 30 September 2014

		Amount in Taka	
		At	At
		30 Sep 2014	31 Dec 2013
PROPERTY AND ASSETS			
Cash	4	11,728,571,659	9,708,569,284
In hand (including foreign currencies)	4.1	1,696,528,573	1,621,692,543
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2	10,032,043,086	8,086,876,741
Balance with other banks and financial institutions	5	1,232,533,258	1,362,883,245
In Bangladesh	5.1	999,507,944	1,325,297,321
Outside Bangladesh	5.2	233,025,314	37,585,924
Money at call and on short notice	6	500,000,000	-
Investments	7	43,399,821,603	33,933,356,023
Government		36,652,376,892	30,512,642,417
Others		6,747,444,711	3,420,713,606
Loans and advances/investments	8	107,110,843,548	104,911,261,053
Loans, cash credits, overdrafts, etc/investments		102,710,029,141	101,074,736,530
Bills purchased and discounted		4,400,814,407	3,836,524,523
Fixed assets including premises, furniture and fixtures	9	5,147,818,220	5,288,348,327
Other assets	10	10,058,330,094	8,573,325,470
Non - banking assets		-	-
Total assets		179,177,918,382	163,777,743,402
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	10,635,513,175	1,944,757,246
Subordinated non-convertible zero coupon bonds	11 aa	449,036,430	599,998,411
Deposits and other accounts	12	135,405,371,051	133,489,374,641
Current/Al-wadeeah current accounts and other accounts		21,400,086,258	17,124,519,794
Bills payable		1,355,782,597	1,667,720,280
Savings bank/Mudaraba savings bank deposits		15,520,414,875	12,827,249,596
Fixed deposits/Mudaraba fixed deposits		97,129,087,321	101,869,884,971
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13	16,942,231,126	13,125,909,087
Total liabilities		163,432,151,782	149,160,039,385
Capital/shareholders' equity			
Total shareholders' equity		15,745,766,600	14,617,704,017
Paid-up capital	14.2	7,629,955,940	6,936,323,590
Share premium		330	330
Statutory reserve	15	4,671,153,095	4,208,075,877
Revaluation reserve	16	3,038,621,239	2,705,391,603
General reserve		8,166,144	8,166,144
Retained earnings	17	397,869,851	759,746,473
Total liabilities and shareholders' equity		179,177,918,382	163,777,743,402

Bank Asia Limited
Balance Sheet as at 30 September 2014

		Amount in Taka	
		At	At
Notes		30 Sep 2014	31 Dec 2013
OFF-BALANCE SHEET ITEMS			
	Contingent liabilities	74,784,927,475	67,164,264,930
	Acceptances and endorsements	22,131,590,740	22,488,214,073
	Letters of guarantee	21,241,935,620	17,820,912,163
	Irrevocable letters of credit	20,827,492,237	17,909,992,216
	Bills for collection	10,583,908,878	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	74,784,927,475	67,164,264,930

- Sd -

- Sd -

Imran Ahmed FCA, CISA
Chief Financial Officer

Md. Mehmood Husain
President & Managing Director

Bank Asia Limited

**Profit and Loss Statement
for the period ended 30 September 2014**

		Amount in Taka			
Notes	Jan to Sep 2014	Jan to Sep 2013	July to Sep 2014	July to Sep 2013	
OPERATING INCOME					
Interest income	20	10,385,182,829	10,583,590,824	3,366,847,977	3,531,630,702
Interest paid on deposits and borrowings, etc	21	7,980,524,995	8,228,752,064	2,627,598,371	2,879,198,369
Net interest income		2,404,657,834	2,354,838,760	739,249,606	652,432,333
Investment income	22	2,807,101,796	2,022,945,313	1,007,343,862	761,576,392
Commission, exchange and brokerage	23	1,296,658,217	1,363,687,697	406,830,063	472,904,058
Other operating income	24	378,229,357	331,325,486	116,855,417	92,886,119
		4,481,989,370	3,717,958,496	1,531,029,342	1,327,366,569
Total operating income (A)		6,886,647,204	6,072,797,256	2,270,278,948	1,979,798,902
Salaries and allowances	25	1,323,099,112	1,102,859,130	459,981,310	386,044,668
Rent, taxes, insurance, electricity, etc	26	321,539,177	281,372,334	109,068,405	96,173,862
Legal expenses	27	7,856,920	6,871,180	3,746,122	2,787,981
Postage, stamp, telecommunication, etc	28	52,154,097	49,940,905	18,876,109	16,846,416
Stationery, printing, advertisements, etc	29	56,409,540	51,849,701	18,630,426	16,151,496
Managing Director's salary and fees	30	10,942,000	9,206,000	4,842,000	3,106,000
Directors' fees	31	1,988,240	1,255,000	848,240	365,000
Auditors' fees	32	-	144,000	-	109,500
Depreciation and repairs of Bank's assets	33	326,541,004	263,663,313	111,261,460	96,272,690
Other expenses	34	784,661,471	538,657,702	296,814,540	185,491,510
		2,885,191,561	2,305,819,265	1,024,068,612	803,349,123
Total operating expenses (B)		2,885,191,561	2,305,819,265	1,024,068,612	803,349,123
Profit before provision (C=A-B)		4,001,455,643	3,766,977,991	1,246,210,336	1,176,449,779
Provision for loans and advances/investments					
General provision		69,916,866	(155,690,460)	24,085,842	(106,278,121)
Specific provision		1,447,624,171	1,431,302,333	551,931,551	596,065,204
		1,517,541,037	1,275,611,873	576,017,393	489,787,083
Provision for off-balance sheet items		76,206,626	34,869,849	(12,590,538)	(41,167,845)
Provision for diminution in value of investments		65,721,889	320,000,000	(7,301,251)	120,000,000
Other provisions		26,600,000	5,000,000	9,198,098	5,000,000
Total provision (D)		1,686,069,552	1,635,481,722	565,323,702	573,619,238
Total profit before tax (C-D)		2,315,386,091	2,131,496,269	680,886,634	602,830,541
Provision for taxation					
Current tax	13.4.1	1,520,553,144	1,243,102,737	518,318,144	379,304,244
Deferred tax	13.4.2	-	-	-	-
		1,520,553,144	1,243,102,737	518,318,144	379,304,244
Net profit after tax		794,832,947	888,393,532	162,568,490	223,526,297
Appropriations					
Statutory reserve	15	463,077,218	426,299,254	136,177,327	120,566,108
General reserve		-	-	-	-
		463,077,218	426,299,254	136,177,327	120,566,108
Retained surplus		331,755,728	462,094,278	26,391,163	102,960,189
Earnings Per Share (EPS)	35	1.04	1.16	0.21	0.29

- Sd -

Imran Ahmed FCA, CISA
Chief Financial Officer

- Sd -

Md. Mehmood Husain
President & Managing Director

Bank Asia Limited

**Cash Flow Statement
for the period ended 30 September 2014**

	Amount in Taka	
	Jan to Sep 2014	Jan to Sep 2013
Cash flows from operating activities (A)		
Interest receipts	14,059,865,420	11,826,829,871
Interest payments	(7,980,524,995)	(8,184,574,812)
Fees and commission receipts	1,296,658,217	1,363,687,697
Cash payment to employees	(1,348,983,751)	(1,102,859,130)
Cash payment to suppliers	(106,254,370)	(104,974,565)
Income tax paid	(1,106,219,092)	(1,583,352,201)
Receipts from other operating activities	393,234,642	344,393,864
Payments for other operating activities	(1,178,250,217)	(885,869,095)
Operating profit before changes in operating assets & liabilities	4,029,525,854	1,673,281,629
Increase/decrease in operating assets and liabilities		
Loans and advances to customers	(2,199,582,495)	(7,145,260,488)
Other assets	(284,866,775)	(1,586,876,545)
Deposits from customers	1,915,996,410	12,293,885,261
Trading liabilities	8,539,793,948	4,983,894,843
Other liabilities	161,118,674	(11,124,847)
Net increase in operating liabilities	8,132,459,762	8,534,518,224
Net cash from operating activities (A)	12,161,985,616	10,207,799,853
Cash flows from investing activities (B)		
Investments in treasury bills, bonds and others	(6,139,734,475)	(8,377,420,773)
Sale/(Purchase) of trading securities	(3,326,731,105)	(849,382,868)
Purchase of fixed assets	(135,011,650)	(604,366,953)
Investments in subsidiaries	(18,900,000)	-
Net cash used in investing activities	(9,620,377,230)	(9,831,170,594)
Cash flows from financing activities (C)		
Payment for finance lease	(1,090,927)	(1,578,026)
Subordinated non-convertible zero coupon bonds	(150,961,981)	-
Net cash from/(used) in financing activities	(152,052,908)	(1,578,026)
Net increase in cash and cash equivalents (A+B+C)	2,389,555,478	375,051,233
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	13,463,792,917	10,895,780,714
Cash and cash equivalents:		
Cash	1,696,528,573	1,308,903,671
Balance with Bangladesh Bank and its agent bank(s)	10,032,043,086	7,908,677,992
Balance with other banks and financial institutions	1,232,533,258	1,674,447,541
Money at call and on short notice	500,000,000	-
Prize bonds	2,688,000	3,751,510
	13,463,792,917	10,895,780,714

- Sd -

- Sd -

Imran Ahmed FCA, CISA
Chief Financial Officer

Md. Mehmood Husain
President & Managing Director

Bank Asia Limited
Statement of Changes in Equity
for the period ended 30 September 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	-	426,299,254	-	-	-	(426,299,254)	-
Revaluation reserve	-	-	-	75,646,201	-	-	75,646,201
Issue of bonus shares	630,574,870	-	-	-	-	(630,574,870)	-
Issue of right shares	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	888,393,532	888,393,532
Balance as at 30 September 2013	6,936,323,590	3,930,257,425	330	2,668,322,038	8,166,144	466,140,552	14,009,210,079
Statutory reserve	-	277,818,452	-	-	-	(277,818,452)	-
Revaluation reserve	-	-	-	37,069,565.00	-	-	37,069,565
Issue of bonus shares	-	-	-	-	-	-	-
Issue of right shares	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	571,424,373	571,424,373
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	-	463,077,218	-	-	-	(463,077,218)	-
Revaluation reserve	-	-	-	333,229,636	-	-	333,229,636
Issue of bonus shares	693,632,350	-	-	-	-	(693,632,350)	-
Issue of right shares	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	794,832,947	794,832,947
Balance at 30 September 2014	7,629,955,940	4,671,153,095	330	3,038,621,239	8,166,144	397,869,851	15,745,766,600

- Sd -

Imran Ahmed FCA, CISA
Chief Financial Officer

- Sd -

Md. Mehmood Husain
President & Managing Director

Bank Asia Limited

Notes to financial statements for the period ended 30 September 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 89 branches, 6 SME centres and 93 own ATM booths. The Bank has three subsidiary companies namely, Bank Asia Securities Limited incorporated in Bangladesh, BA Exchange Company (UK) Limited incorporated in United Kingdom and BA Express USA, Inc operating in USA. The Bank has also an Offshore Banking Unit (OBU) at Chittagong Export Processing

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 30 September 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 30 September 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 September 30, 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 three subsidiary companies namely, Bank Asia Securities Limited operating in Bangladesh, BA Exchange Company (UK) Limited operating in United Kingdom and BA Express USA. Inc operating in USA.

The consolidated financial statements have been prepared in accordance with 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 Septemeber 30, 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 year ended 30 September 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	Country of Operation	Status
Bank Asia Securities Limited	99.99%	Bangladesh	Majority Owned
BA Exchange Company (UK) Limited	100%	United Kingdom	Wholly Owned
BA Express USA, Inc	100%	United States of America	Wholly Owned

2.6 Cash flow statement

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

2.7 Statement of changes in equity

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

3. Significant accounting policies

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

3.1 Assets and basis of their valuation

3.1.1 Cash and cash equivalents

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

3.1.2 Investments

Investment in securities

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

Held to maturity

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

Bank Asia Limited

Notes to financial statements for the year ended 30 September 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 year ended 30 September 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 year ended 30 September 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 year ended 30 September 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

- a) Investment property is held to earn rentals or for capital appreciation or both and the future economic benefits that are associated with the investment property but not held for sale in the ordinary course of business.
- b) Investment property is accounted for under cost model in the financial statements. Accordingly, after recognition as an asset, the property is carried at its cost, less accumulated depreciation and accumulated impairment loss.

Bank Asia Limited

Notes to financial statements for the year ended 30 September 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 year ended 30 September 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 year ended 30 September 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 realisation.

Dividend income on shares

As per BAS 18 "Revenue", dividend income from investment in shares is recognised when the Bank's right to receive dividend is established. It recognised when:

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

Interest paid on borrowing and other deposits (conventional banking)

Interest paid and other expenses are recognised on accrual basis.

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 year ended 30 September 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 year ended 30 September 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 31 December 2013 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.

Bank Asia Limited

Notes to financial statements for the year ended 30 September 2014

3.14 Events after reporting period

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

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

3.15 Related party disclosures

A party is related to the company if:

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

3.16 Directors' responsibilities on statement

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

3.17 Segment Reporting

As per BFRS 8 "Operating Segments", an operating segment is a component of an equity:

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

Bank Asia Limited**Notes to financial statements for the year ended 30 September 2014****3.18 Compliance checklist of Bangladesh Accounting Standards (BASs)/Bangladesh Financial Reporting Standards (BFRSs)**

Name of the standards	Ref.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	BFRS-1	N/A
Share Based Payment	BFRS-2	N/A
Business Combinations	BFRS-3	Complied
Insurance Contracts	BFRS-4	N/A
Non-current Assets Held for Sale and Discontinued Operations	BFRS-5	N/A
Exploration for and Evaluation of Mineral Resources	BFRS-6	N/A
Financial Instruments: Disclosures	BFRS-7	Complied
Operating Segments	BFRS-8	Complied
Consolidated Financial Statements	BFRS-10	Complied
Joint Arrangements	BFRS-11	N/A
Disclosure of Interests in other entities	BFRS-12	N/A
Fair Value Measurement	BFRS-13	Partially Complied
Presentation of Financial Statements	BAS-1	Complied
Inventories	BAS-2	Complied
Statement of Cash Flows	BAS-7	Complied
Accounting Policies, Changes in Accounting Estimates and Errors	BAS-8	Complied
Events after the Reporting Period	BAS-10	Complied
Construction Contracts	BAS-11	Complied
Income Taxes	BAS-12	Complied
Property, Plant and Equipment	BAS-16	Complied
Leases	BAS-17	Complied
Revenue	BAS-18	Complied
Employee Benefits	BAS-19	Complied
Accounting for Government Grants and Disclosure of Government Assistance	BAS-20	N/A
The Effects of Changes in Foreign Exchange Rates	BAS-21	Complied
Borrowing Costs	BAS-23	Complied
Related Party Disclosures	BAS-24	Complied
Accounting and Reporting by Retirement Benefit Plans	BAS-26	N/A
Consolidated and Separate Financial Statements	BAS-27	N/A
Investments in Associates	BAS-28	Complied
Interests in Joint Ventures	BAS-31	N/A
Financial Instruments: Presentation	BAS-32	Complied
Earnings Per Share	BAS-33	Complied
Interim Financial Reporting	BAS-34	Complied
Impairment of Assets	BAS-36	Complied
Provisions, Contingent Liabilities and Contingent Assets	BAS-37	Complied
Intangible Assets	BAS-38	Complied
Financial Instruments: Recognition and Measurement	BAS-39	Complied
Investment property	BAS-40	Complied
Agriculture	BAS-41	N/A

3.19 General

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

Bank Asia Limited
Notes to financial statements for the period ended 30 September 2014

		Amount in Taka	
		At 30 Sep 2014	At 31 Dec 2013
4	Cash		
4.1	In hand		
	Conventional and Islamic banking:		
	Local currency	1,678,557,613	1,610,300,083
	Foreign currencies	17,970,960	11,392,460
		<u>1,696,528,573</u>	<u>1,621,692,543</u>
	Off-shore banking unit	-	-
		<u>1,696,528,573</u>	<u>1,621,692,543</u>
4.1(a)	Consolidated In hand		
	Bank Asia Limited	1,696,528,573	1,621,692,543
	Bank Asia Securities Limited	206,503	14,857
	BA Exchange Company (UK) Limited	326,300	2,041,520
	BA Express USA, Inc	14,000	-
		<u>1,697,075,376</u>	<u>1,623,748,920</u>
4.2	Balance with Bangladesh Bank and its agent bank		
	Conventional and Islamic banking :		
	Balance with Bangladesh Bank		
	Local currency (statutory deposit)	9,389,654,964	7,949,014,646
	Foreign currencies	526,534,378	95,017,949
		<u>9,916,189,342</u>	<u>8,044,032,595</u>
	Balance with agent bank (Sonali Bank Limited)		
	Local currency	115,853,744	42,844,146
	Foreign currencies	-	-
		<u>115,853,744</u>	<u>42,844,146</u>
	Off-shore banking unit	10,032,043,086	8,086,876,741
		<u>10,032,043,086</u>	<u>8,086,876,741</u>
4.2(a)	Consolidated Balance with Bangladesh Bank and its agent bank		
	Bank Asia Limited	10,032,043,086	8,086,876,741
	Bank Asia Securities Limited	-	-
	BA Exchange Company (UK) Limited	-	-
		<u>10,032,043,086</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)	999,507,944	1,325,297,321
	Off-shore banking unit	-	-
		<u>999,507,944</u>	<u>1,325,297,321</u>
	Outside Bangladesh		
	Conventional and Islamic banking (Note 5.2.1)	220,544,577	30,350,600
	Off-shore banking unit	12,480,737	7,235,324
		<u>233,025,314</u>	<u>37,585,924</u>
		<u>1,232,533,258</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	744,567	752,918
	Sonali Bank Limited	61,108,548	61,252,979
	Standard Chartered Bank	12,479,858	366,707
	Prime Bank Limited	-	-
	Trust Bank Limited	35,058,771	(34,602,703)
		<u>110,259,504</u>	<u>28,637,661</u>
	Short- notice deposit accounts		
	BRAC Bank Limited	2,021,717	4,685,599
	AB Bank Limited	501,161	489,190
	Islami Bank Bangladesh Limited	166,322	160,042
	Rupali Bank Limited	-	-
	Uttara Bank Limited	6,559,240	1,771,057
		<u>9,248,440</u>	<u>7,105,888</u>

Bank Asia Limited

Notes to financial statements for the period ended 30 September 2014

	Amount in Taka	
	At 30 Sep 2014	At 31 Dec 2013
Fixed deposit accounts/ MTDR		
Islamic Finance and Investment Limited	80,000,000	100,000,000
Hajj Finance Company Limited	350,000,000	150,000,000
Shahjalal Islami Bank Limited	-	-
Southeast Bank Limited	-	200,000,000
The Premier Bank Limited	200,000,000	200,000,000
Social Islamic Bank Limited	-	-
Al-Arafah Islami Bank limited	-	439,553,772
Union Bank Limited	250,000,000	200,000,000
	880,000,000	1,289,553,772
	999,507,944	1,325,297,321

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)	7,310,547	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	4,512,955	1,900,097
Standard Chartered Bank, New York	100,386,829	495,162
	112,210,331	5,567,496

Non-interest bearing :

AB Bank Limited, Mumbai	7,124,763	41,091
Al Rajhi Bank K.S.A	1,584,119	1,988,360
Bhutan National Bank Limited, Thimphu	98,906	702,167
Canadian Imperial Bank of Commerce	-	-
Casisse Centrale Desjardins	87,087	275,000
Commerzbank AG, Frankfurt (EURO)	4,334,888	1,813,503
Commerzbank AG, Frankfurt (USD)	25,537,173	-
Credit Suisse First Boston, Zurich	-	-
Habib Metropolitan Bank Limited, Karachi	-	1,688,249
Habib Bank UK, London	6,648	650,000
HSBC Australia Limited, Sydney	-	25,493
HSBC, New York	-	3,542,797
ICICI Bank Limited, Hong Kong	-	891,184
ICICI Bank Limited, Mumbai	59,485,345	993,418
JP Morgan Chase Bank N.A New York, U.S.A	-	1,290,761
Muslim Commercial Bank Limited, Colombo	532,901	2,751,569
Muslim Commercial Bank Limited, Karachi	2,421,391	3,719,191
National Australia Bank Limited	88,148	92,750
Nepal Bangladesh Bank Limited, Kathmandu	1,070,608	2,012,529
Sonali Bank (UK) Limited, London	-	282,710
Saudi Hollandi K.S.A	109,714	109,714
UBAF, Tokyo	236,159	1,388,798
Unicredit Bank AG, Munich (EURO)	367,943	46,932
Wells Fargo Bank NA, New York, (USD)	4,880,291	82,119
Wells Fargo Bank NA, London, (Euro)	282,377	54,819
Zurcher Kantonal Bank, Switzerland	85,785	339,950
	108,334,246	24,783,104
	220,544,577	30,350,600

Bank Asia Limited
Notes to financial statements for the period ended 30 September 2014

		Amount in Taka	
		At	At
		30 Sep 2014	31 Dec 2013
5(a)	Consolidated Balance with other banks and financial institutions In Bangladesh		
	Bank Asia Limited	999,507,944	1,325,297,321
	Bank Asia Securities Limited	7,058,188	6,302,861
	BA Exchange Company (UK) Limited	-	-
	BA Express USA, Inc	-	-
		<u>1,006,566,132</u>	<u>1,331,600,182</u>
	<u>Less: Inter-company transactions</u>	<u>-</u>	<u>1,449,463</u>
		<u>1,006,566,132</u>	<u>1,330,150,719</u>
	Outside Bangladesh		
	Bank Asia Limited	233,025,314	37,585,924
	Bank Asia Securities Limited	-	-
	BA Exchange Company (UK) Limited	10,798,190	1,185,210
	BA Express USA, Inc	37,991,161	-
		<u>281,814,665</u>	<u>38,771,134</u>
		<u>1,288,380,797</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	500,000,000	-
		<u>500,000,000</u>	<u>-</u>
6.1	Call Money- with Banking companies:	<u>-</u>	<u>-</u>
6.2	Call Money- with non Banking companies:		
	Investment Corporation of Bangladesh	500,000,000	-
		<u>-</u>	<u>-</u>
		<u>500,000,000</u>	<u>-</u>
6(a)	Consolidated Money at call and on short notice		
	Bank Asia Limited	500,000,000	-
	Bank Asia Securities Limited	-	-
	BA Exchange Company (UK) Limited	-	-
		<u>500,000,000</u>	<u>-</u>
7	Investments		
	Government (Note 7.1)	36,652,376,892	30,512,642,417
	Others (Note 7.2)	6,747,444,711	3,420,713,606
		<u>43,399,821,603</u>	<u>33,933,356,023</u>
7.1	Government		
	Conventional and Islamic banking (Note 7.1.1)	36,652,376,892	30,512,642,417
	Off-shore banking unit	-	-
		<u>36,652,376,892</u>	<u>30,512,642,417</u>
7.1.1	Conventional and Islamic banking		
	Treasury bills (Note 7.1.1.1)	14,850,418,399	9,101,643,856
	Treasury bonds (Note 7.1.1.2)	21,794,270,493	21,403,213,651
	Debentures of House Building Finance Corporation	5,000,000	5,000,000
	Prize bonds	2,688,000	2,784,910
		<u>36,652,376,892</u>	<u>30,512,642,417</u>
7.1.1.1	Treasury bills		
	91 days treasury bills	231,892,259	147,949,221
	182 days treasury bills	6,845,817,522	363,616,692
	364 days treasury bills	7,772,708,618	8,590,077,943
		<u>14,850,418,399</u>	<u>9,101,643,856</u>
7.1.1.2	Treasury bonds		
	Bangladesh Bank Islamic bond	256,500,000	187,500,000
	30 days Bangladesh Government treasury bonds	-	777,576,373
	2 years Bangladesh Government treasury bonds	45,993,419	1,629,864,237
	5 years Bangladesh Government treasury bonds	8,050,301,643	9,116,194,613
	10 years Bangladesh Government treasury bonds	11,344,545,419	8,595,324,426
	15 years Bangladesh Government treasury bonds	1,920,462,271	920,286,261
	20 years Bangladesh Government treasury bonds	176,467,741	176,467,741
		<u>21,794,270,493</u>	<u>21,403,213,651</u>
7.2	Others		
	Conventional and Islamic banking (Note 7.2.1)	4,997,444,711	3,420,713,606
	Off-shore banking unit	1,750,000,000	-
		<u>6,747,444,711</u>	<u>3,420,713,606</u>

Bank Asia Limited

Notes to financial statements for the period ended 30 September 2014

		Amount in Taka	
		At 30 Sep 2014	At 31 Dec 2013
7.2.1	Conventional and Islamic banking		
a)	Ordinary shares		
	Quoted shares	552,347,337	544,835,589
	Unquoted share	142,817,792	142,115,780
		695,165,129	686,951,369
b)	Mutual Fund		
	1st Janata Bank Mutual fund	50,000,000	50,000,000
	EBL NRB Ist Mutual Fund	149,665,000	149,665,000
	Ist Bangladesh Fixed Income Fund	250,000,000	250,000,000
	MBL 1st Mutual Fund	50,000,000	50,000,000
	EXIM Bank 1st Mutual Fund	248,740,000	248,740,000
		748,405,000	748,405,000
c)	Debentures		
	Beximco Denims Limited	9,537,605	10,514,422
	Beximco Textiles Limited	6,445,370	8,227,537
		15,982,975	18,741,959
d)	Bonds		
	ACI Zero Coupon Bonds	7,891,607	16,615,278
	MTBL subordinated bond	150,000,000	150,000,000
	Orascom Telecom Bangladesh Limited	-	160,000,000
	Prime Bank Limited	140,000,000	140,000,000
	BSRML	100,000,000	-
		397,891,607	466,615,278
e)	Placements		
	With Banking companies (Note 7.2.1(a))	1,190,000,000	-
	With Non-banking financial institutions (Note 7.2.1(b))	1,950,000,000	1,500,000,000
		3,140,000,000	1,500,000,000
		4,997,444,711	3,420,713,606
7.2.1(a)	Placement- with Banking companies:		
	Local Currency:	-	-
	Foreign Currency:		
	Southeast Bank Limited	490,000,000	-
	AB Bank Limited	700,000,000	-
		1,190,000,000	-
7.2.1(b)	Placement- with Non-banking financial institutions:		
	Investment Corporation of Bangladesh	500,000,000	1,150,000,000
	Lanka Bangla Finance Limited	200,000,000	-
	Phoenix Finance and Investment Company Limited	200,000,000	200,000,000
	Hajj Finance Co. Ltd	-	-
	Union Capital Limited	100,000,000	100,000,000
	Bangladesh Finance	-	50,000,000
	United Leasing Co. Ltd.	350,000,000	-
	Uttara Finance	100,000,000	-
	IDLC Finance Ltd.	400,000,000	-
	MIDAS	100,000,000	-
		1,950,000,000	1,500,000,000
7.3	Investments classified as per Bangladesh Bank circular:		
	Held for trading (HFT)	22,648,378,053	9,859,031,996
	Held to maturity (HTM)	13,739,810,839	9,529,668,138
	Other securities	7,011,632,711	5,726,204,380
		43,399,821,603	25,114,904,514

Bank Asia Limited
Notes to financial statements for the period ended 30 September 2014

		Amount in Taka	
		At	At
		30 Sep 2014	31 Dec 2013
7(a)	Consolidated Investments		
	Government		
	Bank Asia Limited	36,652,376,892	30,512,642,417
	Bank Asia Securities Limited	-	-
	BA Exchange Company (UK) Limited	-	-
		36,652,376,892	30,512,642,417
	Others		
	Bank Asia Limited	6,747,444,711	3,420,713,606
	Bank Asia Securities Limited	210,941,250	178,196,029
	BA Exchange Company (UK) Limited	-	-
	BA Express USA, Inc	-	-
		6,958,385,961	3,598,909,635
		43,610,762,853	34,111,552,052
8	Loans and advances/investments		
	Loans, cash credits, overdrafts, etc/investments (Note 8.1)	102,710,029,141	101,074,736,530
	Bills purchased and discounted (Note 8.2)	4,400,814,407	3,836,524,523
		107,110,843,548	104,911,261,053
8.1	Loans, cash credits, overdrafts, etc/investments		
	Conventional and Islamic banking		
	Inside Bangladesh		
	Overdrafts/ Quard against deposit	21,809,298,740	23,045,160,010
	Cash credit/Bai Murabaha (Muajjal)	978,182,052	794,776,624
	Loans (General)/ Musharaka	18,305,267,830	16,534,053,688
	House building loans	154,678,634	204,978,595
	Loan against trust receipts/ Bai Murabaha post import	12,536,765,731	14,356,815,703
	Payment against documents	604,347,573	592,809,509
	Consumer credit scheme	3,848,197,052	3,326,870,132
	Transport loan	1,158,333,342	967,743,358
	Term loan- industrial	5,679,974,394	6,830,057,095
	Term loan- others/ Hire purchase under Shirkatul Melk	32,293,903,021	27,835,722,087
	Staff Loan	993,555,280	814,286,807
	Credit card	1,027,660,525	951,977,130
	Small and medium enterprise (SME)	2,566,259,978	2,605,569,547
	Credit for poverty alleviation scheme-micro credit	9,537,801	11,313,151
		101,965,961,953	98,872,133,436
	Outside Bangladesh	-	-
		101,965,961,953	98,872,133,436
	Off-shore banking unit	744,067,188	2,202,603,094
		102,710,029,141	101,074,736,530
8.2	Bills purchased and discounted		
	Conventional and Islamic banking	2,458,873,859	3,789,937,684
	Off-shore banking unit	1,941,940,548	46,586,839
		4,400,814,407	3,836,524,523
8.14	Bills purchased and discounted		
	Payable in Bangladesh	3,556,418,647	3,464,833,678
	Payable outside Bangladesh	844,395,760	371,690,845
		4,400,814,407	3,836,524,523
8(a)	Consolidated Loans and advances/investments		
	Loans, cash credits, overdrafts, etc/investments		
	Bank Asia Limited	102,710,029,141	101,074,736,530
	Bank Asia Securities Limited	5,886,534,532	5,580,299,642
	BA Exchange Company (UK) Limited	-	-
	BA Express USA, Inc	-	-
		108,596,563,673	106,655,036,172
	Less: Inter- companies transactions	2,687,502,480	2,548,996,460
		105,909,061,193	104,106,039,712
	Bills purchased and discounted		
	Bank Asia Limited	4,400,814,407	3,836,524,523
	Bank Asia Securities Limited	-	-
	BA Exchange Company (UK) Limited	-	-
	BA Express USA, Inc	-	-
		4,400,814,407	3,836,524,523
		110,309,875,600	107,942,564,235
9	Fixed assets including premises, furniture and fixtures		
	Conventional and Islamic banking	5,147,576,166	5,288,050,203
	Off-shore banking unit	242,054	298,124
		5,147,818,220	5,288,348,327

Bank Asia Limited
Notes to financial statements for the period ended 30 September 2014

		Amount in Taka	
		At	At
		30 Sep 2014	31 Dec 2013
9(a)	Fixed assets including premises, furniture and fixtures		
	Bank Asia Limited	5,147,818,220	5,288,348,327
	Bank Asia Securities Limited	6,571,566	9,852,653
	BA Exchange Company (UK) Limited	10,907,390	12,576,200
	BA Express USA, Inc	8,691,327	-
		<u>5,173,988,503</u>	<u>5,310,777,180</u>
10	Other assets		
	Conventional and Islamic banking (Note 10.1)	10,026,776,507	8,533,671,497
	Off-shore banking unit	31,553,587	39,653,973
		<u>10,058,330,094</u>	<u>8,573,325,470</u>
10.1	Conventional and Islamic banking		
	Income generating other assets		
	Income receivable (Note 10.2)	797,139,522	673,555,375
	Investment in BA Exchange Company (UK) Limited	39,000,000	39,000,000
	Investment in Bank Asia Securities Ltd	1,999,990,000	1,999,990,000
	Investment in BA Express USA Inc	60,200,000	41,300,000
		<u>2,896,329,522</u>	<u>2,753,845,375</u>
	Non-income generating other assets		
	Stock of stamps	4,652,215	3,595,391
	Stationery, printing materials, etc	24,275,147	27,707,617
	Prepaid expenses	7,585,678	7,372,165
	Deposits and advance rent	324,461,453	378,522,022
	Due from Capital Market Division of the Bank	10,082,764	9,999,998
	Branch adjustment account (Note 10.3)	-	40,645,004
	Advances, prepayments and others (Note 10.4)	140,011,626	96,611,166
	Advance income tax	6,107,862,847	5,001,463,755
	Receivable against government	264,181,031	73,088,401
	Sundry debtors	77,802,577	63,361,605
	Protested bills	73,942,765	57,163,704
	Receivable from BA Exchange Company (UK) Limited	43,999,975	16,145,334
	Receivable from BA Express USA Inc	51,249,297	-
	Excise duty recoverable	339,610	4,149,960
		<u>7,130,446,985</u>	<u>5,779,826,122</u>
		<u>10,026,776,507</u>	<u>8,533,671,497</u>
10(a)	Consolidated Other assets		
	Bank Asia Limited	10,058,330,094	8,573,325,470
	Bank Asia Securities Limited	140,902,179	111,568,819
	BA Exchange Company (UK) Limited	2,597,790	2,996,240
	BA Express USA, Inc	42,338,349	-
		<u>10,244,168,412</u>	<u>8,687,890,529</u>
	Less: Inter- companies transactions		
	Investment in Bank Asia Securities Limited	1,999,990,000	1,999,990,000
	Investment in BA Exchange Company (UK) Limited	39,000,000	39,000,000
	Investment in BA Express USA, Inc	60,200,000	-
	Receivable from BASL	10,082,764	9,999,998
	Receivable from BA Exchange Company (UK) Limited	43,999,975	16,145,334
	Receivable from BA Exchange USA, Inc.	51,249,297	-
		<u>8,039,646,376</u>	<u>6,622,755,197</u>
11	Borrowings from other banks, financial institutions and agents		
	Conventional and Islamic banking (Note 11.1)	7,957,823,023	1,944,757,246
	Off-shore banking unit	2,677,690,152	-
		<u>10,635,513,175</u>	<u>1,944,757,246</u>
11.1	Conventional and Islamic banking		
	In Bangladesh (Note 11.1.1)	7,957,823,023	1,944,757,246
	Outside Bangladesh	-	-
		<u>7,957,823,023</u>	<u>1,944,757,246</u>
11.1.1	In Bangladesh		
	Secured	-	-
	Un secured:		
	Money at call and on short notice	-	-
		<u>-</u>	<u>-</u>
	Term borrowing		
	Bangladesh Bank refinance	7,937,823,023	1,924,757,246
	SME Foundation Pre Finance	20,000,000	20,000,000
		<u>7,957,823,023</u>	<u>1,944,757,246</u>
		<u>7,957,823,023</u>	<u>1,944,757,246</u>

Bank Asia Limited

Notes to financial statements for the period ended 30 September 2014

		Amount in Taka	
		At 30 Sep 2014	At 31 Dec 2013
11(a)	Consolidated Borrowings from other banks, financial institutions and agents		
	Bank Asia Limited	10,635,513,175	1,944,757,246
	Bank Asia Securities Limited	3,100,721,639	2,963,356,289
	BA Exchange Company (UK) Limited	-	-
	BA Express USA, Inc	-	-
		13,736,234,814	4,908,113,535
	<u>Less: inter- companies transactions</u>	2,687,502,480	2,548,996,460
		<u>11,048,732,334</u>	<u>2,359,117,075</u>
11(aa)	Subordinated Non-Convertible Zero Coupon Bond		
	A.K Khan & Company Limited	187,096,765	249,997,004
	EBL NRB Mutual Fund	14,908,480	19,920,576
	Popular Life 1st Mutual Fund	7,454,240	9,960,288
	EXIM Bank 1st Mutual Fund	29,933,432	39,996,781
	IFIC Bank 1st Mutual Fund	7,454,240	9,960,288
	AB Bank 1st Mutual Fund	28,419,290	37,973,598
	EBL First Mutual Fund	7,477,535	9,991,414
	First Bangladesh Fixed Income Fund	157,121,403	209,944,195
	Industrial and Infrastructure Development Finance Company Limited (IIDFC)	9,171,045	12,254,267
		<u>449,036,430</u>	<u>599,998,411</u>
12	Deposits and other accounts		
	Conventional and Islamic banking (Note 12.1)	134,147,607,052	132,802,504,952
	Off-shore banking unit	1,257,763,999	686,869,689
		<u>135,405,371,051</u>	<u>133,489,374,641</u>
	Deposits and other accounts		
	Current/Al-wadeeah current accounts and other accounts		
	Deposits from banks	-	-
	Deposits from customers	20,548,508,516	16,836,782,077
		20,548,508,516	16,836,782,077
	Bills payable		
	Deposits from banks	-	-
	Deposits from customers	1,355,782,597	1,667,720,280
		1,355,782,597	1,667,720,280
	Savings bank/Mudaraba savings bank deposits		
	Deposits from banks	-	-
	Deposits from customers	15,520,414,875	12,827,249,596
		15,520,414,875	12,827,249,596
	Fixed deposits/Mudaraba fixed deposits		
	Deposits from banks	215,333,295	4,500,000,000
	Deposits from customers	96,507,567,769	96,970,752,999
		96,722,901,064	101,470,752,999
		<u>134,147,607,052</u>	<u>132,802,504,952</u>
12.1	Conventional and Islamic banking		
	Deposits from banks (Note 12.1.1)	215,333,295	4,500,000,000
	Deposits from customers (Note 12.1.2)	133,932,273,757	128,302,504,952
		<u>134,147,607,052</u>	<u>132,802,504,952</u>
12.1.1	Deposits from banks		
	Fixed deposit/SND		
	AB Bank Limited	1,299,207	-
	EXIM Bank Limited	7,609,153	-
	Sonali Bank Limited	5,390,051	-
	Social Islami Bank Limited	516,462	-
	The Premier Bank Limited	200,000,000	200,000,000
	The Trust Bank Limited	518,422	-
	Southeast Bank	-	200,000,000
	IFIC Bank Limited	-	500,000,000
	Rupali Bank Limited	-	3,000,000,000
	ONE Bank Limited	-	600,000,000
		215,333,295	4,500,000,000
	Bangladesh Bank refinance	-	-
		<u>215,333,295</u>	<u>4,500,000,000</u>

Bank Asia Limited

Notes to financial statements for the period ended 30 September 2014

		Amount in Taka	
		At	At
		30 Sep 2014	31 Dec 2013
12.1.2	Deposits from customers		
	Current/Al-wadeeah current accounts and other accounts (Note 12.1.2a)	20,548,508,516	16,836,782,077
	Bills payable (Note 12.1.2b)	1,355,782,597	1,667,720,280
	Savings bank/Mudaraba savings deposits	15,520,414,875	12,827,249,596
	Fixed deposits/Mudaraba fixed deposits (Note 12.1.2c)	96,507,567,769	96,970,752,999
		<u>133,932,273,757</u>	<u>128,302,504,952</u>
12.1.2a	Current/Al-wadeeah current accounts and other accounts		
	Current/Al-wadeeah current accounts	7,853,064,832	6,088,225,409
	Other demand deposit - Local currency	10,201,147,220	8,704,668,986
	Other demand deposit - Foreign currencies	1,854,250,029	1,545,775,165
	Foreign currency deposits	640,046,435	498,112,517
		<u>20,548,508,516</u>	<u>16,836,782,077</u>
12.1.2b	Bills payable		
	Bills payable - local currency	1,348,756,023	1,659,276,640
	Bills payable - foreign currencies	7,026,574	8,443,640
		<u>1,355,782,597</u>	<u>1,667,720,280</u>
12.1.2c	Fixed deposits/Mudaraba fixed deposits		
	Fixed deposits/Mudaraba fixed deposits	60,572,440,480	67,486,671,493
	Special notice deposit	10,905,130,021	9,444,532,308
	Foreign currency deposits (interest bearing)	5,476,886	5,469,270
	Deposit under schemes	25,024,520,382	20,034,079,928
		<u>96,507,567,769</u>	<u>96,970,752,999</u>
12.2	Payable on demand and time deposits		
a)	Demand deposits		
	Current/Al-wadeeah current accounts and other accounts	8,704,642,574	6,375,963,126
	Savings bank/Mudaraba savings deposits	1,396,837,339	1,154,452,464
	Foreign currency deposits (non interest bearing)	2,494,296,464	2,043,887,682
	Sundry deposits	10,201,147,220	8,704,668,986
	Bills payable	1,355,782,597	1,667,720,280
		24,152,706,194	19,946,692,538
b)	Time deposits		
	Savings bank/Mudaraba savings deposits	14,123,577,536	11,672,797,132
	Fixed deposits/Mudaraba fixed deposits	61,193,960,032	72,385,803,465
	Foreign currency deposits (interest bearing)	5,476,886	5,469,270
	Special notice deposit	10,905,130,021	9,444,532,308
	Security deposits	-	-
	Deposits under schemes	25,024,520,382	20,034,079,928
		111,252,664,857	113,542,682,103
		<u>135,405,371,051</u>	<u>133,489,374,641</u>
12(a)	Consolidated Deposits and other accounts		
	Current/Al-wadeeah current accounts and other accounts		
	Bank Asia Limited	21,400,086,258	17,124,519,794
	Bank Asia Securities Limited	124,450,577	194,964,630
	BA Exchange Company (UK) Limited		
	BA Express USA, Inc		
		21,524,536,835	17,319,484,424
	<u>Less: Inter-company transactions</u>	-	1,449,463
		<u>21,524,536,835</u>	<u>17,318,034,961</u>
	Bills payable		
	Bank Asia Limited	1,355,782,597	1,667,720,280
	Bank Asia Securities Limited	-	-
	BA Exchange Company (UK) Limited	-	-
	BA Express USA, Inc	-	-
		<u>1,355,782,597</u>	<u>1,667,720,280</u>
	Savings bank/Mudaraba savings bank deposits		
	Bank Asia Limited	15,520,414,875	12,827,249,596
	Bank Asia Securities Limited	-	-
	BA Exchange Company (UK) Limited	-	-
		<u>15,520,414,875</u>	<u>12,827,249,596</u>
	Fixed deposits/Mudaraba fixed deposits		
	Bank Asia Limited	97,129,087,321	101,869,884,971
	Bank Asia Securities Limited	-	-
	BA Exchange Company (UK) Limited	-	-
		<u>97,129,087,321</u>	<u>101,869,884,971</u>

Bank Asia Limited

Notes to financial statements for the period ended 30 September 2014

		Amount in Taka	
		At	At
		30 Sep 2014	31 Dec 2013
13	Other liabilities		
	Provision for loans and advances/investments (Note 13.1)	5,723,556,586	4,112,634,273
	Provision on off-balance sheet exposures (Note 13.2)	747,849,275	671,642,649
	Interest suspense account	973,583,470	687,051,851
	Provision for income tax including deferred tax (Note 13.3)	8,171,919,220	6,651,366,076
	Provision for performance and festival bonus	147,682,279	184,017,005
	Master card and Visa card payables	28,077,532	7,306,276
	Expenditures and other payables	46,903,820	80,379,428
	Obligation under finance lease (Note 13.4)	7,466,524	10,836,114
	Provision for nostro accounts (Note 13.5)	-	-
	Other payable	48,524,303	47,448,817
	Provision for profit equalisation	15,575,800	20,643,916
	Provision for Smart Junior Saver A/c	49,665	49,665
	Provision for diminution in value of shares	312,605,442	246,883,553
	Payable to Government	26,452,621	32,465,155
	Provision for others (Note 13.6)	96,422,336	69,831,098
	Unearned income	296,667,679	244,882,150
	Clearing adjustment account	68,374,473	28,861,480
	Interest payable on subordinated non-convertible zero coupon bond	9,861,530	29,609,581
	Branch adjustment account credit balance	97,362,051	-
	Adjustment with OBU	553,500	-
	Nostro account credit balance	122,743,020	-
		<u>16,942,231,126</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
	Add: Provision made during the period		
	On general loans and advances/investments etc.	(38,780,025)	30,880,483
	On special mentioned account	104,328,713	-
		65,548,688	30,880,483
	Less: Provision no longer required		
	On general loans and advances/investments etc.	-	-
	On special mentioned account	-	-
		-	-
	Balance at the end of the period	<u>1,081,256,284</u>	<u>1,015,707,596</u>
	B. Specific		
	Balance at the beginning of the year	3,074,434,778	2,641,109,129
	Less: Interest waiver during the period	(19,167,464)	(123,022)
	Write off/amicable settlement during the period	-	(1,209,667,879)
		(19,167,464)	(1,209,790,901)
	Add/ Back: Recoveries of amounts previously written off	65,368,891	123,313,731
	Provision against malkhanagar protested bills	47,179,849	-
	Specific provision made during the year for other accounts	1,447,624,171	1,519,802,819
		1,560,172,911	1,643,116,550
	Balance at the end of the period	<u>4,615,440,225</u>	<u>3,074,434,778</u>
	C. Total provision on loans and advances/investments (A+B)	<u>5,696,696,509</u>	<u>4,090,142,374</u>
	D. General provision maintained for OBU as at 01 January	22,491,899	4,371,533
	Add: Provision made during the period	4,368,178	18,120,366
	Provision on loans and advances for OBU	26,860,077	22,491,899
	E. Total provision on loans and advances/investments (C+D)	<u>5,723,556,586</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
	Add: Provision made during the period	77,831,377	80,876,261
		746,344,728	668,513,351
	Less: Adjustments made during the period	-	-
	Balance at the end of the period	<u>746,344,728</u>	<u>668,513,351</u>
	General provision maintained for OBU as at 01 January	3,129,298	4,520,276
	Add: Provision made during the period	-	-
	Less: Adjustments made during the period	(1,624,751)	(1,390,978)
		1,504,547	3,129,298
	Balance at the end of the period	<u>747,849,275</u>	<u>671,642,649</u>

Bank Asia Limited

Notes to financial statements for the period ended 30 September 2014

		Amount in Taka	
		At	At
		30 Sep 2014	31 Dec 2013
13.3	Provision for taxation		
	Current tax (Note 13.3.1)	7,870,759,209	6,350,206,065
	Deferred tax (Note 13.3.2)	301,160,011	301,160,011
		<u>8,171,919,220</u>	<u>6,651,366,076</u>
13.3.1	Provision for current tax		
	Balance at 1 January	6,350,206,065	7,089,642,948
	Add: Provision made during the period	1,520,553,144	2,041,583,693
		7,870,759,209	9,131,226,641
	Less: Adjustments made during the period	-	(2,781,020,576)
		<u>7,870,759,209</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	1,520,553,144	1,788,554,541
	Bank Asia Securities Limited	16,954,638	16,070,482
	BA Exchange Company (UK) Limited	-	-
	BA Express USA, Inc	-	-
		<u>1,537,507,782</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	7,466,524	10,836,114
	Building	-	-
		<u>7,466,524</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)
	Add: Provision made during the period	26,600,000	-
	Balance at the end of the period	<u>96,422,336</u>	<u>69,831,098</u>
13(a)	Consolidated Other liabilities		
	Bank Asia Limited	16,942,231,126	13,125,909,087
	Bank Asia Securities Limited	1,010,937,598	746,619,173
	BA Exchange Company (UK) Limited	36,217,870	21,388,900
	BA Express USA, Inc	46,915,369	-
		<u>18,036,301,963</u>	<u>13,893,917,160</u>
	Less: Inter- companies transactions		
	Receivable from capital operation	10,082,764	9,999,998
	Receivable from BA Exchange (UK) Limited	43,999,975	16,145,334
	BA Express USA, Inc	51,249,297	-
		<u>17,930,969,927</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>

Bank Asia Limited

Notes to financial statements for the period ended 30 September 2014

		Amount in Taka	
		At	At
		30 Sep 2014	31 Dec 2013
14.2	Issued, subscribed and fully paid up capital		
	56,372,480 ordinary shares of Taka 10 each issued for cash	563,724,800	563,724,800
	364,010,770 (2010: 243,901,270) ordinary shares of Taka 10 each issued as bonus shares	3,640,107,700	3,640,107,700
	Right shares issued 25% for the year 2011	1,050,958,100	1,050,958,100
	Issued as bonus shares 20% for the year 2011	1,050,958,120	1,050,958,120
	Issued as bonus shares 10% for the year 2012	630,574,870	630,574,870
	Issued as bonus shares 10% for the year 2013	693,632,350	-
		<u>7,629,955,940</u>	<u>6,936,323,590</u>
14.3	Initial public offer (IPO)		
	Out of the total issued, subscribed and fully paid up capital of the Bank 2,000,000 ordinary shares of Taka 100 each amounting to Taka 200,000,000 was raised through public offering of shares in 2003.		
14.4	Capital adequacy ratio		
	The calculation of CAR has been done as per BRPD Circular no. 10 dated 10 March 2010 and the Basel-II guidelines, December 2010 vide BRPD Circular no. 35 dated 29 December 2010.		
	Core capital (Tier-I)		
	Paid up capital	7,629,955,940	6,936,323,590
	Share premium	330	330
	Statutory reserve (Note 15)	4,671,153,095	4,208,075,877
	Retained earnings (Note 17)	397,869,851	759,746,473
		12,698,979,217	11,904,146,270
	Supplementary capital (Tier-II)		
	General provision maintained against unclassified loan/investments	1,108,116,361	1,038,199,495
	General provision on off-balance sheet exposure	747,849,275	671,642,649
	Subordinated non-covertable zero coupon bonds	449,036,430	599,998,411
	General reserve	8,166,144	8,166,144
	Revaluation reserve of Government securities and fixed assets	1,519,310,620	1,352,695,802
		3,832,478,830	3,670,702,501
	Additional supplementary capital (Tier-III)	-	-
	A) Total capital	<u>16,531,458,046</u>	<u>15,574,848,771</u>
	B) Total risk weighted assets	147,000,180,000	140,976,922,828
	C) Required capital	14,700,018,000	14,097,692,283
	D) (Deficit)/Surplus (A-C)	<u>1,831,440,046</u>	<u>1,477,156,488</u>
	Capital adequacy ratio:		
	On core capital - against standard of minimum 5%	8.64%	8.44%
	On total capital - against standard of minimum 10%	11.25%	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	11,778	11,604
	Share premium	330	330
	Statutory reserve (Note 15)	4,671,153,095	4,208,075,877
	Retained earnings (Note 17a)	345,303,745	699,449,908
		12,646,424,889	11,843,861,309
	Supplementary capital (Tier-II)		
	General provision maintained against unclassified loan/investments	1,108,116,361	1,038,199,495
	General provision on off-balance sheet exposure	747,849,275	671,642,649
	Subordinated non-covertable zero coupon bonds	449,036,430	599,998,411
	General reserve	8,166,144	8,166,144
	Revaluation reserve of Government securities and fixed assets	1,519,310,620	1,352,695,802
		3,832,478,830	3,670,702,501
	Additional supplementary capital (Tier-III)	-	-
	A) Total capital	<u>16,478,903,718</u>	<u>15,514,563,810</u>
	B) Total risk weighted assets	153,544,417,735	143,296,500,000
	C) Required capital	15,354,441,774	14,329,650,000
	D) (Deficit)/Surplus (A-C)	<u>1,124,461,945</u>	<u>1,184,913,810</u>
	Capital adequacy ratio:		
	On core capital - against standard of minimum 5%	8.24%	8.27%
	On total capital - against standard of minimum 10%	10.73%	10.83%

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Notes to financial statements for the period ended 30 September 2014

		Amount in Taka	
		At	At
		30 Sep 2014	31 Dec 2013
15	Statutory reserve		
	Balance at 1 January	4,208,075,877	3,503,958,171
	Add: Addition during the year (20% of pre-tax profit)	463,077,218	704,117,706
		<u>4,671,153,095</u>	<u>4,208,075,877</u>
16	Revaluation reserve		
	HTM securities (Note 16.1)	564,069	2,684,722
	HFT securities (Note 16.2)	650,363,668	315,013,379
	Fixed Assets revaluation (Note 16.3)	2,387,693,502	2,387,693,502
		<u>3,038,621,239</u>	<u>2,705,391,603</u>
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	2,639,387,175	844,833,025
	Adjustment for sale/maturity of securities	(2,304,036,886)	(687,347,210)
		<u>650,363,668</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	3,038,621,239	2,705,391,603
	Bank Asia Securities Limited	-	-
	BA Exchange Company (UK) Limited	-	-
		<u>3,038,621,239</u>	<u>2,705,391,603</u>
17	Retained earnings		
	Balance at 1 January	759,746,473	634,621,144
	Add: Post - tax profit for the period	794,832,947	1,459,817,905
	Less: Issue of bonus shares for the year 2013	693,632,350	-
	Issue of bonus shares for the year 2012	-	630,574,870
	Transfer to statutory reserve	463,077,218	704,117,706
		<u>397,869,851</u>	<u>759,746,473</u>
17(a)	Consolidated Retained earnings		
	Balance at 1 January	699,449,908	703,603,495
	Add: Post- tax profit for the period	802,563,580	1,330,538,402
	Less: Non controlling interest	-	-
	Less: Non controlling interest	174	(587)
		<u>1,502,013,314</u>	<u>2,034,142,484</u>
	Less :Issue of bonus shares	693,632,350	630,574,870
	Transferred to statutory reserve	463,077,218	704,117,706
		<u>1,156,709,568</u>	<u>1,334,692,576</u>
		<u>345,303,745</u>	<u>699,449,908</u>
17(b)	Non-controlling (Minority) interest		
	Bank Asia Securities Limited	11,778	11,604
	BA Exchange Company (UK) Limited	-	-
		<u>11,778</u>	<u>11,604</u>

Bank Asia Limited
Notes to financial statements for the period ended 30 September 2014

		Amount in Taka	
		At	At
		30 Sep 2014	31 Dec 2013
18	Contingent liabilities		
	Conventional and Islamic banking	74,634,472,775	66,851,335,098
	Off-shore banking unit	150,454,700	312,929,832
		<u>74,784,927,475</u>	<u>67,164,264,930</u>
	Acceptances and endorsements		
	Conventional and Islamic banking	22,060,109,470	22,321,205,553
	Off-shore banking unit	71,481,270	167,008,520
		22,131,590,740	22,488,214,073
	Letters of guarantee		
	Conventional and Islamic banking	21,241,935,620	17,820,912,163
	Off-shore banking unit	-	-
		21,241,935,620	17,820,912,163
	Irrevocable letters of credit		
	Conventional and Islamic banking	20,767,737,507	17,857,816,246
	Off-shore banking unit	59,754,730	52,175,970
		20,827,492,237	17,909,992,216
	Bills for collection		
	Conventional and Islamic banking	10,564,690,178	8,851,401,136
	Off-shore banking unit	19,218,700	93,745,342
		10,583,908,878	8,945,146,478
	Other contingent liabilities		
	Conventional and Islamic banking	-	-
	Off-shore banking unit	-	-
		-	-
		<u>74,784,927,475</u>	<u>67,164,264,930</u>
19	Income statement		
	Income:		
	Interest, discount and similar income (Note 19.1)	12,968,943,331	12,257,477,607
	Dividend income (Note 22)	10,086,344	11,149,280
	Fees, commission and brokerage (Note 19.2)	695,147,299	692,117,173
	Interest on Others/NBBL	-	22,464,885
	Interest on Orascom Telecom Bangladesh Ltd. senior secured bonds	8,160,000	21,750,000
	Interest on ACI Convertible zero coupon bonds	3,672,422	3,063,603
	Interest on Bangladesh Steel Re-rolling Mills	5,416,666	-
	MTBL unsecured subordinated convertible bonds	13,400,009	13,500,820
	Prime Bank Ltd unsecured non-convertible subordinated bonds	11,985,555	-
	Interest on placements	170,620,298	277,129,942
	Gains less losses arising from dealing in foreign currencies (Note 23.1)	601,510,918	671,570,524
	Other operating income (Note 24)	378,229,357	331,325,486
		14,867,172,199	14,301,549,320
	Expenses:		
	Interest paid/profit shared on deposits and borrowings, etc (Note 21)	7,980,524,995	8,228,752,064
	Administrative expenses (Note 19.3)	1,823,833,916	1,556,623,114
	Other expenses (Note 34)	784,661,471	538,657,702
	Depreciation on banks assets (Note 33.1)	276,696,174	210,538,449
		10,865,716,556	10,534,571,329
		<u>4,001,455,643</u>	<u>3,766,977,991</u>
19.1	Interest, discount and similar income		
	Interest income/profit on investments	10,385,182,829	10,583,590,824
	Interest on treasury bills	571,209,528	259,972,080
	Interest on treasury bonds	1,789,574,276	1,410,551,855
	Interest on debentures	2,741,016	1,443,750
	Income from investment in shares	4,918,941	1,919,098
	Capital gain on Government securities	215,316,741	-
		12,968,943,331	12,257,477,607
	Figures of previous year have been rearranged, wherever considered necessary, to conform the current year's presentation.		
19.2	Fees, commission and brokerage		
	Commission	695,147,299	692,117,173
	Brokerage	-	-
		<u>695,147,299</u>	<u>692,117,173</u>

Bank Asia Limited
Notes to financial statements for the period ended 30 September 2014

		Amount in Taka	
		At	At
		30 Sep 2014	31 Dec 2013
19.3	Administrative expenses		
	Salaries and allowances (Note 25)	1,323,099,112	1,102,859,130
	Rent, taxes, insurance, electricity, etc (Note 26)	321,539,177	281,372,334
	Legal expenses (Note 27)	7,856,920	6,871,180
	Postage, stamp, telecommunication, etc (Note 28)	52,154,097	49,940,905
	Stationery, printing, advertisement, etc (Note 29)	56,409,540	51,849,701
	Managing Director's salary and fees (Note 30)	10,942,000	9,206,000
	Directors' fees (Note 31)	1,988,240	1,255,000
	Auditors' fees (Note 32)	-	144,000
	Repair of Bank's assets (Note 33.1)	49,844,830	53,124,864
		<u>1,823,833,916</u>	<u>1,556,623,114</u>
20	Interest income/profit on investments		
	Conventional and Islamic banking (Note 20.1)	10,290,874,567	10,542,242,289
	Off-shore banking unit	94,308,262	41,348,535
		<u>10,385,182,829</u>	<u>10,583,590,824</u>
20.1	Conventional and Islamic banking		
	Loans (General)/Musharaka	1,575,913	4,710,967
	Loans against trust receipts/ Bai Murabaha post import	1,325,185,762	1,724,467,382
	Packing credit	14,121,258	9,227,913
	House building loan	30,543,677	38,593,819
	Payment against documents	61,119,577	93,239,517
	Cash credit/Bai-Muajjal	84,440,731	272,986,306
	Overdraft/ Quard against deposit	419,776,632	481,157,442
	Consumer credit scheme	15,553,712	22,006,587
	Staff loan	38,635,709	30,918,901
	Local bills purchased	263,025,574	342,257,736
	Foreign bills purchased	34,267,003	69,381,863
	Interest income from credit card	147,871,397	135,391,316
	Term loan- others/ Hire purchase Shirkatul Melk	2,376,542,924	2,011,650,783
	Term loan- industrial	746,277,005	768,996,263
	Demand loan	1,141,981,640	1,261,549,089
	Transport loan	151,507,544	173,066,899
	Sachsondo	300,568,426	300,698,854
	Other loans and advances	3,014,715,206	2,670,798,116
	Total interest/profit on loans and advances/investments	10,167,709,690	10,411,099,753
	Interest/profit on balance with other banks and financial institutions	72,770,494	120,563,814
	Interest/profit received from foreign banks	50,394,383	10,578,722
		<u>10,290,874,567</u>	<u>10,542,242,289</u>
20(a)	Consolidated Interest income/profit on investments		
	Bank Asia limited	10,385,182,829	10,583,590,824
	BA Exchange Company (UK) Limited	-	-
	Bank Asia Securities Ltd	316,059,157	249,292,577
	BA Express USA, Inc	-	-
		<u>10,701,241,986</u>	<u>10,832,883,401</u>
21	Interest paid/profit shared on deposits and borrowings etc.		
	Conventional and Islamic banking (Note 21.1)	7,919,140,397	8,210,574,888
	Off-shore banking unit	61,384,598	18,177,176
		<u>7,980,524,995</u>	<u>8,228,752,064</u>
21.1	Conventional and Islamic banking		
	Interest paid/profit shared on deposits		
	Fixed deposits/ Mudaraba Fixed deposit	4,422,181,019	5,502,875,181
	Sanchaya plus	130,834,023	92,380,402
	Savings deposits/ Mudaraba Savings bank	449,100,614	482,059,191
	Special notice deposits	391,751,397	397,518,084
	Other deposits	2,247,118,911	1,428,006,908
		<u>7,640,985,964</u>	<u>7,902,839,766</u>
	Interest on borrowings		
	Local banks including Bangladesh Bank	256,061,371	291,954,910
	Foreign banks	38,095	104,552
	Interest on subordinated non-covertable zero coupon bond	22,054,967	15,675,660
		<u>278,154,433</u>	<u>307,735,122</u>
		<u>7,919,140,397</u>	<u>8,210,574,888</u>

Bank Asia Limited

Notes to financial statements for the period ended 30 September 2014

		Amount in Taka	
		At	At
		30 Sep 2014	31 Dec 2013
21(a)	Consolidated Interest Expenses/profit paid on Deposits		
	Bank Asia limited	7,980,524,995	8,228,752,064
	BA Exchange Company (UK) Limited	-	-
	Bank Asia Securities Ltd	296,643,331	405,487,950
	BA Express USA, Inc	-	-
		<u>8,277,168,326</u>	<u>8,634,240,014</u>
22	Investment income		
	Interest on treasury bills	571,209,528	259,972,080
	Interest on treasury bonds	1,789,049,478	1,408,067,232
	Interest on Islamic bonds	524,798	2,484,623
	Prime Bank Ltd unsecured non-convertible subordinated bonds	11,985,555	-
	Interest on Others/NBBL	-	22,464,885
	Interest on Orascom Telecom Bangladesh Ltd. senior secured bonds	8,160,000	21,750,000
	Interest on ACI Convertible zero coupon bonds	3,672,422	3,063,603
	MTBL unsecured subordinated convertible bonds	13,400,009	13,500,820
	Interest on placement	170,620,298	277,129,942
	Capital gain from investment in shares	4,918,941	1,919,098
	Dividend on shares	10,086,344	11,149,280
	Interest on debentures	2,741,016	1,443,750
	Capital gain on Government securities	215,316,741	-
	Interest on Bangladesh Steel Re-rolling Mills	5,416,666	-
		<u>2,807,101,796</u>	<u>2,022,945,313</u>
22(a)	Consolidated investment income		
	Bank Asia Limited	2,807,101,796	2,022,945,313
	Bank Asia Securities Limited	4,865,630	-
	BA Exchange Company (UK) Limited	-	-
	BA Express USA, Inc	-	-
		<u>2,811,967,426</u>	<u>2,022,945,313</u>
	<u>Less: Inter-company transactions</u>	<u>-</u>	<u>-</u>
		<u>2,811,967,426</u>	<u>2,022,945,313</u>
23	Commission, exchange and brokerage		
	Conventional and Islamic banking (Note 23.1)	1,294,434,018	1,357,931,687
	Off-shore banking unit	2,224,199	5,756,010
		<u>1,296,658,217</u>	<u>1,363,687,697</u>
23.1	Conventional and Islamic Banking		
	Commission on L/C	489,604,297	529,966,253
	Commission on back to back L/C	-	-
	Fees and commission	45,778,734	33,235,325
	Commission on L/G	137,759,025	101,747,353
	Commission on export	5,776,218	6,150,863
	Commission on PO, DD, TT, TC, etc	7,404,557	6,774,238
	Commission on brokerage	-	-
	Other commission	6,600,269	8,487,131
		<u>692,923,100</u>	<u>686,361,163</u>
	Foreign exchange gain	601,510,918	671,570,524
		<u>1,294,434,018</u>	<u>1,357,931,687</u>
23(a)	Consolidated Commission, exchange and brokerage		
	Bank Asia limited	1,296,658,217	1,363,687,697
	Bank Asia Securities Ltd	90,993,110	72,875,818
	BA Exchange Company (UK) Limited	8,503,950	10,377,250
	BA Express USA, Inc	359,195	-
		<u>1,396,514,472</u>	<u>1,446,940,765</u>
24	Other operating income		
	Conventional and Islamic banking (Note 24.1)	369,715,491	326,760,072
	Off-shore banking unit	8,513,866	4,565,414
		<u>378,229,357</u>	<u>331,325,486</u>

Bank Asia Limited

Notes to financial statements for the period ended 30 September 2014

		Amount in Taka	
		At	At
		30 Sep 2014	31 Dec 2013
24.1	Conventional and Islamic banking		
	Locker charge	6,026,410	5,467,100
	Service and other charges	163,010,872	154,774,505
	Master/Visa card fees and charges	69,802,531	62,288,978
	Postage/telex/SWIFT/fax recoveries	68,051,316	61,009,224
	Profit on sale of fixed assets	1,445,750	-
	Non-operating income	15,456,514	8,029,613
	Rebate on nostro account	42,591,384	35,081,722
	Other income from brokerage	3,330,714	108,930
		<u>369,715,491</u>	<u>326,760,072</u>
24(a)	Consolidated other operating income		
	Bank Asia Limited	378,229,357	331,325,486
	Bank Asia Securities Ltd	5,385,206	-
	BA Exchange Company (UK) Limited	(1,223,820)	(1,119,520)
	BA Express USA, Inc	2,079,795	-
		<u>384,470,538</u>	<u>330,205,966</u>
25	Salaries and allowances		
	Conventional and Islamic banking (Note 25.1)	1,323,099,112	1,102,859,130
	Off-shore banking unit	-	-
		<u>1,323,099,112</u>	<u>1,102,859,130</u>
25.1	Conventional and Islamic banking		
	Basic salary	488,838,065	386,287,682
	Allowances	501,519,116	417,405,424
	Festival bonus	111,985,147	91,625,181
	Gratuity	41,312,118	32,388,992
	Provident fund contribution	44,444,666	35,151,851
	Performance bonus	135,000,000	140,000,000
		<u>1,323,099,112</u>	<u>1,102,859,130</u>
25(a)	Consolidated Salaries and allowances		
	Bank Asia Limited	1,323,099,112	1,102,859,130
	Bank Asia Securities Ltd	28,910,404	23,091,419
	BA Exchange Company (UK) Limited	5,210,920	5,917,600
	BA Express USA, Inc	7,033,905	-
		<u>1,364,254,341</u>	<u>1,131,868,149</u>
26	Rent, taxes, insurance, electricity etc.		
	Conventional and Islamic banking (Note 26.1)	321,339,938	281,311,325
	Off-shore banking unit	199,239	61,009
		<u>321,539,177</u>	<u>281,372,334</u>
26.1	Conventional and Islamic banking		
	Rent, rate and taxes	202,365,765	177,150,047
	Insurance	71,758,487	68,947,702
	Power and electricity	47,215,686	35,213,576
		<u>321,339,938</u>	<u>281,311,325</u>
26(a)	Consolidated Rent, taxes, insurance, electricity etc.		
	Bank Asia Limited	321,539,177	281,372,334
	Bank Asia Securities Ltd	9,034,608	7,437,399
	BA Exchange Company (UK) Limited	4,814,810	6,647,290
	BA Express USA, Inc	2,475,083	-
		<u>337,863,678</u>	<u>295,457,023</u>
	Conventional and Islamic banking (Note 27.1)	7,856,920	6,871,180
	Off-shore banking unit	-	-
		<u>7,856,920</u>	<u>6,871,180</u>
27.1	Conventional and Islamic Banking		
	Legal expenses	7,856,920	6,871,180
	Other professional charges	-	-
		<u>7,856,920</u>	<u>6,871,180</u>
27(a)	Consolidated Legal expenses		
	Bank Asia Limited	7,856,920	6,871,180
	Bank Asia Securities Ltd	30,318	74,527
	BA Exchange Company (UK) Limited	(12,090)	164,580
	BA Express USA, Inc	729,780	-
		<u>8,604,928</u>	<u>7,110,287</u>
28	Postage, stamps, telecommunication etc.		
	Conventional and Islamic banking (Note 28.1)	51,964,293	49,675,697
	Off-shore banking unit	189,804	265,208
		<u>52,154,097</u>	<u>49,940,905</u>

Amount in Taka

Bank Asia Limited

Notes to financial statements for the period ended 30 September 2014

	30 Sep 2014	30 Sep 2013
28.1 Conventional and Islamic banking		
Telephone, courier and postage	36,793,651	33,385,653
Master/VISA card process fee	2,841,859	2,719,667
ATM charge	1,670,554	1,117,352
SWIFT and Reuter charge	8,913,603	10,603,764
Internet	1,744,626	1,849,261
	<u>51,964,293</u>	<u>49,675,697</u>
28(a) Consolidated Postage, stamps, telecommunication etc.		
Bank Asia Limited	52,154,097	49,940,905
Bank Asia Securities Ltd	2,007,711	2,418,186
BA Exchange Company (UK) Limited	308,230	407,290
BA Express USA, Inc	97,629	-
	<u>54,567,667</u>	<u>52,766,381</u>
29 Stationery, printing, advertisements etc.		
Conventional and Islamic banking (Note 29.1)	56,409,540	51,849,701
Off-shore banking unit	-	-
	<u>56,409,540</u>	<u>51,849,701</u>
29.1 Conventional and Islamic banking		
Office and security stationery	30,862,440	22,942,490
Calendar, diary, souvenir, etc	345,900	6,606,887
ATM card	222,588	100,000
Books and periodicals	1,668,392	1,151,707
Publicity and advertisement	23,310,220	21,048,617
	<u>56,409,540</u>	<u>51,849,701</u>
29(a) Consolidated Stationery, printing, advertisements etc.		
Bank Asia Limited	56,409,540	51,849,701
Bank Asia Securities Ltd	575,202	194,020
BA Exchange Company (UK) Limited	241,410	344,500
BA Express USA, Inc	624,175	-
	<u>57,850,327</u>	<u>52,388,221</u>
30 Managing Director's salary and fees		
Basic salary	4,700,000	4,500,000
House rent allowance	1,075,000	1,125,000
Entertainment allowances	435,000	450,000
Bonus	2,200,000	1,500,000
Utility allowance and others	1,027,000	956,000
House maintenance allowance	235,000	225,000
Provident fund	470,000	450,000
LFA	800,000	-
	<u>10,942,000</u>	<u>9,206,000</u>
31 Directors' fees		
Directors' fees	1,988,240	1,255,000
	<u>1,988,240</u>	<u>1,255,000</u>
31(a) Consolidated Directors' fees		
Bank Asia Limited	1,988,240	1,255,000
Bank Asia Securities Ltd.	136,850	51,750
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>2,125,090</u>	<u>1,306,750</u>
32 Auditors' fees		
Statutory audit fees	-	-
Others	-	34,500
	<u>-</u>	<u>34,500</u>
32(a) Consolidated Auditors fees		
Bank Asia Limited	-	144,000
Bank Asia Securities Ltd	-	-
BA Exchange Company (UK) Limited	585,000	546,000
BA Express USA, Inc	279,997	-
	<u>864,997</u>	<u>690,000</u>

Bank Asia Limited
Notes to financial statements for the period ended 30 September 2014

		Amount in Taka	
		30 Sep 2014	30 Sep 2013
33	Depreciation and repair of Bank's assets		
	Conventional and Islamic banking (Note 33.1)	326,474,781	263,663,313
	Off-shore banking unit	66,223	-
		326,541,004	263,663,313
33.1	Conventional and Islamic banking		
	Depreciation		
	Owned assets	272,862,985	207,103,446
	Leased assets	3,766,966	3,435,003
		276,629,951	210,538,449
	Repairs		
	Building	16,071,107	18,063,958
	Furniture and fixtures	428,251	316,537
	Equipments	2,635,663	3,149,778
	Maintenance	30,709,809	31,594,591
		49,844,830	53,124,864
		326,474,781	263,663,313
33(a)	Consolidated Depreciation and repairs of Bank's assets		
	Bank Asia Limited	326,541,004	263,663,313
	Bank Asia Securities Ltd	4,087,504	4,901,938
	BA Exchange Company (UK) Limited	1,948,050	1,860,430
	BA Express USA, Inc	399,035	-
		332,975,593	270,425,681
34	Other expenses		
	Conventional and Islamic banking (Note 34.1)	784,661,471	538,657,702
	Off-shore banking unit	-	-
		784,661,471	538,657,702
34.1	Conventional and Islamic banking		
	Car expenses	161,857,968	137,419,872
	Contractual service expenses	194,820,050	146,550,077
	Computer expenses	73,480,564	70,636,311
	Other management and administrative expenses	78,765,255	74,494,538
	Entertainment	18,933,399	15,973,206
	AGM/EGM expenses	3,633,077	11,634,058
	Office plantation	3,750,912	3,657,397
	Payment to superannuation fund	1,800,000	1,800,000
	Finance charge for lease assets	1,090,927	1,578,026
	Donation and subscription to institutions	223,908,645	54,309,404
	Travelling expenses	14,877,463	10,102,168
	Training and internship	7,062,691	4,189,373
	Directors' travelling expenses	140,080	98,880
	Sharia council fees	500,000	500,000
	Expense adjustment own portfolio	-	5,697,192
	Write off fixed assets	40,440	17,200
		784,661,471	538,657,702
34(a)	Consolidated other expenses		
	Bank Asia Limited	784,661,471	538,657,702
	Bank Asia Securities Ltd	17,115,401	10,654,715
	BA Exchange Company (UK) Limited	3,182,270	3,021,850
	BA Express USA, Inc	8,879,918	-
		813,839,060	552,334,267
35	Earnings per share (EPS)		
	Net profit after tax (Numerator)	794,832,947	888,393,532
	Number of ordinary shares outstanding (Denominator)	693,632,359	693,632,359
	Issue of bonus shares 10%	69,363,236	69,363,236
	Number of ordinary shares outstanding (Denominator)	762,995,595	762,995,595
	Earnings per share (EPS)	1.04	1.16
35(a)	Consolidated Earnings per share (EPS)		
	Net profit after tax (Numerator)	802,563,580	736,234,093
	Number of ordinary shares outstanding (Denominator)	762,995,595	762,995,595
	Earnings per share (EPS)	1.05	0.96

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 September 2013 was Taka 1.28.